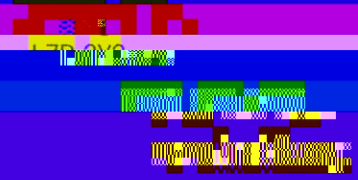


Consolidated Financial Statements of

**HALTON CATHOLIC DISTRICT
SCHOOL BOARD**

Year ended August 31, 2015



the responsibility of the Board of Directors.

regulation of the financial statements.

A summary of the significant accounting principles used in the preparation of the consolidated financial statements is included in the notes to the consolidated financial statements.

accompanying Independent Auditor's Report. The Board of Directors is responsible for the Board's consolidated financial statements.



CONSOLIDATED INCOME STATEMENT

HALFON CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Financial Position

As at August 31, 2015, with comparative information for 2014

	2015	2014
Assets		
Current Assets		
Cash	1,234,567	1,123,456
Accounts receivable	567,890	678,901
Prepaid expenses	123,456	234,567
Other receivables	345,678	456,789
Total Current Assets	2,271,591	2,493,713
Non-current Assets		
Property, plant and equipment	15,678,901	14,567,890
Intangible assets	2,345,678	3,456,789
Other non-current assets	1,234,567	2,345,678
Total Non-current Assets	19,259,146	20,370,357
Total Assets	21,530,737	22,864,070
Liabilities and Equity		
Current Liabilities		
Accounts payable	456,789	567,890
Accrued liabilities	1,234,567	1,345,678
Deferred contributions	2,345,678	2,456,789
Other current liabilities	345,678	456,789
Total Current Liabilities	4,382,712	4,827,146
Non-current Liabilities		
Long-term debt	10,123,456	11,234,567
Other non-current liabilities	1,234,567	2,345,678
Total Non-current Liabilities	11,358,023	13,580,245
Total Liabilities	15,740,735	18,407,391
Equity		
Contributed capital	5,678,901	6,789,012
Reserves	1,234,567	1,345,678
Total Equity	6,913,468	8,154,681
Total Liabilities and Equity	21,530,737	22,864,070

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Change in Net Debt

For the year ended August 31, 2015, with comparative information for 2014

	2015 Budget	2015 Actual	2014 Actual
Annual surplus	\$ 5,474,767	\$ 11,479,939	\$ 3,583,352
Acquisition of tangible capital assets	(7,059,330)	(7,059,330)	(41,523,891)
Amortization of tangible capital assets	15,754,149	15,279,877	12,756,112
Assets included in assets held for sale	11,283,412	11,283,412	-

HALTON CATHOLIC DISTRICT SCHOOL BOARD

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2015

1. Significant accounting policies:

The consolidated financial statements of the Halton Catholic District School Board (the "Board")

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2015

1. Significant accounting policies (continued):

(b) Reporting entity:

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2015

1. Significant accounting policies (continued):

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2015

3. Accounts receivable:

Accounts receivable consists of the following:

	2015	2014
Government of Canada	\$ 704,956	\$ 1,519,426
Government of Ontario	460,471	2,629,487
Local governments	11,637,744	10,286,722
Other	1,402,491	1,488,995
	<u>\$ 14,205,662</u>	<u>\$ 15,924,630</u>

4. Assets held for sale:

As of August 31, 2015, \$11,283,412 (2014 - \$nil) related to land was recorded as assets held for sale. During the year, no properties were sold.

5. Long-term receivable – Government of Ontario:

The Province of Ontario replaced variable capital funding with a one-time debt support grant in 2009-10. The Board received a one-time grant that recognizes capital debt as of August 31, 2010 that is supported by the existing capital programs. The Board will receive this grant in cash over the remaining term of the existing capital debt instruments. The Board may also receive yearly

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2015

7. Deferred revenue:

Revenues received and that have been set aside for specific purposes by legislation, regulation or agreement are included in deferred revenue and reported on the consolidated statement of financial position.

Deferred revenue set-aside for specific purposes by legislation, regulation or agreement as at August 31, 2015 is comprised of:

	Balance as at August 31, 2014	Externally restricted revenue and investment income	Revenue recognized in the period	Transfer to deferred capital contributions (Note 10)	Balance as at August 31, 2015
Special education	\$ 519,823	\$ 39,716,239	\$ (39,151,780)	\$ -	\$ 1,084,282
Mental Health Leader	-	120,000	(112,622)	-	7,378
Proceeds of disposition	1,123,202	1,555	-	(273,638)	851,119
Retrofit for child care	1,019,300	12,900	-	-	1,032,200
School renewal	469,969	3,729,899	(1,468,446)	(1,078,315)	1,653,107

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2015

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

			2015	2014
Retirement and other employee future benefit expenses	Retirement benefits	Other employee future benefits	Total employee future benefits	Total employee future benefits
Current year benefit expense	\$ 59,822	\$ 1,602,230	\$ 1,662,052	\$ 544,427
Interest on accrued benefit obligation	111,745	61,356	173,101	191,291
Employee future benefits expenses	\$ 171,567	\$ 1,663,586	\$ 1,835,153	\$ 735,718
Total payments made during the year	\$ 670,641	\$ 777,643	\$ 1,448,284	\$ 1,180,374

Included in the current year benefit expense is

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2015

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

Retirement benefits:

(i) Ontario Teacher's Pension Plan:

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 the direct responsibility of the Province. Accordingly, no costs or liabilities related to this plan are included in the Board's consolidated financial statements.

(ii) Ontario Municipal Employees Retirement System:

All non-teaching and support staff employees of the Board are eligible to be members of the Ontario Municipal Employees' Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2015, the Board contributed \$4,272,827 (2014 - \$3,982,952) to the plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses. No pension liability for this type of plan is included in the Board's consolidated financial statements.

The OMERS pension plan had a deficit as at December 31, 2014 based on the actuarial valuation of the pension benefit obligation resulting in the plan being 91 percent funded (2013 – 88 percent funded). Ongoing adequacy of the current contribution rates will need to be monitored and may lead to increased future funding requirements.

(iii) Retirement gratuities:

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

(iv) Retirement life insurance and health care benefits:

The Board continues to provide life insurance, dental and health care benefits to certain employee groups after retirement until the members reach 65 years of age. The premiums are based on the Board experience and retirees' premiums are subsidized by the board. 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. Effective September 1, 2013, employees retiring on or after this date, will no longer qualify for board subsidized premiums or contributions.

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2015

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

Other employee future benefits:

(i) Workplace Safety and Insurance Board obligations:

The Board is a Schedule 2 employer under the Workplace Safety and Insurance Act and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. The Board does not fund these obligations in advance of payments made under the Act. The benefit costs and liabilities related to this plan are included in the Board's financial statements.

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

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

(iii) Sick leave benefits:

As a result of new changes made in 2013 to the short term sick leave and disability plan, a maximum of 11 unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illnesses paid through the short-term leave and disability plan in that year. The benefit costs expensed in the 2015 financial statements as a result of the change in the benefits was \$181,843 (2014 - \$178,414).

The accrued benefit obligations for employee future benefit plans as at August 31, 2015 are based on the most recent actuarial valuations completed for accounting purposes as at August 31, 2015. These valuations take into account the plan changes outlined above and the economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	2015	2014
Inflation	1.5%	2.0%
Wage and salary escalation	0%	0%
Insurance and health care cost escalation	8.50% decreasing by ¼% each year to 4.0%	8.75% decreasing by ¼% each year to 4.0%
Dental cost escalation	4.50% decreasing by ¼% each year to 3.0%	4.75% decreasing by ¼% each year to 3.0%
Discount on accrued benefit obligations	2.45%	2.85%

HALTON CATHOLIC DISTRICT SCHOOL BOARD

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2015

9. Net long-term liabilities (continued):

Principal payments relating to net debt of \$201,857,018 are due as follows:

	Principal	Interest	Total
2015/16	\$ 10,109,648	\$ 10,096,617	\$ 20,206,265
2016/17	10,623,060	9,583,205	20,206,265
2017/18	11,164,925	9,041,340	20,206,265
2018/19	11,736,924	8,469,341	20,206,265
2019/20			4g.2(0)5n,2(

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2015

10. Deferred capital contributions:

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

2015

2014

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2015

11. Tangible capital assets:

Year ended August 31, 2015

	Cost			Accumulated Amortization			Net book value August 31, 2015	Net book value August 31, 2014	
	Balance at August 31, 2014	Additions and transfers	Transfers, disposals and write offs	Balance at August 31, 2015	Balance at August 31, 2014	Amortization			Transfers, disposals and write offs
Land	\$ 133,109,858	\$ 2,236,548	\$(11,283,412)	\$ 124,062,994	\$ -	\$ -	\$ -	\$124,062,994	\$133,109,858
Land improvements	15,878,068	532,635	-	16,410,703	4,004,479	900,768	-	4,905,247	11,873,589

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2015

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2015

14. Expenditures by object:

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

	2015 Budget Note 1(k)	2015 Actual	2014 Actual
Salary and wages	\$ 231,393,705	\$ 235,521,943	\$ 225,770,956
Employee benefits	34,931,099	40,864,335	36,125,580
Staff development	1,009,604	762,286	940,414
Supplies and services	37,399,092	35,133,892	34,042,434
Interest	10,729,055	10,411,150	10,162,925
Rental expenditures	2,497,888	2,283,464	2,373,128
Fees and contract services	12,113,959	12,965,371	12,147,017
Other	786,695	1,155,741	1,342,679
Amortization of tangible capital assets	15,754,149	15,279,876	12,756,112
	<u>\$ 346,615,246</u>	<u>\$ 354,378,058</u>	<u>\$ 335,661,245</u>

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2015

15. Partnership in Halton Student Transportation Services:

On September 1, 2007, the Board entered into an agreement with Halton District School Board, Le Conseil scolaire de district Catholique due Centre-Sud and Le Conseil scolaire de district due Centre-Sud-Ouest to provide common administration of student transportation services. On

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2015
