

*Consolidated Financial Statements of*

**SUPERIOR GREENSTONE DISTRICT  
SCHOOL BOARD**

*August 31, 2005*



## 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.

Terry Ellwood  
Director of Education

Bruce Rousseau  
Chief Financial Officer

November 11, 2005

## 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, 2005 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, 2005 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.

We issued our audit report dated December 10, 2004 on the financial statements as at and for the year ended August 31, 2004. Our audit report contained a qualification with respect to the non-recording of school-generated fund balances and activities.

*Deloitte & Touche LLP*

Chartered Accountants

Toronto, Ontario  
November 11, 2005

# **SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD**

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**August 31, 2005**

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# SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

## Consolidated Statement of Financial Position

August 31, 2005

	<u>2005</u>	<u>2004</u> (Restated - Note 2(b))
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 7,387,379	\$ 6,827,541
Accounts receivable		
Municipalities	545,991	540,141
Other (Note 3)	3,638,037	4,640,919
Other assets	38,046	49,325
<b>Total financial assets</b>	<b>11,609,453</b>	<b>12,057,926</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,812,470	1,604,579
Deferred revenue		
Reserve funds (Note 4)	660,578	47,707
Other	331,875	207,650
Employee future benefits payable (Notes 2(b) and 5)	10,163,288	9,580,461
<b>Total liabilities</b>	<b>12,968,211</b>	<b>11,440,397</b>
<b>NET FINANCIAL (LIABILITIES) ASSETS</b>	<b>(1,358,758)</b>	<b>617,529</b>
<b>NON-FINANCIAL ASSET - Prepaid expenses</b>	<b>88,294</b>	<b>63,023</b>
<b>NET (LIABILITIES) ASSETS</b>	<b>\$ (1,270,464)</b>	<b>\$ 680,552</b>
<b>FINANCIAL POSITION</b>		
Fund balances		
Operating Fund - Schedule 2.1	\$ -	\$ -
Capital Fund - Schedule 2.2	(558,189)	(682,916)
Reserve Fund - Schedule 2.3 (Note 6)	9,184,221	10,590,731
School Generated Funds - Schedule 2.4 (Note 2(a))	245,768	-
<b>Total fund balances</b>	<b>8,871,800</b>	<b>9,907,815</b>
Amounts to be recovered in future years (Note 7)	(10,142,264)	(9,227,263)
<b>NET FINANCIAL POSITION</b>	<b>\$ (1,270,464)</b>	<b>\$ 680,552</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, 2005

	2005		2004
	Budget (unaudited)	Actual	Actual (Restated - Note 2(b))
<b>REVENUES</b>			
Local taxation	\$ 6,549,417	\$ 5,647,650	\$ 5,947,621
Provincial grants			
Student Focused Funding	23,654,597	24,638,939	24,555,242
Other	75,000	968,557	408,929
Federal grants and fees	1,820,958	1,881,674	1,770,592
Other revenues - school boards	550,000	715,574	637,728
Other fees and revenues	1,031,536	1,222,628	1,265,746
School fundraising (Note 2(a))	-	628,187	-
<b>Total revenues</b>	<b>33,681,508</b>	<b>35,703,209</b>	<b>34,585,858</b>
<b>EXPENDITURES (Note 9)</b>			
Instruction	24,932,354	26,187,716	25,717,405
Administration	2,475,898	2,780,672	2,017,011
Transportation	2,228,834	2,277,017	2,006,584
School operations and maintenance	4,379,562	4,583,826	4,179,179
Pupil accommodation	1,080,597	1,307,098	1,827,893
Other	-	160,748	120,931
School funded activities (Note 2(a))	-	624,828	-
<b>Total expenditures</b>	<b>35,097,245</b>	<b>37,921,905</b>	<b>35,869,003</b>
<b>NET EXPENDITURE</b>	<b>(1,415,737)</b>	<b>(2,218,696)</b>	<b>(1,283,145)</b>
INCREASE (DECREASE) IN NON-FINANCIAL ASSETS -			
Prepaid expenses	-	25,271	(65,101)
<b>CHANGE IN NET ASSETS (net of restatement (Note 2))</b>	<b>(1,415,737)</b>	<b>(2,193,425)</b>	<b>(1,348,246)</b>
FINANCING TRANSACTIONS			
Debt principal repayments	-	-	(219,000)
Increase in unfunded liabilities	915,001	915,001	696,316
<b>CHANGE IN AMOUNTS TO BE RECOVERED</b>	<b>915,001</b>	<b>915,001</b>	<b>477,316</b>
<b>CHANGE IN FUND BALANCE</b>	<b>(500,736)</b>	<b>(1,278,424)</b>	<b>(870,930)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			
As previously reported	9,581,538	9,907,815	10,778,745
School generated funds (Note 2(a))	-	242,409	-
As restated	9,581,538	10,150,224	10,778,745
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 9,080,802</b>	<b>\$ 8,871,800</b>	<b>\$ 9,907,815</b>

**SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD**  
**Consolidated Statement of Changes in Financial Position**  
Year ended August 31, 2005

	<u>2005</u>	<u>2004</u>
<b>NET INFLOW (OUTFLOW) OF CASH AND CASH EQUIVALENTS RELATED TO THE FOLLOWING ACTIVITIES</b>		(Restated - Note 2(b))
<b>OPERATING</b>		
Net expenditure	\$ (2,218,696)	\$ (1,283,145)
Sources and uses		
Decrease (increase) in accounts receivable	997,032	(113,386)
Decrease in other assets	11,279	84,593
Increase in accounts payable and accrued liabilities	207,891	612,595
Increase (decrease) in deferred revenues		
Reserve funds	612,871	(169,546)
Other	124,225	55,707
Increase in employee future benefits payable	582,827	656,856
	<b>2,536,125</b>	<b>1,126,819</b>
Net increase (decrease) in cash and cash equivalents from operations	317,429	(156,326)
<b>FINANCING</b>		
Debt repaid	-	(219,000)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>317,429</b>	<b>(375,326)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>		
As previously reported	6,827,541	7,202,867
School generated funds (Note 2(a))	242,409	-
As restated	7,069,950	7,202,867
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 7,387,379</b>	<b>\$ 6,827,541</b>

# SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

## Notes to the Consolidated Financial Statements

August 31, 2005

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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 \$307,677 (2004 -271,825) 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.



# SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

## Notes to the Consolidated Financial Statements

August 31, 2005

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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.

- (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, 2005

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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 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 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, 2005

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### 2. ACCOUNTING CHANGES

#### a) *Change in accounting policy*

Effective for the fiscal year ended August 31, 2005, the Board has adopted the policy of recording the assets, liabilities, financial activities and fund balances of school generated funds that have been determined to be under the Board's control. Previously, the Board did not record school generated funds in the financial statements.

As a result of this change, cash and cash equivalents and the School Generated Activity Fund Balance have each increased by \$245,768 as at August 31, 2005. As well, cash and cash equivalents and fund balance as at September 1, 2004, have each increased by \$242,409. In addition, revenues and expenditures have increased by \$628,187 and 624,828 respectively and, net revenue has increased by \$3,359 for the year ended August 31, 2005.

This change in accounting policy has been applied retroactively, without restatement, as the information required to restate the prior years' figures was not available.

#### b) *Restatement of employee future benefits – non vesting sick leave benefits*

Effective for the fiscal year ended August 31, 2005, the Board has recorded a liability for the non-vesting portion of accumulated sick leave entitlements. Previously, only the vesting portion of accumulated sick leave entitlements were recorded in the financial statements.

As a result, employee future benefits payable and amounts to be recovered in future years have increased, while net assets have decreased on the Consolidated Statement of Financial Position by \$1,281,092 as at August 31, 2005 (2004 \$1,234,253). As well, amounts to be recovered in future years on the Consolidated Statement of Financial Position as at September 1, 2003, has been increased by \$1,323,302. In addition, employee benefits expenditure and increase in unfunded liabilities on the Consolidated Statement of Financial Activities have increased by \$46,839 for the year ended August 31, 2005 (2004 – decreased by \$89,049).

The recording of the non-vesting sick leave benefits has been applied retroactively with restatement and accordingly the figures for the year ended August 31, 2004 have been restated.

# SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

## Notes to the Consolidated Financial Statements

August 31, 2005

### 3. ACCOUNTS RECEIVABLE

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

	Balance at August 31, 2004	Invoices	Payments	Balance at August 31, 2005
Aroland First Nation	\$ 30,553	\$ 305,994	\$ (192,389)	\$ 144,158
Biinjitwaabek First Nation	89,669	186,568	(161,099)	115,138
Lac La Croix	533	-	-	533
Marten Falls First Nation	6,675	12,772	(12,638)	6,809
Northern Nishnawebe Education	355	12,772	(12,282)	845
Pays Plat First Nation	1,067	25,543	(24,920)	1,690
Pic Moberg First Nation	97,828	307,837	(137,095)	268,570
Pic River First Nation	12,713	376,762	(364,550)	24,925
Red Rock First Nation	382,583	651,283	(682,582)	351,284
White Sands First Nation	178	25,543	(178)	25,543
	<b>\$ 622,154</b>	<b>\$ 1,905,074</b>	<b>\$ (1,587,733)</b>	<b>\$ 939,495</b>

### 4. DEFERRED REVENUE - RESERVE FUNDS

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

	2005	2004
Program Improvements Allocation	<b>\$ 646,002</b>	\$ -
Improved Access for Special Education	<b>14,576</b>	47,707
	<b>\$ 660,578</b>	<b>\$ 47,707</b>

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

	2005	2004
Balance, beginning of year	\$ 47,707	\$ 217,253
Restricted Provincial Grants received	<b>1,581,945</b>	24,650,177
Interest earned	<b>1,186</b>	1,132
	<b>1,630,838</b>	24,868,562
Provincial grants earned	<b>(970,260)</b>	(24,820,855)
Balance, end of year	<b>\$ 660,578</b>	<b>\$ 47,707</b>

# SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

## Notes to the Consolidated Financial Statements

August 31, 2005

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### 5. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS

*Retirement and other employee future benefit liabilities*

	<u>2004</u>			<u>2003</u>
	<u>Retirement</u>	<u>Other</u>	<u>Total</u>	Total
	<u>Benefits</u>	<u>Employee</u>	<u>Employee</u>	Employee
		<u>Future</u>	<u>Future</u>	Future
		<u>Benefits</u>	<u>Benefits</u>	Benefits
Accrued employee future benefit liability, end of year	\$ 3,857,538	\$ 6,305,750	\$ 10,163,288	\$ 9,580,461

Actual benefit payments made during the year totalled \$562,377 (2004 - \$537,481).

*Retirement and other employee future benefit expenses*

	<u>2005</u>			<u>2004</u>
	<u>Retirement</u>	<u>Other</u>	<u>Total</u>	Total
	<u>Benefits</u>	<u>Employee</u>	<u>Employee</u>	Employee
		<u>Future</u>	<u>Future</u>	Future
		<u>Benefits</u>	<u>Benefits</u>	Benefits
Current year benefit cost	\$ 265,919	\$ 464,555	\$ 730,474	\$ 772,725
Interest on accrued benefit obligation	152,981	261,749	414,730	414,310
Employee future benefits expenses	\$ 418,900	\$ 726,304	\$ 1,145,204	\$ 1,871,508

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, 2005

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### 5. 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. 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, 2005, the Board contributed \$354,914 (2004 - \$252,941) 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, 2005

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### 5. 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, 2005 are based on actuarial valuations for accounting purposes as at August 31, 2003 with the exception of the accrued benefit obligation for accumulating non-vested sick leave which was valued as at August 31, 2004. 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>2005</u>	<u>2004</u>
Inflation	1.50%	2.00%
Wage and salary escalation	2.50%	3.00%
Discount rate on accrued benefit obligations	4.50%	5.50%

The Board has designated reserves for certain of these employee future benefit obligations. The balance of these reserves totalled \$2,268,968 at August 31, 2005 (2004 - \$2,321,313).

### 6. 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>2005</u>	<u>2004</u>
Pupil accommodation - recognized	\$ 154,922	\$ 468,771
Proceeds of Disposition - recognized	540,365	527,514
Retirements	2,268,968	2,321,313
Capital - Buildings	3,763,692	3,983,677
Capital - Equipment	36,826	60,281
Insurance	20,054	19,558
Pay Equity	94,000	91,718
Working Fund	2,305,394	3,117,899
	<u>\$ 9,184,221</u>	<u>\$ 10,590,731</u>

# SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

## Notes to the Consolidated Financial Statements

August 31, 2005

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### 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>2005</u>	<u>2004</u>
Retirement and other employee future benefits liability (Note 5)	\$ 10,163,288	\$ 9,580,461
Less amount previously recorded through operations	(246,547)	(559,164)
	<u>9,916,741</u>	<u>9,021,297</u>
Vacation accrual	225,523	205,966
	<u>\$ 10,142,264</u>	<u>\$ 9,227,263</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.

### 9. EXPENDITURES BY OBJECT

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

	<u>2005</u>		<u>2004</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(unaudited)		
Current expenditures			
Salary and wages	\$ 22,483,261	\$ 23,398,216	\$ 22,160,239
Employee benefits	4,315,346	4,532,461	4,409,284
Staff development	355,050	405,661	361,775
Supplies and services	2,869,620	3,302,600	3,192,175
Replacements	315,792	112,633	568,228
Interest	-	-	8,791
Rental expenditures	423,303	459,564	423,002
Fees and contract services	2,920,314	2,852,103	2,419,841
Other	97,416	804,096	180,935
Capital expenditures	1,317,143	2,054,571	2,144,733
	<u>\$ 35,097,245</u>	<u>\$ 37,921,905</u>	<u>\$ 35,869,003</u>



# SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

## Notes to the Consolidated Financial Statements

August 31, 2005

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### 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 operating leases. The sum of \$233,288 is payable with respect to these operating leases during the next three years as follows:

2005/06	\$ 48,409
2006/07	94,127
2007/08	90,752
	<hr/>
	\$ 233,288

(b) During the year the Board had entered into a software agreement totaling \$70,000. Approximately \$25,000 of this amount had not been expended as at August 31, 2005.

### 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, 2005 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 \$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, 2005 (2004 - \$179,210) is not recorded in these consolidated financial statements.

# **SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD**

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

**August 31, 2005**

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### **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, 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, 2005 and therefore no amounts are repayable to the Ministry of Community and Social Services.

# SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

## Schedule of Operating Fund Activities and Fund Balance

Year ended August 31, 2005

Schedule 2.1

	2005		2004
	Budget (unaudited)	Actual	Actual (Restated - Note 2(b))
<b>REVENUES</b>			
Local taxation	\$ 6,549,417	\$ 5,647,650	\$ 5,947,621
Provincial grants			
Student focused funding	23,654,597	24,638,939	24,555,242
Other	75,000	968,557	408,929
Federal grants and fees	1,820,958	1,881,674	1,770,592
Other revenues - school boards	550,000	715,574	637,728
Other fees and revenues	1,031,536	1,070,780	1,094,611
<b>Total revenues</b>	<b>33,681,508</b>	<b>34,923,174</b>	<b>34,414,723</b>
<b>EXPENDITURES</b>			
Instruction	24,849,808	26,076,762	25,468,676
Administration	2,321,898	2,230,335	1,941,205
Transportation	2,228,834	2,277,017	2,006,584
School operations and maintenance	4,379,562	4,497,644	4,178,083
Pupil accommodation	-	-	8,791
Other	-	160,748	120,931
<b>Total expenditures</b>	<b>33,780,102</b>	<b>35,242,506</b>	<b>33,724,270</b>
<b>NET (EXPENDITURE) REVENUE</b>	<b>(98,594)</b>	<b>(319,332)</b>	<b>690,453</b>
<b>INCREASE (DECREASE) IN NON-FINANCIAL ASSETS</b>			
Prepaid expenses	-	25,271	(65,101)
<b>DEBT PRINCIPAL REPAYMENTS</b>	-	-	(219,000)
<b>INCREASE IN UNFUNDED LIABILITIES</b>			
	<b>915,001</b>	<b>915,001</b>	<b>696,316</b>
<b>CHANGE IN AMOUNTS TO BE RECOVERED IN FUTURE YEARS</b>			
	<b>915,001</b>	<b>915,001</b>	<b>477,316</b>
<b>NET TRANSFERS FROM (TO) OTHER FUNDS</b>			
Transfers to Capital Fund	(1,441,870)	(1,549,209)	(1,359,204)
Transfers from Reserve Funds	625,463	928,269	256,536
<b>Net transfers to other funds</b>	<b>(816,407)</b>	<b>(620,940)</b>	<b>(1,102,668)</b>
<b>CHANGE IN OPERATING FUND BALANCE</b>			
	-	-	-
<b>OPERATING FUND BALANCE, BEGINNING OF YEAR</b>			
	-	-	-
<b>OPERATING FUND BALANCE, END OF YEAR</b>			
	\$ -	\$ -	\$ -

# SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

## Schedule of Capital Fund Activities and Fund Balance

Year ended August 31, 2005

Schedule 2.2

	2005		2004
	Budget (unaudited)	Actual	Actual
<b>REVENUES</b>			
Other revenues	\$ -	\$ 13,277	\$ -
Total revenues	-	13,277	-
<b>EXPENDITURES</b>			
Instruction	82,546	110,954	248,729
Administration	154,000	550,337	75,806
School operations and maintenance	-	86,182	1,096
Pupil accommodation	1,080,597	1,307,098	1,819,102
Total expenditures	1,317,143	2,054,571	2,144,733
Net expenditure	(1,317,143)	(2,041,294)	(2,144,733)
<b>NET TRANSFERS FROM OPERATING FUND</b>	1,441,870	1,549,209	1,359,204
<b>NET TRANSFERS FROM RESERVE FUNDS</b>	-	616,812	910,256
	1,441,870	2,166,021	2,269,460
<b>CHANGE IN CAPITAL FUND BALANCE</b>	124,727	124,727	124,727
<b>CAPITAL FUND BALANCE, BEGINNING OF YEAR</b>	(682,916)	(682,916)	(807,643)
<b>CAPITAL FUND BALANCE, END OF YEAR</b>	\$ (558,189)	\$ (558,189)	\$ (682,916)

# SUPERIOR GREENSTONE DISTRICT SCHOOL BOARD

## Schedule of Reserve Funds Activities and Fund Balance

Year ended August 31, 2005

Schedule 2.3

	2005		2004
	Budget (unaudited)	Actual	Actual
REVENUE - interest	\$ -	\$ 138,571	\$ 171,135
NET TRANSFERS TO OPERATING FUND	(625,463)	(928,269)	(256,536)
NET TRANSFERS TO CAPITAL FUND		(616,812)	(910,256)
	(625,463)	(1,545,081)	(1,166,792)
CHANGE IN RESERVE FUND BALANCE	(625,463)	(1,406,510)	(995,657)
RESERVE FUND BALANCE, BEGINNING OF YEAR	10,264,454	10,590,731	11,586,388
RESERVE FUND BALANCE, END OF YEAR	\$ 9,638,991	\$ 9,184,221	\$ 10,590,731

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

Year ended August 31, 2005

Schedule 2.4

	2005		2004
	Budget	Actual	Actual (Note 2(a))
<b>REVENUES</b>			
School fundraising and other revenues	\$ -	\$ 628,187	\$ -
<b>EXPENDITURES</b>			
School funded activities	-	624,828	-
<b>NET REVENUE AND CHANGE IN SCHOOL GENERATED FUND ACTIVITIES FUND BALANCE</b>	-	3,359	-
<b>SCHOOL GENERATED FUND ACTIVITIES FUND BALANCE, BEGINNING OF YEAR (Note 2(a))</b>	-	242,409	-
<b>SCHOOL GENERATED FUND ACTIVITIES FUND BALANCE, END OF YEAR</b>	\$ -	\$ 245,768	\$ -