



Special Board of Trustees' Meeting

Date: November 11, 2013

Time: 6:00 p.m.
* *Committee of the Whole In Camera, if necessary, will precede or follow the Board Meeting, as appropriate.*

Location: Board Room, Catholic Education Centre, 35 Weber Street, Kitchener

Attendees:

Board of Trustees:
Joyce Anderson, Wayne Buchholtz (Chair), Manuel da Silva, Janek Jagiellowicz, Frank Johnson, Anthony Piscitelli, Wendy Price, Peter Reitmeier, Greg Reitzel

Student Representatives:
Alexandru Gheorghe, Carlos Valero

Senior Administration:
Larry Clifford, Gerry Clifford, David DeSantis, Maria Ivankovic, Derek Haime, Shesh Maharaj, Laura Shoemaker

Special Resource:
John Shewchuk

Recording Secretary:
Barb Pilsner

ITEM	Who	Agenda Section	Method & Outcome
1. Call to Order	Board Chair		
1.1 Opening Prayer & Memorials	Board Pastoral Team		
1.2 Approval of Agenda	Board of Trustees		Approval
1.3 Declaration of Pecuniary Interest	Individual Trustees		
1.3.1 From the current meeting			
1.3.1 From a previous public or in-camera meeting			
2. Consent Agenda: Director of Education (e.g.: operational matters from the Ministry of Education that the Board is required to do; update on the system)			
2.1			
3. Consent Agenda: Board (Minutes of meetings)			
3.1			
4. Delegations/Presentations			
4.1 Governance	Eric Roher	--	Presentation

ITEM	Who	Agenda Section	Method & Outcome
5. Ownership Linkage (Communication with the External Environment related to Board's Annual Agenda; ownership communication)			
5.1			
6. Reports from Board Committees/Task Forces			
6.1 Audit Committee Report 2012-13 Financial Statements	Janek Jagiellowicz	pp. 1-48	Approval
7. Board Education (at the request of the Board)			
7.1			
8. Policy Discussion (Based on Annual Plan of Board Work)			
8.1			
9. Assurance of Successful Board Performance			
9.1			
10. Assurance of Successful Director of Education Performance			
10.1 Monitoring Reports & Vote on Compliance			
10.1.1			
10.2 Advice from the CEO			
10.2.1			
11. Potential Agenda Items			
12. Announcements			
<p>12.1 The following reports are posted on the Board web page: www.wcdsb.ca a) Minutes of SEAC Meetings b) Minutes of Parent Involvement Committee Meetings</p> <p>12.2 Upcoming Meetings/Events (all scheduled for the Catholic Education Centre unless otherwise indicated): Nov 12 7:00 pm. Graduation – St. Louis ALC Nov 14 7:00 p.m. Graduation – St. Louis ALC, Cambridge Nov 14 6:00 p.m. ARC Committee Nov 18 5:00 p.m. Elementary Admissions Task Force Nov 22 9:00 am. Board Office Mass Nov 25 6:00 pm. Board of Trustees Nov 26 6:00 pm. Pastoral Committee Nov 29 5:30 pm. Trustee/Superintendent Christmas Social</p>			
13. Items for the Next Meeting Agenda	Trustees		

ITEM	Who	Agenda Section	Method & Outcome
14. Adjournment Confirm decisions made tonight Closing Prayer	Director of Education		
15. Motion to Adjourn	Board of Trustees	Motion	Approval

CLOSING PRAYER

O Risen Lord, you have entrusted us with the responsibility to help form a new generation of disciples and apostles through the gift of our Catholic schools.

As disciples of Christ, may we educate and nurture hope in all learners to realize their full potential to transform God's world.

May our Catholic schools truly be at the heart of the community, fostering success for each by providing a place for all.

May we and all whom we lead be discerning believers formed in the Catholic faith community; effective communicators; reflective and creative thinkers; self-directed, responsible, life-long learners; collaborative contributors; caring family members; and responsible citizens.

Grant us the wisdom of your Spirit so that we might always be faithful to our responsibilities. We make this prayer through Christ our Lord.

Amen

Rev. Charlie Fedy, CR and the Board of Trustees, 2010



Report to the Audit Committee – Communication of audit results

Waterloo Catholic District School Board
For the year ended August 31, 2013

November 5, 2013

Grant Thornton LLP

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To the members of the Audit Committee of the
Waterloo Catholic District School Board

We are pleased to report that we have now substantially completed our audit of the consolidated financial statements of the Waterloo Catholic District School Board for the year ended August 31, 2013. We enclose our *Report to the Audit Committee - Communication of audit results* to continue our dialogue with the committee on the audit of the Waterloo Catholic District School Board. This report provides an overview of the results of our audit including comments on misstatements, significant accounting policies, sensitive accounting estimates, and other matters that may be of interest to the committee.

This communication has been prepared to comply with the requirements outlined in CAS 260 *Communication with those Charged with Governance*. The information in this document is intended solely for the information and use of the Audit Committee, Board of Trustees and management. It is not intended to be distributed or used by anyone other than these specified parties.

We express our appreciation for the cooperation and assistance received from the management and staff of the Waterloo Catholic District School Board during the course of our audit.

If you have any particular comments or concerns, please do not hesitate to raise them at our scheduled meeting.

Yours sincerely,

Grant Thornton LLP



Melanie Dugard, CPA, CA
Principal

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Status of the audit

Outstanding items

We have substantially completed our audit of the consolidated financial statements of the Waterloo Catholic District School Board for the year ended August 31, 2013 and the results of that audit are included in this report.

We have attached our draft independent auditor's report as Appendix A. We will finalize the report once the Board of Trustees has approved the financial statements. The following items were outstanding as at the date of this report:

- Receipt and review of responses of legal confirmations from the legal service providers;
- Receipt of signed management representation letter (draft has been attached as Appendix B); and
- Approval of the consolidated financial statements by the Board of Trustees.

Planned audit approach

We have successfully executed our audit strategy in accordance with the plan presented to the committee on June 18, 2013.

Audit results

Summary of misstatements

We have no non-trivial unadjusted misstatements to report.

Summary of disclosure matters

Our audit did not identify any unadjusted non-trivial misstatements from disclosure matters.

Reportable matters

Internal control

Management is responsible for the design and operation of an effective system of internal control that provides reasonable assurance that the accounting system provides timely, accurate and reliable financial information, and safeguards the assets of the entity.

The audit is designed to express an opinion on the consolidated financial statements. Our understanding of internal control is sufficient to enable us to plan the audit and to determine the nature, timing and extent of tests to be performed. However, if we become aware of a deficiency in your internal controls systems, auditing standards requires us to communicate to the Board of Trustees those deficiencies we consider significant or material. However, a financial statement audit is not designed to provide assurance on internal control.

During the course of performing our audit, we identified areas for improvement in internal control. Our comments and recommendations on these matters in an internal control letter attached and attached as Appendix C.

Significant transactions

The following significant transactions were noted during the course of our audit of the consolidated financial statements:

Significant transaction	Considerations and results
Deferred capital contribution	<ul style="list-style-type: none"> The application of Ontario Regulation 395/11 of the Financial Administration Act resulted in a deferred capital contribution balance of \$225,297,022 and \$222,884,340 in 2013 and 2012 respectively. In addition, revenue amounts of \$10,940,905 and \$10,029,427 for 2013 and 2012 respectively were recognized as a result of the amortization of the deferred capital contribution balances.
Long-term debt and temporary borrowing	<ul style="list-style-type: none"> The Board participated in the issuance of a debenture by the Ontario Financing Authority in March 2013 in the amount of \$9,288,815. This debenture bears interest at a rate of 3.799% and matures March 19, 2038.
Retirement and other employee future benefits	<ul style="list-style-type: none"> On September 11, 2012, the Government of Ontario passed Bill 115, the Putting Students First Act. As a result employees eligible for retirement gratuity will receive payout upon retirement based on their accumulated vested sick days under the plan, years of service and salary as of August 31, 2012. 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 or unused days. Retirement life insurance and health care benefits have been grandfathered to existing retirees and employees who will retire in 2012-13. Effective

Significant transaction	Considerations and results
	<p>September 1, 2013, any new retiree accessing Retirement life insurance and health care benefits will pay the full premiums for such benefits and will be included in a separate experience pool that is self-funded.</p> <ul style="list-style-type: none"> As a result of the 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 consolidated financial statements were \$88,258 for the 2013 fiscal period.
Sale of property	<ul style="list-style-type: none"> During the year, one school property at 76 Allen Street was sold. Net proceeds of \$427,300 were received on the sale of this property, which had a carrying value of \$nil. This resulted in a gain of \$427,300, of which 100% of that gain was deferred for future capital asset purchases according to Ontario Regulation 193/10.

Significant accounting estimates and disclosures

During the course of our audit, we noted the following sensitive accounting estimates and disclosures:

Significant transaction	Considerations and results
Retirement and other employee future benefits	<ul style="list-style-type: none"> The estimation is based on the work of the actuary, School Board Co-operative Inc. The assumptions used were updated for the effects of Bill 115 as noted above. The estimates were determined to be reasonable per review of the work of the experts (actuary) and their assumptions. The total liability in the year was determined to be \$6,538,721 (2012 - \$7,905,563).

Cooperation during the audit

We report that we received full cooperation from management and the employees of the Waterloo Catholic District School Board. To our knowledge, we were provided access to all necessary records and other documentation and any issues that arose as a result of our audit were discussed with management and have been resolved to our satisfaction.

Consultations with other accountants

To our knowledge, management did not seek the advice or opinion of other external accountants on financial reporting or accounting matters.

Fraud and illegal acts

Our inquiries of management did not reveal any fraud or illegal acts.

Independence

As external auditors of the Waterloo Catholic District School Board, we are required to be independent in accordance with Canadian professional standards. These standards require that we disclose to the audit committee all relationships that, in our professional judgement, may reasonably be thought to bear on our independence. We are not aware of any relationships impacting our independence.

Technical updates

Canadian standards in transition

Accounting standards

Recent changes in accounting standards were communicated to the audit committee in our last letter dated June 18, 2013. There have been no changes of note since this date.

Auditing standards

Recent changes in auditing standards were communicated to the audit committee in our last letter dated June 18, 2013. There have been no changes of note since this date.

Appendix A – Draft independent auditor's report

To the Board of Trustees of the Waterloo Catholic District School Board

We have audited the accompanying consolidated financial statements of the Waterloo Catholic District School Board, which comprise the consolidated statement of financial position as at August 31, 2013 and 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 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.

Auditor's 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 the auditor's 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, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements of the Waterloo Catholic District School Board as at August 31, 2013, are prepared, in all material respects in accordance with the basis of accounting described in Note 1 to the consolidated financial statements.

Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which describes the basis of accounting used in the preparation of these consolidated financial statements and the significant differences between such basis of accounting and Canadian public sector accounting standards.

Burlington, Canada
November 11, 2013

Chartered Accountants
Licensed Public Accountants

Appendix B – Draft Management representation letter

November 11, 2013

Grant Thornton LLP
Chartered Accountants
3600 Dundas Street
Burlington, ON
L7M 4B8

Dear Sir/Madam:

We are providing this letter in connection with your audit of the consolidated financial statements of the Waterloo Catholic District School Board (the “Board”) as of August 31, 2013, and for the year then ended, for the purpose of expressing an opinion as to whether the consolidated financial statements present fairly, in all material respects, the financial position, results of operations, changes in net debt, and cash flows of the Waterloo Catholic District School Board in accordance with the basis of accounting described in Note 1 to the consolidated financial statements.

We acknowledge that we have fulfilled our responsibilities for the preparation of the consolidated financial statements in accordance with the basis of accounting described in Note 1 to the consolidated financial statements and for the design and implementation of internal controls to prevent and detect fraud and error. We have assessed the risk that the consolidated financial statements may be materially misstated as a result of fraud, and have determined such risk to be low. Further, we acknowledge that your examination was planned and conducted in accordance with Canadian generally accepted auditing standards (GAAS) so as to enable you to express an opinion on the consolidated financial statements. We understand that while your work includes an examination of the accounting system, internal controls and related data to the extent you considered necessary in the circumstances, it is not designed to identify, nor can it necessarily be expected to disclose, fraud, shortages, errors and other irregularities, should any exist.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the consolidated financial statements would influence the decision of a reasonable person relying on the consolidated financial statements.

We confirm, to the best of our knowledge and belief, as of November 11, 2013, the following representations made to you during your audit.

Financial statements

- 1 The consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Board as at August 31, 2013 and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with the basis of accounting described in Note 1 to the consolidated financial statements, as agreed to in the terms of the audit engagement.

Completeness of information

- 2 We have made available to you all financial records and related data and all minutes of the meetings of the Board of Trustees, and committees of the Board, as agreed in the terms of the audit engagement. Summaries of actions of recent meetings for which minutes have not yet been prepared have been provided to you. All significant committee actions are included in the summaries.
- 3 We have provided you with unrestricted access to persons within the Board from whom you determined it necessary to obtain audit evidence.
- 4 There are no material transactions that have not been properly recorded in the accounting records underlying the consolidated financial statements.
- 5 There were no restatements made to correct a material misstatement in the prior period consolidated financial statements that affect the comparative information.
- 6 We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.
- 7 We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the consolidated financial statements or as the basis of recording a contingent loss.
- 8 We have disclosed to you all known deficiencies in the design or operation of internal control over financial reporting of which we are aware.
- 9 We have identified to you all known related parties and related party transactions, including revenues, purchases, loans, transfers of assets, liabilities and services, leasing arrangements guarantees, non-monetary transactions and transactions for no consideration.

Fraud and error

- 10 We have no knowledge of fraud or suspected fraud affecting the Board involving management; employees who have significant roles in internal control; or others, where the fraud could have a non-trivial effect on the consolidated financial statements.
- 11 We have no knowledge of any allegations of fraud or suspected fraud affecting the Board's consolidated financial statements communicated by employees, former employees, analysts, regulators or others.

12 We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

13 There are no uncorrected misstatements.

Recognition, measurement and disclosure

14 We believe that the significant assumptions used by us in making accounting estimates, including those used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements, are reasonable and appropriate in the circumstances.

15 We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities, both financial and non-financial, reflected in the consolidated financial statements.

16 All related party transactions have been appropriately measured and disclosed in the consolidated financial statements.

17 The nature of all material measurement uncertainties has been appropriately disclosed in the consolidated financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the consolidated financial statements.

18 All outstanding and possible claims, whether or not they have been discussed with legal counsel, have been disclosed to you and are appropriately reflected in the consolidated financial statements.

19 All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the consolidated financial statements.

20 With respect to environmental matters:

- a) at year end, there were no liabilities or contingencies that have not already been disclosed to you;
- b) liabilities or contingencies have been recognized, measured and disclosed, as appropriate, in the consolidated financial statements; and
- c) commitments have been measured and disclosed, as appropriate, in the consolidated financial statements.

21 The Board has satisfactory title to (or lease interest in) all assets, and there are no liens or encumbrances on the Board's assets nor has any been pledged as collateral.

22 We have disclosed to you, and the Board has complied with, all aspects of contractual agreements that could have a material effect on the consolidated financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt. Refer to Note 8 in the consolidated financial statements.

23 The Harmonized Sales Tax (HST) transactions recorded by the Board are in accordance with the federal and provincial regulations. The HST liability/receivable amounts recorded by the Board are considered complete.

- 24 Employee future benefit costs, assets, and obligations have been determined, accounted for and disclosed in accordance with the requirements of PS3250 Retirement Benefits of the Canadian Institute of Chartered Accountants Public Sector Handbook.
- 25 There have been no additional events subsequent to the date of the statement of financial position up to the date hereof that would require recognition or disclosure in the consolidated financial statements other than has been disclosed in Note 20 to the consolidated financial statements. Further, there have been no events subsequent to the date of the comparative financial statements that would require adjustment of those financial statements and related notes.

Other

- 26 We have considered whether or not events have occurred or conditions exist which may cast significant doubt on the Board's ability to continue as a going concern and have concluded that no such events or conditions are evident.

Yours very truly,

Larry Clifford, Director of Education

Shesh Maharaj, Chief Financial Officer

Appendix C – Internal control letter

November 5, 2013

Waterloo Catholic District School Board
35 Weber St. W.
Kitchener, ON
N2G 4G2

Dear Sir/Madam:

RE: Internal Control Findings from the 2013 Audit

We have audited the financial statements of The Waterloo Catholic District School Board (the “Board”) as at August 31, 2013 for the year then ended, and will be reporting thereon to the members under the date of November 11, 2013.

Our approach to internal control involves gaining an understanding of the entity’s controls pertinent to reliable financial reporting and evaluating our findings against the internal control framework. More specifically, our process involves:

- understanding the processes that impact financial reporting
- documenting an understanding of the controls within the user fee and other revenues and operating expense cycles that prevent or detect errors, including fraud
- assessing the effectiveness of the design of those controls and identifying potential controls “gaps”, operating deficiencies, and other weaknesses or advisory comments

The standards of the public accounting profession require us to report annually to you our findings on weaknesses and deficiencies in your internal controls. These accounting standards require that the internal controls letter/management letter contain all material weaknesses and significant deficiencies regardless of their practicality or management’s current ability to correct the weaknesses or deficiencies. We categorize such findings as follows:

- **Material weaknesses** (individual or aggregated deficiencies that could result in a material misstatement in the financial statements due to fraud or error).
- **Significant deficiencies**
- **Other deficiencies and advisory comments**

There were no material weaknesses or significant deficiencies in internal control noted during the course of our 2013 audit procedures.

Advisory Comments

IT System Access:

During the course of our audit, we noted that the Superintendent of Corporate Services has “super user” access rights within the accounting system including the ability to post unapproved journal entries. This creates an opportunity for fraudulent financial reporting as there is a lack of oversight over journal entries and financial transactions entered by senior management personnel.

We would like to note that through our completion of audit procedures, we did not note any entries posted by the Superintendent of Corporate Services.

We recommend that management and the Audit Committee evaluate its system access rights and restrict access appropriately.

Subsequent to year end, management has indicated the super user access rights have been removed. We will review this as we plan the 2013-2014 audit.

Capital Assets Policies

During the course of our audit, we noted the process of analyzing unamortized portions of tangible capital assets is not being taken place as frequently as required.

The Tangible Capital Asset (TCA) guide requires a detailed review of the remaining unamortized portion of any tangible capital assets at a minimum of every 5 years. It is our understanding the Ministry of Education is encouraging all school boards to ensure this review has been completed and useful lives adjusted accordingly. We recommend a more automated process be researched and more timely reconciliations of the capital accounts take place. A process whereby transactions could be identified as capital at inception would reduce the amount of manual intervention required and greatly reduce the overall risk of material misstatement in the financial statements.

We note management is aware of the requirement and has started to review the remaining unamortized portion of certain assets.

It is management’s responsibility to weigh the costs of implementing controls against the benefits that the controls will achieve. The purpose of this letter is to provide you with the information related to the identified risks so that you can make the necessary decisions.

The matters discussed herein are those that have been noted as of November 5, 2013, and we have not updated our procedures regarding these matters to the current date. In addition, this communication is prepared solely for the information of management and is not intended for any other purposes; we accept no responsibility to a third party who uses this communication.

Thank you for the opportunity to contribute to the present and future success of the Waterloo Catholic District School Board (the “Board”).

Yours sincerely,
Grant Thornton LLP

A handwritten signature in cursive script, appearing to read "Melanie Dugard".

Melanie Dugard, CPA, CA
Principal

Consolidated Financial Statements of

**Waterloo Catholic
District School Board**

Year ended August 31, 2013

Waterloo Catholic District School Board

Consolidated Statement of Financial Position

August 31, 2013, with comparative figures for 2012

	2013	2012
Financial assets		
Cash and cash equivalents	\$ 1,784,311	\$ -
Accounts receivable (note 2)	17,213,692	13,818,595
Assets held for sale (note 3)	2,357,904	197,007
Accounts receivable - Government of Ontario approved capital (note 4)	105,838,847	109,713,561
Total financial assets	127,194,754	123,729,163
Liabilities		
Bank indebtedness (note 11)	-	11,389,759
Accounts payable and accrued liabilities	10,415,841	8,675,827
Deferred revenue (note 5)	16,059,983	10,794,288
Deferred capital contributions (note 6)	225,297,022	222,884,340
Retirement and other employee future benefits payable (note 7)	6,538,721	7,905,563
Net debenture debt and capital leases (note 8)	102,105,223	99,593,346
Total liabilities	360,416,790	361,243,123
Net debt	(233,222,036)	(237,513,960)
Non-financial assets		
Prepaid expenses	902,201	857,246
Tangible capital assets (note 10)	251,563,784	252,539,262
Total non-financial assets	252,465,985	253,396,508
Contractual obligations and contingencies (notes 13 and 15)		
Accumulated surplus	\$ 19,243,949	\$ 15,882,548

See accompanying notes to consolidated financial statements.

On behalf of the Board:



Larry Clifford, Director of Education

Wayne Buchholtz, Chair of the Board

Waterloo Catholic District School Board

Consolidated Statement of Operations

Year ended August 31, 2013, with comparative figures for 2012

	2013 Budget	2013 Actual	2012 Actual
Revenues			
Provincial grants - grants for student needs	\$ 225,939,826	\$ 225,257,690	\$ 230,477,755
Provincial grants - other	11,314,319	11,351,716	6,910,838
Provincial grant - Ontario Youth Apprenticeship Program	109,257	108,110	109,257
Federal grants and fees	1,311,076	1,350,646	1,447,770
Other fees and revenues	5,426,742	7,575,414	6,113,307
Investment income	50,000	26,526	311,345
School fundraising	4,571,722	5,135,872	5,134,549
Total revenues	248,722,942	250,805,974	250,504,821
Expenses			
Instruction	195,051,781	193,887,571	181,699,631
Administration	6,688,198	5,860,320	6,072,957
Transportation	5,916,508	6,123,340	5,989,520
Pupil accommodation	35,960,890	35,982,156	35,054,014
School funded activities	4,548,037	5,193,211	5,054,311
Other	397,975	397,975	397,975
Total expenses	248,563,389	247,444,573	234,268,408
Annual surplus	159,553	3,361,401	16,236,413
Accumulated surplus (deficit), beginning of year	20,603,437	15,882,548	(353,865)
Accumulated surplus, end of year	\$ 20,762,990	\$ 19,243,949	\$ 15,882,548

See accompanying notes to consolidated financial statements.

Waterloo Catholic District School Board

Consolidated Statement of Cash Flows

Year ended August 31, 2013, with comparative figures for 2012

	2013	2012
Operating activities		
Annual surplus	\$ 3,361,401	\$ 16,236,413
Sources and (uses):		
Items not involving cash:		
Amortization of tangible capital assets	11,101,715	10,612,052
Grants recognized for deferred capital contributions	(10,940,905)	(10,029,427)
Assets held for sale	2,357,904	197,007
Gain on sale of tangible capital assets	(234,421)	(4,405)
Decrease in retirement and other employee future benefits payable	(1,366,842)	(14,780,008)
Transfer from deferred revenue to deferred capital contributions	1,225,982	11,760,953
	2,143,433	(2,243,828)
Changes in non-cash assets and liabilities:		
Decrease (increase) in accounts receivable	479,617	(1,955,117)
Increase (decrease) in accounts payable and accrued liabilities	1,740,014	(5,440,224)
Increase in deferred revenue - operating	2,064,880	2,138,219
Decrease (increase) in assets held for sale	(2,160,897)	441,906
Increase in prepaid expenses	(44,955)	(20,840)
	2,078,659	(4,836,056)
Cash provided by operating activities	7,583,493	9,156,529
Capital activities		
Proceeds on sale of tangible capital assets	430,358	4,405
Cash used to acquire tangible capital assets	(12,680,078)	(24,341,043)
Cash applied to capital activities	(12,249,720)	(24,336,638)
Financing activities		
Disposal of funded tangible capital assets (DCC reduction)	(2,357,904)	(197,007)
Capital grants received	14,485,509	11,580,021
Debenture and capital lease advances	9,762,507	13,298,788
Decrease (increase) in deferred revenue - capital	3,200,815	(8,401,278)
Debt repaid and sinking fund contributions	(7,250,630)	(16,760,691)
Cash provided by financing activities	17,840,297	(480,167)
Change in cash and cash equivalents	13,174,070	(15,660,276)
(Bank indebtedness) cash and cash equivalents, beginning of year	(11,389,759)	4,270,517
Cash and cash equivalents (bank indebtedness), end of year	\$ 1,784,311	\$ (11,389,759)

	2013	2012
The components of cash and cash equivalents are as follows:		
Cash (bank indebtedness)	\$ 1,192,000	\$ (12,055,764)
Cash equivalents	592,311	666,005
	\$ 1,784,311	\$ (11,389,759)

	2013	2012
Cash paid for interest	\$ 5,435,122	\$ 6,395,663
Cash received for interest	26,526	266,673

See accompanying notes to consolidated financial statements.

Waterloo Catholic District School Board

Consolidated Statement of Changes in Net Debt

August 31, 2013, with comparative figures for 2012

	2013 Budget	2013 Actual	2012 Actual
Annual surplus	\$ 159,553	\$ 3,361,401	\$ 16,236,413
Tangible capital asset activity			
Acquisition of tangible capital assets	(24,803,117)	(12,680,078)	(24,341,043)
Amortization of tangible capital assets	11,973,686	11,101,715	10,612,052
Gain on sale of tangible capital assets	-	(234,421)	(4,405)
Transfer of assets held for sale	2,863,514	2,357,904	197,007
Proceeds on sale of tangible capital assets	-	430,358	4,405
Total tangible capital asset activity	(9,965,917)	975,478	(13,531,984)
Other non-financial asset activity			
Acquisition of prepaid expenses	(902,201)	(902,201)	(857,246)
Use of prepaid expenses	902,201	857,246	836,406
Total other non-financial asset activity	-	(44,955)	(20,840)
Decrease (increase) in net debt	(9,806,364)	4,291,924	2,683,589
Net debt, beginning of year	(237,513,960)	(237,513,960)	(240,197,549)
Net debt, end of year	\$ (247,320,324)	\$ (233,222,036)	\$ (237,513,960)

See accompanying notes to consolidated financial statements.

Waterloo Catholic District School Board

Notes to Consolidated Financial Statements, continued

Year ended August 31, 2013

As disciples of Christ, the mission of the Waterloo Catholic District School Board (the Board) is to educate and to nurture hope in all learners to achieve their full potential to transform God's world.

1. Significant accounting policies:

The consolidated financial statements have been 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 different from the requirements of Canadian public sector accounting standards. Canadian public sector accounting standards 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.

Waterloo Catholic District School Board

Notes to Consolidated Financial Statements, continued

Year ended August 31, 2013

1. Significant accounting policies (continued):

(a) Basis of accounting (continued):

Accordingly, 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.

(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 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.

Student Transportation Services of Waterloo Region (STSWR) is a transportation consortium operated through a partnership agreement between the Board and the Waterloo Region District School Board whereby certain costs are shared. As a result, a proportionate amount of STSWR's assets and liabilities have been consolidated with the Board's financial statements.

(c) Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand and demand deposits.

(d) 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.

(e) 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 (DCC) 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 purposes
- Other restricted contributions received or receivable for capital purposes
- Property taxation revenues which were historically used to fund capital assets

Waterloo Catholic District School Board

Notes to Consolidated Financial Statements, continued

Year ended August 31, 2013

1. Significant accounting policies (continued):

(f) Retirement and other employee future benefits payable:

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance and health care benefits, retirement gratuities, workers' compensation, and long-term disability benefits. In 2012, changes were made to the Board's retirement gratuity plan, 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) The costs of self-insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care cost trends, disability recovery rates, long-term inflation rates, and discount rates. In prior years, the cost of retirement gratuities that vested or accumulated over the periods of service provided by the employee were actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement and discount rates. As a result of the plan change, the cost of retirement gratuities are actuarially determined using the employee's salary, banked sick days and years of service as at August 31, 2012 and management's best estimate of discount rates. The changes resulted in a plan curtailment and any unamortized actuarial gains and losses are recognized as at August 31, 2012. Any actuarial gains and losses arising from changes to the discount rate are amortized over the expected average remaining service life of the employee group.

For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as retirement gratuities and life insurance and health care benefits for retirees, 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. Any actuarial gains and losses related to past service of employees are amortized over the expected average remaining service life of the employee group;

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for workers' 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; and
- (iii) The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the period.

Waterloo Catholic District School Board

Notes to Consolidated Financial Statements, continued

Year ended August 31, 2013

1. Significant accounting policies (continued):

(g) 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
First-time equipping	10
Furniture	10
Equipment	5-15
Computer hardware	5
Computer software	5
Vehicles	5-10
Leasehold improvements, leased buildings, leased computers	Over the lease term

Assets under construction and assets that related 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 cease to be amortized and the carrying value is written down to the lower of carrying value and 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.

Waterloo Catholic District School Board

Notes to Consolidated Financial Statements, continued

Year ended August 31, 2013

1. Significant accounting policies (continued):

(h) 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 DCC. Amounts are recognized into revenue as the liability is depreciated over the useful life of the tangible capital asset. DCC and tangible capital assets will differ by land, which is not depreciated, and items which are not directly supported by the Ministry, such as computer purchases. These unsupported tangible capital assets are funded through operating dollars.

(i) Investment income:

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

(j) Net debenture debt and capital leases:

Net debenture debt and capital leases are recorded net of related sinking fund balances.

(k) Budget figures:

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Trustees. The budget approved by the Trustees is developed in accordance with the provincially mandated funding model for school boards and is used to manage program spending within the guidelines of the funding model.

(l) Use of estimates:

The preparation of consolidated financial statements in conformity with the basis of accounting 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. Significant items subject to such estimates and assumptions include the carrying amount of tangible capital assets, valuation allowances for receivables, estimating provisions for accrued liabilities and obligations related to employee future benefits.

Actual results could differ from these estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the period in which they become known.

Waterloo Catholic District School Board

Notes to Consolidated Financial Statements, continued

Year ended August 31, 2013

2. Accounts receivable:

Accounts receivable consists of the following:

	2013	2012
Local governments	\$ 5,675,972	\$ 7,241,821
Government of Ontario	5,390,460	736,052
Other	6,147,260	5,840,722
	<u>\$ 17,213,692</u>	<u>\$ 13,818,595</u>

3. Assets held for sale:

As of August 31, 2013, \$2,357,904 (2012 - \$197,007) related to land, land improvements and buildings were recorded as assets held for sale.

During the year, one school property was sold for proceeds of \$429,088 and the resulting gain recorded according to Ontario Regulation 193/10.

	Balance at August 31, 2012	Additions	Proceeds	Gain (loss) on sale transferred to deferred revenue	Balance at August 31, 2013
Land	\$ -	\$ 88,367	\$ -	\$ -	\$ 88,367
Land Improvement	-	242,234	-	-	242,234
Building	197,007	2,027,303	429,088	232,081	2,027,303
	<u>\$ 197,007</u>	<u>\$ 2,357,904</u>	<u>\$ 429,088</u>	<u>\$ 232,081</u>	<u>\$ 2,357,904</u>

4. Accounts receivable - Government of Ontario approved capital:

The Province of Ontario (the Province) replaced variable capital funding with a one-time debt support grant on August 31, 2010. 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. The Board may also receive yearly capital grants to support capital programs which would be reflected in this accounts receivable.

The Board has an accounts receivable from the Province of Ontario of \$105,838,847 as at August 31, 2013 (2012 - \$109,713,561) with respect to capital grants.

Waterloo Catholic District School Board

Notes to Consolidated Financial Statements, continued

Year ended August 31, 2013

5. Deferred revenue:

Revenues received which 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	\$ 5,456,528	\$ 429,089	\$ -	\$ 1,225,982	\$ 4,659,635
School renewal	-	2,978,357	608,826	1,547,576	821,955
School condition improvement	-	1,548,771	-	572,470	976,301
Child care retrofit	-	798,600	-	671,677	126,923
Special education accommodation	59,133	-	-	-	59,133
Special education equipment	99,892	-	99,892	-	-
Asset held for sale	197,007	2,269,537	197,007	-	2,269,537
Labour framework	-	1,169,220	-	-	1,169,220
Extra programming other grants	4,981,728	5,977,279	4,981,728	-	5,977,279
	\$ 10,794,288	\$ 15,170,853	\$ 5,887,453	\$ 4,017,705	\$ 16,059,983

6. 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.

	2013	2012
Deferred capital contributions, beginning of year	\$ 222,884,340	\$ 209,769,800
Add:		
Capital contributions received	11,693,786	11,580,021
Transfers from deferred revenue	4,017,705	11,760,953
Less:		
Revenue recognized in the year	(10,940,905)	(10,029,427)
Disposal and reclassification of tangible capital assets	(2,357,904)	(197,007)
Deferred capital contributions, end of year	\$ 225,297,022	\$ 222,884,340

Waterloo Catholic District School Board

Notes to Consolidated Financial Statements, continued

Year ended August 31, 2013

7. Retirement and other employee future benefits:

Retirement and other employee future benefits as of August 31, 2013 were as follows:

(a) Employee future benefits liabilities:

			2013	2012
Retirement and other employee future benefit liabilities	Retirement benefits	Other employee future benefits	Total employee future benefits	Total employee future benefits
Accrued employee future benefit obligations at August 31	\$ 2,765,511	\$ 3,694,467	\$ 6,459,978	\$ 7,905,563
Unamortized actuarial gain	78,743	-	78,743	-
Employee future benefits liabilities	\$ 2,844,254	\$ 3,694,467	\$ 6,538,721	\$ 7,905,563

(b) Employee future benefits expenses:

			2013	2012
Retirement and other employee future benefit liabilities	Retirement benefits	Other employee future benefits	Total employee future benefits	Total employee future benefits
Current year benefit cost	\$ (316,000)	\$ 469,065	\$ 153,065	\$ 1,512,129
Curtailment change	1,080,962	86,635	1,167,597	(21,339,075)
Recognized actuarial loss	-	(1,866,373)	(1,866,373)	6,407,995
Interest on accrued benefit obligation	88,565	161,631	250,196	1,057,642
Employee future benefit expenses (recovery)	\$ 853,527	\$ (1,149,042)	\$ (295,515)	\$ (12,361,309)

Actuarial losses are due to the change in the discount rate used for the retirement gratuity benefits are being amortized over EARSLS of 9.34 years. During the year, benefit payments of \$1,088,324 (2012 - \$2,186,544) were made.

Waterloo Catholic District School Board

Notes to Consolidated Financial Statements, continued

Year ended August 31, 2013

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

Plan changes:

In 2012, changes were made to the Board's retirement gratuity plan, sick leave plan and retiree health, life and dental plans. As a result employees eligible for retirement gratuity will receive a payout upon retirement based on their accumulated vested sick days under the plan, years of service and salary as of August 31, 2012. 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 plan 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.

Retirement life insurance and health care benefits have been grand-parented for existing retirees and employees who will retire in 2012-13. Effective September 1, 2013, any new retiree accessing retirement life insurance and health care benefits will pay the full premiums for such benefits and will be included in a separate experience pool that is self-funded.

Pension plans:

(i) Ontario Teacher's Pension Plan:

Teachers and certain other employees are eligible to be members of the Ontario Teacher's Pension Plan (OTPP). Employer contributions for these employees are provided directly to OTPP by the Province. The pension costs and obligations related to this plan are a direct responsibility of the Province. Accordingly, no costs or liabilities related to this plan are included in the Board's consolidated financial statements.

(ii) Ontario Municipal Employees Retirement System:

Most 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. Board contributions equal the employee contributions to the plan. During the year ended August 31, 2013, the Board contributed \$3,576,051 (2012 - \$3,071,718) 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.

Waterloo Catholic District School Board

Notes to Consolidated Financial Statements, continued

Year ended August 31, 2013

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

Retirement benefits:

(i) Retirement gratuities:

The retirement gratuity plan entitles employees to a cash payment upon retiring into an OMERS or OTPP pension with 10 years of service. The gratuity is the lesser of (i) \$4,000 and (ii) \$40/day up to a maximum of 50% of unused sick leave days as at August 31, 2012. 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 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. In the prior year, the amount of gratuities payable to eligible employees at retirement was based on their salary, accumulated sick days, and a minimum of 15 years of service at retirement. In 2013, the Ministry reduced the required years of service to 10 years. As a result of the plan change, the amount of the gratuities payable to eligible employees at retirement is now based on their salary, accumulated sick days, and years of service at August 31, 2012. The changes to the Board's retirement gratuity plan resulted in a one-time increase to the Board's obligation of \$1,080,962 and a corresponding curtailment loss was reported in the consolidated statement of operations and accumulated surplus as at August 31, 2013.

(ii) Post-employment insurance coverage:

The Board offers its permanent employees the opportunity to continue their life insurance, accidental death and dismemberment, dental and health care benefits upon retirement. Benefits can be continued until the retiree reaches the age of 65. 100% of the premiums are paid at the Board's group rate by the retiree. 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.

Other employee future benefits:

(i) Workplace Safety and Insurance Board Obligation:

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 ½ years for employees receiving payments from the Workplace Safety and Insurance Board, where the previously negotiated collective agreement included such provision. This resulted in a one-time increase to the Board's obligation of \$200,160 as at August 31, 2012.

Waterloo Catholic District School Board

Notes to Consolidated Financial Statements, continued

Year ended August 31, 2013

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

Other employee future benefits (continued):

(ii) Long-term disability benefits:

The Board provides long-term disability benefits including partial salary compensation and payment of life insurance premiums and health care benefits during the period an employee is unable to work or until their normal retirement date. 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.

(iii) 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 \$13,328,173 and a corresponding curtailment gain was reported in the consolidated statement of operations and accumulated surplus as at August 31, 2012.

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 benefit costs expensed in the financial statements are \$88,258 (2012 – \$ nil).

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.

(iv) Life insurance benefits

The Board provides a separate life insurance benefits plan for certain retirees. The premiums are based on the Board experience and retirees' premiums are subsidized by the Board. The benefit costs and liabilities related to the subsidization of these retirees under this group plan are included in the Board's consolidated financial statements. The changes to the Board's retiree life insurance plans, along with health care and dental benefits resulted in a one-time reduction to the Board's obligation of \$7,401,516 and a corresponding curtailment gain was reported in the consolidated statement of operations and accumulated surplus as at August 31, 2012.

Waterloo Catholic District School Board

Notes to Consolidated Financial Statements, continued

Year ended August 31, 2013

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

Other employee future benefits (continued):

(v) Health care and dental benefits

The Board sponsors a separate plan for retirees to provide group health care and dental benefits. 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 included in the Board's consolidated financial statements. The changes to the Board's retiree health care and dental benefits, along with life insurance plans, resulted in a one-time reduction to the Board's obligation of \$7,401,516 and a corresponding curtailment gain was reported in the consolidated statement of operations and accumulated surplus as at August 31, 2012.

Actuarial assumptions:

The accrued benefit obligations for retirement and other employee future benefit plans as at August 31, 2013 are based on actuarial valuations for accounting purposes as at August 31, 2012, extrapolated to August 31, 2013. The next actuarial valuation will be available for the year ended August 31, 2014. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	2013	2012
Inflation	2%	2%
Wage escalation	0%	0%
Dental insurance premium escalation (thereafter down linearly by 0.25% per annum until 3.0% is reached)	4.5%	5.0%
Health insurance premium escalation (thereafter down linearly by 0.25% per annum until 4.0% is reached)	8.5%	9.0%
Discount on accrued benefit obligations	3.4%	3.0%

Waterloo Catholic District School Board

Notes to Consolidated Financial Statements, continued

Year ended August 31, 2013

8. Net debenture debt and capital leases:

Net debenture and capital lease debt are reported on the Consolidated Statement of Financial Position is comprised of the following:

	2013	2012
CIBC Mellon, interest rate of 7.2%, matures June 9, 2025	\$ 2,640,396	\$ 2,775,274
CIBC Mellon, interest rate of 6.55%, matures October 19, 2026	27,783,046	29,033,239
Royal Trust, interest rate of 9.87%, matures March 15, 2015	1,889,000	2,693,000
Region of Waterloo, interest rate of 5.487%, matures November 5, 2023	16,062,611	17,168,407
Ontario Financing Authority, interest rate of 4.560%, matures November 15, 2031.	4,591,574	4,746,952
Ontario Financing Authority, interest rate of 4.850%, matures March 3, 2033.	1,480,276	1,523,799
Ontario Financing Authority, interest rate of 5.062%, matures March 13, 2034.	1,703,362	1,748,701
Ontario Financing Authority, interest rate of 4.762%, matures November 15, 2029.	6,931,142	7,202,576
Ontario Financing Authority, interest rate of 5.232%, matures April 13, 2035.	1,520,807	1,557,255
Ontario Financing Authority, interest rate of 3.942%, matures September 19, 2025.	2,699,457	2,866,323
Ontario Financing Authority, interest rate of 4.833%, matures March 11, 2036.	3,694,233	3,781,517
Ontario Financing Authority, interest rate of 2.425%, matures November 15, 2021.	8,587,674	9,487,137
Ontario Financing Authority, interest rate of 3.564%, matures March 9, 2037.	3,283,583	3,369,981
Ontario Financing Authority, interest rate of 3.799%, matures March 19, 2038	9,288,815	-
Capital lease obligation #1 (a)	6,351,109	7,651,470
Capital lease obligation #2 (b)	2,587,974	2,827,423
Capital lease obligation #3 (c)	1,010,164	1,160,292
Balance as at August 31	\$ 102,105,223	\$ 99,593,346

- (a) The Board leases a school under a 20 year lease bearing interest of 7.86%, with an option to purchase the property for \$1 at the end of the lease term. The term ends on August 1, 2017.
- (b) The Board leases a school under a 25 year lease bearing interest of 10.761%. The lease reverts to the owner at the end of the lease. The term ends on September 1, 2020.
- (c) Capital leases were issued for classroom computers bearing interest ranging from 2.65% to 6%. These leases contain bargain purchase options at the end of their terms. The leases mature between November 2013 and May 2017.

Waterloo Catholic District School Board

Notes to Consolidated Financial Statements, continued

Year ended August 31, 2013

8. Net debenture debt and capital leases (continued):

Principal and interest payments relating to net debenture debt and capital leases of \$102,105,223 are due as follows:

	Principal	Capital lease payments	Interest	Total
2013/14	\$ 5,618,559	\$ 2,221,333	\$ 5,499,561	\$ 13,339,453
2014/15	5,969,733	2,097,469	5,015,380	13,082,582
2015/16	5,220,055	2,096,344	4,501,365	11,817,764
2016/17	5,485,293	2,207,082	4,061,263	11,753,638
2017/18	5,765,264	409,115	3,662,483	9,836,862
Thereafter	64,097,072	917,904	20,161,382	85,176,358
	\$ 92,155,976	\$ 9,949,247	\$ 42,901,434	\$ 145,006,657

Interest on long-term debt amounted to \$5,644,749 (2012 - \$6,172,665).

9. Debt charges, capital loans and lease interest:

The principal and interest payments for net debentures, capital leases, operating leases, and sinking fund contributions are as follows:

	2013	2012
Principal payments on net debenture debt including contributions to sinking funds	\$ 5,087,000	\$ 14,547,343
Principal payments on capital leases	2,163,618	2,213,348
Payments on operating leases	252,111	418,574
Interest payments on net debenture debt	4,760,779	5,144,866
Interest payments on capital leases	883,970	1,027,799
	\$ 13,147,478	\$ 23,351,930

Waterloo Catholic District School Board

Notes to Consolidated Financial Statements, continued

Year ended August 31, 2013

10. Tangible capital assets:

Cost	Balance at August 31, 2012	Additions and transfers	Disposals and transfers	Balance at August 31, 2013
Land	\$ 23,227,363	\$ -	\$ 87,300	\$ 23,140,063
Land improvements	2,192,425	95,577	290,988	1,997,014
Buildings	260,096,652	9,820,229	3,917,997	265,998,884
Portable structures	9,937,588	-	-	9,937,588
First-time equipping	2,697,298	515,253	-	3,212,551
Equipment – 5 years	381,884	16,728	-	398,612
Equipment – 10 years	5,954,447	277,703	-	6,232,150
Equipment – 15 years	11,264	10,115	-	21,379
Furniture	17,657	-	-	17,657
Computer hardware	1,586,817	430,220	-	2,017,037
Computer software	150,430	-	-	150,430
Vehicles	639,420	-	14,276	625,144
Leasehold improvements	9,653,311	18,994	-	9,672,305
Construction in progress	120,259	824,575	-	944,834
Leased buildings	28,436,520	-	-	28,436,520
Leased computers	3,341,754	473,680	-	3,815,434
Leased vehicles	204,487	-	-	204,487
	\$ 348,649,576	\$ 12,483,074	\$ 4,310,561	\$ 356,882,089

Accumulated Amortization	Balance at August 31, 2012	Additions and transfers	Disposals and transfers	Balance at August 31, 2013
Land improvements	\$ 397,466	\$ 132,894	\$ 48,753	\$ 481,607
Buildings	68,601,687	7,629,067	1,890,695	74,340,059
Portable structures	6,440,624	437,680	-	6,878,304
First-time equipping	2,084,459	171,214	-	2,255,673
Equipment – 5 years	191,511	71,301	-	262,812
Equipment – 10 years	1,324,443	603,167	-	1,927,610
Equipment – 15 years	1,877	1,088	-	2,965
Furniture	4,415	1,766	-	6,181
Computer hardware	1,109,871	247,676	-	1,357,547
Computer software	120,377	17,404	-	137,781
Vehicles	485,221	53,222	14,276	524,167
Leasehold improvements	2,356,733	349,941	-	2,706,674
Leased buildings	10,875,911	799,898	-	11,675,809
Leased computers	1,928,276	568,353	-	2,496,629
Leased vehicles	187,443	17,044	-	204,487
	\$ 96,110,314	\$ 11,101,715	\$1,953,724	\$ 105,258,305

Waterloo Catholic District School Board

Notes to Consolidated Financial Statements, continued

Year ended August 31, 2013

10. Tangible capital assets (continued):

Net Book Value	Balance at August 31, 2012	Balance at August 31, 2013	Change
Land	\$ 23,227,363	\$ 23,140,063	\$ (87,300)
Land improvements	1,794,959	1,515,407	(279,552)
Buildings	191,494,965	191,658,825	163,860
Portable structures	3,496,964	3,059,284	(437,680)
First-time equipping	612,839	956,878	344,039
Equipment – 5 years	190,373	135,800	(54,573)
Equipment – 10 years	4,630,004	4,304,540	(325,464)
Equipment – 15 years	9,387	18,414	9,027
Furniture	13,242	11,476	(1,766)
Computer hardware	476,946	659,490	182,544
Computer software	30,053	12,649	(17,404)
Vehicles	154,199	100,977	(53,222)
Leasehold improvements	7,296,578	6,965,631	(330,947)
Construction in progress	120,259	944,834	824,575
Leased buildings	17,560,609	16,760,711	(799,898)
Leased computers	1,413,478	1,318,805	(94,673)
Leased vehicles	17,044	-	(17,044)
	\$ 252,539,262	\$ 251,563,784	\$ (975,478)

Assets under construction having a value of \$944,834 (2012 - \$120,259) have not been amortized. Amortization of these assets will commence when the asset is put into service.

The grants recognized for deferred capital contributions for the year ended August 31, 2013 were \$10,940,905 (2012 - \$10,029,427) and the amortization of tangible capital assets was \$11,101,715 (2012 - \$10,612,052). The difference between these amounts is reflective of tangible capital assets purchases funded by non-restricted revenues.

11. Temporary borrowing:

The Board has lines of credits available to the maximum of \$20 million to address operating requirements and/or to bridge capital expenditures.

Interest on the operating facilities are based on the bank's prime lending rate. All loans are unsecured, due on demand and are in the form of bank overdrafts.

Waterloo Catholic District School Board

Notes to Consolidated Financial Statements, continued

Year ended August 31, 2013

12. Expenses by object:

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

	2013 Budget	2013 Actual	2012 Actual
Current expenditures:			
Salaries and wages	\$ 174,526,863	\$ 175,022,389	\$ 175,990,737
Employee benefits	23,328,342	22,107,330	8,866,393
Staff development	901,152	793,228	824,779
Supplies and services	14,299,633	14,236,590	13,558,393
Debt charges and interest	5,773,663	5,689,928	5,944,963
Rental expenditures	241,887	260,692	443,884
Fees and contract services	12,414,203	12,084,228	12,481,380
Other	555,923	758,258	491,517
School funded activities	4,548,037	5,193,211	5,054,311
Amortization and loss on disposals	11,973,686	11,298,719	10,612,052
	\$ 248,563,389	\$ 247,444,573	\$ 234,268,408

13. Contractual obligations:

At August 31, 2013, the Board is committed to the following contracts for construction:

St. Gabriel Catholic Elementary School	\$ 6,116,389
Blessed John Paul II Catholic Elementary School	1,028,259
Our Lady of Fatima Catholic Elementary School	716,904
Canadian Martyrs Catholic Elementary School	673,867
Other Contractual Obligations	345,480
St. Mary Catholic Secondary School	244,034
Resurrection Catholic Secondary School	222,264
St. Aloysius Catholic Elementary School	124,772
St. Agnes Catholic Elementary School	118,897
	\$ 9,590,866

At August 31, 2013, the Board is committed to contractual operating leases for portables of \$126,600 (2012 - \$203,810).

Waterloo Catholic District School Board

Notes to Consolidated Financial Statements, continued

Year ended August 31, 2013

14. Ontario School Board Insurance Exchange (OSBIE):

The 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 premiums over a five year period are based on 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 rolling five year term is based on July 2008 to June 2013 claims history.

15. Contingencies:

The Board has an excess of loss (catastrophe) Workplace Safety and Insurance Board (WSIB) insurance policy of \$10,000,000 per accident, per employee, aggregate for disease, with a \$1,000,000 deductible per employee, per accident. The Board brings this deductible down to \$300,000 by participating in the School Boards' Cooperative Inc.'s Assistance Program. The Board has accrued \$ nil (2012 - \$ nil) for possible WSIB claims that are highly likely to occur based on an actuarially determined assessment and that are in excess of the Board's deductible on its excess of loss insurance policy.

The Board is involved from time to time in litigation, which arises in the normal course of business. In respect of any outstanding claims, the Board believes it has valid defenses. In Administration's judgment, no material exposure exists on the eventual settlement of such litigation, and accordingly, no provision has been made in the accompanying consolidated financial statements.

16. Accumulated surplus:

At August 31, accumulated surplus consists of the following:

	2013	2012
Surplus:		
Invested in land	\$ 21,150,240	\$ 20,026,040
Employee future benefits to be covered in the future	(6,188,524)	(7,905,563)
Interest and vacation to be covered in the future	(1,649,363)	(1,663,966)
Amounts restricted for future use:		
School generated funds	1,409,457	1,466,796
Committed capital	742,085	834,853
Other internally restricted reserves	3,780,054	3,124,388
	\$ 19,243,949	\$ 15,882,548

Waterloo Catholic District School Board

Notes to Consolidated Financial Statements, continued

Year ended August 31, 2013

17. Student Transportation Services of Waterloo Region Inc.:

Student Transportation Services of Waterloo Region (STSWR) commenced operating activities in June 2008. As at August 31, 2013, the Board has proportionally consolidated 33.0% (2012 – 33.6%) of STSWR's assets and liabilities. The proportionate percentage incorporated into the consolidated financial statements is based on the ridership of each board. Inter-organizational transactions and balances have been eliminated. The consolidated financial statements include the Board's share of the following:

	2013	2012
Financial position:		
Financial assets	\$ 213,179	\$ 280,030
Financial liabilities	224,882	293,432
Non-financial assets	11,703	13,403
Accumulated surplus	\$ -	\$ -
Operations:		
Revenues	\$ 19,147,925	\$ 20,479,161
Expenses	19,147,925	20,479,161
Annual surplus	\$ -	\$ -

The Board has guaranteed the line of credit of Student Transportation Services of Waterloo Region Inc. up to a maximum of \$2,700,000. As at August 31, 2013 STSWR has incurred bank indebtedness of \$59,722 (2012 - \$112,155).

18. Repayment of "55 School Board Trust" funding:

On June 1, 2003, the Board received \$5,341,898 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.

Waterloo Catholic District School Board

Notes to Consolidated Financial Statements, continued

Year ended August 31, 2013

19. Budget reconciliation

The budget approved by the Board on June 25, 2012 was not prepared on a Public Sector Accounting Standards basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Canadian Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use of surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$Nil. As a result, the budget figures presented in the statements of operations and change in net debt represent the budget approved by the Board with adjustments as follows:

	2013
Budgeted annual surplus	\$ (9,806,364)
Add:	
Acquisition of tangible capital assets	24,803,117
Less:	
Budgeted transfers of assets held for sale	2,863,514
Amortization of tangible capital assets	11,973,686
Budgeted surplus per statement of operations	\$ 159,553

Summary of Financial Results

(\$Thousands)	Budget	Actual	In-Year Change	
			\$	%
Revenue				
Provincial Grants (GSN)	216,066	214,454	(1,612)	-0.7%
Non-GSN Grants	10,292	11,166	874	8.5%
Non-Grant Revenue	7,105	8,122	1,017	14.3%
Amortization of DCC	10,687	10,941	254	2.4%
Total Revenue	244,150	244,683	533	0.2%
Expenses				
Classroom	168,046	168,191	145	0.1%
Other Operating	58,013	58,392	379	0.7%
Capital	6,117	6,048	(69)	-1.1%
Amortization	11,974	11,298	(676)	-5.6%
Total Expenses	244,150	243,929	(221)	-0.1%
Balance before Accum Surplus	-	754	754	-
Accumulated surplus use	-	-	-	-
Surplus/(Deficit) - end of year	-	754	754	-

Note: GSN - Grants for Student Needs

Note: DCC - Deferred Capital Contribution

Changes in Revenue

GSN: decrease due to capital asset purchases (mTCA) and deferral of revenues
Non-GSN: increase due to new EPOs announced & change to Early Learning funds
Non-Grant: increase due to additional VISA students, Extended Day revenues & miscellaneous revenues

Changes in Expenses

Amortization: Reduction due to delay and deferral of purchases

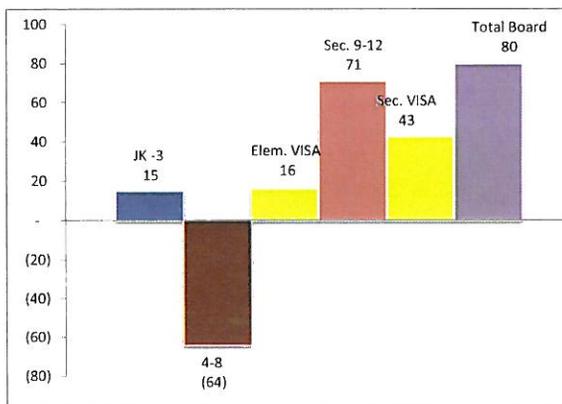
Summary of Enrolment

ADE	Budget	Actual	In-Year Change	
			#	%
Elementary				
JK -3	5,786	5,801	15	0.3%
4-8	7,715	7,651	(64)	-0.8%
VISA Students	7	23	16	228.6%
Total Elementary	13,508	13,475	(33)	-0.2%
Secondary <21				
Pupils of the Board	6,537	6,608	71	1.1%
VISA Students	110	153	43	38.6%
Total Secondary	6,647	6,760	113	1.7%
Total	20,155	20,235	80	0.4%

Note: ADE is comprised of actual enrolment reported at October 31, 2012 and March 31, 2013

Note: VISA students pay tuition & their enrolment does not affect our GSN's

Changes in Enrolment: Budget vs. Forecast



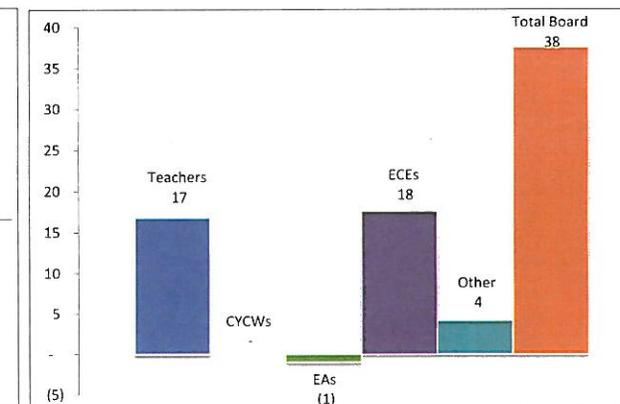
Highlights of Changes in Enrolment:

Elementary: There are 671 Early Learning students which are not included in the above totals as they are funded outside of the GSN.
VISA Students: Secondary increase due to enhanced marketing and the addition of Columbian students not initially projected.

Summary of Staffing

FTE	Budget	Actual	In-Year Change	
			#	%
Classroom				
Teachers	1,274	1,291	17	1.3%
Child & Youth Care Workers	69	69	-	0.0%
Educational Assistants	263	262	(1)	-0.4%
Early Childhood Educators	58	76	18	30.4%
Total Classroom	1,664	1,697	34	2.0%
Other Support Staff				
School Administration	157	159	2	1.5%
Board Administration	63	64	1	0.8%
Facility Services	192	191	(1)	-0.4%
Consultants	16	18	2	11.1%
Paraprofessionals	76	76	(0)	-0.6%
Library & Guidance	59	60	1	1.1%
Total Other Support Staff	563	567	4	0.7%
Total Staffing	2,227	2,264	38	1.7%

Changes in Staffing: Budget vs. Forecast



Highlights of Changes in Staffing:

Classroom Teachers: Increase to maintain PTR; RDO sections added

Classroom Support Staff: Addition of ECE Assistants and additional ECE staff to support both core and extended day

**Waterloo Catholic District School Board
Financial Dashboard Report - Final
Expenses
For the Year Ended August 31, 2013
(\$ thousands)**

Budget Assessment					
2012-2013					
	Budget	Actual	Change		Material Variance Note
			\$ Increase (Decrease)	% Increase (Decrease)	
OPERATING					
Classroom Instruction					
Teachers	124,538	124,640	102	0.1%	
Supply Teachers	3,609	3,814	204	5.7%	
Educational Assistants	14,913	15,711	799	5.4%	
Classroom Computers	1,421	1,333	(88)	(6.2%)	
Textbooks and Supplies	5,762	4,587	(1,175)	(20.4%)	a.
Professionals and Paraprofessionals	11,337	11,318	(19)	(0.2%)	
Library and Guidance	4,413	4,604	192	4.3%	
Staff Development	1,610	1,726	116	7.2%	
Department Heads	444	458	15	3.3%	
Total Classroom	168,046	168,191	145	0.1%	
Non-Classroom					
Principal and Vice-Principals	8,519	8,541	22	0.3%	
School Office	5,890	5,674	(216)	(3.7%)	
Co-ordinators and Consultants	2,251	2,536	285	12.7%	
Continuing Education	9,361	9,333	(29)	(0.3%)	
Total Non-Classroom	26,022	26,084	62	0.2%	
Administration					
Trustees	239	206	(33)	(13.9%)	
Director/Supervisory Officers	1,392	1,176	(216)	(15.5%)	
Board Administration	4,963	4,349	(614)	(12.4%)	b.
Total Administration	6,594	5,731	(864)	(13.1%)	
Transportation	5,917	6,123	207	3.5%	
School Operations and Maintenance	19,481	20,454	973	5.0%	c.
TOTAL OPERATING	226,060	226,583	523	0.2%	
Debt	6,117	6,048	(70)	(1.1%)	
Amortization	11,974	11,298	(676)	(5.6%)	
TOTAL EXPENSES	244,151	243,929	(222)	(0.1%)	

Explanations of Material Budget Variances (over \$2 million)

- a. Variance over budget is largely due to the ELPK EPO which was assumed to be fully spent
- b. Decrease due to change in vacation accrual as well as budgets projected not spent such as legal fees
- c. Increase due to severance payments, accrual for potential liability, renewal costs expensed were more than anticipated

Notes:

1. Budget is the 2012-2013 Estimates Budget as approved by the Board of Trustees in June 2012
2. Forecast is Actual results to May forecasted to the end of the year for known changes
3. Variances will be explained when there is a difference of +/- \$2,000,000; materiality as defined by CEO

Waterloo Catholic District School Board
Financial Dashboard Report - Final
Revenues
For the Year Ended August 31, 2013
(\$ thousands)

Budget Assessment					
2012-2013					
	Budget	Actual	Change		Material Variance Note
			\$ Increase (Decrease)	% Increase (Decrease)	
Grant Revenues					
Pupil Foundation	105,560	103,036	(2,524)	(2.4%)	a.
School Foundation	14,372	14,429	57	0.4%	
Special Education	26,269	26,343	74	0.3%	
French as a Second Language	2,398	2,378	(20)	(0.8%)	
English as a Second Language	1,389	1,288	(102)	(7.3%)	
Learning Opportunities	3,285	3,334	48	1.5%	
Adult Education, Continuing Education	3,874	3,921	48	1.2%	
Teacher Q&E	18,788	18,506	(282)	(1.5%)	
Transportation	6,201	6,372	171	2.8%	
Admin and Governance	5,630	5,635	5	0.1%	
School Operations	18,754	18,933	179	1.0%	
First Nation, Metis and Inuit	236	366	130	54.9%	
Safe Schools Supplement	346	347	1	0.2%	
Temporary Accommodation	410	874	464	113.2%	
Community Use of Schools Grant	271	271	0	0.0%	
New Teacher Induction program	121	120	(2)	(1.3%)	
Declining Enrolment	1,785	1,619	(166)	(9.3%)	
Regular Operating On-going Grants	209,691	207,771	(1,921)	(0.9%)	
Grants for Capital Purposes					
Facilities Renewal	257	609	352	136.8%	b.
Debt Funding for Capital	6,118	6,074	(44)	(0.7%)	
Amortization of DCC	10,687	10,941	254	2.4%	
Total Capital Grants	17,062	17,624	562	3.3%	
Other Non-GSN Grants					
Continuing Education	1,909	1,961	51	2.7%	
Early Learning	7,316	7,713	397	5.4%	
Other	1,067	1,493	426	39.9%	c.
Total Non-GSN Grants	10,292	11,166	874	0.4%	
Non-Grant Revenue					
Continuing Education	2,849	2,844	(6)	(0.2%)	
Rentals	814	800	(14)	(1.7%)	
Interest	50	27	(23)	(46.9%)	
Tuition Fees	3,001	3,398	397	13.2%	
Other	391	1,053	663	169.6%	d.
Total Non-Grant Revenue	7,105	8,122	1,017	14.3%	
Total Revenue and Grants	244,151	244,683	532	0.2%	

Explanations of Material Grant Variances (over \$2 million)

- a. Decrease due to mTCA purchases and deferral of labour enhancement funds
- b. Increased expenditures which were not capitalized; revenue matches expenses
- c. Increase due to announcement of several small EPOs since estimates
- d. Increase due to extended day fees and miscellaneous revenues received

Notes:

1. Budget is the 2012-2013 Estimates Budget as approved by the Board of Trustees in June 2012
2. Variances will be explained when there is a difference of +/- \$2,000,000; materiality as defined by CEO

Schedule 5 Detail of Accumulated Surplus/(Deficit)

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For the year ended August 31, 2013

		Balance at Sept 1, 2012	Transfer to committed capital	In-Year Increase (+) / Decrease (-)	Balance at Aug 31, 2013
		Col. 1	Col. 2	Col. 3	Col. 4
1	Available for Compliance - Unappropriated				
1.1	Operating Accumulated Surplus	0	0	0	0
1.2	Total Unappropriated	0	0	0	0
2	Available for Compliance - Internally Appropriated				
2.1	Retirement Gratuities	0	0	0	0
2.2	WSIB	666,005	0	-73,694	592,311
2.3	School Renewal (previously included in pupil accommodation debt reserve)	0	0	0	0
2.3.1	Amounts previously included in pupil accommodation debt reserves that are not related to NPP or School Renewal	0	0	0	0
	Other Purposes - Operating (please specify):				
2.4	Operating/Working	1,142,134	0	753,921	1,896,055
2.5	Network	500,000	0	0	500,000
2.6	Insurance	150,000	0	0	150,000
2.7		0	0	0	0
2.8		0	0	0	0
2.8.1	Committed Sinking Fund interest earned (from Schedule 5.5)	682,115		-44,534	637,581
2.8.2	Committed Capital Projects (from Schedule 5.5)	834,853	0	-92,761	742,092
	Other Purposes - Capital (please specify):				
2.9	ST SWR	4,100	0	0	4,100
2.10		0	0	0	0
2.11		0	0	0	0
2.12		0	0	0	0
2.13		0	0	0	0
2.14	Total Internally Appropriated Reserves/Surpluses	3,979,207	0	542,932	4,522,139
3	Total Accumulated Surplus / (Deficit) Available for Compliance (Sum of lines 1.2 and 2.14)	3,979,207	0	542,932	4,522,139
4	Unavailable for Compliance				
4.1	Employee Future Benefits - retirement gratuity liability	-2,061,289		-543,318	-2,604,607
4.1.1	Employee Future Benefits - Early Retirement Incentive Plan	0		0	0
4.1.2	Employee Future Benefits - Retirement Health, Dental, Life Insurance Plans etc.	-4,378,197		2,280,313	-2,097,884
4.1.3	Employee Future Benefits - other	-1,486,033		0	-1,486,033
4.2	Interest to be Accrued	-1,663,966		14,603	-1,649,363
4.3	Vacation Accrued	0		0	0
4.4	School Generated Funds	1,466,796		-57,339	1,409,457
4.7	Revenues recognized for land (from Schedule 5.6)	20,026,040	0	1,124,200	21,150,240
4.8	Total Unavailable for Compliance	11,903,351	0	2,818,459	14,721,810
5	Total Accumulated Surplus/(Deficit)	15,882,558	0	3,361,391	19,243,949

Compliance Report

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CATEGORIES	Gross Expenses excluding internal audit	Other incomes	Net Expenses excluding internal audit	Funding allocation excluding internal audit	Overspending on Administration and Governance	Compliant /Non-compliant
Administration and Governance	5,804,247	579,809	5,224,438	5,793,247	0	COMPLIANT

	Is the board in a Multi-Year recovery Plan?					
	(If board is in multi-year recovery plan then compliance report below does not apply.)					
	Balanced Budget Determination					
1.1	In-year revenues (Sch 9, line 10.0 - Sch 9, line 4.4)					245,670,092
1.1.1	In Year Revenues for Land (Schedule 5.6A, item 1.2+ item 1.3 - item 1.4 + col. 8 + col. 9))					1,124,200
1.2	In-year expenses for compliance purposes (From Sch 10ADJ Page 2, line 90, Col 20)					244,002,959
1.3	In-year surplus/(deficit) for compliance purposes					542,933
Item 1.1 - item 1.1.1 - Item 1.2					
1.4	If item 1.3 is positive, board is in compliance. Otherwise, see calculation below.					COMPLIANT
	Compliance Calculation Prior to Ministry Approval Amount (Education Act, 231. (1))					
1.5	Operating Allocation to be used in Compliance Calculation (From section 1A, item 1.93)					210,550,811
1.6	1% of item 1.5					2,105,508
1.7	Prior Year Accumulated Surplus Available for Compliance (From schedule 5, item 3, Col 1)					3,979,207
1.8	Lesser of item 1.6 and item 1.7					2,105,508
1.9	If the amount of deficit on item 1.3 is less than item 1.8, then the board is in compliance. If the board is not in compliance, see the calculation below. No deficit					COMPLIANT
	Compliance Calculation After Ministry Approval Amount (Education Act, 231. (3))					
1.10	Amount of Ministerial approval received allowing in-year deficit to exceed item 1.8					0
1.11	Amount of allowable in-year deficit: Sum of item 1.8 and item 1.10					2,105,508
1.12	If the amount of deficit at item 1.3 is less than item 1.11, then the board is in compliance					COMPLIANT

**Waterloo Catholic District School Board
Annual Risk Assessment**

	August 31 2012	August 31 2013
Total Accumulated Surpluses (Line 3)	\$ 3,979,207	\$ 4,522,139
Committed - Sinking Funds	(682,115)	(637,581)
Committed Capital - Internally Funded Projects	<u>(834,853)</u>	<u>(742,092)</u>
Available Surpluses	<u>\$ 2,462,239</u>	<u>\$ 3,142,466</u>
Operating Revenue	<u>\$ 213,065,305</u>	<u>\$ 210,550,811</u>
Surpluses as a % of Operating Revenue	1.16%	1.49%

Risk Thresholds (per MOE)	Assessment	Prescription
Less than 1%	HIGH	Quarterly Contact
Between 1% and 2%	MODERATE	Monitor
Above 2%	LOW	Annual Review