

Financial Statements of

**WELLINGTON CATHOLIC DISTRICT
SCHOOL BOARD**

August 31, 2006

MANAGEMENT REPORT


Management's Responsibility for the Financial Statements

The accompanying financial statements of the Wellington 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 is described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

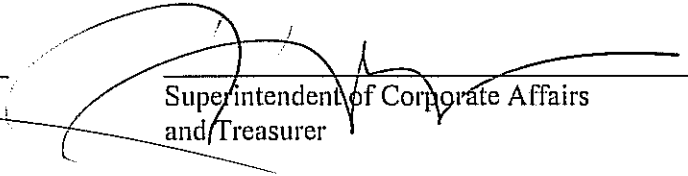
Board management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis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

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 financial statements have been audited by Deloitte & Touche LLP, independent external auditors which have been 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.



Director of Education



Superintendent of Corporate Affairs
and Treasurer

November 17, 2006

Auditors' Report

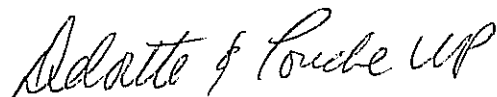
To the Board of Trustees of the
Wellington Catholic District School Board

We have audited the statement of financial position of Wellington Catholic District School Board as at August 31, 2006 and the statements of financial activities and 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 revenue, 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 financial statements present fairly, in all material respects, the financial position of Wellington Catholic District School Board as at August 31, 2006 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants

November 17, 2006

WELLINGTON CATHOLIC DISTRICT SCHOOL BOARD

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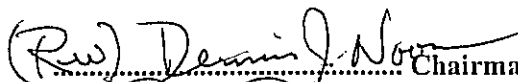
WELLINGTON CATHOLIC DISTRICT SCHOOL BOARD

Statement of Financial Position


August 31, 2006

	2006	2005
FINANCIAL ASSETS		
Cash	\$ 10,015,508	\$ 3,530,438
Accounts receivable	1,440,805	900,180
TOTAL FINANCIAL ASSETS	11,456,313	4,430,618
FINANCIAL LIABILITIES		
Bank indebtedness and short-term borrowings (Note 2)	(8,416,000)	(2,950,000)
Accounts payable and accrued liabilities	6,229,990	4,777,078
Net long-term liabilities (Note 3)	71,600,694	74,547,521
Deferred revenue - reserves (Note 4)	577,846	1,989,574
Retirement and other employee future benefits (Note 6)	6,331,459	6,211,783
TOTAL FINANCIAL LIABILITIES	93,155,989	90,475,956
NET FINANCIAL LIABILITIES	(81,699,676)	(86,045,338)
NON-FINANCIAL ASSETS		
Prepaid expenses	86,857	110,521
TOTAL NON-FINANCIAL ASSETS	86,857	110,521
NET LIABILITIES	(81,612,819)	(85,934,817)
FINANCIAL POSITION		
Operating fund - <i>Schedule 1</i>	-	1,141,808
Capital fund - <i>Schedule 2</i>	(3,515,486)	(8,907,655)
Reserve fund - <i>Schedule 3</i> (Note 5)	1,019,605	6,116,238
School activities fund - <i>Schedule 4</i>	489,737	415,604
TOTAL FUND BALANCE	(2,006,144)	(3,517,621)
Amounts to be recovered (Note 7)	(79,606,675)	(82,417,196)
NET FINANCIAL POSITION	\$ (81,612,819)	\$ (85,934,817)

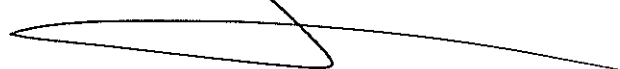
APPROVED ON BEHALF OF THE BOARD



 Chairman of the Board



 Director of Education



WELLINGTON CATHOLIC DISTRICT SCHOOL BOARD

Statement of Financial Activities

Year Ended August 31, 2006

	2006 Budget (unaudited)	2006	2005
REVENUES			
Local taxation	\$ 15,998,000	\$ 17,260,049	\$ 16,106,784
Provincial grants - student focused funding	52,806,514	51,076,841	48,772,466
Provincial grants - other	613,223	1,208,139	1,231,448
Other revenues - school boards	630,000	652,795	627,013
Other fees and revenues	835,000	3,526,569	1,043,220
Investment income	50,000	190,186	66,982
School fundraising	3,200,000	3,212,287	2,862,969
TOTAL REVENUES	74,132,737	77,126,866	70,710,882
EXPENDITURES			
Instruction	49,461,424	49,357,374	47,240,841
Administration	2,870,337	2,738,946	3,518,476
Transportation	4,306,500	4,250,758	4,093,481
School operation and maintenance	6,288,429	6,101,537	6,003,112
Pupil accommodation	5,447,439	6,915,801	10,675,377
Other	14,000	278,234	-
School funded activities	3,000,000	3,138,154	2,840,338
TOTAL EXPENDITURES (Note 9)	71,388,129	72,780,804	74,371,625
NET REVENUES (EXPENDITURES)	2,744,608	4,346,062	(3,660,743)
(Decrease) increase in prepaid expenses	-	(23,664)	57,674
(DECREASE) INCREASE IN NON-FINANCIAL ASSETS	-	(23,664)	57,674
CHANGE IN NET ASSETS (LIABILITIES)	2,744,608	4,322,398	(3,603,069)
 FINANCING TRANSACTIONS			
Long-term financing issued	-	-	3,941,661
Debt repayments and sinking fund contributions	(2,626,608)	(2,947,227)	(2,733,830)
Increase in unfunded liabilities	132,000	136,306	53,406
CHANGE IN AMOUNTS TO BE RECOVERED	(2,494,608)	(2,810,921)	1,261,237
CHANGE IN FUND BALANCES	250,000	1,511,477	(2,341,832)
Opening fund balances	(8,196,000)	(3,517,621)	(1,175,789)
Closing fund balances	\$ (7,946,000)	\$ (2,006,144)	\$ (3,517,621)

WELLINGTON CATHOLIC DISTRICT SCHOOL BOARD

Statement of Changes in Financial Position

Year Ended August 31, 2006

	2006	2005
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATIONS		
Net revenues (expenditures)	\$ 4,346,062	\$ (3,660,743)
Sources and (uses)		
Increase (decrease) in accounts receivable	(540,625)	2,250,342
Increase in accounts payable and accrued liabilities	1,452,512	1,132,478
(Decrease) increase in deferred revenue - reserves	(1,411,728)	1,175,105
Increase (decrease) in employee future benefits payable	119,676	(12,908)
Net increase in cash from operations	3,965,897	884,274
FINANCING		
Increase in bank indebtedness	5,466,000	1,045,760
Long-term liabilities issued	-	3,941,661
Debt repaid and sinking fund contributions	(2,946,827)	(2,733,830)
Net increase in cash from financing	2,519,173	2,253,591
CHANGE IN CASH	6,485,070	3,137,865
CASH, BEGINNING OF YEAR	3,530,438	392,573
CASH, END OF YEAR	\$ 10,015,508	\$ 3,530,438

WELLINGTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Financial Statements

Year Ended August 31, 2006

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by the Board in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants.

a) Reporting entity

The 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, including the school generated funds, which include the assets, liabilities, revenues, expenditures and fund balances of various organizations that exist at the school level and which are controlled by the Board are reflected in the financial statements.

All material inter-organizational transactions and balances between these organizations are eliminated upon preparation of the financial statements.

b) Trust funds

Trust funds and their related operations administered by the Board are not included in the financial statements as they are not controlled by the Board. Specifically, the Board's trust funds include the Student Awards/Scholarships and Self-Funded Leaves. The total net assets of the trust funds are \$173,709 (2005 - \$180,328) and \$97,852 (2005 - \$50,894) respectively.

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 the cost of goods and services acquired in the period whether or not payment has been made or invoices received.

d) Cash

Cash consists of cash on deposit with the Board's bankers.

e) Capital assets

The historical cost and accumulated depreciation of capital assets are not reported. Capital assets are reported as expenditures on the Statement of Financial Activities in the year of acquisition.

f) Deferred revenue

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

WELLINGTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Financial Statements

Year Ended August 31, 2006

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 and workers' compensation. 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, health care costs trends, 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 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, 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 contribution 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.
- iv) The costs of non vesting sick leave benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, long-term inflation rates and discount rates.

h) Reserve and reserve funds

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

WELLINGTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Financial Statements

Year Ended August 31, 2006

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Government transfers

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

j) Investment income

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

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

k) Budget figures

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

l) Use of estimates

The preparation of financial statements in conformity with 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.

2. BANK INDEBTEDNESS AND SHORT-TERM BORROWINGS

Short-term borrowings consist of 90-day Bankers Acceptances, are unsecured and bear interest ranging from prime less .25 percent to prime less .13 percent with interest payable monthly.

WELLINGTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Financial Statements

Year Ended August 31, 2006

3. NET LONG-TERM LIABILITIES

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

	<u>2006</u>	<u>2005</u>
Debenture #1 - 1995 (14882-F)	\$ 2,100,000	\$ 2,550,000
Debenture #2 - 1997 (15647)	1,366,000	1,521,000
Debenture #3 - 2001-A3	19,060,973	19,493,945
Debenture #4 - 2002-02	26,487,423	27,088,112
Debenture #5 - Sinking Fund Debenture 2001-A1	6,732,756	6,732,756
Debenture #6 - Sinking Fund Debenture 2002-01	3,354,430	3,354,430
Non-revolving bank loan	9,200,000	9,600,000
EDC loan	2,666,700	2,986,704
75 Woolwich Property	522,563	573,253
Obligation under capital leases	618,083	1,017,976
	<u>72,108,928</u>	<u>74,918,176</u>
Less: Sinking fund assets	(508,234)	(370,655)
Balance as at August 31	<u>\$ 71,600,694</u>	<u>\$ 74,547,521</u>

Principal payments relating to net long-term liabilities of \$71,600,694 outstanding as at August 31, 2006 are due as follows:

	<u>Principal and Sinking Fund Contributions</u>	<u>Interest</u>	<u>Total</u>
2006/07	\$ 2,993,650	\$ 4,345,298	\$ 7,338,949
2007/08	2,973,894	4,170,025	7,143,919
2008/09	2,918,803	3,996,156	6,914,959
2009/10	3,323,387	3,804,113	7,127,500
2010/11	2,463,906	3,613,302	6,077,208
Thereafter	56,927,055	25,937,264	82,864,318
Net long-term liabilities	<u>\$ 71,600,694</u>	<u>\$ 45,866,158</u>	<u>\$ 117,466,853</u>

Included in net long-term debt are outstanding debentures of \$10,087,186 (2005 - \$10,087,186) secured by sinking fund assets with a carrying value of \$508,234 (market value - \$561,560). Sinking fund assets are comprised of short-term notes and deposits, government and government-guaranteed bonds and debentures and corporate bonds.

WELLINGTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Financial Statements

Year Ended August 31, 2006

4. DEFERRED REVENUE - RESERVES

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

Deferred revenue set-aside for specific purposes by legislation, regulation or agreement as at August 31, 2006 is comprised of:

	<u>2006</u>	<u>2005</u>
Proceeds of disposition	\$ -	\$ 1,485,375
Special education	577,846	492,852
Other	-	11,347
	<u>\$ 577,846</u>	<u>\$ 1,989,574</u>

5. RESERVES AND RESERVE FUNDS

Reserves and reserve funds set-aside for specific purposes by the Board of Trustees as at August 31, 2006 are comprised of:

	<u>2006</u>	<u>2005</u>
Reserve for working funds	\$ 775,612	\$ 150,000
Education development charges reserve	-	1,816,254
Pupil accomodation debt reserve	-	3,683,880
Other	243,993	466,104
	<u>\$ 1,019,605</u>	<u>\$ 6,116,238</u>

6. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS

	<u>2006</u>			<u>2005</u>
	Retirement Benefits	Sick Leave Benefits	Other Employee Future Benefits	Total Employee Future Benefits
Accrued employee future benefit obligations, end of year	\$1,524,515	\$4,417,274	\$ 389,670	\$6,331,459
				<u>\$ 6,211,783</u>

WELLINGTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Financial Statements

Year Ended August 31, 2006

6. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS (continued)

	2006				2005
	Retirement Benefits	Sick Leave Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Current year benefit cost	\$ 59,876	\$ 234,866	\$ 150,497	\$ 445,239	\$ 425,890
Interest on accrued benefit obligation	65,184	193,817	-	259,001	120,131
Employee future benefits expense	\$ 125,060	\$ 428,683	\$ 150,497	\$ 704,240	\$ 546,021

Above amounts exclude pension contributions to the Ontario Municipal Employees Retirement System, a multi-employer pension plan, described below.

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 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. Effective January 1, 2005 employee contribution rates were 6.5% for up to \$42,100 of yearly maximum pensionable earnings and 9.6% over this limit. The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2006, the Board contributed \$490,961 (2005 - \$431,356) 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 financial statements.

WELLINGTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Financial Statements

Year Ended August 31, 2006

6. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS (continued)

iii) Retirement Gratuities

The Board provides retirement gratuities to certain groups of employees hired prior to specified dates. The amount of the gratuities paid to eligible employees at retirement is based on their salary, accumulated sick days, and years of service at retirement. The Board provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the Board's 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 financial statements.

Sick Leave Benefits

Regular full-time employees are allocated sick days to be used as paid absences in the year, due to illness or injury. Part-time employees are entitled to prorated days based on the proportion of part-time to full-time work. Employees are allowed to accumulate or bank unused sick day credits each year, up to the allowable maximum in their respective employment agreements.

Accumulated credits may be used in future years to the extent that the duration of the employee's illness or injury exceeds the current year's allocation of credits. Sick day credits are paid out at the salary in effect at the time of usage.

Other employee future benefits

i) Workplace Safety and Insurance Board Obligations

The Board is a Schedule 2 employer under the Workplace Safety and Insurance Act and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. Occurrences over \$1,000,000 are insured by excess of loss coverage. Beginning January 1, 2005 the Board began participating in the Workers' Compensation Assistance Program with the School Boards' Co-operative Inc. (SBCI). For an annual fee, this program provides funds to Participating Members that incur claim costs on any workers' compensation incident between \$300,000 and \$1,000,000. The Board is self-insured for all other occurrences. The benefit costs and liabilities related to this plan are included in the Board's financial statements.

The Board does not fund these obligations in advance of payments made under the Act. As of August 31, 2006, these obligations, as actuarially determined, amounted to \$357,669 (2005 - \$126,841) and are included in Employee Future Benefits Payable. The increase in this amount from the previous year has been expensed and was funded by the reserve fund.

WELLINGTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Financial Statements

Year Ended August 31, 2006

6. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS (continued)

There is a contingent liability relating to the Board's participation in the Workers' Assistance Program due to exposure to claims in excess of funds collected by SBCI.

ii) Long-Term Disability Benefits

The Board provides long term disability benefits including partial salary compensation and payment of life insurance premiums and health care benefits during the period an employee is unable to work or until their normal retirement date. 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 financial statements.

The accrued benefit obligations for employee future benefit plans as at August 31, 2006 are based on actuarial valuations for accounting purposes as at August 31, 2006. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are the Board's best estimate of expected rates of:

	<u>2006</u>	<u>2005</u>
Inflation	1.5%	1.5%
Interest	4.5%	4.5%
Wage and salary escalation	2.5%	2.5%

7. AMOUNTS TO BE RECOVERED IN FUTURE YEARS

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

	<u>2006</u>	<u>2005</u>
Capital outlay to be recovered in future years		
Net long-term debt (Note 3)	\$ 71,600,694	\$ 74,547,521
Amounts to be financed in future years		
Retirement and other employee future benefits liability (Note 6)	6,331,459	6,211,783
Vacation accrual	275,439	222,375
Interest accrual	1,399,083	1,435,517
	<u>\$ 79,606,675</u>	<u>\$ 82,417,196</u>

WELLINGTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Financial Statements

Year Ended August 31, 2006

8. DEBT CHARGES AND CAPITAL LOANS AND LEASES INTEREST

The expenditure for debt charges, capital loans and capital leases interest includes principal and interest payments as follows:

	<u>2006</u>	<u>2005</u>
Principal payments on long-term liabilities	\$ 2,947,227	\$ 2,733,430
Interest payments on long-term liabilities	4,545,628	4,635,756
	<u>\$ 7,492,855</u>	<u>\$ 7,369,186</u>

9. EXPENDITURE BY OBJECT

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

	<u>2006</u>	<u>2006</u>	<u>2005</u>
	Budget	Actual	Actual
	(unaudited)		
Operating expenditures:			
Salary and wages	\$ 44,868,044	\$ 45,236,302	\$ 42,786,993
Employee benefits	6,438,050	5,663,751	5,393,325
Staff development	310,615	329,702	470,057
Supplies and services	5,013,633	4,694,605	4,659,049
Furniture and equipment	137,200	186,535	105,579
Interest	4,401,970	4,509,194	4,660,915
Rental expenditures	73,100	81,350	114,574
Fees and contract services	1,363,098	5,134,946	5,066,729
Other	4,576,973	553,557	554,612
Transfer to other boards	110,000	451,852	406,977
Capital expenditures	1,095,446	2,800,856	7,312,477
School activity expenditures	3,000,000	3,138,154	2,840,338
	<u>\$ 71,388,129</u>	<u>\$ 72,780,804</u>	<u>\$ 74,371,625</u>

10. ONTARIO SCHOOL BOARD INSURANCE EXCHANGE

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.

WELLINGTON CATHOLIC DISTRICT SCHOOL BOARD

Notes to the Financial Statements

Year Ended August 31, 2006

11. CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES

The school board has the following phone lease commitments over the next four years:

2007	\$	20,958
2008		19,809
2009		13,740
2010		2,411

12. FINANCIAL INSTRUMENTS

The carrying value for cash, accounts receivable, bank and other short-term borrowings, and accounts payable and accrued liabilities approximate fair market value because of their limited term. The intention of the Board is to retire the debt to maturity and therefore we have not determined the fair value of the long-term debt since the cost to do so would not be justified. Fair value estimates are made as at the balance sheet date based on relevant information and information about the financial instruments.

13. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

WELLINGTON CATHOLIC DISTRICT SCHOOL BOARD

Schedule of Operating Fund Activities

Year Ended August 31, 2006

Schedule 1

	2006 Budget (unaudited)	2006	2005
REVENUES			
Local taxation	\$ 15,998,000	\$ 17,260,049	\$16,106,784
Provincial grants - student focused funding	52,806,514	51,076,841	48,772,466
Provincial grants - other	613,223	1,208,139	1,231,448
Other revenues - school boards	630,000	652,795	627,013
Other fees and revenues	185,000	684,776	336,190
Investment income	50,000	105,658	9,763
TOTAL REVENUES	70,282,737	70,988,258	67,083,664
EXPENDITURES			
Instruction	49,355,374	49,014,167	46,705,957
Administration	2,865,037	2,733,494	2,902,778
Transportation	4,306,500	4,250,758	4,093,481
School operation and maintenance	6,270,429	6,093,651	5,957,227
Pupil accommodation	4,481,343	4,471,490	4,559,365
Other	14,000	278,234	-
TOTAL EXPENDITURES	67,292,683	66,841,794	64,218,808
NET REVENUES	2,990,054	4,146,464	2,864,856
(Decrease) increase in prepaid expenses	-	(23,664)	57,674
(DECREASE) INCREASE			
IN NON-FINANCIAL ASSETS	-	(23,664)	57,674
Debt repayments	(2,626,608)	(2,947,227)	(2,733,830)
Increase in unfunded liabilities	132,000	136,306	53,406
NET CHANGE IN AMOUNTS TO BE RECOVERED	(2,494,608)	(2,810,921)	(2,680,424)
NET TRANSFERS (TO) FROM OTHER FUNDS			
Transfers (to) from capital fund	(495,446)	233,431	272,160
Transfers to reserve fund	-	(403,502)	(498,496)
NET TRANSFERS (TO) FROM OTHER FUNDS	(495,446)	(170,071)	(226,336)
CHANGE IN OPERATING FUND BALANCE	-	1,141,808	15,770
Opening balance	-	(1,141,808)	(1,157,578)
Closing balance	\$ -	\$ -	\$ (1,141,808)

WELLINGTON CATHOLIC DISTRICT SCHOOL BOARD

Schedule of Capital Fund Activities

Year Ended August 31, 2006

Schedule 2

	2006 Budget (unaudited)	2006	2005
REVENUES			
Education development charges	\$ 650,000	\$ 551,754	\$ 707,030
Other revenues	-	2,290,039	-
TOTAL REVENUES	650,000	2,841,793	707,030
CAPITAL EXPENDITURES			
Instruction	106,050	343,207	534,882
Administration	5,300	5,452	615,698
School operations and maintenance	18,000	7,886	45,885
Pupil accommodation	966,096	2,444,311	6,116,012
TOTAL EXPENDITURES	1,095,446	2,800,856	7,312,477
NET (EXPENDITURES) REVENUES	(445,446)	40,937	(6,605,447)
LONG TERM FINANCING	-	-	3,941,661
TRANSFERS FROM OTHER FUNDS			
Transfers from (to) operating fund	495,446	(233,431)	(272,160)
Transfers from reserve fund	-	5,584,663	2,244,072
NET TRANSFERS FROM OTHER FUNDS	495,446	5,351,232	5,913,573
CHANGE IN CAPITAL FUND BALANCE	50,000	5,392,169	(691,874)
Opening balance	(8,396,000)	(8,907,655)	(8,215,781)
Closing balance	\$ (8,346,000)	\$ (3,515,486)	\$ (8,907,655)

WELLINGTON CATHOLIC DISTRICT SCHOOL BOARD

Schedule of Reserve Fund Activities

Year Ended August 31, 2006

Schedule 3

	<u>2006 Budget</u> (unaudited)	<u>2006</u>	<u>2005</u>
REVENUES			
Investment income	\$ -	\$ 84,528	\$ 57,219
NET TRANSFERS FROM (TO) OTHER FUNDS			
Transfers from operating fund	-	403,502	498,496
Transfers to capital fund	-	(5,584,663)	(2,244,072)
NET TRANSFERS TO OTHER FUNDS	-	(5,181,161)	(1,745,576)
CHANGE IN RESERVE FUND BALANCE	-	(5,096,633)	(1,688,357)
Opening balance		6,116,238	7,804,595
Closing balance	\$ -	\$ 1,019,605	\$ 6,116,238

WELLINGTON CATHOLIC DISTRICT SCHOOL BOARD**Schedule of School Generated Fund Activities**

Year Ended August 31, 2006

Schedule 4

	<u>2006 Budget</u> (unaudited)	<u>2006</u>	<u>2005</u>
REVENUES			
School fundraising and other revenues	\$ 3,200,000	\$ 3,212,287	\$2,862,969
EXPENDITURES			
School funded activities	3,000,000	3,138,154	2,840,338
CHANGE IN SCHOOL ACTIVITIES			
FUND BALANCE	200,000	74,133	22,631
Opening balance	200,000	415,604	392,973
Closing balance	\$ 400,000	\$ 489,737	\$ 415,604