



BRANT HALDIMAND NORFOLK Catholic District School Board

Agenda

Catholic Education Centre
322 Fairview Drive
Brantford, ON N3T 5M8

Special Meeting of the Board February 26, 2026 ♦ 2:30 p.m. Boardroom/ Microsoft Teams

Trustees:

Carol Luciani (Chair), Bill Chopp (Vice-Chair), Dennis Blake, Dan Dignard, Toni Poirier
Rick Petrella (on-leave), Mulan How (Student Trustee), Riley O'Brien (Student Trustee)

Senior Administration:

Mike McDonald (Director of Education & Secretary), Rajini Nelson (Superintendent of Business & Treasurer),
John Della Fortuna, Kevin Greco, Michael Lawlor, 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, forever 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 Financial Statements – 2024/2025

Pages 2-36

Presenter: Rajini Nelson, Superintendent of Business & Treasurer

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,
- The security of the property of the board;
 - 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;
 - The acquisition or disposal of a school site;
 - Decisions in respect of negotiations with employees of the board; or
 - 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

Next Meeting: Tuesday, March 24, 2026, 6:30 p.m. – Boardroom

REPORT TO THE BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

Prepared by: Rajini Nelson, Superintendent of Business & Treasurer
Presented to: Board of Trustees
Submitted on: Feb 26, 2026
Submitted by: Mike McDonald, Director of Education & Secretary

FINANCIAL STATEMENT (AUGUST 31, 2025) Public Session

BACKGROUND INFORMATION:

Pursuant to its Terms of Reference, the Audit Committee is required to annually review the consolidated financial statements and, where appropriate, recommend that the Board approve them.

The consolidated financial statements for the year ended August 31, 2025, have been prepared in accordance with the Financial Administration Act and Ontario Regulation 395/11, as described in Note 1 of the financial statements.

Due to the prescribed accounting treatment for tangible capital assets and the recognition of related transactions under Ontario Regulation 395/11, the financial statements deviate from Canadian Public Sector Accounting Standards (PSAS). Accordingly, the financial statements are prepared in accordance with the Financial Administration Act, supplemented by direction from the Ministry of Education.

DEVELOPMENTS:

The draft consolidated financial statements for the year ended August 31, 2025, together with the audit findings and the independent auditor's report from the Board's external auditors, KPMG LLP, are attached as Appendix A.

KPMG has issued an unmodified audit opinion, with an emphasis of matter related solely to the prescribed basis of accounting described above. The opinion confirms that the financial statements present fairly, in all material respects, the financial position and results of operations in accordance with the mandated provincial reporting framework.

The Consolidated Statement of Operations reports an annual surplus of \$4.8 million for the fiscal year ended August 31, 2025. The surplus is primarily attributable to higher provincial legislative grants than originally planned for benchmark increases, additional transportation funding and retroactive pay adjustments related to collective agreements. While the annual surplus contributes positively to accumulated surplus, significant capital investments during the year have resulted in increased financial commitments.

The board remains financially stable supported by positive accumulated surplus, strong capital asset base and continued repayment of long-term debt. However, the boards cash position has tightened, financial commitments continue to grow due to capital activity, and the annual surplus margin is shrinking.

Upon Board approval, management will publish the consolidated financial statements on the Board's website in accordance with subsection 252(2) of the Education Act.

RECOMMENDATION:

THAT the Brant Haldimand Norfolk Catholic District School Board approves the draft financial statements for the year-ended August 31, 2025.

Consolidated Financial Statements

**BRANT HALDIMAND NORFOLK
DISTRICT CATHOLIC SCHOOL
BOARD**

Year ended August 31, 2025

DRAFT

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Financial Statements

Year ended August 31, 2025

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DRAFT

MANAGEMENT REPORT

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED 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.

A summary of the significant accounting policies are 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 judgment, 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 KPMG LLP, independent external auditors appointed by the Board. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Board's consolidated financial statements.

Mike McDonald
Director of Education & Secretary

Rajini Nelson, CPA, CA
Superintendent of Business & Treasurer

February 28, 2026

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of Brant Haldimand Norfolk Catholic District School Board (the "Entity"), which comprise:

- the consolidated statement of financial position as at August 31, 2025
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended;
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at August 31, 2025, and its consolidated results of operations, its consolidated cash flows and its consolidated changes in net debt for the year then ended in accordance with the basis of accounting described in note 1 to the 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 "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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 financial statements which describes the basis of accounting used in the preparation of these 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.

Other Matter – Comparative Information

The financial statements for the year ended August 31, 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on February 2, 2026.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the basis of accounting described in note 1 to the 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 financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

February 28, 2026

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Financial Position

August 31, 2025 with comparative information for 2024

| | 2025 | 2024 |
|--|----------------------|----------------------|
| Financial assets: | | |
| Cash and cash equivalents | \$ 1,196,860 | \$ 7,743,419 |
| Accounts receivable: | | |
| Government of Ontario (note 2) | 31,183,601 | 32,831,874 |
| Other (note 3) | 18,043,856 | 13,629,425 |
| Municipalities | 1,636,303 | 1,969,721 |
| | <u>52,060,620</u> | <u>56,174,439</u> |
| Liabilities: | | |
| Accounts payable and accrued liabilities | 9,498,721 | 14,103,319 |
| Accounts payable - other school boards | 165,000 | 165,000 |
| Deferred revenue (note 4) | 3,338,410 | 3,794,883 |
| Accrued vacation pay | 1,066,961 | 721,434 |
| Retirement and other employee future benefits (note 6) | 1,994,512 | 1,775,631 |
| Accrued interest on long-term liabilities | 383,227 | 450,043 |
| Long-term liabilities (note 9) | 23,886,971 | 27,354,105 |
| Deferred capital contributions (note 7) | 117,079,639 | 106,354,849 |
| Asset retirement obligations (note 5) | 1,962,992 | 1,913,061 |
| | <u>159,376,433</u> | <u>156,632,325</u> |
| Total net debt | (107,315,813) | (100,457,886) |
| Non-financial assets: | | |
| Prepaid expenses | 80,144 | 80,507 |
| Supplies inventory | 391 | 391 |
| Tangible capital assets (note 15) | 152,586,124 | 140,918,377 |
| | <u>152,666,659</u> | <u>140,999,275</u> |
| Contingent liabilities (note 14) | | |
| Commitments (note 17) | | |
| Accumulated surplus (note 12) | \$ 45,350,846 | \$ 40,541,389 |

See accompanying notes to consolidated financial statements.

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Operations and Accumulated Surplus

Year ended August 31, 2025, with comparative information for 2024

| | 2025 Budget | 2025 Actual | 2024 Actual |
|---|--------------------|----------------------|----------------------|
| Revenue: | | | |
| General legislative grants (note 11) | \$ 160,278,915 | \$ 173,022,954 | \$ 165,442,381 |
| Provincial grants - other | 6,275,888 | 11,830,422 | 12,059,773 |
| Federal grants and fees | 789,690 | 991,496 | 802,482 |
| Other fees and revenue | 995,889 | 2,644,818 | 7,023,303 |
| Investment income | 300,000 | 265,278 | 587,613 |
| School funded activities | 4,000,000 | 4,768,107 | 4,732,205 |
| Other revenue - school boards | 444,162 | 494,805 | 500,965 |
| Amortization of deferred capital contributions: | | | |
| Provincial legislative grants | 6,841,744 | 7,208,160 | 6,939,146 |
| Other | 163,888 | 175,350 | 273,657 |
| Total revenue | 180,090,176 | 201,401,390 | 198,361,525 |
| Expenses (note 10) | | | |
| Instruction | 134,388,535 | 148,959,822 | 140,048,003 |
| Administration | 6,732,180 | 7,516,547 | 7,015,199 |
| Transportation | 8,849,406 | 8,603,067 | 8,165,600 |
| School operations and maintenance | 23,180,211 | 26,819,264 | 25,000,368 |
| Other | 3,513,341 | — | 2,931,351 |
| School funded activities | 4,000,000 | 4,693,233 | 4,533,093 |
| Total expenses | 180,663,673 | 196,591,933 | 187,693,614 |
| Annual surplus (deficit) | (573,497) | 4,809,457 | 10,667,911 |
| Accumulated surplus, beginning of year | | 40,541,389 | 29,873,478 |
| Accumulated surplus, end of year | | \$ 45,350,846 | \$ 40,541,389 |

See accompanying notes to consolidated financial statements.

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Change in Net Debt

Year ended August 31, 2025, with comparative information for 2024

| | 2025 | 2024 |
|---|-----------------|------------------|
| Annual surplus | \$ 4,809,457 | \$ 10,667,911 |
| Tangible capital assets activity: | | |
| Acquisition of tangible capital assets | (19,888,126) | (26,270,609) |
| Amortization of tangible capital assets | 8,270,309 | 8,064,334 |
| Change in asset retirement obligation liabilities | (49,930) | - |
| Other non-financial asset activity: | | |
| Change in supplies inventory | - | 47,879 |
| Change in prepaid | 363 | (9,969) |
| | (6,857,927) | (7,500,454) |
| Net debt, beginning of year | (100,457,886) | (92,957,432) |
| Net debt, end of year | \$(107,315,813) | \$ (100,457,886) |

See accompanying notes to consolidated financial statements.

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Cash Flows

Year ended August 31, 2025, with comparative information for 2024

| | 2025 | 2024 |
|--|--------------|---------------|
| Operations: | | |
| Annual surplus | \$ 4,809,457 | \$ 10,667,911 |
| Items not involving cash: | | |
| Amortization of tangible capital assets and adjustments | 8,270,309 | 8,064,334 |
| Amortization of deferred capital contributions | (7,383,510) | (7,212,804) |
| Change in TCA-ARO asset, excluding amortization | (49,930) | - |
| Deferred revenue transferred to deferred capital contributions | 2,249,661 | 2,652,467 |
| Supplies inventory | - | 47,879 |
| Changes in non-cash working capital balances: | | |
| Accounts receivable - Municipalities | 333,418 | 162,215 |
| Accounts receivable - Government of Ontario | 1,648,273 | (2,583,348) |
| Accounts receivable - other | (4,414,431) | 1,676,994 |
| Prepaid expense | 363 | (9,969) |
| Accounts payable and accrued liabilities | (4,604,598) | 4,740,753 |
| Accounts payable - other school boards | - | (363,615) |
| Deferred revenue | (456,473) | (4,748,082) |
| Accrued vacation pay | 345,527 | 114,011 |
| Change in estimate of ARO liability | 49,930 | 67,546 |
| Post employment/retirement benefits | 218,881 | (58,012) |
| Accrued interest on long term liabilities | (66,815) | (63,151) |
| Net change in cash from operations | 950,062 | 13,155,129 |
| Capital activities: | | |
| Acquisition of tangible capital assets | (19,888,126) | (26,270,609) |
| Net change in cash from capital activities | (19,888,126) | (26,270,609) |
| Financing activities: | | |
| Debenture and loan repayments | (3,467,134) | (3,282,380) |
| Capital grants received | 15,858,639 | 8,075,403 |
| Net change in cash from financing activities | 12,391,505 | 4,793,023 |
| Decrease in cash and equivalents | (6,546,559) | (8,322,457) |
| Cash and cash equivalents, beginning of year | 7,743,419 | 16,065,876 |
| Cash and cash equivalents, end of year | \$ 1,196,860 | \$ 7,743,419 |

See accompanying notes to consolidated financial statements.

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2025

1. Significant accounting policies:

The consolidated financial statements of Brant Haldimand Norfolk Catholic District School Board (the "Board") are the representations of management. They have been prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Board are as follows:

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

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

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

1. Significant accounting policies (continued):

(a) Basis of accounting (continued):

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.

(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, performance obligations 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 Consolidated Financial Statements (continued)

Year ended August 31, 2025

1. Significant accounting policies (continued):

(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 Core education funding, 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 Consolidated Financial Statements (continued)

Year ended August 31, 2025

1. Significant accounting policies (continued):

(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; and
- (iii) The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the period.

(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.

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

1. Significant accounting policies (continued):

(h) Tangible capital assets (continued):

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) Asset retirement obligations:

Asset retirement obligations (ARO) are provisions for legal obligations for the retirement of tangible capital assets that are either in productive use or no longer in productive use.

An ARO liability is recognized when, as at the financial reporting date:

- there is a statutory, contractual or legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up;
- a reasonable estimate of the amount can be made

A corresponding amount is added to the carrying value of the related tangible capital asset and is then amortized over its remaining useful life.

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

1. Significant accounting policies (continued):

(i) Asset retirement obligations (continued):

The estimated amounts of future costs to retire the asset is reviewed annually and adjusted to reflect the current best estimate of the liability. Adjustments may result from changes in the assumption used to estimate the amount required to settle the obligation. These amounts are recognized as an increase or decrease in the carrying amount of the asset retirement obligation liability, with a corresponding adjustment to the carrying amount of the related asset. If the related asset is no longer in productive use, all subsequent changes in the estimate of the liability for the ARO are recognized as an expense in the period incurred.

(j) Government transfers:

Government transfers, which include legislative grants, are recognized in the consolidated financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made. If government transfers contain stipulations which give rise to a liability, they are deferred and recognized in revenue when the stipulations are met.

Government transfers for capital are deferred as required by Ontario 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.

(k) Investment income:

Investment income is reported as revenue in the period earned.

When required by the funding government or related Act, investment income earned on externally restricted funds such as pupil accommodation, education development charges and special education forms part of the respective deferred revenue balances.

(l) Long-term debt:

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

(m) 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.

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

1. Significant accounting policies (continued):

(n) Financial instruments:

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

| Financial Instrument | Measurement Method |
|--|--------------------|
| Accounts receivable | Amortized Cost |
| Long-term liabilities | Amortized Cost |
| Accounts payable and accrued liabilities | Amortized Cost |
| Accrued vacation pay | Amortized Cost |
| Cash and cash equivalents | Cost |

Amortized cost is measured using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, based on the effective interest rate. Transaction costs related to the acquisition of investments are added to the amortized cost. It is applied to financial assets or financial liabilities that are not in the fair value category and is now the method that must be used to calculate amortized cost.

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

(o) 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, deferred revenue, and asset retirement obligations. Actual results could differ from these estimates.

(p) 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 core education funding.

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

2. 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 \$31,183,601 as at August 31, 2025 (2023 - \$32,831,874) 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 accounts receivable - other from the Government of Ontario at August 31, 2025 is \$7,152,757 (2024 - \$5,899,610).

3. Accounts receivable – other:

| | 2025 | 2024 |
|-----------------------|--------------|---------------|
| Other school boards | \$ 3,564,657 | \$ 2,355,539 |
| Government of Ontario | 11,912,291 | 9,730,995 |
| Government of Canada | 1,686,054 | 915,946 |
| Other | 880,854 | 626,945 |
| | \$18,043,856 | \$ 13,629,425 |

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

4. Deferred revenue:

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

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

| | Balance at August 31, 2024 | Externally restricted revenue | Revenue recognized | Transferred to DCC | Balance at August 31, 2025 |
|--------------------------------|----------------------------|-------------------------------|---------------------|--------------------|----------------------------|
| Proceeds of disposition | \$ 368,813 | \$ - | \$ - | \$ - | \$ 368,813 |
| Education development charges | - | 1,600,795 | 1,600,795 | - | - |
| Legislative grants - capital | 547,351 | 7,864,331 | 6,080,655 | 2,249,661 | 81,366 |
| Legislative grants - operating | 2,079,247 | 26,132,728 | 26,123,216 | - | 2,088,759 |
| Other education grants | 219,040 | - | - | - | 219,040 |
| Other provincial grants | 2,683 | - | - | - | 2,683 |
| Other grants | 577,749 | - | - | - | 577,749 |
| Total deferred revenue | \$ 3,794,883 | \$35,597,854 | \$33,804,666 | \$2,249,661 | \$ 3,338,410 |

5. 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, 2025, all liabilities for asset retirement obligations are reported at current costs in nominal dollars without discounting.

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

5. Asset retirement obligations (continued):

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

| As at August 31, | 2025 | 2024 |
|---|--------------|--------------|
| Liabilities for asset retirement obligations at beginning of year | \$ 1,913,061 | \$ 1,845,515 |
| Liabilities incurred during the year | - | - |
| Increase in liabilities reflecting changes in the estimate of liabilities | 49,931 | 67,546 |
| Liabilities for asset retirement obligations at end of year | \$ 1,962,992 | \$ 1,913,061 |

The Board made an inflation adjustment increase in estimates of 2.61% as at August 31, 2025 (3.66% - 2024) to reflect costs as at that date.

6. Retirement and other employee future benefits:

(a) Actuarial assumptions:

The accrued benefit obligations for employee future benefit plans as at August 31, 2025 are based upon actuarial assumptions of future events determined for accounting purposes as at August 31, 2025 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% (2024 - 5%).
- ii) Participation rates are assumed to be 100% of early retirement employees (2024 - 100%).
- iii) Discount rate was assumed to be 3.8% per annum (2024 - 3.8%).
- iv) Inflation rate was assumed to be 2% (2024 - 2%).

(b) 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. The premiums are based on the board experience and retirees' premiums may be subsidized by the board. The benefit costs and liabilities related to the plan are provided through an unfunded defined benefit plan and are included in the board's consolidated financial statements. 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 Consolidated Financial Statements (continued)

Year ended August 31, 2025

6. Retirement and other employee future benefits (continued):

(c) 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 4.5 years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreement negotiated prior to 2012 included such provision.

(d) Sick leave top-up benefits:

A maximum of eleven 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 \$92,008 (2024 - \$114,026).

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

(e) Retirement and other employee future benefit liabilities:

| | Retirement benefits | Long-term disability and compensated absences | Workers compensation | 2025 Total employee future benefits | 2024 Total employee future benefits |
|------------------------------|---------------------|---|----------------------|-------------------------------------|-------------------------------------|
| Accrued benefit at August 31 | \$ 84,907 | \$ 126,578 | \$ 1,783,027 | \$ 1,994,512 | \$ 1,775,631 |

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

6. Retirement and other employee future benefits (continued)

(f) Retirement and other employee future benefit expenses:

| | Retirement benefits | Long-term disability and compensated absences | Workers compensation | 2025 Total employee future benefits | 2024 Total employee future benefits |
|--|---------------------|---|----------------------|-------------------------------------|-------------------------------------|
| Current year benefit cost | \$ - | \$ 126,578 | \$ 601,022 | \$ 727,600 | \$ 414,066 |
| Interest on accrued - benefit obligation | 3,933 | - | 50,354 | 54,287 | 66,003 |
| Recognized actuarial (gains)/losses | (1,854) | (34,570) | - | (36,424) | (16,293) |
| Employee future benefits expenses | \$ 2,079 | \$ 92,008 | \$ 651,376 | \$ 745,463 | \$ 463,776 |
| Benefit payments | (41,348) | (98,329) | (386,905) | (526,582) | (521,788) |

(g) 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.

(h) Ontario Municipal Employees Retirement System:

All non-teaching employees of the Board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2025, the Board contributed \$2,692,579 (2024 - \$2,931,049) 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 of \$2.9 billion as at December 31, 2024 (2023 - \$4.2 billion) based on the actuarial valuation of the pension benefit obligation. Ongoing adequacy of the current contribution rates will need to be monitored and may lead to increased future funding requirements.

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

7. Deferred capital contributions:

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

| | 2025 | 2024 |
|--|----------------|----------------|
| Beginning balance | \$ 106,354,849 | \$ 102,839,783 |
| Additions to capital contributions (net) | 15,794,049 | 8,075,403 |
| Revenue recognized in the period | (7,318,920) | (7,212,804) |
| Transfers from deferred revenue | 2,249,661 | 2,652,467 |
| Ending balance | \$ 117,079,639 | \$ 106,354,849 |

8. Trust funds:

Trust funds administered by the Board amounting to \$399,243 (2023 - \$386,190) 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 Consolidated Financial Statements (continued)

Year ended August 31, 2025

9. Long term liabilities:

Debenture debt reported on the consolidated statement of financial position comprises the following:

| | 2025 | 2024 |
|---|---------------------|----------------------|
| 6.5% BNY Mellon debenture payable, semi-annual payments of \$772,885 including principal and interest, maturing October 2026. | \$ 2,174,685 | \$ 3,511,963 |
| 4.867% IA debenture payable, semi-annual payments of \$375,851 including principal and interest, maturing March 2029. | 2,702,561 | 3,300,806 |
| 4.56% OFA debenture payable, semi-annual payments of \$114,507 including principal and interest, maturing November 2031. | 1,275,807 | 1,440,975 |
| 4.9% OFA debenture payable, semi-annual payments of \$58,141 including principal and interest, maturing March 2033. | 745,998 | 822,889 |
| 5.062% OFA debenture payable, semi-annual payments of \$85,137 including principal and interest, maturing March 2034. | 1,199,709 | 1,305,230 |
| 5.384% OFA debenture payable, semi-annual payments of \$462,624 including principal and interest, maturing May 2034. | 6,531,604 | 7,082,834 |
| 5.232% OFA Stage 1 loan payable, semi-annual payments of \$52,483 including principal and interest, maturing April 2035. | 803,581 | 864,117 |
| 5.232% OFA Stage 4 loan payable, semi-annual payments of \$32,797 including principal and interest, maturing April 2035. | 502,162 | 539,991 |
| 5.232% OFA Phase 2 loan payable, semi-annual payments of \$253,921 including principal and interest, maturing April 2035. | 3,887,865 | 4,180,754 |
| 3.799% OFA debenture payable, semi-annual payments of \$201,402 including principal and interest, maturing March 2038. | 4,062,999 | 4,304,546 |
| | \$23,886,971 | \$ 27,354,105 |

Ontario Financing Authority (OFA) is considered a related party. (See note 19)

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

9. Long term liabilities (continued):

Of the net long term liabilities outstanding of \$23,886,971, principal and interest payments are payable over the next five years as follows:

| | Principal | Interest payments | Total |
|------------|----------------------|---------------------|----------------------|
| 2026 | \$ 3,662,551 | \$ 1,156,945 | \$ 4,819,496 |
| 2027 | 3,096,374 | 950,238 | 4,046,612 |
| 2028 | 2,465,392 | 808,333 | 3,273,725 |
| 2029 | 2,588,712 | 685,015 | 3,273,727 |
| 2030 | 1,957,410 | 564,517 | 2,521,927 |
| Thereafter | 10,116,532 | 1,390,256 | 11,506,788 |
| | <u>\$ 23,886,971</u> | <u>\$ 5,555,304</u> | <u>\$ 29,442,275</u> |

Interest paid on long-term debt amounted to \$1,289,397 (2024 - \$1,654,699).

As of August 31, 2025, the Board has \$26,450 (2024 - \$26,450) in letters of credit outstanding related to ongoing construction projects.

10. Expenditures by object:

The following is a summary of current expenditures reported on the consolidated statement of operations by object:

| | 2025 Budget | 2025 Actual | 2024 Actual |
|--|-----------------------|-----------------------|-----------------------|
| Current expenditures: | | | |
| Salary and wages | \$ 121,691,445 | \$ 135,463,185 | \$ 129,067,689 |
| Employee benefits | 21,631,668 | 22,668,648 | 21,615,485 |
| Staff development | 518,848 | 410,293 | 482,911 |
| Supplies and services | 14,057,839 | 14,796,164 | 14,184,364 |
| Interest on long term debt | 1,285,546 | 1,289,397 | 1,476,642 |
| Rental expenditures | 52,000 | 57,081 | 37,144 |
| Fees and contract services | 13,326,068 | 13,538,778 | 12,439,015 |
| Other | 246,015 | 98,078 | 326,030 |
| Amortization and write downs and net loss on disposal-TCA and TCA-ARO | 7,854,244 | 8,270,309 | 8,064,334 |
| | <u>\$ 180,663,673</u> | <u>\$ 196,591,933</u> | <u>\$ 187,693,614</u> |

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

11. Core education funding:

School boards in Ontario receive the majority of their funding from the provincial government. This funding comes in two forms: provincial legislative grants and local taxation in the form of education property tax. The provincial government sets the education property tax rate. Municipalities in which the Board operates collect and remit education property taxes on behalf of the Province of Ontario. 85.9% (2024 - 83.4%) of the consolidated revenues of the board are directly controlled by the provincial government through the core education funding. The payment amounts of this funding are as follows:

| | 2025 | 2024 |
|-------------------------------|-----------------------|-----------------------|
| Provincial legislative grants | \$ 155,372,263 | \$ 148,205,266 |
| Education property tax | 17,650,691 | 17,237,115 |
| Core education funding | \$ 173,022,954 | \$ 165,442,381 |

12. Accumulated surplus:

Accumulated surplus consists of the following:

| | 2025 | 2024 |
|---|---------------------|----------------------|
| Invested in non-depreciable tangible capital assets | \$21,983,023 | \$ 21,983,023 |
| Employee future benefits to be covered in the future | (1,994,512) | (1,775,631) |
| School generated funds | 2,024,194 | 1,980,555 |
| Asset retirement obligation to be covered in the future | (1,962,992) | (1,913,061) |
| Other | 25,301,133 | 20,266,503 |
| | \$45,350,846 | \$ 40,541,389 |

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

13. 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:

| | 2025 | | 2024 | |
|--------------------|---------------|---------------|---------------|---------------|
| | Total | Board portion | Total | Board portion |
| Operations: | | | | |
| Revenues | \$ 26,380,370 | \$ 8,448,688 | \$ 25,226,064 | \$ 7,932,725 |
| Expenses | 26,380,370 | 8,448,688 | 25,226,064 | 7,932,725 |
| 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 2025 is approximately 32.0% (2024 – 31.4%). The above provides condensed financial information, which is reported net of harmonized sales tax. Inter-organizational transactions and balances have been eliminated.

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

14. 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.

15. Tangible capital assets:

| Cost | Balance at August 31, 2024 | Additions and Transfers | Disposals, write-offs and adjustments | Transfer to assets held for sale | Balance at August 31, 2025 |
|-----------------------------|----------------------------|-------------------------|---------------------------------------|----------------------------------|----------------------------|
| Land | \$ 21,983,025 | \$ — | \$ — | \$ — | \$ 21,983,025 |
| Land improvements | 7,160,514 | 1,177,686 | — | — | 8,338,200 |
| Buildings | 175,615,254 | 16,496,858 | — | — | 192,112,112 |
| Portable structures | 15,884,199 | 1,370,670 | — | — | 17,254,869 |
| Furniture and Equipment | 3,730,655 | 37,521 | — | — | 3,768,176 |
| Computer hardware | 8,164,069 | 976,149 | — | — | 9,140,218 |
| Computer software | 657,372 | — | — | — | 657,372 |
| Vehicles | 526,199 | 108,862 | — | — | 635,061 |
| Construction in Progress | 7,099,504 | (279,620) | — | — | 6,819,884 |
| Asset Retirement Obligation | 1,913,061 | — | 49,930 | — | 1,962,991 |
| Total | \$ 242,733,852 | \$19,888,126 | \$ 49,930 | \$ — | \$ 262,671,908 |

| Accumulated Amortization | Balance at August 31, 2024 | Amortization | Disposals, write-offs and adjustments | Transfer to assets held for sale | Balance at August 31, 2025 |
|-----------------------------|----------------------------|---------------------|---------------------------------------|----------------------------------|----------------------------|
| Land | \$ — | \$ — | \$ — | \$ — | \$ — |
| Land improvements | 1,740,221 | 588,675 | — | — | 2,328,896 |
| Buildings | 82,494,538 | 6,073,365 | — | — | 88,567,903 |
| Portable structures | 5,297,468 | 635,348 | — | — | 5,932,816 |
| Furniture and Equipment | 3,369,269 | 64,869 | — | — | 3,434,138 |
| Computer hardware | 6,691,685 | 767,822 | — | — | 7,459,507 |
| Computer software | 611,967 | 15,135 | — | — | 627,102 |
| Vehicles | 408,121 | 44,486 | — | — | 452,607 |
| Construction in Progress | — | — | — | — | — |
| Asset Retirement obligation | 1,202,206 | 80,609 | — | — | 1,282,815 |
| Total | \$ 101,815,475 | \$ 8,270,309 | \$ — | \$ — | \$ 110,085,784 |

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

15. Tangible capital assets (continued):

| | Net Book Value August 31, 2024 | Net Book Value August 31, 2025 |
|-----------------------------|-----------------------------------|-----------------------------------|
| Land | \$ 21,983,025 | \$ 21,983,025 |
| Land improvements | 5,420,293 | 6,009,304 |
| Buildings | 93,120,716 | 103,544,209 |
| Portable structures | 10,586,731 | 11,322,053 |
| Furniture and Equipment | 361,386 | 334,038 |
| Computer hardware | 1,472,384 | 1,680,711 |
| Computer software | 45,405 | 30,270 |
| Vehicles | 118,078 | 182,454 |
| Construction in Progress | 7,099,504 | 6,819,884 |
| Asset Retirement Obligation | 710,855 | 680,176 |
| Total | \$ 140,918,377 | \$ 152,586,124 |

16. Ontario School Board Insurance Exchange (OSBIE):

The School Board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act of Ontario. OSBIE insures general liability, property damage and certain other risks. Liability insurance is available to a maximum of \$27,000,000 per occurrence. Premiums paid to OSBIE for the policy year ending December 31, 2025 were \$178,869 (2024 - \$174,983). 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.

- (i) 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.

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

16. Ontario School Board Insurance Exchange (OSBIE) (continued):

- (ii) 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.

17. Commitments:

On January 1, 2025, the Board entered into a joint school operating agreement with the Grand Erie District School Board for Pope Francis Catholic Elementary School. Under this agreement, the Grand Erie District School Board is committed to pay a portion of the custodian charges based on the distribution of space, calculated at 56.49%. The annual amounts are not predetermined and will be based on actual costs incurred.

Subsequent to August 31, 2025, The Board received Ministry approval to build a new secondary school with a childcare facility in the amount of \$81.1 million. The project is expected to be completed and open for school for the 2027-28 school year. The Board had awarded contracts for the project totaling \$59.81 million.

The Board also received Ministry approval to build two new elementary schools, one in Paris and the other in South West Brantford each in the amount of \$24.4 million. The target date for completion and school opening is 2028-29 school year. The Board had awarded contracts for the projects totaling \$2.8 million.

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

18. 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 (2024 - \$146,395) in grants in respect of the above agreement for the year ended August 31, 2025, is recorded in these consolidated financial statements.

19. 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 \$2,522,023 (2024 - \$2,513,104) representing interest of \$990,413 (2024 - \$1,054,692) and principal of \$1,531,610 (2024 - \$1,458,412) are funded by the Ministry of Finance.

The financial statements include expenses for Trustees. During the year amounts relating to the expenses incurred for international travel was agreed to be repaid by the Trustees. The Board has been reimbursed by three trustees full in the amount of \$37,998 and the fourth trustee has reimbursed a portion of the expenses of \$12,666. The Board has a receivable from the trustee for the remaining amount of the expenses in the amount of \$10,370.

20. Future accounting standard adoption:

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

Applicable for fiscal years beginning on or after April 1, 2026 (in effect for the Board for as of September 1, 2026 for the year ending August 31, 2027):

New Public Sector Accounting Standards ("PSAS") Conceptual Framework:

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

20. Future accounting standard adoption (continued):

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

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

The main changes are:

- Additional guidance to improve understanding and clarity
- Non-substantive changes to terminology/definitions
- Financial statement objectives foreshadow changes in the Reporting Model
- Relocation of recognition exclusions to the Reporting Model
- Consequential amendments throughout the Public Sector Accounting Handbook

The framework is expected to be implemented prospectively.

Reporting Model- PS 1202 - Financial Statement Presentation:

This reporting model provides guidance on how information should be presented in the financial statements and will replace PS 1201 - Financial Statement Presentation. The model is expected to be implemented retroactively with restatement of prior year amounts.

The main changes are:

- Restructured Statement of Financial Position
- Introduction of financial and non-financial liabilities
- Amended non-financial asset definition
- New components of net assets- accumulated other and issued share capital
- Increased clarity regarding presentation of budget comparatives on the Statement of Operations
- Relocated net debt to its own statement
- Renamed the net debt indicator
- Revised the net debt calculation
- Removed the Statement of Change in Net Debt

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Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

20. Future accounting standard adoption (continued):

- New Statement of Net Financial Assets/Liabilities
- New Statement of Changes in Net Assets/Liabilities
- Financing transactions presented separately from operating, capital and investing transactions on the Statement of Cash Flows

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