
**NORTHEASTERN CATHOLIC DISTRICT
SCHOOL BOARD**

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2011 & 2010

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2011 & 2010

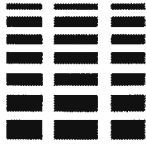
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NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

BOARD OF TRUSTEES AND SENIOR ADMINISTRATIVE PERSONNEL

YEARS ENDED AUGUST 31

	2011	2010
CHAIRPERSON OF THE BOARD	Rick Brassard	Rick Brassard
BOARD OF TRUSTEES	Peter DelGuidice Martin Drainville Elizabeth King Colleen Landers Denis Lincez Ron MacInnis Steve Malciw Fred Salvador Jr.	Peter DelGuidice Martin Drainville Elizabeth King Colleen Landers Denis Lincez not applicable Steve Malciw Fred Salvador Jr.
SENIOR ADMINISTRATIVE PERSONNEL		
Director of Education	Glenn Sheculski	Glenn Sheculski
Human Resources Generalist	Mélanie Bidal-Mainville	Mélanie Bidal-Mainville
Manager of Financial Services	Mary-Lou Pollon	Mary-Lou Pollon
Manager of Plant	Robert Landry	Robert Landry
Manager of Information Technology	Glen Nakashoji	Glen Nakashoji
Superintendent of Education	Tricia Stefanic Weltz	Tricia Stefanic Weltz
Superintendent of Student Success	James Michaud	James Michaud



Ross, Pope & Company LLP

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated financial statements of the Northeastern Catholic District School Board, which comprise the consolidated statement of financial position as at August 31, 2011, and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The consolidated financial statements have been prepared by management based on the financial reporting provisions described in Note 2 to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the basis of accounting described in Note 2 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion

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 generated funds revenue, annual surplus, financial assets and accumulated surplus.

Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements of the Northeastern Catholic District School Board for the year ended August 31, 2011 present fairly, in all material respects, the consolidated financial position of the Northeastern Catholic District School Board as at August 31, 2011, and its consolidated results of operations and its consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with the basis of accounting described in Note 2 to the consolidated financial statements.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the consolidated financial statements which describes the basis of accounting. The consolidated financial statements are prepared to assist the Northeastern Catholic District School Board to meet the requirements of the Ontario Ministry of Education. As a result, the consolidated financial statements may not be suitable for another purpose.

Kirkland Lake, Ontario
November 30, 2011

Ross, Pope & Company LLP

ROSS, POPE & COMPANY LLP
CHARTERED ACCOUNTANTS
Licensed Public Accountants

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT AUGUST 31

	2011	Restated (See Note 3) 2010
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 7,030,792	\$ 6,417,930
Accounts receivable (Note 7)	1,823,907	2,802,388
Accounts receivable - Government of Ontario - approved capital (Note 6)	1,869,373	1,914,975
TOTAL FINANCIAL ASSETS	10,724,072	11,135,293
FINANCIAL LIABILITIES		
Temporary borrowing (Note 9)	9,556	-
Accounts payable and accrued liabilities (Note 8)	1,090,420	1,171,055
Deferred revenue (Note 10)	2,121,498	4,043,063
Accrued interest on long-term debt	111,346	114,277
Retirement and other employee future benefits payable (Note 12)	3,962,182	3,991,097
Long-term debt (Note 14)	5,931,360	6,107,453
Deferred capital contributions (Note 11)	26,057,479	26,534,243
TOTAL FINANCIAL LIABILITIES	39,283,841	41,961,188
NET DEBT	(28,559,769)	(30,825,895)
NON-FINANCIAL ASSETS		
Prepaid expenses	107,027	78,755
Tangible capital assets (Note 17)	30,302,446	30,974,966
TOTAL NON-FINANCIAL ASSETS	30,409,473	31,053,721
ACCUMULATED SURPLUS (Note 18)	\$ 1,849,704	\$ 227,826

COMMITMENTS (Note 21)

CONTINGENT LIABILITIES (Note 22)

On behalf of the Board:


 Director of Education


 Chairperson of the Board

See accompanying notes.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

CONSOLIDATED STATEMENT OF OPERATIONS

YEARS ENDED AUGUST 31

	-----2011-----		Restated
	Actual	(See Notes 2(j) & 23) Budget (unaudited)	(See Note 3) 2010 Actual
REVENUES			
Provincial grants - grants for student needs	\$ 31,153,497	\$ 29,541,455	\$ 27,859,415
Provincial grants-other	1,639,417	667,605	2,249,352
Local taxation	4,502,430	5,256,988	4,309,088
Federal grants and fees	216,550	287,905	280,756
Other revenues - school boards	74,490	-	39,394
Other fees, grants and revenues	593,740	126,915	227,816
Investment income	41,511	15,385	21,382
School generated funds	953,516	990,300	960,280
Amortization of deferred capital contributions	1,628,141	1,079,153	1,079,153
TOTAL REVENUES	40,803,292	37,965,706	37,026,636
EXPENSES			
Instruction	27,502,398	27,217,212	27,410,018
Administration	2,277,211	2,007,750	2,087,820
Transportation	2,810,098	2,861,696	2,885,123
Pupil accommodation	5,508,562	3,864,104	4,885,186
Other	100,781	907,480	2,532
School generated funds	982,364	918,300	897,674
TOTAL EXPENSES	39,181,414	37,776,542	38,168,353
ANNUAL SURPLUS (DEFICIT)	1,621,878	189,164	(1,141,717)
ACCUMULATED SURPLUS, beginning of year	227,826	227,826	1,369,543
ACCUMULATED SURPLUS, end of year	\$ 1,849,704	\$ 416,990	\$ 227,826

See accompanying notes.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD**CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT**

YEARS ENDED AUGUST 31

	2011	Restated (See Note 3) 2010
ANNUAL SURPLUS (DEFICIT)	\$ 1,621,878	\$ (1,141,717)
TANGIBLE CAPITAL ASSET ACTIVITY		
Acquisition of tangible capital assets	(1,156,680)	(4,166,534)
Amortization of tangible capital assets	1,829,200	1,246,717
TOTAL TANGIBLE CAPITAL ASSET ACTIVITY	672,520	(2,919,817)
OTHER NON-FINANCIAL ASSET ACTIVITY		
Acquisition of prepaid expenses	(107,027)	(78,755)
Use of prepaid expenses	78,755	59,882
TOTAL OTHER NON-FINANCIAL ASSET ACTIVITY	(28,272)	(18,873)
DECREASE (INCREASE) IN NET DEBT	2,266,126	(4,080,407)
NET DEBT, beginning of year	(30,825,895)	(26,745,488)
NET DEBT, end of year	\$ (28,559,769)	\$ (30,825,895)

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD**CONSOLIDATED STATEMENT OF CASH FLOWS****YEARS ENDED AUGUST 31**

	2011	Restated (See Note 3) 2010
OPERATING TRANSACTIONS		
ANNUAL SURPLUS	\$ 1,621,878	\$(1,141,717)
SOURCES AND (USES)		
Items not involving cash:		
Amortization	1,829,200	1,246,717
Increase (decrease) in accrued interest on long-term debt	(2,931)	8,984
Increase (decrease) in retirement and other employee future benefits payable	(28,915)	56,869
	1,797,354	1,312,570
Changes in:		
Decrease (increase) in accounts receivable	978,481	(626,600)
Decrease (increase) in accounts receivable - Government of Ontario - approved capital	45,602	(1,914,975)
Increase (decrease) in accounts payable and accrued liabilities	(80,635)	108,802
Increase (decrease) in deferred revenue	(1,921,565)	750,433
Increase (decrease) in deferred capital contributions	(476,764)	2,934,622
Increase in prepaid expenses	(28,272)	(18,873)
	(1,483,153)	1,233,409
CASH PROVIDED BY OPERATING TRANSACTIONS	1,936,079	1,404,262
CAPITAL TRANSACTIONS		
Cash used to acquire tangible capital assets	(1,156,680)	(2,098,801)
CASH APPLIED TO CAPITAL TRANSACTIONS	(1,156,680)	(2,098,801)
FINANCING TRANSACTIONS		
Temporary borrowings advanced	19,000	-
Temporary borrowings repaid	(9,444)	-
Long-term debt advanced	-	757,379
Long-term debt repaid	(176,093)	(284,195)
CASH PROVIDED BY (APPLIED TO) FINANCING TRANSACTIONS	(166,537)	473,184
CHANGE IN CASH AND CASH EQUIVALENTS	612,862	(221,355)
CASH AND CASH EQUIVALENTS, beginning of year	6,417,930	6,639,285
CASH AND CASH EQUIVALENTS, end of year	\$ 7,030,792	\$ 6,417,930

See accompanying notes.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2011 & 2010

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 Moosonee, Ontario, has one secondary and thirteen elementary schools under its jurisdiction.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements are prepared by management in accordance with the basis of accounting described below.

The more significant of the accounting policies are as follows:

(a) BASIS OF ACCOUNTING

These consolidated financial statements have been prepared in accordance with Ontario Regulation 196/10 which requires school boards to comply with all regulations, policies, guidelines, directives and similar instruments. In 2004, directive was provided by the Ontario Ministry of Education within memorandum 2004:B2 requiring school boards to adopt Public Sector Accounting Standards established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA).

In March 2011, PSAB released a new Public Sector Accounting Standard PS 3410 "Government Transfers". The Ontario Ministry of Education provided direction on the adoption of this new standard in memorandum 2011:B08. The Ontario Ministry of Education required the implementation of this Government Transfers standard on a retroactive basis as described in Note 3 to the financial statements.

The Ministry direction requires school boards to record a liability (deferred capital contribution) equal to the amount of the net book value of the depreciable assets at September 1, 2010 that have been Ministry approved. This direction, therefore, results in property tax revenue which was used to acquire or construct depreciable capital assets prior to 1998 when school boards ceased to have taxing authority, being afforded the same treatment as government capital grants, which is to recognize related revenue over the remaining useful life of the asset as disclosed in Note 3. Under the Public Sector Accounting Standards property tax revenue should be recorded as revenue when received or receivable in accordance with Public Sector Accounting Standard PS 3510 "Tax Revenue".

These consolidated financial statements have been prepared in accordance with the financial reporting framework described above.

(b) REPORTING ENTITY

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations accountable for the administration of their financial affairs and resources to the Board and which are controlled by the Board.

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

The Board is one of three school boards that entered into a partnership agreement to share certain costs related to transportation. As a result, the Board's consolidated financial statements reflect proportionate consolidation, whereby they include the assets that it controls, the liabilities that it has incurred, and its pro-rata share of revenues and expenses.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2011 & 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) TRUST FUNDS

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

(d) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist 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.

(e) 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.

(f) RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance and health care benefits, dental 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 management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care cost trends, disability recovery rates, long-term inflation rates and discount rates.

For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as retirement gratuities and life insurance and health care benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to 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 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; and

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

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2011 & 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) TANGIBLE CAPITAL ASSETS

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

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

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

ASSET	ESTIMATED USEFUL LIFE IN YEARS
Land improvements with finite lives	15
Buildings and building improvements	40
Portable structures	20
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 and assets that relate to pre-acquisition and pre-construction costs are not amortized until the asset is available for productive use.

Land permanently removed from service and held for resale is recorded at the lower of cost and estimated net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing. Buildings permanently removed from service and held for resale cease to be amortized and are recorded at the lower of carrying value and estimated net realizable value. Tangible capital assets which meet the criteria for financial assets are reclassified as "assets held for sale" on the Consolidated Statement of Financial Position.

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

(h) GOVERNMENT TRANSFERS

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

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

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2011 & 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) 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 classroom, proceeds of disposition, transition, distance schools and special education forms part of the respective deferred revenue balances.

(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 the basis of accounting used by the School Board in the preparation of the consolidated financial statements, 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.

(k) USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 2(a) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include valuation of receivables, historical costs and useful lives of tangible capital assets, provisions for accrued liabilities and obligations related to employee future benefits.

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

(l) LEGISLATIVE GRANTS

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

(m) LOCAL GOVERNMENT SUPPLEMENTARY TAXES AND TAX WRITE-OFFS

The education portion of local government supplementary taxes and tax write-offs has not been accrued for the calendar year 2011 as they are not susceptible to estimation by their nature.

3. CHANGE IN ACCOUNTING POLICIES

In fiscal 2011, the Board early adopted Public Sector Accounting Handbook section 3410 Government Transfers as described in Note 2(a). This change has been applied retroactively and prior periods have been restated. Government transfers for capital that meet the definition of a liability are referred to as deferred capital contributions. Amounts are recognized into revenue as the liability is extinguished over the useful life of the asset.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2011 & 2010

3. CHANGE IN ACCOUNTING POLICIES (CONT'D)

At the direction of the Ministry, the Board has calculated the opening DCC balance as at September 1, 2010 as the value of the depreciable tangible capital assets less the unsupported capital debt, both at August 31, 2010. The unsupported capital debt is the portion of the Board's outstanding debt that is not supported by Ministry funding. This calculation provides a cost effective solution to determine the opening balance, allowing for the standard to be implemented retroactively. Retroactive implementation results in a set of financial statements that is relevant, understandable to the user, and comparable over periods and amongst school boards in Ontario.

This change in accounting policy has changed amounts reported in the prior period as follows:

ACCUMULATED SURPLUS, at August 31, 2010:	
ACCUMULATED SURPLUS, as previously reported	\$ 26,762,069
Transfer to deferred capital contributions	(26,534,243)
<hr/>	
ACCUMULATED SURPLUS, as restated	\$ 227,826
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ANNUAL SURPLUS, for the year ended August 31, 2010:	
ANNUAL SURPLUS, as previously reported	\$ 1,792,905
Amounts recognized in revenue	1,079,153
In-year Provincial capital contributions	(4,013,775)
<hr/>	
ANNUAL SURPLUS, as restated	\$ (1,141,717)

The impact for the year ended August 31, 2011 is as follows:

ANNUAL SURPLUS, for the year ended August 31, 2011:	
ANNUAL SURPLUS, as per prior year policy	\$ 1,145,114
Amounts recognized in revenue	1,628,141
In-year Provincial capital contributions	(1,151,377)
<hr/>	
Subtotal	476,764
<hr/>	
ANNUAL SURPLUS, as currently reported	\$ 1,621,878

Provincial grants have decreased by the subtotal above.

4. TAXATION REVENUE

In accordance with Ministry of Education requirements, taxation revenue is based on 38% of taxation revenue from local governments for the calendar year 2010, 62% of taxation revenue from local governments for the calendar year 2011 and 100% of the education portion of local government supplementary taxes and tax write-offs for the calendar year 2010. In most cases, the calculations are based on information provided to the Board by the various local governments. Not all local governments, 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 CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2011 & 2010

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 local governments advise as to the final taxation amounts. These adjustments will affect the Grants for Student Needs in future years as the Grants are 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 2010-2011, an amount of \$37,807 (2010 - \$348,240) has reduced the amount reported as taxation revenue which relates to the previous year. A corresponding amount has been included 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 \$175,520 (2010 - \$165,719) have been included with cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities on the Consolidated Statement of Financial Position.

6. ACCOUNTS RECEIVABLE - GOVERNMENT OF ONTARIO

The Province of Ontario replaced variable capital funding with a one-time debt support grant in 2009-2010. The Northeastern Catholic District School Board received a one-time grant that recognizes capital debt as of August 31, 2010 that is supported by the existing capital programs. The Board receives this grant in cash over the remaining term of the existing capital debt instruments. The Board may also receive yearly capital grants to support capital programs which would be reflected in this accounts receivable.

The Board has an accounts receivable from the Province of Ontario of \$1,869,373 as at August 31, 2011 (2010 - \$1,914,975) with respect to capital grants.

7. ACCOUNTS RECEIVABLE

	2011	2010
Local governments	\$ 722,262	\$ 812,155
Government of Ontario	504,896	1,005,010
Government of Canada	312,985	230,091
Other school boards	244,344	636,445
Other	39,420	118,687
	\$ 1,823,907	\$ 2,802,388

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2011	2010
Trade payables and accrued liabilities	\$ 821,524	\$ 955,762
Government of Ontario	93,376	49,220
Deferred salary	175,520	165,719
Other	-	354
	\$ 1,090,420	\$ 1,171,055

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2011 & 2010

9. TEMPORARY BORROWING

The School Board has available to it a \$3,000,000 revolving demand credit facility to finance general operating requirements which bears interest at the Royal Bank Prime rate less 0.75% per annum. The School Board also has available to it a \$1,000,000 lease line of credit to finance the acquisition of equipment only. The Board did not utilize these credit facilities during the year.

The School Board also has a fixed rate term loan at the Royal Bank. This loan bears interest at 2.36% per annum and is repayable in monthly blended payments of \$1,604. The loan matures in February 2012 and is secured by a vehicle. The balance outstanding as at August 31, 2011 is \$9,556 (2010 - \$nil).

10. DEFERRED REVENUE

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

Deferred revenue set aside for specific purposes by legislation, regulation or agreement as at August 31, 2011 is comprised of:

	BALANCE, August 31, 2010	Externally Restricted Revenue and Investment Income	Revenue Recognized or Unspent Funds Returned	Transfers to Deferred Capital Contributions	BALANCE, August 31, 2011
Classroom	\$1,369,051	\$ 14,144	\$(1,383,195)	\$ -	\$ -
Proceeds of disposition	1,178,123	14,746	-	-	1,192,869
Special education	65,033	594	-	-	65,627
Transition	268,303	3,075	(119,389)	-	151,989
Distance schools	97,215	1,217	-	-	98,432
Energy efficiency - capital	599,846	-	-	(472,719)	127,127
School renewal	-	32,036	-	-	32,036
Other	465,492	185,665	(197,739)	-	453,418
	\$4,043,063	\$ 251,477	\$(1,700,323)	\$ (472,719)	\$2,121,498

11. DEFERRED CAPITAL CONTRIBUTIONS

Government transfers for capital that meet the definition of a liability are referred to as deferred capital contributions. Amounts are recognized into revenue as the liability is extinguished over the useful life of the asset. The Ministry provided direction to the school boards in the establishment of the opening balance of the deferred capital contributions as disclosed in Note 3.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2011 & 2010

11. DEFERRED CAPITAL CONTRIBUTIONS (CONT'D)

	2011	Restated 2010
BALANCE, August 31, 2010	\$26,534,243	\$23,599,621
Additions to deferred capital contributions	1,151,377	4,013,775
Revenue recognized in the period	(1,628,141)	(1,079,153)
BALANCE, August 31, 2011	\$26,057,479	\$26,534,243

12. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS

(a) RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS LIABILITIES

	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits 2011	2010
Accrued employee future benefit obligations at August 31	\$ 4,710,802	\$ 414,487	\$ 5,125,289	\$ 4,394,535
Unamortized actuarial losses at August 31	(1,163,107)	-	(1,163,107)	(403,438)
Employee future benefits liability at August 31	\$ 3,547,695	\$ 414,487	\$ 3,962,182	\$ 3,991,097

The actuarial losses are attributable to the difference between actual and expected experience based on the actuarial assumptions, changes in actuarial assumptions and to the increase in liability due to new employees included in the most recent valuation. The difference between the total accrued benefit obligation determined as at August 31, 2010 and the projected total accrued benefit obligation as at August 31, 2010 is the total net actuarial loss since the last actuarial valuation, and can be amortized over the expected remaining service life of the eligible employees, by benefit, and by major employee group, starting in 2010-2011. The average remaining service lives of the active employees covered by the various benefit plans are 14, 17, and 18 years starting in the 2010-2011 fiscal year.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2011 & 2010

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

(b) RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS EXPENSES

	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits 2011	Future Benefits 2010
Current year benefit cost	\$ 285,661	\$ 99,284	\$ 384,945	\$ 373,356
Interest on accrued benefit obligation	178,715	-	178,715	167,424
Recognized actuarial loss	69,612	-	69,612	24,617
Employee future benefits expenses ¹	\$ 533,988	\$ 99,284	\$ 633,272	\$ 565,397

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 consolidated 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. Board contributions equal the employee contributions to the plan. During the year ended August 31, 2011, the Board contributed \$352,044 (2010 - \$312,471) to the plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses. No pension liability for this type of plan is included in the Board's consolidated financial statements.

(iii) Retirement 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 their 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 consolidated financial statements.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2011 & 2010

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

(c) RETIREMENT BENEFITS (CONT'D)

(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 consolidated financial statements.

(d) 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 ("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 payments made under the Act. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements.

The workplace safety and insurance board obligations for employee future benefit plans as at August 31, 2011 are based on actuarial valuations for accounting purposes as at August 31, 2011. 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:

	2011	2010
	%	%
Inflation	2.0	2.0
Insurance and health care cost escalation	6.5	6.5
Discount on accrued benefit obligations	3.00	4.25

(ii) Endowment Benefits

The Board offers employees a lump sum payment of 15% of their start salary or current salary, depending on the employee group, after 5 years of service with the Board.

The accrued liability for the endowment benefit was determined for each eligible employee as at August 31, 2011, as the endowment amount prorated on service.

(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 70% of their sick leave allocation for the year.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2011 & 2010

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

(d) OTHER EMPLOYEE FUTURE BENEFITS (CONT'D)

(iii) Sick Leave Accumulations (Cont'd)

Assumptions:

The accrued benefit obligations for employee future benefit plans as at August 31, 2011 (except as noted above for the workplace safety and insurance board obligations and the endowment benefits) are based on actuarial valuations for accounting purposes as at August 31, 2010, extrapolated to August 31, 2011. 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:

	2011	2010
	%	%
Inflation	2.0	2.0
Wage and salary escalation	3.0 - 7.0	3.0 - 7.0
Health care cost escalation	10.0% - decrease 0.5% per year to 4.0%	10.5% - decrease 0.5% per year to 4.5%
Dental care cost escalation	6.0% - decrease 0.5% per year to 3.0%	6.5% - decrease 0.5% per year to 3.5%
Discount on accrued benefit obligations	4.0	4.5

The Board has restricted a portion of its accumulated surplus for certain of these employee future benefit obligations in the amount of \$416,331 as at August 31, 2011 (2010 - \$411,184).

(iv) Long-Term Disability Life Insurance and Health Care Benefits

The Board provides life insurance, dental and health care benefits to employees on long-term disability leave. The employee is responsible for the payment of life insurance premiums and the costs of health care benefits under this plan. The benefit provider provides a waiver of life insurance premiums for eligible employees. The Board provides these benefits through an unfunded defined benefit plan. The costs of salary compensation paid to employees on long-term disability leave are fully insured and not included in this plan.

(v) Life Insurance Benefits

The Board provides a separate life insurance benefits plan for certain retirees. The premiums are based on the Board's experience and employees are required to pay 100% of the premium costs. The benefit costs and liabilities related to the subsidization of these retirees under this group plan are included in the Board's consolidated financial statements.

(vi) Health Care and Dental Benefits

The Board sponsors a separate plan for certain groups of retired employees to provide group health care and dental benefits. The premiums are based on experience or demographics of the group and employees are required to pay 100% of the premium costs.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2011 & 2010

13. OTHER FEES, GRANTS AND REVENUES

	2011	2010
Rental revenue	\$ 81,162	\$ 75,338
Government of Ontario - non-grant payments	360,126	(1,304)
Fees from boards outside Ontario	53,788	31,735
Other	98,664	122,047
	\$ 593,740	\$ 227,816

14. LONG-TERM DEBT

(a) Long-term debt reported on the Consolidated Statement of Financial Position is comprised of the following:

	2011	2010
The Canada Life Assurance Company loan bearing interest at 5.109% per annum, repayable in semi-annual blended payments of \$160,394. The loan matures on April 5, 2031 and is an unsecured debenture.	\$ 3,989,628	\$ 4,102,252
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.	1,199,676	1,229,955
The Ontario Financing Authority debenture bearing interest at 5.232% per annum, repayable in semi-annual blended payments of \$27,376. The loan matures on April 13, 2035 and is an unsecured debenture.	742,056	757,379
Royal Bank of Canada loan bearing interest at 5.9% per annum, repayable in monthly blended payments of \$1,958. The loan matured on December 22, 2010 and was secured by equipment.	-	6,848
Royal Bank of Canada loan bearing interest at 5.28% per annum, repayable in monthly blended payments of \$12,505. The loan matured on September 11, 2010 and was secured by equipment.	-	11,019
	\$ 5,931,360	\$ 6,107,453

(b) Principal and interest payments relating to long-term debt outstanding as at August 31, 2011 are due as follows:

	Principal Payments	Interest Payments	Total
2011-2012	\$ 166,368	\$ 299,352	\$ 465,720
2012-2013	174,928	290,791	465,719
2013-2014	183,930	281,790	465,720
2014-2015	193,393	272,326	465,719
2015-2016	203,345	262,374	465,719
Thereafter	5,009,396	2,352,143	7,361,539
	\$ 5,931,360	\$ 3,758,776	\$ 9,690,136

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2011 & 2010

14. LONG-TERM DEBT (CONT'D)

(c) Interest on long-term debt amounted to \$304,696 (2010 - \$292,714).

15. DEBT CHARGES AND INTEREST

	2011	2010
Principal payments on long-term debt	\$ 176,093	\$ 284,195
Interest payments on long-term debt	304,696	292,714
	\$ 480,789	\$ 576,909

16. EXPENSES BY OBJECT

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

	-----2011-----		
	(See Notes 2(j) & 23)		
	Budget (unaudited)	Actual	2010 Actual
EXPENSES:			
Salaries and wages	\$ 24,537,573	\$ 24,645,868	\$ 24,096,965
Employee benefits	3,264,099	3,200,351	3,087,573
Staff development	303,971	346,610	407,141
Supplies and services	2,713,165	2,661,566	2,866,469
Interest on long-term debt	420,117	304,696	292,714
Rental expenses	279,302	240,335	270,162
Fees and contractual services	4,327,588	4,587,758	4,656,428
Other	110,947	284,455	346,510
Transfer to other boards	-	98,211	-
Amortization of tangible capital assets	901,480	1,829,200	1,246,717
School funded activities	918,300	982,364	897,674
TOTAL EXPENSES	\$ 37,776,542	\$ 39,181,414	\$ 38,168,353

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2011 & 2010

17. TANGIBLE CAPITAL ASSETS

	COST		ACCUMULATED AMORTIZATION		DISPOSALS		WRITE-OFFS,		BALANCE,		NET BOOK VALUE	
	BALANCE, AUG. 31, 2010	ADDITIONS AND TRANSFERS	BALANCE, AUG. 31, 2011	BALANCE, AUG. 31, 2010	DISPOSALS AUG. 31, 2011	DISPOSALS AUG. 31, 2010	AUG. 31, 2011	AUG. 31, 2010	AUG. 31, 2011	AUG. 31, 2010	2011	2010
Land	\$ 320,600	-	\$ 320,600	-	-	-	-	-	-	-	\$ 320,600	\$ 320,600
Land improvements	-	11,752	11,752	-	-	-	392	-	-	392	11,360	-
Buildings	37,722,394	1,068,710	38,791,104	8,711,843	1,484,814	-	-	-	10,196,657	-	28,594,447	29,010,551
Other buildings	731,425	-	731,425	36,571	36,571	-	-	-	73,142	-	658,283	694,854
Portable structures	669,300	-	669,300	397,799	33,465	-	-	-	431,264	-	238,036	271,501
Furniture	55,176	-	51,566	32,425	5,337	-	-	-	34,152	-	17,414	22,751
Equipment	257,540	23,067	260,607	126,657	31,449	(19,750)	-	-	138,356	-	122,501	130,883
Computer hardware	490,304	35,973	416,260	200,280	90,656	(110,017)	-	-	180,919	-	235,341	290,024
Computer software	175,341	-	96,732	111,789	27,207	(78,609)	-	-	60,387	-	36,345	63,552
Vehicles	67,308	17,178	84,486	7,918	8,449	-	-	-	16,367	-	68,119	59,390
Capital leased assets	554,300	-	-	443,440	110,860	(554,300)	-	-	-	-	-	110,860
TOTAL	\$ 41,043,688	\$ 1,156,680	\$ 41,434,082	\$ 10,068,722	\$ 1,829,200	\$ (766,286)	\$ (766,286)	\$ 11,131,636	\$ 30,302,446	\$ 30,974,966	\$ 30,302,446	\$ 30,974,966

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2011 & 2010

18. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2011	Restated 2010
Unappropriated	\$ 208,186	\$ 2,519,833
Amounts internally restricted for future use of the Board:		
Reserve funds (Schedule 1)	498,726	492,561
Transportation surplus from prior years	571,616	571,616
Amounts to be recovered:		
Employee benefits payable	(3,962,182)	(3,991,097)
Accrued interest on long-term debt	(111,346)	(114,277)
Other:		
School activities fund	399,742	428,590
Revenues recognized for land	320,600	320,600
Tangible capital assets - unsupported amortization	3,924,362	-
TOTAL ACCUMULATED SURPLUS	\$ 1,849,704	\$ 227,826

19. 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 December 2011.

20. FINANCIAL INSTRUMENTS

(a) FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their fair value due to the immediate or short-term maturities of these instruments. The carrying amount of the long-term debt approximates fair value as the School Board's current rate of borrowing for similar debt instruments of comparable maturity is not materially different.

(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 statement of financial position 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 local 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.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2011 & 2010

20. FINANCIAL INSTRUMENTS (CONT'D)

(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.

21. 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 five years are approximately as follows:

2011/2012	\$ 1,021,782
2012/2013	\$ 316,063
2013/2014	\$ 261,890
2014/2015	\$ 4,098
2015/2016	\$ 1,707

In 2010-2011, the Board signed an agreement with Northern College related to the rental of a classroom and a gymnasium in Moosonee, Ontario. The annual fee for the use of these facilities is \$100,000 (including taxes but excluding tax rebates). The agreement will continue on a year to year basis until notice is provided by either party to terminate the agreement. The Board receives funding from the Ministry of Education to offset this expense.

(b) CONSTRUCTION COMMITMENTS

Commitments on incomplete construction contracts for various school building projects amounted to approximately \$145,000 (excluding taxes) as at August 31, 2011 (2010 - nil) relating to capital projects.

22. CONTINGENT LIABILITIES

The Board is contingently liable with respect to litigation and claims which arise from time to time in the normal course of business. In the opinion of management, the liability that may arise from such contingencies would not have a significant adverse effect on the consolidated financial statements of the Board.

23. BUDGET DATA

The unaudited budget data presented in these consolidated financial statements is based upon the 2011 budget approved by the Board on June 19, 2010. The budget was prepared in June 2010, prior to the release of the Government Transfers standard, which was released in March 2011. As a result, there are some changes in how the DCC taken into income is calculated for the consolidated financial statements, versus for the budget. 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 2011 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 boards only budget the Consolidated Statement of Operations, the budget figures in the Consolidated Statement of Change in Net Debt have not been provided.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2011 & 2010

23. BUDGET DATA (CONT'D)

	-----2011----- (unaudited)		Restated Budget
	Budget	Change	
REVENUES			
Total revenues as in the 2010-2011 budget	\$ 37,788,033	\$ -	\$ 37,788,033
Adjustment due to adoption of government transfer standard (see Note 3)	-	177,673	177,673
TOTAL REVENUES	37,788,033	177,673	37,965,706
TOTAL EXPENSES	37,776,542	-	37,776,542
ANNUAL SURPLUS	11,491	177,673	189,164
ACCUMULATED SURPLUS, beginning of year	392,428	(164,602)	227,826
ACCUMULATED SURPLUS, end of year	\$ 403,919	\$ 13,071	\$ 416,990

24. PARTNERSHIP IN TRI-BOARD TRANSPORTATION CONSORTIUM

On April 26, 2005, the Board entered into an agreement with District School Board Ontario North East and Conseil Scolaire Public du District du Nord-Est de l'Ontario 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 Consortium are shared. No partner is in a position to exercise unilateral control.

The Board's consolidated financial statements reflect proportionate consolidation, whereby they include the assets that it controls, the liabilities that it has incurred, and its pro-rata share of revenues and expenses.

The following provides condensed financial information:

	-----2011-----		-----2010-----	
	Total	Board Portion	Total	Board Portion
FINANCIAL POSITION				
Financial assets	\$ -	\$ -	\$ -	\$ -
Liabilities	-	-	-	-
Non-Financial assets	-	-	-	-
ACCUMULATED SURPLUS	\$ -	\$ -	\$ -	\$ -
OPERATIONS				
Revenues	\$ 10,794,930	\$ 2,734,885	\$ 10,889,737	\$ 2,834,018
Expenses	(10,567,477)	(2,677,260)	(10,816,711)	(2,815,062)
ANNUAL SURPLUS	\$ 227,453	\$ 57,625	\$ 73,026	\$ 18,956

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2011 & 2010

25. SUBSEQUENT EVENTS

(a) SCHOOL PURCHASE

In 2009-2010, the Board of Trustees formally approved the purchase of Queen Elizabeth School from District School Board Ontario North East for an amount of \$340,000. While the purchase was to take place no later than September 30, 2011, that date has subsequently been amended to May 31, 2012. This purchase will be funded by a transfer from deferred revenue (ie. proceeds of disposition).

(b) CAPITAL LEASE

On September 1, 2011, the Board entered into an agreement with Cisco Systems Capital Canada Co. to lease computer equipment. This equipment will be recorded as a tangible capital asset addition in 2011-2012 with the resulting long-term debt also being recorded in 2011-2012. Lease payments will be \$4,579 per month (excluding taxes/tax rebates) for a five year term.

26. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's financial statement presentation.

SCHEDULE 1

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

CONSOLIDATED SCHEDULE OF RESERVE FUNDS CONTINUITY

YEARS ENDED AUGUST 31

	Sick Leave Reserve Fund	WSIB Reserve Fund	Capital Reserve Fund	Bursaries Reserve Fund	Total 2011	Restated Total 2010
BALANCE, Aug. 31, 2010	\$ 304,402	\$ 106,782	\$ 78,248	\$ 3,129	\$ 492,561	\$ 489,660
ADDITIONS						
Interest earned	3,810	1,337	979	39	6,165	2,901
BALANCE, Aug. 31, 2011	\$ 308,212	\$ 108,119	\$ 79,227	\$ 3,168	\$ 498,726	\$ 492,561

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD**CONSOLIDATED SCHEDULE OF EXPENSES**

YEARS ENDED AUGUST 31

	2011	2010
INSTRUCTION		
CLASSROOM		
Salaries and wages	\$ 18,853,390	\$ 18,723,119
Employee benefits	2,176,946	2,210,563
Staff development	247,445	301,328
Supplies and services	1,182,031	1,351,014
Interest on long-term debt	134	-
Rental expenses	91,894	120,525
Fees and contractual services	971,308	984,138
Other	73,950	14,705
	23,597,098	23,705,392
NON-CLASSROOM		
Salaries and wages	2,955,533	2,795,442
Employee benefits	456,619	371,582
Staff development	32,268	48,852
Supplies and services	194,866	208,548
Rental expenses	504	2,042
Amortization	265,510	278,160
	3,905,300	3,704,626
	\$ 27,502,398	\$ 27,410,018
ADMINISTRATION		
Salaries and wages	\$ 1,196,429	\$ 985,800
Employee benefits	197,627	158,366
Staff development	66,897	56,961
Supplies and services	312,349	310,046
Rental expenses	37,532	33,652
Fees and contractual services	258,618	213,890
Other	207,759	329,105
	\$ 2,277,211	\$ 2,087,820

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

YEARS ENDED AUGUST 31

	2011	2010
TRANSPORTATION		
Salaries and wages	\$ 27,649	\$ 22,757
Employee benefits	4,994	3,726
Supplies and services	29,369	19,364
Rental expenses	7,665	4,921
Fees and contractual services	2,733,690	2,834,355
Amortization	6,731	-
	\$ 2,810,098	\$ 2,885,123
PUPIL ACCOMMODATION		
Salaries and wages	\$ 1,612,867	\$ 1,569,847
Employee benefits	364,165	343,336
Supplies and services	942,951	977,497
Interest on long-term debt	304,562	292,714
Rental expenses	102,740	109,022
Fees and contractual services	624,142	624,045
Other	176	168
Amortization	1,556,959	968,557
	\$ 5,508,562	\$ 4,885,186
OTHER		
Other non-operating expenses	\$ 2,570	\$ 2,532
Transfer to other boards	98,211	-
	\$ 100,781	\$ 2,532

