

**BRANT HALDIMAND NORFOLK  
CATHOLIC DISTRICT SCHOOL BOARD**

**CONSOLIDATED FINANCIAL STATEMENTS**

**For the year ended August 31, 2014**

**BRANT HALDIMAND NORFOLK  
CATHOLIC DISTRICT SCHOOL BOARD**

**For the year ended August 31, 2014**

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## MANAGEMENT REPORT

### Financial Statements ended August 31, 2014

#### Management's Responsibility for the Financial Statements

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

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.

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 Millard, Rouse Rosebrugh, Chartered Accountants, 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.



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Chris N. Roehrig  
Director of Education



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Thomas R. Grice  
Superintendent of Business & Treasurer

January 14, 2015

## **INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying consolidated financial statements of Brant Haldimand Norfolk Catholic District School Board, which comprise the consolidated statement of financial position as at August 31, 2014, the consolidated statements of operations, changes in net debt and cash flows for the year then ended and 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.

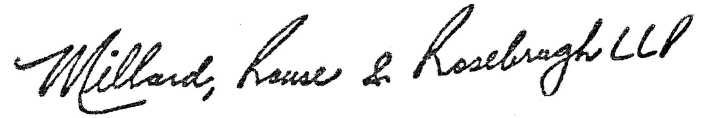
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements of Brant Haldimand Norfolk Catholic District School Board as at and for the year ended August 31, 2014 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the consolidated financial statements.

**Emphasis of Matter**

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.



January 14, 2015  
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

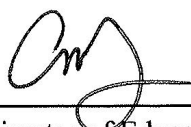
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at August 31	2014	2013
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	12,843,506	13,868,226
Accounts receivable		
Municipalities	2,068,094	2,123,228
Government of Ontario - Approved Capital (Note 2)	52,117,607	58,286,550
Other (Note 3)	2,161,082	3,278,369
<b>Total Financial Assets</b>	<b>69,190,289</b>	<b>77,556,373</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	5,209,092	5,966,754
Accounts payable - other School Boards	421,749	80,271
Deferred revenue (Note 4)	2,754,559	3,414,830
Accrued vacation pay	438,626	441,834
Post employment/retirement benefits (Note 5)	1,419,862	1,323,395
Accrued interest on long term liabilities	1,084,172	1,113,737
Long term liabilities (Note 10)	55,853,989	67,847,623
Deferred capital contributions (Note 6)	100,052,347	100,002,979
<b>Total Liabilities</b>	<b>167,234,396</b>	<b>180,191,423</b>
<b>Net Debt</b>	<b>(98,044,107)</b>	<b>(102,635,050)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets	112,383,269	114,206,624
<b>NET ASSETS</b>	<b>14,339,162</b>	<b>11,571,574</b>
<b>ACCUMULATED SURPLUS (Note 12)</b>	<b>14,339,162</b>	<b>11,571,574</b>

Approved on behalf of the Board



Chair of the Board



Director of Education

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## CONSOLIDATED STATEMENT OF OPERATIONS

<b>For the year ended August 31</b>	<b>Budget 2014</b>	<b>Actual 2014</b>	<b>Actual 2013</b>
<b>Revenues</b>			
Local taxation	19,158,330	18,320,032	18,284,045
General legislative grants	82,488,394	83,895,667	86,581,496
Provincial grants - other	7,143,289	6,855,691	5,728,975
Federal grants and fees	1,252,776	1,149,601	1,236,708
Other fees and revenue	279,147	486,493	388,791
Investment income	20,000	224,921	170,956
School funded activities	4,000,000	3,509,388	3,585,200
Other revenue - school boards	204,276	239,591	214,483
	114,546,212	114,681,384	116,190,654
<b>Expenses</b>			
Instruction	87,291,603	85,230,091	87,906,343
Administration	3,950,833	4,126,188	3,864,512
Transportation	4,676,510	4,516,834	4,406,519
School operations and maintenance	14,437,334	14,122,606	14,139,784
Other	146,395	242,682	146,395
School funded activities	4,000,000	3,456,190	3,567,764
	114,502,675	111,694,591	114,031,317
<b>Net Revenue Before Under-Noted Items</b>	43,537	2,986,793	2,159,337
Amortization of tangible capital assets	(3,762,254)	(4,320,891)	(4,102,074)
Amortization of deferred capital contributions	3,762,254	4,101,686	3,806,030
	-	(219,205)	(296,044)
<b>Annual Surplus</b>	43,537	2,767,588	1,863,293
<b>Accumulated Surplus - Beginning of Year</b>	4,436,276	11,571,574	9,708,281
<b>Accumulated Surplus - End of Year</b>	4,479,813	14,339,162	11,571,574

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

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<b>For the year ended August 31</b>	<b>2014</b>	<b>2013</b>
<b>Annual Surplus</b>	2,767,588	1,863,293
Amortization of tangible capital assets	4,320,891	4,102,074
Acquisition of tangible capital assets (net of transferred CIP)	(2,497,536)	(7,348,873)
Proceeds on sale of tangible capital assets	-	412,128
Loss/(Gain) on sale of tangible capital assets	-	(397,328)
	4,590,943	(1,368,706)
<b>Net Debt - Beginning of Year</b>	(102,635,050)	(101,266,344)
<b>Net Debt - End of Year</b>	(98,044,107)	(102,635,050)

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# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended August 31	2014	2013
<b>Cash Flows From Operating Activities</b>		
Annual surplus	2,767,588	1,863,293
<b>Non-cash Charges to Operations</b>		
Amortization of tangible capital assets	4,320,891	4,102,074
Loss/(Gain) on disposal of tangible capital assets	-	(397,328)
Amortization of deferred capital contributions	(4,101,686)	(3,806,030)
Deferred revenue transferred to deferred capital contributions	2,197,804	1,209,047
	5,184,597	2,971,056
<b>Sources (Uses) of Cash:</b>		
Accounts receivable - Municipalities	55,134	40,146
Accounts receivable - Government of Ontario, Approved capital	6,168,943	(1,874,587)
Accounts receivable - other	1,117,287	(47,361)
Accounts payable and accrued liabilities	(757,662)	757,433
Accounts payable - other School Boards	341,478	(6,227,496)
Deferred revenues	(660,271)	1,053,505
Short term borrowings	-	(7,886,000)
Accrued vacation pay	(3,208)	55,544
Accrued future paid sick leave	-	-
Post employment/retirement benefits	96,467	888,039
Accrued interest on long term liabilities	(29,565)	130,200
	6,328,603	(13,110,577)
<b>Cash Flows From Capital Activities</b>		
Acquisition of tangible capital assets (net of transferred CIP)	(2,497,536)	(7,348,873)
Proceeds on disposal of capital assets	-	412,128
	(2,497,536)	(6,936,745)
<b>Cash Flows From Financing Activities</b>		
Debt issued	-	16,156,020
Debenture and loan repayments	(11,993,634)	(1,968,705)
Capital grants received	1,953,250	7,306,357
	(10,040,384)	21,493,672
<b>Net Decrease in Cash and Cash Equivalents</b>	(1,024,720)	4,417,406
<b>Opening Cash and Cash Equivalents</b>	13,868,226	9,450,820
<b>Closing Cash and Cash Equivalents</b>	12,843,506	13,868,226

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2014

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### 1. SIGNIFICANT ACCOUNTING POLICIES

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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, 2014

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### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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#### 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 comprise 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.

#### 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 performed.

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2014

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### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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#### 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

#### g) Employee Future Benefits

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, 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, 2014

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### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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#### **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:

<b>Asset</b>	<b>Estimated Useful Life in Years</b>
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	5
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.

Land permanently removed from service and held for resale is recorded at the lower of cost and estimated net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing. Buildings permanently removed from service and held for resale cease to be amortized and are recorded at the lower of carrying value and estimated net realizable value. Tangible capital assets which meet the criteria for financial assets are reclassified as "assets held for sale" on the consolidated statement of financial position.

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, 2014

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### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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#### **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.

Government transfers for capital that meet the definition of a liability are referred to as deferred capital contributions (DCC). Amounts are recognized into revenue as the liability is extinguished over the useful life of the asset.

#### **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.

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2014

### 2. ACCOUNTS RECEIVABLE - GOVERNMENT OF ONTARIO

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

The Board has accounts receivable from the Province of Ontario of \$52,117,607 as at August 31, 2014 (2013 - \$58,286,550) with respect to capital grants.

3. ACCOUNTS RECEIVABLE - OTHER	2014	2013
Other school boards	315,771	329,269
Government of Ontario	1,418,955	2,552,153
Government of Canada	353,248	156,930
Other	73,108	240,017
	2,161,082	3,278,369

### 4. DEFERRED REVENUE

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

Deferred revenue set-aside for specific purposes by legislation, regulation or agreement as at August 31, 2014 is comprised of:

	Balance at August 31, 2013	Externally restricted revenue and interest	Revenue recognized	Transferred to DCC	Balance at August 31, 2014
Proceeds of disposition	479,192	-	-	479,192	-
Education					
development charge	1,128,738	278,599	110,630	-	1,296,707
Legislative grants	330,303	8,395,090	6,521,811	1,718,612	484,970
Special education	318,014	10,641,741	10,571,996	-	387,759
Other education grants	1,132,831	5,663,342	6,273,079	-	523,094
Other grants	25,752	62,027	25,750	-	62,029
	3,414,830	25,040,799	23,503,266	2,197,804	2,754,559

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2014

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### 5. RETIREMENT AND ACCRUED FUTURE PAID SICK LEAVE BENEFITS

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#### **Plan Changes**

In 2012, changes were made to the Board's sick leave plan. All accumulated non-vested sick days were eliminated as of September 1, 2012, and were replaced with a new short term leave and disability plan. In 2013, further 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 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 benefit plans as at August 31, 2014 are based upon an extrapolation of the August 31, 2013 valuation and adjusted for census and changes to the actuarial assumptions. These valuations take into account the plan changes outlined above.

The assumptions used in the current valuation are as follows:

- i) Health and dental rates are assumed to increase by 8.5% for 2014-15, reducing by 1/4% in each subsequent year to an ultimate rate of 4%.
- ii) Dental costs are assumed to increase by 4.5% for 2014-15, reducing by 1/4% in each subsequent year to an ultimate rate of 3%.
- iii) Participation rates are assumed to be 100% of early retirement employees.

#### **Retirement Life Insurance and Health Care Benefits**

The Board continues to provide 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. Staff retired prior to August 2005 are grandfathered and will continue to benefit from the reduced rates based on the entire benefit group. The benefit costs and liabilities related to the plan are provided through an unfunded defined benefit plan and are included in the Board's consolidated financial statements. The changes to the Board's retirement health, and dental plans resulted in a one-time reduction to the Board's obligation of \$211,144 and a corresponding curtailment gain was reported in the consolidated statement of operations and accumulated surplus as at August 31, 2012.

#### **Sick Leave Benefits**

As a result of the plan changes, the Board's liability related to compensated absences from sick leave accumulations was eliminated, resulting in a one-time reduction to the obligation of \$8,148,274 and a corresponding curtailment gain was reported in the consolidated statement of operations and accumulated surplus as at August 31, 2012.



# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2014

### 5. RETIREMENT AND ACCRUED FUTURE PAID SICK LEAVE BENEFITS (Continued)

#### Sick Leave Top-Up 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 accrued benefit obligation for the sick leave top-up is based on an actuarial valuation for accounting purposes as of August 31, 2014. This actuarial valuation is based on assumptions about future events.

Retirement and Other Employee Future Benefit Liabilities				2014	2013
	Retirement Benefits	Long term disability and compensated absences	Workers Compensation	Total Employee Future Benefits	Total Employee Future Benefits
Accrued benefit at August 31	333,149	519,760	555,415	1,408,324	1,316,550
Unamortized actuarial gains/(losses) at August 31	11,538	-	-	11,538	6,845
	344,687	519,760	555,415	1,419,862	1,323,395

Retirement and Other Employee Future Benefit Expenses				2014	2013
	Retirement Benefits	Long term disability and compensated absences	Workers Compensation	Total Employee Future Benefits	Total Employee Future Benefits
Current year benefit cost	12,580	109,169	339,585	461,334	904,072
Interest on accrued benefit obligation	12,855	14,796	12,580	40,231	31,178
Recognized Actuarial gains (losses)	292	10,685	10,977	21,954	29,993
Cost of (gain on) plan amendments	-	-	-	-	214,618
Benefit payments	(123,828)	(90,132)	(168,838)	(382,798)	(291,822)
Employee Future Benefits Expenses	(98,101)	44,518	194,304	140,721	888,039

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2014

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### 6. DEFERRED CAPITAL CONTRIBUTIONS 2014                      2013

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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	100,002,979	95,293,605
Additions to capital contributions (net)	1,953,250	7,306,357
Revenue recognized in the period	(4,101,686)	(3,806,030)
Transfers from deferred revenue	2,197,804	1,209,047
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Ending balance	100,052,347	100,002,979

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### 7. ONTARIO MUNICIPAL EMPLOYEES RETIREMENT SYSTEM

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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, 2014, the Board contributed \$1,431,695 (2013 - \$1,383,060) 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 will be required in the future.

### 8. ONTARIO TEACHER'S PENSION PLAN

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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.

### 9. TRUST FUNDS

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Trust funds administered by the Board amounting to \$16,743 (2013 - \$18,078) 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, 2014

10. LONG TERM LIABILITIES	2014	2013
4.9% debenture payable, semi-annual payments of \$58,141 including principal and interest, maturing March 2033.	1,417,778	1,462,923
6.5% debenture payable, semi-annual payments of \$772,885 including principal and interest, maturing October 2026.	13,055,096	13,713,251
3.799% debenture payable, semi-annual payments of \$201,402 including principal and interest, maturing March 2038.	6,231,577	16,156,020
2.425% debenture payable, semi-annual payments of \$160,409 including principal and interest, maturing November 2021.	2,187,945	2,450,914
4.867% debenture payable, semi-annual payments of \$375,851 including principal and interest, maturing March 2029.	7,936,882	8,289,378
4.56% OFA debenture payable, semi-annual payments of \$114,507 including principal and interest, maturing November 2031.	2,740,733	2,841,317
5.062% OFA debenture payable, semi-annual payments of \$85,137 including principal and interest, maturing March 2034.	2,115,076	2,175,964
5.384% OFA debenture payable, semi-annual payments of \$462,624 including principal and interest, maturing May 2034.	11,246,490	11,553,765
5.232% PCS Stage 1 loan payable, semi-annual payments of \$52,483 including principal and interest, maturing April 2035.	1,324,818	1,359,118
5.232% GPL Stage 4 loan payable, semi-annual payments of \$32,797 including principal and interest, maturing April 2035.	827,886	849,319
5.232% PTR Phase 2 loan payable, semi-annual payments of \$253,921 including principal and interest, maturing April 2035.	6,409,708	6,575,654
3% promissory note payable to the Roman Catholic Episcopal Corp., payable at \$40,000 per year plus interest, maturing May 2021.	240,000	280,000
Interest free note payable to the Roman Catholic Episcopal Corp., payable at \$20,000 per year, maturing May 2021.	120,000	140,000
	<b>55,853,989</b>	<b>67,847,623</b>

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2014

### 10. LONG TERM LIABILITIES (Continued)

Of the net long term liabilities outstanding of \$55,853,989, principal and interest payments are payable over the next five years as follows:

	Principal	Interest Payments	Total
2015	2,292,782	2,968,174	5,260,956
2016	2,459,513	2,746,801	5,206,314
2017	2,584,476	2,620,638	5,205,114
2018	2,716,357	2,487,547	5,203,904
2019	2,855,558	2,347,158	5,202,716
	<u>12,908,686</u>	<u>13,170,318</u>	<u>26,079,004</u>

Interest paid on long-term debt amounted to \$3,349,977 (2013 - 2,932,573).

A large principal repayment of \$9,523,858 occurred during the year.

As of August 31, 2014, the Board had \$830,590 (2013 - \$830,590) in letters of credit outstanding related to ongoing construction projects.

### 11. EXPENDITURES BY OBJECT

	Budget 2014	Actual 2014	Actual 2013
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The following is a summary of current expenditures reported on the Consolidated Statement of Operations by object:

**Current expenditures:**

Salary and wages	78,615,983	78,642,136	79,809,291
Employee benefits	11,305,828	11,107,453	11,378,589
Staff development	363,702	293,803	336,951
Supplies and services	13,627,516	11,097,339	12,440,134
Interest on long term debt	3,346,718	3,320,413	3,217,730
Rental expenditures	57,468	36,048	8,658
Fees and contract services	6,953,575	6,861,806	6,569,150
Other	231,885	335,593	270,814
	<u>114,502,675</u>	<u>111,694,591</u>	<u>114,031,317</u>

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2014

### 12. ACCUMULATED SURPLUS (DEFICIT)

Accumulated surplus (deficit) consists of the following:

	2014	2013
<b>Surplus (Deficit):</b>		
Invested in non-depreciable tangible capital assets	6,608,381	6,602,142
Employee future benefits to be covered in the future	(1,419,862)	(1,323,395)
School generated funds	1,397,953	1,344,755
Other	7,752,690	4,948,072
	<b>14,339,162</b>	<b>11,571,574</b>

### 13. TRANSPORTATION CONSORTIUM

On October 1, 2008, the Board entered into an agreement with Grand Erie District School Board and Conseil Scolaire de District Catholique Centre-Sud Board 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.

Below provides condensed financial information for the consortium.

	2014		2013	
	Total	Board Portion	Total	Board Portion
<b>Financial Position</b>				
Financial Assets	188,670	181,828	88,562	85,507
Liabilities	188,670	181,828	88,562	85,507
<b>Accumulated Surplus</b>	-	-	-	-
<b>Operations</b>				
Revenues	15,679,560	4,516,494	15,298,663	4,416,592
Expenses	15,679,560	4,516,494	15,298,663	4,416,592
<b>Annual Surplus</b>	-	-	-	-

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.

### 14. CONTINGENCY

The Board has received a statement of claim regarding certain employment matters. The claim is being reviewed by legal counsel. The amount and nature of the possible outcome is not determinable at this time and as a result, no provision has been made in the financial statements.

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2014

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### 15. ONTARIO SCHOOL BOARD INSURANCE EXCHANGE (OSBIE)

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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 \$20 million per occurrence.

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, 2016.

### 16. WORKPLACE SAFETY INSURANCE BOARD

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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. Plan changes made in 2012 requires school boards 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 previously negotiated collective agreement included such provision.

### 17. SUBSEQUENT EVENT

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Subsequent to the year end, the Ministry of Education determined that the Board may be required to reclassify an expenditure for land purchased in 2010 and recognize the payment through the Board's Education Development Fund. The effect of the possible adjustment to accumulated surplus is expected to be minimal. The recording of the adjustment will be made once the correction, if any, has been calculated by the Board and the Ministry.

### 18. REPAYMENT OF "55 SCHOOL BOARD TRUST" FUNDING

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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. COMPARATIVE FIGURES

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Certain prior year figures, provided for the purpose of comparison, have been reclassified to confirm with the current years presentation.

## BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

### SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended August 31, 2014

	Land	Building (40 years)	Portable structures	Equipment (5 years)	Equipment (10 years)	Computer hardware	Computer software	Vehicles	Construction in progress	Total 2014	Total 2013
<b>Cost</b>											
Balance, beginning of year	6,602,142	131,517,241	3,277,200	54,400	2,856,658	4,070,731	568,314	217,482	7,723,541	156,887,709	151,120,589
Additions during the year	6,239	8,848,386	-	2,996	185,673	-	-	-	1,918,068	10,961,362	8,387,950
Disposals during the year	-	(501,067)	-	-	-	-	-	-	(8,463,826)	(8,964,893)	(2,620,830)
<b>Balance, end of year</b>	<b>6,608,381</b>	<b>139,864,560</b>	<b>3,277,200</b>	<b>57,396</b>	<b>3,042,331</b>	<b>4,070,731</b>	<b>568,314</b>	<b>217,482</b>	<b>1,177,783</b>	<b>158,884,178</b>	<b>156,887,709</b>
<b>Accumulated Amortization</b>											
Balance, beginning of year	-	33,650,557	2,757,965	6,652	1,865,187	3,756,199	525,159	119,366	-	42,681,085	40,145,964
Amortization during the year	-	3,825,346	107,623	4,607	167,441	146,351	31,917	37,606	-	4,320,891	4,102,074
Disposals, writeoffs and adjustments	-	(501,067)	-	-	-	-	-	-	-	(501,067)	(1,566,953)
<b>Balance, end of year</b>	<b>-</b>	<b>36,974,836</b>	<b>2,865,588</b>	<b>11,259</b>	<b>2,032,628</b>	<b>3,902,550</b>	<b>557,076</b>	<b>156,972</b>	<b>-</b>	<b>46,500,909</b>	<b>42,681,085</b>
<b>Net book value of tangible capital assets</b>	<b>6,608,381</b>	<b>102,889,724</b>	<b>411,612</b>	<b>46,137</b>	<b>1,009,703</b>	<b>168,181</b>	<b>11,238</b>	<b>60,510</b>	<b>1,177,783</b>	<b>112,383,269</b>	<b>114,206,624</b>