

**BRANT HALDIMAND NORFOLK
CATHOLIC DISTRICT SCHOOL BOARD**

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2022

**BRANT HALDIMAND NORFOLK
CATHOLIC DISTRICT SCHOOL BOARD**

For the year ended August 31, 2022

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MANAGEMENT REPORT

Financial Statements ended August 31, 2022

Management's Responsibility for the Financial Reporting

The accompanying consolidated financial statements of the Brant Haldimand Norfolk Catholic District School Board (the "Board") are the responsibility of the Board's management and have been prepared in accordance with the Financial Administration Act, supplemented by Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the *Financial Administration Act*, as described in Note 1 to the consolidated financial statements.

The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Board management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and Board policies and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

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

The consolidated financial statements have been audited by Millard, Rouse, Rosebrugh LLP, independent external auditors appointed by the Board. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Board's consolidated financial statements.

Mike McDonald
Director of Education & Secretary

Scott Keys, CPA, CA
Superintendent of Business & Treasurer

Brantford, Ontario
November 22, 2022

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, 2022, 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, 2022, 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.

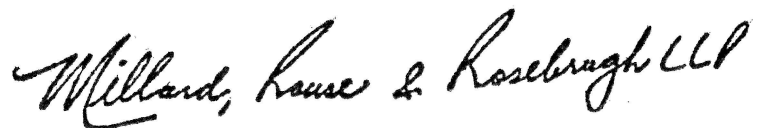
Those charged with governance are responsible for overseeing the Board's financial reporting process.

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.



November 22, 2022
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| As at August 31 | 2022 | 2021 |
|---|---------------------|---------------------|
| FINANCIAL ASSETS | | |
| Cash and cash equivalents | 16,657,892 | 15,174,315 |
| Accounts receivable | | |
| Government of Ontario - Approved Capital (Note 3) | 33,834,043 | 40,303,515 |
| Other (Note 4) | 14,634,085 | 13,585,830 |
| Municipalities | 1,956,111 | 1,479,559 |
| Total Financial Assets | 67,082,131 | 70,543,219 |
| FINANCIAL LIABILITIES | | |
| Accounts payable - Government of Canada | 259,373 | - |
| Accounts payable and accrued liabilities | 7,051,728 | 8,502,670 |
| Accounts payable - other School Boards | 592,962 | - |
| Deferred revenue (Note 5) | 8,193,694 | 6,727,471 |
| Accrued vacation pay | 647,616 | 708,265 |
| Post employment/retirement benefits (Note 6) | 1,453,495 | 1,572,121 |
| Accrued interest on long term liabilities | 572,894 | 629,490 |
| Long term liabilities (Note 11) | 33,744,180 | 36,845,186 |
| Deferred capital contributions (Note 7) | 104,812,186 | 103,762,512 |
| Total Financial Liabilities | 157,328,128 | 158,747,715 |
| Net Debt | (90,245,997) | (88,204,496) |
| NON-FINANCIAL ASSETS | | |
| Prepaid | 75,760 | - |
| Supplies inventory | 89,188 | 90,388 |
| Tangible capital assets (Page 24) | 120,985,656 | 118,936,315 |
| NET ASSETS | 30,904,607 | 30,822,207 |
| ACCUMULATED SURPLUS (Note 14) | 30,904,607 | 30,822,207 |

Approved on behalf of the Board

Chair of the Board

Director of Education

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

CONSOLIDATED STATEMENT OF OPERATIONS

| For the year ended August 31 | Budget 2022 <i>(unaudited)</i> | Actual 2022 | Actual 2021 |
|--|---|------------------------|------------------------|
| Revenues | | | |
| General legislative grants (Note 13) | 139,356,590 | 138,890,792 | 134,239,509 |
| Provincial grants - other | 2,433,869 | 6,362,873 | 4,993,165 |
| Federal grants and fees | 684,754 | 987,701 | 960,070 |
| Other fees and revenue | 1,096,600 | 1,550,165 | 973,611 |
| Investment income | 250,000 | 159,342 | 139,573 |
| School funded activities | 3,500,000 | 2,688,193 | 1,227,446 |
| Other revenue - school boards | 373,759 | 436,603 | 415,116 |
| | 147,695,572 | 151,075,669 | 142,948,490 |
| Expenses | | | |
| Instruction | 111,912,971 | 114,057,332 | 108,980,044 |
| Administration | 5,262,072 | 5,320,797 | 4,613,608 |
| Transportation | 6,537,783 | 6,988,484 | 5,916,235 |
| School operations and maintenance | 20,482,746 | 20,621,950 | 20,143,668 |
| Other | - | 1,426,607 | 884,229 |
| School funded activities | 3,500,000 | 2,578,099 | 1,428,279 |
| | 147,695,572 | 150,993,269 | 141,966,063 |
| Annual Surplus | - | 82,400 | 982,427 |
| Accumulated Surplus - Beginning of Year | - | 30,822,207 | 29,839,780 |
| Accumulated Surplus - End of Year | - | 30,904,607 | 30,822,207 |

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

| For the year ended August 31 | 2022 | 2021 |
|---|---------------------|---------------------|
| Annual Surplus | 82,400 | 982,427 |
| Amortization of tangible capital assets | 6,629,453 | 5,878,914 |
| Acquisition of tangible capital assets (net of transferred CIP) | (8,678,794) | (8,334,351) |
| Change in supplies inventory | 1,200 | (90,388) |
| Change in prepaid | (75,760) | - |
| Change in Net Debt | (2,041,501) | (1,563,398) |
| Net Debt - Beginning of Year | (88,204,496) | (86,641,098) |
| Net Debt - End of Year | (90,245,997) | (88,204,496) |

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

CONSOLIDATED STATEMENT OF CASH FLOWS

| For the year ended August 31 | 2022 | 2021 |
|---|-------------|-------------|
| Cash Flows From Operating Activities | | |
| Annual surplus | 82,400 | 982,427 |
| Non-cash Charges to Operations | | |
| Amortization of tangible capital assets | 6,629,453 | 5,878,914 |
| Amortization of deferred capital contributions | (6,103,997) | (5,354,611) |
| Deferred revenue transferred to deferred capital contributions | 3,255,519 | 2,382,112 |
| Supplies inventory | 1,200 | (90,388) |
| | 3,864,575 | 3,798,454 |
| Sources (Uses) of Cash: | | |
| Accounts receivable - Municipalities | (476,552) | 5,053,020 |
| Accounts receivable - Government of Ontario, Approved capital | 6,469,472 | (1,173,181) |
| Accounts receivable - other | (1,048,255) | (2,865,496) |
| Prepaid expense | (75,760) | - |
| Accounts payable and accrued liabilities | (1,450,942) | (7,945,760) |
| Accounts payable - other School Boards | 592,962 | 4,841 |
| Deferred revenues | 1,466,223 | 2,791,959 |
| Short term borrowings | 259,373 | - |
| Accrued vacation pay | (60,649) | (6,567) |
| Post employment/retirement benefits | (118,626) | 516,733 |
| Accrued interest on long term liabilities | (56,596) | (56,528) |
| | 5,500,650 | (3,680,979) |
| Cash Flows From Capital Activities | | |
| Acquisition of tangible capital assets (net of transferred CIP) | (8,678,794) | (8,334,351) |
| Cash Flows From Financing Activities | | |
| Debenture and loan repayments | (3,101,006) | (3,097,622) |
| Capital grants received | 3,898,152 | 5,936,125 |
| | 797,146 | 2,838,503 |
| Net Increase in Cash and Cash Equivalents | 1,483,577 | (5,378,373) |
| Opening Cash and Cash Equivalents | 15,174,315 | 20,552,688 |
| Closing Cash and Cash Equivalents | 16,657,892 | 15,174,315 |

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2022

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, 2022

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.

Consolidated entities:

Transportation Consortium

School Generated Funds

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

c) Trust Funds

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

d) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand.

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, 2022

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, 2022

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. 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.

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Government Transfers

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

Government transfers for capital are deferred as required by Regulation 395/11, recorded as deferred capital contributions (DCC) and recognized as revenue in the consolidated statement of operations at the same rate and over the same periods as the asset is amortized.

j) Investment Income

Investment income is reported as revenue in the period earned.

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

k) Long-term Debt

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

l) Budget Figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Trustees. The budget approved by the Trustees is developed in accordance with the provincially mandated funding model for school boards and is used to manage program spending within the guidelines of the funding model.

m) Use of Estimates

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

n) 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, 2022

2. 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 on their adoption on its financial statements.

(i) Standards applicable for fiscal years beginning on or after April 1, 2022 (in effect for the board as of September 1, 2022 for the year ending August 31, 2023):

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.

(ii) 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.

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.

3. 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 \$33,834,043 as at August 31, 2022 (2021 - \$40,303,515) 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, 2022 is \$9,861,636 (2021 - \$11,185,052).

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2022

| 4. ACCOUNTS RECEIVABLE - OTHER | 2022 | 2021 |
|--------------------------------|------------|------------|
| Other school boards | 106,007 | 90,583 |
| Government of Ontario | 13,523,968 | 12,718,968 |
| Government of Canada | 162,427 | 519,679 |
| Other | 841,683 | 256,600 |
| | 14,634,085 | 13,585,830 |

5. DEFERRED REVENUE

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

Deferred revenue set-aside for specific purposes by legislation, regulation or agreement as at August 31, 2022 is comprised of:

| | Balance at August 31, 2021 | Externally restricted revenue and interest | Revenue recognized | Transferred to DCC | Balance at August 31, 2022 |
|--------------------------------------|----------------------------------|--|-----------------------|-----------------------|----------------------------------|
| Proceeds of disposition Education | 368,813 | - | - | - | 368,813 |
| development charge | 2,574,442 | 1,906,445 | 56,613 | - | 4,424,274 |
| Federal ICIP - ventilation | - | 104,643 | 104,643 | - | - |
| Federal safe return to class fund | - | 223,183 | - | 223,183 | - |
| Legislative grants - capital | 1,085,979 | 8,161,882 | 5,396,865 | 2,992,575 | 858,421 |
| Legislative grants - operating | 1,256,981 | 19,464,552 | 19,576,882 | - | 1,144,651 |
| Other education grants | 652,949 | 60,893 | 21,245 | - | 692,597 |
| Other provincial grants | - | 79,277 | - | - | 79,277 |
| Other grants | 788,307 | 122,556 | 285,202 | - | 625,661 |
| Other ministry grants | - | 39,761 | - | 39,761 | - |
| | 6,727,471 | 30,163,192 | 25,441,450 | 3,255,519 | 8,193,694 |

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2022

6. POST EMPLOYMENT / RETIREMENT BENEFITS

Actuarial Assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2022 are based upon actuarial assumptions of future events determined for accounting purposes as at August 31, 2022 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 3.9% per annum.
- iv) Inflation rate was assumed to be 2.7%

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.

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 \$188,978 (2021 - \$152,686).

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, 2022 and is based on the average daily salary and banked sick days of employees as at August 31, 2022.

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2022

6. POST EMPLOYMENT / RETIREMENT BENEFITS (Continued)

| Retirement and Other Employee Future Benefit Liabilities | | | | | 2022 | 2021 |
|---|---------------------|---|----------------------|--------------------------------|--------------------------------|-------------|
| | Retirement Benefits | Long term disability and compensated absences | Workers Compensation | Total Employee Future Benefits | Total Employee Future Benefits | |
| Accrued benefit at August 31 | 186,491 | 135,202 | 1,131,802 | 1,453,495 | 1,572,121 | |
| Retirement and Other Employee Future Benefit Expenses | | | | | 2022 | 2021 |
| | Retirement Benefits | Long term disability and compensated absences | Workers Compensation | Total Employee Future Benefits | Total Employee Future Benefits | |
| Current year benefit cost | - | 135,202 | 184,822 | 320,024 | 853,205 | |
| Interest on accrued benefit obligation | 3,830 | - | 19,333 | 23,163 | 17,083 | |
| Recognized Actuarial (gains) / losses | (11,697) | 53,776 | - | 42,079 | 1,663 | |
| Benefit payments | (36,860) | (174,208) | (292,824) | (503,892) | (355,218) | |
| Employee Future Benefits Expenses | (44,727) | 14,770 | (88,669) | (118,626) | 516,733 | |

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2022

7. DEFERRED CAPITAL CONTRIBUTIONS 2022 2021

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 | 103,762,512 | 100,798,886 |
| Additions to capital contributions (net) | 3,898,152 | 5,936,125 |
| Revenue recognized in the period | (6,103,997) | (5,354,611) |
| Transfers from deferred revenue | 3,255,519 | 2,382,112 |
| <hr/> | | |
| Ending balance | 104,812,186 | 103,762,512 |

8. 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, 2022, the Board contributed \$1,930,938 (2021 - \$1,896,078) to the plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses. No pension liability for this type of plan is included in the Board's consolidated financial statements.

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

9. ONTARIO TEACHER'S PENSION PLAN

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

10. TRUST FUNDS

Trust funds administered by the Board amounting to \$352,033 (2021 - \$340,136) 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, 2022

11. LONG TERM LIABILITIES

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

| | 2022 | 2021 |
|---|-------------------|-------------------|
| 4.9% OFA debenture payable, semi-annual payments of \$58,141 including principal and interest, maturing March 2033. | 965,943 | 1,032,440 |
| 6.5% BNY Mellon debenture payable, semi-annual payments of \$772,885 including principal and interest, maturing October 2026. | 5,941,326 | 7,043,503 |
| 3.799% OFA debenture payable, semi-annual payments of \$201,402 including principal and interest, maturing March 2038. | 4,761,204 | 4,976,963 |
| 2.425% debenture payable, semi-annual payments of \$160,409 including principal and interest, maturing November 2021. | - | 158,488 |
| 4.867% IA debenture payable, semi-annual payments of \$375,851 including principal and interest, maturing March 2029. | 4,414,351 | 4,932,227 |
| 4.56% OFA debenture payable, semi-annual payments of \$114,507 including principal and interest, maturing November 2031. | 1,749,786 | 1,894,057 |
| 5.062% OFA debenture payable, semi-annual payments of \$85,137 including principal and interest, maturing March 2034. | 1,501,089 | 1,591,915 |
| 5.384% OFA debenture payable, semi-annual payments of \$462,624 including principal and interest, maturing May 2034. | 8,101,206 | 8,571,223 |
| 5.232% OFA Stage 1 loan payable, semi-annual payments of \$52,483 including principal and interest, maturing April 2035. | 976,202 | 1,028,050 |
| 5.232% OFA Stage 4 loan payable, semi-annual payments of \$32,797 including principal and interest, maturing April 2035. | 610,033 | 642,433 |
| 5.232% OFA Phase 2 loan payable, semi-annual payments of \$253,921 including principal and interest, maturing April 2035. | 4,723,040 | 4,973,887 |
| | 33,744,180 | 36,845,186 |

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

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2022

11. LONG TERM LIABILITIES (Continued)

Of the net long term liabilities outstanding of \$33,744,180, principal and interest payments are payable over the next five years as follows:

| | Principal | Interest Payments | Total |
|------------|-------------------|----------------------|-------------------|
| 2023 | 3,107,695 | 1,711,801 | 4,819,496 |
| 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 | 951,125 | 4,047,500 |
| thereafter | 17,128,045 | 3,419,643 | 20,547,688 |
| | 33,744,180 | 10,128,991 | 43,873,171 |

Interest paid on long-term debt amounted to \$1,826,159 (2021 - \$1,993,824).

As of August 31, 2022, the Board had \$26,450 (2021 - \$310,384) in letters of credit outstanding related to ongoing construction projects.

12. EXPENDITURES BY OBJECT

| | Budget 2022 <i>(unaudited)</i> | Actual 2022 | Actual 2021 |
|--|--------------------------------------|----------------|----------------|
|--|--------------------------------------|----------------|----------------|

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

Current expenditures:

| | | | |
|----------------------------|--------------------|--------------------|--------------------|
| Salary and wages | 99,050,412 | 100,977,391 | 97,720,331 |
| Employee benefits | 17,033,723 | 17,988,244 | 16,925,492 |
| Staff development | 486,973 | 279,139 | 261,004 |
| Supplies and services | 13,638,184 | 11,119,434 | 9,274,341 |
| Interest on long term debt | 1,820,673 | 1,826,159 | 1,993,824 |
| Rental expenditures | 20,428 | 20,748 | 21,445 |
| Fees and contract services | 9,715,734 | 10,470,255 | 8,926,989 |
| Other | 111,257 | 1,682,446 | 963,723 |
| Amortization | 5,818,188 | 6,629,453 | 5,878,914 |
| | 147,695,572 | 150,993,269 | 141,966,063 |

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2022

13. 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. Eighty eight percent (88%) of the consolidated revenues of the Board are directly controlled by the provincial government through the grants for student needs. The payment amounts of this funding are as follows:

| | 2022 | 2021 |
|-------------------------------|-------------|-------------|
| Provincial Legislative Grants | 122,717,669 | 116,729,347 |
| Education Property Tax | 16,173,123 | 17,510,162 |
| | 138,890,792 | 134,239,509 |

14. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

| | 2022 | 2021 |
|--|-------------|-------------|
| Surplus: | | |
| Invested in non-depreciable tangible capital assets | 6,677,353 | 6,677,353 |
| Employee future benefits to be covered in the future | (1,453,495) | (1,572,121) |
| School generated funds | 1,868,748 | 1,758,656 |
| Other | 23,812,001 | 23,958,319 |
| | 30,904,607 | 30,822,207 |

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2022

15. 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.

| | 2022 | | 2021 | |
|----------------------------|------------|---------------|------------|---------------|
| | Total | Board Portion | Total | Board Portion |
| Financial Position | | | | |
| Financial Assets | 452,819 | 418,913 | 269,346 | 262,666 |
| Liabilities | 452,819 | 418,913 | 269,346 | 262,666 |
| Accumulated Surplus | - | - | - | - |
| Operations | | | | |
| Revenues | 22,601,667 | 6,940,958 | 19,268,092 | 5,855,472 |
| Expenses | 22,601,667 | 6,940,958 | 19,268,092 | 5,855,472 |
| 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 2022 is approximately 30.7% (2021 - 30.4%). The above provides condensed financial information, which is reported net of harmonized sales tax. Inter-organizational transactions and balances have been eliminated.

16. 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, 2022

17. ONTARIO SCHOOL BOARD INSURANCE EXCHANGE (OSBIE)

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

The premiums over a five-year period are based on the reciprocal's and the Board's actual claims experience. Periodically, the Board may receive a refund or be asked to pay an additional premium based on its pro rata share of claims experience. The current five-year term expires December 31, 2026.

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.

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 totalling \$2,682,434 representing interest of \$1,201,481 and principal of \$1,480,953 are funded by the Ministry of Finance.

20. 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 is \$826,125, with expenses based upon use of \$746,848, for a net impact of \$79,277. The Board has a supplies inventory balance of \$89,188.

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2022

21. IMPACT OF COVID-19

On March 11, 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization. Since this time, the pandemic has had significant financial, market and social impacts, due to government imposed lockdowns and social distancing requirements. The Board has experienced physical closure of schools based on public health recommendations, implemented temporary virtual schooling, implemented mandatory working from home requirements for those able to do so, and cancelled fundraising events and other programs.

The duration and ongoing impact of the COVID-19 pandemic remains unclear at this time. Although all 2021-22 financial impacts were managed, the full extent of the financial impact on the financial position and results of the Board for future periods is not possible to reliably estimate.

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended August 31, 2022

| | Land & Land Improvements | Building (40 years) | Portable structures | Equipment (5 years) | Equipment and Furniture | Computer hardware | Computer software | Vehicles | Construction in progress | Total 2022 | Total 2021 |
|--|-----------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------|----------------------|----------|-----------------------------|-------------|-------------|
| Cost | | | | | | | | | | | |
| Balance, beginning of year | 11,251,448 | 163,884,714 | 9,677,410 | 35,503 | 3,505,159 | 5,860,603 | 581,697 | 366,891 | 2,429,274 | 197,592,699 | 189,258,348 |
| Additions during the year | 797,484 | 6,972,811 | 2,370,819 | - | 162,358 | 595,382 | 75,675 | 109,970 | 23,569 | 11,108,068 | 8,392,905 |
| Disposals during the year | - | - | - | - | - | - | - | - | (2,429,274) | (2,429,274) | (58,554) |
| Balance, end 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 |
| Accumulated Amortization | | | | | | | | | | | |
| Balance, beginning of year | 615,523 | 65,858,768 | 3,995,740 | 35,503 | 3,036,645 | 4,264,903 | 572,775 | 276,527 | - | 78,656,384 | 72,777,470 |
| Amortization during the year | 306,160 | 5,238,030 | 334,925 | - | 126,670 | 589,327 | 4,461 | 29,880 | - | 6,629,453 | 5,878,914 |
| Balance, end 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 |
| Net book value of tangible capital assets | 11,127,249 | 99,760,727 | 7,717,564 | - | 504,202 | 1,601,755 | 80,136 | 170,454 | 23,569 | 120,985,656 | 118,936,315 |