

Financial Statements of

**SUPERIOR GREENSTONE DISTRICT
SCHOOL BOARD**

August 31, 2004

Auditors' Report

To the Board of Trustees of
Superior Greenstone District School Board

We have audited the statement of financial position of Superior Greenstone District School Board as at August 31, 2004 and the statements of financial activities and fund balance and changes in financial position for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Canadian generally accepted accounting principles require that school generated funds be included in the financial statements. As disclosed in Note 1, the Ministry of Education has indicated that it does not require school generated funds to be included in the financial statements until the 2004-2005 fiscal year and, accordingly, management has advised us that they have not quantified the balances and activities of the school generated funds for the current year. As a result, we have been unable to obtain sufficient audit evidence to form an opinion with respect to the possible amount of the balances and activities of school generated funds.

In our opinion, except that school generated funds balances and activities have not been included in the financial statements referred to in the preceding paragraph, and except for the effect of adjustments, which we may have determined to be necessary had we been able to obtain sufficient information regarding this matter, these financial statements present fairly, in all material respects, the financial position of Superior Greenstone District School Board as at August 31, 2004 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants

Toronto, Ontario
December 10, 2004

SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

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SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

Statement of Financial Position

August 31, 2004

	<u>2004</u>	<u>2003</u> (Restated - Note 2)
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 6,827,541	\$ 7,202,867
Accounts receivable		
Municipalities	540,141	756,669
Other (Note 3)	4,640,919	4,311,005
Other assets	49,325	133,918
Total financial assets	12,057,926	12,404,459
LIABILITIES		
Accounts payable and accrued liabilities	1,604,579	991,984
Deferred revenue		
Reserve funds (Note 4)	47,707	217,253
Other	207,650	151,943
Employee future benefits payable (Note 5)	8,346,208	7,600,303
Net debenture debt	-	219,000
Total liabilities	10,206,144	9,180,483
Net assets	1,851,782	3,223,976
NON-FINANCIAL ASSET - Prepaid expenses	63,023	128,124
NET ASSETS	\$ 1,914,805	\$ 3,352,100
FINANCIAL POSITION		
Fund balances		
Operating Fund - Schedule 2.1	\$ -	\$ -
Capital Fund - Schedule 2.2	(682,916)	(807,643)
Reserve Fund - Schedule 2.3 (Note 6)	10,590,731	11,586,388
Total fund balances	9,907,815	10,778,745
Amounts to be recovered in future years (Note 7)	(7,993,010)	(7,426,645)
NET FINANCIAL POSITION	\$ 1,914,805	\$ 3,352,100

.....
Chief Executive Officer

.....
Chair of the Board

SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD
Statement of Financial Activities and Fund Balance
Year ended August 31, 2004

	2004		2003
	Budget (unaudited)	Actual	Actual (Restated - Note 2)
REVENUES			
Local taxation	\$ 7,097,667	\$ 5,947,621	\$ 6,871,202
Provincial grants			
Student Focused Funding	22,337,474	24,555,242	20,715,515
Other	75,000	408,929	402,534
Federal grants and fees	1,669,812	1,770,592	1,460,488
Other revenues - school boards	550,000	637,728	629,560
Other fees and revenues	813,040	1,265,746	2,815,530
Total revenues	32,542,993	34,585,858	32,894,829
EXPENDITURES (Note 9)			
Instruction	23,322,287	25,818,713	23,074,389
Administration	1,934,393	2,012,848	1,960,396
Transportation	2,171,688	2,006,584	2,061,769
School operations and maintenance	3,980,045	4,171,083	3,865,447
Pupil accommodation	861,775	1,827,893	643,077
Other	-	120,931	-
Total expenditures	32,270,188	35,958,052	31,605,078
NET (EXPENDITURE) REVENUE	272,805	(1,372,194)	1,289,751
INCREASE (DECREASE) IN NON-FINANCIAL ASSETS -			
Prepaid expenses	-	(65,101)	8,610
CHANGE IN NET ASSETS	272,805	(1,437,295)	1,298,361
FINANCING TRANSACTIONS			
Debt principal repayments	(219,000)	(219,000)	(84,000)
Increase in unfunded liabilities	-	785,365	683,296
CHANGE IN AMOUNTS TO BE RECOVERED	(219,000)	566,365	599,296
CHANGE IN FUND BALANCE	53,805	(870,930)	1,897,657
FUND BALANCE, BEGINNING OF YEAR	9,456,811	10,778,745	8,881,088
FUND BALANCE, END OF YEAR	\$ 9,510,616	\$ 9,907,815	\$ 10,778,745

SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

Statement of Changes in Financial Position

Year ended August 31, 2004

	<u>2004</u>	<u>2003</u>
NET (OUTFLOW) INFLOW OF CASH AND CASH EQUIVALENTS RELATED TO THE FOLLOWING ACTIVITIES		(Restated - Note 2)
OPERATING		
Net (expenditure) revenue	\$ (1,372,194)	\$ 1,289,751
Sources and uses		
Increase in accounts receivable	(113,386)	(617,819)
Decrease in other financial assets	84,593	89,278
Increase (decrease) in accounts payable and accrued liabilities	612,595	(487,840)
Increase (decrease) in deferred revenues		
Reserves	(169,546)	(88,606)
Other	55,707	73,866
Increase in employee future benefits payable	745,905	607,017
	<u>1,215,868</u>	<u>(424,104)</u>
Net increase in cash and cash equivalents from operations	(156,326)	865,647
FINANCING		
Debt repaid	(219,000)	(84,000)
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(375,326)</u>	<u>781,647</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>7,202,867</u>	<u>6,421,220</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 6,827,541</u>	<u>\$ 7,202,867</u>

SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

Notes to the Financial Statements

August 31, 2004

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared by management in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, except that school generated funds have not been included in these financial statements. The inclusion of school generated funds is not required by the Ministry of Education until the 2004-2005 fiscal year and, as a result, management has not quantified these balances and activities for the 2003-2004 fiscal year.

Significant accounting policies adopted are as follows:

a) Reporting entity

The financial statements reflect the assets, liabilities, revenues, expenditures and fund balances of the Superior Greenstone District School Board.

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 \$271,852 (2003 - \$304,295) are not included in the 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 Statement of Financial Activities and Fund Balance in the year of acquisition.

SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

Notes to the Financial Statements

August 31, 2004

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 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 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.

- (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 Financial Statements

August 31, 2004

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 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 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 is developed in accordance with the provincially mandated funding model for school boards and is used to manage program spending within the guidelines of the funding model. Given differences between the funding model and 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 financial statements. The budget figures are unaudited.

l) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the year. Actual results could differ from these estimates.

SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

Notes to the Financial Statements

August 31, 2004

2. ADOPTION OF PUBLIC SECTOR ACCOUNTING RECOMMENDATIONS

Commencing in 2004, the Board has adopted generally accepted accounting principles, applying the local government accounting standards issued 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, as described in Note 1 to these financial statements. The comparative figures included in these financial statements have been restated to conform with the accounting standards adopted for the current year.

Key elements of the resulting changes to the consolidated statement of financial position are as follows:

- (i) Establishing a liability in the Board's accounts for estimated employee future benefit obligations associated with retirement gratuity, early retirement incentive plan, and vacation pay earned but not taken. The restated statement of financial activities records the cost of providing these benefits in the period in which benefits are earned through service. As a result, amounts recorded for employee future benefits payable and "amounts to be recovered in future years" have each increased by \$789,349 (2003 - \$685,788).
- (ii) Establishing a liability for the accrued interest obligation in respect of debenture debt obligations that arise since the last payment date and restating the expenditure in the statement of financial activities to record only interest expense on an accrual basis, excluding payments on account of repayment of principal. As a result, amounts recorded for accounts payable and accrued liabilities and "amounts to be recovered in future years" have each decreased by \$3,984 (2003 - \$2,492).
- (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 unspent amounts accumulated in reserve funds. Amounts reported in the restated statement of financial activities and fund balance include only revenues realized in the period, expended in a manner consistent with the purpose specified. As a result, amounts recorded for deferred revenue – reserve funds increased by, and Board financial position decreased by \$170,678 (2003 - \$94,125).
- (iv) Reporting the previously described "capital outlay to be recovered in future years" as a component of the Board's financial position as opposed to an asset. As a result, amounts recorded for net liabilities have increased and net Board financial position has decreased by \$219,000 (2003 - \$84,000).

SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

Notes to the Financial Statements

August 31, 2004

2. ADOPTION OF PUBLIC SECTOR ACCOUNTING RECOMMENDATIONS (continued)

Key elements of the resulting changes to net revenue as reported in the statement of financial activities and fund balance, are disclosed in the following table:

	2004	2003
	Net Revenue	Net Revenue
	Increase/ (Decrease)	Increase/ (Decrease)
	<u> </u>	<u> </u>
Recording employee future benefit and vacation pay obligations	\$ (789,349)	\$ (685,788)
Recording of interest on unmatured debenture debt obligations	3,984	2,492
Deferral of revenues subject to restrictions arising from legislation, regulations or agreements with external parties	(170,678)	(94,025)
Expense non-financial assets when paid	65,101	(8,610)
Record payments of long-term debt principal as a financing transaction	219,000	84,000

3. ACCOUNTS RECEIVABLE - OTHER

The accounts receivable - other balance includes tuition fees receivable from the First Nations as follows:

	Adjusted Balance at August 31, 2003	Invoices	Payments	Balance at August 31, 2004
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Aroland First Nation	\$ 1,974	\$ 222,055	\$ (193,476)	\$ 30,553
Biinjitiwaabik Zaaging				
Anishinaabek First Nation	127,209	218,688	(256,228)	89,669
Lac La Croix First Nation	533	-	-	533
Marten Falls First Nation	-	24,565	(17,890)	6,675
Northern Nishnawbe Education Authority	376	12,282	(12,303)	355
Pays Plat First Nation	17,998	36,847	(53,778)	1,067
Pic Mobert First Nation	100,434	288,274	(290,880)	97,828
Pic River First Nation	12,750	439,092	(439,129)	12,713
Red Rock First Nation	154,416	478,167	(250,000)	382,583
White Sands First Nation	-	6,141	(5,963)	178
	<u>\$ 415,690</u>	<u>\$ 1,726,111</u>	<u>\$ (1,519,647)</u>	<u>\$ 622,154</u>

SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

Notes to the Financial Statements

August 31, 2004

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>2004</u>	<u>2003</u>
Pupil Accomodation Allocation	\$ -	\$ 170,678
Improved Access for Special Education	47,707	46,575
	\$ 47,707	\$ 217,253

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

	<u>2004</u>	<u>2003</u>
Balance, beginning of year	\$ 217,253	\$ 305,859
Restricted Provincial Grants received	24,650,177	18,377,168
Interest earned	1,132	5,419
	24,868,562	18,688,446
Provincial grants earned	(24,820,855)	(18,471,193)
Balance, end of year	\$ 47,707	\$ 217,253

5. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS

Retirement and other employee future benefit liabilities

	<u>2004</u>		<u>2003</u>	
	<u>Retirement Benefits</u>	<u>Other Employee Future Benefits</u>	<u>Total Employee Future Benefits</u>	<u>Total Employee Future Benefits</u>
Accrued employee future benefit obligations, end of year	\$ 3,721,373	\$ 4,624,835	\$ 8,346,208	\$ 7,600,303

SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

Notes to the Financial Statements

August 31, 2004

5. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS (continued)

Retirement and other employee future benefit expenses

	2004			2003
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Current year benefit cost	\$ 248,139	\$ 638,985	\$ 887,124	\$ 918,053
Interest on accrued benefit obligation	172,636	223,626	396,262	358,031
Employee future benefits expenses	\$ 420,775	\$ 862,611	\$ 1,283,386	\$ 2,145,997

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

Retirement benefits

(i) Ontario Teachers' Pension Plan

Teachers and related employee groups are eligible to be members of Ontario Teachers' Pension Plan, a multi-employer 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. 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 \$252,941 (2003 - \$61,934) 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 Financial Statements

August 31, 2004

5. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS (continued)

Retirement benefits (continued)

(iv) Retirement life insurance, dental 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.

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 for certain employees 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, 2004 are based on actuarial valuations for accounting purposes as at August 31, 2003. 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>2004</u>	<u>2003</u>
Inflation	2.00%	2.00%
Wage and salary escalation	3.00%	3.00%
Discount rate on accrued benefit obligations	5.50%	5.50%

The Board has designated reserves for certain of these employee future benefit obligations. The balance of these reserves totalled \$2,321,313 at August 31, 2004 (2003 - \$2,502,444).

SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

Notes to the Financial Statements

August 31, 2004

6. RESERVES AND RESERVE FUNDS

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

	<u>2004</u>	<u>2003</u>
Pupil accommodation - recognized	\$ 468,771	\$ 454,886
Proceeds of Disposition - recognized	527,514	514,778
Retirements	2,321,313	2,502,444
Capital - Buildings	3,983,677	4,799,734
Capital - Equipment	60,281	58,852
Insurance	19,558	19,085
Pay Equity	91,718	89,543
Professional Development	-	25,340
Working Fund	3,117,899	3,121,726
	<u>\$ 10,590,731</u>	<u>\$ 11,586,388</u>

7. 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>2004</u>	<u>2003</u>
Net long-term debt	\$ -	\$ 219,000
Retirement and other employee future benefits liability (Note 5)	7,787,044	7,018,720
Vacation accrual	205,966	184,941
Interest accrual	-	3,984
	<u>\$ 7,993,010</u>	<u>\$ 7,426,645</u>

8. AREAS OF JURISDICTION WITHOUT MUNICIPAL ORGANIZATION

The Board performs the duties of levying and collecting taxes, conducting elections of members, etc. 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.

SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

Notes to the Financial Statements

August 31, 2004

9. EXPENDITURES BY OBJECT

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

	2004		2003
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(unaudited)		
Current expenditures			
Salary and wages	\$ 21,474,922	\$ 22,160,239	\$ 20,759,410
Employee benefits	2,773,287	4,498,333	3,914,058
Staff development	282,600	361,775	271,273
Supplies and services	3,006,083	3,192,175	2,756,485
Replacements	530,780	568,228	100,398
Interest	12,775	8,791	23,102
Rental expenditures	410,015	423,002	384,450
Fees and contract services	2,672,253	2,419,841	2,411,122
Other	83,694	180,935	305,476
Capital expenditures	1,023,779	2,144,733	679,304
	<u>\$ 32,270,188</u>	<u>\$ 35,958,052</u>	<u>\$ 31,605,078</u>

10. 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.

11. CONTRACTUAL OBLIGATIONS

(a) The Board has ongoing commitments under various operating leases. The sum of \$285,757 is payable with respect to these operating leases during the next three years as follows:

2004/05	\$ 100,878
2005/06	94,127
2006/07	90,752
	<u>\$ 285,757</u>

(b) During the year the Board had work done on several major projects with contract values totaling approximately \$960,522. These contracts relate to the construction and upgrading of certain permanent facilities. Approximately \$56,000 of this amount had not been expended as at August 31, 2004.

SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

Notes to the Financial Statements

August 31, 2004

12. 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, 2004 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.

13. REPAYMENT OF "55 SCHOOL BOARD TRUST" FUNDING

On June 1, 2003, the Board received \$ 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 \$179,210 in respect of the above agreement for the year ended August 31, 2004, is not recorded in these financial statements.

14. 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 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 surplus position as at August 31, 2004.

15. SALARY DISCLOSURE

As required under the Public Salary Disclosure Act 1996, the following employees of the Board were paid salaries and benefits in excess of \$100,000 during the 2003 calendar year.

Name		Salary	Benefits
Bruce Rousseau	Superintendent of Business	\$ 109,335	\$ 456
Patti Pella	Superintendent of Education	\$ 110,000	\$ 456
Heather Wilson-Boast	Director of Education	\$ 128,000	\$ 7,420

SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

Schedule of Operating Fund Activities and Fund Balance

Year ended August 31, 2004

Schedule 2.1

	2004		2003
	Budget (unaudited)	Actual	Actual (Restated - Note 2)
REVENUES			
Local taxation	\$ 7,097,667	\$ 5,947,621	\$ 6,871,202
Provincial grants			
Student focused funding	22,337,474	24,555,242	20,715,515
Other	75,000	408,929	402,534
Federal grants and fees	1,669,812	1,770,592	1,460,488
Other revenues - school boards	550,000	637,728	629,560
Other fees and revenues	613,962	1,094,611	1,009,783
Total revenues	32,343,915	34,414,723	31,089,082
EXPENDITURES			
Instruction	23,179,206	25,569,984	23,039,046
Administration	1,902,695	1,937,042	1,938,367
Transportation	2,171,688	2,006,584	2,061,769
School operations and maintenance	3,980,045	4,169,987	3,864,527
Pupil accommodation	12,775	8,791	22,065
Other	-	120,931	-
Total expenditures	31,246,409	33,813,319	30,925,774
NET REVENUE	1,097,506	601,404	163,308
INCREASE (DECREASE) IN NON-FINANCIAL ASSETS			
Prepaid expenses	-	(65,101)	8,610
DEBT PRINCIPAL REPAYMENTS	(219,000)	(219,000)	(84,000)
INCREASE IN UNFUNDED LIABILITIES			
	-	785,365	683,296
CHANGE IN AMOUNTS TO BE RECOVERED IN FUTURE YEARS	(219,000)	566,365	599,296
NET TRANSFERS FROM (TO) OTHER FUNDS			
Transfers from (to) Capital Fund	(1,148,506)	(1,359,204)	914,256
Transfers from (to) Reserve Funds	270,000	256,536	(1,685,470)
Net transfers to other funds	(878,506)	(1,102,668)	(771,214)
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 Activities and Fund Balance

Year ended August 31, 2004

Schedule 2.2

	2004		2003
	Budget (unaudited)	Actual	Actual (Restated - Note 2)
REVENUES			
Other revenues	\$ -	\$ -	\$ 1,718,287
Total revenues	-	-	1,718,287
EXPENDITURES			
Instruction	143,081	248,729	35,343
Administration	31,698	75,806	22,029
School operations and maintenance	-	1,096	920
Pupil accommodation	849,000	1,819,102	621,012
Total expenditures	1,023,779	2,144,733	679,304
Net (expenditure) revenue	(1,023,779)	(2,144,733)	1,038,983
NET TRANSFERS FROM (TO)			
RESERVE FUNDS	-	910,256	-
NET TRANSFERS FROM			
OPERATING FUND	1,148,506	1,359,204	(914,256)
	1,148,506	2,269,460	(914,256)
CHANGE IN CAPITAL FUND			
BALANCE	124,727	124,727	124,727
CAPITAL FUND BALANCE,			
BEGINNING OF YEAR	(807,643)	(807,643)	(932,370)
CAPITAL FUND BALANCE,			
END OF YEAR	\$ (682,916)	\$ (682,916)	\$ (807,643)

SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

Schedule of Reserve Funds Activities and Fund Balance

Year ended August 31, 2004

Schedule 2.3

	2004		2003
	Budget (unaudited)	Actual	Actual (Restated - Note 2)
REVENUE - interest	\$ 199,078	\$ 171,135	\$ 87,460
NET TRANSFERS FROM (TO) OPERATING FUND	(270,000)	(256,536)	1,685,470
NET TRANSFERS FROM (TO) CAPITAL FUND	-	(910,256)	-
	(270,000)	(1,166,792)	1,685,470
CHANGE IN RESERVE FUND BALANCE	(70,922)	(995,657)	1,772,930
RESERVE FUND BALANCE, BEGINNING OF YEAR	10,264,454	11,586,388	9,813,458
RESERVE FUND BALANCE, END OF YEAR	\$ 10,193,532	\$ 10,590,731	\$ 11,586,388