

Financial Statements of

**CATHOLIC DISTRICT SCHOOL  
BOARD OF EASTERN  
ONTARIO**

Year ended August 31, 2004

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Financial Statements

Year ended August 31, 2004

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## **MANAGEMENT REPORT**

### **Management's Responsibility for the Financial Statements**

The accompanying financial statements of the Catholic District School Board of Eastern Ontario are the responsibility of 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, except that the balances and activities of the Board's school generated funds have not been included in the financial statements. 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.

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 KPMG 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.

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Director of Education

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Chief Financial Officer

October 22, 2004



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## AUDITORS' REPORT

To the Board of Trustees of  
Catholic District School Board of Eastern Ontario

We have audited the statement of financial position of the Catholic District School Board of Eastern Ontario as at August 31, 2004 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.

Canadian generally accepted accounting principles require that school generated funds be included in the financial statements. As disclosed in note 1, the Ministry of Education of Ontario has indicated that they do not require school generated funds to be included in the financial statements until the 2004-2005 fiscal year and, accordingly, management has advised us that they have not quantified the balances and activities of the school generated funds for the current year. As a result, we have been unable to obtain sufficient audit evidence to form an opinion with respect to the possible amount of the balance and activities of school generated funds.

In our opinion, except that school generated funds balances and activities have not been included in the financial statements as referred to in the preceding paragraph, and except for the effect of adjustments, which we may have determined to be necessary had we been able to obtain sufficient information regarding this matter, these financial statements present fairly, in all material respects, the financial position of Catholic District School Board of Eastern Ontario as at August 31, 2004 and the results of its operations and the changes in financial position for the year ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Ottawa, Canada

October 22, 2004



# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

## Statement of Financial Activities

Year ended August 31, 2004, with comparative figures for 2003

	2003-2004 Budget (unaudited)	2004	2003 (restated - note 2)
<b>Revenues:</b>			
Local taxation	\$ 17,327,260	\$ 17,675,906	\$ 16,871,285
Provincial grants:			
Student focused funding	93,968,473	95,866,572	87,707,211
Other	–	623,911	353,665
Federal grants and fees	–	1,006	1,696
Other – school boards	767,362	742,258	794,349
Other fees and revenue	28,500	244,853	5,194,018
Investment income	–	269,877	287,662
<b>Total revenues</b>	<b>112,091,595</b>	<b>115,424,383</b>	<b>111,209,886</b>
<b>Expenditures:</b>			
Instruction	78,673,196	78,993,470	74,043,888
Administration	3,868,615	4,009,577	3,700,079
Transportation	12,836,947	12,601,294	12,413,517
School operations and maintenance	9,884,786	9,874,259	9,337,615
Pupil accommodation	4,226,410	35,641,589	14,923,086
Other	–	589,802	121,574
<b>Total expenditures</b>	<b>109,489,954</b>	<b>141,709,991</b>	<b>114,539,759</b>
<b>Net revenues (expenditures)</b>	<b>2,601,641</b>	<b>(26,285,608)</b>	<b>(3,329,873)</b>
Increase in prepaid expenses	–	93,976	296,127
<b>Financing transactions:</b>			
Long-term financing issued	–	16,007,400	12,498,730
Debt principal repayments and sinking fund contributions (note 7)	(1,401,641)	(1,501,548)	(1,266,824)
Increase in interest accrued	–	266,465	272,910
Decrease in vacation accrual	–	(91,125)	–
Increase in employee future benefits liability	–	63,099	746,306
<b>Change in amounts to be recovered</b>	<b>(1,401,641)</b>	<b>14,744,291</b>	<b>12,251,122</b>
<b>Change in fund balances</b>	<b>1,200,000</b>	<b>(11,447,341)</b>	<b>9,217,376</b>
<b>Opening fund balances</b>	<b>(1,200,000)</b>	<b>(3,343,953)</b>	<b>(12,561,329)</b>
<b>Closing fund balances</b>	<b>\$ –</b>	<b>\$ (14,791,294)</b>	<b>\$ (3,343,953)</b>

See accompanying notes to financial statements.

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

## Statement of Changes in Financial Position

Year ended August 31, 2004, with comparative figures for 2003

	2004	2003 (restated - note 2)
Operations:		
Net expenditures	\$ (26,285,608)	\$ (3,329,873)
Cash provided by (used in):		
Decrease (increase) in accounts receivable	(631,636)	174,371
Increase (decrease) in accounts payable and accrued liabilities	4,196,204	(1,000,794)
Increase in deferred revenue - reserves	590,108	1,140,980
Decrease in deferred revenue - other	(10,784)	(70,295)
Increase in employee future benefits liability (note 5)	63,099	746,306
Net decrease in cash from operations	(22,078,617)	(2,339,305)
Investing:		
Decrease in investments	10,565	8,339
Net decrease in cash from investing	10,565	8,339
Financing:		
Long-term liabilities issued	16,007,400	12,498,730
Debt repayment and sinking fund contributions	(1,501,548)	(1,266,824)
Net increase in cash from financing	14,505,852	11,231,906
Increase (decrease) in cash and cash equivalents	(7,562,200)	8,900,940
Cash and cash equivalents, beginning of year	1,186,134	(7,714,806)
Cash and cash equivalents (bank indebtedness), end of year	\$ (6,376,066)	\$ 1,186,134
Consisting of:		
Cash and cash equivalents	\$ 12,275	\$ 1,186,134
Bank indebtedness	(6,388,341)	-
	\$ (6,376,066)	\$ 1,186,134

See accompanying notes to financial statements.

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Financial Statements

Year ended August 31, 2004

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## 1. Significant accounting policies:

The financial statements are prepared by management in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants, except that school generated funds have not been included in these financial statements. The inclusion of school generated funds is not required by the Ministry of Education of Ontario until the 2004-2005 fiscal year and, as a result, management has not quantified these balances and activities for the 2003-2004 fiscal year.

### (a) 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.

### (b) Cash and cash equivalents:

Cash and cash equivalents comprise 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.

### (c) Investments:

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. Investments are recorded on the "Statement of Financial Position" at the lower of cost or market value.

### (d) Capital assets:

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

### (e) 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.

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Financial Statements (continued)

Year ended August 31, 2004

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## 1. Significant accounting policies:

### (f) 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 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 or accumulate over the periods of service provided by employees, such as retirement gratuities, accumulated sick leave, 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, 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.

### (g) Reserves and reserve funds:

Certain amounts, as approved by the Board 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.

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Financial Statements (continued)

Year ended August 31, 2004

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## 1. Significant accounting principles (continued):

### (h) 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.

### (i) 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, special education and proceeds of disposition is added to the fund balance and forms part of the respective deferred revenue balances.

### (j) 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 Board reviews its operating and capital budgets annually. The approved operating and capital budgets for 2004 are reflected on the Schedules of Operating Fund and Capital Fund. Budgets established for capital funds are based on a project-oriented basis, the costs of which may be carried out over one or more years. Budget figures have not been audited and are presented for information purposes.

### (k) 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 amount 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 current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in net expenditures in the periods in which they become known. Significant estimates include assumptions used in estimating the collectibility of accounts receivable to determine the allowance for doubtful accounts, in estimating provisions for accrued liabilities and in performing actuarial valuations of employee future benefits liabilities.

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Financial Statements (continued)

Year ended August 31, 2004

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## 2. Adoption of Public Sector Accounting Recommendations:

Commencing in the year ending August 31, 2004, the Board has adopted generally accepted accounting principles applying the local government accounting standards issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, except that school generated funds have not been included, as disclosed in note 1 to these financial statements. The comparative figures included in these financial statements have been restated to conform with the accounting standards adopted for the current year.

Key elements of the changes to the balances reported include:

- Establishing a liability on the Board's accounts for estimated employee future benefit liabilities associated with retirement gratuities, extended health, dental and life insurance for retirees and long-term disability employees, compensated absences and vacation pay earned but untaken in the amount of \$9,159,352 (2003 - \$9,187,378), consisting of employee future benefits liability of \$8,840,477 (2003 - \$8,777,388) and vacation accrual of \$318,875 (2003 - \$410,000). The restated statement of financial activities includes the cost of providing these benefits in the period earned, in the amount of \$1,036,577 (2003 - \$1,338,177).
- Establishing a liability for the accrued interest obligation in respect of debenture debt obligations that arise since the last payment date to August 31 in the amount of \$989,919 (2003 - \$723,454) and restating the expenditure in the statement of financial activities to record interest expense on an accrual basis, excluding payments on account of repayment of principal. The impact of this change on expenditure is a decrease of \$4,302,349 (2003 - \$4,345,730).
- Reporting amounts received that are subject to restrictions arising from legislation, regulations or agreements with external parties as deferred revenue in the amount of \$4,921,905 (2003 - \$4,331,797). Previously such amounts were reported as revenues when received and accumulated in reserve funds. Amounts reported in the restated statement of financial activities include only revenues realized in the period expended in a manner consistent with the purpose specified. The impact of this change is a decrease in revenue of \$662,919 (2003 - \$1,128,781).

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Financial Statements (continued)

Year ended August 31, 2004

## 2. Adoption of Public Sector Accounting Recommendations (continued):

To facilitate comparability, retroactive restatement has been made of the corresponding comparative figures for the 2003 year. A summary of the impact of key aspects of the restatement and the impact on amounts reported is set out below.

	2003 Original	2003 Adjustment	2003 Restated
<b>Statement of Financial Position:</b>			
Accounts payable and accrued liabilities	\$ 5,430,164	\$ 1,133,454	\$ 6,563,618
Employee future benefits liability	–	8,777,378	8,777,378
Deferred revenue (externally restricted)	–	4,331,797	4,331,797
Amounts to be recovered	(33,970,590)	(9,910,832)	(43,881,422)
Reserve funds	5,266,187	(4,331,797)	934,390
<b>Schedule of Operating Fund:</b>			
Total revenue	\$ 107,200,101	\$ (1,128,781)	\$ 106,071,320
Total expenditures	104,007,417	(3,007,553)	100,999,864
Net revenue (expenditures)	3,192,684	1,878,772	5,071,456
Unfunded expense for employee benefits	–	746,306	746,306
Unfunded expense for interest accrual	–	272,910	272,910
Increase (decrease) in non-financial assets	–	296,127	296,127
Debt principal repayments	–	(1,266,824)	(1,266,824)
Transfer from reserve fund	(1,778,903)	1,140,980	(637,923)
Transfer to capital fund	–	(3,068,271)	(3,068,271)
<b>Change in operating fund balance</b>	<b>\$ 1,413,781</b>	<b>\$ –</b>	<b>\$ 1,413,781</b>

## 3. Net long-term liabilities:

Net long-term debt reported on the "Statement of Financial Position" comprises the following:

	2004	2003
Debenture	\$ 48,249,526	\$ 33,664,277
Loan	226,917	306,313
	<b>\$ 48,476,443</b>	<b>\$ 33,970,590</b>

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Financial Statements (continued)

Year ended August 31, 2004

### 3. Net long-term liabilities (continued):

Principal payments relating to net long-term liabilities of \$48,476,443 outstanding as at August 31, 2004 are due as follows:

	Principal	Interest	Total
2004-2005	\$ 1,808,321	\$ 2,996,881	\$ 4,805,202
2005-2006	1,905,981	2,903,386	4,809,367
2006-2007	2,016,751	2,804,989	4,821,740
2007-2008	1,210,656	2,714,788	3,925,444
2008-2009	1,264,374	2,668,700	3,933,074
Thereafter	40,270,360	35,924,909	76,195,269
	<u>\$ 48,476,443</u>	<u>\$ 50,013,653</u>	<u>\$ 98,490,096</u>

The respective interest rates on the loan and debentures range from 3.9% to 7.2%.

### 4. Deferred revenue:

The use of certain reserve funds is 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, is comprised of:

	2004	2003
Pupil accommodation	\$ 4,736,488	\$ 4,073,569
Special education improved access	15,214	15,214
Proceeds of disposition	170,203	243,014
	<u>\$ 4,921,905</u>	<u>\$ 4,331,797</u>
	2004	2003
Balance, beginning of year	\$ 4,331,797	\$ 3,190,817
Receipts	5,748,199	5,474,251
Recognized as revenue	(5,158,091)	(4,333,271)
Balance, end of year	<u>\$ 4,921,905</u>	<u>\$ 4,331,797</u>

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Financial Statements (continued)

Year ended August 31, 2004

## 4. Deferred revenue (continued):

### (a) Pupil accommodation:

The pupil accommodation deferred revenue pertains to renovations or construction projects which are capital in nature. Provincial law has placed restrictions on the use of these reserves.

### (b) Special education improved access:

The province has provided a specific capital grant to be used for renovations to buildings to improve access for special education students. Any amount not spent by year end must be deferred for use in future years.

### (c) Proceeds of disposition:

The proceeds of disposition pertains to monies received upon the sale of buildings.

## 5. Retirement and other employee future benefits:

Retirement and other employee future benefit liabilities:

			2004	2003
	Retirement gratuity benefits	Other employee future benefits	Total employee future benefits	Total employee future benefits
Accrued employee future benefit obligations at August 31 <sup>st</sup>	\$ 3,431,317	\$ 5,672,171	\$ 9,103,488	\$ 9,090,337
Unamortized actuarial losses at August 31 <sup>st</sup>	(142,294)	(120,717)	(263,011)	(312,959)
Employee future benefits liability at August 31 <sup>st</sup>	\$ 3,289,023	\$ 5,551,454	\$ 8,840,477	\$ 8,777,378

The total liability for retirement gratuity benefits and other employee future benefits at August 31, 2003 were \$3,304,803 and \$5,472,575 respectively.

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Financial Statements (continued)

Year ended August 31, 2004

## 5. Retirement and other employee future benefits (continued):

Retirement and other employee future benefit expenses:

	2004		2003	
	Retirement gratuity benefits	Other employee future benefits	Total employee future benefits	Total employee future benefits
Current year benefit cost	\$ 219,764	\$ 321,786	\$ 541,550	\$ 847,332
Interest on accrued benefit obligation	206,472	288,555	495,027	490,845
Benefit paid <sup>1</sup>	(442,016)	(531,462)	(973,478)	(591,871)
Change in employee future benefit liability	\$ (15,780)	\$ 78,879	\$ 63,099	\$ 746,306

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

Retirement benefits:

(a) 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.

(b) 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. From January 1, 2003 to December 31, 2003, eligible employees contributed at reduced rates of up to 2.6% of earnings. Effective January 1, 2004 employee contribution rates returned to levels of up to 8.8% of earnings. The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2004, the Board contributed \$666,236 (2003 - \$175,542) 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.

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Financial Statements (continued)

Year ended August 31, 2004

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## 5. Retirement and other employee future benefits (continued):

Retirement benefits (continued):

(c) 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.

(d) 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.

Other employee future benefits:

(a) 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 financial statements.

(b) Accumulated sick leave:

The Board provides accumulated sick leave benefits to certain groups of employees. Under the plan employees can accumulate unused sick leave days available for use in future years. 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.

(c) Long-term disability life insurance:

The Board provides life insurance benefits to employees on long-term disability leave. The Board is responsible for the payment of life insurance premiums under this plan. The Board provides these benefits through an unfunded defined benefit plan. The costs of salary compensation paid to employees on long-term disability leave are fully insured and not included in this plan.

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Financial Statements (continued)

Year ended August 31, 2004

## 5. Retirement and other employee future benefits (continued):

The accrued benefit obligations for employee future benefit plans as at August 31, 2004 are based on actuarial valuations for accounting purposes as at August 31, 2003. 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:

Discount rate	6.25% - 6.75%
Rate of return on reserve	6.75%
Rate of return on plan assets	6.75%
Salary growth	2% - 4%
Dental benefits escalation	4%
Drug benefits escalation	5% - 7.5%
Accumulated sick leave usage rate	5.5%

The Board has designated reserves for certain of these employee future benefit obligations. The balance of these reserves totalled \$296,467 at August 31, 2004 (2003 - \$296,467).

## 6. 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:

	2004	2003
Capital outlay to be recovered in future years:		
Net long-term debt (note 3)	\$ 48,476,443	\$ 33,970,590
Amounts to be financed in future years:		
Retirement and other employee future benefits liability (note 5)	8,840,477	8,777,378
Vacation accrual	318,875	410,000
Interest accrual	989,919	723,454
	<u>\$ 58,625,714</u>	<u>\$ 43,881,422</u>

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Financial Statements (continued)

Year ended August 31, 2004

## 7. Debt charges and capital loans interest:

The payments made for debt charges and capital loans includes principal and interest payments as follows:

	2004	2003
Principal payments on long-term liabilities	\$ 1,501,548	\$ 1,266,824
Interest payments on long-term liabilities	2,635,864	1,890,140
Interest payments on temporary financing of capital projects	–	161,694
	<b>\$ 4,137,412</b>	<b>\$ 3,318,658</b>

## 8. Expenditures by object:

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

	2004 Budget	2004 Actual	2003 Actual
Expenditures by object:			
Salary and wages	\$ 70,237,333	\$ 71,534,102	\$ 66,942,072
Employee benefits	10,720,129	10,019,526	9,314,440
Staff development	1,101,828	358,200	408,324
Supplies and services	7,366,142	8,460,158	8,081,762
Interest	2,196,308	2,902,329	2,324,744
Rental expenditures	100,178	61,564	75,304
Fees and contract services	14,720,428	14,139,863	13,645,037
Other	202,964	710,976	208,181
Capital expenditures	2,844,644	33,523,273	13,539,895
	<b>\$ 109,489,954</b>	<b>\$ 141,709,991</b>	<b>\$ 114,539,759</b>

## 9. 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.

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Financial Statements (continued)

Year ended August 31, 2004

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## **10. Commitments and contingent liabilities:**

(a) Litigation:

The Board is involved with pending litigation and claims which arose in the normal course of operations. In the opinion of the administration, any liability that may arise from such contingencies would not have a significant adverse effect on the financial statements of the Board. Any adjustments, arising from these matters, will be provided for in future years.

(b) Guarantees:

The Board has guaranteed work relating to their capital projects with the respective municipalities in the amount of \$200,000.

(c) Contractual obligations:

The Board has a total of \$4,417,031 of contractual obligations at year end relating to the construction or renovation of buildings.

## **11. Subsequent event:**

(a) Subsequent to year end, the Board closed the purchase of a building in Cornwall, Ontario for \$900,000.

(b) Subsequent to year end, the Board sold a building in Cornwall, Ontario for \$200,000.

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

## Schedule of Operating Fund

Year ended August 31, 2004, with comparative figures for 2003

	2003-2004 Budget (unaudited)	2003-2004 Actual	2002-2003 Actual (restated - note 2)
<b>Revenues:</b>			
Local taxation	\$ 17,327,260	\$ 17,675,906	\$ 16,871,285
Provincial grants:			
Student focused fundraising	93,968,473	95,866,572	87,707,211
Other	–	623,911	353,665
Federal grants and fees	–	1,006	1,696
Other – school boards	767,362	742,258	794,349
Other fees and revenues	28,500	172,043	55,452
Investment income	–	269,877	287,662
	<u>112,091,595</u>	<u>115,351,573</u>	<u>106,071,320</u>
<b>Expenditures:</b>			
Instruction	77,537,196	78,387,721	73,364,236
Administration	3,784,615	3,965,304	3,465,235
Transportation	12,836,947	12,601,294	12,413,517
School operations and maintenance	9,845,786	9,740,268	9,310,558
Pupil accommodation	2,640,766	2,902,329	2,324,744
Other	–	589,802	121,574
	<u>106,645,310</u>	<u>108,186,718</u>	<u>100,999,864</u>
<b>Net revenues</b>	<b>5,446,285</b>	<b>7,164,855</b>	<b>5,071,456</b>
Increase in prepaid expenses	–	93,976	296,127
<b>Unfunded expenses:</b>			
Increase in interest accrual	–	266,465	272,910
Decrease in vacation accrual	–	(91,125)	–
Increase in employee future benefits liability	–	63,099	746,306
Increase in unfunded expenses	–	238,439	1,019,216
Debt principal repayments and sinking fund contributions	(1,401,641)	(1,501,548)	(1,266,824)
Change in amounts to be recovered	(1,401,641)	(1,263,109)	(247,608)
<b>Net transfers from other funds:</b>			
Capital fund	(2,844,644)	(2,900,480)	(3,068,271)
Reserve funds	–	(2,234,070)	(637,923)
Net transfers from other funds	<u>(2,844,644)</u>	<u>(5,134,550)</u>	<u>(3,706,194)</u>
Change in operating fund balance	1,200,000	861,172	1,413,781
Opening balance – operating fund	(1,200,000)	(861,172)	(2,274,953)
<b>Closing balance – operating fund</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ (861,172)</b>

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

## Schedule of Capital Fund

Year ended August 31, 2004, with comparative figures for 2003

	2003-2004 Budget (unaudited)	2003-2004 Actual	2002-2003 Actual (restated - note 2)
Revenues:			
Other fees and revenue	\$ -	\$ 72,810	\$ 5,138,566
Expenditures:			
Instruction	1,136,000	605,749	679,652
Administration	84,000	44,273	234,844
School operations and maintenance	39,000	133,991	27,057
Pupil accommodation	1,585,644	32,739,260	12,598,342
	2,844,644	33,523,273	13,539,895
Net expenditures	(2,844,644)	(33,450,463)	(8,401,329)
Long-term financing issued	-	16,007,400	12,498,730
Net transfers to other funds:			
Operating fund	2,844,644	2,900,480	3,068,271
Change in capital fund balance	-	(14,542,583)	7,165,672
Opening balance – capital fund	-	(3,417,171)	(10,582,843)
Closing balance – capital fund	\$ -	\$ (17,959,754)	\$ (3,417,171)

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

## Schedule of Reserve Funds

Year ended August 31, 2004, with comparative figures for 2003

	2003-2004 Budget (unaudited)	2003-2004 Actual	2002-2003 Actual (restated - note 2)
Net transfers from other funds:			
Operating fund	\$ -	\$ 2,234,070	\$ 637,923
Change in reserve funds balance	-	2,234,070	637,923
Opening balance – reserve funds	-	934,390	296,467
Closing balance – reserve funds	\$ -	\$ 3,168,460	\$ 934,390
Consisting of:			
Working capital		\$ 2,588,757	\$ 500,000
Workplace Safety and Insurance Board (WSIB)		296,467	296,467
Students at Risk		283,236	137,923
		\$ 3,168,460	\$ 934,390