

# HURON – PERTH CATHOLIC DISTRICT SCHOOL BOARD



*Faith and Learning...  
Celebrating the Journey*

## FINANCIAL REPORT

Gerry Thuss  
Superintendent of Business and Treasurer

January 23, 2006



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*To the Trustees and the Ratepayers of the Huron-Perth Catholic District School Board*

We are pleased to present the financial statements of the Huron-Perth Catholic District School Board for the year ended August 31, 2005. This report highlights the key financial results for the 2004-2005 fiscal year.

The financial statements and related information contained in this report are the responsibility of the management of the Board. They have been prepared in accordance with generally accepted accounting principles for local governments as established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. Management is confident that it has developed a system of internal controls that ensures the information presented in the financial statements is both accurate and reliable.

The accounting firm of Monteith, Monteith & Co. was appointed by the Board to perform an independent audit of the Board's 2004-2005 Financial Statements and Ministry of Education's Grant Calculations. They have been given full access to all Board information to allow them to perform their audit. We have included their report.

Larry Langan  
Director of Education

Gerry Thuss  
Superintendent of Business & Treasurer

Kevin Kale  
Manager of Business Services

**KEY FINANCIAL INFORMATION**

For the year ended August 31, 2005  
(extracted from the audited Financial Statements and Grant Calculations)

	2004-2005	2003-2004	% Change
<b>ENROLMENT</b>			
Elementary	3,200.50	3,276.25	-2.3%
Secondary	1,719.88	1,673.51	2.8%
<b>TOTAL ENROLMENT</b>	<b>4,919.88</b>	<b>4,949.76</b>	<b>-0.6%</b>
<b># OF SCHOOLS</b>			
Elementary	17.00	17.00	0.0%
Secondary	2.00	2.00	0.0%
<b>TOTAL SCHOOLS</b>	<b>19.00</b>	<b>19.00</b>	<b>0.0%</b>

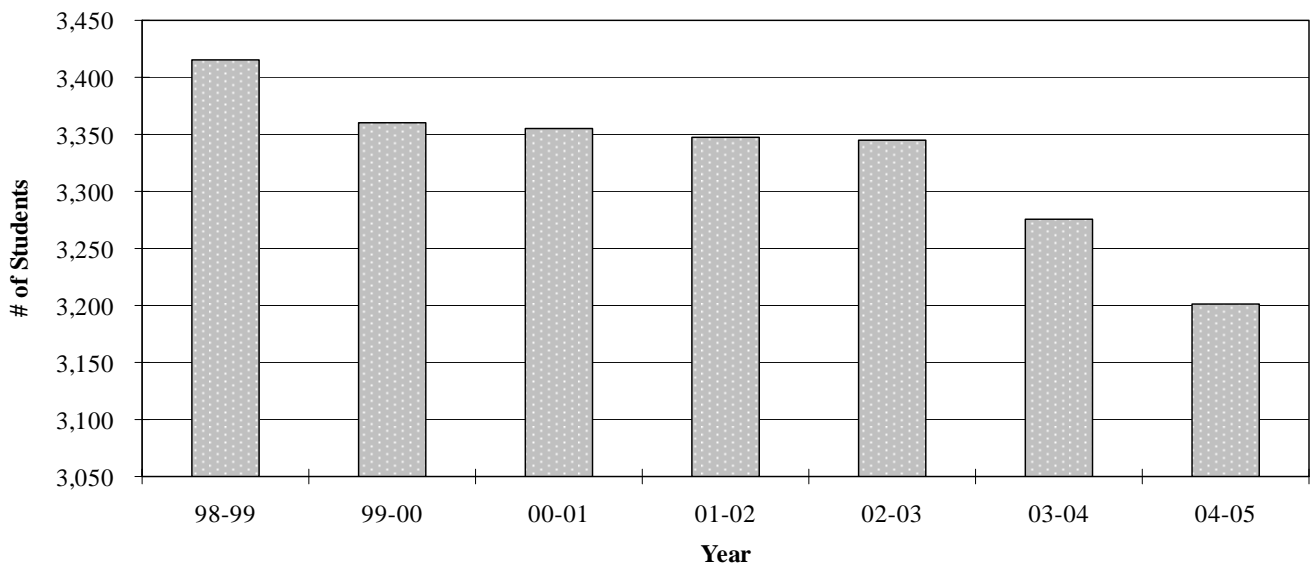
#### ENROLMENT

For 2004-2005, the total number of Full Time Equivalent Elementary and Secondary students was 4,920. The attached graphs demonstrate the enrolment pattern for the period 1998 to 2005.

- The 2005 elementary enrolment shows a continued decline in enrolment where the number of students entering the system is less than the number exiting grade 8. The reduction of students is expected to continue.
- The Board operates two secondary Schools, St. Michael in Stratford and St. Anne's in Clinton. Both schools continue to maintain the levels of their student population. For 2004-2005, the total F.T.E. secondary students was 1,720, an increase of 46 students or a 2.8% increase from 2003-3004.
- The expected decline of students as a result of the change in the secondary school program from five to four years was not as great as anticipated. We believe that in the future a greater percentage of the students will complete their secondary school program after four years. The 2005 elementary enrolment decrease will have an effect on secondary enrolment in the long term as these students move through the system.
- The number of students continues to place accommodation pressure on both secondary schools.

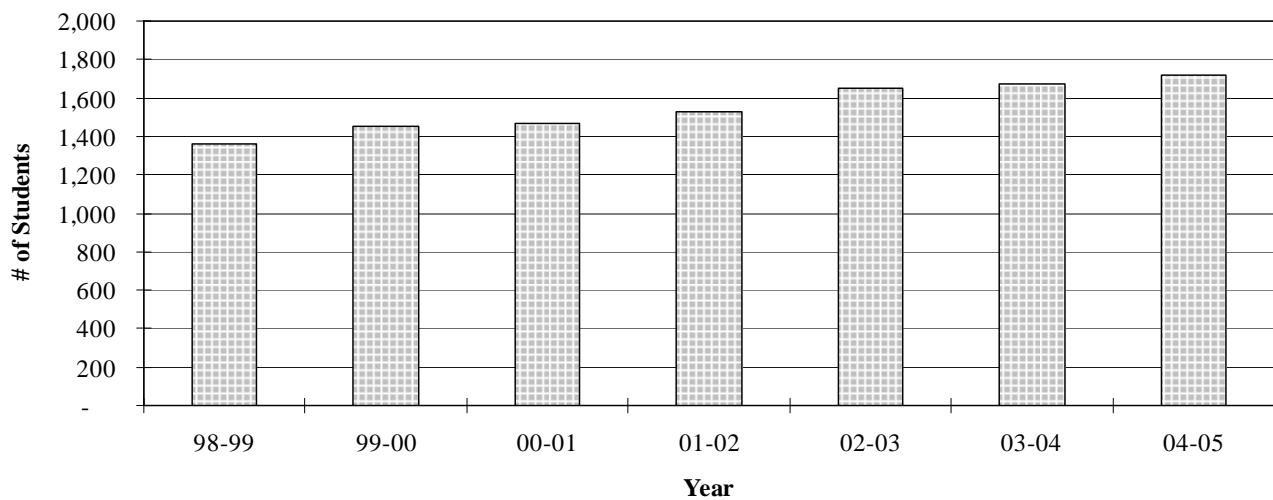
### Huron-Perth Catholic District School Board

Elementary Enrolment  
September 1998 - August 2005



### Huron-Perth Catholic District School Board

Secondary Enrolment  
September 1998 - August 2005

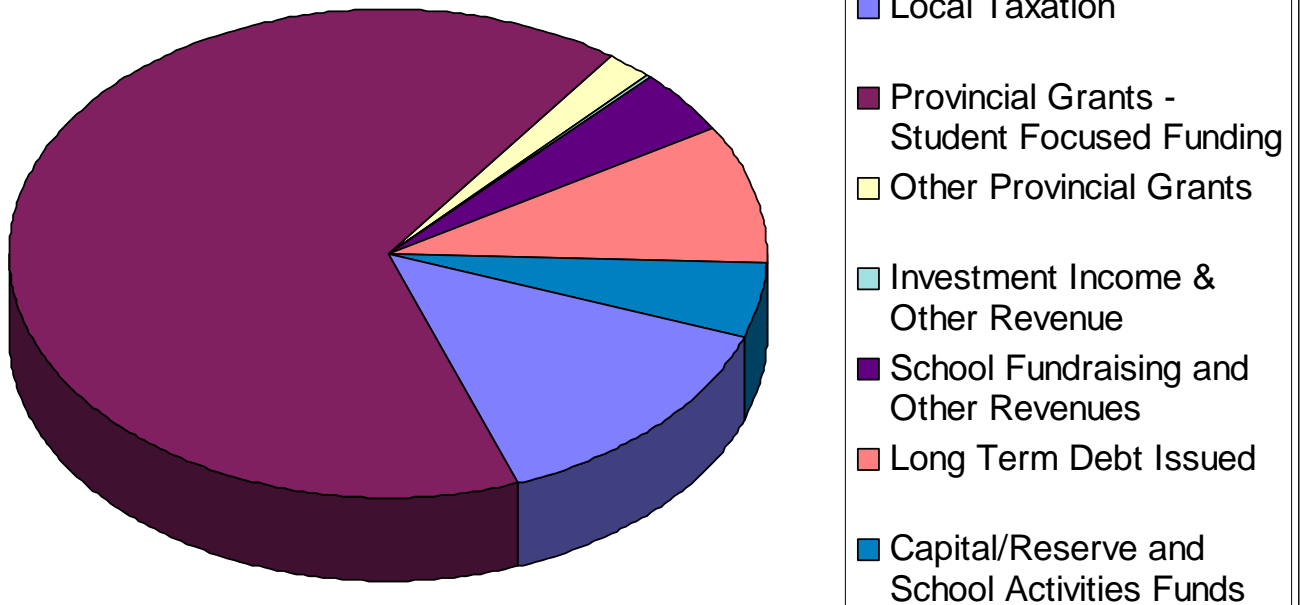


# Huron-Perth Catholic District School Board

Statement of Financial Activities  
for the year ended August 31, 2005

2004-2005 Source of Funds	2004-2005	%
Local Taxation	\$ 7,624,321	14.0%
Provincial Grants - Student Focused Funding	35,629,941	65.5%
Other Provincial Grants	984,959	1.8%
Investment Income & Other Revenue	231,479	0.4%
School Fundraising and Other Revenues	2,173,248	4.0%
Long Term Debt Issued	5,000,000	9.2%
Capital/Reserve and School Activities Funds	2,780,190	5.1%
	<b>\$ 54,424,138</b>	<b>100.0%</b>

## 2004-2005 Source of Funds



## REVENUE

The Ministry of Education determines the amount of grants that the Board is eligible for on an annual basis. Grants include per pupil amounts (based on the number of students) as well as special purpose grants related specifically to the Board, for example, the number of rural schools. The Board's flexibility in "increasing revenue" is limited and as a result makes the management of its expenditures all the more critical.

Highlights of the Revenue of the Board in 2004-2005 are as follows:

- The major component of Government of Ontario grants is the foundation grant which is based on the number of students educated in the Board's schools. The foundation grant amounts to \$20,877,142, in the current year.
- Special purpose grants amount to \$19,641,389. These include grants for special education, administration, transportation, etc. These special purpose grants are calculated with specific reference to Board characteristic and demographics. For example the distant school allocation is \$1,804,765 and allows for the Board to operate its rural schools with fewer students than provided for in the grant model. Accountability for this grant is provided on the Boards web site.
- School Renewal and New Pupil Place grants amounted to \$2,549,863. The funding supports the ongoing capital and renewal program of the Board which has seen the construction of two new replacement schools (St. Mary's, Listowel and St. Joseph's, Clinton) and additions and renovations to St. Joseph's, Stratford and St. Mary's Goderich. During the year the Board completed its long term financing for these projects by obtaining a \$5,000,000 debenture through the Ontario School Board Financing Corporation.
- The Province of Ontario determines local taxation by setting the education mill rate. The amount of provincial grant is determined by calculating the Board's grant entitlement and reducing it by the amount of support received through its local tax base. Taxation amounted to 14.0% of the Board's overall Revenue.
- During the year, the Board received various grants outside the student funding model. In 2004-2005 these initiatives amounted to \$1,093,835. This continues to reflect the Ministry funding its educational priorities of teacher training and focus on literacy and numeracy. These revenues are offset with expenditures reported in the Ministry Program section of the budget.
- A reconciliation of each of the grants is attached.

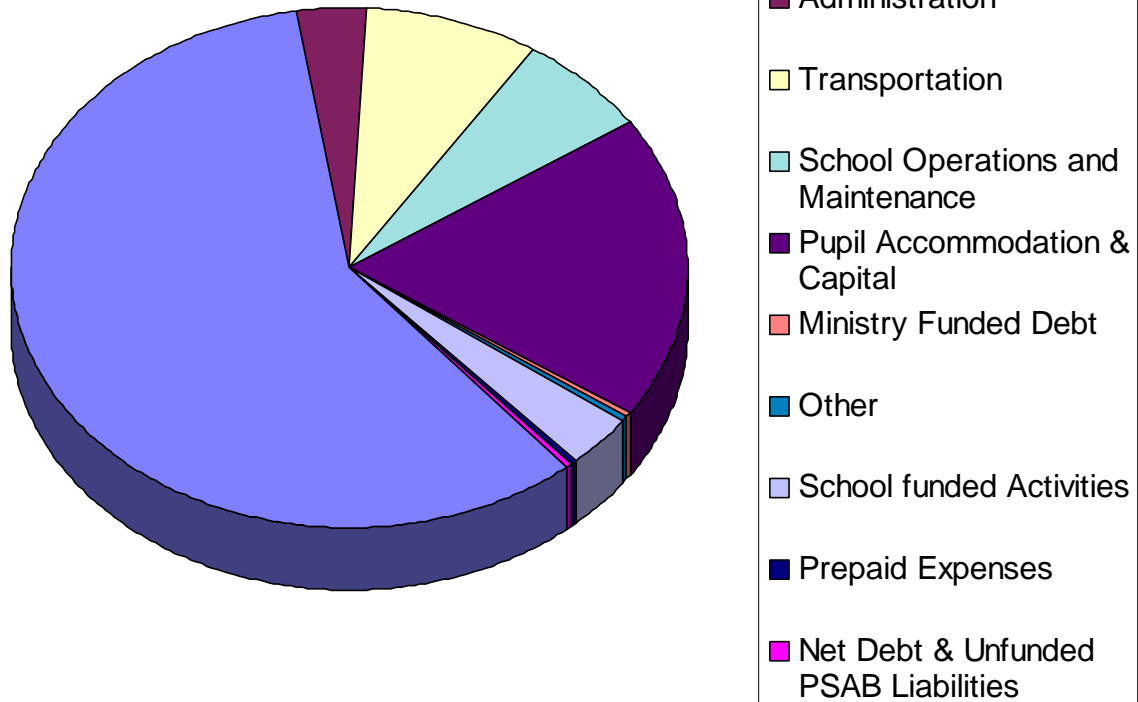
The Board utilized \$261,198 of working fund reserves leaving a balance of \$981,276 for use in future years.

# Huron-Perth Catholic District School Board

Statement of Financial Activities  
for the year ended August 31, 2005

2004-2005 Application of Funds	2004-2005	%
Instruction	\$ 31,858,104	58.5%
Administration	1,801,026	3.3%
Transportation	4,557,010	8.4%
School Operations and Maintenance	3,536,200	6.5%
Pupil Accommodation & Capital	10,264,130	18.9%
Ministry Funded Debt	135,868	0.2%
Other	192,518	0.4%
School funded Activities	1,831,067	3.4%
Prepaid Expenses	49,110	0.1%
Net Debt & Unfunded PSAB Liabilities	199,105	0.4%
	<b>\$ 54,424,138</b>	<b>100.0%</b>

**2004-2005 Application of Funds**



## EXPENDITURES

The total Expenditures of the Board amounted to \$54,424,138. The major expenditures include 58.5% for Instruction and 18.9% for Pupil accommodation and Capital. New this year is the reporting of expenditures at the school level. In the current year this amounts to \$1,831,067. The amount recorded for school expenditure does not affect other grants or expenditures but meets the reporting requirements of the Ministry of Education.

Highlights of the Expenditures of the Board in 2004-2005 are as follows:

- Actual Salaries were \$372,038 over budget. This reflects the collective agreement reached with the Boards Elementary and Secondary school teachers and included catch-up adjustments to teachers salary grids reflecting the provincial salaries paid.
- The budget surplus of \$172,993 in benefits was realized over all the benefit areas.
- An over budget amount of \$151,582 in the maintenance budget demonstrates the continued pressure on maintaining school facilities. Budget areas experiencing pressure include heating services, snow removal and building grounds and maintenance.
- Ministry Programs in the Instructional Services – Central include expenditures for which the Board receives offsetting grant revenue in the General Legislative Grants and other grant revenue.
- The Special Education over expenditure has been funded by additional grants for the purchase of specialized equipment.
- Non-Operating Expenditures reflect Transfers to Pupil Accommodation Reserve of 423,604

The following sets out the adjustments required to reconcile the Board's operating statements with the expenditures set out in the audited Statement of Financial Activities.

### Reconciliation to Consolidated Financial Statements

<b>Board Statement</b>	<b>\$44,599,418</b>
1) Capital Expenditures (net current year reported in operating expenditures)	8,512,255
2) Transfer to Reserve and Deferred Revenue included in Board expenditures	(423,604)
3) PSAB adjustments	
Principal Payments	(455,502)
Accrued debenture interest	63,879
Accrued unfunded employee benefits	192,518
Net decrease in prepaid assets/other	104,107
4) School Activities Funds	1,831,067
<b>Consolidated PSAB Adjusted Expenditures</b>	<b>\$54,424,138</b>

Reference should be given to the Financial Statements for further information regarding the Balance Sheet, Reserve Funds and supporting schedules.

## **SUMMARY**

The Board's financial position at the end of August 31, 2005 is strong. The capital debt will be supported by pupil place grants in the future years. The working fund reserve will be used to offset costs associated with the long term collective agreement, until the ministry of Education updates the salary benchmarks under the School Board operating grants reflecting current teacher salaries paid in the province.

G. H. Thuss  
Superintendent of Business & Treasurer

GHT/cam  
Att.