



AGENDA AND MATERIAL

SPECIAL BOARD MEETING

**TUESDAY, NOVEMBER 10, 2009
9:30 P.M.**

**FATHER KENNETH BURNS, C.S.C. BOARD ROOM
CATHOLIC EDUCATION CENTRE, WELLAND, ONTARIO**

A. ROUTINE MATTERS

1. Opening Prayers -
2. Roll Call -
3. Approval of the Agenda -
4. Declaration of Conflict of Interest -

B. TRUSTEE ITEMS, OPEN QUESTION PERIOD & OTHER BUSINESS

1. Audited Financial Statements for the Year 2008-2009 B1

C. BUSINESS IN CAMERA

D. REPORT ON THE IN CAMERA SESSION

E. ADJOURNMENT

**TO: NIAGARA CATHOLIC DISTRICT SCHOOL BOARD
SPECIAL BOARD MEETING
PUBLIC SESSION
NOVEMBER 10, 2009**

**TOPIC: AUDITED FINANCIAL STATEMENTS
FOR THE YEAR 2008-2009**

RECOMMENDATION

THAT the Niagara Catholic District School approve the Audited Financial Statements for the year 2008-09, as presented.

Prepared by: Larry Reich, Superintendent of Business and Financial Services

Presented by: John Crocco, Director of Education

Approved by: John Crocco, Director of Education

Date: November 10, 2009



NIAGARA CATHOLIC
DISTRICT SCHOOL BOARD

REPORT TO THE SPECIAL BOARD MEETING NOVEMBER 10, 2009

AUDITED FINANCIAL STATEMENTS FOR THE YEAR 2008-2009

BACKGROUND INFORMATION

The Board Auditors have completed the audit engagement for the year 2008-2009.

At this time, we advise the Trustees that the Audited Financial Statements have been released by the Board Auditors, Crawford, Smith and Swallows, Chartered Accountants.

We are pleased to enclose the following information, for the review and consideration of the Trustees:

APPENDIX A

Appendix A represents the Management Letter, which comments on the completion and the results of the Audit Engagement for the year 2008-2009.

APPENDIX B

Appendix B represents the Post-Audit Letter, which outlines the various matters arising from the Audit of the Board for the year 2008-2009.

APPENDIX C

Appendix C represents the Audited Financial Statements for the year 2008-2009, which includes the Management Report, the Auditors Report, the Consolidated Financial Statements and the notes to the Consolidated Financial Statements.

With the approval of the Board, the Audited Financial Statements for the year 2008-2009 will be submitted to the Ministry of Education by November 16, 2009.

RECOMMENDATION

THAT the Niagara Catholic District School Board approve the Audited Financial Statements for the year 2008-2009, as presented.

Prepared by: Larry Reich, Superintendent of Business & Financial Services

Presented by: John Crocco, Director of Education

Approved by: John Crocco, Director of Education

Date: December 1, 2009

APPENDIX A



NIAGARA CATHOLIC
DISTRICT SCHOOL BOARD

FINANCIAL STATEMENTS

**Management Letter
for the year ended August 31, 2009**

Crawford, Smith and Swallow
Chartered Accountants LLP

4741 Queen Street
Niagara Falls, Ontario
L2E 2M2
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Offices in:
Niagara Falls, Ontario
St. Catharines, Ontario
Fort Erie, Ontario
Niagara-on-the-Lake, Ontario
Port Colborne, Ontario

*crawford
smith &
swallow*

A₁

November 06, 2009

Niagara Catholic District School Board
427 Rice Road
Welland, Ontario
L3C 7C1

Attention: Board of Trustees

Dear Members of the Board of Trustees:

Re: Niagara Catholic District School Board
Management Letter for the Year Ended August 31, 2009

We have now completed our examination of the consolidated financial statements of the Niagara Catholic District School Board for the year ended August 31, 2009. As stated in our report dated October 9, 2009 addressed to the Trustees of the Board, the consolidated financial statements are the responsibility of management. Our responsibility is to express an opinion on the consolidated financial statements based on our audit. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Board as at August 31, 2009 and the results of operations for the year then ended in accordance with Canadian generally accepted accounting principles.

We were provided with full and excellent co-operation by the management and staff and no limitations of any kind were placed on the scope of our examination.

It is our office policy to report on internal control weaknesses which come to our attention in the course of our audit and recommend improvement for the future. We are pleased to advise that no significant matters were noted in the current year. Matters of a minor nature were discussed with the appropriate staff at the time of our audit.

As in prior years, we were impressed with the quality of work performed by the Board's accounting department. Mr. Larry Reich, Mr. Bill Tumath and the accounting department continue to provide our office with an outstanding year end financial package.

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We would like to take this opportunity to thank Mr. Reich, Mr. Tumath and the accounting department for all assistance provided to our office in the course of our audit.

Yours very truly,

**CRAWFORD, SMITH AND SWALLOW
CHARTERED ACCOUNTANTS LLP**



Mark Palumbi, CA
Engagement Partner

MP*gz

c.c. Mr. J. Crocco, Director of Education/Secretary Treasurer
Mr. L. Reich, Superintendent of Business & Financial Services

APPENDIX B



NIAGARA CATHOLIC
DISTRICT SCHOOL BOARD

FINANCIAL STATEMENTS

**Post-Audit Letter
for the year ended August 31, 2009**

Crawford, Smith and Swallow
Chartered Accountants LLP

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smith &
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November 2, 2009

Board of Trustees
Niagara Catholic District School Board
427 Rice Road
Welland, Ontario
L3C 7C1

Dear Members of the Board of Trustees:

The following are matters arising from the audit of Niagara Catholic District School Board for the year ended August 31, 2009. This list is not meant to be all-inclusive, nor in any way to restrict the communication of other matters.

Completion of External Audit

We have expressed an unqualified opinion as to whether the consolidated financial statements present fairly in accordance with Canadian generally accepted accounting principles the financial position, results of operations and cash flows of the organization.

The interim audit was conducted during a one week period in September 2009. The year end audit was conducted during a three week period in October 2009.

Fraud

Auditor's Responsibility To Consider Fraud and Error in an Audit of Financial Statements, CICA Handbook 5135, defines fraud as "an intentional act by one or more individuals among management, other employees, those charged with governance, or third parties, involving the use of deception to obtain an unjust or illegal advantage. Although fraud is a broad legal concept, the auditor is concerned with fraudulent acts that cause a material misstatement in the financial statements. Misstatement of the financial statements may not be the objective of some frauds, and misappropriation of assets may not necessarily result in a misstatement of the financial statements. Auditors do not make legal determinations of whether fraud has actually occurred. Fraud involving one or more members of management or those charged with governance is referred to as "management fraud"; fraud involving only employees of the entity is referred to as "employee fraud". In either case, there may be collusion with third parties outside the entity."

We confirm that there were no findings of fraud to communicate to the board of trustees.

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Illegal Acts

Misstatements - Illegal Acts, CICA Handbook 5136 states that the term "illegal act" means a violation of a domestic or foreign statutory law or government regulation attributable to the entity under audit, or to management or employees acting on the entity's behalf. Illegal acts do not include personal misconduct by the entity's management or employees unrelated to the entity's business activities. As explained in CICA Handbook 5136, auditors conducting an audit in accordance with generally accepted auditing standards may not detect an illegal act, or recognize an act as being illegal, even if the effect of its consequences on the financial statements is material. However, the auditors, by applying procedures for the purpose of forming an opinion on the financial statements, may obtain evidence which indicates that an illegal or possibly illegal act may have occurred.

We confirm that no evidence which indicates an illegal or possibly illegal act was found.

Weaknesses in Internal Control

Internal Control in the Context of an Audit, CICA Handbook 5220, provides the following guidance concerning the communication of significant weaknesses in internal control:

CICA Handbook 5220.03 In conducting the audit, the auditors would consider only those internal controls relevant to the audit of the financial statements. An audit is not designed to consider whether internal control is adequate for management's purposes. Consequently, the auditors would only identify weaknesses in internal control that come to the auditors' attention during the financial statement audit. The auditors may not identify all the weaknesses that exist. A weakness in internal control is a deficiency in the design or effective operation of internal control. The identification of weaknesses in internal control is influenced by matters such as the auditors' assessment of materiality, the auditors' preliminary assessment of the components of audit risk and the audit approach used by the auditors. For example, if the auditors use a substantive audit approach for a particular financial statement assertion, they will not perform tests of controls in this area. Therefore the auditors' knowledge of controls in this area will generally be limited. Accordingly, the auditors will not have a detailed knowledge of the control systems that enhance the reliability of data and information and therefore may not identify weaknesses in these control systems.

CICA Handbook 5220.04 A weakness in internal control is significant if, in the auditors' professional judgment, the deficiency is such that a material misstatement is not likely to be prevented or detected in the financial statements being audited. For those weaknesses that resulted in a misstatement, the auditors' judgment that the weakness is significant would not be affected by management's decision to correct the misstatements.

We also confirm that we encountered no significant weaknesses in internal control that should be communicated to the board of trustees.

Related Party Transactions

As explained in Audit of Related Party Transactions, CICA Handbook 6010, auditors conducting an audit in accordance with generally accepted auditing standards may identify related party transactions which are not in the normal course of operations and which, in the auditors' professional judgment, involve significant judgments by management concerning measurement or disclosure.

We confirm that other than the transactions disclosed in note eleven (Related Party Transactions) of the consolidated financial statements, no such transactions requiring the board of trustees to be informed were identified during the audit. We also confirm that the organization has adequate controls in place to identify related party transactions.

Significant Accounting Principles and Policies

The auditors should determine that the board of trustees is informed about:

- (a) the initial selection of and changes in significant accounting policies, including the adoption of new accounting pronouncements, which encompass the specific principles and their method of application;
- (b) the effect of significant accounting policies in controversial or emerging areas, or those unique to an industry;
- (c) the existence of acceptable alternative policies and methods, and the acceptability of the particular policy or method used by management; and
- (d) the effect on the financial statements of significant unusual transactions.

There were no changes to significant accounting principles or policies during the year.

Management Judgments and Accounting Estimates

The auditors should determine that the board of trustees is informed about:

- (a) the issues involved, and related judgments made by management, in formulating particularly sensitive accounting estimates and disclosures (for example, disclosures related to going concern, subsequent events and contingency issues);
- (b) the basis for the auditor's conclusions regarding the reasonableness of the estimates made by management in the context of the financial statements taken as a whole;
- (c) the factors affecting asset and liability carrying values, including the entity's bases for determining useful lives assigned to tangible and intangible assets; and
- (d) the timing of transactions that affect the recognition of revenues or avoid recognition of expenses.

We confirm that we are satisfied with all management estimates.

Other Matters Arising From the Audit

The auditor communicates with the board of trustees any disagreements with management about matters that individually or in the aggregate could be significant to the organization's financial statements or the auditors' report, whether or not satisfactorily resolved. The auditor need not report initial differences of opinion arising from incomplete facts or preliminary information that are later resolved to the auditor's satisfaction.

We confirm that no disagreements were encountered.

In some cases, management may decide to consult with other accountants about auditing and accounting matters. When the auditor is aware that such consultation has occurred, the auditor would communicate with the board of trustees as appropriate. If the auditor finds that the consultation has not occurred in accordance with Reports on the Application of Accounting Principles, Auditing Standards or Review Standards, CICA Handbook 7600, this would be communicated with the board of trustees.

We confirm that we are not aware of any consultations with other accountants.

The auditor communicates with the board of trustees any major issues discussed with management in connection with the initial or recurring appointment of the auditor, including, among other matters, discussions regarding the application of accounting principles and auditing standards, and fees.

We confirm that there are no major issues in connection with the recurring appointment of the auditor.

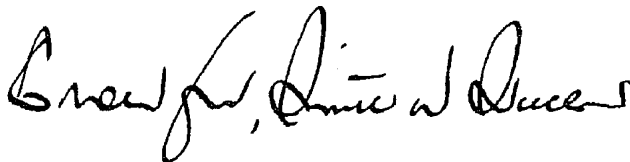
The auditor informs the board of trustees of any serious difficulties encountered while performing the audit, including significant delays in management providing information required for the audit and an unnecessarily brief timetable in which to complete the audit.

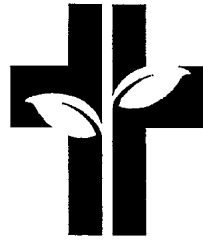
We confirm that no serious difficulties were encountered in the performance of the audit.

We look forward to discussing with you the matters outlined in this letter as well as other matters that may be of interest to you.

Yours very truly,

**CRAWFORD, SMITH AND SWALLOW
CHARTERED ACCOUNTANTS LLP**





**NIAGARA CATHOLIC
DISTRICT SCHOOL BOARD**

FINANCIAL STATEMENTS

**Audited Financial Statements
for the year ended August 31, 2009**

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NIAGARA CATHOLIC DISTRICT SCHOOL BOARD
MANAGEMENT REPORT
August 31, 2009

The accompanying consolidated financial statements of the Niagara Catholic District School Board are the responsibility of the Board's 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 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 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 Board meets with management 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 Crawford, Smith and Swallow Chartered Accountants 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 consolidated financial statements.



Director of Education
Mr. John Crocco



Chief Financial Officer
Mr. Larry Reich, CA

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Chartered Accountants LLP

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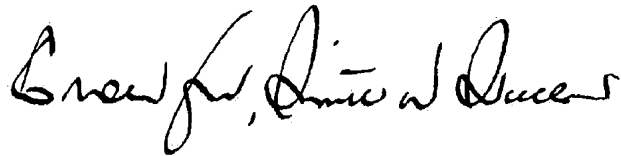
AUDITORS' REPORT

To the Trustees of the
Niagara Catholic District School Board

We have audited the consolidated statement of financial position of Niagara Catholic District School Board as at August 31, 2009 and the consolidated statements of financial activities and changes in financial position for the year then ended. These consolidated financial statements are the responsibility of the Board's management. 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 plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

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



Niagara Falls, Ontario
October 9, 2009


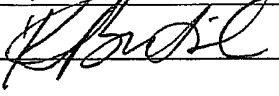
CRAWFORD, SMITH AND SWALLOW
CHARTERED ACCOUNTANTS LLP
LICENSED PUBLIC ACCOUNTANTS

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NIAGARA CATHOLIC DISTRICT SCHOOL BOARD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 August 31, 2009

	2009 \$	2008 \$
Financial Assets		
Cash	33,350,334	31,651,708
Accounts receivable	9,768,462	7,729,417
	43,118,796	39,381,125
Contingent Liabilities - note 12		
Financial Liabilities		
Accounts payable and accrued liabilities	9,674,053	8,599,663
Deferred revenue - note 3	7,198,167	4,830,400
Employee future benefits - note 4	16,392,450	15,594,024
Net long-term liabilities - note 5	93,671,693	91,806,910
	126,936,363	120,830,997
Net Financial Liabilities	(83,817,567)	(81,449,872)
Non-Financial Assets		
Prepaid expense	89,555	326,888
Net Liabilities	(83,728,012)	(81,122,984)
Financial Position		
Operating fund	-	-
Capital fund	(5,426,489)	(4,998,694)
Reserves and reserve funds	29,221,943	28,738,119
School activities funds	2,136,985	1,969,143
Total Fund Balances	25,932,439	25,708,568
Amounts to be recovered in future years - note 6	(109,660,451)	(106,831,552)
Net Financial Position	(83,728,012)	(81,122,984)

Signed on behalf of the Board:


 _____ Director of Education

 _____ Chairperson of the Board

See accompanying notes

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NIAGARA CATHOLIC DISTRICT SCHOOL BOARD

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended August 31, 2009

	2009 \$	2008 \$
Revenues		
Local taxation	46,163,808	46,786,298
Provincial legislative grants	168,848,225	162,161,429
Provincial grants - other	5,516,556	5,224,994
Federal grants and fees	411,882	405,781
Other fees and revenue	2,719,081	2,093,802
Investment income	396,597	1,042,917
School fundraising	8,902,945	9,375,630
	232,959,094	227,090,851
Expenditures		
Instruction	174,636,020	160,744,738
Administration	7,543,655	7,530,274
Transportation	11,164,802	9,434,860
School operations and maintenance	20,477,848	20,464,057
Pupil accommodation	12,651,874	12,468,172
Other operating expenses	117,487	117,487
School funded activities	8,735,103	9,276,000
	235,326,789	220,035,588
Net Revenues (Expenditures)	(2,367,695)	7,055,263
Increase (Decrease) in Non-Financial Assets	(237,333)	218,399
Change in Net Assets	(2,605,028)	7,273,662
Financing Transactions		
Add: Long-term financing issued	4,683,110	10,350,737
Less: Employee future benefits	964,116	(388,112)
Less: Debt repayments and sinking fund contributions	(2,818,327)	(5,715,294)
	2,828,899	4,247,331
Change in Fund Balances	223,871	11,520,993

See accompanying notes

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NIAGARA CATHOLIC DISTRICT SCHOOL BOARD

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

for the year ended August 31, 2009

	2009 \$	2008 \$
Operations		
Net revenues (expenditures)	(2,367,695)	7,055,263
Sources (Uses)		
Change in accounts receivable	(2,039,045)	(127,471)
Change in accounts payable and accrued liabilities	1,074,390	(1,365,415)
Change in deferred revenue	2,367,767	169,692
Change in employee future benefits	798,426	(403,919)
	2,201,538	(1,727,113)
Net increase (decrease) in cash from operations	(166,157)	5,328,150
Financing		
Long-term financing issued	4,683,110	10,350,737
Debt repayments and sinking fund contributions	(2,818,327)	(5,715,294)
Net increase in cash from financing	1,864,783	4,635,443
Increase in Cash Position	1,698,626	9,963,593
Cash Position, Beginning of Year	31,651,708	21,688,115
Cash Position, End of Year	33,350,334	31,651,708

See accompanying notes

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NIAGARA CATHOLIC DISTRICT SCHOOL BOARD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended August 31, 2009

1. Significant Accounting Policies

The consolidated financial statements have been prepared by management 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) Reporting entity

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

School generated funds, which include 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.

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

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

(d) Cash and cash equivalents

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

(e) Tangible capital assets

The historical cost and accumulated depreciation of tangible capital assets are not reported. Tangible capital assets are reported as expenditures on the "Consolidated Statement of Financial Activities" in the year of acquisition. See note 2.

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NIAGARA CATHOLIC DISTRICT SCHOOL BOARD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended August 31, 2009

1. Significant Accounting Policies - continued

(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 expenditures are incurred or services provided.

(g) Retirement and other employee future benefits

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, future paid sick leave benefits, retirement gratuity, workers' compensation and long-term disability benefits. The Board has adopted the following policies with respect to accounting for these employee benefits:

- (i) The costs of self insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, accumulated sick days during employment and 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 the employees, such as future paid sick leave benefits or retirement gratuities, the cost is actuarially determined using 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 workers' compensation, long-term disability and life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

- (ii) The costs of multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System pensions, are the employer's contributions due to the plan in the period.
- (iii) The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the period.

(h) Reserve and reserve funds

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

NIAGARA CATHOLIC DISTRICT SCHOOL BOARD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended August 31, 2009

1. Significant Accounting Policies - continued

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

Investment income earned on externally restricted funds such as 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 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 Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board, the budget figures presented have been adjusted to conform with the basis of accounting used to prepare the consolidated financial statements. The budget figures are unaudited.

(l) 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, disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and reported amounts of revenues and expenditures during the reporting period. Actual results may vary from current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known.

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NIAGARA CATHOLIC DISTRICT SCHOOL BOARD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended August 31, 2009

2. Tangible Capital Assets

For fiscal years beginning on or after January 1, 2009 the Board will be required to report the historical cost and the accumulated amortization of tangible capital assets in its financial statements in accordance with The Public Sector Accounting Handbook PS3150 - Tangible Capital Assets. The Board will fully implement this standard beginning with the August 31, 2010 fiscal year.

For 2008 and 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.

Tangible capital assets will be recorded at historical cost. 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 assets, if the actual cost was unknown when the board first started to prepare to implement tangible capital asset accounting.

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

Land improvements with finite lives	15 years
Buildings	40 years
Portable structures	20 years
Equipment	5 years
First time equipping	10 years
Furniture	10 years
Computer hardware	5 years
Computer software	5 years
Vehicles	5 years

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NIAGARA CATHOLIC DISTRICT SCHOOL BOARD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended August 31, 2009

2. Tangible Capital Assets - continued

	Cost \$	Accumulated Amortization \$	August 31, 2009 \$	August 31, 2008 \$
Land	6,925,089	-	6,925,089	6,925,088
Land improvements	2,248,303	689,365	1,558,938	723,031
Buildings	186,194,706	53,923,619	132,271,087	135,433,577
Portable structures	5,378,157	3,621,174	1,756,983	2,025,860
Construction in progress	3,225,029	-	3,225,029	56,161
Equipment	586,724	218,826	367,898	194,911
First time equipping	3,617,925	2,218,168	1,399,757	1,776,934
Furniture	32,926	15,916	17,010	21,169
Computer hardware	4,666,665	2,675,244	1,991,421	2,551,596
Computer software	865,279	425,394	439,885	496,492
Vehicles	53,139	20,513	32,626	19,233
	213,793,942	63,808,219	149,985,723	150,224,052

3. Deferred Revenue

The use of certain reserve funds are restricted by the provincial government regulations. It is a requirement of the public sector accounting principles of the Canadian Institute of Chartered Accountants that these reserve funds be reported as deferred revenue.

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

	2009 \$	2008 \$
Proceeds of disposition	4,655,631	4,603,202
Special education	229,786	227,198
Energy efficient schools - operating	307,678	-
Energy efficient schools - capital	2,005,072	-
	7,198,167	4,830,400

	2009 \$	2008 \$
Balance, beginning of year	4,830,400	4,660,708
Additions	2,312,750	-
Interest earned	55,017	169,692
Balance, end of year	7,198,167	4,830,400

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NIAGARA CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended August 31, 2009

4. Employee Future Benefits

	2009 \$	2008 \$
Future paid sick leave benefits	9,857,568	9,444,509
Retirement gratuities	5,136,640	5,074,431
WSIB - Schedule II future liability	1,194,660	884,810
Vacation pay	203,582	190,274
	16,392,450	15,594,024

Ontario Teachers' Pension Plan

Teachers and related employee groups are eligible to be members of Ontario Teachers' 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.

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 \$ 1,789,418 (2008 - \$ 1,757,700) 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.

Future Paid Sick Leave Benefits

The Board allows for the accumulation of sick days for certain groups of employees hired after specified dates up to an allowable maximum provided in their 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. The use of accumulated sick days for sick leave compensation ceases on termination of employment. 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.

As a result of an actuarial valuation for the year ending August 31, 2009, it was determined that an actuarial loss of \$ 4,313,181 existed. This amount is being amortized over the expected average remaining service lives of several employee groups. The unamortized value is \$ 4,053,250. The actual obligation is \$ 13,910,818.

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NIAGARA CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended August 31, 2009

4. Employee Future Benefits - continued

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.

As a result of an actuarial valuation for the year ending August 31, 2009, it was determined that an actuarial loss of \$ 890,286 existed. This amount is being amortized over the expected average remaining service lives of several employee groups. The unamortized value is \$ 779,033. The actual obligation is \$ 5,915,673.

WSIB - Schedule II Future Liability

The Board is a Schedule II 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 costs and liabilities related to this plan are included in the Board's consolidated financial statements.

A reserve has been established for this liability. The balance as at August 31, 2009 is \$ 924,860 (2008 - \$ 914,444).

Future paid sick leave benefits:

	2009 \$	2008 \$
Employee benefit plan assets	-	-
Employee benefit plan liabilities	9,857,568	9,444,509
Employee benefit plan deficit	9,857,568	9,444,509

	2009 \$	2008 \$
Accrued benefit obligation, beginning of year	9,444,509	9,811,137
Expense for the year	1,654,113	822,529
Benefits paid during the year	(1,241,054)	(1,189,157)
Accrued benefit obligation, end of year	9,857,568	9,444,509

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NIAGARA CATHOLIC DISTRICT SCHOOL BOARD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended August 31, 2009

4. Employee Future Benefits - continued

Retirement gratuities:

	2009 \$	2008 \$
Employee benefit plan assets	-	-
Employee benefit plan liabilities	5,136,640	5,074,431
Employee benefit plan deficit	5,136,640	5,074,431

	2009 \$	2008 \$
Accrued benefit obligation, beginning of year	5,074,431	5,267,464
Expense for the year	675,444	659,359
Benefits paid during the year	(613,235)	(852,392)
Accrued benefit obligation, end of year	5,136,640	5,074,431

WSIB Schedule II future liability:

	2009 \$	2008 \$
Employee benefit plan assets	-	-
Employee benefit plan liabilities	1,194,660	884,810
Employee benefit plan deficit	1,194,660	884,810

	2009 \$	2008 \$
Accrued benefit obligation, beginning of year	884,810	687,131
Expense for the year	710,159	510,189
Benefits paid during the year	(400,309)	(312,510)
Accrued benefit obligation, end of year	1,194,660	884,810

The accrued benefit obligations for future paid sick leave benefits, retirement gratuities and WSIB Schedule II future liability benefit plans as at August 31, 2009 are based on actuarial valuations for accounting purposes. These actuarial valuations were based on assumptions about future events. The economic assumptions used in the valuations are the Board's best estimates of expected rates of:

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NIAGARA CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended August 31, 2009

4. Employee Future Benefits - continued

General Inflation - Future general inflation levels were assumed between 1.5% and 2%.

Interest (Discount) Rate - The present value of future liabilities and the expense were determined using discount rates of 4.25% and 4.5%.

5. Net Long-Term Liabilities

The balance of net long-term liabilities reported on the "Consolidated Statement of Financial Position" is comprised of the following:

	2009 \$	2008 \$
Unmatured debenture debt	82,161,000	80,035,009
Sinking fund debentures	12,841,325	12,841,325
Less: Sinking fund assets	(1,330,632)	(1,069,424)
	93,671,693	91,806,910

The net-long-term liabilities outstanding amount of \$ 93,671,693 bears interest at annual rates ranging from 4.56% to 8.5% maturing between 2010 and 2033. Principal of \$ 93,671,693 plus interest of \$ 55,964,709 are payable over the next five years and thereafter as follows:

	Principal and Sinking Fund Contributions \$	Interest \$	Total \$
2010	3,066,889	5,373,835	8,440,724
2011	3,279,835	5,198,267	8,478,102
2012	8,194,215	4,836,523	13,030,738
2013	3,554,319	4,462,347	8,016,666
2014	8,035,977	4,134,412	12,170,389
Thereafter	67,540,458	31,959,325	99,499,783
	93,671,693	55,964,709	149,636,402

Included in net long-term debt are outstanding debentures of \$ 12,841,325 (2008 - \$ 12,841,325) secured by sinking fund assets with a carrying value of \$ 1,330,632 (market value - \$ 1,330,632). Sinking fund assets are comprised of bank deposits.

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NIAGARA CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended August 31, 2009

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 \$
Employee future benefits	(15,988,758)	(15,024,642)
Net long-term liabilities	(93,671,693)	(91,806,910)
Balance, end of year	(109,660,451)	(106,831,552)

7. Trust Funds

	2009 \$	2008 \$
Larkin Award Fund	15,430	14,301
Kristen French Scholarship Fund	129,072	130,585
Marion Oakley Fund	5,278	5,207
Nicole Longe Memorial Fund	6,976	7,079
James and Anna McGarry	8,539	8,622
Teachers Finance Leave Plan	1,072,821	820,342
Michael and Isabelle Moran	54,116	54,876
Hugo and Corrinne Massotti	57,934	59,136
	1,350,166	1,100,148

8. Debt Charges and Capital Loan Interest

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

	2009 \$	2008 \$
Principal payments on long-term capital loans	2,818,327	5,715,294
Interest payments on long-term capital loans	5,309,477	5,063,704
	8,127,804	10,778,998

NIAGARA CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended August 31, 2009

9. Expenditures by Object

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

	2009 \$	2008 \$
Current expenditures:		
Salaries and wages	157,927,843	144,744,059
Employee benefits	21,753,894	20,220,351
Staff development	645,252	674,947
Supplies and services	19,574,637	20,034,957
Interest	5,309,477	5,063,704
Rental expenditures	603,090	622,541
Fee and contract services	13,036,973	11,291,538
	218,851,166	202,652,097
Capital expenditures	7,740,520	8,107,491
School funded activities	8,735,103	9,276,000
Total expenditures by object	235,326,789	220,035,588

10. 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.

11. Related Party Transactions

Related party transactions during the year not separately disclosed in the consolidated financial statements include the following:

An amount of \$ 155,640 has been received from the Niagara Foundation for Catholic Education and recorded net of related expenditures.

12. Contractual Obligations and Contingent Liabilities

Legal

As at August 31, 2009, the Board has certain legal claims outstanding. It is management's assertion that adequate insurance coverages are in effect for the settlement of these claims, if necessary.

Letters of Credit

The Board has authorized letters of credit in favour of the City of Welland in the amount of \$ 25,000 and the Town of Grimsby in the amount of \$ 421,860. All of these letters of credit relate to site plan deposits. These letters of credit are covered under the security as described under credit facilities in note 14.

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NIAGARA CATHOLIC DISTRICT SCHOOL BOARD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended August 31, 2009

13. Commitments

Lease Obligations

The Niagara Catholic District School Board is committed to make the following minimum future lease payments under several operating leases over the next five years:

	\$
2010 -	987,253
2011 -	783,775
2012 -	607,946
2013 -	383,851
2014 -	312,874

14. Credit Facilities

The Board has two facilities available at any time for use. Credit facility #1 is a revolving demand operating credit available in the amount of \$ 12,000,000 for use for current expenditures only and bears interest at prime less 1/2%. Credit facility #2 is a revolving demand instalment loan in the amount of \$ 500,000 to finance capital expenditures which would bear interest at prime. As at August 31, 2009, \$ 446,860 has been drawn upon by way of letters of credit as per note 12 against credit facility #1 and NIL against credit facility #2. Security is by way of executed by-laws in compliance with applicable legislative requirements.

15. Financial Instruments

Fair value

The Board's financial instruments include cash, accounts receivable, accounts payable and accrued liabilities. The carrying value of these instruments approximates their fair value due to their immediate or short-term liquidity.

Fair value information with respect to net long-term liabilities has been omitted because it is not practical to determine fair value with sufficient reliability.

Credit risk

The Board is exposed to credit risk on certain sundry accounts receivable. However, because of the large number of accounts, credit risk concentration is reduced to a minimum.

Cash flow risk

The Board's net long-term debt is at fixed interest rates, thus limiting the cash flow risk.

The Board has short-term deposits and variable rate credit facilities bearing interest which varies with the prime interest rate. Accordingly, the Board is exposed to cash flow risks relating to potential fluctuations in market interest rates.

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NIAGARA CATHOLIC DISTRICT SCHOOL BOARD

SCHEDULE OF OPERATING FUND

for the year ended August 31, 2009

	Budget 2009 \$	Actual 2009 \$	Actual 2008 \$
Revenues			
Local taxation	46,664,781	46,163,808	46,786,298
Provincial legislative grants	162,552,287	168,848,225	162,161,429
Provincial grants - other	2,968,085	5,516,556	5,224,994
Federal grants and fees	382,199	411,882	405,781
Other fees and revenues	2,015,299	2,719,081	2,093,802
Investment income	60,000	187,939	432,259
	214,642,651	223,847,491	217,104,563
Expenditures			
Instruction	166,458,352	173,993,631	159,729,407
Administration	6,865,374	7,418,848	7,490,420
Transportation	10,926,401	11,144,898	9,413,730
School operations and maintenance	19,681,984	20,353,735	20,304,808
Pupil accommodation	5,716,831	5,822,567	5,596,245
Other	117,487	117,487	117,487
	209,766,429	218,851,166	202,652,097
Net Revenues	4,876,222	4,996,325	14,452,466
Increase (Decrease) in Non-Financial Assets	-	(237,333)	218,399
Financing and Transfers			
Employee future benefits	-	964,116	(388,112)
Debt repayments and sinking fund contributions	(2,557,120)	(2,818,327)	(5,715,294)
Transfer to capital fund	(4,279,108)	(2,629,615)	(3,840,275)
Transfer to reserves and reserve funds	1,960,006	(275,166)	(4,727,184)
Net financing and transfers	(4,876,222)	(4,758,992)	(14,670,865)
Change in Operating Fund	-	-	-
Operating Fund, Beginning of Year	-	-	-
Operating Fund, End of Year	-	-	-

See accompanying notes

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NIAGARA CATHOLIC DISTRICT SCHOOL BOARD

SCHEDULE OF CAPITAL FUND

for the year ended August 31, 2009

	2009	2008
	\$	\$
Expenditures		
Instruction	642,389	1,015,331
Administration	124,807	39,854
Transportation	19,904	21,130
School operations and maintenance	124,113	159,249
Pupil accommodation	6,829,307	6,871,927
Net Expenditures	7,740,520	8,107,491
Financing and Transfers		
Long-term financing issued	4,683,110	10,350,737
Transfer from operating fund	2,629,615	3,840,275
Net financing and transfers	7,312,725	14,191,012
Change in Capital Fund	(427,795)	6,083,521
Capital Fund, Beginning of Year	(4,998,694)	(11,082,215)
Capital Fund, End of Year	(5,426,489)	(4,998,694)

See accompanying notes

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NIAGARA CATHOLIC DISTRICT SCHOOL BOARD

SCHEDULE OF RESERVES AND RESERVE FUNDS

for the year ended August 31, 2009

	2009 \$	2008 \$
Revenues		
Investment income	208,658	610,658
Financing and Transfers		
Transfer from operating fund	275,166	4,727,184
Change in Reserves and Reserve Funds	483,824	5,337,842
Reserves and Reserve Funds, Beginning of Year	28,738,119	23,400,277
Reserves and Reserve Funds, End of Year	29,221,943	28,738,119
Analyzed as Follows:		
Pupil accommodation reserve	17,212,965	16,255,567
Reserve for working funds	9,920,760	10,417,849
WSIB	924,860	914,444
Contingency fund	846,486	836,954
Benefit rate stabilization	316,872	313,305
Total Reserves and Reserve Funds	29,221,943	28,738,119

See accompanying notes

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NIAGARA CATHOLIC DISTRICT SCHOOL BOARD
SCHEDULE OF SCHOOL ACTIVITIES FUNDS
for the year ended August 31, 2009

	2009 \$	2008 \$
Revenues		
School fundraising and other revenues	8,902,945	9,375,630
Expenditures		
School funded activities	8,735,103	9,276,000
Change in School Activities Funds	167,842	99,630
School Activities Funds, Beginning of Year	1,969,143	1,869,513
School Activities Funds, End of Year	2,136,985	1,969,143

See accompanying notes