

**Simcoe Muskoka Catholic
District School Board
Financial Statements
For the year ended August 31, 2004**

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Auditors' Report

**To the Board of Trustees of the
Simcoe Muskoka Catholic
District School Board**

We have audited the statement of financial position of the Simcoe Muskoka Catholic District School Board as at August 31, 2004 and the statements of financial activities and of changes in financial position for the year then ended. These financial statements are the responsibility of the School 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, 2004 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.

BDO Dunwoody LLP

Chartered Accountants

Orillia, Ontario
November 19, 2004

Simcoe Muskoka Catholic District School Board
Statement of Financial Position

August 31	2004	2003
Financial Assets		
Cash	\$ 40,834,866	\$ 44,063,035
Accounts receivable		
Local government	4,240,795	4,430,588
Other	1,560,639	1,713,448
Total Financial Assets	46,636,300	50,207,071
Financial Liabilities		
Accounts payable and accrued liabilities	12,043,905	12,525,991
Deferred revenue (Note 2)	21,696,870	21,644,060
Retirement and other employee future benefits payable (Note 3)	6,344,270	6,053,130
Net debt (Note 4)	130,730,535	135,517,126
Total Financial Liabilities	170,815,580	175,740,307
Net Financial Assets (Liabilities)	(124,179,280)	(125,533,236)
Non-Financial Assets		
Prepaid Expenses	238,456	160,315
Net Assets	\$ (123,940,824)	\$ (125,372,921)
Financial Position		
Operating Fund	2,225,708	(359)
Capital Fund	-	17,897,365
Reserve Funds (Note 5)	13,837,812	1,188,000
	16,063,520	19,085,006
Schools' Generated Fund	994,929	897,575
Total Fund Balances	17,058,449	19,982,581
Amounts to be recovered (Note 6)	(140,999,273)	(145,355,502)
Net Financial Position	\$ (123,940,824)	\$ (125,372,921)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Simcoe Muskoka Catholic District School Board Statement of Financial Activities

For the year ended August 31	Budget 2004	Actual 2004	Actual 2003
Revenues			
Local taxation	\$ 33,938,693	\$ 35,349,220	\$ 35,046,903
Provincial grants - Student Focused Funding	138,803,492	131,124,822	120,638,394
Provincial grants - other	-	441,426	1,377,228
Federal grants & fees	182,836	214,427	164,438
Other revenues - School boards	-	67,935	89,214
Other fees & revenue	412,555	1,375,577	9,793,690
Investment income	-	1,021,275	1,543,458
School fundraising & other revenues	-	5,085,467	-
	<u>173,337,576</u>	<u>174,680,149</u>	<u>168,653,325</u>
Expenditure			
Instruction	114,903,842	116,290,793	103,288,362
Administration	5,054,262	5,531,384	5,637,118
Transportation	10,670,998	10,209,698	10,346,617
School operations & maintenance	14,483,763	14,870,581	14,903,763
Pupil accommodation	28,203,211	21,364,313	23,288,543
Other	21,500	71,311	526,688
School funded activities	-	4,988,114	-
	<u>173,337,576</u>	<u>173,326,194</u>	<u>157,991,091</u>
Total Expenditures	<u>173,337,576</u>	<u>173,326,194</u>	<u>157,991,091</u>
Net Revenue (Expenditure)	-	1,353,955	10,662,234
Increase in Non-Financial Assets	-	78,141	(9,668)
Change in Net Assets (Liabilities)	-	1,432,096	10,652,566
Financing Transactions			
Long term financing issued	-	-	26,391,286
Debt repayments and sinking fund contributions	-	(4,786,591)	(4,139,456)
Increase/(decrease) in unfunded liabilities	-	430,362	1,240,229
	<u>-</u>	<u>(4,356,229)</u>	<u>23,492,059</u>
Change in Amounts to be Recovered	<u>-</u>	<u>(4,356,229)</u>	<u>23,492,059</u>
Change in Fund Balances	<u>-</u>	<u>(2,924,133)</u>	<u>34,144,625</u>
Schools' Generated Fund	<u>-</u>	<u>-</u>	<u>897,575</u>
Opening Fund Balances	<u>-</u>	<u>19,982,582</u>	<u>(15,059,618)</u>
Closing Fund Balances	<u>\$ -</u>	<u>\$ 17,058,449</u>	<u>\$ 19,982,582</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Simcoe Muskoka Catholic District School Board
Statement of Changes in Financial Position

For the year ended August 31	Actual 2004	Actual 2003
Operating activities		
Net revenue (expenditure)	\$ 1,353,955	\$ 10,662,234
Sources and (Uses)		
Decrease (increase) in accounts receivable	342,604	1,244,883
Increase (decrease) in accounts payable and accrued liabilities	(482,087)	2,224,752
Increase (decrease) in deferred revenues	52,810	(4,970,393)
Increase (decrease) in retirement and other employee future benefits payable	291,140	657,451
Schools' generated fund	-	897,576
	1,558,422	10,716,503
Financing activities		
Long-term liabilities issued (net)	-	26,391,284
Debt repaid and sinking fund contributions	(4,786,591)	(4,139,458)
	(4,786,591)	22,251,826
Increase (decrease) in cash and cash equivalents during the year	(3,228,169)	32,968,329
Cash and cash equivalents, beginning of year	44,063,035	11,094,706
Cash and cash equivalents, end of year	\$ 40,834,866	\$ 44,063,035

**Simcoe Muskoka Catholic District School Board
Schedule of Operating Fund**

For the year ended August 31	Budget 2004	Actual 2004	Actual 2003
Revenues			
Local taxation	\$ 33,938,693	\$ 35,349,220	\$ 35,046,903
Provincial grants - Student Focused Funding	138,803,492	131,124,822	120,638,394
Provincial grants - Other	-	441,426	1,377,228
Federal grants & fees	182,836	214,427	164,438
Other revenues - School boards	-	67,935	89,214
Other fees & revenues	412,555	742,115	210,770
Investment income	-	1,021,275	1,543,458
Total Revenue	173,337,576	168,961,220	159,070,405
Expenditure			
Instruction	113,540,275	114,739,177	101,846,032
Administration	5,020,262	5,472,640	5,531,157
Transportation	10,670,998	10,209,697	10,346,617
School operations & maintenance	14,428,763	14,836,930	14,831,468
Pupil accommodation	13,882,468	10,127,942	10,099,247
Other non-operating expenditure	21,500	71,311	326,872
Total Expenditures	157,564,266	155,457,697	142,981,393
Net Revenue (Expenditure)	15,773,310	13,503,523	16,089,012
Increase in Non-Financial Assets	-	78,141	(9,668)
Financing Transactions			
Debt principal repayments	-	(4,786,591)	(4,139,457)
Increase (Decrease) in Unfunded Liabilities	-	430,362	1,240,229
Change in Amounts to be Recovered	-	(4,356,229)	(2,899,228)
Net Transfers (To)/From Other Funds			
Transfer (to)/from Capital Fund	(15,773,310)	(7,158,376)	(10,591,357)
Transfer (to)/from Reserve Funds	-	159,008	(788,000)
	(15,773,310)	(6,999,368)	(11,379,357)
Change in Operating Fund Balance	-	2,226,067	1,800,759
Opening Balance - Operating Fund	-	(359)	(1,801,118)
Closing Balance - Operating Fund	\$ -	\$ 2,225,708	\$ (359)

**Simcoe Muskoka Catholic District School Board
Schedule of Capital Fund**

For the year ended August 31	Budget 2004	Actual 2004	Actual 2003
Revenues			
Educational Development Charges	\$ -	\$ 633,462	\$ 4,171,884
Other revenues	-	-	5,411,036
Total Revenues	-	633,462	9,582,920
Capital Expenditures			
Instruction	1,363,567	1,551,617	1,442,334
Administration	34,000	58,744	105,961
School Operations & Maintenance	55,000	33,651	72,295
Pupil Accommodation	14,320,743	11,236,371	13,189,296
Other	-	-	199,816
Total Expenditures	15,773,310	12,880,383	15,009,702
Net Revenue(Expenditures)	(15,773,310)	(12,246,921)	(5,426,782)
Long Term Financing (net)	-	-	26,391,286
Net Transfer From/(To) Other Funds			
Transfers from/(to) Operating Fund	15,773,310	7,158,376	10,591,357
Transfers from/(to) Reserve Funds	-	(12,808,820)	-
	15,773,310	(5,650,444)	10,591,357
Change in Capital Fund Balance	-	(17,897,365)	31,555,861
Opening Balance - Capital Fund	-	17,897,365	(13,658,496)
Closing Balance - Capital Fund	\$ -	\$ -	\$ 17,897,365

**Simcoe Muskoka Catholic District School Board
Schedule of Reserve Funds**

For the year ended August 31	Budget 2004	Actual 2004	Actual 2003
Net Transfers (To)/From Other Funds			
Transfers from/(to) Operations	\$ -	\$ (159,008)	\$ 788,000
Transfers from/(to) Capital	-	12,808,820	-
	-	12,649,812	788,000
Change in Reserve Funds Balance	-	12,649,812	788,000
Opening Balance - Reserve Funds	-	1,188,000	400,000
Closing Balance - Reserve Funds (Note 5)	\$ -	\$ 13,837,812	\$ 1,188,000

**Simcoe Muskoka Catholic District School Board
Schedule of Schools' Generated Fund**

For the year ended August 31	Budget 2004	Actual 2004
Revenues		
School fundraising & other revenue	\$ -	\$ 5,085,467
Expenditures		
School funded activities	-	4,988,114
Net Revenue (Expenditure)	-	97,353
Change in Schools' Generated Fund Balance	-	97,353
Opening Balance - Schools' Generated Fund	-	897,576
Closing Balance - Schools' Generated Fund	\$ -	\$ 994,929

Simcoe Muskoka Catholic District School Board Summary of Significant Accounting Policies

August 31, 2004

The financial statements are prepared by management 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) 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.

School generated funds, which include the assets, liabilities, revenues, expenditures and fund balances of various organizations that exist at the school level and which are controlled by the Board are reflected in the financial statements.

Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

(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 of cash on hand, demand deposits and short-term investments. Short-term investments are highly liquid, subject to insignificant risk of change in value and have a short maturity term of less than 90 days.

(e) Investments

Investments consist of marketable securities 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 depreciation of capital assets are not reported. Capital assets are reported as expenditures on the Statement of Financial Activities in the year of acquisition.

Simcoe Muskoka Catholic District School Board

Summary of Significant Accounting Policies

August 31, 2004

(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 gratuities, 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 & health care cost trends, disability recovery rate, 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 & 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 & 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 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.

(i) Reserves and Reserve Funds

Certain amounts, as approved by the Board 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.

Simcoe Muskoka Catholic District School Board Summary of Significant Accounting Policies

August 31, 2004

(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 are reported as revenue in the period earned.

Investment income earned on externally restricted funds such as pupil accommodation, education development charges 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 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. 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, disclosures of contingent assets and liabilities at the date of the financial statements and reported revenues and expenditures during the year. 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.

(n) Financial Instruments

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

Simcoe Muskoka Catholic District School Board Notes to Financial Statements

August 31, 2004

1. Adoption of Public Sector Accounting Recommendations

Commencing in 2004, the Board has adopted Canadian generally accepted accounting principles applying the local government accounting standards issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The comparative figures included in these financial statements have been restated to conform with the accounting standards adopted for the current year, except that 2002-2003 school generated fund activities have not been included, as the information is not readily available.

Key elements of the changes to the balances reported include:

(i) Establishing a liability on the Board's accounts for estimated employee future benefit obligations associated with retirement gratuities and vacation pay earned but untaken. The restated statement of financial activities includes the cost of providing these benefits in the period earned.

(ii) Establishing a liability for the accrued interest obligation in respect of debenture debt obligations that arises since the last payment date and restating the expenditure in the statement of financial activities to show only interest expense on an accrual basis, excluding payments on account of repayment of principal.

(iii) Reporting amounts received that are subject to restrictions arising from legislation, regulations or agreements with external parties as deferred revenues. Previously such amounts were reported as revenues when received and accumulated in reserve funds. Amounts reported in the restated statement of financial activities include only revenues realized in the period expended in a manner consistent with the purpose specified.

To facilitate comparability, retroactive restatement has been made of the corresponding comparative figures for the 2003 year. A summary of the impact of key aspects of the restatement and the impact on amounts reported is set out below.

	Fiscal net expenditure for 2004	Fiscal net expenditure for 2003	Sept. 1, 2003 Fund Balances
Recording employee future benefits and vacation pay obligations	\$ 1,063,050	\$ 1,006,949	\$ 6,241,892
Recording interest on unmatured debenture debt obligations	(43,029)	3,596,484	3,596,484
Deferral of revenues subject to restrictions arising from legislation regulations or agreements with external parties	\$ 66,263	\$ 21,376,169	\$ 21,376,169

Simcoe Muskoka Catholic District School Board
Notes to Financial Statements

August 31, 2004

2. Deferred Revenue

Deferred Revenue - Reserves

The use of certain reserve funds are restricted by the provincial government regulations. It is a requirement of the public sector accounting principles of the Canadian Institute of Chartered Accountants that these reserve funds be reported as deferred revenue.

Deferred revenue set aside for specific purposes by legislation, regulation or agreement as at August 31, 2004 is comprised of:

	2004	2003
Pupil Accommodation Deferred Revenue		
Balance, beginning of year	\$ 20,815,695	\$ 23,494,954
Increase/decrease in deferred revenue	(1,707,338)	(3,337,120)
Interest earned	808,163	657,861
	19,916,520	20,815,695
Education Development Charges		
Balance, beginning of year	523,717	2,324,612
Increase/decrease in deferred revenue	560,875	(1,887,370)
Interest earned	21,689	86,475
	1,106,281	523,717
Special Education Accessibility		
Balance, beginning of year	19,786	19,786
Increase/decrease in deferred revenue	(19,786)	-
	-	19,786
Proceeds of Disposal		
Balance, beginning of year	16,974	16,974
	16,974	16,974
Distant School Reserve		
Increase/decrease in deferred revenue	402,660	-
	402,660	-
Total Deferred Revenue - Reserves	21,442,435	21,376,172
Other Deferred Revenue	254,435	267,888
	\$ 21,696,870	\$ 21,644,060

Simcoe Muskoka Catholic District School Board
Notes to Financial Statements

August 31, 2004

3. Retirement and Other Employee Future Benefits

Retirement and Other Employee Future Benefit Liabilities	2004	2003
	Total Employee Future Benefits	Total Employee Future Benefits
Accrued Employee Future Benefit Obligations at August 31	\$ 6,691,329	\$ 6,053,130
Unamortized Actuarial Gains (Losses) at August 31	(347,059)	-
Employee Future Benefits Liability at August 31	\$ 6,344,270	\$ 6,053,130
Retirement and Other Employee Future Benefit Expenses	2004	2003
	Total Employee Future Benefits	Total Employee Future Benefits
Current Year Benefit Cost	\$ 490,183	\$ 439,072
Interest on Accrued Benefit Obligation	390,616	379,115
Employee Future Benefits Expenses	\$ 880,799	\$ 818,187

Employee Future Benefits Expenses above excludes pension contributions to the Ontario Municipal Employees Retirement System, a multi-employer pension plan, described below.

Simcoe Muskoka Catholic District School Board

Notes to Financial Statements

August 31, 2004

3. Retirement and Other Employee Future Benefits (Cont'd)

Retirement Benefits

(i) Ontario Teacher's Pension Plan

Teachers and related employee groups are eligible to be members of Ontario's Teachers' 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

Non-teaching employees of the Board may be 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. From January 1, 2003 to December 31, 2003, eligible employees contributed at reduced rates of up to 2.6% of earnings. Effective January 1, 2004 employee contribution rates returned to levels of up to 8.8% of earnings. The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2004, the Board contributed \$738,531 (2003 - \$183,535) 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. 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.

Other Employee Future Benefits

(i) Workplace Safety and Insurance Board Obligations

The Board is a Schedule 1 employer under the Workplace Safety and Insurance Act and, as such, the Board insures all claims by its injured workers under the act. The Board's insurance premiums for the year ended August 31, 2004 were \$978,229 (2003 - \$602,401) and are included in the Board's current year benefit costs. No liabilities for claims by its injured workers under the Act are included in the Board's financial statements.

(ii) Long-term Disability Life Insurance and Health Care Benefits

The Board provides its share of life insurance, dental and health care benefits to employees on long-term disability leave. The Board is responsible for the payment of its share of life insurance premiums and the costs of health care benefits under this plan. The Board provides these benefits through an unfunded defined benefit plan. The costs of salary compensation paid to employees on long-term disability leave are fully insured and not included in this plan.

Simcoe Muskoka Catholic District School Board

Notes to Financial Statements

August 31, 2004

3. Retirement and Other Employee Future Benefits (Cont'd)

The accrued benefit obligations for employee future benefit plans as at August 31, 2004 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:

	2004	2003
	%	%
Inflation	2.00	2.00
Wage and salary escalation	2.00	2.00
Insurance and health care cost escalation	2.00	2.00
Discount on accrued benefit obligations	6.00	6.25

4. Net Long-Term Liabilities

Net long-term debt reported on the Statement of Financial Position comprises the following:

	2004	2003
Debenture 1991 - Bylaw 2304-91	\$ 690,000	\$ 880,000
Debenture 1992 - Bylaw 2402-92	790,000	860,000
Debenture 1994 - Bylaw 2603-94	3,000,000	3,150,000
Debenture 1995 - Bylaw 2701-95	3,000,000	3,150,000
Debenture 1996 (1) - Bylaw 2801-96	6,100,000	6,400,000
Debenture 1996 (2) - Bylaw 2803-96	3,075,000	3,225,000
Debenture 1997 - Bylaw 2903-97	3,522,000	3,679,000
Debenture 2000 (OSBFC #1) - Bylaw 3201-00	13,910,712	14,188,739
Debenture 2002 (OSBFC #4) - Bylaw 3402-02	23,279,375	23,729,510
Sinking Fund Debenture (OMIC #1 1991) - Bylaw 2301-91	1,917,508	2,247,714
Sinking Fund Debenture (OMIC #2 1991) - Bylaw 2303-91	1,683,525	1,949,858
Sinking Fund Debenture (OMIC #1 1992) - Bylaw 2401-92	3,699,288	4,211,952
Sinking Fund Debenture (OSBFC #2 2000) - Bylaw 3202-00	63,302,263	65,021,653
Sinking Fund Debenture (OSBFC #3 2003) - Bylaw 3401-02	2,760,864	2,823,700
	\$130,730,535	\$135,517,126

Simcoe Muskoka Catholic District School Board
Notes to Financial Statements

August 31, 2004

4. Net Long-Term Liabilities (Cont'd)

Principal payments relating to net long-term liabilities of \$130,730,535 outstanding as at August 31, 2004 are due as follows:

	Principal and Sinking Fund Contributions	Interest	Total
2004/05	\$ 3,845,947	\$ 10,022,352	\$ 13,868,299
2005/06	4,027,382	9,863,466	13,890,848
2006/07	4,151,130	9,688,088	13,839,218
2007/08	4,068,412	9,515,597	13,584,009
2008/09	4,267,461	9,394,270	13,661,731
Thereafter	110,370,203	39,322,333	149,692,536
	\$130,730,535	\$ 87,806,106	\$218,536,641

Included in net long-term debt are outstanding debentures of \$73,363,448 (2003 - \$76,254,877) secured by sinking fund assets with a carrying value of \$13,324,251 (market value - \$13,622,035). Sinking fund assets are comprised of short-term notes and deposits, government and government-guaranteed bonds and debentures.

Le Conseil Scolaire de District Catholique Centre - Sud has assumed responsibility for the repayment of \$978,417 of the net long term debt. This amount is included as part of the Amounts to be Recovered in Future Periods. Principal amounting to \$397,743 plus interest amounting to \$613,524 is recoverable over the next five years from this school board.

Simcoe Muskoka Catholic District School Board
Notes to Financial Statements

August 31, 2004

5. Reserve Funds

Reserve funds set aside for specific purposes by the board as at August 31, 2004 is comprised of:

	2004	2003
Learning improvements reserve		
Balance, beginning of year	\$ 338,000	\$ -
Transfer from (to) the operating Fund	(9,008)	338,000
	328,992	338,000
Balance, end of year	328,992	338,000
Non-capital reserve (Clarica)		
Balance, beginning of year	550,000	400,000
Transfer from (to) the operating fund	-	150,000
	550,000	550,000
Balance, end of year	550,000	550,000
Pupil accommodation reserve		
Balance, beginning of year	-	-
Transfer from (to) capital fund	12,808,820	-
	12,808,820	-
Balance, end of year	12,808,820	-
Working funds reserve		
Balance, beginning of year	300,000	-
Transfer from (to) operating fund	(150,000)	300,000
	150,000	300,000
	\$ 13,837,812	\$ 1,188,000

6. Amounts to be Recovered in Future Years

	2004	2003
Capital Outlay to be Recovered in Future Years		
Net long term debt (Note 4)	\$130,730,535	\$135,517,126
Amounts to be Financed in Future Years		
Retirement and other employee future benefits liability (Note 3)	6,344,270	6,053,130
Vacation accrual	371,013	188,762
Interest accrual	3,553,455	3,596,484
	\$140,999,273	\$145,355,502

Simcoe Muskoka Catholic District School Board
Notes to Financial Statements

August 31, 2004

7. Debt Charges & Interest

The expenditure for debt charges, sinking fund contributions and interest payments are as follows:

	<u>2004</u>
Principal payments on long-term liabilities including contributions to sinking funds	<u>\$ 4,786,591</u>
Interest payments on long-term liabilities	<u>10,084,913</u>
	<u>\$ 14,871,504</u>

8. 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.

9. Contractual Obligations and Contingent Liabilities

The Board has outstanding contractual obligations of approximately \$17,321,418 and outstanding letters of credit of \$696,284 for uncompleted capital projects at August 31, 2004.

The Board has a number of claims outstanding relating to construction liens and other lawsuits. The Board does not anticipate any significant losses in these matters. Some matters are currently in court but no rulings have been made, any losses will be recorded in the year of settlement.

Simcoe Muskoka Catholic District School Board
Notes to Financial Statements

August 31, 2004

10. Commitments

The Board has operating leases for its premises at 80 Bell Farm Road in Barrie at \$10,060 per month until May 2007 and at \$11,066 per month until May 2009, for its premises at 115 Bell Farm Road in Barrie at \$3,872 per month under a lease expiring December 2004, for its premises at 566 Bryne Drive in Barrie at \$1,672 per month under a lease expiring July 2006 and for its premises in the Bayfield Mall in Barrie at \$1,240 per month under a lease expiring March 2005.

The board also has a lease for its local loop fibre-optic internet connection at \$46,559 per month until September 2016.

The minimum annual lease payments for the next five years and thereafter are as follows:

2005	\$	721,991
2006		679,429
2007		682,447
2008		691,501
2009		658,303
Thereafter		<u>3,957,525</u>
	\$	<u>7,391,196</u>

Simcoe Muskoka Catholic District School Board Notes to Financial Statements

August 31, 2004

11. Public Sector Salary Disclosure Act.

For 2003, the following employees were paid a salary, as defined in the Public Sector Salary Disclosure Act, 1997 of \$100,000 or more:

<u>Name</u>	<u>Position</u>	<u>Salary Paid</u>	<u>Taxable Benefits</u>
Kevin Kobus	Director of Education	\$169,499	\$6,093
Peter Derochie	Associate Director of Education (Business & Finance)	\$143,052	\$4,893
James Burns	Superintendent of Programme & Services	\$124,595	\$ 93
Brian Beal	Superintendent of Schools	\$112,465	\$ 93
Catherine McCullough	Superintendent of Schools	\$120,055	\$ 93
William Connors	Superintendent of Schools	\$121,736	\$ 93
Glenn Clarke	Controller of Plant	\$117,652	\$ 93
Enda Soostar	Associate Superintendent of Human Resources	\$116,303	\$ 93
Diane Legg	Manager of Corporate Communications & Public Affairs	\$120,422	\$ 93
Pia Elston	Controller of Finance	\$102,645	\$ 93

12. Tuition Fees

During the year the board billed the Beausoleil First Nation, on behalf of First Nation Pupils, \$121,634 in tuition fees.

13. Subsequent Event

On November 26th, 2004 the board issued \$27,000,000 in debentures for school construction. These debentures carry a coupon rate of 5.483% and mature on November 26th, 2029.
