

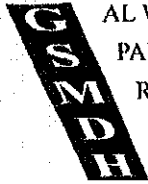


**WINDSOR-ESSEX CATHOLIC
DISTRICT SCHOOL BOARD**

**Consolidated Financial Statements
August 31, 2010**

**GRAHAM, SETTERINGTON, McINTOSH,
DRIEDGER & HICKS LLP**

CHARTERED ACCOUNTANTS



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AUDITORS' REPORT

To the Board of Trustees of the Windsor-Essex Catholic District School Board:

We have audited the consolidated statement of financial position of the Windsor-Essex Catholic District School Board as at August 31, 2010 and the consolidated statements of operations, change in net debt and cash flow for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Windsor-Essex Catholic District School Board as at August 31, 2010 and the consolidated statement of operations, change in net debt and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

**GRAHAM, SETTERINGTON, McINTOSH,
DRIEDGER & HICKS LLP**

*Graham, Settersington, McIntosh
Driedger & Hicks LLP*

Chartered Accountants
Licensed Public Accountants

Leamington, Ontario
February 15, 2011

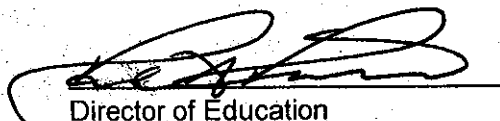
WINDSOR-ESSEX CATHOLIC DISTRICT SCHOOL BOARD

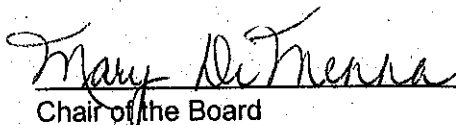
Consolidated Statement of Financial Position

For the years ended August 31

	(restated - note 2)	
	2010	2009
FINANCIAL ASSETS		
Cash and cash equivalents (note 4)	\$ 1,953,822	\$ 1,997,444
Accounts receivable	16,688,624	14,661,831
Accounts receivable - Government of Ontario (note 5)	168,261,349	-
TOTAL FINANCIAL ASSETS	186,903,795	16,659,275
FINANCIAL LIABILITIES		
Temporary borrowing (note 9)	28,066,051	54,441,187
Accounts payable and accrued liabilities	10,691,759	9,778,966
Net debenture debt and capital loans (note 8)	166,301,684	139,730,080
Deferred revenue (note 6)	2,652,735	3,460,873
Employee benefits payable (note 7)	83,445,102	76,161,919
TOTAL FINANCIAL LIABILITIES	291,157,331	283,573,025
NET DEBT	(104,253,536)	(266,913,750)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 20)	230,496,549	234,357,791
Prepaid expenses	1,637,048	727,290
TOTAL NON-FINANCIAL ASSETS	232,133,597	235,085,081
ACCUMULATED SURPLUS / (DEFICIT) (note 12)	\$ 127,880,061	\$ (31,828,668)

Signed on Behalf of the Board


Director of Education


Chair of the Board

The accompanying notes are an integral part of these financial statements.

Graham, Settingon, McIntosh, Driedger & Hicks LLP - Chartered Accountants

WINDSOR-ESSEX CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Operations

For the years ended August 31

	(unaudited)		(restated - note 2)
	2010	2010	2009
	Budget	Actual	Actual
REVENUES			
Local taxation	\$ 56,212,854	\$ 50,993,939	\$ 54,382,311
Provincial grants - Grants for Student Needs	178,026,294	355,199,088	176,540,082
Provincial grants - other	2,455,001	6,121,814	3,986,610
Other revenues - School boards	-	238,146	-
Other fees and revenues	961,443	2,191,653	5,156,831
Investment income	45,000	228,972	100,574
School generated funds	7,180,000	7,829,055	7,558,902
TOTAL REVENUE	244,880,592	422,802,667	247,725,310
EXPENSES (note 11)			
Instruction	183,891,673	193,394,989	183,942,922
Administration	7,922,318	9,648,297	7,643,068
Transportation	8,347,996	8,485,053	7,984,233
Pupil Accommodation	38,831,873	41,827,402	40,228,133
Other	1,612,745	1,865,518	1,612,745
School generated funds	7,179,000	7,872,677	7,544,428
TOTAL EXPENSES	247,785,605	263,093,936	248,955,529
ANNUAL SURPLUS / (DEFICIT)	(2,905,013)	159,708,731	(1,230,219)
Accumulated Surplus / (Deficit), beginning of year	(32,767,438)	(31,828,670)	(30,598,451)
Accumulated Surplus / (Deficit), end of year	\$ (35,672,451)	\$ 127,880,061	\$ (31,828,670)

The accompanying notes are an integral part of these financial statements.

Graham, Settingington, McIntosh, Driedger & Hicks LLP - Chartered Accountants

WINDSOR-ESSEX CATHOLIC DISTRICT SCHOOL BOARD**Consolidated Statement of Change in Net Debt**

For the years ended August 31

	(unaudited) 2010 Budget	2010 Actual	(restated - note 2) 2009 Actual
Annual Surplus / (Deficit)	\$ (2,905,013)	\$ 159,708,731	\$ (1,230,219)
TANGIBLE CAPITAL ASSET ACTIVITY			
Acquisition of tangible capital assets	(6,776,133)	(5,579,328)	(4,970,808)
Amortization of tangible capital assets	9,440,571	9,440,571	8,357,811
TOTAL TANGIBLE CAPITAL ASSET ACTIVITY	2,664,438	3,861,243	3,387,003
OTHER NON-FINANCIAL ASSET ACTIVITY			
Acquisition of prepaid expenses		(1,966,307)	(735,688)
Use of prepaid expenses		1,056,547	1,256,313
TOTAL OTHER NON-FINANCIAL ASSET ACTIVITY		(909,760)	520,625
(INCREASE) / DECREASE IN NET DEBT	2,664,438	162,660,214	2,677,409
Net debt, beginning of year	(266,913,750)	(266,913,750)	(269,591,159)
Net debt, end of year	\$ (264,249,312)	\$ (104,253,536)	\$ (266,913,750)

The accompanying notes are an integral part of these financial statements.

Graham, Setterington, McIntosh, Driedger & Hicks LLP - Chartered Accountants

WINDSOR-ESSEX CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Cash Flow

For the years ended August 31

	(restated - note 2)	
	2010	2009
	Actual	Actual
OPERATING TRANSACTIONS		
Annual Surplus/(Deficit)	\$ 159,708,731	\$ (1,230,219)
Sources and (Uses):		
Non-cash items including amortization, write downs and gain/loss on disposal	9,440,571	8,357,811
(Increase) in accounts receivable	(170,288,142)	(1,085,388)
Increase in accounts payable and accrued liabilities	912,793	1,819,799
(Decrease) in deferred revenues	(808,138)	(3,535,539)
Increase in employee benefits payable	7,283,183	5,048,252
(Increase) in prepaid expenses	(909,760)	-
CASH PROVIDED BY OPERATING TRANSACTIONS	5,339,238	9,374,716
CAPITAL TRANSACTIONS		
Cash used to acquire tangible capital assets	(5,579,328)	(4,970,808)
CASH (APPLIED TO) CAPITAL TRANSACTIONS	(5,579,328)	(4,970,808)
FINANCING TRANSACTIONS		
Long term liabilities issued	32,052,872	5,468,082
(Decrease) in temporary borrowing	(26,375,136)	(4,932,302)
Debt repaid and sinking fund contributions	(5,481,268)	(4,925,223)
CASH PROVIDED BY (APPLIED TO) FINANCING TRANSACTIONS	196,468	(4,389,443)
CHANGE IN CASH AND CASH EQUIVALENTS	(43,622)	14,465
Opening cash and cash equivalents	1,997,444	1,982,979
Closing cash and cash equivalents	\$ 1,953,822	\$ 1,997,444

The accompanying notes are an integral part of these financial statements.

Graham, Settingington, McIntosh, Driedger & Hicks LLP - Chartered Accountants

WINDSOR-ESSEX CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Consolidated Financial Statements

August 31, 2010

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) 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.

Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

(b) 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.

(c) Basis of Accounting:

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

(d) Cash and Cash Equivalents:

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

(e) Investments:

When applicable, temporary investments consist of marketable securities which are liquid short-term investments with maturities of between three months and one year at the date of acquisition, and are carried on the Consolidated Statement of Financial Position at the lower of cost or market value.

Long-term investments consist of investments that have maturities of more than one year. Long-term investments are recorded at cost, and assessed regularly for permanent impairment.

WINDSOR-ESSEX CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Consolidated Financial Statements

August 31, 2010

(f) **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 are performed.

(g) **Retirement and other employee future benefits:**

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, 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 estimates 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, 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 those 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 pension, are the employer's contributions owing to the plan in the period.
- (iii) The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the period.

(h) **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.

WINDSOR-ESSEX CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Consolidated Financial Statements

August 31, 2010

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
Furniture	10
Equipment	5-15
Computer hardware	5
Computer software	5
Vehicles	5-10

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

(i) 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.

(j) Investment Income:

Investment income is reported as revenue in the period earned.

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

(k) Long-term Debt:

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

(l) Budget Figures:

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Trustees. The budget approved by the Trustees is developed in accordance with the provincially mandated funding model for school boards and is used to manage program spending within the guidelines of the funding model. Given differences between the funding model and generally accepted accounting principles established by the Public Sector Accounting Board, the budget figures presented have been adjusted to conform with the basis of accounting as it is used to prepare the consolidated financial statements. The budget figures are unaudited.

WINDSOR-ESSEX CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Consolidated Financial Statements

August 31, 2010

(m) Use of Estimates:

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Accounts subject to estimates include employee future benefits. In addition, estimates have been made of the historical cost and useful lives of certain tangible capital assets as a result of the implementation of Section 3150 of the Public Sector Accounting Handbook. Actual results could differ from these estimates.

2. CHANGE IN ACCOUNTING POLICIES

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

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

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

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

WINDSOR-ESSEX CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Consolidated Financial Statements

August 31, 2010

Accumulated surplus at August 31, 2009:	
Operating fund balance	\$ 1,417,214
Capital fund balance	(50,553,898)
Reserve fund balance	824,295
Portion of Proceeds of Disposition related to net book value of disposed assets	5,044
School activities fund	1,968,468
Amounts to be recovered	(219,847,584)
Accumulated surplus, as restated	(266,186,461)
Net book value of tangible capital assets recorded	234,357,791
Accumulated surplus, as restated	\$ (31,828,670)

Annual surplus for the year ended August 31, 2009:	
Change in net assets/(liabilities), as previously reported	\$ 2,677,409
Plus: Capital expenditures capitalized, previously expensed	4,970,808
Less: Amortization expense not previously recorded	(8,357,811)
Less: Use of other non-financial assets	(520,625)
Annual surplus/(deficit), as restated	\$ (1,230,219)

3. PRIOR YEAR ADJUSTMENT

During the year management became aware that reserves held by the benefit carrier should be recorded on the Board's financial statements.

This change has been applied retroactively with restatement and has resulted in an increase in opening accumulated surplus of \$824,295 at September 1, 2008, an increase in accounts receivable of \$824,295 and a decrease in net debt of \$824,295 as at August 31, 2009.

4. CASH AND SHORT TERM INVESTMENTS

Cash and cash equivalents include the following:

	2010	2009
School funds	\$ 1,924,847	\$ 1,968,469
Petty cash	28,975	28,975
	<u>\$ 1,953,822</u>	<u>\$ 1,997,444</u>

5. ACCOUNTS RECEIVABLE - GOVERNMENT OF ONTARIO

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

The Board has an account receivable from the Province of Ontario of \$168,261,349 as at August 31, 2010 with respect to this one-time grant.

WINDSOR-ESSEX CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Consolidated Financial Statements

August 31, 2010

6. 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, 2010 is comprised of:

	Balance as at August 31, 2009	Externally restricted revenue	Revenue recognized in the period	Balance as at August 31, 2010
Restricted operating grants	\$ 1,613,917	\$ 28,088,535	\$ 26,751,970	\$ 950,482
Third party operating grants	-	70,670	966	69,704
Restricted capital grants	-	16,235,022	16,229,429	5,593
Insurance proceeds	-	268,202	268,202	-
Proceeds of disposition	1,846,956	-	220,000	1,626,956
Total Deferred Revenue	\$ 3,460,873	\$ 42,662,429	\$ 43,470,567	\$ 2,652,735

7. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS

Retirement and Other Employee Future Benefit Liabilities	2010		2009	
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Accrued employee future benefit obligations	\$ 99,063,683	\$ 2,695,501	\$ 101,759,184	\$ 93,615,779
Unamortized actuarial losses	18,168,038	146,044	18,314,082	17,453,860
Employee future benefits liability	\$ 80,895,645	\$ 2,549,457	\$ 83,445,102	\$ 76,161,919

WINDSOR-ESSEX CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Consolidated Financial Statements

August 31, 2010

Retirement and Other Employee Future Benefit Expenses	2010		2009	
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Current year benefit accrual	\$ 3,571,301	\$ 716,141	\$ 4,287,442	\$ 3,846,117
Interest on accrued benefit obligation	4,430,017	49,979	4,479,996	3,819,547
Net amortization of estimation adjustment loss	2,034,946	16,089	2,051,035	1,384,357
Employee future benefit expenses	\$ 10,036,264	\$ 782,209	\$ 10,818,473	\$ 9,050,021

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 plan provides defined pension benefits to employees based on their length of service and rate of pay. Employee contribution rates are at levels of up to 9.7% of earnings. The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2010, the Board contributed \$2,197,407 (2009 - \$2,064,261) 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 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. 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.

WINDSOR-ESSEX CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Consolidated Financial Statements

August 31, 2010

(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. The Board does not fund these obligations in advance of payments made under the Act. The benefit cost and liabilities related to this plan are included in the Board's consolidated financial statements.

(ii) Long-term Disability - Life Insurance, Dental and Health Care Benefits:

The Board provides life insurance, dental and health care benefits to employees on long-term disability leave. The Board is responsible for the partial payment of life insurance premiums and the partial costs of health care benefits under this plan. 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.

Actuarial Assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2010 are based on actuarial valuations for accounting purposes as at August 31, 2010. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are the Board's best estimates of expected rates which implicitly include an inflation rate adjustment.

	2010	2009
	%	%
Wage and salary escalation	3.00	3.25
Insurance and health care cost escalation	4.5 - 10.0	5.0 - 10.0
Discount on accrued benefit obligations	4.75	4.75

WINDSOR-ESSEX CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Consolidated Financial Statements

August 31, 2010

8. NET LONG-TERM DEBT

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

	2010	2009
Debenture #90-55; 12.160%; maturing December 2010	\$ 145,000	\$ 274,000
Debenture #93-64; 8.590%; maturing September 2011	1,966,000	2,834,000
Debenture #94-67; 10.000%; maturing November 2012	3,328,000	4,243,000
Debenture #02-01; 5.900%; maturing October 2027	26,811,969	27,669,375
Debenture #03-04 (Sinking Fund); 5.300%; principal repayable Nov. 2013	24,012,700	24,012,700
Debenture #03-05; 5.800%; maturing November 2028	26,595,854	27,382,068
Debenture #06-01; 5.070%; maturing April 2031	41,002,826	42,078,373
Debenture #06-03; 4.560%; maturing November 2031	7,431,251	7,631,466
Debenture #09-01; 5.062%; maturing March 2034	5,354,084	5,468,082
Debenture #09-10; 4.947%; maturing May 2035	29,460,559	-
Debenture #10-01; 5.232%; maturing April 2035	2,592,313	-
Debenture Debt	168,700,556	141,593,064
Less: Sinking Fund Asset Balance as at August 31	(2,398,872)	(1,862,984)
Net Debenture Debt	\$ 166,301,684	\$ 139,730,080

Principal and interest payments relating to net long-term liabilities of \$166,301,684 outstanding as at August 31, 2010 are due as follows:

	Debenture Principal and Sinking Fund Contributions	Debenture Interest Payments	Total
2010-11	\$ 5,990,488	\$ 8,877,170	\$ 14,867,658
2011-12	6,546,421	8,652,379	15,198,800
2012-13	5,855,243	8,269,477	14,124,720
2013-14	25,174,267	7,337,288	32,511,555
2014-15	4,793,791	6,452,992	11,246,783
Thereafter	117,941,474	57,884,751	175,826,225
	\$ 166,301,684	\$ 97,474,057	\$ 263,775,741

Included in net debenture debt are outstanding sinking fund debentures of \$ 24,012,700 (2009 - \$24,012,700) secured by sinking fund assets with a carrying and market value of \$2,398,872 (2009 - \$1,862,984). The market value is \$171,360 less than the planned value for the fund as at August 31, 2010. Sinking fund assets are comprised of short-term notes and deposits.

Interest on long-term debt amounted to \$8,072,072 (2009 - \$7,860,131).

WINDSOR-ESSEX CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Consolidated Financial Statements

August 31, 2010

9. TEMPORARY BORROWING

Temporary borrowing consists of the following:

	2010	2009
Demand capital expenditure credit bearing loan interest at the lower of prime plus 0.60% or bankers acceptance plus 1.50% stamping fee.	\$ 15,039,441	\$ 45,000,000
Demand operating credit bearing loan interest at the lower of prime plus 0.60% or bankers acceptance plus 1.50% stamping fee.	13,028,610	9,441,187
	<u>\$ 28,066,051</u>	<u>\$ 54,441,187</u>

The Board has lines of credit available to the maximum of \$20 million to address operating requirements and \$45 million to bridge capital expenditures prior to debenturing.

All loans are unsecured, due on demand and are in the form of bankers' acceptance notes and bank overdrafts.

10. DEBT CHARGES, CAPITAL LOANS AND LEASE INTEREST

The expenditure for debt charges and capital loans includes principal, sinking fund contributions and interest payment as follows:

	2010	2009
Principal payments on long-term liabilities including contributions to sinking funds	\$ 5,273,845	\$ 4,839,371
Interest payments on long-term liabilities	7,832,350	7,920,452
	<u>\$ 13,106,195</u>	<u>\$ 12,759,823</u>

Included in debt repayment and sinking fund contributions on the Consolidated Statement of Cash Flow in total of \$5,481,268 (2009 - \$4,925,223) are principal payments on long-term debt of \$4,945,381 (2009 - \$4,510,907) and sinking fund interest revenue of \$207,423 (2009 - \$85,851).

WINDSOR-ESSEX CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Consolidated Financial Statements

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11. EXPENSES BY OBJECT

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

	(unaudited)		(restated - note 2)
	2010	2010	2009
	Budget	Actual	Actual
Expenses			
Salary and wages	\$ 167,288,357	\$ 173,141,040	\$ 164,973,495
Employee benefits	28,455,827	33,226,877	30,019,619
Staff development	278,425	421,503	206,410
Supplies and services	22,137,671	23,231,976	22,730,418
Interest charges on capital	7,824,594	8,968,173	9,301,172
Rental expenditures	600,645	613,348	607,080
Fees and contract services	9,746,079	11,393,922	9,660,545
Other	2,013,438	2,656,534	3,098,979
Amortization of tangible capital assets	9,440,571	9,440,571	8,357,811
	\$ 247,785,605	\$ 263,093,944	\$ 248,955,529

12. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2010	2009
Surplus:		
Operating	\$ (439,728)	\$ 1,417,214
Invested in tangible capital assets	230,496,549	234,357,791
Pupil accommodation debt reserve - School Renewal	171,786	-
Employee future benefits	(83,445,104)	(76,161,921)
Interest and vacation accruals	(4,288,925)	(3,955,584)
School generated funds	1,924,847	1,968,469
Long term debt	(166,301,684)	(139,730,080)
Not permanently financed amounts	(19,717,940)	(50,553,898)
Portion of Proceeds of Disposition related to NBV of assets	5,044	5,044
Receivable from Province - capital	168,650,913	-
Benefit plan	824,295	824,295
	\$ 127,880,061	\$ (31,828,669)

Amounts for the benefit plan represent amounts to be used to pay for the cost of benefits that exceed premium payments during the year.

WINDSOR-ESSEX CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Consolidated Financial Statements

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13. 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 31, 2011.

14. CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES

(a) Contractual Obligations:

The Board has ongoing commitments over the next five years as follows:

2010-11	\$	1,044,501
2011-12		965,075
2012-13		965,075
2013-14		965,075
2014-15		965,075
Thereafter		<u>2,768,147</u>
	\$	<u>7,672,948</u>

As at August 31, 2010, the Board is committed to capital expenditures in the amount of \$1,509,234.

(b) Contingent Liabilities:

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, 2010 cannot be predicted with certainty, it is the opinion of the Board that their resolution will not have a material adverse effect on the Board's financial position or results of operation.

15. BUDGET DATA

The unaudited budget data presented in these consolidated financial statements is based upon the 2010 budgets approved by the Board on August 31, 2010. Capitalization of assets, amortization, and gains and losses on disposal were not contemplated on development of the budget and, as such, have not been included. The chart below reconciles the approved budget to the budget figures reported in the Consolidated Statement of Operations. Where amounts were not budgeted for, the actual amounts for 2010 were used in order to adjust the budget numbers to reflect the same basis of accounting as that used to report the actual results.

As the Consolidated Statement of Change in Net Debt is a new statement in the 2009-10 financial statements, the budget figures in that statement have not been provided.

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Notes to the Consolidated Financial Statements

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Consolidated Statement of Operations For the year ended August 31

	2010 Budget	Change	Restated 2010 Budget
Total Revenue	\$ 244,880,592	\$ -	\$ 244,880,592
Expenses			
Total expenditures as in the 2010 budget	245,121,167	-	245,121,167
Less: Capital asset expenditure	-	(6,776,133)	(6,776,133)
Plus: Amortization	-	9,440,571	9,440,571
Total Expenses	245,121,167	2,664,438	247,785,605
Annual Surplus/(Deficit)	(240,575)	(2,664,438)	(2,905,013)
Accumulated surplus/(deficit), beginning of year	-	-	(32,767,438)
Accumulated surplus/(deficit), end of year	\$ -	\$ -	\$ (35,672,451)

16. TRANSPORTATION CONSORTIUM

On January 20, 2003, the Board entered into an agreement with the Greater Essex County District School Board and Conseil scolaire de district des écoles catholiques du Sud-Ouest in order to provide common administration of student transportation within the district. On September 10, 2009, a new agreement was entered into and included the Conseil scolaire de district du Centre-Sud-Ouest. The consortium agreement was executed in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the school boards. Under the formal agreement, decisions related to the financial and operating activities are shared. No partner is in a position to exercise unilateral control. Operations have been included in these financial statements based on the Board's portion of costs incurred which have been calculated based on student ridership.

The Board's consolidated statement of operations and accumulated surplus (deficit) reflect the Board's pro-rata share of expenses. Total expenses of the consortium at August 31, 2010 were \$22,743,273. The Board's pro-rata share of expenses at August 31, 2010 was \$8,485,053.

17. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk:

Interest rate risk represents the risk to the Board's operations that arises from fluctuations in interest rates and the degree of volatility of these rates. The Board is exposed to interest rate risk since the interest on the bank short-term borrowings is at variable rates.

WINDSOR-ESSEX CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Consolidated Financial Statements

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(b) Fair Value:

Fair values approximate amounts at which financial assets and liabilities would be exchanged between willing parties based on current markets for instruments of the same risk and materiality. The fair value of financial assets and liabilities approximate their carrying values.

18. FUTURE ACCOUNTING FOR CONTRIBUTIONS USED FOR CAPITAL:

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

This accounting treatment is not currently a recognized option by the Public Sector Accounting Standards Board (PSAB) and could not be implemented within these financial statements.

19. COMPARATIVE FIGURES

Certain of the prior year figures, provided for the purpose of comparison, have been restated and/or reclassified to conform with the current year presentation.

20. TANGIBLE CAPITAL ASSETS

Continued on next page.

WINDSOR-ESSEX CATHOLIC DISTRICT SCHOOL BOARD
Notes to the Consolidated Financial Statements
August 31, 2010

20. TANGIBLE CAPITAL ASSETS

	COST			ACCUMULATED AMORTIZATION			NET BOOK VALUE		
	Balance at August 31, 2009	Additions and transfers	Disposals	Balance at August 31, 2010	Balance at August 31, 2009	Amortization	Disposals write offs & adjustment	Balance at August 31, 2010	Net Book Value August 31, 2009
Land	\$ 10,729,036	\$ 45,632		10,774,668	\$ -			\$ 10,774,668	\$ 10,729,036
Land Improvements	1,408,612	378,806		1,787,418	226,598	108,643		1,452,177	1,182,014
Buildings	275,350,486	3,605,689		278,956,175	61,656,564	7,381,706		209,917,905	213,693,922
Portable Structures	5,495,879	104,257		5,600,136	3,555,724	212,601		1,831,811	1,940,155
Construction in Progress	-	862,887		862,887	-			862,887	-
First time Equipping	8,481,612			8,481,612	3,206,574	527,504		4,747,534	5,275,038
Equipment	135,513	196,248		331,761	39,537	31,106		261,118	95,976
Computer Hardware	2,808,330	314,455	(671,348)	2,451,437	1,691,433	1,034,223	(671,348)	397,129	1,116,897
Computer Software	214,614	19,887	(6,420)	228,081	144,733	88,667	(6,420)	1,101	59,881
Vehicles	445,163	51,457		496,630	190,290	56,121		250,219	254,873
TOTAL	\$ 305,069,245	\$ 5,579,328	\$ (677,768)	\$ 309,970,805	\$ 70,711,453	\$ 9,440,571	\$ (677,768)	\$ 79,474,256	\$ 230,496,549

Certain opening balances have been restated and/or reallocated to reflect new information discovered in the year relative to the accumulation of the Tangible Capital Asset.