

Consolidated Financial Statements of

**UPPER CANADA DISTRICT
SCHOOL BOARD**

Year ended August 31, 2015

UPPER CANADA DISTRICT SCHOOL BOARD

Consolidated Financial Statements

Year ended August 31, 2015

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MANAGEMENT REPORT

Management's Responsibility for the Consolidated Financial Statements

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

The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Board management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

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

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the Board. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Board's consolidated financial statements.

Original signed

Director of Education

Original signed

Superintendent of Business

November 11, 2015



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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of Upper Canada District School Board

We have audited the accompanying consolidated financial statements of the Upper Canada District School Board, which comprise the consolidated statement of financial position as at August 31, 2015, the consolidated statements of operations and accumulated deficit, change in net debt and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements in accordance with the basis of accounting described in note 1 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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



Opinion

In our opinion, the consolidated financial statements of the Upper Canada District School Board as at August 31, 2015, are prepared, in all material respects, in accordance with the basis of accounting described in note 1 to the consolidated financial statements.

Emphasis of Matter

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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

November 11, 2015

Ottawa, Canada

UPPER CANADA DISTRICT SCHOOL BOARD

Consolidated Statement of Financial Position

August 31, 2015, with comparative information for 2014

	2015	2014
Financial assets:		
Cash	\$ 32,724,597	\$ 34,290,763
Temporary investments (note 3)	1,960,819	1,908,303
Accounts receivable:		
Municipalities	7,905,406	9,099,852
Government of Ontario - approved capital grants (note 4)	87,544,439	92,796,605
Other	6,683,685	2,792,517
Other assets	23,087	41,264
Total financial assets	136,842,033	140,929,304
Financial liabilities:		
Accounts payable and accrued liabilities	24,094,950	24,379,207
Deferred revenue (note 5)	17,571,738	21,027,850
Deferred capital contributions (note 6)	256,911,058	246,443,788
Employee future benefits liability (note 7)	31,001,474	33,756,234
Net long-term liabilities (note 8)	88,429,788	91,863,625
Total financial liabilities	418,009,008	417,470,704
Net debt	(281,166,975)	(276,541,400)
Non-financial assets:		
Prepaid expenses	3,683,113	3,776,448
Tangible capital assets (note 12)	267,817,299	256,690,732
Total non-financial assets	271,500,412	260,467,180
Contingent liabilities (note 16)		
Subsequent event (note 18)		
Guarantees (note 19)		
Accumulated deficit	\$ (9,666,563)	\$ (16,074,220)

See accompanying notes to the consolidated financial statements.

On behalf of the Board:

Original signed Director of Education

Original signed Chair of the Board

UPPER CANADA DISTRICT SCHOOL BOARD

Consolidated Statement of Operations and Accumulated Deficit

Year ended August 31, 2015, with comparative information for 2014

	2015 Budget	2015 Actual	2014 Actual
Revenue:			
Municipal grants	\$ 74,728,383	\$ 74,944,145	\$ 75,543,492
Government of Ontario grants:			
Student focused funding	248,988,678	246,805,524	228,385,449
Other	4,198,475	5,193,044	16,580,973
Amortization of deferred capital contributions	12,415,411	12,019,520	11,927,695
Federal grants and fees	2,135,759	2,152,410	2,123,359
Other - school boards	288,040	227,091	270,115
Investment income	379,192	448,079	530,906
Other	8,048,112	9,493,311	8,677,726
Deferred capital contributions on disposal of unrestricted and restricted assets	-	44,182	15,020
School - generated funds	7,419,456	6,750,813	6,334,261
	<u>358,601,506</u>	<u>358,078,119</u>	<u>350,388,996</u>
Expenses (note 11):			
Instruction	260,170,150	262,146,571	258,626,870
Administration	8,497,430	8,282,549	8,780,308
Transportation	24,819,888	24,359,043	24,654,128
Pupil accommodation	48,765,895	47,943,530	47,298,353
Other	3,611,495	2,189,545	2,306,615
School - generated funds	7,301,556	6,749,224	6,492,666
	<u>353,166,414</u>	<u>351,670,462</u>	<u>348,158,940</u>
Annual surplus	5,435,092	6,407,657	2,230,056
Accumulated deficit, beginning of year	(16,878,452)	(16,074,220)	(18,304,276)
Accumulated deficit, end of year (note 13)	<u>\$ (11,443,360)</u>	<u>\$ (9,666,563)</u>	<u>\$ (16,074,220)</u>

See accompanying notes to the consolidated financial statements.

UPPER CANADA DISTRICT SCHOOL BOARD

Consolidated Statement of Change in Net Debt

Year ended August 31, 2015, with comparative information for 2014

	2015	2014
Annual surplus	\$ 6,407,657	\$ 2,230,056
Tangible capital assets:		
Amortization of tangible capital assets	12,255,843	12,249,432
Proceeds on sale of tangible capital assets	55,452	489,971
Gain on sale of tangible capital assets	(11,270)	(1,326)
Proceeds allocated to deferred revenue	–	(271,672)
Acquisition of tangible capital assets	(23,426,592)	(17,009,671)
	(11,126,567)	(4,543,266)
Prepaid expenses:		
Acquisition of prepaid expenses	(3,683,113)	(3,776,448)
Use of prepaid expenses	3,776,448	3,480,461
	93,335	(295,987)
Change in net debt	(4,625,575)	(2,609,197)
Net debt, beginning of year	(276,541,400)	(273,932,203)
Net debt, end of year	\$ (281,166,975)	\$ (276,541,400)

See accompanying notes to the consolidated financial statements.

UPPER CANADA DISTRICT SCHOOL BOARD

Consolidated Statement of Cash Flows

Year ended August 31, 2015, with comparative information for 2014

	2015	2014
Operating transactions:		
Annual surplus	\$ 6,407,657	\$ 2,230,056
Items not involving cash:		
Amortization of tangible capital assets	12,255,843	12,249,432
Gain on disposal of tangible capital assets	(11,270)	(1,326)
Amortization of deferred capital contributions	(12,019,520)	(11,927,695)
Deferred gain on disposal of restricted assets	–	(271,672)
Change in non-cash assets and liabilities:		
Decrease (increase) in accounts receivable	(2,696,722)	317,507
Decrease (increase) in other financial assets	18,177	(14,052)
Increase (decrease) in accounts payable and accrued liabilities	(284,257)	1,415,136
Increase (decrease) in operating deferred revenue	(1,422,188)	1,091,503
Decrease in employee benefits payable	(2,754,760)	(2,487,459)
Decrease (increase) in prepaid expenses	93,335	(295,987)
Cash provided by operating transactions	(413,705)	2,305,443
Capital transactions:		
Proceeds on disposal of tangible capital assets	55,452	489,971
Cash used to acquire tangible capital assets	(23,426,592)	(17,009,671)
Cash applied to capital transactions	(23,371,140)	(16,519,700)
Investing transactions:		
Change in investments	(52,516)	(45,713)
Financing transactions:		
Long-term liabilities issued	533,325	543,472
Debt principal repayments and sinking fund contributions	(3,967,162)	(12,531,444)
Change in accounts receivable - approved capital grants	5,252,166	7,785,344
Increase (decrease) in capital deferred revenue	(2,033,924)	2,228,610
Additions to deferred capital contributions	22,486,790	16,186,731
Cash provided by financing transactions	22,271,195	14,212,713
Change in cash	(1,566,166)	(47,257)
Cash, beginning of year	34,290,763	34,338,020
Cash, end of year	\$ 32,724,597	\$ 34,290,763

See accompanying notes to the consolidated financial statements.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2015

1. Significant accounting policies:

The consolidated financial statements of the Upper Canada District School Board (the "Board") are prepared by management in accordance with the basis of accounting described below. The consolidated financial statements contain the following significant accounting policies:

(a) Basis of accounting:

These 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 consolidated statement of operations and accumulated deficit over the periods during which the asset is used to provided 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 amortization, a proportionate reduction of the deferred capital contribution along with a proportionate increase in the revenue be recognized. For Ontario school boards, these contributions included government transfers, externally restricted contributions and, historically, property tax revenue.

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

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

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2015

1. Significant accounting policies (continued):

(a) Basis of accounting (continued):

As a result, revenue recognized in the consolidated statement of operations and accumulated deficit 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.

The consolidated financial statements include the following organizations:

- (i) Student Transportation of Eastern Ontario (STEO): STEO is accounted for using the proportionate consolidation method of accounting and reporting, whereby the Board's pro-rata share of each of the assets, liabilities, revenues and expenses is combined on a line-by-line basis in the consolidated financial statements. The Board is a member of STEO with the Catholic District School Board of Eastern Ontario. STEO is a not-for-profit organization separately incorporated without share capital under the laws of Ontario. STEO's principal activity is to facilitate, organize and deliver safe, effective and efficient school transportation services to students in the eastern Ontario area on behalf of the member school boards.
- (ii) Upper Canada Leger Centre for Education and Training (UCLC): UCLC is deemed to be controlled by the Board, therefore the assets, liabilities, revenues, expenses, and net assets of UCLC have been reflected in the consolidated financial statements. UCLC was incorporated under the Corporations Act of Ontario. The Centre was created to enhance the development, implementation and advancement of community educational and training programs which are not funded by the Ministry of Education.
- (iii) School generated funds: the assets, liabilities, revenues, expenses, and fund balances of various organizations that exist at the school level and which are deemed to be controlled by the Board, have been reflected in the consolidated financial statements.
- (iv) Champions for Kids Foundation: the Foundation is deemed to be controlled by the Board, therefore the assets, liabilities, revenues, expenses, and net assets of the Foundation have been reflected in the consolidated financial statements. Champions for Kids was created to help level the playing field for children of struggling families.

Interdepartmental and inter-organizational transactions and balances are eliminated in these consolidated financial statements.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2015

1. Significant accounting policies (continued):

(c) Trust funds:

Trust funds and their related operations administered by the Board are not included in the consolidated financial statements as they are not controlled by the Board.

(d) Cash:

Cash comprise cash on hand, demand deposits and short-term investments. Short-term investments are highly liquid, subject to insignificant risk of changes in value and have a short maturity term of less than 90 days.

(e) Temporary investments:

Investments consist of marketable securities which are liquid short-term investments with maturities of between three months and one year at the date of acquisition. Investments are recorded at cost which approximates market value. Investments have interest rates that range from 2.55% to 4.50%.

(f) Investment income:

Interest on investments is accrued as earned. Gains or losses on the sale of investments are recognized in the year of sale if sold before maturity. Amortization of bond discounts or premiums are accrued over the term of the investment.

When required by the funding government or related Act, investment income earned on externally appropriated funds such as pupil accommodation, special education, energy efficient schools capital and proceeds of disposition, when required by the funding government or related Act, is added to the fund balance and forms part of the respective deferred revenue balances.

(g) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

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. The Board capitalizes interest paid on debt used to finance the construction of tangible capital assets. When historical cost records were not available, other methods were used to estimate the cost and accumulated amortization.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2015

1. Significant accounting policies (continued):

(g) Non-financial assets (continued):

Tangible capital assets (continued):

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

Rate	Estimated Useful Lives
Land improvements with finite lives	15 years
Buildings	40 years
Portable structures	20 years
Other buildings	20 years
First-time equipping of schools	10 years
Furniture	10 years
Equipment	5-15 years
Computer hardware	5 years
Computer software	5 years
Vehicles	5-10 years
Leasehold improvements	Over the lease term

Assets under construction and assets that relate to pre-acquisition and pre-construction costs are not amortized until the asset is available for productive use.

Land permanently removed from service and held for resale is recorded at the lower of cost and net realizable value. Buildings permanently removed from service and held for resale cease to be amortized and are recorded at the lower of carrying value and estimated net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing. Other assets permanently removed from service cease to be amortized and the carrying value is written down to the residual value.

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

(h) Deferred revenue:

The Board receives amounts pursuant to legislation, regulation or agreement that may only be used for certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenses are incurred or services performed.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2015

1. Significant accounting policies (continued):

(h) Deferred revenue (continued):

The Board also receives restricted contributions under the authority of provincial legislation, regulation or agreement. These funds by their nature are restricted in their use, and until applied to applicable expenses, are recorded as deferred revenue. Amounts applied to qualifying costs are recorded as revenue in the fiscal period that they are expended.

(i) 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 of depreciable tangible capital assets received or receivable for use in providing services, are recorded as deferred capital contributions when the asset is acquired as required under Ontario Regulation 395/11 of the Financial Administration Act. Amounts are recognized into revenue at the same rate as the related tangible capital asset is amortized.

(j) Retirement and other employee future benefits:

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance and health care benefits, retirement gratuity, retirement allowance, worker's compensation and long-term disability benefits. The Board accrues its obligation for these employee benefits.

The Board has adopted the following policies with respect to accounting for these employee benefits:

- (i) The cost of retirement gratuities were 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. 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 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.

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for worker's compensation, long-term disability and life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2015

1. Significant accounting policies (continued):

(j) Retirement and other employee future benefits (continued):

(ii) The costs of multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System pensions, are the employer's contributions due to the plan in the period.

(iii) The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the period.

(k) Accumulated surplus - available for compliance, internally appropriated:

Certain amounts, as approved by the Board trustees, are set aside as internally appropriated funds for future operating and capital purposes. Transfers to and/or from internally appropriated funds are an adjustment to the respective fund when approved.

(l) Government transfers:

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

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

(m) Budget figures:

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Trustees.

The budget approved by the Trustees is developed in accordance with the provincially mandated funding model for school boards and is used to manage program spending within the guidelines of the funding model.

The Board approves its budget annually. The approved operating budget for 2014-2015 is reflected on the consolidated statement of operations and accumulated deficit. The budget was approved on June 18, 2014.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2015

1. Significant accounting policies (continued):

(n) Use of estimates:

The preparation of consolidated financial statements in conformity with the basis of accounting described in note 1(a) requires management to make estimates and assumptions that affect the reported amount 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 estimates include assumptions used in performing actuarial valuations of employee future benefit liabilities. Actual results could differ from these current estimates.

These estimates are reviewed annually and, as adjustments become necessary, they are recorded in the period in which they become known.

(o) Property tax revenue:

Under Public Sector Accounting Standards, the entity that determines and sets the tax levy records the revenue in the consolidated financial statements, which in the case of the Board, is the Province of Ontario. As a result, property tax revenue received from the municipalities is recorded as part of Provincial Legislative Grants.

2. Changes in accounting policy:

The Board has implemented Public Sector Accounting Board ("PSAB") Section 3260 Liability for contaminated sites. Section 3260 requires governments to record a liability in their financial statements if they have a contaminated site that meets the requirements set out in the standard. The standard defines contamination as the introduction into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The standard generally applies to sites that are not in productive use. Sites that are in productive use are only considered contaminated if there was an unexpected event that resulted in contamination. This change has been applied retroactively without the restatement of prior periods.

The adoption of this standard did not have an impact on the Board's financial statements.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2015

3. Temporary investments:

Temporary investments consist of marketable securities and are comprised as follows:

	Cost	2015 Market value	Cost	2014 Market value
Fixed income securities	\$ 1,960,819	\$ 2,070,367	\$ 1,908,303	\$ 1,987,203

4. Accounts receivable - Government of Ontario - Approved capital grants:

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

The Board has an account receivable from the Province of \$87,544,439 as at August 31, 2015 (2014 - \$92,796,605) with respect to capital grants.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2015

5. Deferred revenue:

Deferred revenue consists of amounts received by the Board that are required to be set aside for specific purposes by legislation, regulation or agreement and are 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	Transferred to deferred capital contributions	Revenue recognized in the period	Balance as at August 31, 2015
Capital:					
Proceeds of disposition	\$ 1,287,338	\$ 56,327	\$ 1,260,828	\$ –	\$ 82,837
School renewal	5,751,194	6,814,725	7,530,989	270,654	4,764,276
School condition improvement	977,752	4,713,227	4,284,520	–	1,406,459
Third party	263,139	57,751	58,162	–	262,728
Retrofitting school space for child care	270,801	20,500	291,301	–	–
Minor tangible capital assets	–	7,858,094	2,902,237	4,955,857	–
Interest on capital	–	4,263,606	–	4,263,606	–
Temporary accommodations	–	835,039	–	835,039	–
Total deferred revenue -- capital	8,550,224	24,619,269	16,328,037	10,325,156	6,516,300
Operating:					
Special education	5,233,073	41,480,821	–	44,068,143	2,645,751
Other	2,195,527	2,971,927	–	3,989,786	1,177,668
Third party	5,049,026	2,207,992	–	24,999	7,232,019
Total deferred revenue - operating	12,477,626	46,660,740	–	48,082,928	11,055,438
Total deferred revenue	\$ 21,027,850	\$ 71,280,009	\$ 16,328,037	\$ 58,408,084	\$ 17,571,738

(a) Proceeds of Disposition:

Deferred revenue is from the sale of buildings and reflects the gross proceeds.

(b) School Renewal:

The Province provides specific funding to address costs of repairing and renovating schools. Spending plans are in place for 2015-2016.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2015

5. Deferred revenue (continued):

(c) School Condition Improvement:

The Province provides specific funding to address costs of improving the condition of school sites and buildings. Spending plans are in place for 2015-2016.

(d) Special Education:

Specific funding is provided by the province for unspent regular Special Education and formula-based Special Equipment Amount (SEA) funding.

(e) The third party deferred revenue relates to primarily UCLC balances of \$7,147,448 (2014 - \$4,939,456) due to consolidation.

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. Amounts are recognized into revenue as the liability is extinguished over the useful life of the asset.

	2015	2014
Balance, beginning of year	\$ 246,443,788	\$ 242,184,750
Additions to deferred capital contributions	22,530,972	16,341,034
Revenue recognized in the period	(12,019,520)	(11,927,695)
Disposals/transfer to financial assets	(44,182)	(154,301)
Balance, end of year	\$ 256,911,058	\$ 246,443,788

7. Retirement and other employee future benefits:

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance and health care benefits, retirement gratuity, retirement allowance, worker's compensation and long-term disability benefits.

Retirement life insurance, health and dental benefits have been grandfathered to existing retirees and employees who retired between September 1, 2012 and August 31, 2013. Effective September 1, 2013, any new retiree accessing retirement life, health or dental benefits paid the full premiums for such benefits and are included in a separate experience pool for participating retirees that is self-funded.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2015

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

(a) Retirement benefits:

(i) The Ontario Teacher's Pension Plan:

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

(ii) Ontario Municipal Employees Retirement System:

All non-teaching employees of the Board who meet the OMERS and Board approved criteria 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 \$4,624,221 (2014 - \$4,520,109) 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.

(iii) Retirement gratuity benefits:

The Board provides retirement gratuities to certain groups of employees hired prior to specific 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 as at August 31, 2012.

The amount of the accrued benefit payable for retirement gratuities has been actuarially determined using the Projected Unit Credit Actuarial Cost Method pro-rated on services as at August 31, 2015 and is \$29,501,983 (2014 - \$32,291,677).

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2015

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

(b) 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 consolidated financial statements. Plan changes made in 2012 require 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.

The Board carries catastrophic risk insurance and has a reserve fund established for these liabilities which amounted to \$1,960,819 as at August 31, 2015 (2014 - \$1,908,303).

The amount of liability for WSIB that was actuarially determined as at August 31, 2015 is \$1,162,089 (2014 - \$1,075,254).

(ii) Accrued vacation pay:

Compensated vacation pay is accrued for employees as entitlement to these payments is earned in accordance with the Board's benefit plans for vacation time. Vacation credits earned as of August 31, 2015 amount to \$1,378,065 (2014 - \$1,405,731) and are reported as part of the accounts payable and accrued liabilities.

(iii) Accumulated sick leave:

As a result of plan changes made during 2012-2013 to the short-term 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 (recovered) in the consolidated financial statements are \$(18,364) (2014 - \$(3,075)).

For accounting purposes, the valuation of the accrued benefit obligation for the sick leave top-up is based on actuarial assumptions about future events determined as at August 31, 2013 (the date at which the probabilities of usage were determined) and is based on the average daily salary and banked sick days of employees as at August 31, 2015.

The benefit liability in the consolidated financial statements as at August 31, 2015 amounts to \$193,434 (2014 - \$211,798).

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2015

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

(b) Other employee future benefits (continued):

(iv) Long-term disability life insurance:

The Board provides employees on long-term disability leave the opportunity to purchase life insurance. The Board is responsible for the remittance of life insurance premiums paid by the employee under this plan if they choose to continue the coverage.

(v) Post-employment life insurance and health care benefits:

The Board provides 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, do not qualify for board subsidized premiums or contributions.

(vi) Retiring allowance:

CUPE employees hired after amalgamation also have a retiring allowance provision where the Board allocates \$500 each year for five years, upon successful completion of two years of service. As a result of the plan changes, employees no longer accumulate the retiring allowance, and no employee who began employment with the Board after August 31, 2012 is entitled to the benefit. The amount of the accrued benefit payable for retirement allowances has been actuarially determined and is included in accrued liabilities.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2015

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

(c) Actuarial assumptions:

The accrued benefit obligations for employee future benefit plans as at August 31, 2015 are based on the most recent actuarial valuation completed for accounting purposes as at August 31, 2015.

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:

	2015	2014
Discount rate	2.45%	2.90%
Salary growth	0.00%	0.00%
Dental benefits escalation	4.5% for 2014/15, reducing by ¼% in each subsequent year to an ultimate rate increase of 3.0%	4.75% for 2013/14, reducing by ¼% in each subsequent year to an ultimate rate increase of 3.0%
Health benefits escalation	8.5% for 2014/15, reducing by ¼% in each subsequent year to an ultimate rate increase of 4.0%	8.75% for 2013/14, reducing by ¼% in each subsequent year to an ultimate rate increase of 4.0%

(d) Other financial information:

Information with respect to the Board's retirement and other employee future benefit obligations is as follows:

	2015	2014
Accrued benefit liability, beginning of year	\$ 33,756,234	\$ 36,243,693
Expense recognized for the year:		
Interest cost	1,369,294	914,316
Benefits paid for the year	(4,124,054)	(3,401,775)
Accrued benefit liability, end of year	\$ 31,001,474	\$ 33,756,234

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2015

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

(d) Other financial information (continued):

	2015	2014
Accrued future benefit obligation, end of year	\$ 33,426,808	\$ 34,052,390
Net unamortized actuarial loss	(2,425,334)	(296,156)
Accrued benefit liability, end of year	\$ 31,001,474	\$ 33,756,234
Accrued benefit obligation:		
	2015	2014
Retirement gratuity	\$ 31,927,317	\$ 32,587,679
Retirement health, dental and life insurance	100,388	177,659
Compensated absences	193,434	211,798
Workplace Safety and Insurance Board obligations	1,162,089	1,075,254
Long-term disability	43,580	-
	\$ 33,426,808	\$ 34,052,390

8. Net long-term liabilities:

Net long-term liabilities reported on the consolidated statement of financial position comprise the following:

	2015	2014
Debentures	\$ 88,429,788	\$ 91,863,625
Interest accrual	1,288,079	1,350,140
	\$ 89,717,867	\$ 93,213,765

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2015

8. Net long-term liabilities (continued):

The debentures totalling \$88,429,788 (2014 - \$91,863,625) consist of the following:

	2015	2014
Series 2004-A1 amortizing debenture payable, bearing interest at 5.483% blended principal and interest payments of \$1,005,845 payable semi-annually starting May 26, 2005, principal payable up to November 26, 2029	\$ 19,943,571	\$ 20,825,332
Series 2003-A2 amortizing debenture payable, bearing interest at 5.80%, blended principal and interest payments of \$537,077 payable semi-annually starting May 7, 2004, principal payable up to November 7, 2028	9,960,889	10,436,523
No. GFR96 - 001 Global instalment debenture, bearing interest ranging from 3.625% to 7.75% for 1997 to 2016, payable December 5 and June 5, principal payments December 5 every year in variable instalments based on debenture agreement dated December 5, 1996	519,000	751,000
No. FRG1998 - 001 Global instalment debenture, bearing interest ranging from 5.4% to 6.95% for 1999 to 2018, payable March 13 and September 13, principal payments March 13 every year in variable instalments based on debenture agreement dated March 13, 1998	2,482,000	3,205,000
Amortizing debenture payable, bearing interest at 4.56% payable semi-annually starting May 15, 2007, principal payable up to November 17, 2031	4,029,605	4,190,487
Amortizing debenture payable, bearing interest at 4.90% payable semi-annually starting May 15, 2008, principal payable up to March 3, 2033	12,028,923	12,444,852
Amortizing debenture payable, bearing interest at 5.062% payable semi-annually starting May 15, 2009, principal payable up to March 13, 2034	2,910,495	3,001,324
Amortizing debenture payable, bearing interest at 5.232% payable semi-annually starting May 15, 2010, principal payable up to April 13, 2035	2,073,582	2,131,697
Carry forward	53,948,065	56,986,215

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2015

8. Net long-term liabilities (continued):

	2015	2014
Carry forward	\$ 53,948,065	\$ 56,986,215
Amortizing debenture payable, bearing interest at 4.833% payable semi-annually starting May 16, 2011, principal payable up to March 11, 2036	15,886,453	16,321,518
Amortized debenture payable, bearing interest at 3.564% payable semi-annually starting May 15, 2012, principal payable up to March 9, 2037	1,953,060	2,011,451
Amortized debenture payable, bearing interest at 3.799% payable semi-annually starting May 15, 2013, principal payable up to March 19, 2038	15,578,539	16,000,969
Amortized debenture payable, bearing interest at 4.003% payable semi-annually starting May 15, 2014, principal payable up to March 11, 2039	530,346	543,472
Amortized debenture payable, bearing interest at 2.993% payable semi-annually starting May 15, 2015, principal payable up to March 9, 2040	533,325	-
	\$ 88,429,788	\$ 91,863,625

Principal and interest payments relating to the Board's debentures outstanding as at August 31, 2015 are due as follows:

	Principal	Interest	Total
2015-2016	\$ 4,202,809	\$ 4,329,576	\$ 8,532,385
2016-2017	4,436,043	4,094,894	8,530,937
2017-2018	4,393,606	3,857,914	8,251,520
2018-2019	3,688,928	3,618,222	7,307,150
2019-2020	3,876,471	3,430,679	7,307,150
Thereafter	67,831,931	24,378,420	92,210,351
Net long-term liabilities	\$ 88,429,788	\$ 43,709,705	\$ 132,139,493

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2015

9. Temporary borrowing:

The Board's financing agreement with its bank provides for operating credit facilities as follows:

- Facility (1): The Board has a revolving demand facility by way of loans, overdrafts and bankers' acceptances of up to \$25,000,000 (2014 - \$25,000,000) to finance operations, with \$Nil (2014 - \$Nil) utilized as at August 31, 2015.
- Facility (2): The Board has a revolving demand facility by way of letters of credit and letters of guarantee of up to \$5,000,000 (2014 - \$5,000,000) for the purpose of providing security for obligations to third parties with \$Nil (2014 - \$Nil) utilized as at August 31, 2015.
- Facility (3): The Board has a revolving facility by way of a series of fixed-rate term loans of up to \$6,000,000 (2014 - \$6,000,000) to finance capital expenditures (technology refresh), with \$Nil (2014 - \$Nil) utilized as at August 31, 2015.
- Facility (4): The Board has a revolving term facility of up to \$200,000 (2014 - \$800,000) to finance the remaining new school construction of North Grenville High School project, with \$Nil (2014 - \$Nil) utilized as at August 31, 2015.
- Facility (5): The Board has a revolving term facility of up to \$8,000,000 (2014 - \$14,000,000) associated with the Full Day Kindergarten project, with \$Nil (2014 - \$Nil) utilized as at August 31, 2015.
- Facility (6): The Board has a revolving term facility of up to \$12,700,000 (2014 - \$11,200,000) to finance construction of a school in Kemptville, with \$Nil (2014- \$Nil) utilized as at August 31, 2015.
- Facility (7): The Board has a revolving term facility of up to \$14,200,000 (2014 - \$8,400,000) to finance construction of a school in Cornwall, with \$Nil (2014 - \$Nil) utilized as at August 31, 2015.
- Facility (8): The Board has a revolving term facility of up to \$6,000,000 (2014 - \$6,000,000) to finance capital expenditures and the acquisition of equipment, with \$Nil (2014 - \$Nil) utilized as at August 31, 2015.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2015

10. Debt charges and capital loans interest:

Payments made for debt charges and capital loans include principal and interest payments as follows:

	2015	2014
Principal payments on long-term liabilities	\$ 3,967,161	\$ 14,662,016
Interest payments on long-term liabilities	4,537,881	5,014,806
	\$ 8,505,042	\$ 19,676,822

11. Expenses by object:

The following is a summary of the operating expenses reported on the consolidated statement of operations and accumulated deficit by object:

	2015 Budget	2015 Actual	2014 Actual
Operating expenses by object:			
Salary and wages	\$ 230,820,746	\$ 233,337,398	\$ 227,565,885
Employee benefits	35,417,716	35,833,342	33,928,075
Staff development	1,352,494	1,214,267	1,592,534
Supplies and services	22,984,430	22,900,192	23,522,657
Interest	4,464,426	4,475,821	4,764,135
Rental expenses	1,721,040	1,653,644	1,569,361
Fees and contract services	32,620,349	30,936,449	34,014,017
Other	162,493	124,737	162,419
Amortization, write-downs, loss on disposal	12,709,669	12,255,843	12,249,432
School activities	7,301,556	6,749,224	6,492,666
Centre for Education and Training	3,461,495	1,836,544	2,103,424
Champion for Kids Foundation	150,000	353,001	194,335
	\$ 353,166,414	\$ 351,670,462	\$ 348,158,940

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2015

12. Tangible capital assets:

Cost	Balance at August 31, 2014	Additions and transfers	Disposals, write-offs and adjustments	Balance at August 31, 2015
Land	\$ 4,782,512	\$ 2,371,544	\$ -	\$ 7,154,056
Land improvements	8,252,064	2,268,658	-	10,520,722
Buildings	348,674,349	14,004,410	-	362,678,759
Other buildings	30,988	-	-	30,988
Portable structures	806,200	-	(806,200)	-
First-time equipping of schools	3,855,187	-	-	3,855,187
Furniture	1,157,746	30,752	(16,358)	1,172,140
Equipment	8,750,587	808,085	(364,630)	9,194,042
Computer hardware	5,721,893	1,956,688	(1,007,687)	6,670,894
Computer software	495,692	10,256	(137,551)	368,397
Vehicles	498,350	96,455	(152,202)	442,603
Construction in process	-	1,996,496	-	1,996,496
Pre-acquisition costs	619,499	(116,752)	-	502,747
Leasehold improvements	83,512	-	(83,512)	-
Total	\$ 383,728,579	\$ 23,426,592	\$ (2,568,140)	\$ 404,587,031

Accumulated amortization	Balance at August 31, 2014	Amortization	Disposals, write-offs and adjustments	Balance at August 31, 2015
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	2,080,911	625,759	-	2,706,670
Buildings	113,735,765	8,891,554	-	122,627,319
Other buildings	4,673	1,549	-	6,222
Portable structures	780,975	25,225	(806,200)	-
First-time equipping of schools	2,538,275	385,519	-	2,923,794
Furniture	415,182	116,494	(16,358)	515,318
Equipment	3,105,097	800,986	(364,630)	3,541,453
Computer hardware	3,776,118	1,239,279	(1,007,687)	4,007,710
Computer software	293,250	86,409	(137,551)	242,108
Vehicles	224,089	83,069	(108,020)	199,138
Leasehold improvements	83,512	-	(83,512)	-
Total	\$ 127,037,847	\$ 12,255,843	\$ (2,523,958)	\$ 136,769,732

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2015

12. Tangible capital assets (continued):

Net book value	Net book value August 31, 2014	Net book value August 31, 2015
Land	\$ 4,782,512	\$ 7,154,056
Land improvements	6,171,153	7,814,052
Buildings	234,938,584	240,051,440
Other buildings	26,315	24,766
Portable structures	25,225	–
First-time equipping of schools	1,316,912	931,393
Furniture	742,564	656,822
Equipment	5,645,490	5,652,589
Computer hardware	1,945,775	2,663,184
Computer software	202,442	126,289
Vehicles	274,261	243,465
Construction in process	–	1,996,496
Pre-acquisition costs	619,499	502,747
Leasehold improvements	–	–
Total	\$ 256,690,732	\$ 267,817,299

13. Accumulated deficit:

Accumulated deficit consists of the following:

	2015	2014
Available for compliance - unappropriated		
Total operating accumulated surplus	\$ 4,380,889	\$ 3,250,959
Available for compliance - internally appropriated		
Workers' Safety Insurance Board (WSIB)	1,960,819	1,908,303
Other purpose - operating	1,159,207	2,357,466
Other purpose - capital	328,512	279,097
Committed sinking fund interest	52,899	56,290
Total accumulated surplus available for compliance	7,882,326	7,852,115
Unavailable for compliance - externally appropriated		
Employee future benefits	(26,527,571)	(30,532,496)
Interest accrued	(1,288,079)	(1,350,140)
School generated funds	3,112,705	3,111,118
Revenue recognized for land	7,154,056	4,845,183
Total externally appropriated	(17,548,889)	(23,926,335)
Total accumulated deficit	\$ (9,666,563)	\$ (16,074,220)

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2015

14. Trust funds (unaudited):

Trust funds administered by the Board amounting to \$2,680,772 (2014 - \$2,865,479) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations and accumulated deficit, in accordance with Public Sector Accounting Board's requirements.

15. 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.

The ultimate premiums are based on the reciprocal's and the Board's actual claims experience. Periodically, the Board may receive a refund or be asked to pay an additional premium based on its pro rata share of claims experience. The current term expires January 1, 2016.

16. Contingent liabilities:

The Board is involved with pending litigation and claims which arose in the normal course of operations. In the opinion of the administration, any liability that may arise from such contingencies would not have a significant adverse effect on the consolidated financial statements of the Board. Any adjustments, arising from these matters, will be provided for in future years.

17. Transportation consortium:

The Board is a member of the Student Transportation of Eastern Ontario ("STEO") consortium with the Catholic District School Board of Eastern Ontario, effective February 1, 2012. The consortium provides joint governance and administration of student transportation services provided to students registered with the two member boards. Related party transactions and balances with STEO include the following:

- (i) The Board paid STEO \$23,259,908 (2014 - \$24,024,681) for student transportation services in the year.
- (ii) The Board has a receivable from STEO of \$2,294,844 (2014 - \$2,185,692) for student transportation services.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2015

17. Transportation consortium (continued):

STEO's assets, liabilities, revenue, expenses and surplus for the year ended August 31, 2015 are as follows:

	2015	2014
Financial assets	\$ 2,443,387	\$ 2,808,240
Financial liabilities	2,720,121	3,148,262
Net debt	(276,734)	(340,022)
Non-financial assets	276,734	340,022
Accumulated surplus	\$ -	\$ -

	2015	2014
Revenue	\$ 36,325,292	\$ 36,899,057
Expenses	36,325,292	36,899,674
Annual surplus (deficit)	\$ -	\$ (617)

The Board recorded \$Nil (2014 - \$(413)) of STEO's annual surplus (deficit) in the consolidated statement of operations and accumulated deficit. The remaining \$Nil (2014 - \$(204)) is recorded by the Catholic District School Board of Eastern Ontario.

18. Subsequent event:

Subsequent to August 31, 2015, the Ontario Secondary School Teachers' Federation ratified agreements at the central level which include a voluntary retirement gratuity early payout provision. This provision may have a future impact on the board's employee future benefit liability. There is no impact to the 2014-15 fiscal year. The collective agreements must be ratified at both the central and local level to be considered final. At the reporting date of these financial statements, local ratification has not occurred for the Ontario Secondary School Teachers' Federation.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2015

18. Subsequent event (continued):

The voluntary retirement gratuity early payout provision provides the Ontario Secondary School Teachers' Federation members the option of receiving a discounted frozen retirement gratuity benefit payment on August 31, 2016. The voluntary retirement gratuity early payout provision may result in payouts occurring earlier than anticipated and generally at a discount to August 31, 2015 financial statement carrying values. As a result, the reduction in the liability for those members who take the voluntary retirement gratuity early payout option will be accompanied by actuarial gains or losses in the board's 2015-16 year financial statements. At this time, the change in the liability cannot be estimated since members of the Ontario Secondary School Teachers' Federation have not yet declared their participation in the voluntary retirement gratuity early payout option.

19. Guarantees:

The Board has letters of guarantee related their capital projects with the respective municipalities. The total value of the letters of guarantee at year end is \$339,337 (2014 - \$Nil).