

Financial Statements of

DISTRICT SCHOOL BOARD OF NIAGARA

Year ended August 31, 2000

DISTRICT SCHOOL BOARD OF NIAGARA

Balance Sheet

August 31, 2000, with comparative figures for 1999

	2000	1999
Assets		
Revenue Fund		
Bank	\$ 5,933,013	\$ 3,301,812
Temporary investments, at cost	24,005,000	20,000,000
Accounts receivable:		
Municipalities	13,262,159	11,945,660
Province of Ontario	-	2,413,579
Government of Canada	283,290	339,705
Other	1,073,879	541,371
Inventories, at cost	379,945	394,150
Prepaid expenses	2,768,326	1,920,471
Due from capital fund	9,176,721	9,176,721
	<hr/> 56,882,333	<hr/> 50,033,469
Reserve Funds		
Due from revenue fund	33,094,028	31,537,460
	<hr/> 33,094,028	<hr/> 31,537,460
Capital Fund		
Capital outlay to be recovered in future years	12,226,331	13,728,952
	<hr/> 12,226,331	<hr/> 13,728,952
Trust Funds		
Cash	1,676,000	1,890,174
Due from revenue fund	805,522	678,744
	<hr/> 2,481,522	<hr/> 2,568,918
	<hr/> \$ 104,684,214	<hr/> \$ 97,868,799

	2000	1999
Liabilities		
Revenue Fund		
Bank and other short-term borrowing	\$ 9,316,721	\$ 10,016,697
Accounts payable and accrued liabilities:		
Municipalities - other	52,929	100,211
Province of Ontario	2,345,520	-
Other school boards	-	5,052
Other	9,513,347	6,187,412
Due to other funds:		
Reserve funds	33,094,028	31,537,460
Trust funds	805,522	678,744
Deferred income	1,754,266	1,507,893
	<u>56,882,333</u>	<u>50,033,469</u>
Reserve Funds		
Reserves (note 2):		
Ministry special education	1,260,678	1,200,000
Other	31,833,350	30,337,460
	<u>33,094,028</u>	<u>31,537,460</u>
Capital Fund		
Due to revenue fund	9,176,721	9,176,721
Net long-term liabilities (note 4)	3,049,610	4,552,231
	<u>12,226,331</u>	<u>13,728,952</u>
Trust Funds		
Trust fund balances (note 5):		
Financed leave plan	1,671,125	1,885,299
Other	810,397	683,619
	<u>2,481,522</u>	<u>2,568,918</u>
	<u>\$ 104,684,214</u>	<u>\$ 97,868,799</u>

See accompanying notes to financial statements.

DISTRICT SCHOOL BOARD OF NIAGARA

Revenue Fund Statement of Operations

Year ended August 31, 2000, with comparative figures for 1999

	2000	1999
Revenue:		
Local taxation	\$ 107,594,560	\$ 103,773,246
Government of Ontario:		
Legislative grant	163,963,432	168,544,818
Capital grants	–	5,464,477
Other	2,179,429	6,322,999
	<hr/> 166,142,861	<hr/> 180,332,294
Government of Canada	670,936	428,299
Other:		
Tuition fees from individuals	691,818	448,159
School rentals	828,334	367,634
Proceeds on sale of shares	–	2,856,066
Proceeds on sale of property and equipment	1,448,632	1,085,014
Sundry	108,577	2,888,563
	<hr/> 3,077,361	<hr/> 7,645,436
	<hr/> 277,485,718	<hr/> 292,179,275
Net transfers from (to) reserves	2,209	(10,270,490)
Total revenue	<hr/> 277,487,927	<hr/> 281,908,785
Expenditures:		
Classroom	174,534,084	176,216,444
Non-classroom	44,265,166	41,794,071
Administration	6,733,432	7,523,443
Pupil transportation	11,818,614	11,424,096
Pupil accommodation	29,241,934	26,944,297
Capital expenditure	8,500,431	10,363,988
Other non-operating expenditure	437,367	5,655,487
Charges on net long-term liabilities (note 6)	1,956,899	1,986,959
Total expenditures	<hr/> 277,487,927	<hr/> 281,908,785
Surplus, beginning of year	–	–
	<hr/> –	<hr/> –
Surplus, end of year	<hr/> \$ –	<hr/> \$ –

See accompanying notes to financial statements.

DISTRICT SCHOOL BOARD OF NIAGARA

Capital Fund Statement of Operations

Year ended August 31, 2000, with comparative figures for 1999

	2000	1999
Working capital derived from:		
Revenue fund	\$ 15,159,054	\$ 14,867,779
Working capital applied to:		
Additions to capital assets	15,159,054	15,166,301
Increase in unfinanced capital expenditure	–	298,522
Unfinanced capital expenditure, beginning of year	9,176,721	8,878,199
Unfinanced capital expenditure, end of year	\$ 9,176,721	\$ 9,176,721

See accompanying notes to financial statements.

DISTRICT SCHOOL BOARD OF NIAGARA

Notes to Financial Statements

Year ended August 31, 2000

In accordance with the Fewer School Boards Act, 1997 and the Education Quality Improvement Act, 1997, the District School Board of Niagara was formed.

1. Significant accounting policies:

These financial statements have been prepared by the Board using accounting principles that are prescribed by the Ministry of Education and are considered appropriate for Ontario School Boards. These principles are in accordance with Canadian generally accepted accounting principles except as follows:

(a) Accrual accounting:

Revenue and expenditure are accounted for on the accrual basis of accounting except that:

- (i) No provision is made for interest on unmatured debenture debt from the date of payment to the end of the fiscal year.
- (ii) No provision is made to record the liability for retirement and/or sick leave benefits as they accrue over the working lives of employees. Reserves have been established to finance a portion of the future liability.
- (iii) Supplementary taxes and tax write offs have not been accrued or included in revenue or expenses for the period from January 1 to August 31. Any amounts paid/received relating to this period have been included in prepaid expenses/deferred income until the following year.

(b) Capital assets:

Capital assets are charged to current expenditure unless financed by long-term debt. Principal and interest charges on net long-term liabilities are included as expenditures in the period due. Capital assets, described as capital outlay to be recovered in future years, are included on the balance sheet only to the extent of the balances of the related net long-term liabilities outstanding and of the related temporary financing at the end of the fiscal year.

(c) Reserves and reserve funds:

Reserves and reserve funds represent funds appropriated for general and specific purposes and are charged or credited to revenue fund operations in the year appropriated or drawn down. The amounts in reserves and reserve funds are approved by the Board and are within the limits defined in the Education Act.

(d) Surplus (deficit) at year end:

The difference between the net expenditures of any year and the amounts received to finance these expenditures is carried forward to the subsequent year to either increase or reduce the net revenue requirement.

DISTRICT SCHOOL BOARD OF NIAGARA

Notes to Financial Statements, page 2

Year ended August 31, 2000

1. Significant accounting policies (continued):

(e) Legislative grant:

The legislative grant from the Province of Ontario is calculated based on actual expenditure and could be subject to adjustment by the Ministry of Education.

2. Reserve funds:

	2000	1999
Balance, beginning of year	\$ 31,537,460	\$ 20,327,084
Contribution from revenue fund	1,446,424	10,555,619
Interest earned	1,558,776	939,886
	3,005,200	11,495,505
Contribution to revenue fund	(1,448,632)	(285,129)
Balance, end of year	\$ 33,094,028	\$ 31,537,460

3. Future liability for retirement:

Under the sick leave benefit plans, unused sick leave can accumulate and employees may become entitled to a cash payment when they retire or leave the Board's employment.

The Board has estimated the liability for these accumulated days to the extent that they have vested and could be taken in cash by an employee on retirement or termination to be \$32,400,000 (1999 - \$ 24,323,000) at August 31, 2000. The estimated future liability for these accumulated days assuming that all existing eligible employees remain in the Board's employ until such time as the sick leave plan vests is \$58,200,000 at August 31, 2000. The Board continues to provide employee benefits to employees who have retired from the Board. This liability is estimated at \$4,000,000 at August 31, 2000. The Board has established a reserve of \$10,589,000 (1999 - \$10,078,400) to finance this future liability.

The amount paid and expensed in revenue fund statement of operations under all plans in 2000 was \$4,547,747 (1999 - \$10,139,895).

DISTRICT SCHOOL BOARD OF NIAGARA

Notes to Financial Statements, page 3

Year ended August 31, 2000

4. Net long-term liabilities:

(a) The balance of net long-term liabilities reported on the balance sheet is made up of the following:

	2000	1999
At the end of the year, the total outstanding principal amount	\$ 3,634,440	\$ 5,202,979
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by Le Conseil Scolaire Public du District Centre Sud Ouest. At the end of the year, the outstanding principal amount of this liability is	(584,830)	(650,748)
Net long-term liabilities, at end of year	\$ 3,049,610	\$ 4,552,231

(b) Principal and interest due within each of the next five years on net long-term liabilities is as follows:

	Principal	Interest	Total
2001	\$ 1,547,380	\$ 287,298	\$ 1,834,678
2002	537,180	174,275	711,455
2003	252,590	134,480	387,070
2004	273,990	111,171	385,161
2005	297,470	85,832	383,302
	\$ 2,908,610	\$ 793,056	\$ 3,701,666

(c) The Board is contingently liable for long-term liabilities with respect to those for which the responsibility for the payment of principal and interest has been assumed by Le Conseil Scolaire Public du District Centre Sud Ouest. The total amount outstanding as at December 31, 2000 of \$584,830 is not recorded on the balance sheet.

DISTRICT SCHOOL BOARD OF NIAGARA

Notes to Financial Statements, page 4

Year ended August 31, 2000

5. Continuity of trust funds:

	Financed Leave Plan	Other	Total
Balance, beginning of year	\$ 1,885,299	\$ 683,619	\$ 2,568,918
Add:			
Capital received	753,144	162,706	915,850
Interest earned	61,505	33,450	94,955
	2,699,948	879,775	3,579,723
Less:			
Disbursements	1,028,823	69,378	1,098,201
Balance, end of year	\$ 1,671,125	\$ 810,397	\$ 2,481,522

6. Charges on net long-term liabilities:

The expenditure for debenture debt charges reported in the revenue fund statement of operations includes principal and interest payments as follows:

	2000	1999
Principal payments	\$ 1,502,621	\$ 1,379,888
Interest payments	454,278	607,071
	\$ 1,956,899	\$ 1,986,959

7. Pension plan costs:

All non-teaching employees of the School Board are eligible to be members of the Ontario Municipal Employees Retirement System which is a multi-employer final average pay contributory plan. No employer contributions were made to the plan during the year by the Board. Those amounts have been included in expenditure in the revenue fund statement of operation.

Not shown in the financial statements of the Board are the employer's contributions to the Teachers' Superannuation Fund. The funding for such is provided directly by the Provincial Government.

8. Ontario School Board Insurance Exchange:

The school board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licenced under the Insurance Act. OSBIE insures general public liability, property damage and certain other risks.

DISTRICT SCHOOL BOARD OF NIAGARA

Notes to Financial Statements, page 5

Year ended August 31, 2000

9. Employee benefit plans:

- (a) The school 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 school board has contracted with an insurer for coverage of claims paid in excess of \$10,000 per plan member per year.
- (b) The school board has assumed the liability for any cost awarded under the Workers' Compensation Act. An amount of \$2,938,301 (1999 - \$2,796,981) has been provided for this liability and is included on the balance sheet as a reserve fund. Payments charged against operations in the current year amounted to \$714,550 (1999 - \$442,426). The school board has contracted with an insurer for coverage of claims paid in excess of \$250,000 per employee accident.