

Financial Statements of

**DISTRICT SCHOOL BOARD OF NIAGARA**

Year ended August 31, 2008



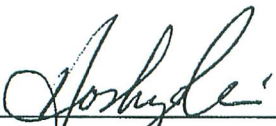
## Management's Responsibility for the Financial Statements

The accompanying financial statements of the District School Board of Niagara 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. 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 judgment, 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 KPMG LLP, independent external auditors appointed by the Board. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Board's financial statements.

  
\_\_\_\_\_  
Warren Hoshizaki  
Director of Education, Secretary & Treasurer

  
\_\_\_\_\_  
Jane Roth  
Superintendent of Business



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## AUDITORS' REPORT

To the Board of Trustees of the  
District School Board of Niagara

We have audited the consolidated statement of financial position of the District School Board of Niagara as at August 31, 2008 and the consolidated statements of financial activities 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 consolidated financial statements based on our audit.

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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the School Board as at August 31, 2008 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.

Chartered Accountants, Licensed Public Accountants

St. Catharines, Canada  
October 31, 2008

# DISTRICT SCHOOL BOARD OF NIAGARA

## Consolidated Statement of Financial Position

August 31, 2008, with comparative figures for 2007

	2008	2007
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 27,131,078	\$ 33,402,864
Accounts receivable	15,016,251	16,294,967
Total financial assets	42,147,329	49,697,831
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	20,767,320	26,849,857
Deferred revenue	1,273,304	1,986,519
Net long-term liabilities (note 3)	39,900,408	27,399,361
Employee future benefits (note 2)	38,952,270	40,660,210
Total financial liabilities	100,893,302	96,895,947
Net financial assets (liabilities)	(58,745,973)	(47,198,116)
<b>Non-Financial Assets</b>		
Inventories, at cost	348,029	485,231
Total non-financial assets	348,029	485,231
Net assets (liabilities)	\$ (58,397,944)	\$ (46,712,885)

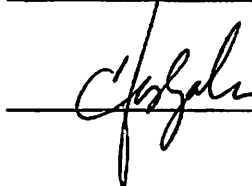
### Financial Position

Operating fund	\$ -	\$ 85,672
Reserve fund	42,821,337	38,922,617
Capital fund	(24,766,136)	(20,414,631)
School activities fund	4,104,666	4,195,387
Total fund balance	22,159,867	22,789,045
Amounts to be recovered (note 4)	(80,557,811)	(69,501,930)
Net financial position	\$ (58,397,944)	\$ (46,712,885)

See accompanying notes to financial statements.

On behalf of the Board

 Chair

 Director of Education

# DISTRICT SCHOOL BOARD OF NIAGARA

## Consolidated Statement of Financial Activities

Year ended August 31, 2008, with comparative figures for 2007

	Budget (unaudited)	2008	2007
Revenue:			
Local taxation	\$ 112,033,192	\$ 112,059,881	\$ 110,701,630
Provincial Legislative grant	227,831,725	234,228,370	219,770,465
Provincial grant - Other	2,377,383	5,013,550	3,910,863
Government of Canada	-	551,357	285,086
Investment income	1,919,645	1,523,484	2,060,788
Other	1,997,800	3,361,402	7,244,504
School fundraising and other revenue	13,000,000	12,631,338	14,521,021
Total revenue	359,159,745	369,369,382	358,494,357
Expenditures:			
Instruction	271,531,349	276,259,595	266,155,368
Administration	10,120,743	9,941,122	11,152,230
Transportation	14,505,650	14,860,031	14,359,883
School operation and maintenance	36,464,169	36,415,404	35,591,315
Pupil accommodation	39,629,857	29,140,299	37,973,603
Other	683,672	1,578,729	2,691,998
School funded activities	13,000,000	12,722,059	14,378,218
Total expenditures	385,935,440	380,917,239	382,302,615
Net expenditure	(26,775,695)	(11,547,857)	(23,808,258)
Increase (decrease) in inventories	-	(137,202)	16,409
Increase in non-financial assets	-	(137,202)	16,409
Change in net liabilities	(26,775,695)	(11,685,059)	(23,791,849)
Financing transactions:			
Long-term financing issued	4,485,000	13,127,182	27,702,000
Debt repayments and sinking fund contributions	(738,477)	(626,135)	(302,639)
Decrease in unfunded liabilities	(1,545,040)	(1,445,166)	(923,844)
Change in amounts to be recovered	2,201,483	11,055,881	(26,475,517)
Change in fund balances	(24,574,212)	(629,178)	(2,683,668)
Opening fund balances	20,524,264	22,789,045	20,105,377
Closing fund balances	\$ (4,049,948)	\$ 22,159,867	\$ 22,789,045

See accompanying notes to financial statements.

# DISTRICT SCHOOL BOARD OF NIAGARA

## Consolidated Statement of Changes in Financial Position

Year ended August 31, 2008, with comparative figures for 2007

	2008	2007
Operations:		
Net revenue	\$ (11,547,857)	\$ (23,808,258)
Sources and (uses):		
Accounts receivable	1,278,716	1,787,800
Temporary borrowing	-	(12,700,000)
Accounts payable and accrued liabilities	(6,082,537)	8,295,198
Deferred revenue	(713,215)	1,104,200
Employee future benefits	(1,707,940)	(1,344,116)
Net increase in cash from operations	(18,772,833)	(26,665,176)
Financing:		
Long-term liabilities	12,501,047	27,399,361
Change in cash and cash equivalents	(6,271,786)	734,185
Opening cash and cash equivalents	33,402,864	32,668,679
Closing cash and cash equivalents	\$ 27,131,078	\$ 33,402,864

See accompanying notes to financial statements.

# DISTRICT SCHOOL BOARD OF NIAGARA

## Consolidated Schedule of Operating Fund

Year ended August 31, 2008, with comparative figures for 2007

	2008 Budget	2008 Actual	2007 Actual
	(unaudited)		
Revenues:			
Local taxation	\$ 112,033,192	\$ 112,059,881	\$ 110,701,630
Provincial legislative grants	227,831,725	234,228,370	219,770,465
Provincial grants – other	2,377,383	5,013,550	3,910,863
Federal grants and fees	-	551,357	285,086
Investment income	400,000	123,440	530,084
Sundry	1,997,800	2,605,569	2,641,885
Total revenue	344,640,100	354,582,167	337,840,013
Expenditures:			
Instruction	271,531,349	275,345,368	265,620,134
Administration	10,120,743	9,941,122	11,152,230
Transportation	14,505,650	14,860,031	14,359,883
School operations and maintenance	36,464,169	36,415,404	35,591,315
Pupil accommodation	2,733,508	1,604,511	1,289,826
Other	683,672	822,896	1,111,852
Total expenditures	336,039,091	338,989,332	329,125,240
Net revenue	8,601,009	15,592,835	8,714,773
Increase (decrease) in inventories	-	(137,202)	16,409
Increase in non-financial assets	-	(137,202)	16,409
Debt principal repayments	(738,477)	(626,135)	(302,639)
Decrease in unfunded liabilities	(1,545,040)	(1,445,166)	(923,844)
Change in amounts to be recovered	(2,283,517)	(2,071,301)	(1,226,483)
Net transfers to (from) other funds:			
Transfer to Capital Fund	(6,918,646)	(7,865,835)	(7,520,227)
Transfer (to) from Reserve Fund	601,154	(5,604,169)	69,272
	(6,317,492)	(13,470,004)	(7,450,955)
Change in operating fund balance	-	(85,672)	53,744
Opening balance – Operating Fund	31,928	85,672	31,928
Closing balance – Operating Fund	\$ 31,928	\$ -	\$ 85,672

See accompanying notes to financial statements.

# DISTRICT SCHOOL BOARD OF NIAGARA

## Consolidated Schedule of Reserve Funds

Year ended August 31, 2008, with comparative figures for 2007

	2008 Budget	2008 Actual	2007 Actual
	(unaudited)		
Revenues:			
Investment income	\$ 1,519,645	\$ 1,400,044	\$ 1,530,704
Net transfers from (to) other funds:			
Transfer from (to) operations	(601,154)	5,604,169	(69,272)
Transfer from (to) Capital	(3,168,194)	(3,105,493)	856,547
	(3,769,348)	2,498,676	787,275
Change in reserve fund balance	(2,249,703)	3,898,720	2,317,979
Opening balance – Reserve Fund	38,400,654	38,922,617	36,604,638
Closing balance – Reserve Fund	\$ 36,150,951	\$ 42,821,337	\$ 38,922,617

See accompanying notes to financial statements.



# DISTRICT SCHOOL BOARD OF NIAGARA

## Consolidated Schedule of Capital Fund

Year ended August 31, 2008, with comparative figures for 2007

	2008 Budget (unaudited)	2008 Actual	2007 Actual
Revenues:			
Other revenues	\$ -	\$ 755,833	\$ 4,602,619
Capital expenditures:			
Instruction	-	914,227	535,234
Pupil accommodation	36,896,349	27,535,788	36,683,777
Other	-	755,833	1,580,146
	36,896,349	29,205,848	38,799,157
Net expenditure	(36,896,349)	(28,450,015)	(34,196,538)
Long-term financing issued	4,485,000	13,127,182	27,702,000
Net transfers from (to) other funds:			
Transfers from Operating Fund	6,918,646	7,865,835	7,520,227
Transfers from (to) Reserve Fund	3,168,194	3,105,493	(856,547)
	10,086,840	10,971,328	6,663,680
Change in capital fund balance	(22,324,509)	(4,351,505)	169,142
Opening balance – Capital Fund	(21,979,318)	(20,414,631)	(20,583,773)
Closing balance – Capital Fund	\$ (44,303,827)	\$ (24,766,136)	\$ (20,414,631)

See accompanying notes to financial statements.

# DISTRICT SCHOOL BOARD OF NIAGARA

## Consolidated Schedule of School Activities Funds

Year ended August 31, 2008, with comparative figures for 2007

	2008 Budget	2008 Actual	2007 Actual
Revenues:			
School fundraising and other revenues	\$13,000,000	\$ 12,631,338	\$ 14,521,021
Expenditures			
School funded activities	13,000,000	12,722,059	14,378,218
Net revenue (expenditure)		(90,721)	142,803
Opening balance – School Activities Fund	4,071,000	4,195,387	4,052,584
Closing balance – School Activities Fund	\$ 4,071,000	\$ 4,104,666	\$ 4,195,387

See accompanying notes to financial statements.

# DISTRICT SCHOOL BOARD OF NIAGARA

## Notes to Consolidated Financial Statements

Year ended August 31, 2008

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### 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.

#### (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 accountable for the administration of their financial affairs and resources to the Board and 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.

Consolidated entities:

School Generated Funds

Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

#### (b) Trust Funds:

Trust funds and their related operations administered by the board are not included in the consolidated financial statements, as these funds are not controlled by the Board.

#### (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 the cost of goods and services acquired in the period whether or not payment has been made or invoices received.

#### (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.

# DISTRICT SCHOOL BOARD OF NIAGARA

## Notes to Consolidated Financial Statements

Year ended August 31, 2008

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### 1. Significant accounting policies (continued):

(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 in the year of acquisition.

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

(g) Retirement and other employee future benefits:

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include life insurance and health care benefits, retirement gratuity, and worker's compensation. 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 over the periods of service provided by employees, such as retirement gratuities and life insurance and health care benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Employee future benefits for sick leave that accumulate but do not vest have also been actuarially determined using the projected benefits method. 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 worker's compensation, 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.

# DISTRICT SCHOOL BOARD OF NIAGARA

## Notes to Consolidated Financial Statements

Year ended August 31, 2008

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### 1. Significant accounting policies (continued):

#### (g) Retirement and other employee future benefits (continued):

- (ii) The costs of multi-employer defined pension plan benefits, such as the Ontario Municipal Employee Retirement System pensions, are the employer's contributions due to the plan in the period;
- (iii) The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the period.

#### (h) Reserve and reserve funds:

Certain amounts, as approved by the Board Trustees, are set aside in reserves and reserve funds for future operating and capital purposes. Transfer to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

#### (i) Government Transfers:

Government transfers, including 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, any 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.

#### (k) Budget figures:

Budget figures have been provided for comparison purposes and have been derived from the 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 as it is used to prepare the financial statements. The budget figures are unaudited.

#### (l) Use of estimates:

The preparation of financial statements in conformity with 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 revenue and expenditure during the reporting period. Actual results could differ from these estimates.

# DISTRICT SCHOOL BOARD OF NIAGARA

Notes to Consolidated Financial Statements

Year ended August 31, 2008

## 2. Employee future benefits:

Retirement and other employee future benefit liabilities	Retirement benefits	Other employee future benefits	2008 Total employee future benefits	2007 Total employee future benefits
Accrued Benefit Obligation at August 31, 2008	\$ 19,796,001	\$ 22,722,713	\$ 42,518,714	\$ 40,660,210
Unamortized Actuarial Gain/(Loss)	1,709,777	( 5,276,221)	( 3,566,444)	-
Employee future benefits liability at August 31, 2008	\$ 21,505,778	\$ 17,446,492	\$ 38,952,270	\$ 40,660,210

Retirement and other employee future benefit expenses	Retirement benefits	Other employee future benefits	2008 Total employee future benefits	2007 Total employee future benefits
Current year benefit costs	\$ 71,080	\$ 2,294,485	\$ 2,365,565	\$ 3,335,489
Interest on accrued benefit obligation	899,703	823,193	1,722,896	1,668,167
Employee future benefits expenses	\$ 970,783	\$ 3,117,678	\$ 4,088,461	\$ 5,003,656
Total payments made during the year			\$ 5,796,401	\$ 6,347,772

Included in expenditures is \$141,157 for amortization of the actuarial loss. The unamortized actuarial loss is amortized over the expected average remaining service life.

# DISTRICT SCHOOL BOARD OF NIAGARA

## Notes to Consolidated Financial Statements

Year ended August 31, 2008

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### 2. 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 the 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 administrative and support staff 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. Effective January 1, 2005, employee contribution rates returned to levels of up to 9.6% of earnings. The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2008, the Board contributed \$2,580,507 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:

The Board continues to provide life insurance, dental and health care benefits to certain employee groups after retirement until the members reach 65 years of age, at a cost to the retired member. 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.

Other employee future benefits:

(i) Workplace Safety and Insurance Board obligations:

The Board is a Schedule 2 employer under the Workplace Safety and Insurance Act and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. The Board does not fund these obligations in advance of payments made under the Act. The benefit costs and liabilities related to this plan are included in the Board's financial statements.

# DISTRICT SCHOOL BOARD OF NIAGARA

Notes to Consolidated Financial Statements

Year ended August 31, 2008

## 2. Employee future benefits (continued)

(ii) 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. The Board is responsible for the payment of life insurance and the health care and dental premiums 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.

(iii) Sick leave:

The Board has accrued for sick leave that accumulates but does not vest.

The accrued benefit obligations for employee future benefit plans as at August 31, 2008 are based on an actuarial valuation for accounting purposes as at August 31, 2008. These actuarial valuations were based on assumption about future events. The economic assumptions used in these valuations are the Board's best estimates of expected rates of:

		%
Inflation		2.0
Wage and salary escalation		3.0
Insurance and health care cost escalation	11.5% decreasing by ½% each year to 4.5%	
Dental cost escalation	7.5% decreasing by ½% each year to 3.5%	
Discount on accrued benefit obligations		4.5

As detailed on the Schedule of the Reserve Fund, the Board has designated reserves for certain of these employee future benefit obligations. The balance of these reserves totaled \$8,789,085 at August 31, 2008.

## 3. Net long-term liabilities:

Net long-term liabilities reported on the Consolidated Statement of Financial Position comprises the following:

	2008	2007
Debenture, bearing interest at the rate of 4.90% due November 3, 2033	\$13,127,182	\$ -
Debenture, bearing interest at the rate of 4.56% due November 15, 2031	26,773,226	27,399,361
Sinking fund debenture, due May, 2010	485,000	485,000
Less sinking fund assets	(485,000)	(485,000)
Balance as at August 31	\$39,900,408	\$27,399,361



# DISTRICT SCHOOL BOARD OF NIAGARA

## Notes to Consolidated Financial Statements

Year ended August 31, 2008

### 3. Net long-term liabilities (continued):

Principal payments relating to net long-term liabilities of \$39,900,408 outstanding as at August 31, 2008 are due as follows:

	Principal	Interest	Total
2009	\$ 935,508	\$ 1,905,742	\$ 2,841,250
2010	979,630	1,861,622	2,841,252
2011	1,025,835	1,766,005	2,791,840
2012	1,074,221	1,714,600	2,788,821
2013	1,124,893	1,664,528	2,789,421
Thereafter	34,760,321	18,020,580	52,780,901
	<b>\$ 39,900,408</b>	<b>\$ 26,933,077</b>	<b>\$ 66,833,485</b>

Included in net long-term debt are outstanding debentures of \$485,000 secured by sinking fund assets with a carrying value of \$485,000. Sinking fund assets are comprised of short-term deposits.

### 4. 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:

	2008	2007
Capital outlay to be recovered in future years:		
Net long-term debt (note 3)	\$ 39,900,408	\$ 27,399,361
Amounts to be financed in future years:		
Retirement and other employee future benefits liability (note 2)	38,952,270	40,660,210
Vacation accrual	1,139,828	1,058,135
Interest accrual	565,305	384,224
	<b>\$ 80,557,811</b>	<b>\$ 69,501,930</b>

# DISTRICT SCHOOL BOARD OF NIAGARA

## Notes to Consolidated Financial Statements

Year ended August 31, 2008

### 5. Debt charges and capital loans and leases interest:

The expenditure for debt charges, capital loans and capital leases interest includes principal, sinking fund and interest payments as follows:

	2008	2007
Principal payments on long-term liabilities	\$ 626,135	\$ 302,639
Interest payments on long-term liabilities	1,423,428	684,034
	\$ 2,049,563	\$ 986,673

### 6. Expenditures by object:

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

	2008 Budget	2008 Actual	2007 Actual
Current expenditures:			
Salary and wages	\$ 250,473,366	\$ 253,403,502	\$ 242,562,187
Employee benefits	33,069,046	33,641,111	35,008,489
Staff development	1,416,275	963,485	893,571
Supplies and services	27,469,831	26,067,140	25,487,952
Interest	2,722,154	1,604,511	1,198,374
Rental expenditures	33,630	121,461	830,178
Fees and contract services	17,313,820	18,061,979	17,639,540
Other	179,820	1,297,301	1,090,962
Capital expenditures	40,257,498	33,034,690	43,213,144
School funded activities	13,000,000	12,722,059	14,378,218
	\$ 385,935,440	\$ 380,917,239	\$ 382,302,615

### 7. 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.

# DISTRICT SCHOOL BOARD OF NIAGARA

## Notes to Consolidated Financial Statements

Year ended August 31, 2008

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### 8. Employee benefit plans:

The Board has agreed to provide a group health and welfare plan for certain employees and has assumed the liability for payment of benefits under this plan. The Board has contracted with an insurer for coverage of claims paid in excess of \$25,000 per plan member per year. An amount of \$3,222,900 has been provided for this liability.

### 9. Commitments:

The Board is committed to pay \$7,557,503 for capital expenditures.

### 10. Union Agreements

Occasional Secondary School Teachers, Occasional Elementary School Teachers, Elementary Teachers and Secondary Teachers Union Agreements have expired on August 31, 2008.

### 11. Tangible Capital Assets:

For fiscal years beginning on or after January 1, 2009 the Board will be required to report the historical cost and the accumulated depreciation of tangible capital assets in its financial statements in accordance with The Public Sector Accounting Handbook PS3150 – Tangible Capital Assets. As required by the Ministry of Education, the Board will fully implement this standard beginning with the August 31, 2009 fiscal year.

For 2008, Public Sector Guideline 7 requires the disclosure of tangible capital asset information in the notes to the financial statements to the extent that reliable information is available. The Board currently does not have detailed information related to furniture, equipment, computer hardware, computer software and vehicles to disclose. Information related to land and buildings summarized below has been obtained from the Ministry of Education for purposes of Provincial Consolidation. As these amounts were used for the purposes of the provincial consolidation, the amounts reported are as of March 31<sup>st</sup> with is the Province of Ontario's fiscal year-end.

Tangible capital assets will be recorded at historical cost. Historical cost includes the costs directly related to the acquisition, design, construction, development, improvement or betterment of tangible capital assets. Cost includes overheads directly attributable to construction and development. Estimated historical cost was used to record existing tangible capital assets, if the actual cost was unknown when the board first started to prepare to implement tangible capital asset accounting.

Amortization is reflected on a straight-line basis over the estimated useful life of the assets at the following amortization rates:

Land Improvements with finite lives	15 years
Buildings	40 years
Portable Structures	20 years
Other Buildings	20 years

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# DISTRICT SCHOOL BOARD OF NIAGARA

## Notes to Consolidated Financial Statements

Year ended August 31, 2008

### 11. Tangible Capital Assets:

This information will be subject to audit during the year that PS3150 is fully implemented for purposes of the school board's financial statements.

Unaudited

	COST (in 000's)			ACCUMULATED AMORTIZATION (in 000's)				NET BOOK VALUE (in 000'S)		
	Balance at March 31, 2007	Additions & Transfers	Disposals	Balance at March 31, 2008	Balance at March 31, 2007	Amortization	Disposals, Write offs & Adjustments	Balance at March 31, 2008	March 31, 2008	March 31, 2007
Land	4,561	314	(19)	4,856	-	-	-	-	4,856	4,561
Land Improvements	894	546	-	1,440	59	79		138	1,302	835
Buildings	388,708	30,870	(998)	418,580	144,756	11,285	(559)	155,482	263,098	243,952
Portable Structures	3,727	864	-	4,591	1,627	208	-	1,835	2,756	2,100
Assets Permanently Removed	1,466	-	-	1,466	1,466	-	-	1,466	-	-
Construction in Progress	2,592	1,219	-	3,811	-	-	-	-	3,811	2,592
Pre-acquisition and construction costs	240	(240)	-	-	-	-	-	-	-	240
<b>TOTAL</b>	<b>402,188</b>	<b>33,573</b>	<b>(1,017)</b>	<b>434,744</b>	<b>147,908</b>	<b>11,572</b>	<b>(559)</b>	<b>158,921</b>	<b>275,823</b>	<b>254,280</b>