
**NORTHEASTERN CATHOLIC DISTRICT
SCHOOL BOARD**

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2001 & 2000

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

OFFICERS

YEARS ENDED AUGUST 31

	2001	2000
CHAIRPERSON OF BOARD	Jack Slattery	Jack Slattery
BOARD MEMBERS	Charlie Angus Peter Del Guidice Mary Dudgeon Paul Keating Elizabeth King Colleen Landers Mary O'Connor	Peter Del Guidice Mary Dudgeon Paul Keating Colleen Landers Bruce Muise Mary O'Connor
SENIOR ADMINISTRATIVE PERSONNEL		
Director of Education	Larry Yaguchi	Larry Yaguchi
Assistant to the Director of Education	Paul Toffanello	not applicable
Superintendent of Education (to August 24, 2001)	John Madigan	John Madigan
Manager of Financial Services	Luigina Malciw	Luigina Malciw
Manager of Human Resources	Yves Meloche	Yves Meloche
Supervisor of Maintenance	Robert Landry	Robert Landry

AUDITORS' REPORT

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

We have audited the Balance Sheet of the Northeastern Catholic District School Board as at August 31, 2001 and the Statement of Revenue Fund Revenue and Expenses, the Capital Fund Statement of Operations and the Continuity of Reserves and Reserve Funds 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.

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 our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at August 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with the accounting principles described in Note 2 to the financial statements.

Ross, Pope & Company.

Kirkland Lake, Ontario
November 7, 2001

ROSS, POPE & COMPANY
CHARTERED ACCOUNTANTS

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD**BALANCE SHEET****AS AT AUGUST 31**

	2001	2000
ASSETS		
CURRENT ASSETS		
Cash	\$ 3,382,457	\$ 2,939,813
Investments, at cost	40,514	25,044
Accounts receivable (Note 5)	1,249,234	2,228,347
Prepaid expenses	95,165	110,663
	4,767,370	5,303,867
CASH HELD FOR RESERVE FUNDS	4,512,523	2,938,447
CAPITAL OUTLAY TO BE RECOVERED IN FUTURE YEARS (Notes 2 and 8)	4,870,000	5,080,000
	\$ 14,149,893	\$ 13,322,314
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 751,657	\$ 1,468,351
Other current liabilities	134,618	110,674
	886,275	1,579,025
NET LONG-TERM LIABILITIES (Notes 2, 8 and 11)	4,870,000	5,080,000
CONTINGENCIES & COMMITMENTS (Notes 7, 11, and 14)		
EQUITY IN RESERVE FUNDS (Note 2)	4,512,523	2,938,447
RESERVE FOR WORKING FUNDS (Notes 2 and 15)	3,881,095	3,724,842
	\$ 14,149,893	\$ 13,322,314

Signed on Behalf of the Board:_____
Chairperson_____
Director of Education

See accompanying notes.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD**STATEMENT OF REVENUE FUND REVENUE AND EXPENSES****YEARS ENDED AUGUST 31**

	-----2001-----		
	BUDGET (unaudited)	ACTUAL	2000 ACTUAL
REVENUE			
Local taxation (Note 3)	\$ 6,765,891	\$ 6,648,769	\$ 6,440,395
Legislative grants	17,445,808	17,356,121	17,137,896
Other provincial grants	53,000	386,336	432,638
Government of Canada	57,699	162,102	85,041
Other revenue (Note 9)	127,645	382,317	257,945
Transfer from reserves/reserve funds	100,000	-	793,953
TOTAL REVENUE	\$24,550,043	\$24,935,645	\$25,147,868
EXPENSES			
Classroom	\$ 14,023,447	\$ 12,999,835	\$ 14,058,916
Non-classroom	3,234,357	3,246,771	3,132,733
Administration	1,437,894	1,409,495	1,702,370
Transportation	2,428,512	2,073,790	2,067,346
Pupil accommodation	3,350,833	3,667,309	3,878,040
Other	75,000	-	232,796
Transfers to reserves/reserve funds	-	1,538,445	75,667
TOTAL EXPENSES	\$24,550,043	\$24,935,645	\$25,147,868

See accompanying notes.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD**CAPITAL FUND STATEMENT OF OPERATIONS****YEARS ENDED AUGUST 31**

	2001	2000
CAPITAL EXPENSES		
Capital Assets and Work in Progress		
School renewal	\$ 618,506	\$ 915,405
Instructional computers	394,876	435,921
Personalized special education equipment	47,371	22,056
Other capital expenses	146,509	153,566
TOTAL CAPITAL EXPENSES	\$ 1,207,262	\$ 1,526,948
CAPITAL FINANCING		
Capital expenses financed from revenue fund	\$ 1,207,262	\$ 1,526,948
TOTAL CAPITAL FINANCING	\$ 1,207,262	\$ 1,526,948

See accompanying notes.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

CONTINUITY OF RESERVES AND RESERVE FUNDS

YEARS ENDED AUGUST 31

	Reserve For Working Funds	Classroom Reserve Fund	Proceeds of Disposition Reserve Fund	Transition Reserve Fund	Sick Leave Reserve Fund	Special Education Reserve Fund	Capital Reserve Fund	WSIB Reserve Fund	Bursaries Reserve Fund	-----Total-----	
										2001	2000
Balance, beginning of year	\$ 3,724,842	\$ 924,639	\$ 1,323,407	\$ 401,543	\$ 227,911	\$ -	\$ 58,593	\$ -	\$ 2,354	\$ 6,663,289	\$ 7,179,674
Transfer from revenue fund	156,253	1,178,352	-	-	-	189,100	-	14,740	-	1,538,445	75,667
Interest earned	-	66,369	89,154	21,149	12,003	-	3,086	-	123	191,884	201,901
Transfer to revenue fund	-	-	-	-	-	-	-	-	-	-	(793,953)
Balance, end of year	\$ 3,881,095	\$ 2,169,360	\$ 1,412,561	\$ 422,692	\$ 239,914	\$ 189,100	\$ 61,679	\$ 14,740	\$ 2,477	\$ 8,393,618	\$ 6,663,289

See accompanying notes.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2001 & 2000

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. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by the Board using accounting principles that are prescribed by the Ministry of Education and are considered appropriate for Ontario school boards. These principles are in accordance with Canadian generally accepted accounting principles except as follows:

(a) ACCRUAL ACCOUNTING

Revenue and expenses are accounted for on the accrual basis of accounting, with the following exceptions:

- (i) No provision has been made to record the liability for employee future benefits as described in the CICA Handbook - section 3461 except the amount referred to in Note 7 to the financial statements;
- (ii) No provision has been made for interest on unmatured debenture debt from the date of payment to the year-end (see Note 11); and
- (iii) The education portion of municipal supplementary taxes and tax write-offs has not been accrued for the calendar year 2001.

(b) CAPITAL ASSETS

The acquisition of capital assets is expensed unless they are or will be financed by long-term debt. Principal and interest charges on net long-term liabilities are included as expenses in the period due. Capital expenditures permanently financed are included on the balance sheet only to the extent of the balance of the related net long-term liabilities outstanding. Capital expenditures not permanently financed are recorded separately on the balance sheet until permanent financing has been arranged.

(c) RESERVES AND RESERVE FUNDS

Reserves and Reserve Funds represent funds appropriated for general and specific purposes and are charged or credited to revenue fund operations in the year appropriated or drawn down. The amounts in reserves and reserve funds are approved by the Board and are within the limits defined in the Education Act and its regulations.

(d) ACCUMULATED DEFICIT (SURPLUS) AT YEAR-END

The difference between the net expenses of any year and the amounts received to finance these expenses is carried forward to the following year to either increase or reduce the net revenue requirement.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2001 & 2000

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) LEGISLATIVE GRANTS

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

(f) 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, disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results may vary from current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known.

(g) FINANCIAL INSTRUMENTS

The balance sheet value for short-term investments, accounts receivable, accounts payable and accrued liabilities approximates fair value because of their limited term. The balance sheet value of the net long-term liabilities 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 balance sheet date based on relevant information and information about the financial instruments.

3. TAXATION REVENUE

In accordance with Ministry of Education requirements, taxation revenue is based on 38% of taxation revenue from municipalities for the calendar year 2000, 62% of taxation revenue from municipalities for the calendar year 2001 and 100% of the education portion of municipal supplementary taxes and tax write-offs for the calendar year 2000. In most cases, the calculations are based on information provided to the Board by the various municipalities. Not all municipalities, however, have provided the 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 2000/2001, an amount of \$241,669 has been reported in taxation revenue which relates to prior years. A corresponding amount has been reported in accounts payable and accrued liabilities as due to the Government of Ontario.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2001 & 2000

4. 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 balance sheet.

5. ACCOUNTS RECEIVABLE

	2001	2000
Municipalities	\$ 1,039,338	\$ 1,008,053
Employees' computer purchase plan	59,065	53,273
Government of Canada	54,545	324,424
Other school boards	50,755	119,683
Government of Ontario	29,270	565,845
Other	16,261	157,069
	\$ 1,249,234	\$ 2,228,347

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2001	2000
Trade payables and accrued liabilities	\$ 533,966	\$ 1,223,673
Other school boards	109,593	244,678
Government of Ontario - legislative grants	108,098	-
	\$ 751,657	\$ 1,468,351

7. RETIREMENT GRATUITIES PLANS

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Board's employment. However, such payments are contingent upon the employees completing the prescribed number of years of service with the Board in accordance with the terms and conditions set forth by the agreement between the Board and the employees. During the year, \$287,265 (2000 - \$315,587) was paid in retirement gratuities. A reserve fund of \$239,914 (2000 - \$227,911) has been established to partially offset this liability. The Board liability related to retirement gratuities plans described above has not been disclosed as it has not been actuarially determined.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2001 & 2000

8. NET LONG-TERM LIABILITIES

Of the net long-term liabilities outstanding of \$4,870,000, principal amounting to \$4,870,000 plus interest amounting to \$877,575 is payable over the next three years as follows:

	PRINCIPAL	INTEREST	TOTAL
2001/2002	\$ 230,000	\$ 363,525	\$ 593,525
2002/2003	240,000	345,750	585,750
2003/2004	4,400,000	168,300	4,568,300
TOTAL	\$ 4,870,000	\$ 877,575	\$ 5,747,575

9. OTHER REVENUE

	2001	2000
Interest	\$ 187,263	\$ 167,939
Insurance claim proceeds	138,120	-
Other school boards	18,533	22,000
Rentals	9,133	9,761
Other	29,268	58,245
	\$ 382,317	\$ 257,945

10. DEBT CHARGES AND INTEREST

The Revenue Fund expense for debt charges and interest includes principal and interest payments as follows:

Principal payments on long-term liabilities	\$ 210,000
Interest payments on long-term liabilities	379,763
	\$ 589,763

11. DEBENTURE INTEREST ACCRUAL

The amount of unaccrued interest on net long-term debt from the date of payment to the year-end is \$62,025 (2000 - \$64,562).

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2001 & 2000

12. PENSION PLAN COSTS

All non-teaching employees of the Board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS) which is a multi-employer pension plan with final average pay contributory provision. No employer contributions were made to the plan during the year due to a contribution holiday which continues until at least July 1, 2002.

Not shown in the financial statements of the Board are the employer's contributions to the Ontario Teachers' Pension Plan. The funding for such is provided directly by the Province of Ontario.

13. ONTARIO SCHOOL BOARD INSURANCE EXCHANGE

The 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.

14. COMMITMENTS

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

2001/2002	\$75,494
2002/2003	\$61,958
2003/2004	\$44,911
2004/2005	\$36,344
2005/2006	\$25,205

(b) The Board has entered into an agreement to lease office space in Kirkland Lake, Ontario. The lease expires in July 2002. Minimum lease payments (G.S.T. excluded) over the next year are \$17,738.

15. TRANSFER TO RESERVE FOR WORKING FUNDS

The balance available to reduce the net revenue requirement in future years has been reduced by an amount of \$156,253 (2000 - \$75,667) transferred to the reserve for working funds as authorized by a Resolution dated January 27, 2001. Had this reduction not been made, the Board would have shown a surplus of \$156,253 (2000 - \$75,667).

16. COMPARATIVE FIGURES

The comparative figures have been reclassified to conform to the current year's financial statement presentation.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED AUGUST 31, 2001 & 2000

17. STATEMENT OF CASH FLOWS

A statement of cash flows has not been prepared because the information contained therein is evident from the other financial statements.

18. 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 2000, the following employees of the Northeastern Catholic District School Board were paid \$100,000 or more:

EMPLOYEE	POSITION	SALARY	TAXABLE BENEFITS
John Madigan	Superintendent of Education	\$ 106,792	\$ 739
Luigina Malciw	Manager of Financial Services	\$ 102,711	\$ 617

19. 2000/2001 BUDGET

The 2000/2001 budget data shown on the statement of revenue fund revenue and expenses are the amounts approved by the Board on June 30, 2000 and submitted to the Ministry of Education. These amounts have not been audited by the Board's external auditor.