
NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

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YEARS ENDED AUGUST 31, 2004 & 2003

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NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

AUDITORS' REPORT

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

We have audited the statement of financial position of the Northeastern Catholic District School Board 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

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

STATEMENT OF FINANCIAL ACTIVITIES

YEARS ENDED AUGUST 31

-----2004-----	2003
Budget	
(16,000)	
MAD	

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED AUGUST 31

	2004	2003
OPERATIONS		
NET REVENUES (EXPENDITURES)	\$ 4,511,540	\$ 601,526
USES:		
Increase in accounts receivable	(750,393)	-
Decrease in accrued interest on long-term debt	(56,100)	(3,050)
Decrease in employee benefits	-	(267,000)
	(806,493)	(270,050)
SOURCES:		
Decrease in accounts receivable	-	90,390
Increase in accounts payable and accrued liabilities	193,597	287,767
Increase in deferred revenue		

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NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2004 & 2003

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) 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.

(e) INVESTMENTS

Investments consist of guaranteed investment certificates which are liquid short-term investments with maturities of between three months and one year at the date of acquisition and are carried on the Statement of Financial Position at the lower of cost or market value.

(f) 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.

(g) 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.

(h) 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 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, 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 (OMERS) pensions, are the employer's contributions due to the plan in the period.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2004 & 2003

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS (CONT'D)

(iii) The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the period.

(i) RESERVES AND RESERVE FUNDS

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

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2004 & 2003

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NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2004 & 2003

9. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS (CONT'D)

(c) RETIREMENT BENEFITS (CONT'D)

(iii)

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2004 & 2003

9. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS (CONT'D)

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, 2004. 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:

	2004	2003
Inflation	%	%
Wa	2	2

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NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2004 & 2003

13. DEBT CHARGES AND INTEREST

The expenditure for debt charges and interest includes principal and interest payments as follows:

Principal payments on long-term debt	\$ 4,400,000
Interest payments on long-term debt	112,200
	<hr/>
	\$ 4,512,200

14. EXPENDITURES BY OBJECT

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

	-----2004-----		2003
	Budget (unaudited)	Actual	Actual
OPERATING EXPENDITURES			
Salaries and wages	\$ 17,915,965	\$ 17,498,084	\$ 16,190,206
Employee benefits	2,258,645	2,476,826	2,374,152
Staff development	196,128	319,326	157,013
Supplies and services	2,283,864	2,315,239	2,522,753
Replacement furniture and equipment	3,500	115	11,402
Interest on long-term debt	112,200	112,200	342,700
Rental expenditures	102,000	132,739	131,529
Fees and contractual services			

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NOTES TO FINANCIAL STATEMENTS (CONT'D)

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

SCHEDULE OF CAPITAL FUND

YEARS ENDED AUGUST 31

	-----2004-----		2003
	Budget (unaudited)	Actual	Actual
EXPENDITURES			
Instruction	\$		

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

SCHEDULE OF RESERVES AND RESERVE FUNDS

YEARS ENDED AUGUST 31

	-----2004-----		2003
	Budget (unaudited)	Actual	Actual
REVENUES			
Interest income	\$ -	\$ 9,262	\$ 10,055
TOTAL REVENUES	-	9,262	10,055
NET REVENUES (EXPENDITURES)	-	9,262	10,055

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

SCHEDULE OF RESERVES AND RESERVE FUNDS CONTINUITY

YEARS ENDED AUGUST 31

	Reserve For Working Funds	Sick Leave Reserve Fund	WSIB Reserve Fund	Capital Reserve Fund	Bursaries Reserve Fund	-----Total-----	
						2004	2003
BALANCE, beginning of year	\$ 3,046,457	\$ 253,379	\$ 89,517	\$ 65,141	\$ 2,616	\$ 3,457,110	\$ 3,388,293
Transfers from operating fund	-	-	-				

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

SCHEDULE OF EXPENDITURES

YEARS ENDED AUGUST 31

	2004	2003
INSTRUCTION		
CLASSROOM		
Salaries and wages	\$ 13,164,328	\$ 11,054,192
Employee benefits	1,795,773	1,616,046
Staff development	234,466	

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

SCHEDULE OF EXPENDITURES (CONT'D)

YEARS ENDED AUGUST 31

	2004	2003
TRANSPORTATION		
Salaries and wages	\$ 99,906	\$ 78,634
Employee benefits	12,245	9,728
Staff development	2,254	816
Supplies and services	13,464	11,830
Fees and contractual services	2,535,963	2,030,683
Other	8,164	3,496
Transfers to other Boards	-	386,777
	\$ 2,671,996	\$ 2,521,964

SCHOOL OPERATIONS AND MAINTENANCE

Salaries and wages	\$ 1,133,056	\$ 1,128,004
Employee benefits	217,775	191,118
Staff development	2,463	258
Supplies and services	771,801	753,710
Capital expenditures	31,232	16,579
Fees and contractual services	674,846	396,662
Other	164	-
	\$ 2,831,337	