BRANT HALDIMAND NORFOLK
CATHOLIC DISTRICT SCHOOL BOARD

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2012

Millard, Rouse & Rosebrugh LLP
Chartered Accountants

BRANT HALDIMAND NORFOLK
CATHOLIC DISTRICT SCHOOL BOARD

For the year ended August 31, 2012

INDEX

BRANT HALDIMAND NORFOLK
CATHOLIC DISTRICT SCHOOL BOARD

Catholic Education Centre
322 Fairview Drive
P.O. Box 217
Brantford, ON N3T 5M8

T 519.756.6369
F 519.756.9913
E info@bhncdsb.ca
www.bhncdsb.ca

Chris N. Roehrig, Director of Education & Secretary

MANAGEMENT REPORT

Management's Responsibility for the Consolidated 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, through the Audit Committee, 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 LLP, independent external auditors appointed by the Board. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Board's consolidated financial statements.

Chris N. Roehrig
Director of Education & Secretary

Thomas R. Grice
Superintendent of Business & Treasurer

December 10, 2012

Millard, Rouse & Rosebrugh LLP
Chartered Accountants
P.O. Box 367, 96 Nelson Street
Brantford, Ontario N3T 5N3
Telephone: (519) 759-3511
Facsimile: (519) 759-7961

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 statements of financial position as at August 31, 2012 and August 31, 2011, the consolidated statements of operations, changes in net debt and cash flows for the years 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 audits. We conducted our audits 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 audits 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, 2012, and financial assets as at August 31, 2012 and accumulated surplus as at September 1, 2011 and August 31, 2012.

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 years ended August 31, 2012 and August 31, 2011 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.

Millard, Rouse & Rosebrugh LLP

December 10, 2012

CHARTERED ACCOUNTANTS
Licensed Public Accountants

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at August 31	**2012**	**2011**
FINANCIAL ASSETS		
Cash and bank	9,450,820	5,074,448
Accounts receivable		
Municipalities	2,163,374	2,168,803
Government of Ontario - Approved Capital (Note 2)	56,411,963	53,221,405
Other (Note 3)	3,231,008	3,708,751
	71,257,165	64,173,407
LIABILITIES		
Short term borrowings (Note 5)	7,886,000	-
Accounts payable and accrued liabilities	5,209,321	7,486,178
Accounts payable - other School Boards	6,307,767	4,323,261
Deferred revenue (Note 4)	2,361,325	1,512,931
Accrued vacation pay	386,290	317,707
Accrued future paid sick leave benefits (Note 6)	-	7,868,762
Post employment/retirement benefits	435,356	842,248
Accrued interest on long term liabilities	983,537	1,105,778
Net long term liabilities (Note 10)	53,660,308	56,044,355
Deferred capital contributions (Note 7)	95,293,605	91,858,126
Total Financial Liabilities	172,523,509	171,359,346
Net Debt	(101,266,344)	(107,185,939)
NON-FINANCIAL ASSETS		
Tangible capital assets	110,974,625	107,345,313
NET ASSETS	9,708,281	159,374
ACCUMULATED SURPLUS (Note 12)	9,708,281	159,374

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 2012	Actual 2012	Actual 2011
	(unaudited)		
Revenues			
Local taxation	20,190,409	19,297,754	20,303,519
General legislative grants	88,282,842	88,915,401	84,596,546
Provincial grants - other	2,674,360	3,241,086	2,689,394
Federal grants and fees	1,472,597	1,222,988	1,376,426
Other fees and revenue	371,710	505,546	497,383
Investment income	40,000	115,375	248,333
School funded activities	4,000,000	3,834,439	3,867,882
	117,031,918	117,132,589	113,579,483
Expenses			
Instruction	89,192,893	80,852,871	85,156,320
Administration	4,205,980	3,798,358	4,154,728
Transportation	5,249,251	5,442,451	5,147,678
School operations and maintenance	9,889,981	9,319,082	9,310,106
Pupil accommodation	4,347,418	3,890,865	4,093,451
Other	146,395	221,395	146,395
School funded activities	4,000,000	3,709,119	3,711,711
	117,031,918	107,234,141	111,720,389
Net Revenue Before Under-Noted Items	-	9,898,448	1,859,094
Amortization of tangible capital assets	(3,844,850)	(3,762,253)	(3,867,098)
Amortization of deferred capital contributions	3,844,850	3,412,712	3,496,545
DCC on disposal of assets	-	-	329,726
Gain/(Loss) on disposal of tangible capital assets	-	-	(329,726)
	-	(349,541)	(370,553)
Annual Surplus	-	9,548,907	1,488,541
Accumulated Surplus - Beginning of Year	-	159,374	(607,571)
Ministry Adjustment of Prior Years (Note 2)	-	-	(721,596)
Accumulated Surplus - End of Year	-	9,708,281	159,374

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

For the year ended August 31	2012	2011
Annual Surplus	9,548,907	1,488,541
Amortization of tangible capital assets	3,762,253	3,867,098
Acquisition of tangible capital assets (net of transferred CIP)	(7,391,565)	(10,697,902)
Loss/(Gain) on sale of tangible capital assets	-	329,726
Ministry adjustment for approved capital	-	(721,596)
	5,919,595	(5,734,133)
Net Debt - Beginning of Year	(107,185,939)	(101,451,806)
Net Debt - End of Year	(101,266,344)	(107,185,939)

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended August 31	2012	2011
Cash Flows From Operating Activities		
Annual surplus	9,548,907	1,488,541
Non-cash Charges to Operations		
Amortization of tangible capital assets	3,762,253	3,867,098
Loss/(Gain) on disposal of tangible capital assets	-	329,726
Amortization of deferred capital contributions	(3,412,712)	(3,496,545)
Deferred revenue transferred to deferred capital contributions	1,578,236	2,662,334
	11,476,684	4,851,154
Sources (Uses) of Cash:		
Accounts receivable - Municipalities	5,429	(186,753)
Accounts receivable - Government of Ontario, Approved capital	(3,190,558)	(7,927,417)
Accounts receivable - other	477,743	(1,490,979)
Accounts payable and accrued liabilities	(2,276,857)	(101,703)
Accounts payable - other School Boards	1,984,506	202,532
Deferred revenues	848,394	130,723
Short term borrowings	7,886,000	-
Accrued vacation pay	68,583	(65,558)
Accrued future paid sick leave	(7,868,762)	520,650
Post employment/retirement benefits	(406,892)	(188,763)
Accrued interest on long term liabilities	(122,241)	(28,921)
	(2,594,655)	(9,136,189)
Cash Flows From Capital Activities		
Acquisition of tangible capital assets (net of transferred CIP)	(7,391,565)	(10,697,902)
Cash Flows From Financing Activities		
Debenture and loan repayments	(2,384,047)	(1,833,258)
Capital grants received	5,269,955	9,267,717
	2,885,908	7,434,459
Net Increase in Cash and Cash Equivalents	4,376,372	(7,548,478)
Opening Cash and Cash Equivalents	5,074,448	12,622,926
Closing Cash and Cash Equivalents	9,450,820	5,074,448

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 requires that

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Basis of Accounting (continued)

Regulation 395/11, "Accounting Policies and Practices Public Entities" was released in the fall of 2011 requiring that the school board comply with the related accounting policy requirements described above. Prior to the release of this Regulation the consolidated financial statements as at and for the year ended August 31, 2011 were originally prepared under a special purpose framework as directed by the Ministry of Education. As a result, these are the first financial statements of the School Board 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 ("new financial reporting framework"). The School Board has applied this new financial reporting framework retrospectively to the comparative information in these consolidated financial statements. There are no changes to accumulated surplus on the statement of financial position as at August 31, 2011 or the annual surplus on the statement of operations for the year ended August 31, 2011 as a result of the transition to this new financial reporting framework.

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.

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. On September 11th, 2012, the Government of Ontario passed Bill 115, Putting Students First Act which included changes 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, 2012.

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.

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.

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.

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 $56,411,963 as at August 31, 2012 (2011 - $53,221,405) with respect to capital grants.

3. ACCOUNTS RECEIVABLE - OTHER

	2012	2011
Other school boards	1,037,478	1,527,438
Government of Ontario	1,331,897	1,083,683
Government of Canada	562,498	1,016,136
Other	299,135	81,494
	3,231,008	3,708,751

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, 2012 is comprised of:

	Balance at August 31, 2011	Externally restricted revenue and interest	Revenue recognized	Transferred to DCC	Balance at August 31, 2012
Proceeds of disposition	81,864	-	-	-	81,864
Education					
Development charge	812,445	287,461	119,093	-	980,813
Green schools	47,387	-	47,387	-	-
Special education	69,294	11,170,195	10,991,237	-	248,252
Other education grants	501,941	1,077,743	561,320	-	1,018,364
Other grants	-	8,263,273	6,653,005	1,578,236	32,032
	1,512,931	20,798,672	18,372,042	1,578,236	2,361,325

5. TEMPORARY BORROWINGS

The board has demand bridge loans of $7,886,000, (2011 - $nil) 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
On September 11th, 2012, the Government of Ontario passed Bill 115, Putting Students First Act. As a result all accumulated non-vested sick days are eliminated as of September 1, 2012, and are replaced with a new sick leave and short term disability plan with no provisions for accumulation of unused days.

Actuarial Assumptions
The accrued benefit obligations for employee future benefit plans as at August 31, 2012 are based on the most recent actuarial valuations completed for accounting purposes as at August 31, 2012. 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 9% for 2012-13, reducing by 1/4% in each subsequent year to an ultimate rate of 4%.

ii) Dental costs are assumed to increase by 5% for 2012-13, 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 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 has been 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.

7. DEFERRED CAPITAL CONTRIBUTIONS

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

	2012	2011
Beginning balance	91,858,126	83,424,620
Additions to capital contributions (net)	5,269,955	9,267,717
Revenue recognized in the period	(3,412,712)	(3,496,545)
Transfers from deferred revenue	1,578,236	2,662,334
Ending balance	95,293,605	91,858,126

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, 2012, the Board contributed $1,288,465 (2011 - $1,041,522) 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 $20,551 (2011 - $26,569) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

10. LONG TERM LIABILITIES

	2012	2011
4.9% debenture payable, semi-annual payments of $58,141 including principal and interest, maturing March 2033.	1,505,936	1,546,915
6.5% debenture payable, semi-annual payments of $772,885 including principal and interest, maturing October 2026.	14,330,325	14,908,884
5.9% sinking fund debenture, matured October 2011.	-	6,111,797
2.425% debenture payable, semi-annual payments of $160,409 including principal and interest, maturing November 2021.	2,707,620	-
4.867% debenture payable, semi-annual payments of $375,851 including principal and interest, maturing March 2029.	8,625,324	8,945,498
4.56% OFA debenture payable, semi-annual payments of $114,007 including principal and interest, maturing November 2031.	2,937,467	3,029,377
5.062% OFA debenture payable, semi-annual payments of $85,137 including principal and interest, maturing March 2034.	2,233,882	2,288,977
5.384% OFA debenture payable, semi-annual payments of $462,624 including principal and interest, maturing May 2034.	11,845,142	12,121,442
5.232% PCS Stage 1 loan payable, semi-annual payments of $52,483 including principal and interest, maturing April 2035.	1,391,691	1,422,624
5.232% GPL Stage 4 loan payable, semi-annual payments of $32,797 including principal and interest, maturing April 2035.	869,674	889,005
5.232% PTR Phase 2 loan payable, semi-annual payments of $253,921 including principal and interest, maturing April 2035.	6,733,247	6,882,908
3% promissory note payable to the Roman Catholic Episcopal Corp. payable at $40,000 per year plus interest, maturing May 2021.	320,000	400,000
Interest free note payable to the Roman Catholic Episcopal Corp., payable at $20,000 per year, maturing May 2021.	160,000	200,000
	53,660,308	58,747,427
Less: sinking fund assets	-	2,703,072
	53,660,308	56,044,355

10. LONG TERM LIABILITIES (Continued)

Of the net long term liabilities outstanding of $53,660,308, principal and interest payments are payable over the next five years as follows:

	Principal	Interest Payments	Total
2013	1,968,704	2,815,930	4,784,634
2014	2,069,191	2,715,813	4,785,004
2015	2,175,302	2,610,090	4,785,392
2016	2,287,364	2,498,433	4,785,797
2017	2,405,725	2,379,910	4,785,635
	10,906,286	13,020,176	23,926,462

Interest paid on long-term debt amounted to $3,061,510 (2011 - 3,285,745).

As of August 31, 2012, the Board had $868,600 in letters of credit outstanding related to ongoing construction projects.

11. EXPENDITURES BY OBJECT

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

	Budget 2012 *(unaudited)*	**Actual 2012**	**Actual 2011**
Current expenditures:			
Salary and wages	80,438,017	80,363,227	77,932,767
Employee benefits	11,278,960	3,139,168	10,837,479
Staff development	582,049	488,002	293,861
Supplies and services	13,756,755	12,236,988	11,552,369
Interest on long term debt	3,034,048	3,014,889	3,271,718
Rental expenditures	150,929	95,753	210,543
Fees and contract services	7,548,665	7,582,755	7,381,434
Other	242,495	313,359	240,218
	117,031,918	107,234,141	111,720,389

12. ACCUMULATED SURPLUS (DEFICIT)

Accumulated surplus (deficit) consists of the following:

	2012	2011
Surplus (deficit):		
Invested in non-depreciable tangible capital assets	6,616,942	6,616,942
Employee future benefits	(435,356)	(8,711,010)
School generated funds	1,327,317	1,201,997
Other	2,199,378	1,051,445
	9,708,281	159,374

13. TRANSPORTATION CONSORTIUM

On October 1, 2008, the Board entered into an agreement with Grand Erie District School Board and Counseil 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.

	2012		2011	
	Total	Board Portion	Total	Board Portion
Financial Position				
Financial Assets	95,325	88,077	72,387	21,027
Liabilities	95,325	88,077	72,387	21,027
Accumulated Surplus	-	-	-	-
Operations				
Revenues	17,352,100	5,419,061	17,915,487	5,204,229
Expenses	17,352,100	5,419,061	17,915,487	5,204,229
Annual Surplus	-	-	-	-

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. 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. The Putting Students First Act, 2012 requires school boards to provide salary top-up for employees receiving payments from the Workplace Safety and Insurance Board, where 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. COMMITMENTS

The Board has committed to the construction of a new school in Brantford. The estimated cost of the project is approximately $6,000,000.

18. REPAYMENT OF "55 SCHOOL BOARD TRUST" FUNDING

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

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

19. SUBSEQUENT EVENT

On September 11th, 2012, the Government of Ontario passed Bill 115, the Putting Students First Act that was introduced August 27th, 2012. The requirements of this new legislation was used by the actuaries in the calculations of the Board's estimates for Retirement and Other Employee Future Benefits obligations. The impact of the changes to the various plans have been disclosed in Note 6.

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the year ended August 31, 2012

	Land	Building (40 years)	Portable structures	Equipment (5 years)	Equipment (10 years)	Computer hardware	Computer software	Vehicles	Construction in progress	Total 2012	Total 2011
Cost											
Balance, beginning of year	6,616,942	114,991,252	3,277,200	13,561	2,234,330	4,070,731	568,314	167,226	11,789,46	143,729,024	133,534,821
Additions during the year	-	16,233,992	-	21,892	543,746	-	-	26,488	1,804,82	18,630,946	10,697,902
Disposals during the year	-	-	-	-	-	-	-	-	(11,239,38	(11,239,381)	(503,699)
Balance, end of year	6,616,942	131,225,244	3,277,200	35,453	2,778,076	4,070,731	568,314	193,714	2,354,91	151,120,589	143,729,024
Accumulated Amortization											
Balance, beginning of year	-	28,513,620	2,546,305	1,228	1,524,217	3,283,076	468,087	47,178		36,383,711	32,690,586
Amortization during the year	-	3,169,486	105,830	2,712	149,953	272,291	28,536	33,445		3,762,253	3,867,098
Disposals, writeoffs and adjustments	-	-	-	-	-	-	-	-		-	(173,973)
Balance, end 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
Net book value of tangible capital assets	6,616,942	99,542,138	625,065	31,513	1,103,906	515,364	71,691	113,091	2,354,91	110,974,625	107,345,313