

Consolidated financial statements of

**Dufferin-Peel Catholic District
School Board**

August 31, 2008

Dufferin-Peel Catholic District School Board

August 31, 2008

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DUFFERIN-PEEL CATHOLIC DISTRICT SCHOOL BOARD

MANAGEMENT REPORT

Year-Ended August 31, 2008

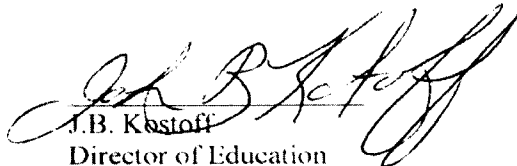
Management's Responsibility for the Consolidated Financial Statements

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


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

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

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


J.B. Kostoff
Director of Education

November 7, 2008


G.P. Robinson
Superintendent, Financial Services
and Treasurer

November 7, 2008


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

November 7, 2008

Auditors' Report

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

We have audited the consolidated statement of financial position of the Dufferin-Peel Catholic District School Board as at August 31, 2008 and the consolidated statement of financial activities and fund balance and of changes in financial position for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In common with many school boards, individual schools derive revenue from school fundraising activities held throughout the year. Adequate documentation and controls were not in place throughout the year to allow us to obtain satisfactory audit verification as to the completeness of these revenues. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the individual schools and we were not able to determine whether adjustments might be necessary to school fundraising revenue, net expenditures, financial assets and net financial position.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of school fundraising revenue referred to in the preceding paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the Dufferin-Peel Catholic District School Board as at August 31, 2008 and the results of its operations and changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants
November 7, 2008

Dufferin-Peel Catholic District School Board

Consolidated statement of financial position


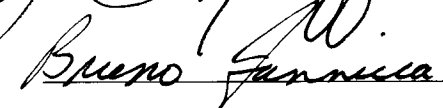
year ended August 31, 2008

(In thousands of dollars)

	2008	2007
	\$	\$
Financial assets		
Cash and cash equivalents	209,483	227,679
Accounts receivable	40,235	33,490
Total financial assets	249,718	261,169
Financial liabilities		
Accounts payable and accrued liabilities	35,545	37,650
Accounts payable - Government of Ontario	400	4,724
Deferred revenue - reserve funds (Note 2)	8,859	11,871
Deferred revenue - other	4,701	1,155
Obligation under capital leases (Note 3)	4,225	4,093
Net long-term debt (Note 4)	571,993	580,766
Retirement and other employee future benefits payable (Note 5)	53,007	50,749
Total financial liabilities	678,730	691,008
Net financial liabilities	(429,012)	(429,839)
Non-financial assets		
Prepaid expenses and supplies	2,356	702
Net liabilities	(426,656)	(429,137)
Financial position		
Fund balances		
Operating Fund - Schedule 1	-	(1,465)
Capital Fund - Schedule 2	68,221	89,555
Reserve Fund - Schedule 3	142,752	127,015
School Generated Fund - Schedule 4	6,232	6,002
Total fund balances	217,205	221,107
Amounts to be recovered (Note 6)	(643,861)	(650,244)
Net financial position	(426,656)	(429,137)

Commitments and contingencies (Note 11)

Approved by the Board


 _____ Director of Education

 _____ Chair of the Board

See accompanying notes to financial statements.

Dufferin-Peel Catholic District School Board

Consolidated statement of financial activities and fund balance

year ended August 31, 2008

(In thousands of dollars)

	Budget (unaudited)	2008 Actual	2007 Actual
	\$	\$	\$
Revenues			
Local taxation	245,580	240,123	244,873
Provincial grants - student focused funding	507,135	515,895	471,283
Provincial grants - other	3,763	7,330	10,198
Federal grants and fees	275	465	583
Other revenues - School Boards	-	410	-
Other fees and revenues	12,412	16,036	12,290
Investment income	5,694	6,360	5,360
School fundraising	21,891	25,734	23,016
Total revenues	796,750	812,353	767,603
Expenditures (Note 9)			
Instruction	574,012	578,392	547,798
Administration	22,339	25,424	24,018
Transportation	22,943	20,189	21,121
School operations and maintenance	70,956	74,630	69,335
Pupil accommodation	109,744	84,020	96,592
Other	3,369	3,367	3,369
School funded activities	22,432	25,504	22,244
Total expenditures	825,795	811,526	784,477
Net (expenditure) revenue	(29,045)	827	(16,874)
Increase (decrease) in non-financial assets	-	1,654	(773)
Change in net liabilities	(29,045)	2,481	(17,647)
Financing transactions			
Long term debt issued	-	4,995	131,357
Obligations under capital leases incurred	-	2,151	1,057
Debt repayment and sinking fund contributions	(13,284)	(13,768)	(10,372)
Repayment of obligations under capital leases	-	(2,019)	(1,613)
Increase in unfunded liabilities	1,519	2,258	5,350
Change in amounts to be recovered	(11,765)	(6,383)	125,779
Change in fund balance	(40,810)	(3,902)	108,132
Fund balance, beginning of year	222,329	221,107	112,975
Fund balance, end of year	181,519	217,205	221,107

See accompanying notes to financial statements.

Dufferin-Peel Catholic District School Board

Consolidated statement of changes in financial position

year ended August 31, 2008

(In thousands of dollars)

	2008	2007
	\$	\$
Operating activities		
Net revenue (expenditure)	827	(16,874)
Sources and (uses)		
(Increase) decrease in accounts receivable	(6,745)	2,406
Decrease in accounts payable and accrued liabilities	(2,105)	(1,644)
(Decrease) increase in accounts payable - Government of Ontario	(4,324)	3,267
(Decrease) increase in deferred revenue - reserve funds	(3,012)	575
Increase in deferred revenue - other	3,546	182
Increase in retirement and other employee future benefits payable	2,258	2,653
Cash used in operating activities	(9,555)	(9,435)
Financing activities		
Long-term debt incurred	4,995	131,357
Debt principal repaid and sinking fund contributions	(13,768)	(10,372)
Obligation under capital leases incurred	2,151	1,057
Repayment of obligations under capital lease	(2,019)	(1,613)
Cash (used in) provided by financing activities	(8,641)	120,429
Change in cash and cash equivalents	(18,196)	110,994
Cash and cash equivalents, beginning of year	227,679	116,685
Cash and cash equivalents, end of year	209,483	227,679

See accompanying notes to financial statements.

Dufferin-Peel Catholic District School Board

Notes to consolidated financial statements

August 31, 2008

(In thousands of dollars)

1. Significant accounting policies

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

Significant accounting policies adopted by the Board are as follows:

a) Reporting entity

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

The reporting entity is comprised of:

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

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

b) Trust Funds

Trust funds and their related operations administered by the Board amounting to \$3,406 (2007 - \$3,254) are not included in the consolidated financial statements.

c) Basis of accounting

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

d) Cash and cash equivalents

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

e) Capital assets

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

f) Deferred revenue

Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related qualifying expenditures are incurred or services performed.

Dufferin-Peel Catholic District School Board

Notes to consolidated financial statements

August 31, 2008

(In thousands of dollars)

1. Significant accounting policies (continued)

g) Retirement and other employee future benefits

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

- i) The costs of self insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care costs trends, disability recovery rates, long-term inflation rates and discount rates.

For self insured retirement and other employee future benefits that vest and accumulate over the periods of service provided by employees, such as sick leave and retirement gratuities and life insurance and health care benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group.

For non-vesting accumulating sick days, the accrued benefit obligation is the actuarial present value of the future expected cash flows with respect to the existing sick leave bank balances determined as at the valuation date. These cash flows will reflect expected salary increases and survivorship at each future date.

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

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

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

h) Reserves and Reserve Funds

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

i) Government transfers

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

Dufferin-Peel Catholic District School Board

Notes to consolidated financial statements

August 31, 2008

(In thousands of dollars)

1. Significant accounting policies (continued)

j) Investment income

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

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

k) Budget figures

Budget figures have been provided for comparison purposes and have been derived from the original budget approved by the Board of Trustees at the time of the submission of the Annual Estimates for 2007-2008 to the Ministry of Education on June 29, 2007. The budget approved by the Trustees is developed in accordance with the provincially mandated funding model for school boards and is used to manage program spending within the guidelines of the funding model. The budget figures reported in the consolidated financial statements have been presented on a basis consistent with Public Sector Accounting Standards. The budget figures are unaudited.

l) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the year. Actual results could differ from these estimates. Estimates are reviewed periodically by management, and as adjustments become necessary, they are reported in the period in which they become known.

2. Deferred revenue - reserve funds

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

	2008	2007
	\$	\$
Pupil accommodation	807	775
Education development charges	4,495	8,093
Others	3,557	3,003
	8,859	11,871

Dufferin-Peel Catholic District School Board

Notes to consolidated financial statements

August 31, 2008

(In thousands of dollars)

2. Deferred revenue - reserve funds (continued)

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

	2008	2007
	\$	\$
Balance, beginning of year	11,871	11,296
Capital funds received	7,146	6,703
Restricted provincial grants received	3,916	5,352
Interest earned	177	495
	23,110	23,846
Revenues earned	14,251	11,975
Balance, end of year	8,859	11,871

3. Obligation under capital leases

The Board has obligations under various capital leases with expiries ranging from 2008 to 2012 and interest rates ranging from 6.19% to 9.00%. Principal and interest payments relating to capital lease obligations of \$4,225 (2007 - \$4,093) outstanding as at August 31, 2008 are due as follows:

	Principal payment	Interest	Total
	\$	\$	\$
2008/2009	1,816	249	2,065
2009/2010	1,600	144	1,744
2010/2011	482	53	535
2011/2012	327	21	348
	4,225	467	4,692

Dufferin-Peel Catholic District School Board

Notes to consolidated financial statements

August 31, 2008

(In thousands of dollars)

4. Net long-term debt

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

Debtenture	Interest rate %	Maturity	2008 \$	2007 \$
#1 - OSBFC By-Law #99	7.20	June 9, 2025	51,156	52,656
#2 - OSBFC By-Law #103	6.55	October 19, 2026	74,877	76,914
#3 - OSBFC By-Law #111	5.48	November 26, 2029	120,392	123,274
#4 - OSBFC By-Law #113	4.79	August 8, 2030	24,495	25,113
#5 - OSBFC Sinking Fund By-Law #100	6.30	September 22, 2010	57,596	57,596
#6 - OSBFC Sinking Fund By-Law #102	5.90	October 19, 2011	27,842	27,842
#7 - OSBFC Sinking Fund By-Law #105	5.70	October 11, 2017	103,134	103,134
#8 - OFA By-Law #116 (Note 4(c))	4.56	November 15, 2031	12,805	13,105
#9 - OSBFC By-Law #118	5.38	June 25, 2032	115,781	118,107
#10 - OFA By-Law #120	4.90	March 3, 2033	4,994	-
Less Sinking Fund Assets			(21,079)	(16,975)
Balance as at August 31			571,993	580,766

- b) Principal payments relating to net long-term debt of \$571,993 outstanding as at August 31, 2008 are due as follows:

	Principal and sinking fund contributions*	Interest	Total
	\$	\$	\$
2008/2009	13,343	34,415	47,758
2009/2010	13,960	33,799	47,759
2010/2011	14,614	31,331	45,945
2011/2012	14,101	28,001	42,102
2012/2013	14,455	26,444	40,899
Thereafter	501,520	215,440	716,960
Net long-term borrowings	571,993	369,430	941,423

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

Included in net long-term borrowings are outstanding debentures of \$188,572 (2007 - \$188,572) secured by sinking fund assets with a carrying value, including accrued interest of \$21,079 (market value - \$21,621). Sinking fund assets are comprised of short-term notes and deposits, government and government-guaranteed bonds and debentures and corporate bonds.

Dufferin-Peel Catholic District School Board

Notes to consolidated financial statements

August 31, 2008

(In thousands of dollars)

4. Net long-term debt (continued)

- c) On March 3, 2008, the Board entered into a loan agreement with the Ontario Financing Authority to finance \$4,994 of the Good Places to Learn ("GPL") Phase 2 outstanding at that time. The GPL initiative will provide the Board with \$29,876 for major renewal projects for its school buildings. GPL Phase 1 providing \$13,249, GPL Phase 2 providing \$5,360 and GPL Phase 3 provides a further \$11,267, were announced in 2005-2006, 2006-2007 and 2007-2008 respectively. The loan is repayable by semi-annual installments of principal and interest of \$175 based on a 25 year amortization schedule and bears interest of 4.90%. The annual principal and interest costs will be funded by the Ministry of Education.

5. Retirement and other employee future benefits

Retirement and Other Employee Future Benefit Liabilities

				2008	2007
	Retirement gratuity	Sick leave accumulation	Other employee future benefits	Total	Total
	\$	\$	\$	\$	\$
Accrued employee future benefit obligations at August 31	8,336	41,261	12,626	62,223	60,480
Unamortized actuarial losses at August 31	(1,046)	(5,100)	(3,070)	(9,216)	(9,731)
Employee future benefits liability at August 31	7,290	36,161	9,556	53,007	50,749

Dufferin-Peel Catholic District School Board

Notes to consolidated financial statements

August 31, 2008

(In thousands of dollars)

5. Retirement and other employee future benefits (continued)

Retirement and Other Employee Future Benefit Expenses

				2008	2007
	Retirement gratuity	Sick leave accumulation	Other employee future benefits	Total	Total
	\$	\$	\$	\$	\$
Current year benefit cost	315	2,679	1,821	4,815	4,706
Amortization of actuarial losses	255	402	443	1,100	1,358
Interest on accrued benefit obligation	420	1,941	596	2,957	2,946
Employee future benefits expense*	990	5,022	2,860	8,872	9,010

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

Retirement benefits

i) Retirement Gratuities

The Board provides sick leave retirement gratuities to certain groups of employees. The academic staff is the largest group. Employee eligibility is determined based on the date the individual commenced employment with the Board. Teachers commencing employment after December 31, 1979 are not eligible for the retirement gratuity. Eligible teachers may accumulate a reserve of sick leave to a maximum of 200 days. An eligible teacher, who has 10 or more years of continuous service with the Board or predecessor boards, is entitled to a retirement gratuity which shall not exceed 50% of the salary rate at the date of retirement. The amount of the gratuities paid to eligible employees at retirement is based on 10% of the cumulative sick leave times an average daily salary, with an additional 2% of salary for each year of service beyond 10 years. The benefit costs expensed in the consolidated financial statements are \$990 (2007 - \$1,098). As at August 31, 2008, the Board has a reserve of \$2,270 (2007 - \$2,189) established for retirement gratuities (See Note 8).

ii) Sick Leave Accumulations

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

Other Employee Future Benefits

i) Long-term Disability Life Insurance and Health Care Benefits

The Board provides life insurance, dental and health care benefits to employees on long-term disability leave. The benefit costs expensed in the consolidated financial statements are \$2,315 (2007 - \$2,227).

Based on the actuarial estimate, the total liability of all health and dental benefits for long-term disability for disabled employees accrued to-date is \$5,606 (2007 - \$4,169) and is included in retirement and other employee future benefits.

Dufferin-Peel Catholic District School Board

Notes to consolidated financial statements

August 31, 2008

(In thousands of dollars)

5. Retirement and other employee future benefits (continued)

Other Employee Future Benefits (continued)

ii) Retirement Life Insurance and Health care Benefits

The Board continues to provide life insurance, dental and health care benefits to certain employee groups after retirement. The coverage is provided for various terms up to a maximum age of 65. The benefit costs expensed in the consolidated financial statements are \$546 (2007 - \$535).

Based on the actuarial estimate, the total liability of all post retirement benefits accrued to-date is \$3,950 (2007 - \$3,723) and is included in Retirement and other employee future benefits.

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

The Board is a Schedule 2 employer under the Workplace Safety and Insurance Act and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. The liability for payments under WSIB are recognized at the time the event obligating the Board to pay occurs. At August 31, 2008 the Board has a liability of \$512 (2007 - \$478) in respect of WSIB obligations. The Board does not fund these obligations in advance of payments made under the Act. The benefit costs expensed during the year in the consolidated financial statements are, \$450 (2007 - \$364).

As at August 31, 2008, the Board has a Workers' Safety Insurance Board reserve of \$3,834 (2007 - \$2,834) (see Note 8).

The accrued benefit obligations for employee future benefit plans as at August 31, 2008 are based on actuarial valuations for accounting purposes as at August 31, 2008. 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:

	2008	2007
	%	%
Wage and salary escalation	3.40	3.40
Insurance and health care cost escalation	11.5 - 5.0	11.0 - 5.0
Dental care	7.5 - 4.0	7.0 - 4.0
Discount on accrued benefit obligation	4.75	4.75

Additional Retirement Benefits

i) Ontario Teacher's Pension Plan

Teachers and related employee groups are eligible to be members of Ontario Teacher's Pension Plan. Employer contributions for these employees are provided directly by the Province of Ontario. The pension costs and obligations related to this plan are a direct responsibility of the Province. Accordingly, no costs or liabilities related to this plan are included in the Board's consolidated financial statements.

ii) Ontario Municipal Employees Retirement System

All non-teaching employees of the Board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2008, the Board contributed \$6,469 (2007 - \$6,141) to the plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses. No pension liability for this type of plan is included in the Board's consolidated financial statements.

Dufferin-Peel Catholic District School Board

Notes to consolidated financial statements

August 31, 2008

(In thousands of dollars)

6. Amounts to be recovered in future years

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

	2008	2007
	\$	\$
Net long-term borrowings (Note 4)	571,993	580,766
Capital leases (Note 3)	4,225	4,093
Retirement and other employee future benefits liability (Note 5)	53,007	50,749
Vacation accrual	3,015	2,939
Interest accrual	11,621	11,697
	643,861	650,244

7. Debt charges

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

	2008	2007
	\$	\$
Principal payments on long-term borrowings, including contributions to sinking fund	12,662	9,770
Interest payments on long-term borrowings	34,795	28,547
Total	47,457	38,317

Included in debt repayment and sinking fund contributions on the consolidated financial statements of \$13,768 (2007 - \$10,372) are the principal payments on long-term borrowings of \$12,662 (2007 - \$9,770) and sinking fund interest revenue of \$1,106 (2007 - \$602).

8. Reserves

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

	2008	2007
	\$	\$
Pupil accommodation	127,390	116,612
Workers' Safety Insurance Board	3,834	2,834
Retirement gratuity	2,270	2,189
Miscellaneous appropriations	9,258	5,380
	142,752	127,015

Dufferin-Peel Catholic District School Board

Notes to consolidated financial statements

August 31, 2008

(In thousands of dollars)

9. Expenditures by object

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

	Budget (unaudited)	2008 Actual	2007 Actual
	\$	\$	\$
Operating expenditures			
Salary and wages	524,782	526,108	500,948
Employee benefits	82,935	81,761	78,307
Staff development	1,714	1,528	957
Supplies and services	44,753	44,145	44,967
Interest	34,748	34,720	31,398
Rental expenditures	5,385	2,635	1,348
Fees and contract services	27,878	35,138	29,889
Other	4,556	4,256	3,957
School funded activities	22,432	25,504	22,505
	749,183	755,795	714,276
Capital expenditures	76,612	55,731	70,201
	825,795	811,526	784,477

10. Ontario School Board Insurance Exchange (OSBIE)

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

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

11. Commitments and contingent liabilities

- a) The Board enters into contracts for the capital construction and renovation of various new and existing schools. The following summarizes the Board's commitment under these contracts as at August 31, 2008:

	Contract value	Expensed to date	Amount remaining
	\$	\$	\$
Construction of schools	75,065	28,329	46,736

Dufferin-Peel Catholic District School Board

Notes to consolidated financial statements

August 31, 2008

(In thousands of dollars)

11. Commitments and contingent liabilities (continued)

- b) The Board is committed to various leases for premises and equipment expiring in fiscal 2011/2012. The aggregate minimum lease payments are as follows:

	Minimum lease payments
	\$
2008/2009	2,251
2009/2010	1,816
2010/2011	593
2011/2012	429
Total	5,089

- c) The Board has been named as the defendant in certain legal actions in which damages have been sought. The outcome of these actions is not determinable as at August 31, 2008, therefore, no provision has been made for these claims in the financial statements. Any losses arising from these actions will be recorded in the year that the related litigation is settled or it is determined that the claim is likely and a reasonable estimate can be made.

12. Repayment of "55 School Board Trust" funding

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

The flow-through of \$3.3 million (2007 - \$3.3 million) in grants in respect of the above agreement for the year ended August 31, 2008, is not recorded in these consolidated financial statements.

13. Tangible capital assets

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

For 2008, 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. The Board currently does not have detailed information related to furniture, equipment, computer hardware, computer software and vehicles to disclose. Information related to land and buildings summarized below has been obtained from the Ministry of Education. As these amounts were used for purposes of the provincial consolidation, the amounts reported are as of March 31, 2008 which is the Province of Ontario's fiscal year-end.

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.

Dufferin-Peel Catholic District School Board

Notes to consolidated financial statements

August 31, 2008

(In thousands of dollars)

13. Tangible capital assets (continued)

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
Other buildings	20 years

This information will be subject to audit during the year that PS3150 is fully implemented for purposes of the school board's financial statements.

	Unaudited						Net book value March 31, 2007
	Cost (in 000's)		Accumulated amortization (in 000's)		Net book value March 31, 2008		
	Balance at March 31, 2007	Additions and (Transfers)	Disposals	Balance at March 31, 2008	Disposals, Write offs and Adjustments	Balance at March 31, 2008	
	\$	\$	\$	\$	\$	\$	\$
Land	197,087	9,302	-	206,389	-	206,389	197,087
Land improvements	4,804	1,647	-	6,451	388	5,764	4,505
Buildings	1,016,615	39,384	-	1,055,999	26,803	882,644	870,063
Portable structures	199,998	(11)	(771)	199,216	925	183,939	184,875
Construction in Progress	729	2,665	-	3,394	-	3,394	729
Pre acquisition and construction cost	666	2,470	-	3,136	-	3,136	666
	1,419,899	55,457	(771)	1,474,585	28,116	1,285,266	1,257,925
					(771)	189,319	

Dufferin-Peel Catholic District School Board

Consolidated schedule of operating fund financial activities and fund balance - Schedule 1 year ended August 31, 2008

(In thousands of dollars)

	Budget (unaudited)	2008 Actual	2007 Actual
	\$	\$	\$
Revenues			
Local taxation	245,580	240,123	244,873
Provincial grants - Student focused funding	507,135	515,895	471,283
Provincial grants - Other	3,763	7,330	10,198
Federal grants and fees	275	465	583
Other revenues - School Boards	-	410	-
Other fees and revenues	3,610	5,147	4,850
Investment income	624	1,393	601
Total revenue	760,987	770,763	732,388
Expenditures			
Instruction	572,605	573,586	544,422
Administration	22,129	24,120	22,879
Transportation	22,943	20,177	21,108
School operations and maintenance	70,956	74,321	69,160
Pupil accommodation	34,749	34,720	31,094
Other	3,369	3,367	3,369
Total expenditures	726,751	730,291	692,032
Net revenue	34,236	40,472	40,356
Decrease in non-financial assets	-	1,654	(773)
Repayment of obligations under capital lease	-	(2,019)	(1,613)
Debt repayment and sinking fund contributions	(13,284)	(13,768)	(10,372)
Increase in unfunded liabilities	1,519	2,258	5,350
Change in amounts to be recovered	(11,765)	(13,529)	(6,635)
Net transfers to other funds			
Transfer to Capital Fund	(15,759)	(16,362)	(18,739)
Transfer to Reserve Fund	(5,476)	(10,770)	(13,239)
Net transfers to other funds	(21,235)	(27,132)	(31,978)
Change in operating fund balance	1,236	1,465	970
Operating fund balance, beginning of year	(3,000)	(1,465)	(2,435)
Operating fund balance, end of year	(1,764)	-	(1,465)

See accompanying notes to financial statements.

Dufferin-Peel Catholic District School Board

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

year ended August 31, 2008

(In thousands of dollars)

	Budget (unaudited)	2008 Actual	2007 Actual
	\$	\$	\$
Revenues			
Education Development Charges	8,802	10,889	7,440
Expenditures			
Instruction	1,407	4,806	3,376
Administration	210	1,304	1,139
Transportation	-	12	13
School operations and maintenance	-	309	175
Pupil accommodation	74,995	49,300	65,498
Total expenditures	76,612	55,731	70,201
Net expenditure	(67,810)	(44,842)	(62,761)
Long-term financing	-	7,146	132,414
Net transfers from other funds			
Transfers from Operating Fund	15,759	16,362	18,739
Net transfers from other funds	15,759	16,362	18,739
Change in capital fund balance	(52,051)	(21,334)	88,392
Capital fund balance, beginning of year	98,666	89,555	1,163
Capital fund balance, end of year	46,615	68,221	89,555

See accompanying notes to financial statements.

Dufferin-Peel Catholic District School Board

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

year ended August 31, 2008

(In thousands of dollars)

		2008	2007
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
Revenues			
Investment income	5,070	4,967	4,759
Net transfers from other funds			
Transfers from Operating Fund	5,476	10,770	13,239
Net transfers from other fund	5,476	10,770	13,239
Change in reserve fund balance	10,546	15,737	17,998
Reserve fund balance, beginning of year	121,974	127,015	109,017
Reserve fund balance, end of year	132,520	142,752	127,015

See accompanying notes to financial statements.

Dufferin-Peel Catholic District School Board

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

year ended August 31, 2008

(In thousands of dollars)

		2008	2007
	Budget (unaudited)	Actual	Actual
	\$	\$	\$
Revenues	21,891	25,734	23,016
Expenditures	22,432	25,504	22,244
Change in school generated funds financial activities fund balance	(541)	230	772
School general funds financial activities fund balance, beginning of year	4,689	6,002	5,230
School general funds financial activities fund balance, end of year	4,148	6,232	6,002

See accompanying notes to financial statements.