

*Consolidated Financial Statements of*

**SUPERIOR GREENSTONE DISTRICT  
SCHOOL BOARD**

*August 31, 2006*



## SUPERIOR-GREENSTONE DISTRICT SCHOOL BOARD

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### MANAGEMENT REPORT

#### Management's Responsibility for the Financial Statements

The accompanying financial statements of the Superior-Greenstone District School Board are the responsibility of the Board management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants, except that school generated funds balances and activities have not been included in the financial statements. A summary of the significant accounting policies are described in Note 1 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.

The Board meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by Deloitte & Touche LLP, independent external auditors appointed by the Board. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Board's financial statements.

Patti Pella  
Director of Education

Bruce Rousseau  
Superintendent of Business

December 8, 2006

## Auditors' Report

To the Board of Trustees of the  
Superior Greenstone District School Board

We have audited the consolidated statement of financial position of the Superior Greenstone District School Board as at August 31, 2006 and the consolidated statement of financial activities and fund balance and of 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 consolidated financial statements present fairly, in all material respects, the financial position of the Superior Greenstone District School Board as at August 31, 2006 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.

*Deloitte & Touche LLP*

Chartered Accountants

Toronto, Ontario  
December 8, 2006

# **SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD**

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**August 31, 2006**

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# SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

## Consolidated Statement of Financial Position

August 31, 2006

	<u>2006</u>	<u>2005</u>
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 4,692,560	\$ 7,387,379
Accounts receivable		
Municipalities	420,612	545,991
Other (Note 2)	4,398,300	3,638,037
Other assets	-	38,046
<b>Total financial assets</b>	<b>9,511,472</b>	<b>11,609,453</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	3,010,973	1,812,470
Deferred revenue		
Reserve funds (Note 3)	286,002	660,578
Other	106,136	331,875
Employee future benefits payable (Note 4)	10,763,068	10,163,288
<b>Total liabilities</b>	<b>14,166,179</b>	<b>12,968,211</b>
<b>Net financial liabilities</b>	<b>(4,654,707)</b>	<b>(1,358,758)</b>
<b>NON-FINANCIAL ASSET - Prepaid expenses</b>	<b>88,952</b>	<b>88,294</b>
<b>NET LIABILITIES</b>	<b>\$ (4,565,755)</b>	<b>\$ (1,270,464)</b>
<b>FINANCIAL POSITION</b>		
Fund balances		
Operating Fund - Schedule 2.1	\$ -	\$ -
Capital Fund - Schedule 2.2	(1,932,187)	(558,189)
Reserve Fund - Schedule 2.3 (Note 5)	7,691,531	9,184,221
School Generated Funds - Schedule 2.4	273,988	245,768
<b>Total fund balances</b>	<b>6,033,332</b>	<b>8,871,800</b>
<b>Amounts to be recovered in future years (Note 6)</b>	<b>(10,599,087)</b>	<b>(10,142,264)</b>
<b>NET FINANCIAL POSITION</b>	<b>\$ (4,565,755)</b>	<b>\$ (1,270,464)</b>

.....  
Chief Executive Officer

.....  
Chair of the Board

**SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD**  
**Consolidated Statement of Financial Activities and Fund Balance**  
**Year ended August 31, 2006**

	2006		2005
	Budget (unaudited)	Actual	Actual
<b>REVENUES</b>			
Local taxation	\$ 6,452,120	\$ 5,621,396	\$ 5,647,650
Provincial grants			
Student Focused Funding	24,840,691	26,167,267	24,638,939
Other	75,000	2,717,113	968,557
Federal grants and fees	1,936,041	2,739,797	1,881,674
Other revenues - school boards	735,000	1,029,921	715,574
Other fees and revenues	1,101,900	896,422	1,222,628
School fundraising	470,000	582,417	628,187
<b>Total revenues</b>	<b>35,610,752</b>	<b>39,754,333</b>	<b>35,703,209</b>
<b>EXPENDITURES (Note 8)</b>			
Instruction	25,831,085	28,994,128	26,187,716
Administration	2,516,222	2,430,604	2,780,672
Transportation	2,283,800	2,389,686	2,277,017
School operations and maintenance	4,551,098	4,653,176	4,583,826
Pupil accommodation	2,637,000	4,028,491	1,307,098
Other	-	-	160,748
School funded activities	440,000	554,197	624,828
<b>Total expenditures</b>	<b>38,259,205</b>	<b>43,050,282</b>	<b>37,921,905</b>
<b>NET EXPENDITURE</b>	<b>(2,648,453)</b>	<b>(3,295,949)</b>	<b>(2,218,696)</b>
<b>INCREASE IN NON-FINANCIAL ASSET -</b>			
Prepaid expenses	-	658	25,271
<b>CHANGE IN NET LIABILITIES</b>	<b>(2,648,453)</b>	<b>(3,295,291)</b>	<b>(2,193,425)</b>
<b>FINANCING TRANSACTIONS</b>			
<b>CHANGE IN AMOUNTS TO BE RECOVERED</b>	<b>662,410</b>	<b>456,823</b>	<b>915,001</b>
<b>CHANGE IN FUND BALANCE</b>	<b>(1,986,043)</b>	<b>(2,838,468)</b>	<b>(1,278,424)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>10,117,479</b>	<b>8,871,800</b>	<b>10,150,224</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 8,131,436</b>	<b>\$ 6,033,332</b>	<b>\$ 8,871,800</b>

**SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD**  
**Consolidated Statement of Changes in Financial Position**  
Year ended August 31, 2006

	<u>2006</u>	<u>2005</u>
<b>NET (OUTFLOW) INFLOW OF CASH AND CASH EQUIVALENTS RELATED TO THE FOLLOWING ACTIVITIES</b>		
<b>OPERATING</b>		
Net expenditure	<b>\$ (3,295,949)</b>	<b>\$ (2,218,696)</b>
Sources and uses		
(Increase) Decrease in accounts receivable	<b>(634,884)</b>	997,032
Decrease in other financial assets	<b>38,046</b>	11,279
Increase in accounts payable and accrued liabilities	<b>1,198,503</b>	207,891
(Decrease) Increase in deferred revenues		
Reserves	<b>(374,576)</b>	612,871
Other	<b>(225,739)</b>	124,225
Increase in employee future benefits payable	<b>599,780</b>	582,827
	<b>601,130</b>	2,536,125
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,694,819)</b>	317,429
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>7,387,379</b>	7,069,950
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 4,692,560</b>	<b>\$ 7,387,379</b>

# SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

## Notes to the Consolidated Financial Statements

August 31, 2006

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### 1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants.

Significant accounting policies adopted are as follows:

*a) Reporting entity*

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and fund balances of the reporting entity. The reporting entity is comprised of all organizations 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 consolidated financial statements.

All material interdepartmental and inter-entity transactions and balances between these organizations are eliminated on consolidation.

*b) Trust funds*

Trust funds and their related operations administered by the Board amounting to \$358,443 (2005 -\$307,677) are not included in the consolidated financial statements.

*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 recognized as they are incurred and measurable as the result of the receipt of goods or services and the creation of a legal obligation to pay.

*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 changes in value and have a short maturity term of less than 90 days.

*e) Capital assets*

The historical cost and accumulated depreciation of capital assets are not reported. Capital assets are reported as expenditures on the Consolidated Statement of Financial Activities and Fund Balance in the year of acquisition or construction.



# SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

## Notes to the Consolidated Financial Statements

August 31, 2006

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### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 will be recognized as revenue in the fiscal year the related expenditures are incurred or services are performed.

g) *Retirement and other employee future benefits*

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include health and dental, retirement gratuity, non-vesting accumulating sick leave, and early retirement incentive plan. 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, 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 non-vesting accumulating sick days, the costs are actuarially determined using probabilities to estimate the number of sick days employees will use from the sick bank they have accumulated to the valuation date, August 31.

For those self insured benefit obligations that arise from specific events that occur from time to time, such as obligations for life insurance, dental and health care benefits for certain employees 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.

Actuarial gains and losses related to obligations for long-term disability are amortized over the expected average service life of the employee group.

- (ii) The Board's contributions to multi-employer defined benefits pension plans, such as the Ontario Municipal Employees Retirement System pensions, are recorded in the period in which they become payable.
- (iii) The costs of insured benefits for active employees reflected in these financial statements, are the employer's portion of insurance premiums owed for coverage of employees during the period.

# SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

## Notes to the Consolidated Financial Statements

August 31, 2006

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### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *h) Reserves and reserve funds*

Certain amounts, as approved by 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.

#### *i) Government transfers*

Government transfers, which include legislative grants, are recognized in the consolidated financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, all 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 and school generated funds are reported as revenue in the period earned.

Interest income earned on monies invested specifically for externally restricted funds 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 original budget approved by the Trustees. The budget approved by the Trustees was 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 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 used to prepare the consolidated 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 consolidated financial statements, and the reported amounts of revenues and expenditures during the year. Actual results could differ from these estimates. Estimates are reviewed periodically by management and, as adjustments become necessary they are reported in the period in which they became known.

# SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

## Notes to the Consolidated Financial Statements

August 31, 2006

### 2. ACCOUNTS RECEIVABLE

The Accounts Receivable - Other balance includes tuition fees receivable from the First Nations as follows:

	Balance at August 31, 2005	Invoices	Payments	Balance at August 31, 2006
Aroland First Nation	\$ 144,158	\$ 434,662	\$ (580,285)	\$ (1,465)
Biinjitwaabek First Nation	115,138	159,547	(178,200)	96,485
Lac La Croix	533	-	-	533
Lake Constance First Nation	-	1,697	-	1,697
Marten Falls First Nation	6,809	13,578	(6,809)	13,578
Northern Nishnawebe Education	845	13,578	(14,468)	(45)
Pays Plat First Nation	1,690	74,681	(76,619)	(248)
Pic Moberg First Nation	268,570	203,677	(377,559)	94,688
Pic River First Nation	24,925	427,857	(454,203)	(1,421)
Red Rock First Nation	351,284	785,193	(268,966)	867,511
White Sands First Nation	25,543	6,789	(32,332)	-
	<u>\$ 939,495</u>	<u>\$ 2,121,259</u>	<u>\$ (1,989,441)</u>	<u>\$ 1,071,313</u>

### 3. DEFERRED REVENUE - RESERVE FUNDS

Deferred revenue externally restricted for specific purposes by legislation, regulation or agreement as at August 31, is comprised of:

	2006	2005
Program Improvements Allocation	\$ 286,002	\$ 646,002
Improved Access for Special Education	-	14,576
	<u>\$ 286,002</u>	<u>\$ 660,578</u>

Continuity of Deferred Revenue – Reserve Funds of the Board are summarized below:

	2006	2005
Balance, beginning of year	\$ 660,578	\$ 47,707
Restricted Provincial Grants received	20,980,485	20,473,221
Interest earned	1,734	1,186
	<u>21,642,797</u>	<u>20,522,114</u>
Provincial grants earned	(21,356,795)	(19,861,536)
Balance, end of year	<u>\$ 286,002</u>	<u>\$ 660,578</u>

# SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

## Notes to the Consolidated Financial Statements

August 31, 2006

### 4. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS

*Retirement and other employee future benefit liabilities*

	2006			2005
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Accrued employee future benefit obligation	\$ 3,341,786	\$ 5,187,956	\$ 8,529,742	\$ 10,163,288
Unamortized gains	740,380	1,492,946	2,233,326	-
Accrued employee future benefit liability, end of year	\$ 4,082,166	\$ 6,680,902	\$ 10,763,068	\$ 10,163,288

Actual benefit payments made during the year totalled \$639,000 (2005 - \$564,377).

*Retirement and other employee future benefit expenses*

	2006			2005
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Current year benefit cost	\$ 281,925	\$ 506,581	\$ 788,506	\$ 730,474
Interest on accrued benefit obligation	162,821	287,453	450,274	414,730
Employee future benefits expenses	\$ 444,746	\$ 794,034	\$ 1,238,780	\$ 1,145,204

Above amounts exclude pension contributions to the Ontario Municipal Employees Retirement System, a multi-employer pension plan, as described below.

# SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

## Notes to the Consolidated Financial Statements

August 31, 2006

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#### 4. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS (continued)

##### *Retirement benefits*

(i) Ontario Teacher's Pension Plan

Teachers and related employee groups are eligible to be members of 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.

(ii) Ontario Municipal Employees Retirement System

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, 2006, the Board contributed \$384,008 (2005 - \$354,914) 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.

(iv) Retirement life insurance and health care benefits

Employees are able to continue coverage for life insurance, dental and health care benefits after retirement until the members reach 65 years of age; however, the retirees pay the full premium associated with this coverage. The premiums are not subsidized by the Board.

# SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

## Notes to the Consolidated Financial Statements

August 31, 2006

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#### 4. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS (continued)

##### *Other employee future benefits*

##### Long-term disability life insurance and health care benefits

The Board provides life insurance, dental and health care benefits to employees on long-term disability leave for a period of two years after the date of disability. The insurance carrier waives the life insurance premiums for employees on long-term disability, however, the Board is responsible for the payment of the costs of insurance, dental and 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.

The accrued benefit obligations for employee future benefit plans as at August 31, 2006 are based on actuarial valuations for accounting purposes as at August 31, 2006. 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:

	<u>2006</u>	<u>2005</u>
Inflation	2.50%	1.50%
Wage and salary escalation	3.75%	2.50%
Discount rate on accrued benefit obligations	4.75%	4.50%

The Board has designated reserves for certain of these employee future benefit obligations. The balance of these reserves totalled \$2,296,962 at August 31, 2006 (2005 - \$2,268,968).

#### 5. RESERVES AND RESERVE FUNDS

Internally restricted reserves and reserve funds set-aside for specific purposes by the Board of Trustees as at August 31 are comprised of:

	<u>2006</u>	<u>2005</u>
Pupil accommodation - recognized	\$ 158,482	\$ 154,922
Proceeds of Disposition - recognized	560,064	540,365
Retirements	2,296,962	2,268,968
Capital - Buildings	2,379,479	3,763,692
Capital - Equipment	39,017	36,826
Insurance	20,779	20,054
Pay Equity	96,375	94,000
Working Fund	2,140,373	2,305,394
	<u>\$ 7,691,531</u>	<u>\$ 9,184,221</u>

# SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

## Notes to the Consolidated Financial Statements

August 31, 2006

### 6. AMOUNTS TO BE RECOVERED IN FUTURE YEARS

The amounts to be recovered in future years reported on the Consolidated Statement of Financial Position are comprised of:

	<u>2006</u>	<u>2005</u>
Retirement and other employee future benefits liability (Note 4)	\$ 10,763,068	\$ 10,163,288
Less amount previously recorded through operations	(398,565)	(246,547)
	<u>10,364,503</u>	9,916,741
Vacation accrual	234,584	225,523
	<u>\$ 10,599,087</u>	<u>\$ 10,142,264</u>

### 7. AREAS OF JURISDICTION WITHOUT MUNICIPAL ORGANIZATION

The Board performs the duties of levying and collecting taxes, conducting elections of members, and certain other duties in territory without municipal organization. Certain costs are recoverable through a levy on all rateable property in the area and other costs (approved) are recoverable through an offset to the local taxation revenue.

### 8. EXPENDITURES BY OBJECT

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

	<u>2006</u>		<u>2005</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(unaudited)		
Current expenditures			
Salary and wages	\$ 23,583,996	\$ 24,239,268	\$ 23,398,216
Employee benefits	4,303,837	4,758,726	4,532,461
Staff development	386,970	523,332	405,661
Supplies and services	3,071,131	3,221,312	3,302,600
Replacements	283,748	173,470	112,633
Rental expenditures	308,587	465,330	459,564
Fees and contract services	2,748,900	3,327,942	2,852,103
Other	557,450	647,929	804,096
Transfers to other boards	-	1,303,919	-
Capital expenditures	3,014,586	4,389,054	2,054,571
	<u>\$ 38,259,205</u>	<u>\$ 43,050,282</u>	<u>\$ 37,921,905</u>

# SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

## Notes to the Consolidated Financial Statements

August 31, 2006

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### 9. 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.

### 10. CONTRACTUAL OBLIGATIONS

The Board has ongoing commitments under operating leases. The sum of \$246,444 is payable with respect to these operating leases during the next three years as follows:

2006/07	\$ 128,253
2007/08	88,811
2008/09	29,380
	<hr/>
	\$ 246,444

### 11. CONTINGENT LIABILITIES

The Board has been named as the defendant in certain legal actions, in which damages have been sought. The outcome of these actions is not determinable as at August 31, 2006 and accordingly, no provision has been made in these financial statements for any liability that may result. Any losses arising from these actions will be recorded in the year that the related litigation is settled.

### 12. REPAYMENT OF "55 SCHOOL BOARD TRUST" FUNDING

On June 1, 2003, the Board received \$1,718,287 from the "55 School Board Trust" for its capital related debt eligible for provincial funding support pursuant to a 30-year agreement it entered with the trust. The "55 School Board Trust" was created to refinance the outstanding not permanently financed (NPF) debt of participating boards who are beneficiaries of the trust. Under the terms of the agreement, the "55 School Board Trust" repaid the board's debt in consideration for the assignment by the board to the trust of future provincial grants payable to the Board in respect of the NPF debt.

The flow-through of \$128,014 in respect of the above agreement for the year ended August 31, 2006 (2005 - \$128,014) is not recorded in these consolidated financial statements.



# **SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD**

## **Notes to the Consolidated Financial Statements**

**August 31, 2006**

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### **13. SERVICE CONTRACT/CFSA APPROVAL WITH THE MINISTRY OF COMMUNITY AND SOCIAL SERVICES**

The Board has a Service Contract/CFSA Approval with the Ministry of Community and Social Services. One requirement of the Service Contract/CFSA Approval is the production by Management of a report, APER, which shows a summary by service of all revenues and expenditures and any resulting surplus or deficit that relates to the Service Contract/CFSA Approval.

A review of this report shows the Teacher Diagnostician services to be in a deficit position as at August 31, 2006 and therefore no amounts are repayable to the Ministry of Community and Social Services.

**SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD**  
**Schedule of Operating Fund Financial Activities and Fund Balance**  
Year ended August 31, 2006 Schedule 2.1

	2006		2005
	Budget (unaudited)	Actual	Actual
<b>REVENUES</b>			
Local taxation	\$ 6,452,120	\$ 5,621,396	\$ 5,647,650
Provincial grants			
Student focused funding	24,840,691	26,167,267	24,638,939
Other	75,000	2,717,113	968,557
Federal grants and fees	1,936,041	2,739,797	1,881,674
Other revenues - school boards	735,000	1,029,921	715,574
Other fees and revenues	1,051,500	716,534	1,070,780
<b>Total revenues</b>	<b>35,090,352</b>	<b>38,992,028</b>	<b>34,923,174</b>
<b>EXPENDITURES</b>			
Instruction	25,735,499	28,659,952	26,076,762
Administration	2,299,222	2,313,310	2,230,335
Transportation	2,283,800	2,389,686	2,277,017
School operations and maintenance	4,486,098	4,586,570	4,497,644
Pupil accommodation	-	157,513	-
Other	-	-	160,748
<b>Total expenditures</b>	<b>34,804,619</b>	<b>38,107,031</b>	<b>35,242,506</b>
<b>NET REVENUE (EXPENDITURE)</b>	<b>285,733</b>	<b>884,997</b>	<b>(319,332)</b>
<b>INCREASE IN NON-FINANCIAL ASSETS</b>			
Prepaid expenses	-	658	25,271
<b>INCREASE IN UNFUNDED LIABILITIES</b>			
	662,410	456,823	915,001
<b>CHANGE IN AMOUNTS TO BE RECOVERED IN FUTURE YEARS</b>	<b>662,410</b>	<b>456,823</b>	<b>915,001</b>
<b>NET TRANSFERS (TO) FROM OTHER FUNDS</b>			
Transfers to Capital Fund	(1,219,794)	(1,573,107)	(1,549,209)
Transfers from Reserve Funds	271,651	230,629	928,269
<b>Net transfers to other funds</b>	<b>(948,143)</b>	<b>(1,342,478)</b>	<b>(620,940)</b>
<b>CHANGE IN OPERATING FUND BALANCE</b>			
	-	-	-
<b>OPERATING FUND BALANCE, BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OPERATING FUND BALANCE, END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD**  
**Schedule of Capital Fund Financial Activities and Fund Balance**

Year ended August 31, 2006

Schedule 2.2

	2006		2005
	Budget (unaudited)	Actual	Actual
<b>REVENUES</b>			
Other revenues	\$ -	\$ -	\$ 13,277
Total revenues	-	-	13,277
<b>EXPENDITURES</b>			
Instruction	95,586	334,176	110,954
Administration	217,000	117,294	550,337
School operations and maintenance	65,000	66,606	86,182
Pupil accommodation	2,637,000	3,870,978	1,307,098
Total expenditures	3,014,586	4,389,054	2,054,571
Net (expenditure) revenue	(3,014,586)	(4,389,054)	(2,041,294)
<b>NET TRANSFERS FROM RESERVE FUNDS</b>	1,919,519	1,441,949	1,549,209
<b>NET TRANSFERS FROM OPERATING FUND</b>	1,219,794	1,573,107	616,812
	3,139,313	3,015,056	2,166,021
<b>CHANGE IN CAPITAL FUND BALANCE</b>	124,727	(1,373,998)	124,727
<b>CAPITAL FUND BALANCE, BEGINNING OF YEAR</b>	(558,189)	(558,189)	(682,916)
<b>CAPITAL FUND BALANCE, END OF YEAR</b>	\$ (433,462)	\$ (1,932,187)	\$ (558,189)

**SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD**  
**Schedule of Reserve Funds Financial Activities and Fund Balance**

Year ended August 31, 2006

Schedule 2.3

	2006		2005
	Budget (unaudited)	Actual	Actual
<b>REVENUE - interest</b>	\$ 50,400	\$ 179,888	\$ 138,571
<b>NET TRANSFERS TO OPERATING FUND</b>	(271,651)	(230,629)	(928,269)
<b>NET TRANSFERS TO CAPITAL FUND</b>	(1,919,519)	(1,441,949)	(616,812)
	<b>(2,191,170)</b>	<b>(1,672,578)</b>	<b>(1,545,081)</b>
<b>CHANGE IN RESERVE FUND BALANCE</b>	<b>(2,140,770)</b>	<b>(1,492,690)</b>	<b>(1,406,510)</b>
<b>RESERVE FUND BALANCE, BEGINNING OF YEAR</b>	<b>10,422,668</b>	<b>9,184,221</b>	<b>10,590,731</b>
<b>RESERVE FUND BALANCE, END OF YEAR</b>	<b>\$ 8,281,898</b>	<b>\$ 7,691,531</b>	<b>\$ 9,184,221</b>

**SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD**  
**Consolidated Schedule of School Generated Fund Financial**  
**Activities and Fund Balance**

Year ended August 31, 2006

Schedule 2.4

	2006		2005
	Budget	Actual	Actual
<b>REVENUES</b>			
School fundraising and other revenues	\$ 470,000	\$ 582,417	\$ 628,187
<b>EXPENDITURES</b>			
School funded activities	440,000	554,197	624,828
<b>NET REVENUE AND CHANGE IN SCHOOL GENERATED FUND ACTIVITIES FUND BALANCE</b>	<b>30,000</b>	<b>28,220</b>	<b>3,359</b>
<b>SCHOOL GENERATED FUND ACTIVITIES FUND BALANCE, BEGINNING OF YEAR</b>	<b>253,000</b>	<b>245,768</b>	<b>242,409</b>
<b>SCHOOL GENERATED FUND ACTIVITIES FUND BALANCE, END OF YEAR</b>	<b>\$ 283,000</b>	<b>\$ 273,988</b>	<b>\$ 245,768</b>