

Bruce-Grey Catholic District
School Board
Consolidated Financial
Statements
For the year ended August 31, 2019

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BRUCE-GREY CATHOLIC DISTRICT SCHOOL BOARD

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MANAGEMENT REPORT

Management's Responsibility for the Consolidated Financial Statements

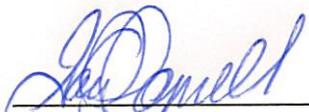
The accompanying consolidated financial statements of the Bruce-Grey Catholic District School Board are the responsibility of the Board management and have been prepared in compliance with Financial Administration Act, supplemented by Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act, as described in Note 1 to the consolidated financial statements.

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

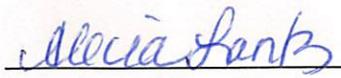
Board management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis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

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

The consolidated financial statements have been audited by BDO Canada 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.



Director of Education
Gary O'Donnell



Superintendent of Business
Alecia Lantz

November 4, 2019



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Independent Auditor's Report

To the Board of Trustees of Bruce-Grey Catholic District School Board

Opinion

We have audited the consolidated financial statements of Bruce-Grey Catholic District School Board, and its controlled entities (the Group), which comprise the consolidated statement of financial position as at August 31, 2019, the consolidated statements of operations, changes in net debt and cash flow 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 of the Group as at and for the year ended August 31, 2019 are prepared, in all material respects, 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with the basis of accounting described in Note 1 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated 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 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 these consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Chartered Professional Accountants, Licensed Public Accountants

Walkerton, Ontario
November 8, 2019

Bruce-Grey Catholic District School Board Consolidated Statement of Financial Position

August 31	2019	2018
Financial assets		
Cash and cash equivalents	\$ 6,145,344	\$ 3,716,273
Accounts receivable (Note 2)	13,228,990	11,026,145
Portfolio investments (Note 3)	200,250	3,197,683
Total financial assets	19,574,584	17,940,101
Financial liabilities		
Accounts payable and accrued liabilities (Note 4)	5,811,201	3,578,062
Net debenture debt and capital loans (Note 5)	6,658,328	6,931,356
Deferred capital contributions (Note 6)	42,122,409	42,600,403
Deferred revenue - reserves (Note 7)	1,441,764	1,066,725
Employee future benefits liability (Note 8)	326,702	281,193
Total financial liabilities	56,360,404	54,457,739
Net debt	(36,785,820)	(36,517,638)
Non-financial assets		
Inventories of supplies	1,220,100	690,624
Tangible capital assets (Note 15)	45,606,665	45,329,249
Total non-financial assets	46,826,765	46,019,873
Accumulated surplus (Note 16)	\$10,040,945	\$ 9,502,235

On behalf of the Board:



Director of Education



Chair of the Board

Bruce-Grey Catholic District School Board Consolidated Statement of Operations

For the year ended August 31	Budget	2019	2018
Revenues			
Provincial legislative grants (Note 11)	\$58,695,917	\$57,573,951	\$ 53,681,584
Provincial grants - other	1,024,975	1,260,783	1,937,937
School generated funds	1,926,000	1,946,707	1,961,325
Federal grants and fees	585,479	421,263	718,580
Investment income	122,861	138,496	146,164
Other fees and revenues	152,132	682,953	487,766
Amortization of deferred capital contributions	2,974,346	2,857,150	3,252,615
	<u>65,481,710</u>	<u>64,881,303</u>	<u>62,185,971</u>
Expenses			
Instruction	48,647,931	47,700,279	45,544,265
Administration	2,825,411	3,035,163	3,046,390
Transportation	4,625,230	4,683,593	4,347,258
Pupil accommodation	7,394,567	7,011,308	7,194,583
Other	62,571	45,582	470,836
School funded activities	1,926,000	1,866,668	1,885,880
	<u>65,481,710</u>	<u>64,342,593</u>	<u>62,489,212</u>
Annual surplus	-	538,710	(303,241)
Accumulated surplus at beginning of year	9,502,235	9,502,235	9,805,476
Accumulated surplus at end of year	<u>\$ 9,502,235</u>	<u>\$10,040,945</u>	<u>\$ 9,502,235</u>

The accompanying notes are an integral part of these consolidated financial statements.

Bruce-Grey Catholic District School Board Consolidated Statement of Cash Flow

For the year ended August 31	2019	2018
Operating activities		
Annual surplus	\$ 538,710	\$ (303,241)
Sources and (uses)		
Non cash items - amortization of tangible capital assets	3,114,636	3,419,134
Non cash items - amortization of deferred capital contributions	(2,857,150)	(3,252,615)
Decrease (increase) in temporary investments	2,997,433	(3,197,683)
Decrease (increase) in accounts receivable	(2,202,845)	(985,568)
Decrease (increase) in prepaid supplies	(529,476)	(154,696)
Increase (decrease) in accounts payable and accrued liabilities	2,233,139	(261,493)
Increase (decrease) in deferred revenues	375,039	13,300
Increase (decrease) in employee future benefits liability	45,509	120,604
Net increase in cash from operations	<u>3,714,995</u>	<u>(4,602,258)</u>
Capital activities		
Purchase of tangible capital assets	<u>(3,392,052)</u>	<u>(3,841,213)</u>
Financing activities		
Additions to deferred capital contributions	2,379,156	3,566,096
Debt principal repayments	<u>(273,028)</u>	<u>(260,295)</u>
Change in cash and cash equivalents	2,429,071	(5,137,670)
Cash and cash equivalents, beginning of year	<u>3,716,273</u>	<u>8,853,943</u>
Cash and cash equivalents, end of year	<u>\$ 6,145,344</u>	<u>\$ 3,716,273</u>

The accompanying notes are an integral part of these consolidated financial statements.

Bruce-Grey Catholic District School Board
Consolidated Statement of Change in
Net Debt

For the year ended August 31	Budget	2019	2018
Annual surplus	\$ -	\$ 538,710	\$ (303,241)
Tangible capital asset activity			
Acquisition of tangible capital assets	(10,358,191)	(3,392,052)	(3,841,213)
Amortization of tangible capital assets	3,144,701	3,114,636	3,419,134
Acquisition of supplies inventories	-	(529,476)	(154,696)
Decrease (increase) in net debt	(7,213,490)	(268,182)	(880,016)
Net debt at beginning of year	(36,517,638)	(36,517,638)	(35,637,622)
Net debt at end of year	\$ (43,731,128)	\$ (36,785,820)	\$ (36,517,638)

The accompanying notes are an integral part of these consolidated financial statements.

Bruce-Grey Catholic District School Board
Consolidated Schedule of School Activities Fund

For the year ended August 31	2019	2018
Revenue		
School fundraising and other revenues	\$ 1,946,707	\$ 1,961,324
Expenses		
School funded activities	1,866,668	1,885,880
Net revenue	80,039	75,444
Net transfers (to) from other funds	-	-
Change in school activities fund balance	80,039	75,444
School activities fund balance, beginning of year	705,277	629,833
School activities fund balance, end of year	\$ 785,316	\$ 705,277

Bruce-Grey Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2019

1. Summary of Significant Accounting Policies

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

Basis of Accounting

These 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 are 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 requires 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

Bruce-Grey Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2019

1. Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

- 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.

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 those organizations are eliminated.

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.

Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand, demand deposits and short-term investments. Short-term investments are highly liquid, subject to insignificant risk of changes in value and have a short maturity term of less than 90 days.

Investments

Temporary investments consist of marketable securities which are liquid short-term investments with maturities of between three months and one year at the date of acquisition, and are carried on the Consolidated Statement of Financial Position at the lower of cost or market value.

Long-term investments consist of investments that have maturities of more than one year. Long-term investments are recorded at cost, and assessed regularly for permanent impairment.

Bruce-Grey Catholic District School Board Notes to the Consolidated Financial Statements

August 31, 2019

1. Summary of Significant Accounting Policies (continued)

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 expenses are incurred or services performed.

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

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. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization. Tangible capital assets, except land, are amortized on a straight-line basis over the estimated useful life of the assets.

Land improvements with finite lives	15 years
Buildings	20/40 years
Portable structures	20 years
Other buildings	20 years
Furniture	10 years
Equipment	5/10/15 years
Computer equipment	5 years
Computer software	5 years
Vehicles	10 years
Leasehold improvements	over the lease term

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

Bruce-Grey Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2019

1. Summary of Significant Accounting Policies (continued)

Retirement and Other

Employee Future Benefits

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension and worker's compensation 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 2016-2017: Ontario English Catholic Teachers' Association (OECTA). The following ELHTs were established in 2017-2018: Canadian Union of Public Employees (CUPE) and Ontario Non-union Education Trust (ONE-T) 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 AEFO and ONE-T ELHTs also provide 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 a Stabilization Adjustment.

The Board has adopted the following policies with respect to accounting for these employee benefits.

i) For those self insured benefit obligations that arise from specific events that occur from time to time, such as obligations for worker's compensation, 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.

Bruce-Grey Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2019

1. Summary of Significant Accounting Policies (continued)

Retirement and Other Employee Future Benefits (continued)

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.

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 period as the asset is amortized.

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 and special education forms part of the respective deferred revenue balances.

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.

Property Tax Revenue

Under Public Sector Accounting Standards, the entity that determines and sets the tax levy records the revenue in the financial statements, which in the case of the Board, is the Province of Ontario. As a result, property tax revenue received from the municipalities is recorded as part of Provincial Legislative Grants.

Bruce-Grey Catholic District School Board Notes to the Consolidated Financial Statements

August 31, 2019

1. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of consolidated financial statements in conformity with the basis of accounting described in note 1 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. The principal estimates used in the preparation of these financial statements are the determination of the collectibility of accounts receivable, the determination of prepaid supplies, the determination of employee future benefits, the estimated useful life of property, plant and equipment and valuation of property, plant and equipment when testing for possible impairment. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Accounts Receivable - Government of Ontario

The Province of Ontario (Province) has replaced variable capital funding with a one-time debt support grant in 2009-10. The Bruce-Grey Catholic District School Board received a one-time grant that recognizes capital debt as of August 31, 2010 that is supported by the existing capital programs. The Board receives this grant in cash over the remaining term of the existing capital debt instruments. The Board may also receive yearly capital grants to support capital programs which would be reflected in this account receivable.

The Board has an accounts receivable from the Province of Ontario of \$8,315,596 as at August 31, 2019 (\$8,163,870 as at August 31, 2018) with respect to capital grants.

3. Investments

Portfolio investments are comprised as follows:

	2019		2018	
	Cost	Market Value	Cost	Market Value
Meridian GIC	\$ -	\$ -	\$ 3,000,000	\$ 3,000,000
National Bank, money market fund	200,250	200,250	197,683	197,683
	\$ 200,250	\$ 200,250	\$ 2,802,317	\$ 3,197,683

Long-term investment are comprised of \$200,250 that are recorded at cost. These investments are assessed regularly for impairment and are written down if a permanent impairment exists.

Bruce-Grey Catholic District School Board Notes to the Consolidated Financial Statements

August 31, 2019

4. Accounts Payable - Government of Ontario

The Board has an accounts payable to the Province of Ontario of \$- as at August 31, 2019 (\$NIL as at August 31, 2018) with respect to capital grants.

5. Net Debenture Debt and Capital Loans

Debenture debt reported on the Consolidated Statement of Financial Position comprises of the following:

	2019	2018
Debenture - Good Places to Learn	\$ 2,412,703	\$ 2,521,855
Debenture - Primary Class Size	289,515	300,952
Debenture - Prohibitive to Repair	3,090,363	3,210,924
Debenture - New Pupil Places	282,260	293,255
Debenture - Capital Priorities	583,487	604,370
	\$ 6,658,328	\$ 6,931,356

Ontario Financing Authority - First Debenture

Interest @ 4.56% payable in semi-annual blended payments of \$30,713, fully repaid November 2031. Pursuant to subsection 39(9) paragraph 40 of Regulation 341/06 under the Education Act, the Board receives funding from the Ministry of Education for the payment of interest and principal related to this debt.

Ontario Financing Authority - Second Debenture

Interest @ 4.90% payable in semi-annual blended payments of \$16,278, fully repaid March 2033. Pursuant to subsection 39(9) paragraph 40 of Regulation 341/06 under the Education Act, the Board receives funding from the Ministry of Education for the payment of interest and principal related to this debt.

Ontario Financing Authority - Third Debenture

Interest @ 5.062% payable in semi-annual blended payments of \$12,453, fully repaid March 2034. Pursuant to subsection 39(9) paragraph 40 of Regulation 341/06 under the Education Act, the Board receives funding from the Ministry of Education for the payment of interest and principal related to this debt.

Ontario Financing Authority - Fourth Debenture

Interest @ 5.232% payable in semi-annual blended payments of \$149,367, fully repaid April 2035. Pursuant to subsection 39(9) paragraph 40 of Regulation 341/06 under the Education Act, the Board receives funding from the Ministry of Education for the payment of interest and principal related to this debt.

Ontario Financing Authority - Fifth Debenture

Interest @ 4.833% payable in semi-annual blended payments of \$46,972, fully repaid March 2036. Pursuant to subsection 39(9) paragraph 40 of Regulation 341/06 under the Education Act, the Board receives funding from the Ministry of Education for the payment of interest and principal related to this debt.

Bruce-Grey Catholic District School Board Notes to the Consolidated Financial Statements

August 31, 2019

5. Net Debenture Debt and Capital Loans (continued)

Ontario Financing Authority - Sixth Debenture

Interest @ 3.970% payable in semi-annual blended payments of \$11,264, fully repaid November 2036. Pursuant to subsection 39(9) paragraph 40 of Regulation 341/06 under the Education Act, the Board receives funding from the Ministry of Education for the payment of interest and principal related to this debt.

Ontario Financing Authority - Seventh Debenture

Interest @ 3.799% payable in semi-annual blended payments of \$35,239, fully repaid March 2038. Pursuant to subsection 39(9) paragraph 40 of Regulation 341/06 under the Education Act, the Board receives funding from the Ministry of Education for the payment of interest and principal related to this debt.

Payments relating to net long-term liabilities of \$6,658,328 outstanding as at August 31, 2019 are due as follows:

	Principal	Interest	Total
2020	\$ 286,390	\$ 318,183	\$ 604,573
2021	300,413	304,160	604,573
2022	315,130	289,443	604,573
2023	330,575	273,998	604,573
2024	346,787	257,786	604,573
Thereafter	5,079,033	1,538,256	6,617,289
Net long-term liabilities	\$ 6,658,328	\$ 2,981,826	\$ 9,640,154

6. Deferred Capital Contributions

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.

	2019	2018
Balance, beginning of year	\$42,600,403	\$ 42,286,922
Additions to deferred capital contributions	2,379,156	3,566,096
Revenue recognized in the period	(2,857,150)	(3,252,615)
Balance, end of year	\$42,122,409	\$ 42,600,403

Bruce-Grey Catholic District School Board Notes to the Consolidated Financial Statements

August 31, 2019

7. Deferred Revenue

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

Deferred revenue set aside for specific purposes by legislation, regulation or agreement as at August 31, 2019 is comprised of:

	Balance as at August 31, 2018	Externally restricted revenue	Revenue recognized in the period	Transfers (to) deferred capital contributions	Balance as at August 31, 2019
School Renewal	\$ 97,783	\$ 968,472	\$ -	\$ 81,460	\$ 984,795
Temporary Accommodation	-	240,000	-	240,000	-
Student Achievement	-	277,280	277,280	-	-
Rural and Northern Education Fund	-	314,341	314,341	-	-
Minor Tangible Capital Assets	-	1,460,133	312,868	1,147,265	-
Special Education	283,239	8,243,357	8,181,778	-	344,818
Other Provincial Grants	180,884	(115,516)	-	65,368	-
Interest on Capital	-	334,463	334,463	-	-
Other	504,819	1,292,755	1,585,479	99,944	112,151
Total Deferred Revenue	\$ 1,066,725	\$ 13,015,285	\$ 11,006,209	\$ 1,634,037	\$ 1,441,764

Bruce-Grey Catholic District School Board Notes to the Consolidated Financial Statements

August 31, 2019

8. Other Employee Future Benefits

	Employee Sick Leave Benefits	Other Employee Future Benefits	2019 Total	2018 Total
Employee Future Benefit Obligations	\$ 16,184	\$ 310,518	\$ 326,702	\$ 281,193
Unamortized Actuarial Loss	-	-	-	-
Employee Future Benefit Liability	<u>\$ 16,184</u>	<u>\$ 310,518</u>	<u>\$ 326,702</u>	<u>\$ 281,193</u>
Employee Future Benefit Expenses (1)	<u>\$ -</u>	<u>\$ 45,509</u>	<u>\$ 45,509</u>	<u>\$ 120,604</u>

(1) Excluding pension contributions to the Ontario Municipal Employees Retirement System, a multi-employer pension plan described hereafter.

Plan Changes

In 2013, changes were made to the short term leave and disability plan. Under the new short term leave and disability plan, 11 unused sick leave days may be carried forward into the following year only, to be used to top-up benefits received under the short term leave and disability plan in that year. A new provision was established as of August 31, 2013 representing the expected usage of sick days that have been carried forward for benefit top-up in the following year.

Actuarial Assumptions

The accrued benefit obligations for employee future benefits as at August 31, 2019 are based on actuarial valuations for accounting purposes as at August 31, 2016. These actuarial valuations take into account the plan changes outlined above and the economic assumptions used in the valuations are the Board's best estimate of expected rates of:

	2019	2018
Inflation	2.00%	2.00%
Discount on accrued benefit obligations	2.00%	2.90%

Bruce-Grey Catholic District School Board Notes to the Consolidated Financial Statements

August 31, 2019

8. Other Employee Future Benefits (continued)

Retirement Benefits

(a) Ontario Teacher's Pension Plan

Teachers and related employee groups are eligible to be members of the 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 financial statements.

(b) 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, 2019, the Board contributed \$728,755 (2018 - \$690,614) 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. As of December 31, 2018 the Ontario Municipal Employees Retirement System had a year end deficit of \$4.2 billion (2018 - \$5.4 billion) per their audited financial statements.

Other Employee Future Benefits

(c) Workplace Safety & Insurance Board Obligations

The Board is a Schedule 2 employer under the Workplace Safety & 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.

(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 \$NIL (2018 - \$NIL).

For accounting purposes, the valuation of the accrued benefit obligation for the sick leave top-up is based on actuarial assumptions about future events determined as at August 31, 2013 (the date at which the probabilities of usage were determined) and is based on the average daily salary and banked sick days of employees as at August 31, 2019.

Bruce-Grey Catholic District School Board Notes to the Consolidated Financial Statements

August 31, 2019

9. Debt Charges and Capital Loan Interest

The expenses for debt charges and capital loan interest includes principal and interest payments as follows:

	2019	2018
Principal payments on long-term liabilities	\$ 273,028	\$ 260,295
Interest payments on long-term liabilities	\$ 331,546	\$ 344,278

10. Ontario School Board Insurance Exchange

The school 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 \$27,000,000.

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

11. Provincial Legislative Grants

The following is a summary of the Provincial Legislative Grants revenue:

	2019 Budget	2019 Actual	2018 Actual
Grants for student needs	\$51,914,579	\$50,622,136	\$ 46,750,130
Local taxation	6,781,338	6,951,815	6,931,454
	\$58,695,917	\$57,573,951	\$ 53,681,584

Bruce-Grey Catholic District School Board Notes to the Consolidated Financial Statements

August 31, 2019

12. Expenses by Object

The following is a summary of the current and capital expenses reported on the Consolidated Statement of Financial Activities by object:

	2019 Budget	2019 Actual	2018 Actual
Current expenses			
Salary and wages	\$41,931,648	\$40,814,808	\$ 39,353,268
Employee benefits	7,337,443	7,343,933	6,509,716
Staff development	401,212	257,686	335,630
Supplies and services	4,335,891	3,861,681	4,230,345
Interest on long-term debt	405,795	331,546	344,278
Rental	179,991	193,655	142,088
Fees and contract services	5,606,488	6,302,091	5,616,992
Other	98,271	98,951	501,035
Transfer to other boards	114,269	156,940	150,846
Amortization and write downs	3,144,702	3,114,634	3,419,134
School funded activities	1,926,000	1,866,668	1,885,880
	<u>\$65,481,710</u>	<u>\$64,342,593</u>	<u>\$ 62,489,212</u>

13. Trust Funds

Trust funds administered by the Board have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations. As at August 31, 2019, the trust fund balances are as follows:

	2019	2018
Scholarship Trust Funds	\$ 552,239	\$ 534,784
Charitable Trust Funds	737,474	719,008
	<u>\$ 1,289,713</u>	<u>\$ 1,253,792</u>

Bruce-Grey Catholic District School Board Notes to the Consolidated Financial Statements

August 31, 2019

14. Bank Operating Loan

The Board has a credit facility agreement with Royal Bank of Canada consisting of a demand operating loan bearing interest at bank prime minus 0.2%. The total credit capacity under this facility is \$4,000,000. The agreement contains covenants regarding reporting and compliance requirements.

15. Tangible Capital Assets

Amortization is provided on a straight-line basis over the estimated useful life of the assets. The board has \$6,277 (2018 - \$NIL) in tangible capital assets not being amortized as they are under construction or are work in progress. Amortization of these assets will commence when the assets are put into service.

Pre-acquisition assets having a value of \$525,497 (2018 - \$181,108) have not been amortized. Amortization of these assets will commence when the asset is put into service.

The write-off of fully amortized pooled tangible capital assets during the year was \$NIL (2018 - \$933,917).

Bruce-Grey Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2019

15. Tangible Capital Assets (continued)

	2018 Opening Cost	Additions and Transfers	Disposals	2018 Closing Cost
Land	\$ 1,737,652	\$ -	\$ -	\$ 1,737,652
Land improvements	790,685	95,447	-	886,132
Leasehold improvements	129,434	25,391	-	154,825
Buildings	62,378,824	1,383,835	-	63,762,659
Portable structures	1,642,021	224,793	-	1,866,814
Other buildings	37,991	-	-	37,991
Pre-acquisition	-	181,108	-	181,108
Furniture	204,066	130,722	(4,454)	330,334
Equipment	3,811,889	218,098	(537,526)	3,492,461
Computer equipment	4,173,403	1,439,512	(391,937)	5,220,978
Computer software	668,293	142,307	-	810,600
Vehicles	46,806	-	-	46,806
	<u>\$ 75,621,064</u>	<u>\$ 3,841,213</u>	<u>\$ (933,917)</u>	<u>\$ 78,528,360</u>

	2018 Opening Accumulated Amortization	Amortization Expense	Disposals	2018 Closing Accumulated Amortization
Land improvements	\$ 228,392	\$ 51,278	\$ -	\$ 279,670
Leasehold improvements	3,696	10,405	-	14,101
Buildings	25,776,681	1,782,177	-	27,558,858
Portable structures	212,092	83,057	-	295,149
Other buildings	5,788	1,894	-	7,682
Furniture	61,308	26,455	(4,454)	83,309
Equipment	1,807,306	321,751	(537,526)	1,591,531
Computer equipment	2,312,946	995,338	(391,937)	2,916,347
Computer software	291,935	142,108	-	434,043
Vehicles	13,750	4,671	-	18,421
	<u>\$ 30,713,894</u>	<u>\$ 3,419,134</u>	<u>\$ (933,917)</u>	<u>\$ 33,199,111</u>

Net Book Value	2018	2017
Land	\$ 1,737,652	\$ 1,737,652
Land improvements	606,462	562,293
Leasehold improvements	140,724	125,738
Buildings	36,203,801	36,602,143
Portable structures	1,571,665	1,429,929
Other buildings	30,309	32,203
Pre-acquisition	181,108	-
Furniture	247,025	142,758
Equipment	1,900,930	2,004,583
Computer equipment	2,304,631	1,860,457
Computer software	376,557	376,358
Vehicles	28,385	33,056
	<u>\$ 45,329,249</u>	<u>\$ 44,907,170</u>

Bruce-Grey Catholic District School Board Notes to the Consolidated Financial Statements

August 31, 2019

15. Tangible Capital Assets (continued)

	2019 Opening Cost	Additions and Transfers	Disposals	2019 Closing Cost
Land	\$ 1,737,652	\$ -	\$ -	\$ 1,737,652
Land improvements	886,132	(1,148)	-	884,984
Leasehold improvements	154,825	-	-	154,825
Buildings	63,762,659	400,692	-	64,163,351
Portable structures	1,866,814	1,241,833	-	3,108,647
Other buildings	37,991	-	-	37,991
Construction in progress	-	6,277	-	6,277
Pre-acquisition	181,108	344,389	-	525,497
Furniture	330,334	41,330	-	371,664
Equipment	3,492,461	384,741	-	3,877,202
Computer equipment	5,220,978	809,535	-	6,030,513
Computer software	810,600	164,403	-	975,003
Vehicles	46,806	-	-	46,806
	<u>\$ 78,528,360</u>	<u>\$ 3,392,052</u>	<u>\$ -</u>	<u>\$ 81,920,412</u>

	2019 Opening Accumulated Amortization	Amortization Expense	Disposals	2019 Closing Accumulated Amortization
Land improvements	\$ 279,670	\$ 58,629	\$ -	\$ 338,299
Leasehold improvements	14,101	8,862	-	22,963
Buildings	27,558,858	1,449,430	-	29,008,288
Portable structures	295,149	126,313	-	421,462
Other buildings	7,682	1,903	-	9,585
Furniture	83,309	34,899	-	118,208
Equipment	1,591,531	322,798	-	1,914,329
Computer equipment	2,916,347	946,493	-	3,862,840
Computer software	434,043	160,573	-	594,616
Vehicles	18,421	4,736	-	23,157
	<u>\$ 33,199,111</u>	<u>\$ 3,114,636</u>	<u>\$ -</u>	<u>\$ 36,313,747</u>

Net Book Value	2019	2018
Land	\$ 1,737,652	\$ 1,737,652
Land improvements	546,685	606,462
Leasehold improvements	131,862	140,724
Buildings	35,155,063	36,203,801
Portable structures	2,687,185	1,571,665
Other buildings	28,406	30,309
Construction in progress	6,277	-
Pre-acquisition	525,497	181,108
Furniture	253,456	247,025
Equipment	1,962,873	1,900,930
Computer equipment	2,167,673	2,304,631
Computer software	380,387	376,557
Vehicles	23,649	28,385
	<u>\$ 45,606,665</u>	<u>\$ 45,329,249</u>

Bruce-Grey Catholic District School Board Notes to the Consolidated Financial Statements

August 31, 2019

16. Accumulated Surplus

Accumulated surplus consists of the following:

	2019	2018
Operating accumulated surplus	\$ 3,234,580	\$ 3,531,320
Internally appropriated surplus	4,283,397	3,527,986
School generated funds	785,316	705,277
Land	1,737,652	1,737,652
	\$10,040,945	\$ 9,502,235

17. Partnership in Student Transportation Service Consortium of Grey-Bruce

On January 31, 2007, the Board entered into an agreement with the Bluewater District School Board and the Conseil Scolaire des ecoles catholiques du Sud-Ouest 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 this agreement, decisions related to the financial and operating activities of the Partnership are shared. No partner is in a position to exercise unilateral control. Effective September 1, 2012, the Conseil Scolaire des ecoles catholiques du Sud-Ouest was no longer part of the consortium.

The Board's consolidated financial statements reflect proportionate consolidation, whereby they include the assets that it controls, the liabilities that it has incurred, and its pro-rata share of revenues and expenses.

The following provides condensed financial information.

	2019		2018	
	Total	Board Portion	Total	Board Portion
Financial Position:				
Financial assets	\$ -	\$ -	\$ -	\$ -
Liabilities	-	-	-	-
Non-financial assets	-	-	-	-
Accumulated surplus	\$ -	\$ -	\$ -	\$ -
Operations:				
Revenues	\$ 486,358	\$ 219,086	\$ 487,208	\$ 214,092
Expenses	(486,358)	(219,086)	(487,208)	(214,092)
Annual surplus	\$ -	\$ -	\$ -	\$ -