
NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2009 & 2008

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

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AUGUST 31, 2009

BOARD OF TRUSTEES AND SENIOR ADMINISTRATIVE PERSONNEL

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NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

BOARD OF TRUSTEES AND SENIOR ADMINISTRATIVE PERSONNEL

YEARS ENDED AUGUST 31

	2009	2008
CHAIRPERSON OF BOARD	Rick Brassard	Rick Brassard
BOARD OF TRUSTEES	Peter DelGuidice Martin Drainville Colleen Landers Fred Salvador Jr. Elizabeth King Steve Malciw Denis Lincez	Peter DelGuidice Martin Drainville Colleen Landers Fred Salvador Jr. Elizabeth King Steve Malciw Denis Lincez
SENIOR ADMINISTRATIVE PERSONNEL		
Director of Education	Glenn Sheculski	Paul Toffanello
Manager of Financial Services	Mary-Lou Pollon	Mary-Lou Pollon
Human Resources Generalist	Melanie Bidal-Mainville	Melanie Bidal-Mainville
Manager of Plant	Robert Landry	Robert Landry
Superintendent of Education	Tricia Stefanic Weltz	Karen Rowe

AUDITORS' REPORT

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

We have audited the statement of financial position of the Northeastern Catholic District School Board as at August 31, 2009 and the statements of financial activities and changes in financial position 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.

Except as explained in the following paragraph, 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 common with many school boards, individual schools derive revenue from School fundraising activities held throughout the year. Adequate documentation and controls were not in place throughout the year to allow us to obtain satisfactory audit verification as to the completeness of these revenues. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the individual schools and we were not able to determine whether adjustments might be necessary to school fundraising revenue, net revenue, financial assets and net financial position.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of school fundraising revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Northeastern Catholic District School Board as at August 31, 2009 and the results of its operations and changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Ross, Pope & Company LLP

Kirkland Lake, Ontario
November 6, 2009

ROSS, POPE & COMPANY LLP
CHARTERED ACCOUNTANTS
Licensed Public Accountants

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD**STATEMENT OF FINANCIAL POSITION****AS AT AUGUST 31**

	2009	2008
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 6,468,556	\$ 7,274,338
Accounts receivable (Note 6)	1,603,550	1,705,466
TOTAL FINANCIAL ASSETS	8,072,106	8,979,804
FINANCIAL LIABILITIES AND NET FINANCIAL POSITION		
Accounts payable and accrued liabilities (Note 8)	1,062,253	830,435
Deferred revenue (Note 9)	3,292,630	4,102,602
Accrued interest on long-term liabilities (Note 12)	105,293	107,797
Employee future benefits liability (Notes 10 and 12)	3,934,228	4,052,053
Net long-term liabilities (Notes 12 and 14)	5,634,269	5,904,108
TOTAL FINANCIAL LIABILITIES	14,028,673	14,996,995
NET FINANCIAL LIABILITIES	(5,956,567)	(6,017,191)
NON-FINANCIAL ASSETS (Note 11)	59,882	98,938
NET LIABILITIES	\$ (5,896,685)	\$ (5,918,253)

CONTINGENCIES & COMMITMENTS (Notes 18 and 19)

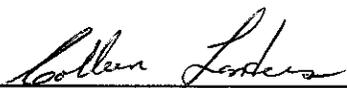
FINANCIAL POSITION

Operating fund (Schedule 1)	\$ 6,890	\$ -
Capital fund (Schedule 2)	(754,230)	-
Reserve for working funds (Schedules 3 and 4)	3,046,457	3,046,457
Reserve funds (Schedules 3 and 4)	1,112,004	787,688
School activities fund (Schedule 5)	365,984	311,560
FUND BALANCES	3,777,105	4,145,705
AMOUNTS TO BE RECOVERED IN FUTURE YEARS (Note 12)	(9,673,790)	(10,063,958)
NET FINANCIAL POSITION	\$ (5,896,685)	\$ (5,918,253)

Approved by:



 Chairperson



 Trustee

See accompanying notes.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

STATEMENT OF FINANCIAL ACTIVITIES

YEARS ENDED AUGUST 31

	-----2009-----		
	Budget (unaudited)	Actual	2008 Actual
REVENUES			
Provincial legislative grants	\$ 26,350,707	\$ 27,805,083	\$ 26,501,456
Local taxation	5,337,154	5,135,075	5,320,029
Provincial grants - other	299,752	1,616,908	1,281,789
Federal grants and fees	70,880	118,000	63,570
Other revenues - school boards	-	16,369	20,490
Investment Income	102,474	46,043	95,419
Other fees, grants and revenues (Note 13)	223,881	187,445	505,422
School fundraising (Schedule 5)	840,000	941,617	910,924
TOTAL REVENUES	33,224,848	35,866,540	34,699,099
EXPENDITURES (Note 15) (Schedule 6)			
Instruction	23,754,550	25,516,009	25,295,918
Administration	1,671,142	1,812,495	2,040,912
Transportation	2,900,719	2,874,570	2,665,726
School operations and maintenance	3,170,042	3,549,902	3,133,182
Pupil accommodation	716,349	1,163,800	911,768
Other	15,000	1,947	2,070
School funded activities (Schedule 5)	820,000	887,193	846,676
TOTAL EXPENDITURES	33,047,802	35,805,916	34,896,252
NET EXPENDITURES	177,046	60,624	(197,153)
INCREASE (DECREASE) IN NON-FINANCIAL ASSETS	4,360	(39,056)	27,203
CHANGE IN NET LIABILITIES	181,406	21,568	(169,950)
FINANCING TRANSACTIONS			
New long-term liabilities	-	-	1,286,288
Principal repayments	-	(269,839)	(239,874)
Increase (Decrease) in employee benefits	65,259	(117,825)	(19,046)
Increase (Decrease) in accrued interest on long-term liabilities	(124,291)	(2,504)	16,590
CHANGE IN AMOUNTS TO BE RECOVERED	(59,032)	(390,168)	1,043,958
CHANGE IN FUND BALANCES	122,374	(368,600)	874,008
FUND BALANCES, beginning of year	4,145,705	4,145,705	3,271,697
FUND BALANCES, end of year	\$ 4,268,079	\$ 3,777,105	\$ 4,145,705

See accompanying notes.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED AUGUST 31

	2009	2008
OPERATIONS		
NET REVENUES (EXPENDITURES)	\$ 60,624	\$ (197,153)
USES:		
Increase in accounts receivable	-	(104,211)
Decrease in accounts payable and accrued liabilities	-	(348,390)
Decrease in deferred revenue	(809,972)	(871,826)
Decrease in accrued interest on long-term liabilities	(2,504)	-
Decrease in employee future benefits liability	(117,825)	(19,046)
	(930,301)	(1,343,473)
SOURCES:		
Decrease in accounts receivable	101,916	-
Increase in accounts payable and accrued liabilities	231,818	-
Increase in accrued interest on long-term liabilities	-	16,590
	333,734	16,590
NET DECREASE IN CASH FROM OPERATIONS	(535,943)	(1,524,036)
FINANCING		
Net long-term liabilities incurred	-	1,286,288
Principal repayments	(269,839)	(239,874)
NET INCREASE (DECREASE) IN CASH FROM FINANCING	(269,839)	1,046,414
CHANGE IN CASH AND CASH EQUIVALENTS	(805,782)	(477,622)
CASH AND CASH EQUIVALENTS, beginning of year	7,274,338	7,751,960
CASH AND CASH EQUIVALENTS, end of year	\$ 6,468,556	\$ 7,274,338

See accompanying notes.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2009

1. NATURE OF OPERATIONS

The Northeastern Catholic District School Board is an English Catholic school board formed in January 1998 from the English Language sections of four separate school boards. The School Board, which covers an area from Cobalt to Kapuskasing, Ontario, has one secondary and twelve elementary schools under its jurisdiction.

2. MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The financial statements are the responsibility of the Board's management and have been prepared in compliance with legislation and in accordance with Canadian 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 are described in Note 3 to the financial statements. The preparation of 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 financial statements. These systems are monitored and evaluated by management.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared by management in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board ("PSAB") of The Canadian Institute of Chartered Accountants.

The more significant of these accounting policies are as follows:

(a) REPORTING ENTITY

The financial statements reflect the assets, liabilities, revenues, expenditures 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.

School generated funds, which include the assets, liabilities, revenues, expenditures and fund balances of various organizations that exist at the school level and which are controlled by the Board are reflected in the financial statements.

(b) TRUST FUNDS

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

(c) BASIS OF ACCOUNTING

Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenditures are the cost of goods and services acquired in the period whether or not payment has been made or invoices have been received.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED AUGUST 31, 2009

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, demand deposits and short-term investments. Short-term investments are highly liquid, subject to insignificant risk of change in value and have a short maturity term of less than 90 days. Cash balances that are externally and internally restricted are also included in cash and cash equivalents.

(e) CAPITAL ASSETS

Capital assets are reported as expenditures on the Statement of Financial Activities in the year of acquisition.

(f) TANGIBLE CAPITAL ASSETS

For fiscal years beginning on or after January 1, 2009 the Board will be required to report the historical cost and the accumulated amortization of tangible capital assets in its financial statements in accordance with The Public Sector Accounting Handbook PS3150 - Tangible Capital Assets. As required by the Ministry of Education, the Board will fully implement this standard beginning September 1, 2009.

For fiscal year August 31, 2009, Public Sector Accounting Guideline 7 requires the disclosure of tangible capital asset information in the notes to the financial statements to the extent that reliable information is available. The Board currently does not have detailed information related to furniture, equipment, computer hardware, computer software and vehicles to disclose. Information related to land and buildings summarized in Schedule 7 has been obtained from the Ministry of Education for purposes of Provincial Consolidation. These amounts are to be used for preparing the consolidated financial statements of the provincial government as at March 31, which is the Province of Ontario's fiscal year-end.

Tangible capital assets will be recorded at historical cost. Historical cost includes the cost directly related to the acquisition, design, construction, development, improvement or betterment of tangible capital assets. Cost includes overheads directly attributable to construction and development. Estimated historical cost was used to record existing tangible capital assets, if the actual cost was unknown when the board first started to prepare and implement tangible capital asset accounting.

Amortization is reflected on a straight-line basis over the estimated useful lives of the assets at the following amortization rates:

Land improvements with finite lives	15 years
Buildings	40 years
Portable structures	20 years

(g) DEFERRED REVENUE

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

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED AUGUST 31, 2009

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS

The Board provides defined retirement and other employee future benefits to specified employee groups. These benefits include pension, life insurance and health-care benefits, retirement gratuities, worker's compensation and long-term disability 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 the Board's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care costs 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 life insurance and health-care benefits for retirees, the cost is actuarially determined using the projected benefits method pro-rated on service. Under this method, an equal portion of the total estimated projected benefit is attributed to each year of service. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of each 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.

ii. The costs of multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System (OMERS) 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.

(i) RESERVES AND RESERVE FUNDS

Certain amounts, as approved by the Board of Trustees, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

(j) GOVERNMENT TRANSFERS

Government transfers, which include legislative grants and local taxation, 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 amounts can be made.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED AUGUST 31, 2009

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) INVESTMENT INCOME

Investment income earned on surplus operating funds, capital funds, reserves and reserve funds are reported as revenue in the period earned.

Investment income earned on externally restricted funds such as classroom, proceeds of disposition, transition and special education is added to the fund balance and forms part of the respective deferred revenue balances.

(l) BUDGET FIGURES

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Board of Trustees. The budget approved by the Board of 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 Canadian 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 budget figures are unaudited.

(m) USE OF ESTIMATES

The preparation of financial statements in accordance 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 financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results may vary from current estimates. Those estimates are reviewed periodically and, as adjustments become necessary, they are reported in the period in which they become known.

(n) LEGISLATIVE GRANTS

The legislative grants calculations are prepared annually by the School Board and submitted to the Ministry of Education for final approval. Adjustments, if any, are recorded in the year in which they are made.

(o) MUNICIPAL SUPPLEMENTARY TAXES AND TAX WRITE-OFFS

The education portion of municipal supplementary taxes and tax write-offs has not been accrued for the calendar year 2009 as they are not susceptible to estimation by their nature.

4. TAXATION REVENUE

In accordance with Ministry of Education requirements, taxation revenue is based on 38% of taxation revenue from municipalities for the calendar year 2008, 62% of taxation revenue from municipalities for the calendar year 2009 and 100% of the education portion of municipal supplementary taxes and tax write-offs for the calendar year 2008. In most cases, the calculations are based on information provided to the Board by the various municipalities. Not all municipalities, however, have provided the School Board with the tax information required. In those instances, the taxation revenue has been estimated.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED AUGUST 31, 2009

4. TAXATION REVENUE (CONT'D)

Due to the fact that actual taxation revenue may vary from the estimates, adjustments may be required in the future. Any adjustments will be reflected in the year in which the municipalities advise as to the final taxation amounts. These adjustments will affect the Legislative Grant in future years as the Grant is calculated as the difference between total allocations as per the Grant calculation provided by the Ministry and the estimated taxation revenue. In the fiscal year 2008/2009, an amount of \$171,452, (2008 - \$177,085) has reduced the amount reported as taxation revenue which relates to prior years. A corresponding amount has been reported in accounts receivable as due from the Government of Ontario.

5. SCHOOL LEAVE PROGRAM

Under the school leave program, teachers have the opportunity to be paid 80% of their salaries over four years. The remaining 20% is accumulated in a bank account to cover 80% of their salaries in the fifth year when they take a year leave of absence. The cash and related liability in the amount of \$74,956 (2008 - \$54,306) have been included with cash, and accounts payable and accrued liabilities on the Statement of Financial Position

6. ACCOUNTS RECEIVABLE

	2009	2008
Municipalities	\$ 922,820	\$1,003,841
Government of Ontario	481,277	433,466
Government of Canada	150,372	92,752
Other	49,081	175,407
	\$1,603,550	\$1,705,466

7. BANK CREDIT FACILITY

The School Board has a Bank Credit Facility of \$3,000,000 bearing interest at bank prime less 5%. Amounts owing under the Credit Facility are payable on demand. The Board has not utilized any of this Bank Credit Facility during the year.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2009	2008
Trade payables and accrued liabilities	\$1,062,253	\$ 796,978
Other school boards	-	33,457
	\$1,062,253	\$ 830,435

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED AUGUST 31, 2009

9. DEFERRED REVENUE

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

Deferred revenue set aside for specific purposes by legislation, regulation or agreement as at August 31, 2009 is comprised of:

	Balance as at August 31, 2008	Externally Restricted Revenue and Investment Income	Revenue Recognized in the Year	Balance as at August 31, 2009
Classroom	\$2,128,936	\$ 35,289	\$ (804,427)	\$1,359,798
Proceeds of disposition	1,155,683	15,500	-	1,171,183
Special education	33,220	446	-	33,666
Transition	262,751	3,971	-	266,722
Distance schools	95,363	1,279	-	96,642
Other	426,649	130,837	(192,867)	364,619
	\$4,102,602	\$ 187,322	\$ (997,294)	\$3,292,630

10. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS

(a) RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFIT LIABILITIES

	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits 2009	2008
Accrued employee future benefit obligations	\$4,036,998	\$ 319,628	\$4,356,626	\$4,493,411
Unamortized actuarial losses	(422,398)	-	(422,398)	(441,358)
Employee future benefits liability	\$3,614,600	\$ 319,628	\$3,934,228	\$4,052,053

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED AUGUST 31, 2009

10. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS (CONT'D)

The actuarial gains/losses are attributable to experience gains/losses relative to actuarial assumptions and to changes in actuarial assumptions. The difference between the Accrued Benefit Obligation (ABO) determined as at August 31, 2009, and reported accrued liability, represents the net actuarial gain/loss since the last valuation, which will be amortized using a straight-line method over the average remaining service life. The average remaining service lives of the active employees covered by the various benefit plans are 13, 17, and 20 years starting in the 2007-08 year.

(b) RETIREMENT BENEFIT EXPENSES

	Retirement Benefits	Other Employee Future Benefits	Employee Future Benefits 2009	2008
Current year benefit cost (recovery)	\$ 339,811	\$ (5,521)	\$ 334,290	\$ 318,766
Interest on accrued benefit obligation	166,558	-	166,558	169,209
Recognized actuarial gains (losses)	18,960	-	18,960	18,960
Employee future benefits expenses ¹ (recovery)	\$ 525,329	\$ (5,521)	\$ 519,808	\$ 506,935

¹ Excluding pension contributions to the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan, described below.

(c) RETIREMENT BENEFITS

i. Ontario Teacher's Pension Plan

Teachers and related employee groups are eligible to be members of the Ontario Teacher's Pension Plan. Employer contributions for these employees are provided directly by the Province of Ontario. The pension costs and obligations related to this plan are 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 (OMERS)

All non-teaching employees of the Board are eligible to be members of 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's contributions equal employee contributions to the plan. During the year ended August 31, 2009, the Board contributed \$281,695 (2008 - \$301,582) 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.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED AUGUST 31, 2009

10. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS (CONT'D)

iii. Retirement Gratuities

The Board provides retirement gratuities to certain groups of employees hired prior to specified dates and also on some individual negotiated employee contracts. The amount of the gratuities paid to eligible employees at retirement is based on accumulated unused sick days, years of service and salary at the time of retirement as indicated in the employment agreements. 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.

iv. Retirement Life Insurance and Health Care Benefits

The Board continues to provide life insurance, dental and health care benefits to certain employee groups after retirement until the members reach 65 years of age. The 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.

(d) OTHER EMPLOYEE FUTURE BENEFITS

i. Workplace Safety and Insurance Board Obligations (WSIB)

The Board is a Schedule 2 employer under the Workplace Safety and Insurance Act (the 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 payment made under the Act. The benefit costs and liabilities related to this plan are included in the Board's financial statements.

ii. Gratuity

The Board offers a lump sum payment of 15% of their start salary after 5 years of service with the Board.

iii. Sick Leave Accumulations

All regular full time employees are eligible to receive 2 days per month of paid absence per year due to illness or injury during the year.

The change in sick leave accumulations depends on usage of current year allocations of sick days. Accumulated sick bank balances are projected based on expected usage of sick days in each year. Employees who do not use their current allocation of sick days are assumed to accumulate 75% of their sick leave allocation for the year.

The accrued benefit obligations for employee future benefit plans as at August 31, 2009 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:

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED AUGUST 31, 2009

10. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS (CONT'D)

	2009	2008
	%	%
Inflation	2.0	1.5
Wage and salary escalation	3.0	2.5
Insurance and health care cost escalation	12%-decrease 1% per year to 2%	12%-decrease 1% per year to 2%
Discount on accrued benefit obligations	4.5	4.5

As detailed on the Schedule of Reserves and Reserve Funds, the Board has designated reserve funds for certain of these employee future benefit obligations. The balance of these reserve funds totalled \$408,762 as at August 31, 2009 (2008 - \$403,353).

11. NON-FINANCIAL ASSETS

Non-financial assets reported on the Statement of Financial Position consist of prepaid expenses.

12. AMOUNTS TO BE RECOVERED IN FUTURE YEARS

The amounts to be recovered in future years reported on the Statement of Financial Position are comprised of:

	2009	2008
AMOUNTS TO BE FINANCED IN FUTURE YEARS		
Net long-term liabilities	\$ 5,634,269	\$ 5,904,108
Accrued interest on net long-term liabilities	105,293	107,797
Retirement and other employee future benefits liability (Note 10)	3,934,228	4,052,053
	\$ 9,673,790	\$10,063,958

13. OTHER FEES AND REVENUES

	2009	2008
Transfer from transition deferred revenue	-	57,869
Other Agencies	-	412,763
Other Fees	187,445	34,790
	\$ 187,445	\$ 505,422

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED AUGUST 31, 2009

14. NET LONG-TERM LIABILITIES

	2009	2008
The Canada Life Assurance Company loan bearing interest at 5.1% per annum, repayable in semi-annual blended payments of \$160,394. The loan matures on April 5, 2031 and is an unsecured debenture.	\$ 4,209,335	\$4,311,150
Royal Bank of Canada loan bearing interest at 5.9% per annum, repayable in monthly blended payments of \$1,976. The loan matures on December 22, 2010 and is secured by equipment	26,603	45,228
Royal Bank of Canada loan bearing interest at 5.28% per annum, repayable in monthly blended payments of \$12,616. The loan matures on September 11, 2010 and is secured by equipment.	139,528	261,442
The Ontario Financing Authority debenture bearing interest at 4.9% per annum, repayable in semi-annual blended payments of \$45,090. The loan matures on March 3, 2033 and is an unsecured debenture.	1,258,803	1,286,288
Net long-term liabilities	\$ 5,634,269	\$5,904,108

Principal repayment terms are approximately:

2010	\$ 284,196
2011	160,769
2012	150,232
2013	157,938
thereafter	<u>4,881,134</u>
	<u>\$ 5,634,269</u>

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED AUGUST 31, 2009

15. EXPENDITURES BY OBJECT

The following is a summary of the operating and capital expenditures reported on the Statement of Financial Activities by object:

	-----2009-----		2008
	Budget (unaudited)	Actual	Actual
OPERATING EXPENDITURES			
Salaries and wages	\$ 21,222,672	\$ 22,698,858	\$ 22,414,196
Employee benefits	2,682,009	2,800,609	2,941,961
Staff development	262,570	368,574	492,163
Supplies and services	2,327,992	2,506,288	2,446,182
Replacement furniture and equipment	800	304	750
Interest on long-term liabilities	288,016	279,164	253,177
Rental expenditures	251,289	162,508	215,661
Fees and contractual services	1,537,441	4,606,451	4,250,254
Other	2,928,179	63,191	52,282
School funded activities	816,000	887,193	846,676
TOTAL OPERATING EXPENDITURES	32,316,968	34,373,140	33,913,302
TOTAL CAPITAL EXPENDITURES	726,833	1,432,776	982,950
TOTAL EXPENDITURES	\$ 33,043,801	\$ 35,805,916	\$ 34,896,252

16. 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 both 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 on December 2011.

17. FINANCIAL INSTRUMENTS

(a) Fair Value

The School Board's carrying value of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate its fair value due to the immediate or short term maturity of these instruments.

The Statement of Financial Position value of the long-term liabilities approximates fair value because the Board's current rate of borrowing for similar debt instruments of comparable maturity is not materially different.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED AUGUST 31, 2009

17. FINANCIAL INSTRUMENTS (CONT'D)

(b) Credit risk

Credit risk is the risk that a counter-party will fail to discharge its obligation to the Board reducing the expected cash inflow from the Board's assets recorded at the balance sheet date. Credit risk can be concentrated in debtors that are similarly affected by economic or other conditions. Significant concentrations of credit risk are related to the accounts receivable from the Ministry of Education, certain municipal governments and First Nation entities. For these accounts, the Board determines, on a continuing basis, the probable losses and sets up a provision for losses based on the estimated realizable value.

(c) Interest rate risk

The Board is exposed to interest rate risk for certain of its financial assets and liabilities. Under the demand operating facility, the Board may have short-term borrowings for working capital purposes, which would expose them to fluctuations in short-term interest rates.

18. COMMITMENTS

(a) Lease Obligations

The Northeastern Catholic District School Board has entered into agreements to lease certain office equipment. Minimum lease payments for the next three years are approximately as follows:

2009/2010	\$	119,726
2010/2011	\$	116,837
2011/2012	\$	81,125

(b) Construction commitments

Commitments on incomplete construction contracts for various school building projects amounted to approximately \$2,650 (2008 -) as at August 31, 2009, relating to Capital Projects.

19. CONTINGENT LIABILITIES

In the normal course of operations, various claims are brought against the Board. The Board contests the validity of these claims and management believes that any settlement amounts required will not have a material effect on the financial position of the Board.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

SCHEDULE OF OPERATING FUND

YEARS ENDED AUGUST 31

	-----2009-----		2008
	Budget (unaudited)	Actual	Actual
REVENUES			
Provincial legislative grants	\$ 26,350,707	\$ 27,805,083	\$ 26,501,456
Local taxation	5,337,154	5,135,075	5,320,029
Provincial grants - other	299,752	1,616,908	1,281,789
Federal grants and fees	70,880	118,000	63,570
Other revenues - school boards	-	16,369	20,490
Investment Income	72,474	35,478	65,441
Other fees and revenues	223,881	187,445	505,422
TOTAL REVENUES	32,354,848	34,914,358	33,758,197
EXPENDITURES (Note 15)			
Instruction	23,469,050	25,117,215	24,980,736
Administration	1,661,142	1,787,715	2,035,028
Transportation	2,900,719	2,874,570	2,665,726
School operations and maintenance	3,167,042	3,425,336	3,129,889
Pupil accommodation	288,016	279,164	253,177
Other	15,000	1,947	2,070
TOTAL EXPENDITURES	31,500,969	33,485,947	33,066,626
NET REVENUES	853,879	1,428,411	691,571
INCREASE (DECREASE)			
IN NON-FINANCIAL ASSETS	4,360	(39,056)	27,203
Long-term liabilities repayments	-	(269,839)	(239,874)
Increase (Decrease) in employee benefits	65,259	(117,825)	(19,046)
Increase (Decrease) in accrued interest on long-term liabilities	(124,291)	(2,504)	16,590
CHANGE IN AMOUNTS TO BE RECOVERED	(59,032)	(390,168)	(242,330)
NET TRANSFERS FROM (TO) OTHER FUNDS			
Transfers from (to) capital fund	(726,733)	(678,546)	(200,375)
Transfers from (to) reserves and reserve funds	-	(313,751)	-
NET TRANSFERS TO OTHER FUNDS	(726,733)	(992,297)	(200,375)
CHANGE IN OPERATING FUND BALANCE	72,474	6,890	276,069
OPERATING FUND BALANCE, beginning of year	-	-	(276,069)
OPERATING FUND BALANCE, end of year	\$ 72,474	\$ 6,890	\$ -

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

SCHEDULE OF CAPITAL FUND

YEARS ENDED AUGUST 31

	-----2009-----		2008
	Budget (unaudited)	Actual	Actual
EXPENDITURES			
Instruction	\$ 285,500	\$ 398,794	\$ 315,182
Administration	10,000	24,780	5,884
School operations and maintenance	3,000	124,566	3,293
Pupil accommodation	428,333	884,636	658,591
TOTAL EXPENDITURES	726,833	1,432,776	982,950
FINANCING AND TRANSFERS			
Proceeds of net long-term liabilities	-	-	1,286,288
Transfers from (to) operating fund	726,733	678,546	200,375
Transfers from (to) reserve fund	-	-	-
NET TRANSFERS FROM (TO) OTHER FUNDS	726,733	678,546	1,486,663
CHANGE IN CAPITAL FUND BALANCE	(100)	(754,230)	503,713
CAPITAL FUND BALANCE, beginning of year	-	-	(503,713)
CAPITAL FUND BALANCE, end of year	\$ (100)	\$ (754,230)	\$ -

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

SCHEDULE OF RESERVES AND RESERVE FUNDS

YEARS ENDED AUGUST 31

	-----2009-----		2008
	Budget (unaudited)	Actual	Actual
REVENUES			
Interest income	\$ 30,000	\$ 10,565	\$ 29,978
NET REVENUES (EXPENDITURES)	30,000	10,565	29,978
NET TRANSFERS FROM (TO) OTHER FUNDS			
Transfers from (to) operating fund	-	-	-
Transfers from (to) capital fund	-	313,751	-
NET TRANSFERS FROM (TO) OTHER FUNDS	-	313,751	-
CHANGE IN RESERVES AND RESERVE FUNDS BALANCES			
	30,000	324,316	29,978
RESERVES AND RESERVE FUNDS BALANCES, beginning of year	3,834,145	3,834,145	3,804,167
RESERVES AND RESERVE FUNDS BALANCES, end of year	\$ 3,864,145	\$ 4,158,461	\$ 3,834,145
ANALYZED AS FOLLOWS:			
RESERVE FOR WORKING FUNDS		\$ 3,046,457	\$ 3,046,457
RESERVE FUNDS			
Bursaries		3,111	3,070
Capital		77,787	76,757
Sick leave		302,609	298,604
WSIB		106,153	104,748
School Renewal		622,344	304,509
TOTAL RESERVE FUNDS		1,112,004	787,688
TOTAL RESERVES AND RESERVE FUNDS		\$ 4,158,461	\$ 3,834,145

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

SCHEDULE OF RESERVES AND RESERVE FUNDS CONTINUITY

YEARS ENDED AUGUST 31

	Reserve For Working Funds	School Renewal Reserve Fund	Sick Leave Reserve Fund	WSIB Reserve Fund	Capital Reserve Fund	Bursaries Reserve Fund	2009	2008
BALANCE, beginning of year	\$ 3,046,457	\$ 304,509	\$ 298,604	\$ 104,748	\$ 76,757	\$ 3,070	\$ 3,834,145	\$ 3,804,167
Transfers to other funds	-	313,751	-	-	-	-	313,751	-
Interest earned	-	4,084	4,005	1,405	1,030	41	10,565	29,978
BALANCE, end of year	\$ 3,046,457	\$ 622,344	\$ 302,609	\$ 106,153	\$ 77,787	\$ 3,111	\$ 4,158,461	\$ 3,834,145

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD**SCHEDULE OF SCHOOL ACTIVITIES FUND****YEARS ENDED AUGUST 31**

	2009	2008
REVENUES		
School fundraising	\$ 941,617	\$ 910,924
EXPENDITURES		
School funded activities	887,193	846,676
NET REVENUES (EXPENDITURES)	54,424	64,248
SCHOOL ACTIVITIES FUND BALANCE, beginning of year	311,560	247,312
SCHOOL ACTIVITIES FUND BALANCE, end of year	\$ 365,984	\$ 311,560

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

SCHEDULE OF EXPENDITURES

YEARS ENDED AUGUST 31

	2009	2008
INSTRUCTION		
CLASSROOM		
Salaries and wages	\$ 17,825,540	\$ 17,312,289
Employee benefits	1,979,453	2,110,805
Staff development	246,626	349,618
Supplies and services	1,065,348	1,038,340
Replacement furniture and equipment	304	750
Capital expenditures	389,369	303,772
Rental expenditures	123,966	169,363
Fees and contractual services	800,882	668,340
Other	8,016	8,640
	22,439,504	21,961,917
NON-CLASSROOM		
Salaries and wages	2,538,800	2,744,336
Employee benefits	300,232	306,010
Staff development	62,421	53,739
Supplies and services	162,827	214,674
Capital expenditures	9,425	11,410
Rental expenditures	2,800	2,924
Fees and contractual services	-	168
Other	-	740
	3,076,505	3,334,001
	\$ 25,516,009	\$ 25,295,918
ADMINISTRATION		
Salaries and wages	\$ 937,358	\$ 1,070,893
Employee benefits	226,123	242,314
Staff development	56,255	88,806
Supplies and services	264,181	284,396
Capital expenditures	24,780	5,884
Rental expenditures	27,494	43,374
Fees and contractual services	223,244	264,581
Other	53,060	40,664
	\$ 1,812,495	\$ 2,040,912

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD**SCHEDULE OF EXPENDITURES (CONT'D)**

YEARS ENDED AUGUST 31

	2009	2008
TRANSPORTATION		
Fees and contractual services	\$ 2,874,570	\$ 2,665,726
SCHOOL OPERATIONS AND MAINTENANCE		
Salaries and wages	\$ 1,397,160	\$ 1,286,678
Employee benefits	294,801	282,832
Staff development	3,272	-
Supplies and services	1,013,932	908,772
Capital expenditures	124,566	3,293
Rental expenditures	8,248	-
Fees and contractual services	707,755	651,439
Other	168	168
	\$ 3,549,902	\$ 3,133,182
PUPIL ACCOMMODATION		
Capital expenditures	\$ 884,636	\$ 658,591
Interest on long-term liabilities	279,164	253,177
	\$ 1,163,800	\$ 911,768
OTHER	\$ 1,947	\$ 2,070

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

TANGIBLE CAPITAL ASSETS

YEARS ENDED AUGUST 31

	Cost (Unaudited)			Accumulated Amortization (Unaudited)				(Unaudited)		
	Balance at August 31, 2008	Additions and Transfers	Transfers and Disposals	Balance at August 31, 2009	Balance at August 31, 2008	Amortization	Disposals, Writeoffs and Adjustments	Balance at August 31, 2008	Net Book Value August 31, 2008	Net Book Value August 31, 2008
Land	\$ 4,700	\$ -	\$ -	\$ 4,700	\$ -	\$ -	\$ -	\$ -	\$ 4,700	\$ 4,700
Buildings	33,553,567	115,385	-	33,668,952	6,756,543	-	-	6,756,543	26,912,409	26,797,024
Portable structures	882,500	-	-	882,500	-	538,308	-	538,308	344,192	882,500
	\$ 34,440,767	\$ 115,385	\$ -	\$ 34,556,152	\$ 6,756,543	\$ 538,308	\$ -	\$ 7,294,851	\$ 27,261,301	\$ 27,684,224

There are no tangible capital assets that have been permanently removed from service.