

Consolidated Financial Statements of

**SUPERIOR GREENSTONE
DISTRICT SCHOOL BOARD**

August 31, 2007



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

for Bruce Rousseau
Superintendent of Business

December 7, 2007

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, 2007 and the consolidated statements 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 expenditure, 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, 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.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants

Toronto, Ontario
December 7, 2007

SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

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SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

Consolidated Statement of Financial Position

August 31, 2007

	<u>2007</u>	<u>2006</u>
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 4,442,088	\$ 5,597,433
Accounts receivable		
Municipalities	599,040	420,612
Other (Note 2)	3,783,651	4,398,300
Total financial assets	8,824,779	10,416,345
LIABILITIES		
Short-term borrowing (Note 3)	556,351	904,873
Accounts payable and accrued liabilities	2,891,139	3,010,973
Deferred revenue		
Reserve funds (Note 4)	181,135	286,002
Other	354,837	106,136
Employee future benefits payable (Note 5)	11,117,522	10,763,068
Long-term debt (Note 6)	1,482,352	-
Total liabilities	16,583,336	15,071,052
Net financial liabilities	(7,758,557)	(4,654,707)
NON-FINANCIAL ASSET - Prepaid expenses	84,354	88,952
NET LIABILITIES	\$ (7,674,203)	\$ (4,565,755)
FINANCIAL POSITION		
Fund balances		
Operating Fund - Schedule 2.1	\$ -	\$ -
Capital Fund - Schedule 2.2	(1,168,952)	(1,932,187)
Reserve Funds - Schedule 2.3 (Note 7)	5,474,204	7,691,531
School Generated Funds - Schedule 2.4	229,492	273,988
Total fund balances	4,534,744	6,033,332
Amounts to be recovered in future years (Note 8)	(12,208,947)	(10,599,087)
NET FINANCIAL POSITION	\$ (7,674,203)	\$ (4,565,755)

.....
Chief Executive Officer

.....
Chair of the Board

SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD
Consolidated Statement of Financial Activities and Fund Balance
Year ended August 31, 2007

	2007		2006
	Budget (unaudited)	Actual	Actual
REVENUES			
Local taxation	\$ 5,371,610	\$ 5,389,684	\$ 5,621,396
Provincial grants			
Student Focused Funding	24,468,134	24,116,212	26,167,267
Other	291,672	721,380	2,717,113
Federal grants and fees	2,071,931	2,456,230	2,739,797
Other revenues - school boards	783,900	998,363	1,029,921
Other fees and revenues	1,110,025	1,087,923	896,422
School fundraising	625,000	575,339	582,417
Total revenues	34,722,272	35,345,131	39,754,333
EXPENDITURES (Note 10)			
Instruction	25,000,142	25,506,043	28,994,128
Administration	2,148,790	1,981,729	2,430,604
Transportation	2,155,426	2,164,616	2,389,686
School operations and maintenance	4,361,169	4,640,950	4,653,176
Pupil accommodation	945,662	3,530,363	4,028,491
School funded activities	621,658	625,280	554,197
Total expenditures	35,232,847	38,448,981	43,050,282
NET EXPENDITURE	(510,575)	(3,103,850)	(3,295,949)
(DECREASE) INCREASE IN NON-FINANCIAL ASSET			
Prepaid expenses	-	(4,598)	658
CHANGE IN NET LIABILITIES	(510,575)	(3,108,448)	(3,295,291)
FINANCING TRANSACTIONS			
Long-term debt	-	1,498,725	-
Debt repayment	-	(16,373)	-
Increase in unfunded liabilities	486,340	127,508	456,823
CHANGE IN AMOUNTS TO BE RECOVERED	486,340	1,609,860	456,823
CHANGE IN FUND BALANCE	(24,235)	(1,498,588)	(2,838,468)
FUND BALANCE, BEGINNING OF YEAR	7,178,845	6,033,332	8,871,800
FUND BALANCE, END OF YEAR	\$ 7,154,610	\$ 4,534,744	\$ 6,033,332

SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD
Consolidated Statement of Changes in Financial Position
Year ended August 31, 2007

	<u>2007</u>	<u>2006</u>
NET (OUTFLOW) INFLOW OF CASH AND CASH EQUIVALENTS RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Net expenditure	\$ (3,103,850)	\$ (3,295,949)
Sources and uses		
Decrease (increase) in accounts receivable	436,221	(634,884)
Decrease in other financial assets	-	38,046
(Decrease) increase in accounts payable and accrued liabilities	(119,834)	1,198,503
(Decrease) increase in deferred revenues		
Reserves	(104,867)	(374,576)
Other	248,701	(225,739)
Increase in employee future benefits payable	354,454	599,780
	814,675	601,130
FINANCING		
Short-term borrowing	(348,522)	904,873
Long-term debt issued	1,498,725	-
Long-term debt-principal repaid	(16,373)	-
	1,133,830	904,873
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,155,345)	(1,789,946)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,597,433	7,387,379
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 4,442,088	\$ 5,597,433

SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

Notes to the Consolidated Financial Statements

August 31, 2007

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 \$447,186 (2006 - \$358,443) 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, 2007

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 qualifying 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, 2007

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 in accordance with Board approval.

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 Board of Trustees. The budget approved by the Board of 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, 2007

2. ACCOUNTS RECEIVABLE

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

	Balance at August 31, 2006	Invoices	Payments	Balance at August 31, 2007
Aroland First Nation	\$ (1,465)	\$ 458,711	\$ (205,080)	\$ 252,166
Biinjitwaabek First Nation	96,485	246,377	(235,302)	107,560
Lac La Croix	533	-	-	533
Lake Constance First Nation	1,697	-	(1,697)	-
Marten Falls First Nation	13,578	31,444	-	45,022
Northern Nishnawebe Education	(45)	-	-	(45)
Pays Plat First Nation	(248)	69,874	(66,220)	3,406
Pic Mobert First Nation	94,688	220,104	(95,365)	219,427
Pic River First Nation	(1,421)	342,384	(371,268)	(30,305)
Red Rock First Nation	867,511	706,973	(188,937)	1,385,547
White Sands First Nation	-	13,975	(13,975)	-
	<u>\$ 1,071,313</u>	<u>\$ 2,089,842</u>	<u>\$ (1,177,844)</u>	<u>\$ 1,983,311</u>

3. SHORT-TERM BORROWINGS

	<u>2007</u>	<u>2006</u>
Operating lines of credit bearing interest at the bank's prime lending rate less 0.50% per annum (5.75% at August 31, 2007)	<u>\$ 556,351</u>	<u>\$ 904,873</u>

The Board has incurred short-term borrowing at August 31, 2007 in the amount of \$556,351, to provide interim financing for the Good Places to Learn (GPL) initiative of the Ministry of Education (the "Ministry"). The GPL initiative will provide the Board with approximately \$970,022 for major renewal projects for its school buildings. GPL phase 1 providing \$1,498,725 and GPL phase 2 providing a further \$970,022, were announced in 2005-2006 and 2006-2007 respectively. The Ministry is funding the interest cost incurred on the short-term financing. Further, the Ministry will periodically arrange for the permanent financing, under a long-term financing arrangement (see also Note 6).

SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

Notes to the Consolidated Financial Statements

August 31, 2007

4. DEFERRED REVENUE - RESERVE FUNDS

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

	<u>2007</u>	<u>2006</u>
Program Improvements Allocation	\$ -	\$ 286,002
Pupil Accomodation Allocation	181,135	-
	\$ 181,135	\$ 286,002

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

	<u>2007</u>	<u>2006</u>
Balance, beginning of year	\$ 286,002	\$ 660,578
Restricted Provincial Grants received	3,341,005	20,980,485
Interest earned	-	1,734
	3,627,007	21,642,797
Provincial grants earned	(3,445,872)	(21,356,795)
Balance, end of year	\$ 181,135	\$ 286,002

5. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS

Retirement and other employee future benefit liabilities

	<u>2007</u>			<u>2006</u>
	<u>Retirement</u>	<u>Other</u>	<u>Total</u>	<u>Total</u>
	<u>Benefits</u>	<u>Employee</u>	<u>Employee</u>	<u>Employee</u>
	<u>Benefits</u>	<u>Future</u>	<u>Future</u>	<u>Future</u>
	<u>Benefits</u>	<u>Benefits</u>	<u>Benefits</u>	<u>Benefits</u>
Accrued employee future benefit obligation	\$ 3,526,404	\$ 5,421,850	\$ 8,948,254	\$ 8,529,742
Unamortized actuarial gains	820,756	1,348,512	2,169,268	2,233,326
Accrued employee future benefit liability, end of year	\$ 4,347,160	\$ 6,770,362	\$ 11,117,522	\$ 10,763,068

Actual benefit payments made during the year totalled \$514,042 (2006 - \$639,000).

SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

Notes to the Consolidated Financial Statements

August 31, 2007

5. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS (continued)

Retirement and other employee future benefit expenses

	2007			2006
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Current year benefit cost	\$ 269,436	\$ 328,660	\$ 598,096	\$ 788,506
Interest on accrued benefit obligation	167,924	255,180	423,104	450,274
Amortization of actuarial gains	(52,016)	(100,688)	(152,704)	-
Employee future benefits expenses	\$ 385,344	\$ 483,152	\$ 868,496	\$ 1,238,780

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

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's contributions equal the employee contributions to the Plan. During the year ended August 31, 2007, the Board contributed \$349,424 (2006 - \$384,008) 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.

SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

Notes to the Consolidated Financial Statements

August 31, 2007

5. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS (continued)

Retirement benefits

(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.

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, 2007 are based on an actuarial update for accounting purposes as at August 31, 2007. 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>2007</u>	<u>2006</u>
Inflation	2.50%	2.50%
Wage and salary escalation	3.40%	3.75%
Discount rate on accrued benefit obligations	4.75%	4.75%

The Board has designated reserves for certain of these employee future benefit obligations. The balance of these reserves totalled \$1,973,924 at August 31, 2007 (2006 - \$2,296,962).

6. LONG-TERM DEBT

Long-term debt reported on the consolidated statement of financial position is comprised of the following:

	<u>2007</u>	<u>2006</u>
4.56% Ontario Financing Authority, GPL 1	<u>\$ 1,482,352</u>	<u>\$ -</u>

On November 15, 2006, the Board entered into a loan agreement with the Ontario Financing Authority to refinance \$1,498,725 of the GPL Phase 1 outstanding at that time. The loan is repayable by semi-annual installments of principal and interest of \$50,544 based on a 25 year amortization schedule and bears interest of 4.56%. The annual principal and interest costs will be funded by the Ministry.

SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

Notes to the Consolidated Financial Statements

August 31, 2007

7. 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>2007</u>	<u>2006</u>
Pupil accommodation	\$ 159,181	\$ 158,482
Proceeds of Disposition	582,942	560,064
Retirements	1,973,924	2,296,962
Capital - Buildings	817,437	2,379,479
Capital - Equipment	41,737	39,017
Insurance	21,679	20,779
Pay Equity	80,080	96,375
Working Fund	1,797,224	2,140,373
	<u>\$ 5,474,204</u>	<u>\$ 7,691,531</u>

8. 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>2007</u>	<u>2006</u>
Retirement and other employee future benefits liability (Note 4)	\$ 11,117,522	\$ 10,763,068
Less amount previously recorded through operations	(513,209)	(398,565)
	<u>10,604,313</u>	<u>10,364,503</u>
Net long-term debt (Note 6)	1,482,352	-
Interest accrual	19,839	-
Vacation accrual	102,443	234,584
	<u>\$ 12,208,947</u>	<u>\$ 10,599,087</u>

9. 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 a 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.

SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

Notes to the Consolidated Financial Statements

August 31, 2007

10. EXPENDITURES BY OBJECT

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

	<u>2007</u>		<u>2006</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(unaudited)		
Current expenditures			
Salary and wages	\$ 23,331,775	\$ 23,300,369	\$ 24,239,268
Employee benefits	3,871,402	4,023,860	4,758,726
Staff development	188,800	333,959	523,332
Supplies and services	3,113,301	3,199,644	3,221,312
Replacements	266,607	168,729	173,470
Interest charges on long-term debt	-	54,009	-
Rental expenditures	121,689	145,575	465,330
Fees and contract services	2,592,322	2,872,919	3,327,942
Other	710,193	714,438	647,929
Transfers to other boards	-	4,550	1,303,919
Capital expenditures	1,036,758	3,630,929	4,389,054
	<u>\$ 35,232,847</u>	<u>\$ 38,448,981</u>	<u>\$ 43,050,282</u>

11. ONTARIO SCHOOL BOARD INSURANCE EXCHANGE (OSBIE)

The Board participates for its liability, property and automobile insurance in the Ontario School Boards' Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act, that is funded by the member boards across Ontario. Liability insurance is available to a maximum of \$20 million per occurrence.

The ultimate premiums over a five year period are based on both the reciprocal's and the Board's actual claims experience. Periodically, the Board may receive a refund or be asked to pay an additional premium based on its pro rata share of claims experience. The current five year term expires on January 2012.

12. CONTRACTUAL OBLIGATIONS

The Board has ongoing commitments under operating leases. The sum of \$190,563 is payable with respect to these operating leases during the next three years as follows:

2007/08	\$ 106,628
2008/09	53,210
2009/10	30,725
	<u>\$ 190,563</u>

SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

Notes to the Consolidated Financial Statements

August 31, 2007

13. 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, 2007 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 or when likely amounts are measurable.

14. 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 into 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, 2007 (2006 - \$128,014) is not recorded in these consolidated financial statements.

15. 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 break-even position as at August 31, 2007 and therefore no amounts are repayable to the Ministry of Community and Social Services.

16. COMPARATIVE FIGURES

Certain of prior year’s figures have been reclassified to conform to the current year’s presentation.

SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD
Schedule of Operating Fund Financial Activities and Fund Balance
Year ended August 31, 2007 Schedule 2.1

	2007		2006
	Budget (unaudited)	Actual	Actual
REVENUES			
Local taxation	\$ 5,371,610	\$ 5,389,684	\$ 5,621,396
Provincial grants			
Student focused funding	24,468,134	24,116,212	26,167,267
Other	291,672	721,380	2,717,113
Federal grants and fees	2,071,931	2,456,230	2,739,797
Other revenues - school boards	783,900	998,363	1,029,921
Other fees and revenues	1,020,000	941,721	716,534
Total revenues	34,007,247	34,623,590	38,992,028
EXPENDITURES			
Instruction	24,942,046	25,365,379	28,659,952
Administration	2,115,790	1,967,818	2,313,310
Transportation	2,155,426	2,164,616	2,389,686
School operations and maintenance	4,361,169	4,640,950	4,586,570
Pupil accommodation	-	54,009	157,513
Total expenditures	33,574,431	34,192,772	38,107,031
NET REVENUE	432,816	430,818	884,997
(DECREASE) INCREASE IN NON-FINANCIAL ASSETS			
Prepaid expenses	-	(4,598)	658
Debt repayment	-	(16,373)	-
Increase in unfunded liabilities	486,340	127,508	456,823
CHANGE IN AMOUNTS TO BE RECOVERED IN FUTURE YEARS	486,340	111,135	456,823
NET TRANSFERS (TO) FROM OTHER FUNDS			
Transfers to Capital Fund	(1,161,485)	(1,292,643)	(1,573,107)
Transfers from Reserve Funds	242,329	760,733	230,629
Transfers to school fund	-	(5,445)	-
Net transfers to other funds	(919,156)	(537,355)	(1,342,478)
CHANGE IN OPERATING FUND BALANCE	-	-	-
OPERATING FUND BALANCE, BEGINNING OF YEAR	-	-	-
OPERATING FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -

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

Year ended August 31, 2007

Schedule 2.2

	2007		2006
	Budget (unaudited)	Actual	Actual
REVENUES			
Other revenues	\$ -	\$ -	\$ -
EXPENDITURES			
Instruction	58,096	140,664	334,176
Administration	33,000	13,911	117,294
School operations and maintenance	-	-	66,606
Pupil accommodation	945,662	3,476,354	3,870,978
Total expenditures	1,036,758	3,630,929	4,389,054
Net expenditure	(1,036,758)	(3,630,929)	(4,389,054)
LONG-TERM FINANCING	-	1,498,725	-
NET TRANSFERS FROM RESERVE FUNDS	-	1,602,796	1,441,949
NET TRANSFERS FROM OPERATING FUND	1,161,485	1,292,643	1,573,107
	1,161,485	2,895,439	3,015,056
CHANGE IN CAPITAL FUND BALANCE	124,727	763,235	(1,373,998)
CAPITAL FUND BALANCE, BEGINNING OF YEAR	(433,462)	(1,932,187)	(558,189)
CAPITAL FUND BALANCE, END OF YEAR	\$ (308,735)	\$ (1,168,952)	\$(1,932,187)

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

Year ended August 31, 2007

Schedule 2.3

	2007		2006
	Budget (unaudited)	Actual	Actual
REVENUE - interest	\$ 90,025	\$ 146,202	\$ 179,888
NET TRANSFERS TO OPERATING FUND	(242,329)	(760,733)	(230,629)
NET TRANSFERS TO CAPITAL FUND	-	(1,602,796)	(1,441,949)
	(242,329)	(2,363,529)	(1,672,578)
CHANGE IN RESERVE FUND BALANCE	(152,304)	(2,217,327)	(1,492,690)
RESERVE FUND BALANCE, BEGINNING OF YEAR	7,363,180	7,691,531	9,184,221
RESERVE FUND BALANCE, END OF YEAR	\$ 7,210,876	\$ 5,474,204	\$ 7,691,531

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

Year ended August 31, 2007

Schedule 2.4

	2007		2006
	Budget	Actual	Actual
REVENUES			
School fundraising and other revenues	\$ 625,000	\$ 575,339	\$ 582,417
EXPENDITURES			
School funded activities	621,658	625,280	554,197
Net revenue (expenditure)	3,342	(49,941)	28,220
NET TRANSFERS FROM OPERATING FUND			
	-	5,445	-
CHANGE IN SCHOOL GENERATED FUND BALANCE			
	3,342	(44,496)	-
SCHOOL GENERATED FUND ACTIVITIES FUND BALANCE, BEGINNING OF YEAR			
	249,127	273,988	245,768
SCHOOL GENERATED FUND ACTIVITIES FUND BALANCE, END OF YEAR			
	\$ 252,469	\$ 229,492	\$ 273,988