

Balance Sheet August 31, 2000 with comparative figures for 1999

Assets	2000	1999
Current assets:		
Cash	\$ 1,676,049	\$ 6,910,473
Investments at cost (Note 2)	9,070,109	
Accounts receivable:		
Local Government	6,547,293	6,358,544
Other (Note 3)	2,912,661	972,852
Prepaid expense	722,808	175,293
Other current assets	374,339	1,641,541
	21,303,259	16,058,703
Capital outlay to be recovered in future years	96,451,341	77,642,999
Other assets	14,452	68,624
	\$117,769,052	\$ 93,770,326
Liabilities and Equity in Reserve Funds		
Current liabilities:		
Bank and other short term borrowing (Note 4)	\$ 27,848,015	\$ 26,999,934
Accounts payable and accrued liabilities:		
Local Government	26,459	26,459
Other	11,650,128	12,290,389
Other current liabilities	1,299,477	2,750,495
	40,824,079	42,067,277
Net long term liabilities (Note 5)	59,993,332	37,742,579
Reserve for working funds (Note 7)	675,196	3,756,195
Equity in reserve funds (Note 7)	16,391,300	9,633,892
Accumulated surplus (deficit) at year end	(114,855)	570,383
	\$117,769,052	\$ 93,770,326

Approved on Behalf of the Board:

Frederick L. Sweeney *Alan Bailey*

Frederick L. Sweeney, Director of Education A. Bailey, Chair of the Board
See accompanying notes to the financial statements.

Halton Catholic District School Board Revenue Fund Statement of Operations
Year ended August 31, 2000 with comparative figures for 1999

	2000	1999
Expenditure:		
Classroom	\$ 81,491,639	\$ 72,863,858
Non-classroom	22,529,250	20,531,511
Administration	4,544,171	4,287,779
Pupil transportation	3,903,344	4,059,484
Pupil accommodation	22,466,593	21,945,861
Other non-operating expenditure	2,903,539	67,733
	137,838,536	123,756,226
Recovery of expenditure:		
School boards - other	3,438	217,731
Government of Ontario - other	1,609,236	32,048
Government of Canada	322,359	638,735
Individuals - tuition fees	314,397	390,771
Other revenue (excluding transfers from reserves)	3,948,480	8,191,916
	6,197,910	9,471,201
Net expenditure	\$131,640,626	\$114,285,025
Financing of net expenditures:		
Legislative grants	\$ 77,142,710	\$ 71,105,915
Local taxes	56,590,403	54,380,267
Increase in reserves	(2,777,725)	(11,191,139)
Previous year-end accumulated surplus	570,383	560,365
To be applied to the following year:		
Accumulated deficit (surplus) at year-end	114,855	(570,383)
Total financing	\$131,640,626	\$114,285,025

See accompanying notes to the financial statements.

Halton Catholic District School Board Capital Fund Statement of Operations
Year ended August 31, 2000, with comparative figures for 1999

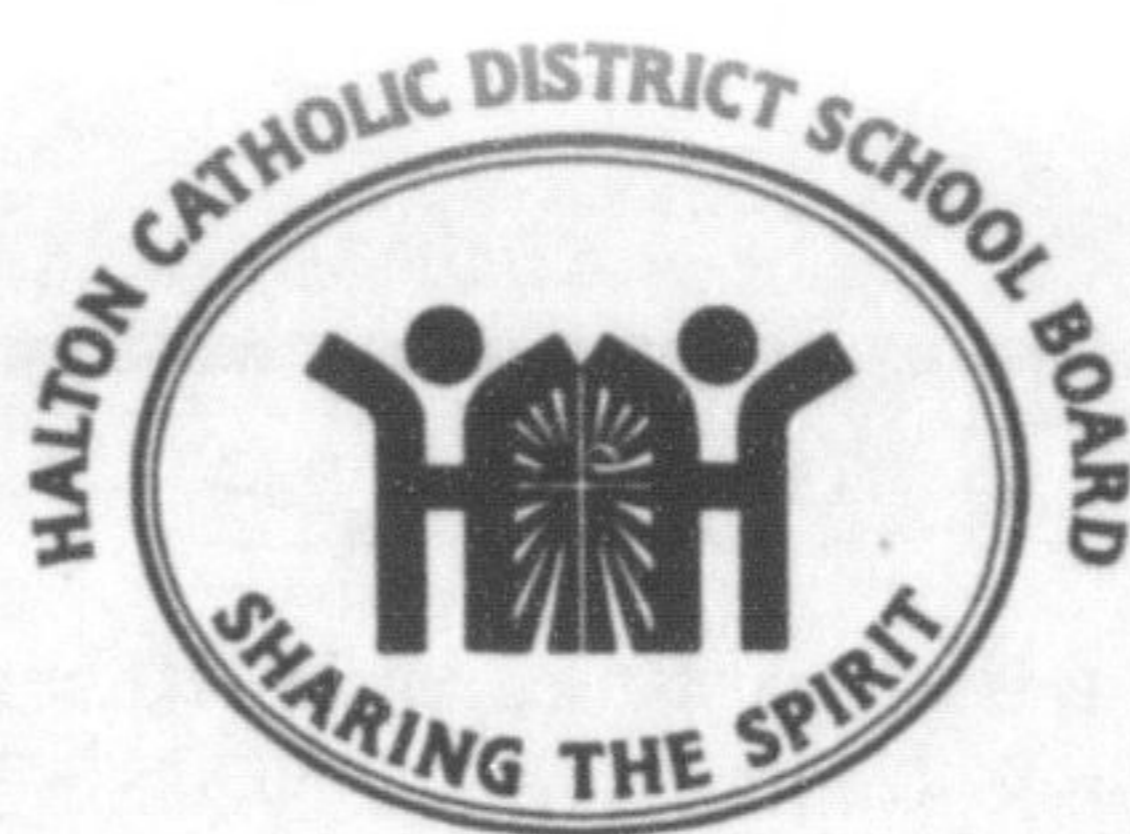
	2000	1999
Capital expenditure:		
Capital assets and work in progress:		
New pupil places	\$ 10,300,200	\$ 23,835,559
School renewal	7,799,568	12,935,225
Non-instructional capital	170,350	272,423
Site purchases	9,302,680	5,757,685
Instructional computers	1,953,791	1,269,863
Personal special education equipment	13,575	55,489
Other	609,368	479,215
Total capital expenditure	\$ 30,149,532	\$ 44,605,459
Capital financing:		
Balance at beginning of year not permanently financed	\$(39,905,392)	\$ (1,271,259)
Long term liabilities issued and sold	22,097,000	-
Capital expenditure financed from the revenue fund	7,237,702	5,971,326
Balance at end of year not permanently financed	40,720,222	39,905,392
Total capital financing	\$ 30,149,532	\$ 44,605,459

See accompanying notes to the financial statements.

Halton Catholic District School Board Reserve Funds Statement of Continuity
Year ended August 31, 2000, with comparative figures for 1999

	2000				1999	
	Reserve for Special Education	Reserve for Pupil Accommodation	Learning Environment Improvement Capital Reserve	Education Development Charge Reserve	Total	Total
Balance, beginning of the year	\$ 200,000	\$ 4,385,486	\$ 533,753	\$ 4,514,653	\$ 9,633,892	\$ 1,386,620
Transfers to the Reserve Fund	-	5,459,784	462,374	2,727,629	8,649,787	12,029,713
Earnings on Reserve Fund Investment	-	206,937	48,920	180,452	436,309	57,445
	200,000	10,052,207	1,045,047	7,422,734	18,719,988	13,473,778
Transfers from the Reserve Fund	200,000	234,067	-	1,894,621	2,328,688	3,839,886
Balance, end of the year	\$ -	\$ 9,818,140	\$ 1,045,047	\$ 5,528,113	\$ 16,391,300	\$ 9,633,892

See accompanying notes to the financial statements.



Halton Catholic District School Board

Financial Statements, August 31, 2000

Notes to the Financial Statements
August 31, 2000

- 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 expenditures 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 2000.

b) Capital assets:
Capital assets are expensed unless they are 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 of the related temporary financing at the year end.

c) Reserves and reserve funds:
Reserves and reserve funds represent funds appropriated for general and specific purposes and are charged or credited to Revenue Fund Operations in the year appropriated or drawn down. The amounts in reserves and reserve funds are approved by the Board and are within the limits defined in the Education Act.

d) Accumulated surplus (deficit) at year end:
The difference between the net expenditures of any year and the amounts received to finance these expenditures is carried forward to the subsequent year to either increase or reduce the net revenue requirement.

e) Legislative grant:
The Legislative grant calculations are prepared by the Board annually and submitted to the Ministry of Education for their final approval. Reassessments when they occur will be recorded in that year.
- 2. Investments:**
The Board's short-term investments in money market funds and bankers' acceptances bear interest at varying rates between 5.5% and 6.5% per annum.
- 3. Accounts receivable - other:**
Included in accounts receivable - other is \$618,874 relating to legislative grants of prior years that are under dispute with the Ministry. It is the Board's management opinion that such amounts are due to the Board and will be collectible.
- 4. Bank and other short-term borrowing:**
Included in short-term borrowing are \$27,763,150 of short-term loans for capital projects. The interest rate at which the Board borrows funds is at prime or less. This short term borrowing for capital projects was replaced subsequent to year end through the Board's participation in the issue of 6.30% sinking fund debentures by the Ontario School Boards Financing Corporation, the Board's portion of such issue being \$36,808,000. The debentures were issued with a term of 10 years assuming an amortization of 25 years and are due September 22, 2010. Each year during the 10 year term, the sum of \$2,318,904 shall be payable for interest and the sum of \$546,226 shall be deposited in a sinking fund.
- 5. Net long term liabilities:**
Of the net long term liabilities outstanding at August 31, 2000 of \$59,993,332 principal amounting to \$24,926,194 plus interest amounting to \$18,653,028 is payable over the next five fiscal years as follows:

	Principal	Interest	Total
2001	\$ 4,448,732	\$ 4,528,171	\$ 8,976,903
2002	4,689,611	4,142,937	8,832,548
2003	5,037,944	3,760,822	8,798,766
2004	5,448,829	3,342,287	8,791,116
2005	5,301,078	2,878,811	8,179,889
	\$ 24,926,194	\$ 18,653,028	\$ 43,579,222
- 6. Debt charges and capital loan interest:**
The Revenue Fund expenditure for debt charges and capital loan interest included in pupil accommodation expenditure includes principal and interest payments as follows:

Principal payments on long term liabilities including contribution to sinking funds	\$ 4,080,145
Interest payments on long term liabilities	3,519,315
	\$ 7,599,460

Included in these amounts are \$155,518 of principal and \$143,357 of interest on debentures that were part of the net assets transferred to Board 64, the French Language Board by Order in Council. The Halton Catholic District School Board is required, however, to still pay these debt charges but receives equal grants from the Province.
- 7. Reserve funds:**

a) Reserve for working funds:
By resolution on November 21, 2000 the Board approved a draw down of \$2,250,000 from the Reserve for working funds for the fiscal year ending August 31, 2000.

b) Equity in reserve funds:
The reserves for special education and pupil accommodation were established in accordance with Ministry of Education and Training regulations and are mandated by the Education Act and are to be used only for specified purposes.
The learning environment improvement capital reserve is a combination of the energy savings and grants received. These funds will be used to fund the capital portion of these projects over the next 10 to 15 years.
The education development charge reserve relates to amounts received pursuant to the Education Act and Board by-laws with respect thereto.
- 8. 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 amount to \$Nil due to a contribution holiday for both employees and employers in effect until December 31, 2001.
Not shown in the financial statements of the Board are the employer's contributions to the Teachers' Pension Plan. The funding for such is provided directly by the Provincial Government.
- 9. Contractual obligations and contingencies:**

a) Lease obligations:
The Board has obligations under operating leases that require annual lease payments in the following amounts:

2001	\$ 1,214,137
2002	1,187,520
2003	966,587
2004	830,603
2005	465,688
	\$ 4,664,535

b) Contractual obligations:
The Board has obligations outstanding with respect to the building and reconstruction of new and existing schools as follows:

St. Paul's	\$ 1,021,894
St. Raphael	1,452,198
St. Vincent	767,398
St. Joseph (Acton)	1,385,816
St. Catherine of Alexandria	149,802
Assumption	4,015,350
Christ the King	520,602
Northeast Oakville	673,936
Adult Learning Centre	30,896
Learning Environment Improvement Projects	708,601
	\$ 10,726,493

These contracts are expected to be completed during fiscal 2001.

c) Letters of credit:
The Board was contingently liable under letters of credit issued to municipalities with respect to construction projects in the amount of \$486,000. There are other letters of credit outstanding with respect to the purchase of school sites, the amounts of which are included in net long term liabilities.
- 10. Ontario School Board Insurance Exchange:**
The Board joined effective April 1, 1987, the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act. OSBIE insures general public liability for the Board.
- 11. Workers' compensation:**
On January 28, 1997, the Board received approval from the Workers' Safety Insurance Board for a transfer out of Schedule 1 to become a Schedule 2, self-insured employer effective, January 1, 1994. As a result, the Board now directly assumes the cost of Workers' Safety Insurance Board awards for its injured workers. An accrued liability of \$695,443 has been recorded as at August 31, 2000 to allow for potential charges that may be assessed by the Workers' Safety Insurance Board for pending claims.
Effective February 28, 1996, the Board contracted third-party co-insurance coverage under which the Board receives reimbursement from the insurer for Workers' Compensation claim assessments over \$250,000 and less than \$10,000,000.

AUDITORS' REPORT

To the Trustees of The Halton Catholic District School Board
We have audited the balance sheet of the Halton Catholic District School Board as at August 31, 2000 and the Revenue Fund Statement of Operations, the Capital Fund Statement of Operations and the Reserve Funds Statement of Continuity for the year 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 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, 2000 and the results of its operations for the year then ended in accordance with the accounting principles described in Note 1 to the financial statements.

HORNE & CO.

Burlington, Ontario
November 29, 2000

Chartered Accountants