

Renfrew County Catholic District School Board

Financial Statements

For the year ended 31 August 2010

MACKILLICAN & ASSOCIATES

CHARTERED ACCOUNTANTS



**Renfrew County
Catholic District
School Board**

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*...as an inclusive Catholic
educational community, we
are called to express our
mission as church, to pass
on the Good News of Jesus
Christ, to make it relevant in
the world today, and to be
the hope for the future.*

MANAGEMENT REPORT

Management's Responsibility for the Consolidated Financial Statements

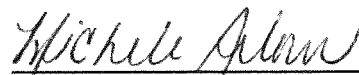
The accompanying consolidated financial statements of the Renfrew County Catholic District School Board are the responsibility of the Board management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

A summary of the significant accounting policies are 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 MacKillican & Associates, independent external auditors appointed by the Board. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Board's consolidated financial statements.



Director of Education
Services



Superintendent of Business

December 20, 2010

MACKILLICAN & ASSOCIATES
CHARTERED ACCOUNTANTS

252 Raglan Street S.
Renfrew, Ontario

AUDITORS' REPORT

To the Board of Trustees,
Renfrew County Catholic District School Board.

We have audited the consolidated statement of financial position of the Renfrew County Catholic District School Board as at 31 August 2010, and the consolidated statements of operations and accumulated surplus, changes in net financial assets (debt) and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Renfrew County Catholic District School Board as at 31 August 2010, and the results of its operations, changes in net financial assets (debt) and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Mackilligan & Associates

RENFREW, Ontario.
20 December 2010.

Chartered Accountants,
Licensed Public Accountants.

Renfrew County Catholic District School Board

Consolidated Statement of Financial Position

As at 31 August 2010

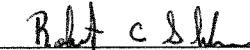
(with 2009 figures for comparison)

	<u>2010</u>	<u>2009</u>
Financial assets:		
Cash and cash equivalents	\$ 13,691,425	\$ 10,704,844
Accounts receivable	2,575,421	2,003,061
Accounts receivable - Approved Capital Funding (Note 3)	9,925,159	
Other	<u>9,793</u>	<u>9,793</u>
	<u>\$ 26,201,798</u>	<u>\$ 12,717,698</u>
Liabilities:		
Accounts payable and accrued liabilities	\$ 3,108,664	\$ 2,667,484
Net long term liabilities (Note 4)	9,238,371	7,016,053
Deferred revenue (Note 6)	4,194,140	3,246,308
Employee future benefits (Note 7)	<u>6,684,466</u>	<u>6,585,066</u>
	<u>\$ 23,225,641</u>	<u>\$ 19,514,911</u>
Net financial assets (debt)	<u>\$ 2,976,157</u>	<u>\$ (6,797,213)</u>
Non-financial assets:		
Tangible capital assets - net (Notes 1 (e) and 8)	\$ 34,634,893	\$ 34,406,040
Prepaid expenses	106,525	103,388
Inventories of supplies	<u>401,722</u>	<u>518,863</u>
	<u>\$ 35,143,140</u>	<u>\$ 35,028,291</u>
Accumulated surplus (Note 15)	<u>\$ 38,119,297</u>	<u>\$ 28,231,078</u>

Approved on behalf of the Board:



Director of Education



Chairperson of the Board

(See accompanying notes)

Renfrew County Catholic District School Board
Consolidated Statement of Operations and Accumulated Surplus
For the year ended 31 August 2010
(with 2010 budget and 2009 actual figures for comparison)

	<u>2010</u> <u>Budget</u>	<u>2010</u> <u>Actual</u>	<u>2009</u> <u>Actual</u>
Revenues:			
Local taxation	\$ 8,027,650	\$ 8,745,810	\$ 8,155,737
Provincial grants - student needs	42,850,276	42,891,528	42,098,431
- other	1,028,424	1,468,847	1,075,495
Federal grants and fees	244,950	290,332	256,596
Other revenues - school boards		93,324	34,969
Other fees and revenues	181,550	328,499	462,679
Investment income	60,000	52,045	121,331
School fundraising		<u>1,031,765</u>	<u>1,004,377</u>
	<u>\$ 52,392,850</u>	<u>\$ 54,902,150</u>	<u>\$ 53,209,615</u>
Expenditures:			
Instruction	\$ 40,573,005	\$ 40,386,280	\$ 39,362,605
Pupil accommodation	6,547,244	6,492,054	6,116,693
Transportation	3,990,753	4,002,064	3,985,539
Administration	2,315,781	2,142,677	2,058,417
Other operating expenses	826,332	873,333	838,293
School funded activities		<u>1,042,682</u>	<u>988,525</u>
	<u>\$ 54,253,115</u>	<u>\$ 54,939,090</u>	<u>\$ 53,350,072</u>
Surplus (deficit) for the year before undernoted item	\$ (1,860,265)	\$ (36,940)	\$ (140,457)
Government of Ontario - Grant for Approved Capital (Note 3)		<u>9,925,159</u>	
Surplus (deficit) for the year	<u>\$ (1,860,265)</u>	\$ 9,888,219	\$ (140,457)
Accumulated surplus, beginning of year		<u>28,231,078</u>	<u>28,371,535</u>
Accumulated surplus, end of year		<u>\$ 38,119,297</u>	<u>\$ 28,231,078</u>

(See accompanying notes)

Renfrew County Catholic District School Board
Consolidated Statement of Changes in Net Financial Assets (Debt)
For the year ended 31 August 2010
(with 2009 figures for comparison)

	<u>2010</u>	<u>2009</u>
Annual surplus (deficit)	\$ <u>9,888,219</u>	\$ <u>(140,457)</u>
Tangible capital assets:		
Acquisition of tangible capital assets	\$ (1,661,724)	\$ (2,434,341)
Amortization of tangible capital assets	1,428,471	1,340,683
Proceeds on disposal of tangible capital assets	<u>4,400</u>	<u> </u>
	\$ <u>(228,853)</u>	\$ <u>(1,093,658)</u>
Other non-financial assets:		
Acquisition of supplies inventories	\$ (251,241)	\$ (308,457)
Acquisition of prepaid expenses	(106,525)	(106,329)
Consumption of supplies inventories	368,382	244,100
Use of prepaid expenses	<u>103,388</u>	<u>110,380</u>
	\$ <u>114,004</u>	\$ <u>(60,306)</u>
Decrease (increase) in net debt	\$ 9,773,370	\$ (1,294,421)
Net debt, beginning of year	<u>(6,797,213)</u>	<u>(5,502,792)</u>
Net financial assets (debt), end of year	\$ <u>2,976,157</u>	\$ <u>(6,797,213)</u>

(See accompanying notes)

Renfrew County Catholic District School Board

Consolidated Statement of Cash Flows

For the year ended 31 August 2010
(with 2009 figures for comparison)

	<u>2010</u>	<u>2009</u>
Operating transactions:		
Surplus (deficit) for the year	\$ 9,888,219	\$ (140,457)
Item not involving cash:		
Amortization of capital assets	1,428,471	1,340,683
Change in non-cash assets and liabilities:		
Decrease (increase) in accounts receivable	(10,497,519)	(269,426)
Increase (decrease) in accounts payable and accrued liabilities	441,180	(139,329)
Increase (decrease) in deferred revenues - reserves	947,832	979,768
Increase (decrease) in deferred revenues - other		(9,231)
Increase (decrease) in employee future benefits	99,400	327,533
Increase (decrease) in prepaid expenses	(3,137)	4,052
Increase (decrease) in inventories of supplies	<u>117,141</u>	<u>(64,355)</u>
Cash provided by operating transactions	\$ <u>2,421,587</u>	\$ <u>2,029,238</u>
Capital transactions:		
Proceeds on disposal of tangible capital assets	\$ 4,400	
Cash used to acquire tangible capital assets	<u>(1,661,724)</u>	\$ <u>(2,434,341)</u>
Cash applied to capital transactions	\$ <u>(1,657,324)</u>	\$ <u>(2,434,341)</u>
Financing transactions:		
Long term liabilities issued	\$ 2,420,881	\$ 974,468
Debt principal repayments and sinking fund contributions	<u>(198,563)</u>	<u>(169,712)</u>
Cash provided by financing transactions	\$ <u>2,222,318</u>	\$ <u>804,756</u>
Change in cash and cash equivalents during the year	\$ 2,986,581	\$ 399,653
Cash and cash equivalents, beginning of year	<u>10,704,844</u>	<u>10,305,191</u>
Cash and cash equivalents, end of year	<u>\$ 13,691,425</u>	<u>\$ 10,704,844</u>

(See accompanying notes)

Renfrew County Catholic District School Board

Notes to the Financial Statements

For the year ended 31 August 2010

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Renfrew County Catholic District School Board (the "Board") are prepared by management in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants. Significant accounting policies of the Board are as follows:

a) 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 Board's consolidated financial statements reflect school generated funds, which include the assets, liabilities, revenues and expenses of various organizations that exist at the school level and are controlled by the Board.

b) Basis of accounting:

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services acquired in the period whether or not payment has been made or invoices received.

c) Investment income:

Investment income is reported as revenue in the period earned.

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.

d) 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.

e) 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 does not capitalize interest paid on debt used to finance the construction of tangible capital assets.

Renfrew County Catholic District School Board

Notes to the Financial Statements

For the year ended 31 August 2010

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

Buildings	40 years
Portable structures	20 years
Land improvements with finite lives	15 years
Furniture	10 years
Equipment	5-15 years
Computer hardware	5 years
Computer software	5 years

Assets under construction 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. 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.

f) 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.

g) Retirement and other employee future benefits:

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, accumulated sick days, retirement gratuity and workers' compensation. 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 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, long term inflation rates and discount rates.

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 accumulated sick leave, 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 the 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 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.

Renfrew County Catholic District School Board

Notes to the Financial Statements

For the year ended 31 August 2010

- 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.
- h) 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.
- i) Government transfers:
Government transfers, which include legislative grants, are recognized in the 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.
- j) 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. Given differences between the funding model and generally accepted accounting principles for local governments established by the Public Sector Accounting Board, the budget figures presented have been adjusted to conform with this basis of accounting as it is used to prepare the financial statements.

The Board approves its budget annually. The approved budget for 2009-2010 is reflected on the Consolidated Statement of Operations and Accumulated Surplus.

Budgets established for capital purposes are based on a project-oriented basis, the costs of which may be carried out over one or more years. Capitalization of assets, amortization and disposals were not contemplated in the development of the budget.

Budget figures have not been audited and are presented for information purposes.

- k) Use of estimates:
The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from these current estimates. Significant estimates include assumptions used in:
 - i) estimating the collectability of accounts receivable to determine the allowance for doubtful accounts;
 - ii) estimating provisions for accrued liabilities, and
 - iii) performing actuarial valuations of employee future benefits liabilities.

Renfrew County Catholic District School Board

Notes to the Financial Statements

For the year ended 31 August 2010

In addition, the Board's implementation of the Public Sector Accounting Handbook PS3150 has required management to make estimates of historical cost and useful lives of tangible capital assets. For the year ended 31 August 2010, these amounts and the related estimation techniques have been disclosed in Note 2.

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

l) 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.

2. CHANGE IN ACCOUNTING POLICIES

The Board has implemented Public Sector Accounting Board ("PSAB") sections 1200, *Financial Statement Presentation* and 3150, *Tangible Capital Assets*. Section 1200 establishes general reporting principles and standards for the disclosure of information in government financial statements. Section 3150 requires governments to record and amortize their tangible capital assets in their financial statements. In prior years, tangible capital asset additions were expensed in the year of acquisition or construction.

Method used for determining the cost of tangible capital assets:

The financial information recorded includes the actual or estimated historical cost of the tangible capital assets. Historical cost includes the costs directly related to the acquisition, design, construction, development, improvement or betterment of tangible capital assets. Cost includes overheads directly attributable to construction and development.

When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization of the assets. The estimates for land and buildings were determined by the Ministry of Education of Ontario using an estimation methodology called the Book Value Calculator, using historical information provided by the Board. Other asset classes are recorded at historical cost where adequate information was available. If adequate information was not available, an alternative method was used to estimate a reasonable cost.

Renfrew County Catholic District School Board

Notes to the Financial Statements

For the year ended 31 August 2010

This change has been applied retroactively and prior periods have been restated. This change in accounting policy has changed amounts reported in the prior period as follows:

Accumulated surplus (deficit) at 31 August 2009:	
Operating fund balance	\$ (6)
Capital fund balance	(548,230)
Reserve fund balance	7,855,158
School activities fund balance	303,748
Amounts to be recovered	<u>(13,785,632)</u>
Accumulated deficit, as previously reported	\$ (6,174,962)
Net book value of tangible capital assets recorded	<u>34,406,040</u>
Accumulated surplus, as restated	\$ <u>28,231,078</u>
Annual surplus (deficit) for the year ended 31 August 2009:	
Change in net liabilities, as previously reported	\$ (1,234,115)
Add:	
Capital expenses capitalized, previously expensed	2,434,341
Less:	
Amortization expense not previously recorded	<u>(1,340,683)</u>
Annual deficit, as restated	\$ <u>(140,457)</u>

3. APPROVED CAPITAL FUNDING - GOVERNMENT OF ONTARIO

In the year, the Government of Ontario provided Ontario school boards with a one-time debt support grant to replace its former annual variable capital funding programs. Under this new funding model, Ontario school boards were awarded a one-time grant in fiscal 2010 based on their capital debt supported by the former capital funding programs, as at 31 August 2010. Ontario school boards will receive this grant in cash on an annual basis to cover the cash flow requirements over the remaining term of the respective capital debt instruments.

The Board has recognized an approved capital funding grant of \$ 9,925,159 as revenue and a corresponding account receivable from the Province as at 31 August 2010 with respect to this one-time grant.

Renfrew County Catholic District School Board

Notes to the Financial Statements

For the year ended 31 August 2010

4. NET LONG TERM LIABILITIES

Net long term debt reported on the "Consolidated Statement of Financial Position" consists of the following:

	<u>2010</u>	<u>2009</u>
Debenture #1 - 5.118%, matures on 6 April 2028	\$ 3,623,007	\$ 3,743,363
Debenture #2 - 4.560%, matures on 15 November 2031	1,532,620	1,573,912
Debenture #3 - 4.950%, matures on 3 March 2033	707,711	724,310
Debenture #4 - 5.112%, matures on 13 March 2034	954,152	974,468
Debenture #5 - 5.232%, matures on 13 April 2035	<u>2,420,881</u>	<u> </u>
	<u>\$ 9,238,371</u>	<u>\$ 7,016,053</u>

Principal and interest payments relating to net debenture debt of \$ 9,238,371 outstanding as at 31 August 2010 are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010-2011	\$ 257,549	\$ 461,753	\$ 719,302
2011-2012	270,658	448,644	719,302
2012-2013	284,437	434,866	719,303
2013-2014	298,918	420,385	719,303
2014-2015	314,136	405,166	719,302
Thereafter	<u>7,812,673</u>	<u>3,793,911</u>	<u>11,606,584</u>
	<u>\$ 9,238,371</u>	<u>\$ 5,964,725</u>	<u>\$ 15,203,096</u>

5. DEBT CHARGES AND CAPITAL LOANS INTEREST

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

	<u>2010</u>	<u>2009</u>
Debt principal repayments and sinking fund contributions	\$ 198,563	\$ 169,712
Interest payments on long term liabilities	<u>356,491</u>	<u>283,754</u>
	<u>\$ 555,054</u>	<u>\$ 453,466</u>

6. DEFERRED REVENUE

Deferred revenue consists of amounts received by the Board that are restricted for specific purposes by the funder and amounts that are required to be set aside by the Board for specific purposes by legislation, regulation or agreement.

Deferred revenue is comprised of:

	<u>2010</u>	<u>2009</u>
Classroom expenditure	\$ 1,755,953	\$ 1,747,889
Energy efficient schools	692,082	274,396
Pupil accommodation	1,112,875	685,844
Other	<u>633,230</u>	<u>538,179</u>
	<u>\$ 4,194,140</u>	<u>\$ 3,246,308</u>

MACKILLICAN & ASSOCIATES

CHARTERED ACCOUNTANTS

Renfrew County Catholic District School Board

Notes to the Financial Statements

For the year ended 31 August 2010

7. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, retirement gratuity, service awards, workers' compensation and long term disability benefits.

(a) Retirement Benefits

(i) Ontario Teachers' Pension Plan:

Teachers and related employee groups are eligible to be members of 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 financial statements.

(ii) Ontario Municipal Employees Retirement System:

All non-teaching employees of the Board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board contributions equal the employee contributions to the plan. During the year ended 31 August 2010, the Board contributed \$ 382,405 (2009 - \$ 370,484) 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 financial statements.

(iii) Retirement Gratuity Benefits:

The Board provides retirement gratuities to certain groups of employees. The amount of the gratuities paid to eligible employees at retirement is based on their salary, accumulated sick days and years of service at retirement. 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 financial statements.

(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 financial statements.

(ii) Accumulated sick leave:

The Board provides accumulated sick leave benefits to certain groups of employees. Under the plan employees can accumulate unused sick leave days available for use in future years. 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 financial statements.

Renfrew County Catholic District School Board

Notes to the Financial Statements

For the year ended 31 August 2010

- c) The accrued benefit obligations for employee future benefit plans as at 31 August 2010 are based on the most recent actuarial valuation completed for accounting purposes as at 31 August 2010. 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:

	<u>2010</u>	<u>2009</u>
	%	%
Inflation	2.0	1.5
Wages and salary escalation	3.0	3.0
Discount on accrued benefit obligation	4.5	4.5

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

Retirement and other
employee future benefit
liabilities:

	<u>2010</u>			<u>2009</u>	
	<u>Sick leave benefits</u>	<u>Retirement benefits</u>	<u>Other employee future benefits</u>	<u>Total employee future benefits</u>	<u>Total employee future benefits</u>
Accrued employee future benefit obligations at 31 August 2010	\$ 3,115,272	\$ 4,811,713	\$ 151,681	\$ 8,078,666	\$ 7,040,273
Unamortized actuarial gains (losses) at 31 August 2010	<u>(1,093,944)</u>	<u>(300,256)</u>	<u> </u>	<u>(1,394,200)</u>	<u>(455,207)</u>
Employee future benefit liabilities at 31 August 2010	<u>\$ 2,021,328</u>	<u>\$ 4,511,457</u>	<u>\$ 151,681</u>	<u>\$ 6,684,466</u>	<u>\$ 6,585,066</u>

Retirement and other
employee future benefit
expenses:

	<u>2010</u>			<u>2009</u>	
	<u>Sick leave benefits</u>	<u>Retirement benefits</u>	<u>Other employee future benefits</u>	<u>Total employee future benefits</u>	<u>Total employee future benefits</u>
Current year benefit cost	\$ 163,148	\$ 360,334	\$ 44,089	\$ 567,571	\$ 578,795
Interest on accrued benefit obligation	<u>138,996</u>	<u>207,000</u>	<u> </u>	<u>345,996</u>	<u>292,892</u>
Employee future benefit expenses	<u>\$ 302,144</u>	<u>\$ 567,334</u>	<u>\$ 44,089</u>	<u>\$ 913,567</u>	<u>\$ 871,687</u>

Renfrew County Catholic District School Board

Notes to the Financial Statements

For the year ended 31 August 2010

8. TANGIBLE CAPITAL ASSETS

<u>Cost</u>	<u>Balance at 31 August 2009</u>	<u>Additions</u>	<u>Disposals, write-offs and adjustments</u>	<u>Balance at 31 August 2010</u>
Land	\$ 785,900			\$ 785,900
Land improvements	124,127			124,127
Buildings	44,831,651	\$ 1,143,410		45,975,061
Construction in progress	15,026	453,147		468,173
Portable structures	820,327		\$ 4,400	815,927
Furniture	139,036	15,335		154,371
First time equipping	131,427			131,427
Equipment	96,398	17,577		113,975
Computer hardware	229,176	32,255		261,431
Computer software	5,356			5,356
Total	\$ 47,178,424	\$ 1,661,724	\$ 4,400	\$ 48,835,748

<u>Accumulated amortization</u>	<u>Balance at 31 August 2009</u>	<u>Amortization</u>	<u>Disposals, write-offs and adjustments</u>	<u>Balance at 31 August 2010</u>
Land improvements	\$ 15,855	\$ 8,317	\$ -	\$ 24,172
Buildings	11,926,240	1,308,186		13,234,426
Portable structures	638,035	23,248		661,283
Furniture	54,144	14,670		68,814
First time equipping	35,939	13,143		49,082
Equipment	33,786	10,775		44,561
Computer hardware	67,849	49,061		116,910
Computer software	536	1,071		1,607
Total	\$ 12,772,384	\$ 1,428,471	\$ -	\$ 14,200,855

<u>Net book value</u>	<u>31 August 2009</u>	<u>31 August 2010</u>
Land	\$ 785,900	\$ 785,900
Land improvements	108,272	99,955
Buildings	32,905,411	32,740,635
Construction in progress	15,026	468,173
Portable structures	182,292	154,644
Furniture	84,892	85,557
First time equipping	95,488	82,345
Equipment	62,612	69,414
Computer hardware	161,327	144,521
Computer software	4,820	3,749
Total	\$ 34,406,040	\$ 34,634,893

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Notes to the Financial Statements

For the year ended 31 August 2010

9. EXPENSES BY OBJECT

The following is a summary of the expenses reported on the "Consolidated Statement of Operations" by object:

	<u>2009-2010</u> <u>Budget</u> (restated, Note 14 unaudited)	<u>2009-2010</u> <u>Actual</u>	<u>2008-2009</u> <u>Actual</u> (restated, Note 2)
Expenses by object:			
Salary and wages	\$ 35,717,680	\$ 34,822,458	\$ 34,105,234
Employee benefits	4,892,278	4,715,412	4,863,293
Staff development	559,013	774,086	675,747
Supplies and services	5,179,831	5,704,222	5,111,420
Interest	345,734	356,492	313,710
Rental expenses	78,960	70,200	80,898
Fees and contract services	5,204,916	5,184,073	5,028,485
Other	846,232	840,994	842,077
School funded activities		1,042,682	988,525
Amortization of tangible capital assets	<u>1,428,471</u>	<u>1,428,471</u>	<u>1,340,683</u>
	<u>\$ 54,253,115</u>	<u>\$ 54,939,090</u>	<u>\$ 53,350,072</u>

10. ONTARIO SCHOOL BOARD INSURANCE EXCHANGE (OSBIE)

The School Board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act. OSBIE insures general public liability, property damage and certain other risks.

The ultimate premiums over a five year period are based on the reciprocal's and the Board's actual claims experience. Periodically, the Board may receive a refund or be asked to pay an additional premium based on its pro rata share of claims experience.

11. TRUST FUNDS

Trust funds administered by the Board amounting to \$ 659,156 (2009 - \$ 644,580) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

12. COMMITMENTS AND CONTINGENT LIABILITIES

Litigation:

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 financial statements of the Board. Any adjustments, arising from these matters, will be provided for in future years.

Renfrew County Catholic District School Board

Notes to the Financial Statements

For the year ended 31 August 2010

13. BUDGET DATA (UNAUDITED)

The unaudited budget data presented in these financial statements is based upon the 2010 budgets. Capitalization of assets, amortization, and gains and losses on disposal were not contemplated on development of the budget and, as such, have not been included. The chart below reconciles the approved budget to the budget figures reported in the Consolidated Statement of Operations. Where amounts were not budgeted for, the actual amounts for 2010 were used in order to adjust the budget numbers to reflect the same basis of accounting as that used to report the actual results.

As the Consolidated Statement of Change in Net Financial Assets (Debt) is a new statement in the 2009 - 2010 financial statements, the budget figures in that statement have not been provided.

	<u>2009-2010</u> <u>Budget</u> (unaudited)	<u>2009-2010</u> <u>Budget</u> (restated, Note 2 unaudited)
Total revenue	\$ <u>54,894,367</u>	\$ <u>52,392,850</u>
Expenses:		
Total expenses as in the 2009-2010 budget	\$ 54,695,805	\$ 54,695,805
Less: tangible capital asset expenditures		(1,871,161)
Plus: amortization of tangible capital assets		<u>1,428,471</u>
	<u>\$ 54,695,805</u>	<u>\$ 54,253,115</u>
Annual surplus (deficit)	<u>\$ 198,562</u>	<u>\$ (1,860,265)</u>

14. FUTURE ACCOUNTING FOR CONTRIBUTIONS USED FOR CAPITAL

In the Ministry of Finance Addendum to the 2010 Ontario Budget: Ontario's Plan to Enhance Accountability, Transparency and Financial Management, the government provided direction to school boards on the accounting treatment of capital contributions. This addendum proposes that, effective the fiscal year beginning on 1 September 2010, school boards in Ontario will adopt accounting policies consistent with the Province of Ontario, which include a policy to recognize government transfers and external contributions used in the acquisition of tangible capital assets over the period that the asset is expected to provide service. This policy is to ensure consistency with the current practice of senior governments in Canada and other major broader public-sector organizations (hospitals, colleges and universities), and to ensure that school board operating surpluses or deficits are not distorted by capital grant revenues.

This accounting treatment is not currently a recognized option in Canadian Public Sector Accounting Standards and could not be implemented within these financial statements.

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Notes to the Financial Statements

For the year ended 31 August 2010

15. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	<u>2010</u>	<u>2009</u>
Available for compliance - unappropriated:		
Total operating accumulated surplus	\$ 135,907	\$ 56,600
Available for compliance - internally appropriated:		
Workers' Safety Insurance Board (WSIB)	265,116	263,693
Retirement Gratuities	1,358,527	1,107,063
Vacation Pay/Transportation/Information Technology	1,860,517	1,851,505
Maintenance	2,693,266	590,422
Textbooks		245,297
Buildings and grounds	<u>3,757,649</u>	<u>3,740,572</u>
Total accumulated surplus available for compliance	<u>\$ 10,070,982</u>	<u>\$ 7,855,152</u>
Unavailable for compliance - externally appropriated:		
Employee future benefits	\$ (6,684,466)	\$ (6,585,066)
Vacation accrued	(194,943)	(184,514)
School generated funds	292,831	303,748
Investment in tangible capital assets	34,634,893	34,406,040
Permanently financed debt	(9,238,371)	(7,016,052)
Not permanently financed amounts	(686,788)	(548,230)
Receivable from province re: capital funding (Note 3)	<u>9,925,159</u>	<u> </u>
Total externally appropriated	<u>\$ 28,048,315</u>	<u>\$ 20,375,926</u>
Total accumulated surplus	<u>\$ 38,119,297</u>	<u>\$ 28,231,078</u>

16. SCHOOL GENERATED FUNDS

	<u>2010</u>	<u>2009</u>
Revenues:		
School fundraising and other - elementary	\$ 639,641	\$ 606,064
School fundraising and other - secondary	<u>392,124</u>	<u>398,313</u>
Total revenue	\$ 1,031,765	\$ 1,004,377
Expenses:		
School funded activities	<u>1,042,682</u>	<u>988,525</u>
Annual surplus (deficit)	\$ (10,917)	\$ 15,852
Opening accumulated surplus - school generated funds	<u>303,748</u>	<u>287,896</u>
Closing accumulated surplus - school generated funds	<u>\$ 292,831</u>	<u>\$ 303,748</u>

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Notes to the Financial Statements

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17. TRANSPORTATION CONSORTIUM

In 2006, the Board entered into an agreement with the Renfrew County District School Board to provide common administration of student transportation in the region. This agreement was executed in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the Boards. Under the agreement, decisions related to the financial and operating activities of Renfrew County Joint Transportation Consortium are shared. No partner is in a position to exercise unilateral control.

The Board's consolidated financial statements do not include the proportionate consolidation of the assets, liabilities, revenues and expenses of the consortium.

18. COMPARATIVE FIGURES

Certain 2009 comparative figures have been reclassified and/or restated to conform to the financial statement presentation adopted for 2010.