

Financial Statements of

**CATHOLIC DISTRICT SCHOOL  
BOARD OF EASTERN  
ONTARIO**

Year ended August 31, 2005

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Financial Statements

Year ended August 31, 2005

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Management Responsibility for the Financial Statements

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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. 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.

  
\_\_\_\_\_  
Director of Education

  
\_\_\_\_\_  
Chief Financial Officer

November 4, 2005



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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, 2005 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 the Catholic District School Board of Eastern Ontario as at August 31, 2005 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.

We issued our report dated October 22, 2004 on the financial statements as at and for the year ended August 31, 2004. Our audit report contained a qualification with respect to the non-recording of school-generated fund balances and activities.

*KPMG LLP*

Chartered Accountants

Ottawa, Canada

November 4, 2005

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

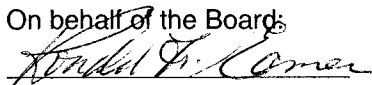
## Statement of Financial Position


August 31, 2005, with comparative figures for 2004

	2005	2004 (restated, note 2)
<b>Financial assets:</b>		
Cash and cash equivalents	\$ 4,865,329	\$ 762,706
Investments	64,398	45,653
<b>Accounts receivable:</b>		
Municipalities	2,465,743	2,465,522
Other	824,436	1,038,034
<b>Total financial assets</b>	<b>8,219,906</b>	<b>4,311,915</b>
<b>Financial liabilities:</b>		
Bank indebtedness	-	6,388,341
Accounts payable and accrued liabilities	10,185,730	10,759,822
Net long-term liabilities (note 3)	65,321,683	48,476,443
<b>Deferred revenue:</b>		
Reserves (note 4)	15,214	185,417
Other	1,111,573	307,472
Employee future benefits liability (note 5)	13,527,949	8,840,477
<b>Total financial liabilities</b>	<b>90,162,149</b>	<b>74,957,972</b>
<b>Net financial liabilities</b>	<b>(81,942,243)</b>	<b>(70,646,057)</b>
<b>Non-financial assets:</b>		
Prepaid expenses	3,048,939	2,715,968
<b>Total non-financial assets</b>	<b>3,048,939</b>	<b>2,715,968</b>
<b>Net liabilities</b>	<b>\$ (78,893,304)</b>	<b>\$ (67,930,089)</b>
<b>Financial position:</b>		
Operating fund	\$ -	\$ -
Capital fund	(3,067,998)	(17,959,754)
Reserve funds	3,717,861	7,904,948
School activities funds	921,200	750,431
<b>Total fund balance</b>	<b>1,571,063</b>	<b>(9,304,375)</b>
<b>Amounts to be recovered (note 6):</b>		
Net long-term liabilities	(66,566,805)	(49,466,362)
Vacation accrual	(369,613)	(318,875)
Employee future benefit liability	(13,527,949)	(8,840,477)
<b>Total amounts to be recovered</b>	<b>(80,464,367)</b>	<b>(58,625,714)</b>
<b>Commitments and contingent liabilities (note 10)</b>		
<b>Net financial position</b>	<b>\$ (78,893,304)</b>	<b>\$ (67,930,089)</b>

See accompanying notes to financial statements.

On behalf of the Board:

 Chair of the Board

 Director of Education

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

## Statement of Financial Activities

Year ended August 31, 2005, with comparative figures for 2004

	2004-2005 Budget (unaudited)	2005	2004 (restated, note 2)
<b>Revenues:</b>			
Local taxation	\$ 17,282,893	\$ 18,614,713	\$ 17,675,906
Provincial grants:			
Student focused funding	101,030,468	102,262,344	96,529,491
Other	1,632,000	1,134,530	623,911
Federal grants and fees	–	1,545	1,006
Other – school boards	492,181	132,430	742,258
Other fees and revenue	20,000	617,129	244,853
Investment income	–	421,244	269,877
School fundraising and other	–	3,748,877	–
<b>Total revenues</b>	<b>120,457,542</b>	<b>126,932,812</b>	<b>116,087,302</b>
<b>Expenditures:</b>			
Instruction	84,502,264	92,451,738	78,993,470
Administration	3,982,466	5,660,731	4,009,577
Transportation	13,131,110	12,838,417	12,601,294
School operations and maintenance	11,186,111	11,223,448	9,874,259
Pupil accommodation	5,459,245	12,072,714	35,641,589
Other	382,827	403,843	589,802
School funded activities	–	3,578,108	–
<b>Total expenditures</b>	<b>118,644,023</b>	<b>138,228,999</b>	<b>141,709,991</b>
<b>Net revenues (expenditures)</b>	<b>1,813,519</b>	<b>(11,296,187)</b>	<b>(25,622,689)</b>
Increase in prepaid expenses	–	332,971	93,976
<b>Financing transactions:</b>			
Long-term financing issued	–	19,048,531	16,007,400
Debt principal repayments and sinking fund contributions (note 7)	(1,734,826)	(2,203,293)	(1,501,548)
Increase in interest accrued	–	255,205	266,465
Increase in vacation accrual	–	50,738	(91,125)
Increase in employee future benefits liability	–	4,687,473	63,099
<b>Change in amounts to be recovered</b>	<b>(1,734,826)</b>	<b>21,838,654</b>	<b>14,744,291</b>
<b>Change in fund balances</b>	<b>78,693</b>	<b>10,875,438</b>	<b>(10,784,422)</b>
Opening fund balances	6,318,012	(9,304,375)	1,480,047
<b>Closing fund balances</b>	<b>\$ 6,396,705</b>	<b>\$ 1,571,063</b>	<b>\$ (9,304,375)</b>

See accompanying notes to financial statements.

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

## Statement of Changes in Financial Position

Year ended August 31, 2005, with comparative figures for 2004

	2005	2004 (restated, note 2)
Operations:		
Net expenditures	\$ (11,296,187)	\$ (25,622,689)
Cash provided by (used in):		
Decrease (increase) in accounts receivable	213,377	(631,636)
Increase (decrease) in accounts payable and accrued liabilities	(574,092)	4,196,204
Decrease in deferred revenue - reserves	(170,203)	(72,811)
Increase (decrease) in deferred revenue - other	804,101	(10,784)
Increase in employee future benefits liability (note 5)	4,687,472	63,099
Net decrease in cash from operations	(6,335,532)	(22,078,617)
Investing:		
Decrease (increase) in investments	(18,745)	10,565
Net decrease (increase) in cash from investing	(18,745)	10,565
Financing:		
Long-term liabilities issued	19,048,533	16,007,400
Debt repayment and sinking fund contributions	(2,203,292)	(1,501,548)
Net increase in cash from financing	16,845,241	14,505,852
Increase (decrease) in cash and cash equivalents	10,490,964	(7,562,200)
Cash and cash equivalents, (bank indebtedness), beginning of year	(5,625,635)	1,186,134
Prior period adjustment - school activities funds (note 2)	-	750,431
Cash and cash equivalents (bank indebtedness), end of year	\$ 4,865,329	\$ (5,625,635)
Consisting of:		
Cash and cash equivalents	\$ 4,865,329	\$ 762,706
Bank indebtedness	-	(6,388,341)
	\$ 4,865,329	\$ (5,625,635)

See accompanying notes to financial statements.

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Financial Statements

Year ended August 31, 2005

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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. The inclusion of school-generated funds is required by the Ministry of Education of Ontario effective for the 2004-2005 fiscal year. Management has quantified and recorded these balances and activities for the 2004-2005 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.

### (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:

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Financial Statements (continued)

Year ended August 31, 2005

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## 1. Significant accounting policies:

### (f) Retirement and other employee future benefits (continued):

- (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.

### (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.

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Financial Statements (continued)

Year ended August 31, 2005

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## 1. Significant accounting principles (continued):

### (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 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 2005 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, 2005

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## 2. Adoption of Public Sector Accounting Recommendations:

Commencing in 2004, the Board started adopting generally accepted accounting principles applying the local government accounting standards issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. During 2005, school-generated funds have been included, as disclosed in note 1 to these financial statements and the recognition of pupil accommodation grants relating to capital expenditures has been revised. 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:

- Reporting the inclusion of school-generated funds for the 2004-2005 fiscal year. This prior period adjustment has been recorded on a retroactive basis with restatement of the Statement of Financial Position. The impact of the adjustment is an increase in revenues of \$3,748,877 and expenditures of \$3,578,108 on the Statement of Financial Activities in the current year. As well as an increase to the cash and cash equivalents and the school activities fund balance of \$921,200 (2004 - \$750,431) on the Statement of Financial Position.
- In 2005, the Ministry clarified the recognition of pupil accommodation grants relating to capital expenditures. Pupil accommodation grants are now recognized as revenue when eligible capital expenditures are incurred. This prior period adjustment has been recorded on a retroactive basis with restatement of the Statement of Financial Position and the Statement of Financial Activities. The restated Statement of Financial Position include reserve funds for pupil accommodation of \$2,244,494 (2004 - \$4,736,488) which were previously reported as deferred revenue. The effect on the Statement of Financial Activities was to increase the 2004 provincial grants for student focused funding by \$662,919.

## 3. Net long-term liabilities:

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

	2005	2004
Debenture	\$ 65,177,085	\$ 48,249,526
Loan	144,598	226,917
	<u>\$ 65,321,683</u>	<u>\$ 48,476,443</u>

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Financial Statements (continued)

Year ended August 31, 2005

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

Principal payments relating to net long-term liabilities of \$127,988,074 outstanding as at August 31, 2005 are due as follows:

	Principal	Interest	Total
2005-2006	\$ 2,285,486	\$ 3,932,696	\$ 6,218,182
2006-2007	2,417,349	3,813,205	6,230,554
2007-2008	1,633,520	3,700,739	5,334,259
2008-2009	1,710,742	3,631,147	5,341,889
2009-2010	1,787,313	3,557,783	5,345,096
Thereafter	55,487,273	44,030,819	99,518,094
	<u>\$ 65,321,683</u>	<u>\$ 62,666,389</u>	<u>\$ 127,988,074</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:

	2005	2004
Special education improved access	\$ 15,214	\$ 15,214
Proceeds of disposition	–	170,203
	<u>\$ 15,214</u>	<u>\$ 185,417</u>

(a) 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.

(b) Proceeds of disposition:

The proceeds of disposition balance consists of monies received upon the sale of buildings.

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Financial Statements (continued)

Year ended August 31, 2005

## 5. Retirement and other employee future benefits:

Retirement and other employee future benefit liabilities:

			2005	2004
	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>	\$ 3,851,126	\$ 9,946,441	\$13,797,567	\$ 9,103,488
Unamortized actuarial gains (losses) at August 31 <sup>st</sup>	(426,590)	156,972	(269,618)	(263,011)
Employee future benefits liability at August 31 <sup>st</sup>	\$ 3,424,536	\$10,103,413	\$ 13,527,949	\$ 8,840,477

The total liability for retirement gratuity benefits and other employee future benefits at August 31, 2004 were \$3,289,023 and \$5,551,454 respectively.

Retirement and other employee future benefit expenses:

			2005	2004
	Retirement gratuity benefits	Other employee future benefits	Total employee future benefits	Total employee future benefits
Current year benefit cost	\$ 234,468	\$ 4,538,018	\$ 4,772,486	\$ 541,550
Net amortization of actuarial losses (gains)	12,576	16,878	29,454	-
Interest on accrued benefit obligation	210,292	551,876	762,168	495,027
Benefit paid <sup>1</sup>	(321,824)	(554,813)	(876,637)	(973,478)
Change in employee future benefits liability	\$ 135,512	\$ 4,551,959	\$ 4,687,471	\$ 63,099

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

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Financial Statements (continued)

Year ended August 31, 2005

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

The accrued benefit obligations for employee future benefit plans as at August 31, 2005 are based on the most recent actuarial valuation completed for accounting purposes as at August 31, 2005. 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	5% - 6% per annum
Rate of return on reserve	6.25% per annum
Rate of return on plan assets	6.25% per annum
Salary growth	2% per annum for three years 4% per annum thereafter
Dental benefits escalation	8% in 2005/06 decreasing by ½% per year to 4% in 2013/14
Health benefits escalation	12% in 2005/06 decreasing by ½% per year to 5% in 2019/20
Accumulated sick leave usage rate	3% - 9.5%

The Board has designated reserves for certain employee future benefit obligations. The balance of these reserves totalled \$296,467 at August 31, 2005 (2004 - \$296,467).

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, 2005, the Board contributed \$935,310 (2004 - \$666,236) 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, 2005

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## 5. Retirement and other employee future 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 provides 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, 2005

## 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:

	2005	2004
Capital outlay to be recovered in future years:		
Net long-term debt (note 3)	\$ 65,321,683	\$ 48,476,443
Amounts to be financed in future years:		
Retirement and other employee future benefits liability (note 5)	13,527,949	8,840,477
Vacation accrual	369,613	318,875
Interest accrual	1,245,122	989,919
	<b>\$ 80,464,367</b>	<b>\$ 58,625,714</b>

## 7. Debt charges and capital loans interest:

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

	2005	2004
Principal payments on long-term liabilities	\$ 2,203,293	\$ 1,501,548
Interest payments on long-term liabilities	3,519,851	2,635,864
	<b>\$ 5,723,144</b>	<b>\$ 4,137,412</b>

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Financial Statements (continued)

Year ended August 31, 2005

## 8. Expenditures by object:

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

	2005 Budget	2005 Actual	2004 Actual
Expenditures by object:			
Salary and wages	\$ 77,096,225	\$ 79,972,949	\$ 71,534,102
Employee benefits	10,809,198	15,158,275	10,019,526
Staff development	770,695	652,086	358,200
Supplies and services	8,625,737	9,371,595	8,460,158
Interest	3,001,809	3,775,054	2,902,329
Rental expenditures	133,890	28,675	61,564
Fees and contract services	14,542,556	14,739,874	14,139,863
Other	1,029,980	476,607	710,976
Capital expenditures	2,633,933	10,475,776	33,523,273
School funded activities	—	3,578,108	
	\$ 118,644,023	\$ 138,228,999	\$ 141,709,991

## 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, 2005

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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 \$217,070.

(c) Contractual obligations:

The Board has a total of \$584,417 of contractual obligations at year end relating to the construction or renovation of buildings.

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

## Schedule of Operating Fund

Year ended August 31, 2005, with comparative figures for 2004

	2004-2005 Budget (unaudited)	2004-2005 Actual	2003-2004 Actual (restated, note 2)
<b>Revenues:</b>			
Local taxation	\$ 17,282,893	\$ 18,614,713	\$ 17,675,906
Provincial grants:			
Student focused fundraising	101,030,468	102,262,344	96,529,491
Other	1,632,000	1,134,530	623,911
Federal grants and fees	–	1,545	1,006
Other – school boards	492,181	132,430	742,258
Other fees and revenues	20,000	446,926	172,043
Investment income	–	421,244	269,877
	<u>120,457,542</u>	<u>123,013,732</u>	<u>116,014,492</u>
<b>Expenditures:</b>			
Instruction	84,077,764	91,705,236	78,387,721
Administration	3,823,966	4,380,944	3,965,304
Transportation	13,129,110	12,835,510	12,601,294
School operations and maintenance	11,146,661	11,074,528	9,740,268
Pupil accommodation	3,449,762	3,775,054	2,902,329
Other	382,827	403,843	589,802
	<u>116,010,090</u>	<u>124,175,115</u>	<u>108,186,718</u>
Net revenues	4,447,452	(1,161,383)	7,827,774
Increase in prepaid expenses	–	332,971	93,976
<b>Unfunded expenses:</b>			
Increase in interest accrual	–	255,203	266,465
Increase in vacation accrual	–	50,738	(91,125)
Increase in employee future benefits liability	–	4,687,473	63,099
Increase in unfunded expenses	–	4,993,414	238,439
Debt principal repayments and sinking fund contributions	(1,734,826)	(2,203,293)	(1,501,548)
Change in amounts to be recovered	(1,734,826)	2,790,123	(1,263,109)
<b>Net transfers from (to) other funds:</b>			
Capital fund	(2,633,933)	(3,656,802)	(3,563,399)
Reserve funds	(564,200)	1,695,093	(2,234,070)
Net transfers from other funds	(3,198,133)	(1,961,709)	(5,797,469)
Change in operating fund balance	(485,507)	–	861,172
Opening balance – operating fund	485,507	–	(861,172)
Closing balance – operating fund	\$ –	\$ –	\$ –

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

## Schedule of Capital Fund

Year ended August 31, 2005, with comparative figures for 2004

	2004-2005 Budget (unaudited)	2004-2005 Actual	2003-2004 Actual (restated, note 2)
Revenues:			
Other fees and revenue	\$ -	\$ 170,203	\$ 72,810
Expenditures:			
Instruction	424,500	746,502	605,749
Administration	158,500	1,279,787	44,273
Transportation	2,000	2,907	-
School operations and maintenance	39,450	148,920	133,991
Pupil accommodation	2,009,483	8,297,660	32,739,260
	2,633,933	10,475,776	33,523,273
Net expenditures	(2,633,933)	(10,305,573)	(33,450,463)
Long-term financing issued	-	19,048,533	16,007,400
Net transfers from (to) other funds:			
Operating fund	2,633,933	3,656,802	3,563,399
Capital fund	-	2,491,994	(662,919)
Change in capital fund balance	-	14,891,756	(14,542,583)
Opening balance – capital fund	-	(17,959,754)	(3,417,171)
Closing balance – capital fund	\$ -	\$ (3,067,998)	\$ (17,959,754)

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

## Schedule of Reserve Funds

Year ended August 31, 2005, with comparative figures for 2004

	2004-2005 Budget (unaudited)	2004-2005 Actual	2003-2004 Actual (restated, note 2)
Net transfers from (to) other funds:			
Operating fund	\$ –	\$ (1,695,093)	\$ 2,234,070
Capital fund	564,200	(2,491,994)	662,919
Change in reserve funds balance	564,200	(4,187,087)	2,896,989
Opening balance – reserve funds	5,832,505	7,904,948	5,007,959
Closing balance – reserve funds	\$ 6,396,705	\$ 3,717,861	\$ 7,904,948
Consisting of:			
Working capital	\$ 500,000	\$ 503,200	\$ 2,588,757
Workplace Safety and Insurance Board (WSIB)	296,467	296,467	296,467
Students Success	137,923	192,530	283,236
Pupil Accommodation	5,462,315	2,244,494	4,736,488
Assessment	–	145,000	–
Textbooks	–	128,527	–
Longitudinal Tracking	–	174,058	–
Assistive Technology	–	33,585	–
	\$ 6,396,705	\$ 3,717,861	\$ 7,904,948

# CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

## Schedule of School Activities Funds

Year ended August 31, 2005, comparative figures for 2004 not available

	2004-2005 Budget (unaudited)	2004-2005 Actual	2003-2004 Actual (restated, note 2)
Revenues:			
School fundraising and other revenues	\$ -	\$ 3,748,877	\$ -
Expenditures:			
School funded activities	-	3,578,108	-
Net revenues	-	170,769	-
Opening balance - school activities funds	-	750,431	-
Prior period adjustment (note 2)	-	-	750,431
Opening balance restated - school activities funds	-	750,431	750,431
Closing balance – school activities fund	\$ -	\$ 921,200	\$ 750,431