

**BRANT HALDIMAND NORFOLK  
CATHOLIC DISTRICT SCHOOL BOARD**

**CONSOLIDATED FINANCIAL STATEMENTS**

**For the year ended August 31, 2013**

**BRANT HALDIMAND NORFOLK  
CATHOLIC DISTRICT SCHOOL BOARD**

**For the year ended August 31, 2013**

**INDEX**

	Page
MANAGEMENT REPORT	1
INDEPENDENT AUDITORS' REPORT	2 - 3
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations	5
Consolidated Statement of Changes in Net Debt	6
Consolidated Statement of Cash Flows	7
Notes to the Consolidated Financial Statements	8 - 20
Schedule of Tangible Capital Assets	21



## MANAGEMENT REPORT

### Financial Statements ended August 31, 2013

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

The accompanying financial statements of the Brant Haldimand Norfolk Catholic District School Board are the responsibility of Board management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants, except that school generated funds balances and activities have not been included in these financial statements. A summary of the significant accounting policies is described in Note 1 to the financial statements. The preparation of 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 financial statements. These systems are monitored and evaluated by management.

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

The financial statements have been audited by Millard, Rouse, Rosebrugh, Chartered Accountants, independent external auditors which have been appointed by the Board. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Board's financial statements.

A handwritten signature in blue ink, appearing to be 'C. Roehrig'.

Chris N. Roehrig  
Director of Education & Secretary

A handwritten signature in blue ink, appearing to be 'T. Grice'.

Thomas R. Grice  
Superintendent of Business & Treasurer

## **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, 2013, 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 qualified audit opinion.

### **Basis for Qualified Opinion**

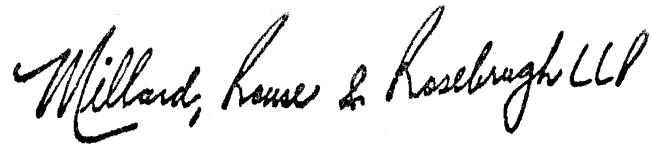
In common with many school boards, individual schools derive revenue from school fundraising activities held throughout the year. Adequate documentation and controls were not in place throughout the year to allow us to obtain satisfactory audit verification as to the completeness of these revenues. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the individual schools and we were not able to determine whether adjustments might be necessary to school fundraising revenue, annual surplus, and cash flows from operating activities for the year ended August 31, 2013, and financial assets as at August 31, 2013 and accumulated surplus as at August 31, 2013.

**Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements as at and for the year ended August 31, 2013 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the 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.



December 2, 2013

CHARTERED ACCOUNTANTS  
Licensed Public Accountants

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at August 31	2013	2012
<b>FINANCIAL ASSETS</b>		
Cash and bank	13,868,226	9,450,820
Accounts receivable		
Municipalities	2,123,228	2,163,374
Government of Ontario - Approved Capital (Note 2)	58,286,550	56,411,963
Other (Note 3)	3,278,369	3,231,008
	<b>77,556,373</b>	<b>71,257,165</b>
<b>LIABILITIES</b>		
Short term borrowings (Note 5)	-	7,886,000
Accounts payable and accrued liabilities	5,966,754	5,209,321
Accounts payable - other School Boards	80,271	6,307,767
Deferred revenue (Note 4)	3,414,830	2,361,325
Accrued vacation pay	441,834	386,290
Post employment/retirement benefits (Note 6)	1,323,395	435,356
Accrued interest on long term liabilities	1,113,737	983,537
Net long term liabilities (Note 10)	67,847,623	53,660,308
Deferred capital contributions (Note 7)	100,002,979	95,293,605
	<b>180,191,423</b>	<b>172,523,509</b>
Net Debt	(102,635,050)	(101,266,344)
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets	114,206,624	110,974,625
	<b>11,571,574</b>	<b>9,708,281</b>
<b>NET ASSETS</b>		
	<b>11,571,574</b>	<b>9,708,281</b>
<b>ACCUMULATED SURPLUS</b> (Note 12)	<b>11,571,574</b>	<b>9,708,281</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

For the year ended August 31	Budget 2013	Actual 2013	Actual 2012
	<i>(unaudited)</i>		
<b>Revenues</b>			
Local taxation	19,879,420	18,284,045	19,297,754
General legislative grants	84,399,785	86,581,496	88,915,401
Provincial grants - other	5,587,481	5,728,975	3,241,086
Federal grants and fees	1,228,438	1,236,708	1,222,988
Other fees and revenue	266,880	388,791	348,298
Investment income	20,000	170,956	115,375
School funded activities	4,000,000	3,585,200	3,834,439
Other revenue - school boards	185,588	214,483	157,248
	115,567,592	116,190,654	117,132,589
<b>Expenses</b>			
Instruction	88,542,690	87,906,343	80,852,871
Administration	4,080,051	3,864,512	3,798,358
Transportation	4,766,510	4,406,519	5,442,451
School operations and maintenance	13,873,091	14,139,784	13,209,947
Other	146,395	146,395	221,395
School funded activities	4,000,000	3,567,764	3,709,119
	115,408,737	114,031,317	107,234,141
<b>Net Revenue Before Under-Noted Items</b>	158,855	2,159,337	9,898,448
Amortization of tangible capital assets	(3,844,850)	(4,102,074)	(3,762,253)
Amortization of deferred capital contributions	3,844,850	3,806,030	3,412,712
	-	(296,044)	(349,541)
<b>Annual Surplus</b>	158,855	1,863,293	9,548,907
<b>Accumulated Surplus - Beginning of Year</b>	-	9,708,281	159,374
<b>Accumulated Surplus - End of Year</b>	-	11,571,574	9,708,281

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

<b>For the year ended August 31</b>	<b>2013</b>	<b>2012</b>
<b>Annual Surplus</b>	1,863,293	9,548,907
Amortization of tangible capital assets	4,102,074	3,762,253
Acquisition of tangible capital assets (net of transferred CIP)	(7,348,873)	(7,391,565)
Proceeds on sale of tangible capital assets	412,128	-
Loss/(Gain) on sale of tangible capital assets	(397,328)	-
	(1,368,706)	5,919,595
<b>Net Debt - Beginning of Year</b>	(101,266,344)	(107,185,939)
<b>Net Debt - End of Year</b>	(102,635,050)	(101,266,344)



# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended August 31	2013	2012
<b>Cash Flows From Operating Activities</b>		
Annual surplus	1,863,293	9,548,907
<b>Non-cash Charges to Operations</b>		
Amortization of tangible capital assets	4,102,074	3,762,253
Loss/(Gain) on disposal of tangible capital assets	(397,328)	-
Amortization of deferred capital contributions	(3,806,030)	(3,412,712)
Deferred revenue transferred to deferred capital contributions	1,209,047	1,578,236
	2,971,056	11,476,684
<b>Sources (Uses) of Cash:</b>		
Accounts receivable - Municipalities	40,146	5,429
Accounts receivable - Government of Ontario, Approved capital	(1,874,587)	(3,190,558)
Accounts receivable - other	(47,361)	477,743
Accounts payable and accrued liabilities	757,433	(2,276,857)
Accounts payable - other School Boards	(6,227,496)	1,984,506
Deferred revenues	1,053,505	848,394
Short term borrowings	(7,886,000)	7,886,000
Accrued vacation pay	55,544	68,583
Accrued future paid sick leave	-	(7,868,762)
Post employment/retirement benefits	888,039	(406,892)
Accrued interest on long term liabilities	130,200	(122,241)
	(13,110,577)	(2,594,655)
<b>Cash Flows From Capital Activities</b>		
Acquisition of tangible capital assets (net of transferred CIP)	(7,348,873)	(7,391,565)
Proceeds on disposal of capital assets	412,128	-
	(6,936,745)	(7,391,565)
<b>Cash Flows From Financing Activities</b>		
Debt issued	16,156,020	-
Debenture and loan repayments	(1,968,705)	(2,384,047)
Capital grants received	7,306,357	5,269,955
	21,493,672	2,885,908
<b>Net Increase in Cash and Cash Equivalents</b>	4,417,406	4,376,372
<b>Opening Cash and Cash Equivalents</b>	9,450,820	5,074,448
<b>Closing Cash and Cash Equivalents</b>	13,868,226	9,450,820

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2013

---

### 1. SIGNIFICANT ACCOUNTING POLICIES

---

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

#### a) Basis of Accounting

The consolidated financial statements have been prepared in accordance with the Financial Administration Act supplemented by Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act.

The Financial Administration Act requires that the consolidated financial statements be prepared in accordance with the accounting principles determined by the relevant Ministry of the Province of Ontario. A directive was provided by the Ontario Ministry of Education within memorandum 2004:B2 requiring school boards to adopt Canadian public sector accounting standards commencing with their year ended August 31, 2004 and that changes may be required to the application of these standards as a result of regulation.

In 2011, the government passed Ontario Regulation 395/11 of the Financial Administration Act. The Regulation requires that contributions received or receivable for the acquisition or development of depreciable tangible capital assets and contributions of depreciable tangible capital assets for use in providing services, be recorded as deferred capital contributions and be recognized as revenue in the statement of operations over the periods during which the asset is used to provide service at the same rate that amortization is recognized in respect of the related asset. The regulation further requires that if the net book value of the depreciable tangible capital asset is reduced for any reason other than depreciation, a proportionate reduction of the deferred capital contribution along with a proportionate increase in the revenue be recognized. For Ontario school boards, these contributions include government transfers, externally restricted contributions and, historically, property tax revenue.

The accounting policy requirements under Regulation 395/11 are significantly different from the requirements of Canadian public sector accounting standards which require that

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

As a result, revenue recognized in the statement of operations and certain related deferred revenues and deferred capital contributions would be recorded differently under Canadian Public Sector Accounting Standards.

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2013

---

### 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.

#### 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, 2013

---

### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

---

#### f) Deferred Capital Contributions

Contributions received or receivable for the purpose of acquiring or developing a depreciable tangible capital asset for use in providing services, or any contributions in the form of depreciable tangible assets received or receivable for use in providing services, shall be recognized as deferred capital contribution as defined in Ontario Regulation 395/11 of the Financial Administration Act. These amounts are recognized as revenue at the same rate as the related tangible capital asset is amortized. The following items fall under this category:

- Government transfers received or receivable for capital purpose
- Other restricted contributions received or receivable for capital purpose
- Property taxation revenues which were historically used to fund capital

#### 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. The changes to the plans resulted in a plan curtailment and any unamortized actuarial gains and losses associated with the employees impacted by the change are recognized as at August 31, 2013.

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, 2013

---

### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

---

#### h) Tangible Capital Assets

Tangible capital assets are recorded at historical cost less accumulated amortization. Historical cost includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset, as well as interest related to financing during construction. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization.

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

Tangible capital assets, except land, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Estimated Useful Life in Years
Land improvements with finite lives	15
Buildings and building improvements	40
Portable structures	20
Other buildings	20
First-time equipping of schools	10
Furniture	10
Equipment	5-15
Computer hardware	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, 2013

---

### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

---

#### **i) Government Transfers**

Government transfers, which include legislative grants, are recognized in the consolidated financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made.

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. The budget figures are unaudited.

#### **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. 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, 2013

### 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 \$58,286,550 as at August 31, 2013 (2012 - \$56,411,963) with respect to capital grants.

3. ACCOUNTS RECEIVABLE - OTHER	2013	2012
Other school boards	329,269	1,037,478
Government of Ontario	2,552,153	1,331,897
Government of Canada	156,930	562,498
Other	240,017	299,135
	3,278,369	3,231,008

### 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, 2013 is comprised of:

	Balance at August 31, 2012	Externally restricted revenue and interest	Revenue recognized	Transferred to DCC	Balance at August 31, 2013
Proceeds of disposition	81,864	397,328	-	-	479,192
Education					
development charge	980,813	260,204	112,279	-	1,128,738
Legislative grants		8,221,283	6,681,933	1,209,047	330,303
Special education	248,252	10,886,334	10,816,572	-	318,014
Other education grants	1,018,364	1,456,708	1,342,241	-	1,132,831
Other grants	32,032	25,750	32,030	-	25,752
	2,361,325	21,247,607	18,985,055	1,209,047	3,414,830

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2013

---

### 5. SHORT TERM BORROWINGS

---

The board has demand bridge loans of \$nil, (2012 - \$7,886,000) to finance the construction of new schools and school additions. Interest on the temporary loans is calculated at bank prime less 0.25%. These loans are due on demand.

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

---

#### 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, 2013 are based on the most recent actuarial valuations completed for accounting purposes as at August 31, 2013. 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 8.75% for 2013-14, reducing by 1/4% in each subsequent year to an ultimate rate of 4%.
- ii) Dental costs are assumed to increase by 4.75% for 2013-14, 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, 2013

### 6. 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, 2013. This actuarial valuation is based on assumptions about future events.

Retirement and Other Employee Future Benefit Liabilities				2013	2012
	Retirement Benefits	Long term disability and compensated absences	Workers Compensation	Total Employee Future Benefits	Total Employee Future Benefits
Accrued benefit at August 31	433,709	510,753	372,088	1,316,550	435,356
Unamortized actuarial gains/(losses) at August 31	5,866	979	-	6,845	-
	439,575	511,732	372,088	1,323,395	435,356

Retirement and Other Employee Future Benefit Expenses				2013	2012
	Retirement Benefits	Long term disability and compensated absences	Workers Compensation	Total Employee Future Benefits	Total Employee Future Benefits
Current year benefit cost	3,592	439,834	460,646	904,072	201,660
Interest on accrued benefit obligation	14,202	6,862	10,114	31,178	446,829
Recognized Actuarial gains (losses)	29,993			29,993	2,245,421
Cost of (gain on) plan amendments	116,115	136,202	(37,699)	214,618	(10,550,391)
Benefit payments	(159,683)	(71,166)	(60,973)	(291,822)	(1,047,276)
Employee Future Benefits Expenses	4,219	511,732	372,088	888,039	(8,703,757)

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2013

---

### 7. DEFERRED CAPITAL CONTRIBUTIONS

	2013	2012
--	------	------

---

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	95,293,605	91,858,126
Additions to capital contributions (net)	7,306,357	5,269,955
Revenue recognized in the period	(3,806,030)	(3,412,712)
Transfers from deferred revenue	1,209,047	1,578,236
<hr/>		
Ending balance	100,002,979	95,293,605

---

### 8. ONTARIO MUNICIPAL EMPLOYEES RETIREMENT SYSTEM

---

All non-teaching employees of the Board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2013, the Board contributed \$1,383,060 (2012 - \$1,288,465) 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.

### 9. TRUST FUNDS

---

Trust funds administered by the Board amounting to \$17,929 (2012 - \$20,551) 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, 2013

10. LONG TERM LIABILITIES	2013	2012
4.9% debenture payable, semi-annual payments of \$58,141 including principal and interest, maturing March 2033.	1,462,923	1,505,936
6.5% debenture payable, semi-annual payments of \$772,885 including principal and interest, maturing October 2026.	13,713,251	14,330,325
3.799% debenture payable, semi-annual payments of \$505,291 including principal and interest, maturing March 2038.	16,156,020	-
2.425% debenture payable, semi-annual payments of \$160,409 including principal and interest, maturing November 2021.	2,450,914	2,707,620
4.867% debenture payable, semi-annual payments of \$375,851 including principal and interest, maturing March 2029.	8,289,378	8,625,324
4.56% OFA debenture payable, semi-annual payments of \$114,007 including principal and interest, maturing November 2031.	2,841,317	2,937,467
5.062% OFA debenture payable, semi-annual payments of \$85,137 including principal and interest, maturing March 2034.	2,175,964	2,233,882
5.384% OFA debenture payable, semi-annual payments of \$462,624 including principal and interest, maturing May 2034.	11,553,765	11,845,142
5.232% PCS Stage 1 loan payable, semi-annual payments of \$52,483 including principal and interest, maturing April 2035.	1,359,118	1,391,691
5.232% GPL Stage 4 loan payable, semi-annual payments of \$32,797 including principal and interest, maturing April 2035.	849,319	869,674
5.232% PTR Phase 2 loan payable, semi-annual payments of \$253,921 including principal and interest, maturing April 2035.	6,575,654	6,733,247
3% promissory note payable to the Roman Catholic Episcopal Corp. payable at \$40,000 per year plus interest, maturing May 2021.	280,000	320,000
Interest free note payable to the Roman Catholic Episcopal Corp., payable at \$20,000 per year, maturing May 2021.	140,000	160,000
	<b>67,847,623</b>	<b>53,660,308</b>

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2013

### 10. LONG TERM LIABILITIES (Continued)

Of the net long term liabilities outstanding of \$67,847,623, principal and interest payments are payable over the next five years as follows:

	Principal	Interest Payments	Total
2014	2,469,775	3,346,718	5,816,493
2015	2,591,249	3,224,044	5,815,293
2016	2,719,264	3,094,830	5,814,094
2017	2,854,188	2,958,706	5,812,894
2018	2,996,413	2,815,271	5,811,684
	<u>13,630,889</u>	<u>15,439,569</u>	<u>29,070,458</u>

Interest paid on long-term debt amounted to \$2,932,573 (2012 - 3,061,510).

As of August 31, 2013, the Board had \$nil in letters of credit outstanding related to ongoing construction projects.

### 11. EXPENDITURES BY OBJECT

	Budget 2013 <i>(unaudited)</i>	Actual 2013	Actual 2012
--	--------------------------------------	----------------	----------------

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

**Current expenditures:**

Salary and wages	79,552,492	79,809,291	80,363,227
Employee benefits	11,475,798	11,378,589	3,139,168
Staff development	406,142	336,951	488,002
Supplies and services	13,664,563	12,440,134	12,236,988
Interest on long term debt	2,831,882	3,217,730	3,014,889
Rental expenditures	88,116	8,658	95,753
Fees and contract services	7,151,549	6,569,150	7,582,755
Other	238,195	270,814	313,359
	<u>115,408,737</u>	<u>114,031,317</u>	<u>107,234,141</u>

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2013

### 12. ACCUMULATED SURPLUS (DEFICIT)

Accumulated surplus (deficit) consists of the following:

	2013	2012
<b>Surplus (Deficit):</b>		
Invested in non-depreciable tangible capital assets	6,602,142	6,616,942
Employee future benefits to be covered in the future	(1,323,395)	(435,356)
School generated funds	1,344,755	1,327,317
Other	4,948,072	2,199,378
	<b>11,571,574</b>	<b>9,708,281</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.

	2013		2012	
	Total	Board Portion	Total	Board Portion
<b>Financial Position</b>				
Financial Assets	88,562	85,507	95,325	88,077
Liabilities	88,562	85,507	95,325	88,077
<b>Accumulated Surplus</b>	-	-	-	-
<b>Operations</b>				
Revenues	15,298,663	4,416,592	17,352,100	5,419,061
Expenses	15,298,663	4,416,592	17,352,100	5,419,061
<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.

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2013

---

### 14. 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 \$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.

### 15. WORKPLACE SAFETY INSURANCE BOARD

---

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.

### 16. 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.

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

---

On June 1, 2003, the Board received \$1,965,017 from The 55 School Board Trust for its capital related debt eligible for provincial funding support pursuant to a 30-year agreement it entered into with the trust. The 55 School Board Trust was created to refinance the outstanding not permanently financed (NPF) debt of participating boards who are beneficiaries of the trust. Under the terms of the agreement, The 55 School Board Trust repaid the Board's debt in consideration for the assignment by the Board to the trust of future provincial grants payable to the Board in respect of the NPF debt.

As a result of the above agreement, the liability in respect of the NPF debt is no longer reflected in the Board's financial position.

### 18. COMPARATIVE FIGURES

---

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, 2013

	Land	Building (40 years)	Portable structures	Equipment (5 years)	Equipment (10 years)	Computer hardware	Computer software	Vehicles	Construction in progress	Total 2013	Total 2012
<b>Cost</b>											
Balance, beginning of year	6,616,942	131,225,244	3,277,200	35,453	2,778,076	4,070,731	568,314	193,714	2,354,915	151,120,589	143,729,024
Additions during the year	-	1,858,950	-	18,947	78,582	-	-	23,768	6,407,703	8,387,950	18,630,946
Disposals during the year	(14,800)	(1,566,953)	-	-	-	-	-	-	(1,039,077)	(2,620,830)	(11,239,381)
<b>Balance, end of year</b>	<b>6,602,142</b>	<b>131,517,241</b>	<b>3,277,200</b>	<b>54,400</b>	<b>2,856,658</b>	<b>4,070,731</b>	<b>568,314</b>	<b>217,482</b>	<b>7,723,541</b>	<b>156,887,709</b>	<b>151,120,589</b>
<b>Accumulated Amortization</b>											
Balance, beginning of year	-	31,683,106	2,652,135	3,940	1,674,170	3,555,367	496,623	80,623	-	40,145,964	36,383,711
Amortization during the year	-	3,534,404	105,830	2,712	191,017	200,832	28,536	38,743	-	4,102,074	3,762,253
Disposals, writeoffs and adjustments	-	(1,566,953)	-	-	-	-	-	-	-	(1,566,953)	-
<b>Balance, end of year</b>	<b>-</b>	<b>33,650,557</b>	<b>2,757,965</b>	<b>6,652</b>	<b>1,865,187</b>	<b>3,756,199</b>	<b>525,159</b>	<b>119,366</b>	<b>-</b>	<b>42,681,085</b>	<b>40,145,964</b>
<b>Net book value of tangible capital assets</b>	<b>6,602,142</b>	<b>97,866,684</b>	<b>519,235</b>	<b>47,748</b>	<b>991,471</b>	<b>314,532</b>	<b>43,155</b>	<b>98,116</b>	<b>7,723,541</b>	<b>114,206,624</b>	<b>110,974,625</b>