

Consolidated Financial Statements of

**HALTON CATHOLIC DISTRICT
SCHOOL BOARD**

Year ended August 31, 2016

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements were prepared by management and are the responsibility of management.

Financial statements

Preparation of consolidated financial statements necessarily involves the use of

management's estimates and assumptions. Management is responsible for the selection and use of these estimates and assumptions.

Management is also responsible for the fair presentation of the consolidated financial statements in accordance with the applicable financial reporting framework. Management is responsible for the design, implementation and maintenance of adequate internal control systems to mitigate the risk of material misstatement, whether due to fraud or error. Management is also responsible for the prevention and detection of fraud and error, including the prevention and detection of intentional or unintentional misstatements.

Management is responsible for the preparation and maintenance of adequate accounting records that provide a true and fair view of the company's financial position and performance, and for the preparation of the consolidated financial statements in accordance with the applicable financial reporting framework.

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the Halton Catholic District School Board:

We have audited the accompanying consolidated financial statements of the Halton Catholic District School Board, which comprise the consolidated statement of financial position as at August 31, 2016, the consolidated statements of operations, change in net debt and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements of the Halton Catholic District School Board as at August 31, 2016 and for the year then ended, are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the consolidated financial statements.

Basis of Accounting

Without modifying our opinion, 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

November 15, 2016
Hamilton, Canada

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Financial Position

As at August 31, 2016, with comparative information for 2015

	2016	2015
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Financial Assets

Cash and cash equivalents	\$ 16,941,699	\$ 2,992,423
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Accounts receivable (note 2)	17,259,460	11,205,660
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Assets held for sale (note 3)	5,996,436	11,283,412
Long-term receivable - Government of Ontario (note 4)	107,326,340	180,582,575

Total financial assets	237,532,933	218,055,071
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Financial Liabilities

Temporary borrowing (note 5)	56,480,630	52,926,541
Accounts payable and accrued liabilities	18,112,460	10,625,309
Deferred revenue (note 6)	16,324,204	9,970,463
Retirement and other employee future benefits payable (note 7)	6,619,443	6,145,139
Net long-term liabilities (note 8)	191,747,370	201,857,018
Deferred capital contributions (note 9)	403,495,786	386,288,550
Total financial liabilities	602,779,893	667,813,020

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Operations

For the year ended August 31, 2016, with comparative information for 2015

	2016 Budget	2016 Actual	2015 Actual
Revenues:			
Provincial legislative grants (note 12)	\$ 328,540,742	\$ 334,007,940	\$ 322,140,032
Provincial grants – other	3,068,326	2,416,751	3,741,209
	331,609,068	336,424,691	325,881,241
Federal grants and fees	1,722,289	1,612,107	1,797,910
Other fees and revenues	10,369,260	8,889,309	12,608,686
Investment income	25,000	78,543	40,499
School fundraising	12,500,000	12,665,806	11,913,498
Amortization of deferred capital contributions	14,093,304	14,505,808	13,616,163
Total revenue	370,318,921	374,176,264	365,857,997
Expenses:			
Instruction	276,995,075	286,105,516	273,454,428
Administration	8,916,741	9,330,568	8,207,672
Transportation	7,140,065	6,732,953	6,790,537
Pupil accommodation	55,071,983	53,334,617	52,758,840
Other	1,043,400	1,606,077	1,208,957
School funded activities	12,500,000	12,762,942	11,957,624
Total expenses (note 13)	361,667,264	369,872,673	354,378,058
Annual surplus	8,651,657	4,303,591	11,479,939
Accumulated surplus, beginning of year	97,732,400	97,732,400	86,252,461
Accumulated surplus, end of year (note 11)	\$ 106,384,057	\$ 102,035,991	\$ 97,732,400

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

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Change in Net Debt

For the year ended August 31, 2016, with comparative information for 2015

	2016 Budget	2016 Actual	2015 Actual
Annual surplus	\$ 8,651,657	\$ 4,303,591	\$ 11,479,939
Acquisition of tangible capital assets	(25,696,574)	(25,696,574)	(7,059,330)
Disposal of tangible capital assets	39,832	39,832	-
Amortization of tangible capital assets	15,685,804	15,864,140	15,279,877
Assets transferred to assets held for sale	-	-	11,283,412
Change in net debt	(1,319,281)	(5,489,011)	30,983,898
Net debt, beginning of year	(449,757,949)	(449,757,949)	(480,741,847)
Net debt, end of year	\$ (451,077,230)	\$ (455,246,960)	\$ (449,757,949)

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

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Cash Flows

For the year ended August 31, 2016, with comparative information for 2015

	2016	2015
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HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2016

1. Significant accounting policies:

The consolidated financial statements of the Halton Ca

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2016

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:

- School Generated Funds

Proportionately consolidated entities:

- Halton Student Transportation Services

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 these funds are not controlled by the Board.

(d) Cash and cash equivalents:

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

(e) Deferred revenue:

Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenses are incurred or services performed.

(f) Deferred capital contributions:

Contributions received or receivable for the purpose of acquiring or developing depreciable tangible capital assets for use in providing services, or any contributions of depreciable tangible assets received or receivable for use in providing services, are recorded as deferred capital contributions when the asset has been acquired as required by Ontario Regulation 395/11. Amounts are recognized as revenue in the statement of operations at the same rate and over the same periods as the related asset is amortized.

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2016

1. Significant accounting policies (continued):

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2016

1. Significant accounting policies (continued):

(h) Tangible capital assets:

Tangible capital assets are recorded at historical

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2016

1. Significant accounting policies (continued):

(j) Investment income:

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

(k) 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.

(l) Use of estimates:

The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 1(a) requires management to make estimates and assumptions that affect the financial statements. 12 Tuima

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2016

4. Long-term receivable – Government of Ontario:

The Province of Ontario replaced variable capital funding with a one-time debt support grant in 2009-10. The 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 will receive 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 account receivable from the Province of Ontario of \$197,336,349 as at August 31, 2016 (2015 - \$189,582,575) with respect to this capital grant.

5. Temporary borrowing:

To address operating requirements and to bridge capital expenses, the Board has an operating line of credit and short-term loans.

The operating line of credit bears interest at the bank's prime lending rate less 0.75%, is unsecured, is due on demand, and has a maximum limit of \$36,694,509. As at August 31, 2016, the amount drawn under the operating line of credit was \$nil (2015 - \$850,000).

The short-term loans bear interest at rates that range from the bank's prime lending rate less 0.75% to 2.8%, are unsecured, and are due on dates ranging from on demand to September 3, 2015. As at August 31, 2016, the Board has short-term loans of \$56,480,630 (2015 - \$52,076,541).

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2016

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2016

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

Retirement benefits (continued):

(ii) Ontario Municipal Employees Retirement System:

All non-teaching and support staff 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, 2016, the Board contributed \$4,286,839 (2015 - \$4,272,827) 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 had a deficit as at December 31, 2015 based on the actuarial valuation of the pension benefit obligation resulting in the plan being 91.5 percent funded (2014 – 91 percent funded). Ongoing adequacy of the current contribution rates will need to be monitored and may lead to increased future funding requirements.

(iii) Retirement gratuities:

The Board provides retirement gratuities to certain groups of employees hired prior to specified dates. The Board provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements. The amount of the gratuities payable to eligible employees is based on their salary, accumulated sick days, and years of service at August 31, 2012.

(iv) Retirement life insurance and health care benefits:

The Board continues to provide

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2016

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

Other employee future benefits:

(i) 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.

(ii) Long-term disability life insurance and health care benefits:

The Board provides life insurance, dental and health care benefits to employees on long-term disability leave. The Board is responsible for the payment of life insurance and the health care and dental premiums benefits under this plan. The Board provides these benefits through an unfunded defined benefit plan. The costs of salary compensation paid to employees on long-term disability leave are fully insured and not included in this plan.

(iii) Sick leave benefits:

As a result of new changes made in 2013 to the short term sick leave and disability plan, 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 2016 consolidated financial statements as a result of the change in the benefits was \$125,587 (2015 - \$181,843).

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

	2016	2015
Inflation	1.5%	1.5%
Wage and salary escalation	0%	0%
Insurance and health care cost escalation	8% decreasing by ¼% each year to 4%	8.50% decreasing by ¼% each year to 4.0%
Dental cost escalation	4% decreasing by ¼% each year to 3%	4.50% decreasing by ¼% each year to 3.0%
Discount on accrued benefit obligations	2.05%	2.45%

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2016

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

Benefit plan future changes:

Currently, the Board provides health, dental and life insurance benefits for certain employees and retired individuals from school boards and has assumed liability for payment of benefits under these plans. As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the principals and vice-principals associations, Employee Life and Health Trusts are in place for the future.

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Notes to Consolidated Financial Statements

Year ended August 31, 2016

8. Net long-term liabilities:

	2016	2015
OSBFC (2000) – F10, repayable in semi-annual installments of \$959,133 plus interest at 7.20% per annum, maturing June 9, 2025	\$ 12,546,420	\$ 13,509,054
OSBFC (2001) - A3, repayable in semi-annual installments of \$2,515,121 plus interest at 6.55% per annum, maturing October 19, 2026	37,763,116	40,199,542
OFA (2003) - A2, repayable in semi-annual installments of \$189,051 plus interest at 5.80% per annum, maturing November 7, 2028	3,328,959	3,506,233
OFA (2006), repayable in semi-annual installments of \$23,381 plus interest at 4.56% per annum, maturing November 15, 2031	515,672	538,149
OFA (2007)- A1, repayable in semi-annual installments of \$1,117,034 plus interest at 5.38% per annum, maturing June 25, 2032	24,922,509	25,885,735
OFA (2008)- F02, repayable in semi-annual installments of \$17,597 plus interest at 4.90% per annum, maturing March 3, 2033	399,704	414,757
OFA (2008)- F03, repayable in semi-annual installments of \$26,107 plus interest at 4.83% per annum, maturing March 3, 2033	596,082	618,685
OFA (2009), repayable in semi-annual installments of \$908,987 plus interest at 5.06% per annum, maturing March 13, 2034	21,180,346	21,898,783
OFA (2009)- A3, repayable in semi-annual installments of \$61,119 plus interest at 5.06% per annum, maturing March 13, 2034	1,424,133	1,472,439
OFA (2010)- F02, repayable in semi-annual installments of \$738,166 plus interest at 5.23% per annum, maturing April 13, 2035	17,590,559	18,125,472
OSBFC (2010), repayable in semi- annual installments of \$1,294,708, plus interest at 3.94% per annum, maturing September 19, 2025	20,083,536	21,829,472
OFA (2011), repayable in semi-annual installments of \$719,169 plus interest at 2.43% per annum, maturing November 15, 2021	7,364,344	8,601,549
OFA (2012)- F02, repayable in semi-annual installments of \$357,767 plus interest at 3.56% per annum, maturing March 9, 2037	10,451,949	10,786,020
OFA (2014)- F02, repayable in semi-annual installments of \$1,068,719 plus interest at 4.00% per annum, maturing on March 11, 2039	31,781,549	32,621,472
OFA (2015), repayable in semi-annual installments of \$53,072 plus interest at 2.99% per annum, maturing on March 9, 2040	1,798,492	1,849,656
	\$ 191,747,370	\$ 201,857,018

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2016

8. Net long-term liabilities (continued):

Principal payments relating to net debt of \$191,747,370 are due as follows:

	Principal	Interest	Total
2016/17	\$ 10,623,060	\$ 9,583,205	\$ 20,206,265
2017/18	11,164,925	9,041,340	20,206,265
2018/19	11,736,924	8,469,341	20,206,265
2019/20	12,340,841	7,865,424	20,206,265
2020/21	12,978,568	7,227,697	20,206,265
Thereafter	132,903,052	41,333,492	174,236,544
	<u>\$ 191,747,370</u>	<u>\$ 83,520,499</u>	<u>\$ 275,267,869</u>

The expenditure for debt charges includes principal and interest payments as follows:

	2016	2015
Principal payments on long-term liabilities	\$ 10,109,648	\$ 9,573,441
Interest payments on long-term liabilities	10,096,617	10,536,538
	<u>\$ 20,206,265</u>	<u>\$ 20,109,979</u>

9. Deferred capital contributions:

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

	2016	2015
Opening balance, September 1	\$ 386,288,550	\$ 395,160,338
Additions to deferred capital contributions	20,677,385	1,909,383
Transfer from deferred revenue (note 6)	11,035,659	2,834,992
Amortization of deferred capital contributions	(14,505,808)	(13,616,163)
Ending balance, August 31	<u>\$ 403,495,786</u>	<u>\$ 386,288,550</u>

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2016

10. Tangible capital assets:

Year ended August 31, 2016

	Cost			Accumulated Amortization			Net book value August 31, 2016	Net book value August 31, 2015		
	Balance at August 31, 2015	Additions and transfers	Transfers, disposals and write offs	Balance at August 31, 2016	Balance at August 31, 2015	Amortization			Transfers, disposals and write offs	
Land	\$ 124,062,994	\$ 996,552	\$ -	\$ 125,059,546	\$ -	\$ -	\$ -	\$ 125,059,546	\$124,062,994	
Land improvements	16,410,703	1,653,076	39,836	18,023,943	4,905,247	972,432	-	5,877,679	11,505,456	
Buildings	526,685,053	7,934,195	-	534,619,248	124,009,942	13,003,681	-	137,013,623	402,675,111	
Construction in progress	1,377,050	14,136,755	-	15,513,805	-	-	-	15,513,805	1,377,050	
Furniture and equipment	10,413,504	393,662	737,837	10,069,329	5,112,280	1,034,523	737,841	5,408,962	4,660,367	
Computer hardware	3,729,927	493,694	686,587	3,537,034	1,761,546	726,697	686,587	1,801,656	1,735,378	
Computer software	424,880	-	216,361	208,519	300,004	63,340	216,361	146,983	61,536	
Vehicles	63,891	39,756	27,713	75,934	35,793	13,982	27,713	22,062	53,872	
Pre-acquisition costs (PAC)	224,478	48,884	-	273,362	-	-	-	273,362	224,478	
Leasehold Improvements	1,928,336	-	-	1,928,336	1,705,655	49,485	-	1,755,140	173,196	
	\$ 685,320,816	\$ 25,696,574	\$ 1,708,334	\$ 709,309,056	\$137,830,467	\$15,864,140	\$1,668,502	\$152,026,105	\$557,282,951	\$ 547,490,349

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2016

10. Tangible capital assets (continued):

(a) Assets Under Construction:

Assets under construction having a value of

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2016

13. Expenses:

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

	2016 Budget Note 1(k)	2016 Actual	2015 Actual
Salary and wages	\$ 242,074,380	\$ 246,968,501	\$ 235,521,943
Employee benefits	38,405,126	42,817,028	40,864,335
Staff development	910,896	919,139	762,286
Supplies and services	37,880,219	36,827,156	35,133,892
Interest	9,946,675	9,946,493	10,411,150
Rental expense	2,516,266	3,140,396	2,283,464
Fees and contract services	13,361,466	12,259,601	12,965,371
Other	886,432	1,130,219	1,155,741
Amortization of tangible capital assets	15,685,804	15,864,140	15,279,876
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	\$ 361,667,264	\$ 369,872,673	\$ 354,378,058

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2016

14. Partnership in Halton Student Transportation Services:

On September 1, 2007, the Board entered into an agreement with Halton District School Board, Le Conseil scolaire de district Catholique due Centre-Sud and Le Conseil scolaire de district due Centre-Sud-Ouest to provide common administration of student transportation services. On February 10, 2009, Service de Transport des Eleves de Halton/Halton Student Transportation Services ("HSTS") was incorporated under the Corporations Act of Ontario. A revised agreement dated April 17, 2009 was created in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the School Boards. Each Board participates in the shared costs associated with this service for the transportation of their respective students through HSTS.

Effective September 1, 2013, two school boards have left the partnership and the partnership is supplying services exclusively to Halton District School Board and the Board.

This entity is proportionately consolidated in the Board's consolidated financial statements whereby the Board's pro-rata share of assets, liabilities, revenues and expenses of the consortium are included in the Board's consolidated financial statements. Inter-organizational transactions and balances have been eliminated.

The following provides condensed financial information:

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2016

15. Ontario School Board Insurance Exchange (OSBIE):

The school board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act. OSBIE insures general public liability, property damage and certain other risks. Liability insurance is available to a maximum of \$24,000,000 per occurrence.

The ultimate premiums over a one 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 one year term expires January 1, 2017.

16. Contractual obligations and contingent liabilities:

- (i) The Board has obligations under operating leases that require annual lease payments in the following amounts:

2016/17	\$ 2,319,791
2017/18	2,087,893
2018/19	1,732,539

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2016

1. Repayment of “55 School Board Trust” funding:

On June 1, 2003, the Board received \$635,000 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 not reflected in the Board's financial position.