
NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2007 & 2006

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

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AUGUST 31, 2007

OFFICERS

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NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

OFFICERS

YEARS ENDED AUGUST 31

	2007	2006
CHAIRPERSON OF BOARD	Colleen Landers	Colleen Landers
BOARD MEMBERS	Peter DelGuidice Martin Drainville Richard Brassard Fred Salvador Jr. Elizabeth King Steve Malciw Denis Lincez	Peter DelGuidice Martin Drainville Richard Brassard Paul Keating Elizabeth King Steve Malciw Jack Slattery
SENIOR ADMINISTRATIVE PERSONNEL		
Director of Education	Paul Toffanello	Paul Toffanello
Manager of Financial Services	Mary-Lou Pollon Luigina Malciw¹	Luigina Malciw
Human Resources Generalist	Melanie Bidal-Mainville	Michael Resetar
Manager of Plant	Robert Landry	Robert Landry
Superintendent of Education	Karen Rowe	Karen Rowe

¹ Due to the retirement of Luigina Malciw, there were two Managers of Financial Services during the year to accommodate a transition period of training for Mary-Lou.

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, 2007 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, 2007 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.

Ross, Pope & Company

Kirkland Lake, Ontario
November 19, 2007

ROSS, POPE & COMPANY
CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

STATEMENT OF FINANCIAL POSITION

AS AT AUGUST 31

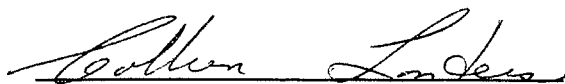
	2007	2006
FINANCIAL ASSETS		
Cash	\$ 7,751,960	\$ 11,155,047
Accounts receivable (Note 6)	1,601,255	1,276,270
TOTAL FINANCIAL ASSETS	9,353,215	12,431,317
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	1,178,825	2,239,982
Deferred revenue (Note 9)	4,974,428	6,173,607
Accrued interest on long-term liabilities (Note 12)	91,207	93,112
Employee benefits liability (Notes 10 and 12)	4,071,099	3,894,764
Net long-term liabilities (Notes 12 and 14)	4,857,694	4,500,000
TOTAL FINANCIAL LIABILITIES	15,173,253	16,901,465
NET FINANCIAL ASSETS (LIABILITIES)	(5,820,038)	(4,470,148)
NON-FINANCIAL ASSETS (Note 11)	71,735	81,286
NET ASSETS (LIABILITIES)	\$ (5,748,303)	\$ (4,388,862)

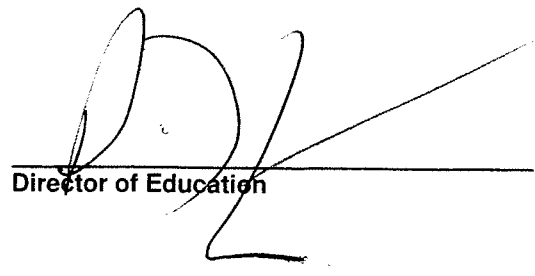
CONTINGENCIES & COMMITMENTS

FINANCIAL POSITION

Operating fund (Schedule 1)	\$ (276,069)	\$ (9,629)
Capital fund (Schedule 2)	(503,713)	83,020
Reserve for working funds (Schedules 3 and 4)	3,046,457	3,046,457
Reserve funds (Schedules 3 and 4)	757,710	784,195
School activities fund (Schedule 5)	247,312	194,971
FUND BALANCES	3,271,697	4,099,014
AMOUNTS TO BE RECOVERED (Note 12)	(9,020,000)	(8,487,876)
NET FINANCIAL POSITION	\$ (5,748,303)	\$ (4,388,862)

Approved by:


 Chairperson


 Director of Education

See accompanying notes.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

STATEMENT OF FINANCIAL ACTIVITIES

YEARS ENDED AUGUST 31

	-----2007-----		2006
	Budget (unaudited)	Actual	Actual
REVENUES			
Provincial legislative grants	\$ 23,892,114	\$ 25,084,695	\$ 23,968,710
Local taxation (Note 4)	5,655,394	5,410,193	5,541,873
Provincial grants - other	263,500	806,612	1,931,094
Federal grants and fees	142,135	115,224	200,801
Other revenues - school boards	-	56,975	22,309
Investment Income	96,060	169,390	-
Other fees and revenues (Note 13)	38,310	731,193	213,285
School fundraising (Schedule 5)	650,000	912,765	799,331
TOTAL REVENUES	30,737,513	33,287,047	32,677,403
EXPENDITURES (Note 15) (Schedules 5 and 6)			
Instruction	22,370,586	23,918,767	23,868,246
Administration	1,792,416	2,018,957	1,731,317
Transportation	2,661,999	2,696,784	2,832,223
School operations and maintenance	2,857,400	2,897,506	3,217,629
Pupil accommodation	1,576,785	2,244,158	4,389,317
Other	25,000	342	6,706
School funded activities	620,000	860,424	750,589
TOTAL EXPENDITURES	31,904,186	34,636,938	36,796,027
NET REVENUES (EXPENDITURES)	(1,166,673)	(1,349,891)	(4,118,624)
INCREASE (DECREASE) IN NON-FINANCIAL ASSETS	18,952	(9,551)	(6,354)
CHANGE IN NET ASSETS (LIABILITIES)	(1,147,721)	(1,359,442)	(4,124,978)
FINANCING TRANSACTIONS			
New long-term liabilities	(94,003)	554,300	4,500,000
Principal repayments	-	(196,606)	-
Increase (Decrease) in employee benefits	82,787	176,335	23,649
Increase (Decrease) in accrued interest on long-term liabilities	-	(1,905)	93,112
CHANGE IN AMOUNTS TO BE RECOVERED	(11,216)	532,124	4,616,761
CHANGE IN FUND BALANCES	(1,158,937)	(827,318)	491,783
FUND BALANCES, beginning of year	4,099,014	4,099,014	3,607,231
FUND BALANCES, end of year	\$ 2,940,077	\$ 3,271,696	\$ 4,099,014

See accompanying notes.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED AUGUST 31

	2007	2006
OPERATIONS		
NET REVENUES (EXPENDITURES)	\$(1,349,891)	\$(4,118,624)
USES:		
Increase in accounts receivable	(324,985)	-
Decrease in accounts payable and accrued liabilities	(1,061,157)	(409,569)
Decrease in deferred revenue	(1,199,179)	(253,697)
Decrease in accrued interest on long-term liabilities	(1,905)	-
	(2,587,226)	(663,266)
SOURCES:		
Decrease in accounts receivable	-	1,264,522
Increase in employee benefits	176,336	23,649
Increase in accrued interest on long-term liabilities	-	93,112
	176,336	1,381,283
NET INCREASE (DECREASE) IN CASH FROM OPERATIONS	(3,760,781)	(3,400,607)
FINANCING		
Net long-term liabilities incurred	554,300	4,500,000
Principal repayments	(196,606)	-
NET INCREASE (DECREASE) IN CASH FROM FINANCING	357,694	4,500,000
CHANGE IN CASH AND CASH EQUIVALENTS	(3,403,087)	1,099,393
CASH AND CASH EQUIVALENTS, beginning of year	11,155,047	10,055,654
CASH AND CASH EQUIVALENTS, end of year	\$ 7,751,960	\$11,155,047

See accompanying notes.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2007

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)

AUGUST 31, 2007

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) 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.

(f) 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.

(g) 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, an equal portion of the total estimated projected benefit is attributed to each year of service. 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)

AUGUST 31, 2007

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) 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.

(i) 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.

(j) 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.

(k) 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.

(l) 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.

(m) 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.

(n) 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 2007 as they are not susceptible to estimation by their nature.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2007

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) FINANCIAL INSTRUMENTS

The Statement of Financial Position value for 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 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 Statement of Financial Position date based on relevant information and information about the financial instruments.

4. TAXATION REVENUE

In accordance with Ministry of Education requirements, taxation revenue is based on 38% of taxation revenue from municipalities for the calendar year 2006, 62% of taxation revenue from municipalities for the calendar year 2007 and 100% of the education portion of municipal supplementary taxes and tax write-offs for the calendar year 2006. 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 2006/2007, an amount of \$129,514 (2006 - \$90,154) 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.

5. 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 and related liability in the amount of \$34,741 have been included with cash, and accounts payable and accrued liabilities on the Statement of Financial Position.

6. ACCOUNTS RECEIVABLE

	2007	2006
Municipalities	\$ 971,904	\$ 771,962
Government of Ontario	328,287	19,421
Government of Canada	172,755	443,778
Other school boards	13,662	11,352
Other	114,647	29,757
	\$1,601,255	\$1,276,270

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2007

7. BANK CREDIT FACILITY

The School Board has a Bank Credit Facility of \$3,000,000 bearing interest at bank prime less .5%. Amounts owing under the Credit Facility are payable on demand. The Board has not utilized any of this Bank Credit Facility during the year.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2007	2006
Trade payables and accrued liabilities	\$1,145,371	\$1,988,519
Other school boards	33,454	55,544
Government of Ontario	-	195,919
	\$1,178,825	\$2,239,982

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, 2007 is comprised of:

	Balance as at August 31, 2006	Externally Restricted Revenue and Investment Income	Revenue Recognized in the Year	Balance as at August 31, 2007
Classroom	\$3,995,007	\$ 174,182	\$ 1,287,008	\$2,882,181
Proceeds of disposition	1,068,989	46,571	-	1,115,560
Special education	30,744	1,256	-	32,000
Transition	448,338	19,595	161,964	305,969
Distance schools	222,923	9,473	141,098	91,298
Other	407,606	423,855	284,041	547,420
	\$6,173,607	\$ 674,932	\$ 1,874,111	\$4,974,428

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2007

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 2007	2006
Accrued employee future benefit obligations	\$4,214,687	\$ 316,730	\$4,531,417	\$3,894,764
Unamortized actuarial gains (losses)	(460,318)	-	(460,318)	-
Employee future benefits liability	\$3,754,369	\$ 316,730	\$4,071,099	\$3,894,764

The actuarial gains/losses are attributable to experience gains/losses relative to actuarial assumptions and to changes in actuarial assumptions. The difference between the Accrued Benefit Obligation (ABO) determined as at August 31, 2007, and reported accrued liability, represents the net actuarial gain/loss since the last valuation, which will be amortized using a straight-line method over the average remaining service life. The average remaining service lives of the active employees covered by the various benefit plans are 13, 17, and 20 years starting in the 2007-08 year.

(b) RETIREMENT BENEFIT EXPENSES

	Retirement Benefits	Other Employee Future Benefits	Employee Future Benefits 2007	2006
Current year benefit cost	\$ 378,337	\$ 38,949	\$ 417,286	\$ 503,016
Interest on accrued benefit obligation	146,245	-	146,245	145,381
Recognized actuarial gains (losses)	401	-	401	-
Employee future benefits expenses ¹	\$ 524,983	\$ 38,949	\$ 563,932	\$ 648,397

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

(c) RETIREMENT BENEFITS

(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.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2007

(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, 2007, the Board contributed \$285,697 (2006 - \$283,575) 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 accumulated unused sick days, years of service and salary at the time of retirement as indicated in the employment agreements. 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.

(iii) Sick Leave Accumulations

All regular full time employees are eligible to receive 2 days per month of paid absence per year due to illness or injury during the year.

The change in sick leave accumulations depends on usage of current year allocations of sick days. Accumulated sick bank balances are projected based on expected usage of sick days in each year. Employees who do not use their current allocation of sick days are assumed to accumulate 75% of their sick leave allocation for the year.

The accrued benefit obligations for employee future benefit plans as at August 31, 2007 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:

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2007

	2007	2006
	%	%
Inflation	1.5	1.5
Wage and salary escalation	2.5	2.5
Insurance and health care cost escalation	12%-decrease 1% per year to 2%	12%-decrease 1% per year to 2%
Discount on accrued benefit obligations	4.5	4.5

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 \$388,538 as at August 31, 2007 (2006 - \$ 372,267).

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:

	2007	2006
AMOUNTS TO BE FINANCED IN FUTURE YEARS		
Net long-term liabilities	\$ 4,857,694	\$ 4,500,000
Accrued interest on net long-term liabilities	91,207	93,112
Retirement and other employee future benefits liability (Note 10)	3,840,557	3,703,171
Vacation accrual	230,542	191,593
	\$ 9,020,000	\$ 8,487,876

13. OTHER FEES AND REVENUES

	2007	2006
Transfer from proceeds of disposition deferred revenue	161,964	-
Other Agencies	522,429	200,033
Other Fees	46,800	13,252
	\$ 731,193	\$ 213,285

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2007

14. NET LONG-TERM LIABILITIES

	2007	2006
The Canada Life Assurance Company loan repayable in semi-annual blended payments of \$160,394. The loan matures on April 5, 2031 and is an unsecured debenture.	\$ 4,407,956	4,500,000
Royal Bank of Canada loan repayable in monthly blended payments of \$1,976. The loan matures on December 22, 2010 and is secured by equipment.	63,746	-
Royal Bank of Canada loan repayable in monthly blended payments of \$12,616. The loan matures on September 11, 2010 and is secured by equipment.	385,992	-
Net long-term liabilities	4,857,694	4,500,000

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

	2007	2006
Principal payments on net long-term liabilities	\$ 196,606	-
Interest payments on net long-term liabilities	278,759	-
	\$ 475,365	\$ -

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2007

15. EXPENDITURES BY OBJECT

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

	-----2007-----		2006
	Budget (unaudited)	Actual	Actual
OPERATING EXPENDITURES			
Salaries and wages	\$ 19,885,410	\$ 20,744,754	\$ 20,031,029
Employee benefits	2,304,770	2,833,728	2,708,828
Staff development	281,450	388,580	391,913
Supplies and services	2,367,488	2,592,556	2,697,539
Replacement furniture and equipment	3,500	964	-
Interest on long-term liabilities	226,785	226,840	93,112
Rental expenditures	325,669	249,677	225,124
Fees and contractual services	3,372,609	4,117,842	4,431,431
Other	688,505	125,706	55,722
School funded activities	620,000	860,424	750,589
TOTAL OPERATING EXPENDITURES	30,076,186	32,141,071	31,385,287
TOTAL CAPITAL EXPENDITURES	1,828,000	2,495,867	5,410,741
TOTAL EXPENDITURES	\$ 31,904,186	\$ 34,636,938	\$ 36,796,028

16. 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.

17. COMMITMENTS

(a) Lease Obligations

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

2007/2008	\$ 120,792
2008/2009	\$ 120,792
2009/2010	\$ 120,792
2010/2011	\$ 117,877
2011/2012	\$ 79,690

(ii) The 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.

(b) Capital Expenditures

The Board is committed to spending approximately \$145,255 on capital projects in the following year to be funded by government grants.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2007

18. CONTINGENT LIABILITIES

In the normal course of operations, the Board becomes involved in various claims and legal proceedings. While the final outcome with respect to 3 outstanding claims and legal proceedings pending at August 31, 2007 cannot be predicted with certainty, it is the opinion of the Board that their resolution will not have a material adverse effect on the Board's financial position or results of operations.

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

SCHEDULE OF OPERATING FUND

YEARS ENDED AUGUST 31

	-----2007-----		2006
	Budget (unaudited)	Actual	Actual
REVENUES			
Provincial legislative grants	\$ 23,892,114	\$ 25,084,695	\$ 23,968,710
Local taxation (Note 4)	5,655,394	5,410,193	5,541,873
Provincial grants - other	263,500	806,612	1,931,094
Federal grants and fees	142,135	115,224	200,801
Other revenues - school boards	-	56,975	22,309
Investment Income	85,000	136,873	184,409
Other fees and revenues	38,310	731,193	13,252
TOTAL REVENUES	30,076,453	32,341,765	31,862,448
EXPENDITURES (Note 16)			
Instruction	21,961,586	23,482,533	22,822,802
Administration	1,748,416	1,986,502	1,700,813
Transportation	2,661,999	2,696,784	2,832,223
School operations and maintenance	2,832,400	2,887,646	3,179,041
Pupil accommodation	226,785	226,840	93,112
Other	25,000	342	6,706
TOTAL EXPENDITURES	29,456,186	31,280,647	30,634,697
NET REVENUES (EXPENDITURES)	620,267	1,061,118	1,227,751
INCREASE (DECREASE)			
IN NON-FINANCIAL ASSETS	18,952	(9,551)	(6,354)
Long-term liabilities repayments	(94,003)	(196,606)	-
Increase (Decrease) in employee benefits	82,787	176,335	23,649
Increase (Decrease) in accrued interest on long-term liabilities	-	(1,905)	93,112
CHANGE IN AMOUNTS TO BE RECOVERED	(11,216)	(22,176)	116,761
NET TRANSFERS FROM (TO) OTHER FUNDS			
Transfers from (to) capital fund	(628,000)	(1,295,831)	(993,761)
Transfers from (to) reserves and reserve funds	-	-	(338,253)
NET TRANSFERS FROM (TO) OTHER FUNDS	(628,000)	(1,295,831)	(1,332,014)
CHANGE IN OPERATING FUND BALANCE	3	(266,440)	6,144
OPERATING FUND BALANCE, beginning of year	(9,629)	(9,629)	(15,773)
OPERATING FUND BALANCE, end of year	\$ (9,626)	\$ (276,069)	\$ (9,629)

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

SCHEDULE OF CAPITAL FUND

YEARS ENDED AUGUST 31

	-----2007-----		2006
	Budget (unaudited)	Actual	Actual
EXPENDITURES			
Instruction	\$ 409,000	\$ 436,234	\$ 1,045,444
Administration	44,000	32,455	30,504
School operations and maintenance	25,000	9,860	38,588
Pupil accommodation	1,350,000	2,017,318	4,296,205
TOTAL EXPENDITURES	1,828,000	2,495,867	5,410,741
FINANCING AND TRANSFERS			
Proceeds of net long-term liabilities	-	554,300	4,500,000
Transfers from (to) operating fund	628,000	1,295,831	993,761
Transfers from (to) reserve fund	1,200,000	59,003	
NET TRANSFERS FROM (TO) OTHER FUNDS	1,828,000	1,909,134	5,493,761
CHANGE IN CAPITAL FUND BALANCE	-	(586,733)	83,020
CAPITAL FUND BALANCE, beginning of year	83,020	83,020	-
CAPITAL FUND BALANCE, end of year	\$ 83,020	\$ (503,713)	\$ 83,020

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

SCHEDULE OF RESERVES AND RESERVE FUNDS

YEARS ENDED AUGUST 31

	-----2007-----		2006
	Budget (unaudited)	Actual	Actual
REVENUES			
Interest income	\$ 11,060	\$ 32,517	\$ 15,624
NET REVENUES (EXPENDITURES)	11,060	32,517	15,624
NET TRANSFERS FROM (TO) OTHER FUNDS			
Transfers from (to) operating fund	-	-	338,253
Transfers from (to) capital fund	(1,200,000)	(59,003)	
NET TRANSFERS FROM (TO) OTHER FUNDS	(1,200,000)	(59,003)	338,253
CHANGE IN RESERVES AND RESERVE FUNDS BALANCES			
	(1,188,940)	(26,486)	353,877
RESERVES AND RESERVE FUNDS BALANCES, beginning of year	3,830,653	3,830,653	3,476,776
RESERVES AND RESERVE FUNDS BALANCES, end of year	\$ 2,641,713	\$ 3,804,167	\$ 3,830,653
ANALYZED AS FOLLOWS:			
RESERVE FOR WORKING FUNDS		\$ 3,046,457	\$ 3,046,457
RESERVE FUNDS			
Bursaries		2,957	2,833
Capital		73,938	70,842
Sick leave		287,637	275,592
WSIB		100,901	96,676
School Renewal		292,277	338,253
TOTAL RESERVE FUNDS		757,710	784,196
TOTAL RESERVES AND RESERVE FUNDS		\$ 3,804,167	\$ 3,830,653

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

SCHEDULE OF RESERVES AND RESERVE FUNDS CONTINUITY

YEARS ENDED AUGUST 31

	Reserve For Working Funds	School Renewal Reserve Fund	Sick Leave Reserve Fund	WSIB Reserve Fund	Capital Reserve Fund	Bursaries Reserve Fund	-----Total-----
							2007 2006
BALANCE, beginning of year	\$ 3,046,457	\$ 338,253	\$ 275,592	\$ 96,676	\$ 70,842	\$ 2,833	\$ 3,830,653 \$ 3,476,776
Transfers from	-	(59,003)	-	-	-	-	(59,003) 338,253
Interest earned	-	13,027	12,045	4,225	3,096	124	32,517 15,624
BALANCE, end of year	\$ 3,046,457	\$ 292,277	\$ 287,637	\$ 100,901	\$ 73,938	\$ 2,957	\$ 3,804,167 \$ 3,830,653

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

	<u>2007</u>	<u>2006</u>
REVENUES		
School fundraising	\$ 912,765	\$ 799,331
EXPENDITURES		
School funded activities	860,424	750,589
NET REVENUES (EXPENDITURES)	52,341	48,742
CHANGE IN SCHOOL ACTIVITIES FUND BALANCE	52,341	48,742
SCHOOL ACTIVITIES FUND BALANCE, beginning of year	194,971	146,229
SCHOOL ACTIVITIES FUND BALANCE, end of year	\$ 247,312	\$ 194,971

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

SCHEDULE OF EXPENDITURES

YEARS ENDED AUGUST 31

	2007	2006
INSTRUCTION		
CLASSROOM		
Salaries and wages	\$ 16,146,142	\$ 15,503,757
Employee benefits	2,072,181	1,857,616
Staff development	284,963	304,741
Supplies and services	1,113,846	1,335,013
Replacement furniture and equipment	964	-
Capital expenditures	383,282	1,034,130
Rental expenditures	203,235	180,613
Fees and contractual services	661,414	606,561
Other	7,515	7,248
	20,873,542	20,829,679
NON-CLASSROOM		
Salaries and wages	2,345,772	2,364,077
Employee benefits	345,671	452,452
Staff development	33,948	29,925
Supplies and services	252,037	174,715
Capital expenditures	52,952	11,314
Rental expenditures	1,919	-
Fees and contractual services	-	4,778
Other	12,926	-
	3,045,225	3,037,261
	\$ 23,918,767	\$ 23,866,940
ADMINISTRATION		
Salaries and wages	\$ 987,239	\$ 923,751
Employee benefits	159,166	154,680
Staff development	69,669	55,109
Supplies and services	311,901	286,688
Capital expenditures	32,455	30,504
Rental expenditures	44,523	44,511
Fees and contractual services	309,249	194,475
Other	104,755	41,599
	\$ 2,018,957	\$ 1,731,317

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD**SCHEDULE OF EXPENDITURES (CONT'D)**

YEARS ENDED AUGUST 31

	2007	2006
TRANSPORTATION		
Fees and contractual services	2,696,784	2,832,223
SCHOOL OPERATIONS AND MAINTENANCE		
Salaries and wages	\$ 1,265,601	\$ 1,238,137
Employee benefits	256,710	244,080
Staff development	-	2,138
Supplies and services	914,772	901,123
Capital expenditures	9,860	38,588
Fees and contractual services	450,395	793,394
Other	168	169
	\$ 2,897,506	\$ 3,217,629
PUPIL ACCOMMODATION		
Capital expenditures	\$ 2,017,318	\$ 4,296,205
Interest on long-term liabilities	226,840	93,112
	\$ 2,244,158	\$ 4,389,317
OTHER	\$ 342	\$ 6,706