

Consolidated financial statements of

**Dufferin-Peel Catholic District
School Board**

August 31, 2009

Dufferin-Peel Catholic District School Board

August 31, 2009

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DUFFERIN-PEEL CATHOLIC DISTRICT SCHOOL BOARD

MANAGEMENT REPORT

Year-Ended August 31, 2009

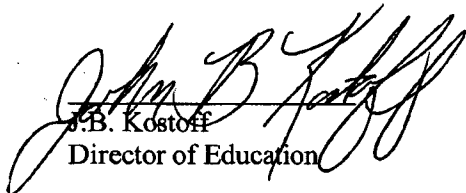
Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Dufferin-Peel Catholic District School Board are the responsibility of the Board management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

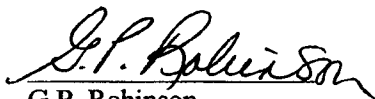
The Board meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

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



J.B. Kostoff
Director of Education

November 11, 2009



G.P. Robinson
Superintendent, Financial Services
and Treasurer

November 11, 2009



J. Hrajnik
Associate Director, Corporate Services
& Chief Financial Officer

November 11, 2009

Auditors' Report

To the Board of Trustees of the
Dufferin-Peel Catholic District School Board

We have audited the consolidated statement of financial position of the Dufferin-Peel Catholic District School Board as at August 31, 2009 and the consolidated statement of financial activities and fund balance and of changes in financial position for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Dufferin-Peel Catholic District School Board as at August 31, 2009 and the results of its operations and changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants
November 11, 2009

Dufferin-Peel Catholic District School Board

Consolidated statement of financial position


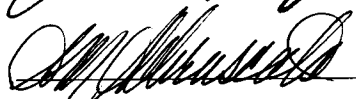
year ended August 31, 2009

(In thousands of dollars)

	2009	2008
	\$	\$
Financial assets		
Cash and cash equivalents	154,488	209,483
Accounts receivable	37,306	40,235
Total financial assets	191,794	249,718
Financial liabilities		
Accounts payable and accrued liabilities	43,680	35,545
Accounts payable - Government of Ontario	-	400
Deferred revenue - reserve funds (Note 2)	6,086	8,859
Deferred revenue - other	4,327	4,701
Obligation under capital leases (Note 3)	3,614	4,225
Net long-term debt (Note 4)	557,259	571,993
Retirement and other employee future benefits payable (Note 5)	55,588	53,007
Total financial liabilities	670,554	678,730
Net financial liabilities	(478,760)	(429,012)
Non-financial assets		
Prepaid expenses and supplies	4,552	2,356
Net liabilities	(474,208)	(426,656)
Financial position		
Fund balances		
Operating Fund - Schedule 1	-	-
Capital Fund - Schedule 2	(1,573)	68,221
Reserve Fund - Schedule 3	151,640	142,752
School Generated Fund - Schedule 4	7,248	6,232
Total fund balances	157,315	217,205
Amounts to be recovered (Note 6)	(631,523)	(643,861)
Net financial position	(474,208)	(426,656)

Commitments and contingencies (Note 11)

Approved by the Board

 Director of Education
 Chair of the Board

Dufferin-Peel Catholic District School Board

Consolidated statement of financial activities and fund balance

year ended August 31, 2009

(In thousands of dollars)

		2009	2008
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
Revenues			
Local taxation	245,418	246,157	240,123
Provincial grants - student focused funding	525,223	546,012	515,895
Provincial grants - other	2,888	10,072	7,330
Federal grants and fees	350	665	465
Other revenues - School Boards	-	-	410
Other fees and revenues	13,090	12,299	16,036
Investment income	4,079	4,274	6,360
School fundraising	21,891	25,884	25,734
Total revenues	812,939	845,364	812,353
Expenditures (Note 9)			
Instruction	593,412	617,394	578,392
Administration	22,202	23,903	25,424
Transportation	20,650	19,417	20,189
School operations and maintenance	74,307	76,501	74,630
Pupil accommodation	122,263	129,659	84,020
Other	3,369	3,369	3,367
School funded activities	22,432	24,868	25,504
Total expenditures	858,635	895,112	811,526
Net (expenditure) revenue	(45,696)	(49,748)	827
Increase in non-financial assets	-	2,196	1,654
Change in net liabilities	(45,696)	(47,552)	2,481
Financing transactions			
Long term debt issued	-	-	4,995
Obligations under capital leases incurred	-	1,514	2,151
Debt repayment and sinking fund contributions	(13,945)	(14,734)	(13,768)
Repayment of obligations under capital leases	-	(2,125)	(2,019)
Increase in unfunded liabilities	2,802	3,007	2,258
Change in amounts to be recovered	(11,143)	(12,338)	(6,383)
Change in fund balance	(56,839)	(59,890)	(3,902)
Fund balance, beginning of year	211,530	217,205	221,107
Fund balance, end of year	154,691	157,315	217,205

Dufferin-Peel Catholic District School Board

Consolidated statement of changes in financial position

year ended August 31, 2009

(In thousands of dollars)

	2009	2008
	\$	\$
Operating activities		
Net (expenditure) revenue	(49,748)	827
Sources and (uses)		
Decrease (increase) in accounts receivable	2,929	(6,745)
Increase (decrease) in accounts payable and accrued liabilities	8,135	(2,105)
Decrease in accounts payable - Government of Ontario	(400)	(4,324)
Decrease in deferred revenue - reserve funds	(2,773)	(3,012)
Decrease (increase) in deferred revenue - other	(374)	3,546
Increase in retirement and other employee future benefits payable	2,581	2,258
Cash used in operating activities	(39,650)	(9,555)
Financing activities		
Long-term debt incurred	-	4,995
Debt principal repaid and sinking fund contributions	(14,734)	(13,768)
Obligation under capital leases incurred	1,514	2,151
Repayment of obligations under capital lease	(2,125)	(2,019)
Cash (used in) provided by financing activities	(15,345)	(8,641)
Change in cash and cash equivalents	(54,995)	(18,196)
Cash and cash equivalents, beginning of year	209,483	227,679
Cash and cash equivalents, end of year	154,488	209,483

Dufferin-Peel Catholic District School Board

Notes to consolidated financial statements

August 31, 2009

(In thousands of dollars)

1. Significant accounting policies

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

Significant accounting policies adopted by the Board are as follows:

a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and fund balances of the reporting entity. The reporting entity includes all organizations which are controlled by the Board.

The reporting entity is comprised of:

The Dufferin-Peel Catholic District School Board
The Dufferin-Peel Catholic Education Foundation
Dufferin-Peel Support Centre for Catholic Education
School Generated Funds

All material interdepartmental and inter-organizational transactions and balances between these organizations are eliminated on consolidation.

b) Trust Funds

Trust funds and their related operations administered by the Board amounting to \$3,930 (2008 - \$3,406) are not included in the consolidated financial statements.

c) Basis of accounting

Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenditures are recognized as they are incurred and measurable as the result of the receipt of goods or services and the creation of a legal obligation to pay.

d) Cash and cash equivalents

Cash and cash equivalents comprise 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-term maturity of less than 90 days.

e) Capital assets

The historical cost and accumulated amortization of capital assets are not reported. Capital assets are reported as expenditures on the Consolidated Statement of Financial Activities and Fund Balance in the year of acquisition or construction.

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 qualifying expenditures are incurred or services performed.

Dufferin-Peel Catholic District School Board

Notes to consolidated financial statements

August 31, 2009

(In thousands of dollars)

1. Significant accounting policies (continued)

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, retirement gratuity, worker's compensation, accumulated sick leave 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 costs trends, disability recovery rates, long-term inflation rates and discount rates.

For self insured retirement and other employee future benefits that vest and accumulate over the periods of service provided by employees, such as sick leave and 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 non-vesting accumulating sick days, the accrued benefit obligation is the actuarial present value of the future expected cash flows with respect to the existing sick leave bank balances determined as at the valuation date. These cash flows will reflect expected salary increases and survivorship at each future date.

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.

Actuarial gains and losses related to obligations for long-term disability are amortized over the expected average service life of the employee group.

- ii) The Board's contribution to multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System pensions, are recorded in the period in which they become payable.
- iii) The costs of insured benefits for active employees reflected in these consolidated financial statements are the Board's portion of insurance premiums owed for coverage of employees during the period.

h) Reserves and Reserve Funds

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

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.

Dufferin-Peel Catholic District School Board

Notes to consolidated financial statements

August 31, 2009

(In thousands of dollars)

1. Significant accounting policies (continued)

j) Investment income

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

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.

k) Budget figures

Budget figures have been provided for comparison purposes and have been derived from the original budget approved by the Board of Trustees at the time of the submission of the Annual Estimates for 2008-2009 to the Ministry of Education on June 30, 2008. 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. The budget figures reported in the consolidated financial statements have been presented on a basis consistent with Public Sector Accounting Standards. The budget figures are unaudited.

l) Use of estimates

The preparation of 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 financial statements, and the reported amounts of revenues and expenditures during the year. Actual results could differ from these estimates. Estimates are reviewed periodically by management, and as adjustments become necessary, they are reported in the period in which they become known.

2. Deferred revenue - reserve funds

Deferred revenue externally restricted for specific purposes by legislation, regulation or agreement as at August 31, is comprised of:

	2009	2008
	\$	\$
Pupil accommodation	1,016	807
Education development charges	174	4,495
Others	4,896	3,557
	6,086	8,859

Dufferin-Peel Catholic District School Board

Notes to consolidated financial statements

August 31, 2009

(In thousands of dollars)

2. Deferred revenue - reserve funds (continued)

The continuity of Deferred Revenue - Reserve Funds of the Board is summarized below:

	2009	2008
	\$	\$
Balance, beginning of year	8,859	11,871
Proceeds from disposition	193	-
Capital funds received (EDC's)	1,603	7,146
Restricted provincial grants received	7,521	3,916
Interest earned	32	177
	18,208	23,110
Capital funds earned (EDC's)	(5,958)	(10,889)
Provincial grants earned	(6,164)	(3,362)
Balance, end of year	6,086	8,859

3. Obligation under capital leases

The Board has obligations under various capital leases with expiries ranging from 2009 to 2013 and interest rates ranging from 6.19% to 9.00%. Principal and interest payments relating to capital lease obligations of \$3,614 (2008 - \$4,225) outstanding as at August 31 are due as follows:

	Principal payment	Interest	Total
	\$	\$	\$
2009/2010	1,927	214	2,141
2010/2011	827	104	931
2011/2012	586	53	639
2012/2013	274	16	290
	3,614	387	4,001

Dufferin-Peel Catholic District School Board

Notes to consolidated financial statements

August 31, 2009

(In thousands of dollars)

4. Net long-term debt

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

Debenture	Interest rate %	Maturity	2009 \$	2008 \$
#1 - OSBFC By-Law #99	7.20	June 9, 2025	49,545	51,156
#2 - OSBFC By-Law #103	6.55	October 19, 2026	72,706	74,877
#3 - OSBFC By-Law #111	5.48	November 26, 2029	117,350	120,392
#4 - OSBFC By-Law #113	4.79	August 8, 2030	23,847	24,495
#5 - OSBFC Sinking Fund By-Law #100	6.30	September 22, 2010	57,596	57,596
#6 - OSBFC Sinking Fund By-Law #102	5.90	October 19, 2011	27,842	27,842
#7 - OSBFC Sinking Fund By-Law #105	5.70	October 11, 2017	103,134	103,134
#8 - OFA By-Law #116 (Note 4(c))	4.56	November 15, 2031	12,492	12,805
#9 - OSBFC By-Law #118 (Note 4(c))	5.38	June 25, 2032	113,329	115,781
#10 - OFA By-Law #120 (Note 4(c))	4.90	March 3, 2033	4,887	4,994
Less Sinking Fund Assets			(25,469)	(21,079)
Balance as at August 31			557,259	571,993

- b) Principal payments relating to net long-term debt of \$557,259 outstanding as at August 31, 2009 are due as follows:

	Principal and sinking fund contributions*	Interest	Total
	\$	\$	\$
2009/2010	13,960	33,799	47,759
2010/2011	14,614	31,331	45,945
2011/2012	14,101	28,001	42,102
2012/2013	14,456	26,444	40,900
2013/2014	15,236	25,661	40,897
Thereafter	484,892	189,779	674,671
Net long-term borrowings	557,259	335,015	892,274

* Retirement of sinking funds in the year that they mature are not included as payments in the above chart.

Included in net long-term borrowings are outstanding debentures of \$188,572 (2008 - \$188,572) secured by sinking fund assets with a carrying value, including accrued interest of \$25,469 (market value - \$26,041). Sinking fund assets are comprised of short-term notes and deposits, government and government-guaranteed bonds and debentures and corporate bonds.

Dufferin-Peel Catholic District School Board

Notes to consolidated financial statements

August 31, 2009

(In thousands of dollars)

4. Net long-term debt (continued)

- c) The Good Places to Learn ("GPL") initiative will provide the Board with \$32,166 for major renewal projects for its school buildings. GPL Phase 1 providing \$13,249, GPL Phase 2 providing \$5,360, GPL Phase 3 providing 11,267, and GPL Phase 4 a further \$2,290, were announced in 2005-2006, 2006-2007, 2007-2008 and 2008-2009 respectively. The annual principal and interest costs will be funded by the Ministry of Education.

5. Retirement and other employee future benefits

Retirement and Other Employee Future Benefit Liabilities

				2009	2008
	Retirement gratuity	Sick leave accumulation	Other employee future benefits	Total	Total
	\$	\$	\$	\$	\$
Accrued employee future benefit obligations at August 31	6,325	40,970	11,571	58,866	62,223
Unamortized actuarial losses at August 31	(159)	(2,748)	(371)	(3,278)	(9,216)
Employee future benefits liability at August 31	6,166	38,222	11,200	55,588	53,007

Dufferin-Peel Catholic District School Board

Notes to consolidated financial statements

August 31, 2009

(In thousands of dollars)

5. Retirement and other employee future benefits (continued)

Retirement and Other Employee Future Benefit Expenses

	2009			2008	
	Retirement gratuity	Sick leave accumulation	Other employee future benefits	Total	Total
	\$	\$	\$	\$	\$
Current year benefit cost	330	2,806	1,906	5,042	4,815
Amortization of actuarial losses	376	402	463	1,241	1,100
Interest on accrued benefit obligation	366	2,018	661	3,045	2,957
Employee future benefits expense*	1,072	5,226	3,030	9,328	8,872

* Excluding pension contributions to the Ontario Municipal Employees Retirement System, a multi-employer pension plan, described below.

Retirement benefits

i) Retirement Gratuities

The Board provides sick leave retirement gratuities to certain groups of employees. The academic staff is the largest group. Employee eligibility is determined based on the date the individual commenced employment with the Board. Teachers commencing employment after December 31, 1979 are not eligible for the retirement gratuity. Eligible teachers may accumulate a reserve of sick leave to a maximum of 200 days. An eligible teacher, who has 10 or more years of continuous service with the Board or predecessor boards, is entitled to a retirement gratuity which shall not exceed 50% of the salary rate at the date of retirement. The amount of the gratuities paid to eligible employees at retirement is based on 10% of the cumulative sick leave times an average daily salary, with an additional 2% of salary for each year of service beyond 10 years. The benefit costs expensed in the consolidated financial statements are \$1,072 (2008 - \$990). As at August 31, 2009, the Board has a reserve of \$2,295 (2008 - \$2,270) established for retirement gratuities (See Note 8).

ii) Sick Leave Accumulations

The Board provides compensated absences from sick leave accumulations through an unfunded defined benefit plan.

Other Employee Future Benefits

i) 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 benefit costs expensed in the consolidated financial statements are \$2,448 (2008 - \$2,315).

Based on the actuarial estimate, the total liability of all health and dental benefits for long-term disability for disabled employees accrued to-date is \$7,003 (2008 - \$5,606) and is included in retirement and other employee future benefits.

Dufferin-Peel Catholic District School Board

Notes to consolidated financial statements

August 31, 2009

(In thousands of dollars)

5. Retirement and other employee future benefits (continued)

Other Employee Future Benefits (continued)

ii) 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. The coverage is provided for various terms up to a maximum age of 65. The benefit costs expensed in the consolidated financial statements are \$583 (2008 - \$546).

Based on the actuarial estimate, the total liability of all post retirement benefits accrued to-date is \$4,198 (2008 - \$3,950) and is included in Retirement and other employee future benefits.

iii) Workplace Safety and Insurance Board Obligations ("WSIB")

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 liability for payments under WSIB are recognized at the time the event obligating the Board to pay occurs. At August 31, 2009 the Board has a liability of \$964 (2008 - \$512) in respect of WSIB obligations. The Board does not fund these obligations in advance of payments made under the Act. The benefit costs expensed during the year in the consolidated financial statements are, \$543 (2008 - \$450).

As at August 31, 2009, the Board has a Workers' Safety Insurance Board reserve of \$3,876 (2008 - \$3,834) (see Note 8).

The accrued benefit obligations for employee future benefit plans as at August 31, 2009 are based on actuarial valuations for accounting purposes as at August 31, 2009. 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:

	2009	2008
	%	%
Wage and salary escalation	2.35	3.40
Insurance and health care cost escalation	11.0 - 4.5	11.5 - 5.0
Dental care	7.0 - 4.5	7.5 - 4.0
Discount on accrued benefit obligation	4.75	4.75

Additional 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 rates of pay. The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2009, the Board contributed \$6,510 (2008 - \$6,469) 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.

Dufferin-Peel Catholic District School Board

Notes to consolidated financial statements

August 31, 2009

(In thousands of dollars)

6. Amounts to be recovered in future years

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

	2009	2008
	\$	\$
Net long-term borrowings (Note 4)	557,259	571,993
Capital leases (Note 3)	3,614	4,225
Retirement and other employee future benefits liability (Note 5)	55,588	53,007
Vacation accrual	3,504	3,015
Interest accrual	11,558	11,621
	631,523	643,861

7. Debt charges

Debt charges for the year include principal, sinking fund contributions and interest payments as follows:

	2009	2008
	\$	\$
Principal payments on long-term borrowings, including contributions to sinking fund	13,344	12,662
Interest payments on long-term borrowings	34,415	34,795
Total	47,759	47,457

Included in debt repayment and sinking fund contributions on the consolidated financial statements of \$14,734 (2008 - \$13,768) are the principal payments on long-term borrowings of \$13,344 (2008 - \$12,662) and sinking fund interest revenue of \$1,390 (2008 - \$1,106).

8. Reserves

Internally restricted reserves and reserve funds set aside for specific purposes by the Board of Trustees as at August 31 are comprised of:

	2009	2008
	\$	\$
Pupil accommodation	126,756	127,390
Workers' Safety Insurance Board	3,876	3,834
Retirement gratuity	2,295	2,270
Miscellaneous appropriations	18,713	9,258
	151,640	142,752

Dufferin-Peel Catholic District School Board

Notes to consolidated financial statements

August 31, 2009

(In thousands of dollars)

9. Expenditures by object

The following is a summary of the expenditures reported on the Consolidated Statement of Financial Activities and Fund Balance by object:

	Budget (unaudited)	2009 Actual	2008 Actual
	\$	\$	\$
Operating expenditures			
Salary and wages	540,786	556,525	526,108
Employee benefits	86,598	85,776	81,761
Staff development	1,821	2,465	1,528
Supplies and services	43,561	48,351	44,145
Interest	34,415	34,353	34,720
Rental expenditures	5,186	4,361	2,635
Fees and contract services	29,978	32,814	35,138
Other	4,128	4,620	4,256
School funded activities	22,432	24,868	25,504
	768,905	794,133	755,795
Capital expenditures	89,730	100,979	55,731
	858,635	895,112	811,526

10. Ontario School Board Insurance Exchange (OSBIE)

The Board participates for its liability, property and automobile insurance in the Ontario School Board's Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act, which is funded by the member boards across Ontario. Liability insurance is available to a maximum of \$20 million per occurrence.

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

11. Commitments and contingent liabilities

- a) The Board enters into contracts for the capital construction and renovation of various new and existing schools. The following summarizes the Board's commitment under these contracts as at August 31, 2009:

	Contract value	Expensed to date	Amount remaining
	\$	\$	\$
Construction of schools	90,134	67,570	22,564

Dufferin-Peel Catholic District School Board

Notes to consolidated financial statements

August 31, 2009

(In thousands of dollars)

11. Commitments and contingent liabilities (continued)

- b) The Board is committed to various leases for premises and equipment expiring in fiscal 2012/2013. The aggregate minimum lease payments are as follows:

	Minimum lease payments
	\$
2009/2010	1,036
2010/2011	598
2011/2012	433
2012/2013	171
Total	2,238

- c) The Board has been named as the defendant in certain legal actions in which damages have been sought. The outcome of these actions is not determinable as at August 31, 2009, therefore, no provision has been made for these claims in the financial statements. Any losses arising from these actions will be recorded in the year that the related litigation is settled or it is determined that the claim is likely and a reasonable estimate can be made.

12. Repayment of "55 School Board Trust" funding

On June 1, 2003, the Board received \$45.2 million from the "55 School Board Trust" for its capital related debt eligible for provincial funding support pursuant to a 30-year agreement it entered into with the trust. The "55 School Board Trust" was created to refinance the outstanding not permanently financed (NPF) debt of participating boards who are beneficiaries of the trust. Under the terms to the agreement, the "55 School Board Trust" repaid the board's debt in consideration for the assignment by the board to the trust of future provincial grants payable to the Board in respect of the NPF debt.

The flow-through of \$3.3 million (2008 - \$3.3 million) in grants in respect of the above agreement for the year ended August 31, 2009, is not recorded in these consolidated financial statements.

13. Tangible capital assets

For fiscal years beginning on or after January 1, 2009 the Board will be required to report the historical cost and the accumulated depreciation of tangible capital assets in its financial statements in accordance with The Public Sector Accounting Handbook PS3150 - Tangible Capital Assets.

For 2009, Public Sector Guideline 7 requires the disclosure of tangible capital asset information in the notes to the financial statements to the extent that reliable information is available.

- a) Summary of significant accounting policies - Tangible Capital Assets
- i. Acquisition cost: tangible capital assets were recorded at historical cost when the acquisition cost was available. Historical cost includes the costs directly related to the acquisition, design, construction, development, improvement or betterment of tangible capital assets. Cost includes overhead directly attributable to construction and development.

Dufferin-Peel Catholic District School Board

Notes to consolidated financial statements

August 31, 2009

(In thousands of dollars)

13. Tangible capital assets (continued)

a) Summary of significant accounting policies - Tangible Capital Assets (continued)

i. (continued)

When historical cost was not available, estimated historical cost was used to record existing tangible capital asset. The following methods were used to establish opening balances for the asset classes noted below:

Asset class	Pre-1965	1965 to March, 2005
Building	Benchmark estimate	Appraiser estimate
Land	At nominal value	Appraiser estimate
Equipment 10 years	N/A	Deflated replacement cost by CPI

ii. Amortization is reflected on a straight-line basis over the estimated useful life of the assets.

Asset class	Estimated useful life
Land improvements with finite lives	15 years
Buildings	40 years
Portable structures	20 years
First time equipping	10 years
Furniture	10 years
Equipment	5-10 years
Computer hardware	5 years
Computer software	5 years

Remaining service life for legacy building and land improvement (acquisitions prior to March 2005) were established by the Book Value Calculator (BVC), a tool used to estimate the historical cost and remaining service life of buildings and land improvements.

	Cost			Accumulated amortization			Net book value
	Opening September 2008	Net additions	Closing August 31, 2009	Opening September 2008	Net additions	Closing August 31, 2009	
	\$	\$	\$	\$	\$	\$	\$
Land	206,427	19,160	225,587	-	-	-	225,587
Land improvements	8,434	783	9,217	972	608	1,580	7,637
Buildings 40 years	1,073,892	65,348	1,139,240	185,089	28,164	213,253	925,987
Portable structures	17,092	-	17,092	13,498	783	14,281	2,811
First time equipping	11,674	1,783	13,457	3,337	1,257	4,594	8,863
Furniture	646	15	661	238	65	303	358
Equipment 5 years	332	100	432	103	75	178	254
Equipment 10 years	3,310	287	3,597	1,401	345	1,746	1,851
Computer hardware	5,142	1,409	6,551	1,980	1,146	3,126	3,425
Computer software	2,754	728	3,482	842	623	1,465	2,017
Construction in progress	8,499	4,423	12,922	-	-	-	12,922
Total	1,338,202	94,036	1,432,238	207,460	33,066	240,526	1,191,712

Dufferin-Peel Catholic District School Board

Consolidated schedule of operating fund financial activities and

fund balance - Schedule 1

year ended August 31, 2009

(In thousands of dollars)

	Budget (unaudited)	2009 Actual	2008 Actual
	\$	\$	\$
Revenues			
Local taxation	245,418	246,157	240,123
Provincial grants - Student focused funding	525,223	546,012	515,895
Provincial grants - Other	2,888	10,072	7,330
Federal grants and fees	350	665	465
Other revenues - School Boards	-	-	410
Other fees and revenues	4,090	6,342	5,147
Investment income	601	1,569	1,393
Total revenue	778,570	810,817	770,763
Expenditures			
Instruction	591,689	612,845	573,586
Administration	22,042	23,265	24,120
Transportation	20,650	19,402	20,177
School operations and maintenance	74,307	76,030	74,321
Pupil accommodation	34,415	34,353	34,720
Other	3,369	3,369	3,367
Total expenditures	746,472	769,264	730,291
Net revenue	32,098	41,553	40,472
Decrease in non-financial assets	-	2,196	1,654
Repayment of obligations under capital lease	-	(2,125)	(2,019)
Debt repayment and sinking fund contributions	(13,945)	(14,735)	(13,768)
Increase in unfunded liabilities	2,802	3,007	2,258
Change in amounts to be recovered	(11,143)	(13,853)	(13,529)
Net transfers to other funds			
Transfer to Capital Fund	(13,693)	(23,713)	(16,362)
Transfer to Reserve Fund	(7,262)	(6,183)	(10,770)
Net transfers to other funds	(20,955)	(29,896)	(27,132)
Change in operating fund balance	-	-	1,465
Operating fund balance, beginning of year	-	-	(1,465)
Operating fund balance, end of year	-	-	-

Dufferin-Peel Catholic District School Board

Consolidated schedule of capital fund financial activities and fund balance - Schedule 2

year ended August 31, 2009

(In thousands of dollars)

	Budget (unaudited)	2009 Actual	2008 Actual
	\$	\$	\$
Revenues			
Education Development Charges	9,000	5,957	10,889
Expenditures			
Instruction	1,723	4,549	4,806
Administration	160	638	1,304
Transportation	-	15	12
School operations and maintenance	-	471	309
Pupil accommodation	87,848	95,306	49,300
Total expenditures	89,731	100,979	55,731
Net expenditure	(80,731)	(95,022)	(44,842)
Long-term financing	-	1,515	7,146
Net transfers from other funds			
Transfers from Operating Fund	13,693	23,713	16,362
Net transfers from other funds	13,693	23,713	16,362
Change in capital fund balance	(67,038)	(69,794)	(21,334)
Capital fund balance, beginning of year	71,203	68,221	89,555
Capital fund balance, end of year	4,165	(1,573)	68,221

Dufferin-Peel Catholic District School Board

Consolidated schedule of reserve fund financial activities and fund balance - Schedule 3

year ended August 31, 2009

(In thousands of dollars)

		2009	2008
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
Revenues			
Investment income	3,478	2,705	4,967
Net transfers from other funds			
Transfers from Operating Fund	7,262	6,183	10,770
Net transfers from other fund	7,262	6,183	10,770
Change in reserve fund balance	10,740	8,888	15,737
Reserve fund balance, beginning of year	136,179	142,752	127,015
Reserve fund balance, end of year	146,919	151,640	142,752

Dufferin-Peel Catholic District School Board

Consolidated schedule of school generated funds financial activities and fund balance - Schedule 4

year ended August 31, 2009

(In thousands of dollars)

		2009	2008
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
Revenues	21,891	25,884	25,734
Expenditures	22,432	24,868	25,504
Change in school generated funds financial activities fund balance	(541)	1,016	230
School general funds financial activities fund balance, beginning of year	4,147	6,232	6,002
School general funds financial activities fund balance, end of year	3,606	7,248	6,232