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**NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD**

**FINANCIAL STATEMENTS**

**YEARS ENDED AUGUST 31, 2005 & 2004**

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# NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

## INDEX TO FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2005 & 2004

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### OFFICERS

### AUDITORS' REPORT

### STATEMENTS

- 1 Statement of Financial Position
- 2 Statement of Financial Activities
- 3 Statement of Changes in Financial Position

### NOTES TO FINANCIAL STATEMENTS

### SCHEDULES

- 1 Schedule of Operating Fund
- 2 Schedule of Capital Fund
- 3 Schedule of Reserves and Reserve Funds
- 4 Schedule of Reserves and Reserve Funds Continuity
- 5 Schedule of School Activities Fund
- 6 Schedule of Expenditures

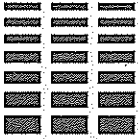
# NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

## OFFICERS

YEARS ENDED AUGUST 31

	2005	2004
<b>CHAIRPERSON OF BOARD</b>	<b>Colleen Landers</b>	Colleen Landers
<b>BOARD MEMBERS</b>	<b>Peter DelGuidice Martin Drainville Brenda Hevenor Paul Keating Elizabeth King Steve Malciw Jack Slattery</b>	Charlie Angus <sup>1</sup> Peter DelGuidice Mary Dudgeon Paul Keating Elizabeth King Mary O'Connor Jack Slattery
<b>SENIOR ADMINISTRATIVE PERSONNEL</b>		
Director of Education	<b>Paul Toffanello</b>	Paul Toffanello
Manager of Financial Services	<b>Luigina Malciw</b>	Luigina Malciw
Manager of Human Resources	<b>Michael Resetar</b>	Michael Resetar
Manager of Plant	<b>Robert Landry</b>	Robert Landry

<sup>1</sup> Board member Charlie Angus resigned effective July 16, 2004. Martin Drainville filled the vacancy effective September 2004.



# Ross, Pope & Company

**Chartered Accountants**

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## 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, 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 Northeastern Catholic District School Board 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 audit report dated November 10, 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.

*Ross, Pope & Company.*

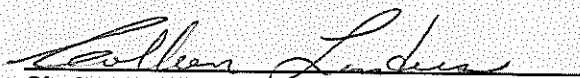
Kirkland Lake, Ontario  
November 10, 2005

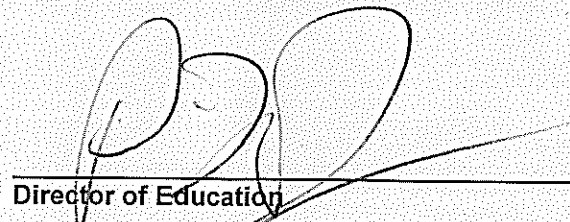
**ROSS, POPE & COMPANY  
CHARTERED ACCOUNTANTS**

**NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT AUGUST 31**

	2005	2004
<b>FINANCIAL ASSETS</b>		
Cash (Note 3)	\$ 10,055,653	\$ 8,606,091
Accounts receivable (Note 7)	2,540,792	2,810,493
<b>TOTAL FINANCIAL ASSETS</b>	<b>12,596,445</b>	<b>11,416,584</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 8)	2,649,551	1,817,610
Deferred revenue (Notes 3, 4 and 9)	6,427,304	6,111,210
Employee benefits (Notes 3, 4, 10 and 12)	3,871,115	3,866,833
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>12,947,970</b>	<b>11,795,653</b>
<b>NET FINANCIAL ASSETS (LIABILITIES)</b>	<b>(351,525)</b>	<b>(379,069)</b>
<b>NON-FINANCIAL ASSETS (Note 11)</b>	<b>87,640</b>	<b>60,654</b>
<b>NET ASSETS (LIABILITIES)</b>	<b>\$ (263,885)</b>	<b>\$ (318,415)</b>
<b>CONTINGENCIES &amp; COMMITMENTS (Note 17)</b>		
<b>FINANCIAL POSITION</b>		
Operating fund	\$ (15,774)	\$ (28,583)
Reserve for working funds (Note 3) (Schedules 3 and 4)	3,046,457	3,046,457
Reserve funds (Notes 3 and 4) (Schedules 3 and 4)	430,318	419,915
School activities fund (Schedule 5)	146,229	110,629
<b>FUND BALANCES</b>	<b>3,607,230</b>	<b>3,548,418</b>
<b>AMOUNTS TO BE RECOVERED (Note 12)</b>	<b>(3,871,115)</b>	<b>(3,866,833)</b>
<b>NET FINANCIAL POSITION</b>	<b>\$ (263,885)</b>	<b>\$ (318,415)</b>

Approved by:

  
 Chairperson

  
 Director of Education

See accompanying notes.

**NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**YEARS ENDED AUGUST 31**

	-----2005-----		
	Budget (unaudited)	Actual	2004 Actual
<b>REVENUES</b>			
Provincial legislative grants	\$ 22,245,289	\$ 23,761,349	\$ 26,011,490
Local taxation (Note 5)	5,984,271	5,042,209	5,820,131
Provincial grants - other	165,000	1,023,613	472,731
Federal grants and fees	200,739	213,598	228,942
Other fees and revenues (Note 13)	91,000	133,558	398,020
School fundraising (Schedule 5)	-	736,307	449,407
<b>TOTAL REVENUES</b>	<b>28,686,299</b>	<b>30,910,634</b>	<b>33,380,721</b>
<b>EXPENDITURES (Note 15) (Schedules 5 and 6)</b>			
Instruction	20,855,174	22,448,265	19,683,951
Administration	1,832,204	1,681,033	1,616,559
Transportation	2,679,710	2,699,093	2,671,996
School operations and maintenance	2,550,876	2,687,906	2,831,337
Pupil accommodation	718,335	659,758	1,609,750
Other	50,000	6,328	6,180
School funded activities	-	700,707	457,470
<b>TOTAL EXPENDITURES</b>	<b>28,686,299</b>	<b>30,883,090</b>	<b>28,877,243</b>
<b>NET REVENUES (EXPENDITURES)</b>	<b>-</b>	<b>27,544</b>	<b>4,503,478</b>
<b>INCREASE (DECREASE) IN NON-FINANCIAL ASSETS</b>	<b>25,000</b>	<b>26,986</b>	<b>4,513</b>
<b>CHANGE IN NET ASSETS (LIABILITIES)</b>	<b>25,000</b>	<b>54,530</b>	<b>4,507,991</b>
<b>FINANCING TRANSACTIONS</b>			
Debt principal repayments	-	-	(4,400,000)
Increase (Decrease) in employee benefits	-	4,282	101,236
Increase (Decrease) in accrued interest on long-term debt	-	-	(56,100)
<b>CHANGE IN AMOUNTS TO BE RECOVERED</b>	<b>-</b>	<b>4,282</b>	<b>(4,354,864)</b>
<b>CHANGE IN FUND BALANCES</b>	<b>25,000</b>	<b>58,812</b>	<b>153,127</b>
<b>FUND BALANCES, beginning of year</b>	<b>3,548,418</b>	<b>3,548,418</b>	<b>3,395,291</b>
<b>FUND BALANCES, end of year</b>	<b>\$ 3,573,418</b>	<b>\$ 3,607,230</b>	<b>\$ 3,548,418</b>

See accompanying notes.

## NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

## STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED AUGUST 31

	2005	2004
<b>OPERATIONS</b>		
NET REVENUES (EXPENDITURES)	\$ 27,544	\$ 4,503,478
USES:		
Increase in accounts receivable	-	(806,493)
Decrease in accrued interest on long-term debt	-	(56,100)
	-	(862,593)
SOURCES:		
Decrease in accounts receivable	269,700	-
Increase in accounts payable and accrued liabilities	831,942	193,597
Increase in deferred revenue	316,094	821,393
Increase in employee benefits	4,282	101,236
	1,422,018	1,116,226
NET INCREASE (DECREASE) IN CASH FROM OPERATIONS	1,449,562	4,757,111
<b>INVESTING</b>		
Decrease (Increase) in investments	-	48,928
NET INCREASE (DECREASE) IN CASH FROM INVESTING	-	48,928
<b>FINANCING</b>		
Long-term debt repaid	-	(4,400,000)
NET INCREASE (DECREASE) IN CASH FROM FINANCING	-	(4,400,000)
CHANGE IN CASH AND CASH EQUIVALENTS	1,449,562	406,039
CASH AND CASH EQUIVALENTS, beginning of year	8,606,091	8,200,052
CASH AND CASH EQUIVALENTS, end of year	\$10,055,653	\$ 8,606,091

See accompanying notes.

# **NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD**

## **NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED AUGUST 31, 2005 & 2004**

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### **1. NATURE OF OPERATIONS**

The Northeastern Catholic District School Board is an English Catholic school board formed in January 1998 from the English Language sections of four separate school boards. The School Board, which covers an area from Cobalt to Kapuskasing, Ontario, has one secondary and twelve elementary schools under its jurisdiction.

### **2. MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The financial statements are the responsibility of the Board's management and have been prepared in compliance with legislation and in accordance with Canadian 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 3 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.

### **3. 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.

#### **(a) REPORTING ENTITY**

The financial statements reflect the assets, liabilities, revenues, expenditures and fund balances of the 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.

#### **(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.

#### **(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 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.



# NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2005 & 2004

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (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.

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

# NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2005 & 2004

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (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 adjustment to the respective fund when approved.

#### (j) 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.

#### (k) INVESTMENT INCOME

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

Investment income earned on externally restricted revenue such as classroom, proceeds of disposition, transition and special education is added to the fund balance and forms part of the respective deferred revenue balances.

#### (l) BUDGET FIGURES

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Board of 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 Canadian 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.

#### (m) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the year. Actual results could differ from these estimates.

#### (n) LEGISLATIVE GRANTS

The legislative grants calculations are prepared annually by the School Board and submitted to the Ministry of Education for final approval. Adjustments, if any, are recorded in the year in which they are made.

#### (o) MUNICIPAL SUPPLEMENTARY TAXES AND TAX WRITE-OFFS

The education portion of municipal supplementary taxes and tax write-offs has not been accrued for the calendar year 2005 as they are not susceptible to estimation by their nature.

# NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2005 & 2004

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (p) FINANCIAL INSTRUMENTS

The Statement of Financial Position value for short-term investments, accounts receivable, and accounts payable and accrued liabilities approximates fair value because of their limited term. The Statement of Financial Position value of the long-term debt approximates fair value because the Board's current rate of borrowing for similar debt instruments of comparable maturity is not materially different. Fair value estimates are made as at the Statement of Financial Position date based on relevant information and information about the financial instruments.

### 4. PRIOR PERIOD ADJUSTMENTS

During the year the Board's actuary adjusted the employee future benefits liability to recognize the retirement gratuities that they project may have to be discharged by payments to employees. The prior years employee benefits payable has been increased by an amount of \$1,133,361 the amounts to be recovered has increased by the same amount.

As well the Board began to record the student activity funds in the current year. Consequently, the prior years figures have been adjusted to show increased cash and fund balance in the amount of \$110,629, increased revenue of \$449,407 and increased expenditures of \$457,470. The opening fund balance of the prior year figures has been increased by an amount of \$118,692.

### 5. TAXATION REVENUE

In accordance with Ministry of Education requirements, taxation revenue is based on 38% of taxation revenue from municipalities for the calendar year 2004, 62% of taxation revenue from municipalities for the calendar year 2005 and 100% of the education portion of municipal supplementary taxes and tax write-offs for the calendar year 2004. In most cases, the calculations are based on information provided to the Board by the various municipalities. Not all municipalities, however, have provided the School Board with the tax information required. In those instances, the taxation revenue has been estimated.

Due to the fact that actual taxation revenue may vary from the estimates, adjustments may be required in the future. Any adjustments will be reflected in the year in which the municipalities advise as to the final taxation amounts. These adjustments will affect the Legislative Grant in future years as the Grant is calculated as the difference between total allocations as per the Grant calculation provided by the Ministry and the estimated taxation revenue. In the fiscal year 2004/2005, an amount of \$667,707 (2004 - \$477,031) has reduced the amount reported as taxation revenue which relates to prior years. A corresponding amount has been reported in accounts receivable as due from the Government of Ontario.

### 6. SCHOOL LEAVE PROGRAM

Under the school leave program, teachers have the opportunity to be paid 80% of their salaries over four years. The remaining 20% is accumulated in a bank account to cover 80% of their salaries in the fifth year when they take a year leave of absence. The cash, investments and related liability have been included with cash, investments, and accounts payable and accrued liabilities on the Statement of Financial Position.

# NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2005 & 2004

### 7. ACCOUNTS RECEIVABLE

	2005	2004
Municipalities	\$ 832,703	\$ 1,375,573
Government of Ontario	927,256	1,041,279
Government of Canada	364,940	297,738
Other school boards	396,707	5,815
Other	19,186	90,088
	<b>\$2,540,792</b>	<b>\$2,810,493</b>

### 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2005	2004
Trade payables and accrued liabilities	\$2,081,785	\$ 1,248,948
Other school boards	567,766	568,662
	<b>\$2,649,551</b>	<b>\$ 1,817,610</b>

### 9. DEFERRED REVENUE

Revenues received and that have been set aside for specific purposes by legislation, regulation or agreement are included in deferred revenue and reported on the Statement of Financial Position.

Deferred revenue set aside for specific purposes by legislation, regulation or agreement as at August 31, 2005 is comprised of:

	Balance as at August 31, 2004	Externally Restricted Revenue and Investment Income	Revenue Recognized in the Year	Balance as at August 31, 2005
Classroom	\$3,629,223	\$ 233,465	\$ -	\$3,862,688
Proceeds of disposition	1,006,209	27,584	-	1,033,793
Special education	596,277	14,840	(137,814)	473,303
Transition	422,136	10,494	-	432,630
Distance schools	215,555	3,548	-	219,103
Pupil accommodation	-	657,076	(657,076)	-
Other	241,810	405,787	(241,810)	405,787
	<b>\$6,111,210</b>	<b>\$1,352,794</b>	<b>\$(1,036,700)</b>	<b>\$6,427,304</b>



# NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2005 & 2004

### 10. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS

#### (a) RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFIT LIABILITIES

	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits 2005	2004
Accrued employee future benefit obligations	\$3,570,062	\$ 301,053	\$3,871,115	\$3,866,833
Unamortized actuarial gains (losses)	-	-	-	-
Employee future benefits liability	\$3,570,062	\$ 301,053	\$3,871,115	\$3,866,833

#### (b) RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFIT EXPENSES

	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits 2005	2004
Current year benefit cost	\$ 246,074	\$ 160,292	\$ 406,366	\$ 293,768
Interest on accrued benefit obligation	148,687	9,005	157,692	129,817
Recognized actuarial gains (losses)	-	-	-	-
Employee contributions	-	-	-	-
Cost of (gain on) plan amendments	-	-	-	-
Recognition of unamortized actuarial losses (gains) on plan amendments	-	-	-	-
Employee future benefits expenses <sup>1</sup>	\$ 394,761	\$ 169,297	\$ 564,058	\$ 423,585

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

# NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2005 & 2004

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

#### (c) RETIREMENT BENEFITS (CONT'D)

##### (i) Ontario Teacher's Pension Plan

Teachers and related employee groups are eligible to be members of the 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 (OMERS)

All non-teaching employees of the Board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2005, the Board contributed \$246,354 (2004 - \$179,243) 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.

##### (iii) Retirement Gratuities

The Board provides retirement gratuities to certain groups of employees hired prior to specified dates and also on some individual negotiated employee contracts. 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.

#### (d) 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. 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.

##### (ii) Gratuity

The Board offers a lump sum payment of 15% of their start salary after 5 years of service with the Board.

**NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD**

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**YEARS ENDED AUGUST 31, 2005 & 2004**

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

**(d) OTHER EMPLOYEE FUTURE BENEFITS (CONT'D)**

The accrued benefit obligations for employee future benefit plans as at August 31, 2005 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:

	2005	2004
	%	%
Inflation	2	2
Wage and salary escalation	3	3
Insurance and health care cost escalation	15%-decrease 1% per year to 3%	15%-decrease 1% per year to 3%
Discount on accrued benefit obligations	5.5	5.5

As detailed on the Schedule of Reserves and Reserve Funds, the Board has designated reserve funds for certain of these employee future benefit obligations. The balance of these reserve funds totalled \$359,224 as at August 31, 2005 (2004 - \$ 350,524 ).

**11. NON-FINANCIAL ASSETS**

Non-financial assets reported on the Statement of Financial Position consist of prepaid expenses.

**12. 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
<b>AMOUNTS TO BE FINANCED IN FUTURE YEARS</b>		
Retirement and other employee future benefits liability (Note 10)	2,611,485	2,611,485
Vacation accrual	122,775	121,987
Retirement gratuity	1,136,855	1,133,361
	<b>\$ 3,871,115</b>	<b>\$ 3,866,833</b>

**13. OTHER FEES AND REVENUES**

	2005	2004
Interest income	\$ 98,190	\$ 78,453
Transfer from proceeds of disposition deferred revenue	-	307,401
Insurance Proceeds	33,454	5,000
Other	1,914	7,166
	<b>\$ 133,558</b>	<b>\$ 398,020</b>

# NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2005 & 2004

### 14. EXPENDITURES BY OBJECT

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

	-----2005-----		2004 Actual
	Budget (unaudited)	Actual	
<b>OPERATING EXPENDITURES</b>			
Salaries and wages	\$ 18,458,447	\$ 18,975,640	\$ 17,501,348
Employee benefits	2,575,941	2,675,733	2,473,561
Staff development	246,600	452,865	319,326
Supplies and services	2,456,659	2,629,512	2,315,239
Replacement furniture and equipment	3,500	1,212	115
Interest on long-term debt	-	-	112,200
Rental expenditures	128,500	168,904	132,739
Fees and contractual services	3,630,193	3,714,392	3,545,940
Other	132,364	58,617	57,273
School funded activities	-	700,707	457,470
<b>TOTAL OPERATING EXPENDITURES</b>	<b>27,632,204</b>	<b>29,377,582</b>	<b>26,915,211</b>
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>1,054,095</b>	<b>1,505,508</b>	<b>1,962,032</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 28,686,299</b>	<b>\$ 30,883,090</b>	<b>\$ 28,877,243</b>

### 15. 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.

### 16. COMMITMENTS

(a) The School Board has entered into agreements to lease certain office equipment. Minimum lease payments for the next five years are approximately as follows:

2005/2006	\$95,693
2006/2007	\$52,628
2007/2008	\$29,939
2008/2009	\$9,255
2009/2010	\$2,392

(b) The School Board has entered into an agreement to lease office space in Kirkland Lake, Ontario for annual rent payments (excluding G.S.T.) of approximately \$15,187. This lease expires in July 2007.



# NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2005 & 2004

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### 17. PUBLIC SECTOR SALARY DISCLOSURE

On January 29, 1996 the Ontario Legislature passed the Public Sector Salary Disclosure Act which requires Ontario's broader public sector organizations to disclose annually the names, positions, salaries and taxable benefits of employees paid \$100,000 or more a year. In the calendar year 2004, the following employees of the Northeastern Catholic District School Board were paid \$100,000 or more:

<b>EMPLOYEE</b>	<b>POSITION</b>	<b>SALARY</b>	<b>TAXABLE BENEFITS</b>
Paul Toffanello	Director of Education	\$ 133,024	\$ 5,582
Luigina Malciw	Manager of Financial Services	\$ 107,445	\$ 4,473

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## NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

## SCHEDULE OF OPERATING FUND

YEARS ENDED AUGUST 31

	-----2005-----		2004 Actual
	Budget (unaudited)	Actual	
<b>REVENUES</b>			
Provincial legislative grants	\$ 22,245,289	\$ 23,761,349	\$ 26,011,490
Local taxation (Note 5)	5,984,271	5,042,209	5,820,131
Provincial grants - other	165,000	1,023,613	472,731
Federal grants and fees	200,739	213,598	228,942
Other fees and revenues	91,000	123,154	388,758
<b>TOTAL REVENUES</b>	<b>28,686,299</b>	<b>30,163,923</b>	<b>32,922,052</b>
<b>EXPENDITURES (Note 15)</b>			
Instruction	20,546,914	21,664,460	19,269,643
Administration	1,811,204	1,652,815	1,597,617
Transportation	2,676,710	2,694,665	2,671,996
School operations and maintenance	2,547,376	2,658,607	2,800,105
Pupil accommodation	-	-	112,200
Other	50,000	6,328	6,180
<b>TOTAL EXPENDITURES</b>	<b>27,632,204</b>	<b>28,676,875</b>	<b>26,457,741</b>
<b>NET REVENUES (EXPENDITURES)</b>	<b>1,054,095</b>	<b>1,487,048</b>	<b>6,464,311</b>
<b>INCREASE (DECREASE) IN NON-FINANCIAL ASSETS</b>			
	25,000	26,986	4,513
Debt principal repayments	-	-	(4,400,000)
Increase (Decrease) in employee benefits	-	4,282	101,236
Increase (Decrease) in accrued interest on long-term debt	-	-	(56,100)
<b>CHANGE IN AMOUNTS TO BE RECOVERED</b>	<b>-</b>	<b>4,282</b>	<b>(4,354,864)</b>
<b>NET TRANSFERS FROM (TO) OTHER FUNDS</b>			
Transfers from (to) capital fund	(1,054,095)	(1,505,508)	(1,962,032)
Transfers from (to) reserves and reserve funds	-	-	-
<b>NET TRANSFERS FROM (TO) OTHER FUNDS</b>	<b>(1,054,095)</b>	<b>(1,505,508)</b>	<b>(1,962,032)</b>
<b>CHANGE IN OPERATING FUND BALANCE</b>	<b>25,000</b>	<b>12,808</b>	<b>151,928</b>
OPERATING FUND BALANCE, beginning of year	(28,582)	(28,582)	(180,510)
<b>OPERATING FUND BALANCE, end of year</b>	<b>\$ (3,582)</b>	<b>\$ (15,774)</b>	<b>\$ (28,582)</b>



## NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

## SCHEDULE OF CAPITAL FUND

YEARS ENDED AUGUST 31

	-----2005-----		2004 Actual
	Budget (unaudited)	Actual	
<b>EXPENDITURES</b>			
Instruction	\$ 308,260	\$ 783,805	\$ 414,308
Administration	21,000	28,218	18,942
Transportation	3,000	4,428	-
School operations and maintenance	3,500	29,299	31,232
Pupil accommodation	718,335	659,758	1,497,550
<b>TOTAL EXPENDITURES</b>	<b>1,054,095</b>	<b>1,505,508</b>	<b>1,962,032</b>
<b>NET REVENUES (EXPENDITURES)</b>	<b>(1,054,095)</b>	<b>(1,505,508)</b>	<b>(1,962,032)</b>
<b>NET TRANSFERS FROM (TO) OTHER FUNDS</b>			
Transfers from (to) operating fund	1,054,095	1,505,508	1,962,032
<b>NET TRANSFERS FROM (TO) OTHER FUNDS</b>	<b>1,054,095</b>	<b>1,505,508</b>	<b>1,962,032</b>
<b>CHANGE IN CAPITAL FUND BALANCE</b>	-	-	-
CAPITAL FUND BALANCE, beginning of year	-	-	-
<b>CAPITAL FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

## SCHEDULE OF RESERVES AND RESERVE FUNDS

YEARS ENDED AUGUST 31

	-----2005-----		2004
	Budget (unaudited)	Actual	Actual
<b>REVENUES</b>			
Interest income	\$ -	\$ 10,404	\$ 9,262
<b>TOTAL REVENUES</b>	-	<b>10,404</b>	9,262
<b>NET REVENUES (EXPENDITURES)</b>	-	<b>10,404</b>	9,262
<b>NET TRANSFERS FROM (TO) OTHER FUNDS</b>			
Transfers from (to) operating fund	-	-	-
<b>NET TRANSFERS FROM (TO) OTHER FUNDS</b>	-	-	-
<b>CHANGE IN RESERVES AND RESERVE FUNDS BALANCES</b>			
	-	<b>10,404</b>	9,262
<b>RESERVES AND RESERVE FUNDS BALANCES, beginning of year</b>	3,466,372	<b>3,466,372</b>	3,457,110
<b>RESERVES AND RESERVE FUNDS BALANCES, end of year</b>	\$ 3,466,372	<b>\$ 3,476,776</b>	\$ 3,466,372
<b>ANALYZED AS FOLLOWS:</b>			
<b>RESERVE FOR WORKING FUNDS</b>		<b>\$ 3,046,457</b>	\$ 3,046,457
<b>RESERVE FUNDS</b>			
Bursaries		<b>2,734</b>	2,679
Capital		<b>68,360</b>	66,712
Sick leave		<b>265,936</b>	259,490
WSIB		<b>93,289</b>	91,034
<b>TOTAL RESERVE FUNDS</b>		<b>430,319</b>	419,915
<b>TOTAL RESERVES AND RESERVE FUNDS</b>		<b>\$ 3,476,776</b>	\$ 3,466,372

**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
						2005
						2004
BALANCE, beginning of year	\$ 3,046,457	\$ 259,490	\$ 91,034	\$ 66,712	\$ 2,679	\$ 3,466,372
Transfers from						
Interest earned	-	6,446	2,255	1,648	55	10,404
Transfers to operating fund	-	-	-	-	-	-
<b>BALANCE, end of year</b>	<b>\$ 3,046,457</b>	<b>\$ 265,936</b>	<b>\$ 93,289</b>	<b>\$ 68,360</b>	<b>\$ 2,734</b>	<b>\$ 3,476,776</b>
						<b>\$ 3,466,372</b>

**NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD**  
**SCHEDULE OF SCHOOL ACTIVITIES FUND**  
**YEARS ENDED AUGUST 31**

	2005	2004
<b>REVENUES</b>		
School fundraising	\$ 736,307	\$ 449,407
<b>EXPENDITURES</b>		
School funded activities	700,707	457,470
<b>NET REVENUES (EXPENDITURES)</b>	<b>35,600</b>	<b>(8,063)</b>
<b>CHANGE IN SCHOOL ACTIVITIES FUND BALANCE</b>	<b>35,600</b>	<b>(8,063)</b>
SCHOOL ACTIVITIES FUND BALANCE, beginning of year	110,629	118,692
<b>SCHOOL ACTIVITIES FUND BALANCE, end of year</b>	<b>\$ 146,229</b>	<b>\$ 110,629</b>



## NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

## SCHEDULE OF EXPENDITURES

YEARS ENDED AUGUST 31

	2005	2004
<b>INSTRUCTION</b>		
<b>CLASSROOM</b>		
Salaries and wages	\$ 14,569,471	\$ 13,238,737
Employee benefits	1,901,808	1,795,773
Staff development	342,698	234,466
Supplies and services	1,365,978	1,111,355
Replacement furniture and equipment	1,212	115
Capital expenditures	768,613	392,166
Rental expenditures	132,151	98,393
Fees and contractual services	512,511	178,113
Other	7,597	7,270
	<b>19,602,039</b>	<b>17,056,388</b>
<b>NON-CLASSROOM</b>		
Salaries and wages	2,270,232	2,160,803
Employee benefits	343,307	237,468
Staff development	48,383	13,163
Supplies and services	169,112	193,836
Capital expenditures	15,192	22,143
Other	-	150
	<b>2,846,226</b>	<b>2,627,563</b>
	<b>\$ 22,448,265</b>	<b>\$ 19,683,951</b>
<b>ADMINISTRATION</b>		
Salaries and wages	\$ 904,315	\$ 868,845
Employee benefits	170,214	210,300
Staff development	57,459	66,980
Supplies and services	247,605	224,783
Capital expenditures	28,218	18,942
Rental expenditures	36,753	34,346
Fees and contractual services	200,919	157,018
Other	35,550	35,345
	<b>\$ 1,681,033</b>	<b>\$ 1,616,559</b>



## NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

## SCHEDULE OF EXPENDITURES (CONT'D)

YEARS ENDED AUGUST 31

	2005	2004
<b>TRANSPORTATION</b>		
Salaries and wages	\$ 87,361	\$ 99,906
Employee benefits	14,012	12,245
Staff development	3,416	2,254
Supplies and services	1,746	13,464
Capital expenses	4,428	-
Fees and contractual services	2,579,157	2,535,963
Other	8,973	8,164
	<b>\$ 2,699,093</b>	<b>\$ 2,671,996</b>
<b>SCHOOL OPERATIONS AND MAINTENANCE</b>		
Salaries and wages	\$ 1,144,261	\$ 1,133,056
Employee benefits	246,392	217,775
Staff development	909	2,463
Supplies and services	845,071	771,801
Capital expenditures	29,299	31,232
Fees and contractual services	421,805	674,846
Other	169	164
	<b>\$ 2,687,906</b>	<b>\$ 2,831,337</b>
<b>PUPIL ACCOMMODATION</b>		
Capital expenditures	\$ 659,758	\$ 1,497,550
Interest on long-term debt	-	112,200
	<b>\$ 659,758</b>	<b>\$ 1,609,750</b>
<b>OTHER</b>	<b>\$ 6,328</b>	<b>\$ 6,180</b>