

York Catholic District School Board Consolidated Financial Statements (Restated) Year ended August 31, 2011

OUR SHARED VISION

We are a Catholic Learning Community of collaborative partners, called to serve one another by being committed to and accountable for quality learning by all, with Jesus as our inspiration

MANAGEMENT REPORT

Management's Responsibility for the Consolidated Financial Statements

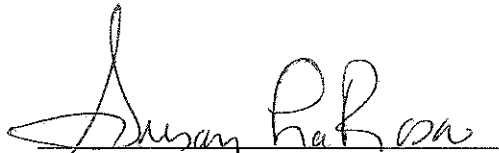
The accompanying consolidated financial statements of the York Catholic District School Board are the responsibility of the Board management and have been prepared in compliance with legislation, and in accordance with the basis of accounting described in Note 1 to the consolidated financial statements.

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 (and by the Board's internal auditors).

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

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



Director of Education



Chief Financial Officer

November 15, 2011 (except as to Note 2, which is as of May 8, 2012)



Grant Thornton

Independent auditor's report

Grant Thornton LLP
Suite 200
15 Allstate Parkway
Markham, ON
L3R 5B4
T +1 416 366 0100
F +1 905 475 8906
www.GrantThornton.ca

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

We have audited the accompanying consolidated financial statements of York Catholic District School Board, which comprise the consolidated statement of financial position as at August 31, 2011, and the consolidated statements of operations, change in net debt and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information. The consolidated financial statements have been prepared by management in accordance with the basis of accounting described in Note 1 to the consolidated financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the basis of accounting described in Note 1 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

Opinion

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

Basis of accounting

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

Emphasis of matter

The previous audit report dated November 15, 2011 has been withdrawn and the consolidated financial statements have been restated. We draw attention to Note 2 to the consolidated financial statements which details the changes as a result of the restatement.



Markham, Canada
November 15, 2011
(except as to Note 2, which is as of May 8, 2012)

Chartered Accountants
Licensed Public Accountants



YORK CATHOLIC DISTRICT SCHOOL BOARD
Consolidated Statement of Financial Position
As at August 31, 2011

	2011 Restated (Note 2) \$	2010 Restated (Note 3) \$
FINANCIAL ASSETS		
Cash and cash equivalents	6,379,157	5,749,627
Accounts receivable	22,827,300	22,818,165
Accounts receivable-Government of Ontario-Approved Capital (Note 4)	424,646,034	422,495,770
Assets held for sale (Note 5)	2,163,428	-
Other	1,795,137	2,256,675
TOTAL FINANCIAL ASSETS	457,811,056	453,320,237
LIABILITIES		
Temporary borrowing (Note 10)	6,674,651	3,932,843
Accounts payable and accrued liabilities	44,232,788	43,069,081
Deferred revenue (Note 6)	11,366,455	4,146,165
Other	1,581,514	3,230,663
Deferred capital contributions (Note 7)	656,536,273	650,435,340
Employee benefits payable (Note 8)	94,794,464	86,606,298
Net debt and capital leases (Note 9)	399,990,619	406,783,801
TOTAL LIABILITIES	1,215,176,764	1,198,204,191
NET DEBT	(757,365,708)	(744,883,954)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 13)	862,606,736	852,775,512
TOTAL NON-FINANCIAL ASSETS	862,606,736	852,775,512
ACCUMULATED SURPLUS (Note 14)	105,241,028	107,891,558

Contractual Obligations and Contingent Liabilities (Note 16)

Signed on behalf of the Board:

Signature of Chief Executive Officer

Signature of Chair of the School Board



YORK CATHOLIC DISTRICT SCHOOL BOARD
Consolidated Statement of Operations
For the year ended August 31, 2011

	2011 Budget Restated (Unaudited) (Note 17) \$	2011 Restated (Note 2) \$	2010 Restated (Note 3) \$
REVENUES			
Provincial grants	354,120,083	349,252,201	346,828,555
Deferred capital contribution revenue	24,943,737	25,193,069	24,892,840
Provincial grants - Grants for Student Needs	379,063,820	374,445,270	371,721,395
Provincial grants - other	4,142,390	13,293,211	11,375,627
Local taxation	171,494,162	180,442,288	173,714,426
School generated funds	22,115,000	22,889,280	22,196,223
Investment income	800,000	3,571,273	4,262,372
Other fees and revenues	9,891,396	11,626,099	15,810,813
TOTAL REVENUES	587,506,768	606,267,421	599,080,856
EXPENSES			
Instruction	425,776,958	447,290,171	420,963,605
Administration	14,757,146	16,157,249	14,896,461
Transportation	17,951,899	15,724,004	16,331,978
Pupil accommodation	108,573,659	106,987,371	108,112,583
School generated funds	22,402,000	22,259,750	22,041,177
Other	224,087	499,406	224,087
TOTAL EXPENSES	589,685,749	608,917,951	582,569,891
ANNUAL (DEFICIT)/SURPLUS	(2,178,981)	(2,650,530)	16,510,965
Accumulated Surplus at beginning of year	113,713,885	107,891,558	91,380,593
Accumulated Surplus at end of year	111,534,904	105,241,028	107,891,558



YORK CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Cash Flow

For the year ended August 31, 2011

	2011 Restated (Note 2) \$	2010 Restated (Note 3) \$
OPERATING TRANSACTIONS		
Annual (Deficit)/Surplus	(2,650,530)	16,510,965
SOURCES AND USES		
Non-cash items including:		
Amortization, write downs and gain/(loss) on disposal	28,039,977	24,892,840
Deferred capital contributions amortization (Note 7)	(25,193,069)	(24,892,840)
(Increase) in accounts receivable	(9,135)	(1,146,916)
(Increase) in assets held for sale	(2,163,428)	-
Decrease in other financial assets	461,537	2,331,080
Increase in accounts payable and accrued liabilities	1,163,707	(1,327,470)
(Decrease)/increase in deferred revenue - operating (Note 6)	1,055,812	(271,978)
(Decrease)/increase in other liability	(1,649,149)	32,217
Increase in employee benefits payable	8,188,166	6,998,309
Cash provided by/(applied to) operating transactions	7,243,888	23,126,207
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	8,500,000	-
Cash used to acquire tangible capital assets	(40,555,662)	(45,033,559)
Cash provided by/(applied to) capital transactions	(32,055,662)	(45,033,559)
FINANCING		
(Increase) in accounts receivable - Government of Ontario-Approved Capital	(2,150,264)	(422,495,770)
Additions to deferred capital contributions (Note 7)	31,294,002	422,292,761
(Decrease)/increase in deferred revenue - capital	348,940	(723,431)
Long term liabilities issued	84,150,886	39,347,905
(Decrease)/increase in temporary borrowing	2,741,808	(2,567,157)
Debt repayment and sinking fund contribution (Note 11)	(90,944,068)	(15,134,517)
Cash provided by/(applied to) financing transactions	25,441,304	20,719,791
CHANGE IN CASH AND CASH EQUIVALENTS	629,530	(1,187,561)
Opening Cash and Cash Equivalents	5,749,627	6,937,188
Closing Cash and Cash Equivalents	6,379,157	5,749,627



YORK CATHOLIC DISTRICT SCHOOL BOARD
Consolidated Statement of Change in Net Debt
For the year ended August 31, 2011

	2011 Restated (Note 2) \$	2010 Restated (Note 3) \$
OPERATING TRANSACTIONS		
Annual (Deficit)/Surplus	(2,650,530)	16,510,965
TANGIBLE CAPITAL ASSET ACTIVITY		
Acquisition of tangible capital assets	(40,555,662)	(45,033,559)
Amortization of tangible capital assets	25,607,021	24,577,290
Proceeds on sale of tangible capital assets	8,500,000	-
Gain on sale of tangible capital allocated to deferred revenue	(5,815,538)	-
Transfer to asset held for sale	2,163,428	-
Write-down of tangible capital assets	269,527	315,550
Total tangible capital asset activity	(9,831,224)	(20,140,719)
(Increase) in net debt	(12,481,754)	(3,629,754)
Net debt at beginning of year	(744,883,954)	(741,254,200)
Net debt at end of year	(757,365,708)	(744,883,954)

1. SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of Accounting

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

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

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

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

b) Reporting Entity

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

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

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

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

c) Trust Funds

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

d) Cash and Cash Equivalents

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

e) Investments

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.

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. Deferred revenue includes an operating and a capital component:

- (i) Operating deferred revenue represents operating contributions received that remain unspent as at year end. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services performed.
- (ii) Capital deferred revenue represents capital contributions received that remain unspent as at year end. These amounts are recognized as deferred capital contributions in the year the amount is spent.

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, health care benefits, dental benefits, retirement gratuity, worker's compensation and long-term disability benefits. The Board has adopted the following policies with respect to accounting for these employee benefits:

- (i) The costs of self insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, accumulate 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 or accumulate over the periods of service provided by employees, such as retirement gratuities and life insurance and health care benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee

YORK CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Consolidated Financial Statements

August 31, 2011

group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group.

For those self insured benefit obligations that arise from specific events that occur from time to time, such as obligations for worker's compensation, long-term disability and life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

- (ii) The costs of multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System 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) Tangible Capital Assets

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

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

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

Asset	Estimated Useful Life in Years
Land improvements with finite lives	15
Buildings and building improvements	40
Portable Structures	20
Other Buildings	20
First-time equipping of schools	10
Furniture	10
Equipment	5-15
Computer hardware	5
Computer software	5
Vehicles	5-10
Leasehold improvements	Over the lease term

Assets under construction and assets that relate to pre-acquisition and pre-construction costs are not amortized until the asset is available for productive use.

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

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

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.

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

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, education development charges 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 asset 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 the basis of accounting used by the school board in the preparation of the financial statements, the budget figures presented have been adjusted to conform with this basis of accounting as it is used to prepare the consolidated financial statements. The budget figures are unaudited.

m) Use of Estimates

The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 1a 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 significant estimates include employee benefits. Actual results could differ from these estimates.

2. RESTATEMENT

During the year, the York Catholic District School Board disposed of property that had been originally purchased with funds from the Education Development Charges (EDC) account. The Board recorded the net proceeds on the sale of land as an addition to Deferred Revenue – EDC account with a corresponding reduction to Deferred Revenue – EDC account as the full amount of the net proceeds was recognized as EDC revenue. It has subsequently been determined that as per Ontario Regulation (“O.Reg.”) 193/10: “6.1 if a district school board sells, leases or otherwise disposes of real property that was acquired, in whole or in part, by the board or by another person, with funds withdrawn from EDC account, and the property was not used to provide accommodation to pupils, the board shall use the net proceeds of the sale, lease or other disposition, up to the amount withdrawn for the property’s acquisition”. The net proceeds available to be transferred to the Deferred Revenue-EDC account as per the regulation should have been limited to the funds withdrawn from the Deferred Revenue-EDC account with respect to the original purchase and any related costs to maintain the property. The remaining net proceeds in excess of funds withdrawn from the Deferred Revenue-EDC account for land should have been recorded into Deferred Revenue-Proceeds of Disposition (“POD”).

The restriction on the amount available to be transferred to Deferred Revenue-EDC results in a reclassification of the net proceeds in excess of funds withdrawn from the Deferred Revenue-EDC account for land to Deferred Revenue-POD. The reclassification of net proceeds in excess of funds withdrawn from the Deferred Revenue-EDC account for land reduces the balance in the Deferred Revenue-EDC account and therefore reduces the amount available to be recognized as EDC revenue.

The reclassification between Deferred Revenue-EDC account and Deferred Revenue-POD, and the overstatement of revenue recognized as EDC revenue have been adjusted and restated.

YORK CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Consolidated Financial Statements

August 31, 2011

2. RESTATEMENT (continued)

The correct application of O.Reg. 193/10 had the following effect on the consolidated financial statements:

Consolidated Statement of Financial Position			
	As of August 31, 2011 As previously reported	Adjustments	As of August 31, 2011 As restated
	\$	\$	\$
TOTAL FINANCIAL ASSETS	457,811,056	-	457,811,056
LIABILITIES			
Temporary borrowing (Note 10)	6,674,651	-	6,674,651
Accounts payable and accrued liabilities	44,232,788	-	44,232,788
Deferred revenue (Note 6)	5,638,843	5,727,612	11,366,455
Other	1,581,514	-	1,581,514
Deferred capital contributions (Note 7)	656,536,273	-	656,536,273
Employee benefits payable (Note 8)	94,794,464	-	94,794,464
Net debt and capital leases (Note 9)	399,990,619	-	399,990,619
TOTAL LIABILITIES	1,209,449,152	5,727,612	1,215,176,764
NET DEBT	(751,638,096)	(5,727,612)	(757,365,708)
NON-FINANCIAL ASSETS			
Tangible capital assets (Note 13)	862,606,736	-	862,606,736
TOTAL NON-FINANCIAL ASSETS	862,606,736	-	862,606,736
ACCUMULATED SURPLUS (Note 14)	110,968,640	(5,727,612)	105,241,028

Consolidated Statement of Operations For the year ended August 31, 2011			
	As previously reported	Adjustments	As restated
	\$	\$	\$
REVENUES			
Provincial grants	349,252,201	-	349,252,201
Deferred capital contribution revenue	25,193,069	-	25,193,069
Provincial grants - Grants for Student Needs	374,445,270	-	374,445,270
Provincial grants - other	13,293,211	-	13,293,211
Local taxation	180,442,288	-	180,442,288
School generated funds	22,889,280	-	22,889,280
Investment income	3,571,273	-	3,571,273
Other fees and revenues	17,353,711	(5,727,612)	11,626,099
TOTAL REVENUES	611,995,033	(5,727,612)	606,267,421
TOTAL EXPENSES	608,917,951	-	608,917,951
ANNUAL SURPLUS/(DEFICIT)	3,077,082	(5,727,612)	(2,650,530)
Accumulated Surplus at beginning of year	107,891,558	-	107,891,558
Accumulated Surplus at end of year	110,968,640	(5,727,612)	105,241,028

YORK CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Consolidated Financial Statements

August 31, 2011

2. RESTATEMENT (continued)

Consolidated Statement of Cash Flow			
For the year ended August 31, 2011			
	As previously reported	Adjustments	As restated
	\$		\$
OPERATING TRANSACTIONS			
Annual (Deficit)/Surplus	3,077,082	(5,727,612)	(2,650,530)
SOURCES AND USES			
Non-cash items including:			
Amortization, write downs and gain/(loss) on disposal	28,039,977	-	28,039,977
Deferred capital contributions amortization (Note 7)	(25,193,069)	-	(25,193,069)
Gain on disposal of restricted assets	(5,815,538)	5,815,538	-
(Increase) in accounts receivable	(9,135)	-	(9,135)
(Increase) in assets held for sale	(2,163,428)	-	(2,163,428)
Decrease in other financial assets	461,537	-	461,537
Increase in accounts payable and accrued liabilities	1,163,707	-	1,163,707
(Decrease)/increase in deferred revenue - operating (Note 6)	1,055,812	-	1,055,812
(Decrease)/increase in other liability	(1,649,149)	-	(1,649,149)
Increase in employee benefits payable	8,188,166	-	8,188,166
Cash provided by/(applied to) operating transactions	7,155,962	87,926	7,243,888
CAPITAL TRANSACTIONS			
Cash provided by/(applied to) capital transactions	(32,055,662)	-	(32,055,662)
FINANCING			
(Increase) in accounts receivable - Government of Ontario- Approved Capital	(2,150,264)	-	(2,150,264)
Additions to deferred capital contributions (Note 7)	31,294,002	-	31,294,002
(Decrease)/increase in deferred revenue - capital (Note 6)	436,866	(87,926)	348,940
Long term liabilities issued	84,150,886	-	84,150,886
(Decrease)/increase in temporary borrowing	2,741,808	-	2,741,808
Debt repayment and sinking fund contribution (Note 11)	(90,944,068)	-	(90,944,068)
Cash provided by/(applied to) financing transactions	25,529,230	(87,926)	25,441,304
CHANGE IN CASH AND CASH EQUIVALENTS	629,530	-	629,530
Opening Cash and Cash Equivalents	5,749,627	-	5,749,627
Closing Cash and Cash Equivalents	6,379,157	-	6,379,157

Consolidated Statement of Change in Net Debt			
For the year ended August 31, 2011			
	As previously reported	Adjustments	As restated
	\$		\$
OPERATING TRANSACTIONS			
Annual (Deficit)/Surplus	3,077,082	(5,727,612)	(2,650,530)
TANGIBLE CAPITAL ASSET ACTIVITY			
(Increase) in net debt	(6,754,142)	(5,727,612)	(12,481,754)
Net debt at beginning of year	(744,883,954)	-	(744,883,954)
Net debt at end of year	(751,638,096)	(5,727,612)	(757,365,708)

3. CHANGES IN ACCOUNTING POLICIES

In fiscal 2011, the Board early adopted Public Sector Accounting Handbook section 3410 Government Transfers as described in Note 1a. This change has been applied retroactively and prior periods have been restated. Government transfers for capital that meet the definition of a liability are referred to as deferred capital contributions (“DCC”). Amounts are recognized into revenue as the liability is amortized over the useful life of the asset.

At the direction of the Ministry, the Board has calculated the opening DCC balance as at September 1, 2010 as the value of the depreciable tangible capital assets less the unsupported capital debt, both at August 31, 2010. As noted below, of this amount, \$253,035,419 (Note 7) relates to depreciable capital assets on hand as of September 1, 2009. The unsupported capital debt is the portion of the Board’s outstanding debt that is not supported by Ministry funding. This calculation provides a cost effective solution to determine the opening balance, allowing for the standard to be implemented retroactively. Retroactive implementation results in a set of financial statements that is relevant, understandable to the user, and comparable over periods and amongst school boards in Ontario.

Due to the implementation of DCC, the treatment of proceeds of disposition of tangible assets changed allowing both the gain and net book value of assets disposed to be recognized as revenue or transferred to deferred revenue. This change in the amount of \$311,960 has been applied retroactively to September 1, 2009 and prior periods have been restated.

The opening balance of Accounts receivable – Government of Ontario-Approved Capital was restated in the amount of \$1,887,337 to reflect the change in treatment of pre-financed capital. The changes in accounting policies have changed amounts reported in the prior period as follows:

Accumulated surplus at beginning of year:	2011	2010
	\$	\$
Accumulated surplus as previously reported	760,526,195	344,727,972
Transfer to deferred capital contributions	(650,435,340)	(253,035,419)
Adjustment to Provincial capital contributions	(1,887,337)	-
Proceeds of disposition reclassified to deferred revenue	(311,960)	(311,960)
Accumulated surplus at beginning of year, as restated	107,891,558	91,380,593

Annual surplus for the year ended August 31, 2010	2010
	\$
Annual surplus as previously reported	415,798,223
Plus: Amounts recognized in revenue	24,892,840
Less: In-year Provincial capital contributions	(422,292,761)
Less adjustment to Provincial capital contributions	(1,887,337)
Annual surplus for the year ended August 31, 2010, as restated	16,510,965

4. ACCOUNTS RECEIVABLE - GOVERNMENT OF ONTARIO

The Province of Ontario (Province) replaced variable capital funding with a one-time debt support grant in 2009-10. York Catholic District School Board received a one-time grant that recognizes capital debt as of August 31, 2010 that is supported by the existing capital programs. The Board receives this grant in cash over the remaining term of the existing capital debt instruments. The Board may also receive yearly capital grants to support capital programs which would be reflected in this account receivable.

The Board has an account receivable from the Province of Ontario as at August 31, 2011 of \$424,646,034 and (2010 - \$422,495,770) with respect to capital grant.

5. ASSETS HELD FOR SALE

As of August 31, 2011, \$2,163,428 (2010 - \$0) related to land was recorded as assets held for sale. Subsequent to year-end on September 15, 2011, this land was sold for gross proceeds of \$4,048,000.

During the year, another property with a carrying value of \$2,684,462 was sold for proceeds of \$8,500,000 and resulted in a gain of \$5,815,538. As outlined in Note 2 the proceeds of disposition in excess of the cost of the property, including costs of \$87,926 incurred to maintain the property have been deferred.

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, 2011 is comprised of:

	Balance as at August 31, 2010 Restated (Note 3)	Externally restricted revenue and investment income	Revenue recognized in the period	Transfers to deferred capital contributions	Balance as at August 31, 2011 Restated (Note 2)
	\$	\$	\$	\$	\$
Special Education (inc. SEA)	-	63,120,641	63,120,641	-	-
Energy Efficient - Operating	12,984	-	12,984	-	-
Other Ministry of Education	-	1,397,743	374,288	-	1,023,455
Other Provincial Grants	-	45,341	-	-	45,341
Deferred Revenue - Operating	12,984	64,563,725	63,507,913	-	1,068,796
Legislative Grants - Capital	22,697	53,574,398	42,717,941	10,879,154	-
Energy Efficient/Renewable - Capital	-	5,215,015	-	4,755,452	459,563
Proceeds of Disposition	4,110,484	5,727,612	-	-	9,838,096
Education Development Charges	-	8,489,998	8,489,998	-	-
Deferred Revenue - Capital	4,133,181	73,007,023	51,207,939	15,634,606	10,297,659
Total Deferred Revenue	4,146,165	137,570,748	114,715,852	15,634,606	11,366,455

YORK CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Consolidated Financial Statements

August 31, 2011

7. DEFERRED CAPITAL CONTRIBUTIONS

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

	2011 Actual \$	2010 Restated (Note 3) \$
Opening Balance as at September 1	650,435,340	253,035,419
Additions to deferred capital contributions	31,294,002	422,292,761
Revenue recognized in the period	(25,193,069)	(24,892,840)
Closing Balance as at August 31	656,536,273	650,435,340

8. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS

Retirement and Other Employee Future Benefit Liabilities	2011			2010
	Retirement Benefits \$	Other Employee Future Benefits \$	Total Employee Future Benefits \$	Total Employee Future Benefits \$
Accrued Employee Future Benefit Obligations at August 31	81,239,094	36,815,572	118,054,666	103,641,727
Unamortized Actuarial (Losses) at August 31	(15,584,829)	(7,675,373)	(23,260,202)	(17,035,429)
Employee Future Benefits Liability as August 31	65,654,265	29,140,199	94,794,464	86,606,298

Retirement and Other Employee Future Benefit Expenses	2011			2010
	Retirement Benefits \$	Other Employee Future Benefits \$	Total Employee Future Benefits \$	Total Employee Future Benefits \$
Current Year Benefit Cost	4,753,939	3,728,891	8,482,830	6,606,362
Interest on Accrued Benefit Obligation	3,480,436	1,456,344	4,936,780	4,646,654
Recognition of unamortized actuarial losses on plan amendments	1,105,510	529,148	1,634,658	1,568,167
Employee Future Benefits Expenses¹	9,339,885	5,714,383	15,054,268	12,821,183

¹ Excluding pension contributions to the Ontario Municipal Employees Retirement System, a multi-employer pension plan, described below.

8. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS (continued)

Retirement Benefits

(i) Ontario Teacher's Pension Plan ("OTPP")

Teachers and related employee groups are eligible to be members of OTPP. 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 (OMERS)

All non-teaching employees of the Board are eligible to be members of the 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, 2011, the Board contributed \$5,559,438 (2010 - \$4,841,207) to the plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses. No pension liability for this type of plan is included in the Board's consolidated financial statements.

(iii) Retirement Gratuities

The Board provides retirement gratuities to certain groups of employees. There are a number of plans in existence for which an employee's eligibility is determined based on the date the individual commenced employment with the Board. In addition to the plans covering academic staff, certain groups of other employees hired that commenced employment prior to specified cut off dates are also eligible. The amount of the gratuities paid to eligible employees at retirement is based on their salary, accumulated sick days, and years (to a maximum one year) paid at the maximum rate of 50% of final salary. A retirement gratuity calculated on the same basis may also be paid in the event of an employee's death or disability. The Board provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements.

(iv) Retirement Life Insurance and Health Care Benefits

The Board continues to provide life insurance, dental and health care benefits to certain employee groups after retirement until the members reach 65 years of age. The Board provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements.

8. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS (continued)**Other Employee Future Benefits****(v) 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 costs and liabilities related to this plan are included in the Board's consolidated financial statements.

The Workplace Safety and Insurance Board obligations for employee future benefit plans as at August 31, 2011 are based on actuarial valuations for accounting purposes as at August 31, 2011. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	2011	2010
	%	%
Inflation	2	2
Health care cost escalation	6.5	6.5
Discount on accrued benefit obligations	4.25	4.25

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

The Board provides life waiver of life insurance premiums and continuation of medical and dental benefits coverage for employees on long-term disability leave. The Board is responsible for the payment of the insurance premiums and the costs of health care benefits under this plan. The Board provides these benefits through an unfunded defined benefit plan.

The accrued benefit obligations for long-term disability life insurance and health and dental care benefit plans as at August 31, 2011 are based on actuarial valuations for accounting purposes as at August 31, 2011. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	2011	2010
	%	%
Dental care cost escalation	6	6
Health care cost escalation	9	9
Discount on accrued benefit obligations	4.00	4.75

Included in accumulated surplus is the amount of \$94,794,464 at August 31, 2011 (2010 \$86,606,298) for these employee future benefit obligations.

8. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS (continued)**(vii) Sick Leave Benefits**

The Board provides compensated absences from sick leave accumulations through an unfunded defined benefit plan. The benefit costs expensed in the financial statements are 2011 \$3,150,142 (2010 - \$2,868,461).

The accrued benefit obligations for sick leave benefits as at August 31, 2011 are based on actuarial valuations for accounting purposes as at August 31, 2011. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	2011	2010
	%	%
Wage and salary escalation	3	3
Discount on accrued benefit obligations	4.00	4.75

(viii) Life Insurance, Health Care and Dental Benefits

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

The accrued benefit obligations for life insurance benefit plans as at August 31, 2011 are based on actuarial valuations for accounting purposes as at August 31, 2011. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	2011	2010
	%	%
Dental care cost escalation	6	6
Health care cost escalation	9	9
Discount on accrued benefit obligations	4.00	4.75

YORK CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Consolidated Financial Statements

August 31, 2011

9. NET LONG-TERM DEBT AND CAPITAL LEASE

Debenture debt, capital loans and obligation under capital leases reported on the Consolidated Statement of Financial Position comprise of the following:

Debenture /Loan	Interest %	Maturity	2011 \$	2010 \$
#180	6.300	22-Sep-10	-	103,088,000
#142	10.000	10-Apr-11	-	2,921,000
#145	10.040	10-Jul-11	-	9,314,000
#146	10.040	10-Jul-11	-	7,819,000
#181	5.900	19-Oct-11	10,756,763	10,756,763
#153	10.500	30-Apr-12	9,000,000	9,000,000
#156	9.170	10-Jul-12	6,131,000	6,131,000
#157	9.170	10-Jul-12	7,782,000	7,782,000
#185	5.300	07-Nov-13	18,952,130	18,952,130
#179	7.200	09-Jun-25	37,824,392	39,351,027
#182	6.550	19-Oct-26	26,239,635	27,194,341
#186	5.800	07-Nov-28	20,333,864	20,990,901
#188	4.789	08-Aug-30	45,528,682	46,972,478
#189	4.560	15-Nov-31	9,300,291	9,570,020
#190	5.376	25-Jun-32	56,611,455	58,040,585
#191	4.900	03-Mar-33	17,726,694	18,174,102
#192	5.347	15-Nov-33	6,109,026	6,246,816
#193	5.062	13-Mar-34	3,707,107	3,791,984
#196	5.047	15-Nov-34	36,927,967	37,734,477
#197	5.232	13-Apr-35	1,200,216	1,225,000
#198	3.942	19-Sep-25	80,585,697	-
#199	4.833	11-Mar-36	1,490,648	-
			396,207,567	445,055,624
Less: Sinking Fund Assets			(28,079,186)	(70,449,535)
			368,128,381	374,606,089
Capital Lease	10.000	01-May-22	31,862,238	32,177,712
Balance as at August 31			399,990,619	406,783,801

Subsequent to year-end, the Board re-issued a debenture (By-Law #200) to refinance the sinking fund By-Law #181 in the amount of \$8,625,219.

YORK CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Consolidated Financial Statements

August 31, 2011

Principal and interest payments relating to net debenture debt, capital loans and leases of \$399,990,619 outstanding as at August 31, 2011 are due as follows:

Year	Sinking Fund		Interest Payments	Capital Lease	Total
	Principal	Contributions		Payments	
	\$	\$	\$	\$	\$
2012	46,207,743	1,550,979	21,212,024	3,793,391	72,764,137
2013	13,187,381	397,094	18,024,476	4,028,052	35,637,003
2014	32,824,217	148,387	16,837,539	4,277,228	54,087,371
2015	14,594,110	-	15,613,285	4,541,814	34,749,209
2016	15,355,586	-	14,851,809	4,822,762	35,030,157
Thereafter	274,038,530	-	110,145,438	41,310,837	425,494,805
Total	396,207,567	2,096,460	196,684,571	62,774,084	657,762,682

Included in net debenture debt are outstanding sinking fund debentures of \$52,621,893 (2010 - \$175,763,893) secured by sinking fund assets with a carrying value of \$28,079,186 (2010 - \$70,449,535). Sinking fund assets are comprised of short-term notes, deposits, government and government-guaranteed bonds, debentures and corporate bonds.

Interest on long-term debt amounted to \$29,432,360 (2010 - \$29,921,156).

10. TEMPORARY BORROWING

The Board has lines of credits available to the maximum of \$100 million revolving facility to address operating requirements to bridge capital expenditures.

Interest on the operating facilities range from the bank's prime lending rate minus 0.75%, while banker's acceptance facility range from the banker's acceptance rate plus 0.75%. All loans are unsecured, due on demand and are in the form of bankers' acceptance notes and bank overdrafts. As at August 31, 2011, the Board had a prime based loan of \$6,620,000 at 2.25% (2010 - \$3,610,000 at 2.15%).

11. DEBT CHARGES AND CAPITAL LOANS AND LEASES INTEREST

	2011	2010
	\$	\$
Principal payments on long-term liabilities including contributions to sinking funds	13,231,933	11,500,008
Sinking fund debenture maturities	123,142,000	-
Interest payments on long-term liabilities	26,175,433	26,675,194
Capital lease interest	3,256,927	3,245,962
Balance as at August 31	165,806,293	41,421,164

Included in debt repayment and sinking fund contributions on the Consolidated Statement of Cash Flow of \$90,944,068 (2010 - \$15,134,517) are principal payments on long-term debt of \$13,231,933 (2010 - \$11,500,007), sinking fund debenture maturities of \$123,142,000 (2010 - \$0), sinking fund interest revenues of \$2,621,500 (2010 - \$3,634,510), net of sinking fund retirements of \$48,051,365 (2010 - \$0).

12. EXPENSES BY OBJECT

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

Expense Categories	2011	2011	2010
	Restated Budget (Unaudited) \$	Actual \$	Actual \$
Salary and wages	385,522,800	405,482,525	382,462,217
Employee benefits	63,383,813	67,240,558	61,084,078
Staff development	1,979,556	2,397,091	2,095,930
Supplies and services	55,623,145	53,135,441	54,745,073
Interest charges on capital	27,788,868	27,389,695	30,409,657
Rental expenses	1,339,340	451,951	401,449
Fees and contract services	28,096,105	26,263,191	25,694,195
Amortization and write-downs of tangible capital assets	25,627,217	25,876,548	24,892,840
Other	324,905	680,951	784,452
Total Expenses	589,685,749	608,917,951	582,569,891

13. TANGIBLE CAPITAL ASSETS

COST	Balance at August 31, 2010	Additions and Transfers	Disposals, Write-offs, Adjustments	Balance at August 31, 2011
	\$	\$	\$	\$
Land	183,181,311	9,829,874	4,847,890	188,163,295
Land Improvements	6,675,698	351,903	240,917	6,786,684
Buildings	810,617,992	24,456,825	1,610,835	833,463,982
Furniture and Equipment	26,396,434	4,852,671	6,756,772	24,492,333
Construction in progress	1,761,376	1,064,389	-	2,825,765
Capital Leased Assets	21,069,493	-	-	21,069,493
Total Cost	1,049,702,304	40,555,662	13,456,414	1,076,801,552
ACCUMULATED AMORTIZATION	Balance at August 31, 2010	Additions and Transfers	Disposals, Write-offs, Adjustments	Balance at August 31, 2011
	\$	\$	\$	\$
Land	-	-	-	-
Land Improvements	1,423,792	471,584	78,364	1,817,012
Buildings	171,293,857	21,734,756	1,503,861	191,524,752
Furniture and Equipment	14,991,240	2,873,944	6,756,772	11,108,412
Construction in progress	-	-	-	-
Capital Leased Assets	9,217,903	526,737	-	9,744,640
Total Amortization	196,926,792	25,607,021	8,338,997	214,194,816
NET BOOK VALUE	2011	2010		
	\$	\$		
Land	188,163,295	183,181,311		
Land Improvements	4,969,672	5,251,906		
Buildings	641,939,230	639,324,135		
Furniture and Equipment	13,383,921	11,405,194		
Construction in progress	2,825,765	1,761,376		
Capital Leased Assets	11,324,853	11,851,590		
Total Net Book Value	862,606,736	852,775,512		

a) Assets under construction

Assets under construction having a value of \$2,825,765 (2010 - \$1,761,376) have not been amortized. Amortization of these assets will commence when the asset is put into service.

b) Write-down of Tangible Capital Assets

The write-down of tangible capital assets during the year was \$269,527 (2010 - \$315,550).

14. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2011	2010
	Restated (Note 2)	Restated (Note 3)
	\$	\$
Accumulated Surplus:		
Invested in non-depreciable tangible capital assets	175,288,518	169,758,301
Employee future benefits to be covered in the future	(94,794,464)	(86,606,298)
Interest Accrual	(5,380,312)	(7,750,419)
School Generated Funds	6,379,157	5,749,627
Vacation accrual	(3,290,000)	(2,886,446)
Committed sinking fund interest earned	17,907,169	18,590,648
Unrestricted	9,130,960	11,036,145
Total Accumulated Surplus	105,241,028	107,891,558

15. 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 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 January 1, 2012.

16. CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES

The Board enters into contracts for construction and renovation of various new and existing schools. The following summarizes the Board's commitment under these contracts as at August 31, 2011.

	Contract Value	Expensed to Date	Amount Remaining
	\$	\$	\$
Contractual Obligations	2,399,000	845,000	1,554,000

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

17. BUDGET DATA

The unaudited budget data presented in these consolidated financial statements is based upon the 2011 budget approved by the Board on July 6, 2010. The budget was prepared in June 2010, prior to the release of the Government Transfers standard, which was released in March 2011. As a result, there are some changes in how the DCC taken in to income is calculated for the Financial Statements, versus for the budget. This includes the treatment of sinking fund interest and other components. The chart below reconciles the approved budget to the budget figures reported in the Consolidated Statement of Operations. Where amounts were not budgeted for, the actual amounts for 2011 were used in order to adjust the budget numbers to reflect the same basis of accounting as that used to report the actual results.

As boards only budget the Statement of Operations, the budget figures in the Consolidated Statement of Change in Net Debt have not been provided.

Consolidated Statement of Operations			
For the year ended August 31			
Unaudited			
	2010-11 Budget	Change	2010-11 Budget Restated
	\$	\$	\$
REVENUES			
Total Revenues as in the 2010-11 Budget	582,590,248	-	582,590,248
Add/Deduct: Adjustments	-	4,916,520	4,916,520
Total Revenue	582,590,248	4,916,520	587,506,768
Total Expenses	589,685,749	-	589,685,749
Annual (Deficit)/Surplus	(7,095,501)	4,916,520	(2,178,981)
Accumulated (Deficit)/Surplus at beginning of year	(85,776,227)	199,490,112	113,713,885
Accumulated (Deficit)/Surplus at end of year	(92,871,728)	204,406,632	111,534,904

18. TRANSPORTATION CONSORTIUM

On September 2008 the Board renewed its agreement with York Region District School Board in order to provide common administration of student transportation in the Region. This agreement was executed in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the Boards. Under the agreement, decisions related to the financial and operating activities of Student Transportation Services of York Region Consortium are shared. No partner is in a position to exercise unilateral control.

This entity is proportionately consolidated in the Board’s consolidated financial statements whereby the Board’s pro-rata share of assets, liabilities, revenues and expenses of the consortium are included in the Board’s consolidated financial statements. Inter-organizational transactions and balances have been eliminated.

The following provides condensed financial information.

	2011		2010	
	Total	Board	Total	Board
	\$	\$	\$	\$
Expenses	1,541,206	768,917	1,511,057	753,947

19. REPAYMENT OF “55 SCHOOL BOARD TRUST” FUNDING

On June 1, 2003, the Board received \$3,007,847 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 of 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.

As a result of the above agreement, the liability in respect of the NPF debt is no longer reflected in the Board’s financial position.

Related to this capital debt, the Board has recorded revenues from the Province of Ontario and the corresponding interest expense of \$224,087 (2010 - \$224,087).