

HURON-PERTH CATHOLIC DISTRICT SCHOOL BOARD

FINANCIAL STATEMENTS

August 31st 2001

Monteith, Monteith & Co.

Chartered Accountants

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Chartered Accountants

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AUDITORS' REPORT

To the Trustees of the
Huron-Perth Catholic District School Board:

We have audited the statement of financial position of the Huron-Perth Catholic District School Board as at August 31st, 2001, and the Revenue Fund Statement of Operations, the Capital Fund Statement of Operations and the Statement of Cash Flows 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 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 Huron-Perth Catholic District School Board as at August 31st, 2001, and the results of its operations and cash flows for the year then ended in accordance with the accounting principles described in Note 1 to the financial statements.

CHARTERED ACCOUNTANTS.

Stratford, Ontario,
November 30th, 2001.

HURON-PERTH CATHOLIC DISTRICT SCHOOL BOARD
STATEMENT of FINANCIAL POSITION
 August 31st 2001

Statement 1

ASSETS

	<u>2001</u>	<u>2000</u>
	\$	\$
Current:		
Cash	106,048	60,120
Cash - Workplace Safety Reserve Fund (Note 2)	76,596	84,814
Accounts Receivable (Note 4)	2,904,652	1,861,154
Prepaid Expense	646,553	136,655
	3,733,849	2,142,743
Capital Outlay to be Recovered in Future Years (Note 1(b)) (Statement 3)	8,030,131	4,328,826
	11,763,980	6,471,569

LIABILITIES

Current:		
Bank Indebtedness	4,005,488	2,754,600
Bank Loan (Note 6)	5,600,000	1,100,000
Accounts Payable and Accrued Liabilities	722,940	1,063,677
Other	65,757	98,648
	10,394,185	5,016,925
Reserves: (Note 1(c), 5)		
Workplace Safety Reserve	468,423	418,752
Reserve for Working Funds	771,669	273,501
Equity in Reserves	117,804	97,244
Pupil Accommodation Reserve	--	665,147
Improved Access for Special Education Reserve	11,899	--
	1,369,795	1,454,644
	11,763,980	6,471,569

(SEE ACCOMPANYING NOTES to FINANCIAL STATEMENTS)

HURON-PERTH CATHOLIC DISTRICT SCHOOL BOARD
REVENUE FUND STATEMENT of OPERATIONS
for the year ended August 31st 2001

	<u>2001</u>	<u>2000</u>
	\$	\$
Expenditure:		
Classroom	19,100,968	17,379,684
Non-classroom	4,662,520	4,790,403
Administration	1,587,569	1,192,927
Pupil Transportation	3,920,647	3,756,801
Pupil Accommodation	5,011,375	3,731,614
Other Non-operating Expenditures	33,274	147,999
	<hr/>	<hr/>
Total Expenditure	34,316,353	30,999,428
Recovery of Expenditure:		
School Boards - Tuition Fees and Other	394,337	546,476
Government of Ontario - Other	635,414	350,275
Government of Canada	--	--
Individuals - Tuition Fees	4,218	7,486
Other Revenue Excluding Transfers from Reserves	90,684	214,636
	<hr/>	<hr/>
Total Recovery of Expenditure	1,124,653	1,118,873
Net Expenditure	<u>33,191,700</u>	<u>29,880,555</u>
Financing of Net Expenditure:		
Government of Ontario General Legislative Grants	25,715,234	22,339,040
	<hr/>	<hr/>
Local Taxation:		
Previous Year's Over-Requisition	--	(78,801)
Local Taxes Raised in the Current Period	7,391,617	7,453,409
	<hr/>	<hr/>
	7,391,617	7,374,608
Net (Increase) Decrease in Reserves: (Note 5)		
Workplace Safety Reserve	(49,671)	(33,504)
Reserve for Working Funds	(498,168)	200,411
Equity in Reserves	(20,560)	--
Pupil Accommodation Reserve	665,147	--
Improved Access for Special Education Reserve	(11,899)	--
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	84,849	166,907
Total Financing	<u>33,191,700</u>	<u>29,880,555</u>

(SEE ACCOMPANYING NOTES to FINANCIAL STATEMENTS)

HURON-PERTH CATHOLIC DISTRICT SCHOOL BOARD
CAPITAL FUND STATEMENT of OPERATIONS
for the year ended August 31st 2001

	<u>2001</u> \$	<u>2000</u> \$
Capital Outlay to be Recovered in Future Years:		
Balance at Beginning of Year	<u>4,328,826</u>	<u>2,139,418</u>
Capital Expenditure:		
Capital Assets and Work in Progress		
New Pupil Places	5,139,690	2,894,116
School Renewal	686,709	385,251
Non-instructional Capital	5,479	16,921
Instructional Computers	114,510	215,217
Personalized Special Education Equipment	141,065	83,984
Other Capital Expenditures	<u>81,819</u>	<u>293,006</u>
Total Capital Expenditure	<u>6,169,272</u>	<u>3,888,495</u>
Capital Expenditure Financed from the Revenue Fund	<u>(2,467,967)</u>	<u>(1,699,087)</u>
Balance at End of Year (Statement 1)	<u><u>8,030,131</u></u>	<u><u>4,328,826</u></u>

(SEE ACCOMPANYING NOTES to FINANCIAL STATEMENTS)

HURON-PERTH CATHOLIC DISTRICT SCHOOL BOARD
STATEMENT of CASH FLOWS
for the year ended August 31st 2001

	<u>2001</u>	<u>2000</u>
	\$	\$
Cash Flows From Operating Activities:		
Net Change in Accumulated Surplus (Deficit)	--	78,801
Net Change in Non-Cash Working Capital (Note 7)	(1,927,024)	(1,359,080)
	<u>(1,927,024)</u>	<u>(1,280,279)</u>
Cash Flows From Financing and Investing Activities:		
Capital Outlay to be Recovered in Future Years	(3,701,305)	(2,189,408)
Increase (Decrease) in Bank Loan	4,500,000	1,100,000
Net Change in Reserves	(84,849)	(166,907)
	<u>713,846</u>	<u>(1,256,315)</u>
Net (Decrease) Increase in Cash	(1,213,178)	(2,536,594)
Cash, Beginning of Year:		
Cash	60,120	38,775
Cash, Workplace Safety Reserve Fund	84,814	108,214
Bank Indebtedness	(2,754,600)	(220,061)
	<u>(2,609,666)</u>	<u>(73,072)</u>
Cash, End of Year	<u>(3,822,844)</u>	<u>(2,609,666)</u>
Cash, End of Year:		
Cash	106,048	60,120
Cash, Workplace Safety Reserve Fund	76,596	84,814
Bank Indebtedness	(4,005,488)	(2,754,600)
	<u>(3,822,844)</u>	<u>(2,609,666)</u>

(SEE ACCOMPANYING NOTES to FINANCIAL STATEMENTS)

HURON-PERTH CATHOLIC DISTRICT SCHOOL BOARD

NOTES to the FINANCIAL STATEMENTS

August 31st 2001

1. Significant Accounting Policies:

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

(a) Accrual Accounting:

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

- (i) No provision is made for interest on unmatured debenture debt from the date of payment to the year end.
- (ii) No provision is made to record the liability for retirement and/or sick leave benefits accruing over the working lives of employees.
- (iii) Supplementary taxes and tax write-offs have not been accrued for 2001.

(b) Capital Outlay to be Recovered in Future Years:

Capital Assets are expensed unless they are to be financed by long-term debt. Principal and interest charges on net long-term liabilities are included as expenditures in the period due. Capital assets including capital leases, described as "Capital Outlay to be Recovered in Future Years", are included on the balance sheet only to the extent of the balance of the related net long-term liabilities outstanding and temporary financing.

(c) Reserves:

Reserves 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 are approved by the Board and are within the limits defined in the Education Act.

HURON-PERTH CATHOLIC DISTRICT SCHOOL BOARD
NOTES to the FINANCIAL STATEMENTS
August 31st 2001

1. Significant Accounting Policies: (Continued)

(d) Legislative Grants:

The Legislative Grant calculations are prepared by the Board annually and submitted to the Ministry of Education and Training for their final approval. Ministry adjustments are recognized in the year of reassessment.

2. Employee Future Benefit Plans:

I. Retirement Gratuities Plans:

- (a) Upon retirement, after 12 years of consecutive service with this Board, employees who have applied for a pension under the provisions of the Teachers' Superannuation Act, or the Ontario Municipal Employees Retirement System shall be entitled to payment of a sick leave gratuity. The maximum sick leave gratuity payable on retirement is limited to 20% of annual salary at the date of retirement.
- (b) In 2001, payments of \$197,024 (2000 - \$71,658) were made under these plans.
- (c) No provision for this contingency has been reflected in the financial statements.
- (d) The board has a liability related to employee future benefits for the plans described in (a). The amount has not been disclosed as it has not been actuarially determined.

HURON-PERTH CATHOLIC DISTRICT SCHOOL BOARD

NOTES to the FINANCIAL STATEMENTS

August 31st 2001

2. Employee Future Benefit Plans: (Continued)

II. Workers' Safety Insurance Board:

- (a) The Board is a schedule 2 employer under the Workplace Safety and Insurance Board. The Board is responsible for any claims arising from workplace injury.
- (b) In 2001, amounts were expensed of \$76,900 (2000 - \$76,900) regarding this plan.
- (c) A reserve of \$468,423 has been set up to meet potential future obligations.
- (d) The future benefit obligation for this benefit plan is \$93,118 as estimated by an actuary.

3. Pension Plan Costs:

All non-teaching employees of the Board are eligible to be members of the Ontario Municipal Employees Retirement System which is a multi-employer final average pay contributory plan. Employer contributions made to the plan during the year by the Board amounted to \$Nil (2000 - \$Nil). Effective August 1st, 1998 the OMERS Board has introduced a temporary contribution holiday for active members and participating employers. It is anticipated that the holiday will continue until July 1, 2002.

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

4. Accounts Receivable

	<u>2001</u>	<u>2000</u>
	\$	\$
Municipalities	847,071	929,661
Other School Boards	388,444	196,118
Government of Ontario	903,619	332,981
Government of Canada	656,273	351,595
Other	<u>109,245</u>	<u>50,799</u>
	<u>2,904,652</u>	<u>1,861,154</u>

HURON-PERTH CATHOLIC DISTRICT SCHOOL BOARD

NOTES to the FINANCIAL STATEMENTS

August 31st 2001

5. Reserves:

	2001		
	Beginning	Net Increase	Ending
	Balance	(Decrease)	Balance
	\$	\$	\$
Workplace Safety Reserve	418,752	49,671	468,423
Reserve for Working Funds	273,501	498,168	771,669
Equity in Reserve	97,244	20,560	117,804
Pupil Accommodation Reserve	665,147	(665,147)	--
Improved Access for Special Education Reserve	--	11,899	11,899
	<u>1,454,644</u>	<u>(84,849)</u>	<u>1,369,795</u>

6. Bank Loan:

Two term bank loans (\$3,500,000 and \$2,100,000) which bear interest at prime less 0.25% are with the Canadian Imperial Bank of Commerce. The loans provide interim financing for capital projects to be performed at various schools.

7. Net Change in Non-cash Working Capital:

	<u>2001</u>	<u>2000</u>
	\$	\$
Accounts Receivable	(1,043,498)	117,299
Prepaid Expense	(509,898)	(52,926)
Accounts Payable and Accrued Liabilities	(340,737)	(1,385,724)
Other	<u>(32,891)</u>	<u>(37,729)</u>
	<u>(1,927,024)</u>	<u>(1,359,080)</u>

HURON-PERTH CATHOLIC DISTRICT SCHOOL BOARD
NOTES to the FINANCIAL STATEMENTS
August 31st 2001

8. Subsequent Events:

The two term bank loans (Note 6) have been refinanced with the following four promissory notes through the Canadian Imperial Bank of Commerce:

<u>Principal</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
500,000	3.73%	January 1, 2004
500,000	4.92%	January 1, 2006
500,000	5.26%	January 1, 2007
3,500,000	6.08%	January 1, 2012