

Consolidated financial statements of

**Wellington Catholic District
School Board**

August 31, 2011

Wellington Catholic District School Board

August 31, 2011

Table of contents

Management Report	1
Independent Auditor's Report	2-3
Consolidated statement of financial position	4
Consolidated statement of operations.....	5
Consolidated statement of cash flows.....	6
Consolidated statement of changes in net debt	7
Notes to the consolidated financial statements	8-21

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Management Report

Management's responsibility for the consolidated financial statements

The accompanying consolidated financial statements of the Wellington Catholic District School Board are the responsibility of the Board's management and have been prepared in compliance with legislation, and in accordance with the basis of accounting described in Note 1 to the financial statements.

A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

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

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

Director of Education

Superintendent of Corporate Services
and Treasurer

November 14, 2011

Independent Auditor's Report

To the Board of Trustees of
Wellington Catholic District School Board

We have audited the accompanying consolidated financial statements of Wellington Catholic District School Board, which comprise the consolidated statement of financial position as at August 31, 2011, and the consolidated statements of operations, cash flows and changes in net debt for the year then ended, and a summary of significant accounting policies and other explanatory information. These consolidated financial statements have been prepared by management based on the financial reporting provisions described in Note 1 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 1 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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.

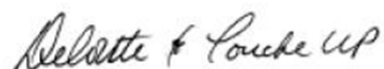
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of present fairly, in all material respects, the financial position of Wellington Catholic District School Board at as August 31, 2011, and the results of its operations, its change in net debt and its cash flows for the year then ended in accordance with the basis of accounting described in Note 1 to the consolidated financial statements.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which describe the basis of accounting. The consolidated financial statements are prepared to assist Wellington Catholic District School Board to meet the financial reporting requirements of the Ontario Ministry of Education. As a result, the consolidated financial statements may not be suitable for another purpose.



Chartered Accountants
Licensed Public Accountants
November 14, 2011

Wellington Catholic District School Board

Consolidated statement of financial position as at August 31, 2011

	2011	2010 (Restated - Note 2)
	\$	\$
Financial assets		
Cash	2,639,940	1,015,163
Accounts receivable	5,430,808	3,647,568
Accounts receivable - Government of Ontario - approved capital (Note 3)	78,368,338	80,691,129
Total financial assets	86,439,086	85,353,860
Financial liabilities		
Bank indebtedness and short-term borrowings (Note 4)	605,000	6,856,667
Accounts payable and accrued liabilities	5,809,474	9,498,841
Net long-term liabilities (Note 5)	79,167,770	67,248,944
Deferred revenue (Note 7)	1,188,792	1,257,510
Retirement and other employee future benefits (Note 9)	6,742,519	6,592,085
Deferred capital contributions (Note 8)	102,518,517	101,799,486
Total financial liabilities	196,032,072	193,253,533
Net debt	(109,592,986)	(107,899,673)
Non-financial assets		
Tangible capital assets (Note 10)	117,168,943	115,576,600
Prepaid expenses	172,433	118,394
Total non-financial assets	117,341,376	115,694,994
Accumulated surplus (Note 11)	7,748,390	7,795,321

Approved on behalf of the Board

_____ Chairman of the Board

_____ Director of Education

Wellington Catholic District School Board

Consolidated statement of operations year ended August 31, 2011

	2011 Budget (unaudited) (Note 13)	2011	2010 (Restated - Note 2)
	\$	\$	\$
Revenues			
Local taxation	19,109,234	18,558,591	18,743,643
Provincial grants - Grants for Student Needs	63,653,936	64,452,736	64,965,570
Provincial grants - other	1,298,669	1,859,537	1,788,156
Other revenues - school boards	563,000	-	-
Federal grants and fees	-	-	556,448
Other fees and revenues	465,805	1,972,802	891,758
Investment income	10,000	113,743	49,703
Deferred capital contributions - grants recognized (Note 8)	4,160,220	4,072,014	3,682,674
School generated funds	2,373,844	3,231,419	3,268,179
Total revenues	91,634,708	94,260,842	93,946,131
Expenditures			
Instruction	66,773,663	67,422,638	63,923,272
Administration	3,358,506	3,498,082	3,264,134
Transportation	3,869,655	3,747,400	4,320,182
Pupil accommodation	15,164,907	15,313,434	15,592,832
Other	45,000	1,090,893	12,921
School generated funds	2,373,844	3,235,326	3,321,300
Total expenditures (Note 12)	91,585,575	94,307,773	90,434,641
Annual (deficit) surplus	49,133	(46,931)	3,511,490
Accumulated surplus at beginning of year	14,672,395	7,795,321	4,283,831
Accumulated surplus at end of year (Note 11)	14,721,528	7,748,390	7,795,321

Wellington Catholic District School Board

Consolidated statement of cash flows year ended August 31, 2011

	2011	2010 (Restated - Note 2)
	\$	\$
Operating transactions		
Annual (deficit) surplus	(46,931)	3,511,490
Non-cash items		
Amortization of tangible capital assets	4,087,008	3,682,675
Write-downs of tangible capital assets	-	1,500,000
Deferred capital contributions - grants recognized (Note 8)	(4,072,014)	(3,682,674)
Sources and (uses)		
Increase in accounts receivable	(1,783,240)	(652,800)
Decrease (increase) in accounts receivable - Government of Ontario approved capital (Note 3)	2,322,791	(80,691,129)
(Increase) decrease in accounts payable and accrued liabilities	(3,689,367)	3,051,406
Increase in prepaid expenses	(54,039)	(17,314)
(Increase) decrease in deferred revenue	(68,718)	724,702
Increase in employee future benefits payable	150,434	38,980
	(3,154,076)	(72,534,664)
Capital transactions		
Proceeds on sale of tangible capital assets	-	190,802
Cash used to acquire tangible capital assets	(5,679,351)	(14,210,160)
Additions to deferred capital contributions (Note 8)	4,791,045	80,746,325
	(888,306)	66,726,967
Financing transactions		
Long-term liabilities issued	15,030,904	1,563,610
(Decrease) increase in bank indebtedness and short-term borrowings	(6,251,667)	6,856,667
Debt repayments and sinking fund contributions	(3,112,078)	(3,212,681)
	5,667,159	5,207,596
Change in cash	1,624,777	(600,101)
Cash, beginning of year	1,015,163	1,615,264
Cash, end of year	2,639,940	1,015,163

Wellington Catholic District School Board

Consolidated statement of changes in net debt year ended August 31, 2011

	2011	2010 (Restated - Note 2)
	\$	\$
Annual (deficit) surplus	(46,931)	3,511,490
Tangible capital asset activity		
Acquisition of tangible capital assets	(5,679,351)	(14,210,160)
Amortization of tangible capital assets	4,087,008	3,682,675
Proceeds on sale of tangible capital assets	-	190,802
Proceeds allocated to deferred revenue	-	(113,957)
Write-downs of tangible capital assets	-	1,500,000
	(1,592,343)	(8,950,640)
Other non-financial asset activity		
Acquisition of prepaid expenses	(172,433)	(118,394)
Use of prepaids	118,394	101,080
	(54,039)	(17,314)
Increase in net debt	(1,693,313)	(5,456,464)
Net debt at beginning of year	(107,899,673)	(102,443,209)
Net debt at end of year	(109,592,986)	(107,899,673)

Wellington Catholic District School Board

Notes to the consolidated financial statements

August 31, 2011

1. Significant accounting policies

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

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 2 to the consolidated 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 2. 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.

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, including the 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 consolidated financial statements.

Consolidated entities -

Wellington Catholic District School Board
Wellington-Dufferin Student Transportation Services
School Generated Funds

All material inter-organizational transactions and balances between these organizations are eliminated upon preparation of the consolidated financial statements.

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.

Cash

Cash consists of cash on deposit with the Board's bankers.

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.

Wellington Catholic District School Board

Notes to the consolidated financial statements

August 31, 2011

1. Significant accounting policies (continued)

Retirement and other employee future benefits

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance and health care benefits, retirement gratuity and workers' compensation. The Board has adopted the following policies with respect to accounting for these employee benefits:

- a) The costs of self-insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance, health care costs trends, long-term inflation rates and discount rates.
- b) 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.
- c) For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for worker's compensation, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.
- d) The costs of multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System pensions, are the employer's contribution due to the plan in the period.
- e) The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the period.
- f) The costs of non-vesting sick leave benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, long-term inflation rates and discount rates.

Tangible capital assets

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

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.

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

Asset	Estimated useful life in years
Land improvements with finite lives	15
Buildings	40
Portable structures	20
Other buildings	20
Furniture and equipment	10
Computer hardware and software	5
Vehicles	5

Wellington Catholic District School Board

Notes to the consolidated financial statements

August 31, 2011

1. Significant accounting policies (continued)

Tangible capital assets (continued)

Assets under construction are not amortized until the asset is available for productive use.

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

Government transfers

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

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

Investment income

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

Investment income earned on externally restricted funds such as pupil accommodation, education development charges and special education is added to the fund balance and forms part of the respective deferred revenue balances.

Long-term debt

Long-term debt is recorded net of related sinking fund asset balances.

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 basis of accounting used in the preparation of the 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.

Use of estimates

The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 1 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 expenditures during the year. Accounts subject to significant estimates include assumptions in estimating provisions for accrued liabilities, performing actuarial valuations for employee future benefits, in estimating the collectability of accounts receivables to determine the allowance for doubtful accounts, in estimating the historical cost and useful lives of tangible capital assets and in estimating the useful lives of deferred capital contributions. Actual results could differ from these estimates.

2. Change in accounting policies

In fiscal 2011, the Board early adopted Public Sector Accounting Handbook Section 3410 Government Transfers as described in Note 1. 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 (DCC). Amounts are recognized into revenue as the liability is extinguished over the useful life of the asset.

Wellington Catholic District School Board

Notes to the consolidated financial statements

August 31, 2011

2. Change in accounting policies (continued)

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 consolidated 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, 2009	
Accumulated surplus, as previously reported	29,019,666
Transfer to deferred capital contributions	24,734,835
<u>Accumulated surplus, as restated</u>	<u>4,284,831</u>

	\$
Accumulated surplus at August 31, 2010	
Accumulated surplus, as previously reported	109,671,652
Transfer to deferred capital contributions	101,799,486
Transfer to deferred revenue	76,845
<u>Accumulated surplus, as restated</u>	<u>7,795,321</u>

	\$
Accumulated surplus for the year ended August 31, 2010	
Annual surplus, as previously reported	80,651,986
Plus: amounts recognized in revenue	3,682,674
Less: in-year provincial capital contributions	80,746,325
Less: transfer to deferred revenue	76,845
<u>Annual surplus, as restated</u>	<u>3,511,490</u>

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

	\$
Annual surplus for the year ended August 31, 2011	
<u>Annual surplus, as per prior year policy</u>	<u>672,100</u>
Less: in-year provincial capital contributions	4,791,045
Plus: amounts recognized in revenue	4,072,014
<u>Subtotal</u>	<u>(719,031)</u>
<u>Annual deficit, as currently reported</u>	<u>(46,931)</u>

Provincial grants have decreased by the subtotal above.

Wellington Catholic District School Board

Notes to the consolidated financial statements

August 31, 2011

3. Accounts receivable - Government of Ontario

The Province of Ontario has replaced variable capital funding with a one-time debt support grant in 2009-10. Wellington Catholic District School Board will receive a one-time grant that recognizes capital debt and not permanently financed debt as of August 31, 2010 that is supported by the existing capital programs. The Board will receive this grant in cash over the remaining term of the existing capital debt instruments.

The Board has an account receivable from the Province of Ontario of \$78,368,338 (2010 - \$80,691,129) as at August 31, 2011 with respect to this one-time grant.

4. Bank indebtedness and short-term borrowings

The Board has credit facilities available to a maximum of \$10 million to address operating requirements and to bridge capital expenditures. As at August 31, 2011, the amount drawn was \$605,000 (2010 - \$6,856,667). This is an operating loan bearing interest at a rate of prime less 0.25 percent.

5. Net long-term liabilities

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

	2011	2010
	\$	\$
Debenture #2 - 1997 (15647) 6.125%, maturing December 2012	446,000	651,000
Debenture #3 - 2001-A3 6.55%, maturing October 2026	16,423,596	17,021,155
Debenture #4 - 2002-02 5.90%, maturing October 2027	22,899,501	23,702,863
Debenture #5 - sinking fund debenture 2001-A1 5.9%, maturing October 2011	6,732,756	6,732,756
Debenture #6 - sinking fund Debenture 2002-01 5.7%, maturing October 2017	3,354,430	3,354,430
Non-revolving bank loan 5.75%, maturing July 2014	7,200,000	7,600,000
EDC loan 5.020%, maturing December 2014	1,066,666	1,386,258
GPL Stage #1 - loan 4.56%, maturing November 2031	1,303,609	1,341,416
GPL Stage #2 - loan 4.90%, maturing November 2020	1,134,334	1,162,963
GPL Stage #3 - loan 5.6%, maturing March 2034	3,813,666	3,900,983
GPL Stage #4 - loan 5.232%, maturing April 2035	555,675	567,149
PTR 4.833%, maturing March 2036	5,751,292	-
Growth Schools 4.833%, maturing March 2036	9,279,612	-
New pupil places, OFA 4.762%, maturing November 2029	949,838	981,288
Obligation under capital leases 5.75%, maturing November 2012	73,135	106,673
	80,984,110	68,508,934
Less: sinking fund assets	(1,816,340)	(1,259,990)
Balance as at August 31	79,167,770	67,248,944

Wellington Catholic District School Board

Notes to the consolidated financial statements

August 31, 2011

5. Net long-term liabilities (continued)

Principal payments relating to net long-term liabilities of \$79,167,770 outstanding as at August 31, 2011 are due as follows:

	Principal and sinking fund contributions	Interest	Total
	\$	\$	\$
2011-12	8,735,747	4,379,757	13,115,504
2012-13	3,240,431	4,005,533	7,245,964
2013-14	9,100,462	3,833,801	12,934,263
2014-15	2,621,358	3,318,607	5,939,965
2015-16	2,657,001	3,175,164	5,832,165
Thereafter	52,812,771	27,325,924	80,138,695
	79,167,770	46,038,786	125,206,556

Included in net long-term debt are outstanding debentures of \$10,087,186 (2010 - \$10,087,186) secured by sinking fund assets with a carrying value of \$1,816,340 (2010 - \$1,259,990) (market value - \$1,914,510 (2010 - \$1,346,081)). Sinking fund assets are comprised of short-term notes and deposits, government and government-guaranteed bonds and debentures and corporate bonds.

6. Debt charges and capital loans and leases interest

The expenditure for debt charges, capital loans and capital leases interest includes principal and interest payments as follows:

	2011	2010
	\$	\$
Principal payments on long-term liabilities	3,112,078	3,212,681
Interest payments on long-term liabilities	4,298,533	4,185,168
Interest payments on temporary financing of capital projects	96,458	43,983
	7,507,069	7,441,832

Included in debt repayment and sinking fund contributions on the consolidated statement of cash flows in total of \$3,112,078 (2010 - \$3,212,681) are principal payments on long-term debt of \$3,038,278 (2010 - \$3,163,548) and sinking fund interest revenue of \$73,800 (2010 - \$49,133).

Wellington Catholic District School Board

Notes to the consolidated financial statements

August 31, 2011

7. 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 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 as at August 31, 2010 (Restated - Note 2)	Externally restricted revenue and investment income	Revenue recognized in the period	Balance as at August 31, 2011
	\$	\$	\$	\$
Energy efficient schools - operating	59,468	-	28,400	31,068
Energy efficient schools - capital	146,771	892,235	500,248	538,758
Renewable energy	-	276,082	181,302	94,780
Green schools pilot	412,662	-	382,803	29,859
School generated funds	-	17,000	-	17,000
Other provincial grants	56,823	-	56,823	-
Third party	27,502	76,258	27,502	76,258
Other education programs other	363,482	272,648	425,863	210,267
Gain on disposal - school building	190,802	-	-	190,802
	1,257,510	1,534,223	1,602,941	1,188,792

8. Deferred capital contributions

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. The Ministry provided direction to the school boards in the establishment of the opening balance of the deferred capital contributions as disclosed in Note 2.

	2011	2010 (Restated - Note 2)
	\$	\$
Balance as at August 31, 2010	101,799,486	24,735,835
Additions to deferred capital contributions	4,791,045	80,746,325
Revenue recognized in the period	(4,072,014)	(3,682,674)
Balance as at August 31, 2011	102,518,517	101,799,486

Wellington Catholic District School Board

Notes to the consolidated financial statements

August 31, 2011

9. Retirement and other employee future benefits

				2011	2010
	Retirement	Sick	Other	Total	Total
	benefits	leave	employee	employee	employee
		benefits	future	future	future
			benefits	benefits	benefits
	\$	\$	\$	\$	\$
Accrued employee future benefit obligations	1,320,862	5,176,253	2,151,336	8,648,451	8,386,617
Unamortized actuarial loss (gain)	128,494	1,846,399	(68,961)	1,905,932	1,794,532
Employee future benefits liability	1,192,368	3,329,854	2,220,297	6,742,519	6,592,085

				2011	2010
	Retirement	Sick	Other	Total	Total
	benefits	leave	employee	employee	employee
		benefits	future	future	future
			benefits	benefits	benefits
	\$	\$	\$	\$	\$
Current year benefit cost	58,805	238,723	92,203	389,731	485,776
Amortized actuarial loss (gain)	27,253	150,020	(31,990)	145,283	145,283
Interest on accrued benefit obligation	56,249	222,147	64,464	342,860	343,819
Cost of plan amendments	-	-	64,428	64,428	-
Employee future benefits expense	142,307	610,890	189,105	942,302	974,878

Above amounts exclude pension contributions to the Ontario Municipal Employees Retirement System, a multi-employer pension plan, described below.

Retirement benefits

i) Ontario Teacher's Pension Plan

Teachers and related employee groups are eligible to be members of 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 Board contributions equal the employee contributions to the plan. During the year ended August 31, 2011, the Board contributed \$877,009 (2010 - \$677,879) 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.

Wellington Catholic District School Board

Notes to the consolidated financial statements

August 31, 2011

9. Retirement and other employee future benefits (continued)

Retirement benefits (continued)

iii) Retirement gratuities

The Board provides retirement gratuities to certain groups of employees hired prior to specified dates. The amount of the gratuities paid to eligible employees at retirement is based on their salary, accumulated sick days, and years of service at retirement. The Board provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the Board's consolidated 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 consolidated financial statements.

Other employee future benefits

i) Workplace Safety and Insurance Board obligations

The Board is a Schedule 2 employer under the Workplace Safety and Insurance Act and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. Occurrences over \$1,000,000 are insured by excess of loss coverage. Beginning January 1, 2005 the Board began participating in the Workers' Compensation Assistance Program with the School Boards' Co-operative Inc. (SBCI). For an annual fee, this program provides funds to Participating Members that incur claim costs on any workers' compensation incident between \$300,000 and \$1,000,000. The Board is self-insured for all other occurrences. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements.

The Board does not fund these obligations in advance of payments made under the Act. As of August 31, 2011, these obligations, as actuarially determined, amounted to \$543,676 (2010 - \$589,643) and are included in the Board's current year benefit costs.

There is a contingent liability relating to the Board's participation in the Workers' Assistance Program due to exposure to claims in excess of funds collected by SBCI.

ii) Long-term disability benefits

The Board provides long-term disability benefits including partial salary compensation and payment of life insurance premiums and health care benefits during the period an employee is unable to work or until their normal retirement date. The benefit costs and liabilities are included in the Board's consolidated financial statements.

iii) Life insurance benefits

The Board provides a separate life insurance benefits plan for certain retirees. The premiums are based on the Board 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.

iv) Health care and dental benefits

The Board sponsors a separate plan for retirees 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.

Wellington Catholic District School Board

Notes to the consolidated financial statements

August 31, 2011

9. Retirement and other employee future benefits (continued)

Other employee future benefits (continued)

v) Sick leave benefits

Regular full-time employees are allocated sick days to be used as paid absences in the year, due to illness or injury. Part-time employees are entitled to prorated days based on the proportion of part-time to full-time work. Employees are allowed to accumulate or bank unused sick day credits each year, up to the allowable maximum in their respective employment agreements.

Accumulated credits may be used in future years to the extent that the duration of the employee's illness or injury exceeds the current year's allocation of credits. Sick day credits are paid out at the salary in effect at the time of usage.

With the exception of Workplace Safety and Insurance Board obligations the accrued benefit obligations for employee future benefit plans as at August 31, 2011 are based on actuarial valuations for accounting purposes as at August 31, 2009 and 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 estimate of expected rates of:

	2011	2010
	%	%
Inflation	2.0	2.0
Interest	4.0	4.5
Discount on accrued benefit obligations	4.0	4.5
Wage and salary escalation	3.0	3.0
Health care cost escalation	10.0	10.5
Dental care cost escalation	6.0	6.5

Wellington Catholic District School Board

Notes to the consolidated financial statements

August 31, 2011

10. Tangible capital assets

	Cost			Accumulated amortization			Net book value			
	Balance as at September 1, 2010	Additions, adjustments and (transfers)	Disposals	Balance as at August 31, 2011	Balance as at September 1, 2010	Amortization	Disposals	Balance as at August 31, 2011	August 31, 2011	August 31, 2010
	\$	\$		\$	\$	\$		\$	\$	\$
Land	13,669,357	-	-	13,669,357	-	-	-	-	13,669,357	13,669,357
Land improvements	131,585	27,100	-	158,685	16,705	9,748	-	26,453	132,232	114,880
Buildings (40 years)	125,556,610	4,906,686	-	130,463,296	26,795,290	3,297,320	-	30,092,610	100,370,686	98,761,320
Portable structures	1,993,855	-	-	1,993,855	1,009,205	100,652	-	1,109,857	883,998	984,650
Furniture and equipment	4,101,587	474,062	-	4,575,649	2,536,491	430,663	-	2,967,154	1,608,495	1,565,096
Computer hardware and software	1,005,951	245,976	-	1,251,927	649,374	210,437	-	859,811	392,116	356,577
Vehicles - over 1 ton	-	25,527	-	25,527	-	2,554	-	2,554	22,973	-
Capital leased assets	178,171	-	-	178,171	53,451	35,634	-	89,085	89,086	124,720
Total	146,637,116	5,679,351	-	152,316,467	31,060,516	4,087,008	-	35,147,524	117,168,943	115,576,600

Write-down of tangible capital assets

The write-down of tangible capital assets during the year was \$Nil (2010 - \$1,500,000).

Wellington Catholic District School Board

Notes to the consolidated financial statements

August 31, 2011

11. Accumulated surplus

Accumulated surplus consists of the following:

	2011	2010 (Restated - Note 2)
	\$	\$
Revenues recognized for land	9,764,997	9,384,706
Employee future benefits to be covered in the future	(6,742,519)	(6,592,085)
Amounts restricted for future use by board motion	3,721,734	4,076,420
Other	1,004,178	926,280
Accumulated surplus	7,748,390	7,795,321

12. Expenditure by object

The following is a summary of the current and capital expenditures reported on the consolidated statement of operations by object:

	2011 Budget (unaudited)	2011 Actual	2010 Actual
	\$	\$	\$
Operating expenditures			
Salary and wages	60,066,371	61,112,526	57,588,763
Employee benefits	8,004,502	8,394,984	7,527,340
Staff development	246,635	453,101	472,705
Supplies and services	8,933,194	8,942,905	9,135,341
Interest charges on capital	4,146,333	4,394,991	4,229,151
Rental expenses	48,500	22,879	69,716
Fees and contract services	5,328,196	5,504,503	5,209,759
Other	480,516	1,394,876	220,344
Transfer to other boards	171,108	-	798,847
Amortization of tangible capital assets	4,160,220	4,087,008	3,682,675
Write-down of tangible capital assets	-	-	1,500,000
	91,585,575	94,307,773	90,434,641

13. Budget data

The unaudited budget data presented in these consolidated financial statements is based upon the 2011 budgets approved by the Board on June 2011, capitalization of assets, amortization, and gains and losses on disposal were not contemplated on development of the budget and, as such, have not been included. The chart below reconciles the approved budget to the budget figures reported in the consolidated statement of operations. Where amounts were not budgeted for, the actual amounts for 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 School Boards only budget the consolidated statement of operations, the budget figures in the consolidated statement of changes in net debt have not been provided.

Wellington Catholic District School Board

Notes to the consolidated financial statements

August 31, 2011

13. Budget data (continued)

	Consolidated statement of operations for the year ended August 31, 2011		
	2011 budget	Change	Restated 2011 budget
	\$	\$	\$
Revenue	91,585,575	-	91,585,575
Plus: interest on sinking funds	-	49,133	49,133
	<u>91,585,575</u>	<u>49,133</u>	<u>91,634,708</u>
Expenses			
Total expenditure as in the 2011 budget	<u>91,585,575</u>	-	<u>91,585,575</u>
Annual surplus	-	-	49,133
Accumulated surplus, beginning of year	118,820,240	-	118,713,589
Change in accounting policy - DCC	(113,173,225)	(9,132,031)	(104,041,194)
Accumulated surplus, end of year	<u>5,647,015</u>		<u>14,721,528</u>

14. Ontario School Board Insurance Exchange

The Board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act. OSBIE insures general public liability, property damage and certain other risks. Liability insurance is available to a maximum of \$20 million 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 31, 2011.

15. Contractual obligations and contingent liabilities

- There are no operating lease commitments as at August 31, 2011.
- In the normal course of operations, the Board becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at August 31, 2011 cannot be predicted with certainty, it is in the opinion of the Board that their resolution will not have a material adverse effect on the Board's financial position or results of operations.

16. Trust funds

The Board's trust funds include the Student Awards/Scholarships and Self-Funded Leaves. The total net assets of the trust funds are \$124,332 (2010 - \$133,506) and \$103,583 (2010 - \$312,178) respectively.

Wellington Catholic District School Board

Notes to the consolidated financial statements

August 31, 2011

17. Transportation consortium

On February 9, 2009 the Wellington-Dufferin Student Transportation Services ("STWDSTS") was incorporated. On September 1, 2009 the Board entered into an agreement with the following Boards: Conseil scolaire du district catholique Centre-Sud, Conseil scolaire de district du Centre Sud-Ouest, Upper Grand District School Board and the Dufferin-Peel Catholic District School Board in order to provide common administration for each of the Boards. Under the agreement, decisions related to the financial and operating activities are shared. No partner is in a position to exercise unilateral control.

The entity is proportionately consolidated into the Board's consolidated financial statements whereby the Board's pro-rata share of revenues and expenses of the consortium are included in the Board's consolidated financial statements. Inter-organizational transactions and balances have been eliminated.

The following provided condensed financial information:

	2011		2010	
	Total	Board portion	Total	Board portion
	\$	\$	\$	\$
Financial position				
Financial assets	363,540	62,129	-	-
Liabilities	411,163	70,268	-	-
Accumulated deficit	(47,623)	(8,139)	-	-
Operations				
Revenues	21,322,027	3,630,660	742,201	138,652
Expenditures	21,369,650	3,638,799	742,201	138,652
Annual deficit	(47,623)	(8,139)	-	-