

**Huron-Perth Catholic District
School Board
Consolidated Financial
Statements
For the year ended August 31, 2010**

Huron-Perth Catholic District School Board
Consolidated Financial Statements
For the year ended August 31, 2010

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Huron-Perth Catholic District School Board

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MANAGEMENT REPORT


Management's Responsibility for the Financial Statements

The accompanying consolidated financial statements of the Huron-Perth Catholic District School Board are the responsibility of the Board's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants. A summary of the significant accounting policies is attached to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

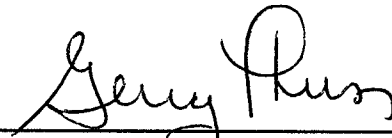
Board management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis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

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

The financial statements have been audited by BDO Canada LLP, 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 financial statements.



Director of Education / Secretary



Superintendent of Business / Treasurer

December 22, 2010



Tel: 519 271 2491
Fax: 519 271 4013
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BDO Canada LLP
380 Hibernia Street
Stratford ON N5A 5W3 Canada

Auditors' Report

To the Board of Trustees of the Huron-Perth Catholic District School Board

We have audited the consolidated statement of financial position of the Huron-Perth Catholic District School Board as at August 31, 2010 and the consolidated statements of operations, cash flows and change in net debt for the year then ended. These consolidated financial statements are the responsibility of the School 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 Huron-Perth Catholic District School Board as at August 31, 2010 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants


Stratford, Ontario
December 22, 2010


Huron-Perth Catholic District School Board

Consolidated Statement of Financial Position

August 31	2010	2009
Financial Assets		
Cash	\$ 4,230,983	\$ 2,811,543
Accounts receivable		
Local government	957,022	934,581
Other	350,666	427,737
Province of Ontario - Grants for Student Needs	1,015,887	130,005
Province of Ontario - Approved Capital (Note 2)	15,473,134	-
	<u>22,027,692</u>	<u>4,303,866</u>
Financial Liabilities		
Temporary borrowing (Note 7)	-	3,325,000
Accounts payable and accrued liabilities	1,812,301	1,076,695
Net long-term debt (Note 5)	17,235,547	13,716,340
Deferred revenue (Note 3)	180,719	267,796
Deferred revenue - other	1,418,339	1,021,759
Employee future benefits liability (Note 4)	4,901,958	4,658,210
	<u>25,548,864</u>	<u>24,065,800</u>
Net Debt	(3,521,172)	(19,761,934)
Non-Financial Assets		
Prepaid expenses	403,282	185,154
Tangible capital assets (Note 10)	47,263,786	48,779,715
	<u>47,667,068</u>	<u>48,964,869</u>
Accumulated Surplus (Note 1, Note 11)	\$ 44,145,896	\$ 29,202,935

Signed on Behalf of The Board


Signature of Director of Education / Secretary


Signature of Chair of School Board

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Huron-Perth Catholic District School Board

Consolidated Statement of Operations

For the year ended August 31	Budget 2010	Actual 2010	Actual 2009
	(Restated & Unaudited)		(Restated)
Revenues			
Local taxation	\$ 8,134,640	\$ 7,672,385	\$ 8,095,422
Provincial legislative grant	41,218,304	57,704,200	40,505,490
Provincial grants - other	889,013	2,681,313	1,418,478
Investment income	10,000	13,654	51,556
Other fees and revenues	30,000	181,850	314,589
School fundraising	1,750,000	1,915,320	1,820,961
	52,031,957	70,168,722	52,206,496
Expenditures			
Instruction	36,366,835	37,795,065	36,204,700
Administration	2,414,395	2,601,388	2,751,805
Transportation	5,314,850	4,906,499	4,956,914
Pupil accommodation	4,998,005	5,469,303	7,233,578
Other	2,399,223	2,592,812	334,292
School funded activities	1,750,000	1,860,694	1,809,698
	53,243,308	55,225,761	53,290,987
Annual surplus (deficit) (Note 1)	(1,211,351)	14,942,961	(1,084,491)
Accumulated surplus, beginning of year	29,202,935	29,202,935	30,287,426
Accumulated surplus, end of year	\$ 27,991,584	\$ 44,145,896	\$ 29,202,935

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Huron-Perth Catholic District School Board

Consolidated Statement of Cash Flows

For the year ended August 31	2010	2009
		(Restated)
Operations		
Annual surplus	\$ 14,942,961	\$ (1,084,491)
Non-cash items including amortization, write downs and gain/loss on disposal	2,263,354	2,298,947
Change in non-cash working capital balances		
Accounts receivable	(16,304,386)	201,950
Accounts payable and accrued liabilities	735,606	(331,453)
Deferred revenues - reserves	(87,077)	196,556
Deferred revenues - other	396,580	154,461
Employee future benefits liability	243,748	190,439
Prepaid expenses	(218,128)	108,284
	1,972,658	1,734,693
Net increase (decrease) in cash from operations		
Capital Transactions		
Acquisition of tangible capital assets	(747,425)	(582,218)
Financing		
Long-term debt issued	4,351,983	-
Decrease in temporary borrowing	(3,325,000)	(175,000)
Debt repayments	(832,776)	(732,146)
	194,207	(907,146)
Increase (decrease) in cash and equivalents during the year	1,419,440	245,329
Cash and equivalents, beginning of year	2,811,543	2,566,214
Cash and equivalents, end of year	\$ 4,230,983	\$ 2,811,543

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Huron-Perth Catholic District School Board

Consolidated Statement of Change in Net Debt

<u>For the year ended August 31</u>	<u>2010</u>	<u>2009</u>
		(Restated)
Annual Surplus (Deficit)	\$ 14,942,961	\$ (1,084,491)
Tangible Capital Asset Activity		
Acquisition of tangible capital assets	(747,425)	(582,218)
Amortization of tangible capital assets	2,263,354	2,298,947
Gain/loss on sale tangible capital assets	-	-
Proceeds on sale of tangible capital assets	-	-
	<u>1,515,929</u>	<u>1,716,729</u>
Other Non-Financial Asset Activity		
Acquisition of supplies inventories	(61,673)	-
Acquisition of prepaid expenses	(341,609)	(185,154)
Use of prepaid expenses	185,154	293,438
	<u>(218,128)</u>	<u>108,284</u>
(Increase) decrease in net debt	16,240,762	740,522
Net Debt at beginning of year	<u>(19,761,934)</u>	<u>(20,502,456)</u>
Net debt at end of year	\$ (3,521,172)	\$ (19,761,934)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Huron-Perth Catholic District School Board

Summary of Significant Accounting Policies

August 31, 2010

The consolidated financial statements are prepared by the management of Huron-Perth Catholic District School Board in accordance with the generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and fund balances 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 following entities are reflected in the statements:

School generated funds, which include the assets, liabilities, revenues, expenses and fund balances of various organizations that exist at the school level and which 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 the cost of goods and services acquired in the period whether or not payment has been made or invoices received.

(c) Cash and Cash Equivalents

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

(d) Deferred Revenue

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

Huron-Perth Catholic District School Board

Summary of Significant Accounting Policies

August 31, 2010

(e) 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 and workers' compensation. The Board has adopted the following policies with respect to accounting for these employee benefits:

- (i) The costs of self-insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance & health care cost trends, disability recovery rates, 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 sick leave accumulation benefits, 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 that are related to these benefits are amortized over the appropriate expected average remaining service lifetime for that plan.

For those self-insurance 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 workers' compensation are recognized immediately in the period they arise, actuarial gains and losses that are related to all other benefits are amortized over the appropriate expected average remaining service lifetime for that plan.

- (ii) The cost of multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System pensions, is the sum of the employer's contributions due to the plan in the period.
- (iii) The cost of insured benefits consists of the employer's portion of insurance premiums owed for coverage of employees during the current period.

Huron-Perth Catholic District School Board

Summary of Significant Accounting Policies

August 31, 2010

f) **Tangible Capital Assets**

Tangible capital assets are recorded at historical cost less accumulated amortization. Historical cost includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset, as well as interest related to financing during construction. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization.

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

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

<u>Asset</u>	<u>Estimated Useful Life in Years</u>
Land improvements with finite lives	15
Buildings and building improvements	40
Portable structures	20
Other buildings	20
First-time equipping of schools	10
Furniture	10
Equipment	5-15
Computer hardware	5
Computer software	5
Vehicles	5-10
Leasehold improvements	Over the lease term

Assets under construction are not amortized until they are 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. Buildings permanently removed from service cease to be amortized and the carrying value is written down to its residual value.

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

Huron-Perth Catholic District School Board

Summary of Significant Accounting Policies

August 31, 2010

(g) 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 the amount can be reasonably estimated.

(h) Investment Income

Investment income is reported as revenue in the period earned.

When required by the funding government or related Act, investment income earned on externally restricted funds such as pupil accommodation, education development charges and special education forms part of the respective deferred revenue balances.

(i) 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 consolidated financial statements. The budget figures are unaudited.

(j) 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 estimates, as additional information becomes available in the future.

Huron-Perth Catholic District School Board

Notes to Consolidated Financial Statements

August 31, 2010

1. Change in Accounting Policy

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.

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 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.

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 at August 31, 2009

Operating fund	\$ -
Capital fund	(5,272,930)
Reserve funds balance	3,846,807
School activities fund	440,329
Amounts to be recovered by future revenues	<u>(18,590,986)</u>
Accumulated deficit, as previously reported	(19,576,780)
Net book value of tangible capital assets recorded	<u>48,779,715</u>
Accumulated surplus, as restated	<u>\$ 29,202,935</u>

Annual surplus for the year ended August 31, 2009

Change in net assets/(liabilities), as previously reported	\$ 632,238
Plus: Capital expenditures capitalized, previously expensed	582,218
Less: Amortization expense not previously recorded	<u>(2,298,947)</u>
Annual deficit, as restated	<u>\$ (1,084,491)</u>

Huron-Perth Catholic District School Board

Notes to Consolidated Financial Statements

August 31, 2010

2. Accounts Receivable - Province of Ontario

The Province of Ontario has replaced variable capital funding with a one-time debt support grant. Huron-Perth Catholic District School Board will receive a one-time grant that recognizes capital debt as of August 31, 2010 that is supported by the existing capital programs. The Board will receive this grant in cash over the remaining term of the existing capital debt instruments.

The Board has an account receivable from the Province of Ontario of \$15,473,134 as at August 31, 2010 with respect to this one-time grant.

3. Deferred Revenue

Revenues that have been received and set aside for specific purposes by legislation, regulation or agreement are included in deferred revenue and reported on the Consolidated Statement of Financial Position.

Deferred revenue set aside for specific purposes by legislation, regulation or agreement as at August 31, 2010 is comprised of:

	Balance as at August 31 2009	Externally Restricted Revenue and Investment Income	Revenue Recognized in the Period	Balance as at August 31 2010
Ministry Equity Capital Reserve	58,841	-	-	58,841
Energy Efficient Schools	196,556	435,459	522,536	109,479
Special Education	12,399	-	-	12,399
	<u>\$ 267,796</u>	<u>\$ 435,459</u>	<u>\$ 522,536</u>	<u>\$ 180,719</u>

Huron-Perth Catholic District School Board

Notes to Consolidated Financial Statements

August 31, 2010

4. Retirement and Other Employee Future Benefits

	Retirement Gratuities	Retirement Benefits	Other Future Employment Benefits	Total
Balance at August 31, 2009	\$ 2,116,152	\$ 2,789,384	\$ 145,385	\$ 5,050,921
Current year benefit cost	191,988	181,679	91,910	465,577
Interest on accrued benefit obligation	95,297	124,280	-	219,577
Benefit payments	(188,869)	(236,879)	(43,345)	(469,093)
Balance at August 31, 2010	2,214,568	2,858,464	193,950	5,266,982
Unamortized gains/(losses)	336,919	(701,943)	-	(365,024)
Obligation at August 31, 2010	\$ 2,551,487	\$ 2,156,521	\$ 193,950	\$ 4,901,958

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 is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on their length of service and rates of pay. The Administration Corporation Board of Directors, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. OMERS provides pension services to more than 390,000 active and retired members and approximately 921 employers.

Huron-Perth Catholic District School Board

Notes to Consolidated Financial Statements

August 31, 2010

4. Retirement and Other Employee Future Benefits - continued

Each year an independent actuary determines the funding status of the OMERS Primary Pension Plan (the Plan) by comparing the fair value of invested assets to the actuarially-estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2009. The results of this valuation disclosed total actuarial liabilities of \$54.253 billion in respect of benefits accrued for service, while the fair value of invested assets at that date was \$52.734 billion, indicating an actuarial deficit of \$1.519 billion. During the year ended August 31, 2010, the Board contributed \$384,351 (2009 - \$358,400) to the plan. As this is a multi-employer pension plan, these contributions comprise the Board's pension benefit expense. No pension liability for this type of plan is included in the Board's consolidated financial statements.

(iii) Retirement Gratuities

Upon retirement, after 12 years of consecutive service with this Board, employees who have applied for a pension under the provisions of the Teachers' Superannuation Act or the Ontario Municipal Employees Retirement System shall be entitled to payment of a sick leave gratuity, which is based on accumulated sick days, length of service and salary at retirement. The maximum sick leave gratuity payable on retirement is limited to 20% of annual salary at the date of retirement. In 2010, payments of \$188,869 (2009 - \$157,819) were made under this plan. 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.

(iv) Future Sick Leave Benefits

The Board allows employees to accumulate unused sick days up to an allowable maximum. In 2010, payments of \$236,879 (2009 - \$275,977) were made under this plan. 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 accrued benefit obligations for employee future benefit plans as at August 31, 2010 are based on actuarial valuations for accounting purposes as at August 31, 2007. 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%	2%
Wage and salary escalation	3%	3%
Discount on accrued benefit obligations	4.5%	4.5%

Huron-Perth Catholic District School Board

Notes to Consolidated Financial Statements

August 31, 2010

4. Retirement and Other Employee Future Benefits - continued

Other Employee Future Benefits

(i) Workplace Safety and Insurance Board Obligations

The Board is a Schedule 2 employer under the Workplace Safety and Insurance Act and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. The Board does not fund these obligations in advance of payments made under the Act. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements. As at August 31, 2010 the Board has established an internal reserve for WSIB obligations amounting to \$400,000 (2009 - \$400,000).

Huron-Perth Catholic District School Board

Notes to Consolidated Financial Statements

August 31, 2010

5. Net Long-Term Debt

Net long-term debt reported on the Consolidated Statement of Financial Position is comprised of the following:

	<u>2010</u>	<u>2009</u>
Canadian Imperial Bank of Commerce demand installment loan, repayable in semi-annual payments of \$196,686 including interest at 6.08%, calculated semi-annually not in advance, due January 2012	\$ 1,528,569	\$ 1,816,532
Canadian Imperial Bank of Commerce demand installment loan, repayable in semi-annual payments of \$31,994 including interest at 4.69%, calculated semi-annually not in advance, due January 2012	91,650	149,304
Canadian Imperial Bank of Commerce demand installment loan, repayable in semi-annual payments of \$73,611 including interest at 4.74%, calculated semi-annually not in advance, due March 2011	142,149	277,793
BNY Mellon Trust Company sinking fund debenture, repayable in semi-annual interest only payments of \$63,634 at 5.30% and annual deposits of \$32,846 into a sinking fund, due for refinancing November 2013	2,401,270	2,401,270
BNY Mellon Trust Company, repayable in semi-annual payments of \$118,157 including interest at 5.80%, calculated semi-annually not in advance, due November 2028	2,659,585	2,738,208
BNY Mellon Trust Company, repayable in semi-annual payments of \$184,898 including interest at 5.483%, calculated semi-annually not in advance, due November 2029	4,395,569	4,519,247
Ontario Financing Authority, repayable in semi-annual payments of \$37,797 including interest at 4.56%, calculated semi-annually not in advance, due November 2031	1,028,959	1,056,682
Ontario Financing Authority, repayable in semi-annual payments of \$33,463 including interest at 4.90%, calculated semi-annually not in advance, due March 2033	912,783	934,192

Huron-Perth Catholic District School Board

Notes to Consolidated Financial Statements

August 31, 2010

5. Net Long-Term Debt - continued

Ontario Financing Authority, repayable in semi-annual payments of \$123,471 including interest at 5.047%, calculated semi-annually not in advance, due November 2034

3,450,031 -

Ontario Financing Authority, repayable in semi-annual payments of \$31,318 including interest at 5.232%, calculated semi-annually not in advance, due April 2035

866,439 -

\$ 17,477,004 \$ 13,893,228
(241,457) (176,888)

Less: Sinking fund assets

\$ 17,235,547 \$ 13,716,340

Payments relating to net long-term debt outstanding as at August 31, 2010 are due as follows:

	Principal	Interest	Total
2010/2011	\$ 864,081	\$ 925,977	\$ 1,790,058
2011/2012	1,630,671	847,561	2,478,232
2012/2013	396,199	789,276	1,185,475
2013/2014	2,818,931	704,180	3,523,111
2014/2015	440,292	617,915	1,058,207
Thereafter	11,326,830	5,725,937	17,052,767
Net long-term liabilities	\$ 17,477,004	\$ 9,610,846	\$ 27,087,850
Less: Sinking fund assets	(241,457)	-	(241,457)
	<u>\$ 17,235,547</u>	<u>\$ 9,610,846</u>	<u>\$ 26,846,393</u>

Huron-Perth Catholic District School Board

Notes to Consolidated Financial Statements

August 31, 2010

6. Debt Charges and Capital Loan Interest

	2010	2009
Principal payments on long-term liabilities	\$ 832,776	\$ 732,146
Interest payments on long-term liabilities	885,330	840,543
	<u>\$ 1,718,106</u>	<u>\$ 1,572,689</u>

Included in debt repayments on the Consolidated Statement of Cash Flows in total of \$832,776 (2009 - \$732,146) are principal payments on long-term debt of \$768,206 (2009 - \$692,671), sinking fund interest revenue of \$570 (2009 - \$6,629), and sinking fund contributions of \$64,000 (2009 - \$32,846).

7. Temporary Borrowings

The school board has an authorized line of credit of \$3,000,000 which bears interest at prime minus 0.25%. As at August 31, 2010 the Board had not drawn on this credit facility.

8. Ontario School Board Insurance Exchange (OSBIE)

The School Board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act. OSBIE insures general public liability, property damage and certain other risks. Liability insurance is available to a maximum of \$20,000,000 per occurrence.

The ultimate premiums over a five year period are based on the reciprocal's and the Board's actual claims experience. Periodically, the Board may receive a refund or be asked to pay an additional premium based on its pro rata share of claims experience. The current five year term expires January 1, 2012.

Huron-Perth Catholic District School Board

Notes to Consolidated Financial Statements

August 31, 2010

9. Expenditures by Object

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

	Budget 2010	Actual 2010	Actual 2009
	(Unaudited)		
Current expenditures			
Salary and wages	\$ 34,244,837	\$ 34,412,644	\$ 33,489,676
Employee benefits	3,829,180	4,272,734	4,038,944
Staff development	279,460	351,537	319,412
Supplies and services	5,227,577	6,720,481	5,882,857
Interest	853,122	899,990	840,543
Rental expenditures	84,124	55,365	67,776
Fees and contract services	6,067,736	5,944,970	5,991,736
Other	393,918	304,686	361,096
Amortization of tangible capital assets	2,263,354	2,263,354	2,298,947
Gain/loss on disposal	-	-	-
	\$ 53,243,308	\$ 55,225,761	\$ 53,290,987

Huron-Perth Catholic District School Board

Notes to Consolidated Financial Statements

August 31, 2010

10. Tangible Capital Assets

	Cost				Accumulated Amortization				Net Book Value	Net Book Value
	Opening September 1, 2009	Additions/Transfers	Disposals	Closing August 31, 2010	Opening September 1, 2009	Amortization	Disposals	Closing August 31, 2010	August 31, 2010	August 31, 2009
Land	\$ 1,086,525	\$ -	\$ -	\$ 1,086,525	\$ -	\$ -	\$ -	\$ -	\$ 1,086,525	\$ 1,086,525
Land Improvements	971,381	28,935	-	1,000,316	251,392	66,869	-	318,261	682,055	719,989
Buildings	56,427,124	591,735	-	57,018,859	11,737,774	1,601,578	-	13,339,352	43,679,507	44,689,350
Portable Structures	1,356,465	42,672	(245,200)	1,153,937	958,711	68,529	(245,200)	782,040	371,897	397,754
First time equipping	1,229,054	-	(29,701)	1,199,353	770,218	121,420	(29,701)	861,937	337,416	458,836
Furniture	342,465	-	(28,606)	313,859	187,430	32,257	(28,606)	191,081	122,778	155,035
Equipment - 10 year	1,094,661	15,494	(93,611)	1,016,544	488,523	105,560	(93,611)	500,472	516,072	606,138
Equipment - 5 year	95,849	-	-	95,849	30,861	19,170	-	50,031	45,818	64,988
Computer hardware	1,140,362	58,891	(341,375)	857,878	646,974	199,824	(341,375)	505,423	352,455	493,388
Computer software	272,477	9,698	(73,184)	208,991	164,765	48,147	(73,184)	139,728	69,263	107,712
	\$ 64,016,363	\$ 747,425	\$ (811,677)	\$ 63,952,111	\$ 15,236,648	\$ 2,263,354	\$ (811,677)	\$ 16,688,325	\$ 47,263,786	\$ 48,779,715

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Notes to Consolidated Financial Statements

August 31, 2010

11. Accumulated Surplus

Accumulated surplus consists of the following:

	2010	2009
		(Restated)
Available for Compliance - Unappropriated		
Accumulated operating surplus	\$ 667,942	\$ 735,765
Available for Compliance - Internally Appropriated		
Retirement gratuities	457,516	457,516
WSIB	400,000	400,000
School activities	88,872	104,313
Board projects	208,076	208,076
OFFSA	125,893	125,893
Pupil Accommodation Debt Reserve - NPP Portion	-	1,602,976
Pupil Accommodation Debt Reserve - School Renewal	210,105	212,268
Total Internally Appropriated	1,490,462	3,111,042
Unavailable for Compliance		
Invested in tangible capital assets	47,263,786	48,779,715
Receivable from Province re: Capital Wrap up	16,922,454	-
School-generated funds	494,955	440,329
Not permanently financed amounts	(293,988)	(5,272,930)
Debt	(17,235,547)	(13,716,340)
Interest to be accrued	(262,210)	(216,436)
Employee future benefits	(4,901,958)	(4,658,210)
Total Externally Appropriated	41,987,492	25,356,128
Total Accumulated Surplus	\$ 44,145,896	\$ 29,202,935

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August 31, 2010

12. Budget Data

The unaudited budget data presented in these consolidated financial statements is based upon the 2010 budgets approved by the Board on June 15, 2009. 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 Debt is a new statement in 2009-10 financial statements, the budget figures in that statement have not been provided.

Consolidated Statement of Operations For the year ended August 31, 2010

	2009/10 Budget	Change	Restated 2009/2010 Budget
	(Unaudited)		(Unaudited)
Total revenue	\$ 52,031,957	\$ -	\$ 52,031,957
Expenses			
Total Expenditures as in the 2009-10 Budget	51,727,379	-	51,727,379
Less: Capital asset expenditure	-	(747,425)	(747,425)
Plus: Amortization and write downs	-	2,263,354	2,263,354
Total expenses	51,727,379	1,515,929	53,243,308
Annual Surplus (Deficit)	304,578	(1,515,929)	(1,211,351)
Accumulated (deficit) surplus, beginning of year	(19,576,780)	-	(19,576,780)
Add: 2009 net book value of tangible capital assets	-	48,779,715	48,779,715
	(19,576,780)	48,779,715	29,202,935
Accumulated (deficit) surplus, end of year	\$ (19,272,202)	\$ 47,263,786	\$ 27,991,584

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Notes to Consolidated Financial Statements

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13. Transportation Consortia

The Board provides transportation services in partnership with the Avon Maitland District School Board in order to provide common administration of student transportation in the region. This agreement was executed in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the Boards. Under the agreement, decisions related to the financial and operating activities of the Consortia Huron Perth Student Transportation Services are shared. No partner is in a position to exercise unilateral control. The Board's consolidated financial statements reflect transportation revenues, direct costs incurred by the Board as well as shared administration costs based on student rider-ship as outlined in the consortia agreement.

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 September 1, 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 by the Public Sector Accounting Standards Board (PSAB) and could not be implemented within these financial statements.