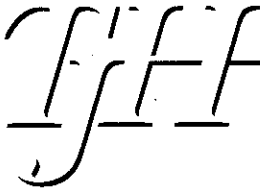


**Simcoe Muskoka Catholic
District School Board
Financial Statements
For the Year Ended August 31, 2007**

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T.J. Hehn & Associates

Chartered Accountants

37 Coldwater Road West, Orillia, Ontario L3V 3L2

Phone: 705-325-0094

Fax: 705-325-0097

www.tjhehn.ca

Auditors' Report

**To the Board of Trustees of the
Simcoe Muskoka Catholic
District School Board**

We have audited the statement of financial position of the Simcoe Muskoka Catholic District School Board as at August 31, 2007 and the statements of financial activities and of changes in financial position for the year then ended. These financial statements are the responsibility of the School Board's management. Our responsibility is to express an opinion on these 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 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 our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at August 31, 2007 and the results of its operations and changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

T.J. Hehn & Associates

Chartered Accountants
Licensed Public Accountants

Orillia, Ontario
November 8, 2007

Simcoe Muskoka Catholic District School Board
Statement of Financial Position
As At August 31, 2007

	August 31 2007	August 31 2006
Financial Assets		
Cash	\$ 10,745,860	\$ 9,891,207
Investments (Note 2, Page 9)	11,807,014	28,236,142
Accounts receivable	7,838,068	6,252,764
Total Financial Assets	30,390,942	44,380,113
Financial Liabilities		
Bank and other short-term borrowing	-	6,015,489
Accounts payable and accrued liabilities	12,838,629	14,805,885
Deferred revenue - externally restricted (Note 3, Page 9)	1,998,021	1,789,338
Deferred revenue - other	261,531	353,187
Retirement and other employee future benefits liabilities (Note 4, Page 10)	17,530,410	15,923,928
Net long-term liabilities (Note 5, Page 13)	145,115,870	146,488,485
Total Financial Liabilities	177,744,461	185,376,312
Net Financial Assets (Liabilities)	(147,353,519)	(140,996,199)
Non-Financial Assets		
Prepaid expenses	1,026,069	979,873
Net Assets (Liabilities)	\$(146,327,450)	\$(140,016,326)
Financial Position		
Operating fund (Schedule 1, Page 18)	\$ 714,258	\$ 66,618
Capital fund (Schedule 2, Page 19)	(4,267,647)	(6,682,031)
Reserve funds (Schedule 3, Page 20 and Note 6, Page 15)	22,815,884	31,970,375
	19,262,495	25,354,962
School activities fund (Schedule 4, Page 21)	1,612,478	1,579,821
Total Fund Balances	20,874,973	26,934,783
Amounts to be Recovered in Future Years (Note 7, Page 15)	(167,202,423)	(166,951,109)
Net Financial Position	\$(146,327,450)	\$(140,016,326)

Simcoe Muskoka Catholic District School Board
Statement of Financial Activities
For the Year Ended August 31, 2007

	Budget August 31 2007	Actual August 31 2007	Actual August 31 2006
Revenue			
Local taxation	\$ 36,680,041	\$ 39,143,918	\$ 37,415,259
Provincial grants - student focused funding	153,904,842	152,374,455	145,318,009
Provincial grants - other	3,157,798	2,604,247	4,070,136
Federal grants and fees	157,228	152,824	167,966
Other revenues - school boards	-	349,644	349,603
Other fees and revenue	980,771	3,894,859	1,879,386
Investment income	125,000	2,509,681	2,751,499
School fund raising and other revenues	-	7,337,712	7,010,558
	<u>195,005,680</u>	<u>208,367,340</u>	<u>198,962,416</u>
Expenditures			
Instruction	143,132,794	143,385,675	138,455,029
Administration	6,439,352	7,062,147	6,262,399
Transportation	10,858,766	11,426,119	11,185,888
School operations and maintenance	16,978,584	16,360,417	15,955,327
Pupil accommodation	13,540,962	28,071,183	29,453,178
Other	424,627	1,114,064	656,404
School funded activities	-	7,362,383	6,872,265
	<u>191,375,085</u>	<u>214,781,988</u>	<u>208,840,490</u>
Net Revenue (Expenditures)	3,630,595	(6,414,648)	(9,878,074)
Increase in Non-Financial Assets - Prepaid Expenses	-	46,196	756,577
	<u>3,630,595</u>	<u>(6,368,452)</u>	<u>(9,121,497)</u>
Change in Net Assets (Liabilities)			
Financing Transactions			
Long-term financing issued	-	4,500,000	-
Debt repayments and sinking fund contributions	(4,790,360)	(5,872,616)	(5,889,207)
Increase in unfunded liabilities	-	1,623,930	1,421,258
	<u>(4,790,360)</u>	<u>251,314</u>	<u>(4,467,949)</u>
Change in Amounts to be Recovered in Future Years			
	<u>(1,159,765)</u>	<u>(6,117,138)</u>	<u>(13,589,446)</u>
Change in Fund Balances Adjustments to School Activities Funds (Note 14, Page 17)			
	-	57,328	(62,421)
Opening Fund Balances	27,199,813	26,934,783	40,586,650
	<u>\$ 26,040,048</u>	<u>\$ 20,874,973</u>	<u>\$ 26,934,783</u>

Simcoe Muskoka Catholic District School Board
Statement of Changes in Financial Position
For the Year Ended August 31, 2007

	August 31 2007	August 31 2006
Operating Activities		
Net revenue (expenditures)	\$ (6,414,648)	\$ (9,878,074)
Sources and (uses)		
Decrease (increase) in accounts receivable	(1,585,304)	(251,564)
Decrease (increase) in investments	16,429,128	8,359,907
Increase (decrease) in accounts payable and accrued liabilities	(1,967,256)	1,642,789
Increase (decrease) in short-term borrowing	(6,015,489)	6,015,489
Increase (decrease) in deferred revenue - externally restricted	208,683	(986,180)
Increase (decrease) in deferred revenues - other	(91,656)	(62,600)
Increase (decrease) in retirement and other employee future benefits liabilities	1,606,482	1,348,768
	<u>2,169,940</u>	<u>6,188,535</u>
Financing Activities		
Long-term financing issued	4,500,000	-
Debt repaid and sinking fund contributions	(5,872,615)	(5,889,207)
	<u>(1,372,615)</u>	<u>(5,889,207)</u>
Increase in Cash and Cash Equivalents During the Year	797,325	299,328
Cash and Cash Equivalents, Beginning of Year	9,891,207	9,654,300
Adjustments to School Activities Funds (Note 14, Page 17)	57,328	(62,421)
Cash and Cash Equivalents, End of Year	\$ 10,745,860	\$ 9,891,207

Simcoe Muskoka Catholic District School Board

Notes to Financial Statements

For the Year Ended August 31, 2007

1. Significant Accounting Policies

The financial statements are prepared by management in accordance with Canadian 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 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 activities 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 financial statements.

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 financial statements as they 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 are comprised of cash on hand, demand deposits and short-term investments. Short-term investments are highly liquid, subject to insignificant risk of change in value and have a short maturity term of less than 90 days.

(e) Investments

Investments consist of marketable securities which are liquid short-term investments with maturities of between three months and one year at the date of acquisition. They are carried on the Statement of Financial Position at the lower of cost or market value.

(f) 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 in the year of acquisition.

Simcoe Muskoka Catholic District School Board

Notes to Financial Statements

For the Year Ended August 31, 2007

1. Significant Accounting Policies (continued)

(g) 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.

(h) Retirement and Other Employee Future Benefits

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance and health care benefits, retirement gratuities, workers' compensation and long-term disability benefits. 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 cost trends, disability recovery rate, 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 and life insurance and health care benefits for retirees, 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 workers' compensation, long-term disability and life insurance and health care benefits for those 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 costs of multi-employer defined pension plan benefits, such as the Ontario Municipal Employees 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.

(i) Reserves 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. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

Simcoe Muskoka Catholic District School Board

Notes to Financial Statements

For the Year Ended August 31, 2007

1. Significant Accounting Policies (continued)

(j) 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, any eligibility criteria have been met, and reasonable estimates of the amount can be made.

(k) Investment Income

Investment income earned on surplus operating funds, capital funds, reserves and reserve funds are reported as revenue in the period earned.

Investment income earned on externally restricted funds such as pupil accommodation, education development charges and special education is added to the fund balance and forms part of the respective deferred revenue balances.

(l) Budget Figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Board Trustees. The budget approved by the Board 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. The budget figures are unaudited.

(m) 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, disclosures of contingent assets and liabilities at the date of the financial statements, and reported revenues and expenditures during the year. Actual results may vary from current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known.

(n) Financial Instruments

The Statement of Financial Position value for short-term investments, accounts receivable, short-term borrowing, accounts payable and accrued liabilities approximates fair value because of their limited term. The Statement of Financial Position value of the net long-term liabilities approximates fair value because the Board's current rate of borrowing for similar debt instruments of comparable maturity is not materially different. Fair value estimates are made as at the Statement of Financial Position date based on relevant information and information about the financial instruments.

Simcoe Muskoka Catholic District School Board
Notes to Financial Statements
For the Year Ended August 31, 2007

2. Investments

	<u>2007</u>	<u>2006</u>
OSBFC Savings Fund	\$ 11,720,014	\$ 28,236,142
Term Deposit	87,000	-
	<u>\$ 11,807,014</u>	<u>\$ 28,236,142</u>

The OSBFC Savings Fund is comprised of short-term notes and deposits, government and government-guaranteed bonds and debentures. The term deposit has a interest rate of 3.8% and matures in December 2008.

3. Deferred Revenue - Externally Restricted

The use of certain reserve funds is restricted by Government of Ontario regulations. It is a requirement of the public sector accounting principles of the Canadian Institute of Chartered Accountants that these reserve funds be reported as deferred revenue.

Deferred revenue set aside for specific purposes by legislation, regulation or agreement is comprised of:

	<u>2007</u>	<u>2006</u>
Learning Improvements		
Balance, beginning of year	\$ 423,191	\$ 1,559,622
Increase (decrease) in deferred revenue	874,676	(1,136,431)
Balance, end of year	<u>1,297,867</u>	<u>423,191</u>
Education Development Charges		
Balance, beginning of year	1,004,496	807,474
Increase (decrease) in deferred revenue	(650,310)	168,411
Interest earned	49,640	28,611
Balance, end of year	<u>403,826</u>	<u>1,004,496</u>
Proceeds of Disposal		
Balance, beginning of year	295,269	224,283
Increase in deferred revenue	1,059	70,986
Balance, end of year	<u>296,328</u>	<u>295,269</u>
Distant School and Student Success		
Balance, beginning of year	66,382	184,139
Decrease in deferred revenue	(66,382)	(117,757)
Balance, end of year	<u>-</u>	<u>66,382</u>
Total Deferred Revenue - Externally Restricted	<u>\$ 1,998,021</u>	<u>\$ 1,789,338</u>

Simcoe Muskoka Catholic District School Board
Notes to Financial Statements
For the Year Ended August 31, 2007

4. Retirement and Other Employee Future Benefits

	<u>2007</u>	<u>2006</u>
Retirement and Other Employee Future Benefits Liabilities		
Liability, beginning of year	\$ 15,923,928	\$ 14,575,160
Employee future benefits expense		
Current year benefit cost	1,399,269	1,196,145
Interest on accrued benefits obligation	1,061,964	854,795
Recognized actuarial gains (losses)	402,260	141,177
	2,863,493	2,192,117
Benefits paid during the year	(1,257,011)	(843,349)
	1,606,482	1,348,768
Liability, end of year	\$ 17,530,410	\$ 15,923,928
Accrued Employee Future Benefits Obligations		
Accrued employee future benefits obligations	\$ 22,032,762	\$ 21,439,332
Unamortized actuarial gains (losses)	(4,502,352)	(5,515,404)
Employee future benefits liability	\$ 17,530,410	\$ 15,923,928

Employee future benefits expense above excludes pension contributions to the Ontario Municipal Employees Retirement System, a multi-employer pension plan, described below.

Retirement Benefits

(i) Ontario Teachers' Pension Plan

Teachers and related employee groups are eligible to be members of the Ontario Teachers' 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.

Simcoe Muskoka Catholic District School Board

Notes to Financial Statements

For the Year Ended August 31, 2007

4. Retirement and Other Employee Future Benefits (continued)

(ii) Ontario Municipal Employees Retirement System

Non-teaching employees of the Board may be 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, 2006 employee contribution rates were up to 9.6% of earnings. The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2007, the Board contributed \$1,387,192 (2006 - \$1,250,196) 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.

Other Employee Future Benefits

(i) Workplace Safety and Insurance Board Obligations

The Board is a Schedule 1 employer under the Workplace Safety and Insurance Act and, as such, the Board insures all claims by its injured workers under the Act. The Board's net insurance premiums for the year ended August 31, 2007 were \$1,218,636 (2006 - \$1,528,856) and are included in the Board's financial statements. No liabilities for claims by its injured workers under the Workplace Safety and Insurance Act are included in the Board's financial statements.

(ii) Long-term Disability Life Insurance and Health Care Benefits

The Board provides its share of life insurance, dental and health care benefits to employees on long-term disability leave. The Board is responsible for the payment of its share of life insurance premiums and the costs of 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.

(iii) Non-Vesting Sick Leave Accumulation Benefits

The Board allows employees to accumulate sick days, up to a maximum, and use these days for illness in the future. Only employees eligible for a retirement gratuity will benefit from any unused sick days at their retirement date.

Actuarial Report

The accrued benefit obligations for employee future benefit plans as at August 31, 2007 are based on actuarial valuations for accounting purposes as at August 31, 2007 as indicated in an actuarial report dated October 2007 except for long-term disability life insurance and health care benefits. These benefit obligations are based on actuarial valuations for accounting purposes as at August 31, 2007 as indicated in an actuarial report dated November 2003.

Simcoe Muskoka Catholic District School Board
Notes to Financial Statements
For the Year Ended August 31, 2007

4. Retirement and Other Employee Future Benefits (continued)

Economic Assumptions

The actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations for 2007 are a discount rate of 4.75% and salary increases of 3.75% for 2007 and 3.40% thereafter.

The actuarial valuation for 2006 was based on the following assumptions: discount rate of 5.0% for fiscal 2006 expense, discount rate of 4.75% for August 31, 2006 funded status and estimated fiscal 2007 expense, salary increases-inflation component of 2.5% for 2006-07, 3.0% for 2007-08 and 3.75% thereafter.

Simcoe Muskoka Catholic District School Board
Notes to Financial Statements
For the Year Ended August 31, 2007

5. Net Long-Term Liabilities

Net long-term liabilities reported on the Statement of Financial Position are comprised of the following:

	<u>2007</u>	<u>2006</u>
Debenture 1991 - Bylaw 2304-91, semi-annual payments of principal and interest at 10.25%, non-callable, maturing in November 2006	\$ -	\$ 250,000
Debenture 1992 - Bylaw 2402-92, semi-annual payments of principal and interest at 9.5% to 9.75%, non-callable, maturing in July 2012	560,000	640,000
Debenture 1994 - Bylaw 2603-94, semi-annual payments of principal and interest at 10% to 10.125%, maturing in July 2014	2,460,000	2,660,000
Debenture 1995 - Bylaw 2701-95, semi-annual payments of principal and interest at 9.875%, maturing in April 2015	2,460,000	2,660,000
Debenture 1996 (1) - Bylaw 2801-96, semi-annual payments of principal and interest at 8.5% to 9.1%, maturing in May 2016	5,100,000	5,450,000
Debenture 1996 (2) - Bylaw 2803-96, semi-annual payments of principal and interest at 6.75% to 7.5%, maturing in December 2016	2,550,000	2,725,000
Debenture 1997 - Bylaw 2903-97, semi-annual payments of principal and interest at 6.25% to 6.8%, maturing in December 2017	2,995,000	3,181,000
Debenture 2000 (OSBFC #1) - Bylaw 3201-00, semi-annual payments of principal and interest at 7.2%, maturing in December 2025	12,948,275	13,292,028
Debenture 2002 (OSBFC #4) - Bylaw 3402-02, semi-annual payments of principal and interest at 5.9%, maturing in October 2027	21,760,724	22,296,644
Debenture 2004 (OSBFC #5) - Bylaw 3601-04, semi-annual payments of principal and interest at 5.483%, maturing in November 2026	25,636,013	26,203,833
Debenture 2006 (OFA - GPTL 1) - Bylaw 3801-06, semi-annual payments of principal and interest at 4.56%, maturing in November 2031	4,450,839	-
Sinking Fund Debenture (OMIC #1 1991) - Bylaw 2301-91, semi-annual payments of principal and interest at 9.81%, maturing in May 2011	836,568	1,205,702
Sinking Fund Debenture (OMIC #2 1991) - Bylaw 2303-91, semi-annual payments of principal and interest at 9.86%, maturing in June 2011	743,077	1,056,533
Sinking Fund Debenture (OMIC #1 1992) - Bylaw 2401-92, semi-annual payments of principal and interest at 9.17%, maturing in July 2012	2,079,165	2,618,120
Sinking Fund Debenture (OSBFC #2 2000) - Bylaw 3202-00, semi-annual payments of principal and interest at 6.3%, maturing in September 2010	57,975,114	59,622,705
Sinking Fund Debenture (OSBFC #3 2003) - Bylaw 3401-02, semi-annual payments of principal and interest at 5.7%, maturing in October 2017	2,561,095	2,626,920
	\$145,115,870	\$146,488,485

Simcoe Muskoka Catholic District School Board
Notes to Financial Statements
For the Year Ended August 31, 2007

5. Net Long-Term Liabilities (continued)

Principal payments relating to net long-term liabilities of \$145,115,870 outstanding as at August 31, 2007 are due as follows:

	Principal and Sinking Fund Contributions	Interest	Total
2007-08	\$ 4,769,505	\$ 11,114,927	\$ 15,884,432
2008-09	5,006,559	10,955,594	15,962,153
2009-10	5,224,700	10,670,040	15,894,740
2010-11	5,445,307	8,272,928	13,718,235
2011-12	4,284,766	5,461,469	9,746,235
Thereafter	120,385,033	34,036,934	154,421,967
	<u>\$145,115,870</u>	<u>\$ 80,511,892</u>	<u>\$225,627,762</u>

Included in net long-term liabilities are outstanding debentures of \$64,195,019 (2006 - \$67,129,980) secured by sinking fund assets with a carrying and market value of \$22,492,679. Sinking fund assets are comprised of short-term notes and deposits, government and government-guaranteed bonds and debentures.

Le Conseil Scolaire de District Catholique Centre - Sud has assumed responsibility for the repayment of \$495,507 of the net long-term liabilities. This amount is included as part of the Amounts to be Recovered in Future Periods. Principal amounting to \$195,797 plus interest amounting to \$570,484 is recoverable over the next five years from this school board.

Simcoe Muskoka Catholic District School Board
Notes to Financial Statements
For the Year Ended August 31, 2007

6. Reserve Funds

Reserve funds set aside for specific purposes by the Board are comprised of:

	<u>2007</u>	<u>2006</u>
Learning Improvements Reserve - Student Success		
Balance, beginning of year	\$ -	\$ -
Transfer from (to) the operating fund	<u>16,224</u>	<u>-</u>
Balance, end of year	<u>16,224</u>	<u>-</u>
Non-Capital Reserve (Clarica)		
Balance, beginning of year	659,261	661,634
Interest earned	13,172	23,404
Transfer from (to) the operating fund	<u>(505,998)</u>	<u>(25,777)</u>
Balance, end of year	<u>166,435</u>	<u>659,261</u>
Pupil Accommodation Reserve		
Balance, beginning of year	31,111,114	41,972,860
Interest earned	1,391,960	1,249,464
Transfer from (to) operating fund	<u>(11,252,720)</u>	<u>(11,420,328)</u>
Transfer from (to) capital fund	<u>1,132,871</u>	<u>(690,882)</u>
Balance, end of year	<u>22,383,225</u>	<u>31,111,114</u>
Working Funds Reserve		
Balance, beginning of year	200,000	-
Transfer from (to) operating fund	<u>50,000</u>	<u>200,000</u>
	<u>250,000</u>	<u>200,000</u>
	<u>\$ 22,815,884</u>	<u>\$ 31,970,375</u>

7. Amounts to be Recovered in Future Years

	<u>2007</u>	<u>2006</u>
Capital Outlay to be Recovered in Future Years		
Net long term liabilities (Note 5, Page 13)	<u>\$145,115,870</u>	<u>\$146,488,485</u>
Amounts to be Financed in Future Years		
Retirement and other employee future benefits liability (Note 4, Page 10)	17,530,410	15,923,928
Vacation accrual	706,521	699,503
Interest accrual	<u>3,849,622</u>	<u>3,839,193</u>
	<u>\$167,202,423</u>	<u>\$166,951,109</u>

Simcoe Muskoka Catholic District School Board
Notes to Financial Statements
For the Year Ended August 31, 2007

8. Debt Charges and Interest

The expenditures for debt charges, sinking fund contributions and interest payments are as follows:

	<u>2007</u>
Principal payments on long-term liabilities including contributions to sinking funds	\$ 5,872,615
Interest payments on long-term liabilities	<u>11,127,597</u>
	<u>\$ 17,000,212</u>

9. 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.

10. Contractual Obligations and Contingent Liabilities

The Board has outstanding contractual obligations of approximately \$5,920,650 and outstanding letters of credit of \$450,042 for uncompleted capital projects at August 31, 2007.

The Board has a number of claims outstanding relating to construction liens and other lawsuits as well as potential lawsuits and/or claims. The Board does not anticipate any significant losses in these matters. Some matters are currently in litigation but no rulings have been made. Any losses will be recorded in the year of settlement.

11. Commitments

The Board has operating leases for its premises at 80 Bell Farm Road in Barrie at \$11,066 per month until May 2009 and for its premises at 566 Bryne Drive in Barrie at \$2,175 per month until July 2011.

The Board also has a lease for its local loop fibre-optic internet connection at \$47,403 per month until September 2016.

The minimum annual lease payments for the next five years and thereafter are as follows:

2008	\$ 727,730
2009	694,532
2010	594,937
2011	592,762
2012	<u>568,836</u>
	<u>\$ 3,178,797</u>

Simcoe Muskoka Catholic District School Board
Notes to Financial Statements
For the Year Ended August 31, 2007

12. Tuition Fees

During the year the Board billed the Beausoleil and Mnjikaning First Nations, on behalf of First Nations Pupils, \$152,825 in tuition fees.

13. Subsequent Event

Subsequent to the year end, the Board awarded the construction contract for the Innis Shore elementary school in the amount of \$9,049,000 plus applicable taxes.

14. Adjustments to School Activities Funds

During 2007 it was discovered that there were a number of schools that had provided incorrect or incomplete information for 2006. There were also some schools which did not provide any information for 2007. The net effect of these instances is reported as an adjustment to the opening fund balance for 2007 of \$57,328.

Simcoe Muskoka Catholic District School Board
Schedule 1 - Operating Fund
For the Year Ended August 31, 2007

	Budget August 31 2007	Actual August 31 2007	Actual August 31 2006
Revenue			
Local taxation	\$ 36,680,041	\$ 39,143,918	\$ 37,415,259
Provincial grants - student focused funding	153,904,842	152,374,455	145,318,009
Provincial grants - other	3,157,798	2,604,247	4,070,136
Federal grants and fees	157,228	152,824	167,966
Other revenues - school boards	-	349,644	349,603
Other fees and revenues	980,771	1,941,820	1,260,122
Investment income	125,000	1,104,549	1,478,631
	<u>195,005,680</u>	<u>197,671,457</u>	<u>190,059,726</u>
Expenditures			
Instruction	141,748,804	142,236,120	137,330,619
Administration	6,398,192	7,019,664	6,225,036
Transportation	10,858,766	11,426,119	11,185,888
School operations and maintenance	16,767,584	16,229,597	15,911,541
Pupil accommodation	11,280,813	11,294,153	11,468,161
Other non-operating expenditure	424,627	1,114,064	656,404
	<u>187,478,786</u>	<u>189,319,717</u>	<u>182,777,649</u>
Net Revenue (Expenditures)	7,526,894	8,351,740	7,282,077
Increase in Non-Financial Assets - Prepaid Expenses	-	46,196	756,577
	<u>7,526,894</u>	<u>8,397,936</u>	<u>8,038,654</u>
Change in Net Assets (Liabilities)			
Financing Transactions			
Debt principal repayments and sinking fund contributions	(4,790,360)	(5,872,616)	(5,889,207)
Increase in unfunded liabilities	-	1,623,930	1,421,258
	<u>(4,790,360)</u>	<u>(4,248,686)</u>	<u>(4,467,949)</u>
Change in Amounts to be Recovered in Future Years			
Net Transfers From (To) Other Funds			
Transfer from (to) capital fund	(3,896,299)	(15,194,104)	(15,079,937)
Transfer from (to) reserve funds	828,117	11,692,494	11,246,105
	<u>(3,068,182)</u>	<u>(3,501,610)</u>	<u>(3,833,832)</u>
Change in Operating Fund Balance	(331,648)	647,640	(263,127)
Opening Balance - Operating Fund	331,648	66,618	329,745
	<u>(331,648)</u>	<u>647,640</u>	<u>(263,127)</u>
Closing Balance - Operating Fund	\$ -	\$ 714,258	\$ 66,618

Simcoe Muskoka Catholic District School Board
Schedule 2 - Capital Fund
For the Year Ended August 31, 2007

	Budget August 31 2007	Actual August 31 2007	Actual August 31 2006
Revenue			
Educational development charges	\$ -	\$ 1,240,462	\$ 619,264
Other revenues	-	712,577	-
	-	1,953,039	619,264
Expenditures			
Instruction - furniture, equipment and computers	1,383,990	1,149,555	1,124,410
Administration - furniture, equipment and computers	41,160	42,483	37,363
School operations and maintenance - maintenance vehicles and equipment	211,000	130,820	43,786
Pupil accommodation	2,260,149	16,777,030	17,985,017
	3,896,299	18,099,888	19,190,576
Net Revenue (Expenditures)	(3,896,299)	(16,146,849)	(18,571,312)
Long-Term Financing Issued	-	4,500,000	-
Net Transfer From (To) Other Funds			
Transfers from (to) operating fund	3,896,299	15,194,104	15,079,937
Transfers from (to) reserve funds	-	(1,132,871)	690,882
	3,896,299	14,061,233	15,770,819
Change in Capital Fund Balance	-	2,414,384	(2,800,493)
Opening Balance - Capital Fund	(6,682,031)	(6,682,031)	(3,881,538)
Closing Balance - Capital Fund	\$ (6,682,031)	\$ (4,267,647)	\$ (6,682,031)

Simcoe Muskoka Catholic District School Board
Schedule 3 - Reserve Funds
For the Year Ended August 31, 2007

	Budget August 31 2007	Actual August 31 2007	Actual August 31 2006
Revenue			
Interest earned	\$ -	\$ 1,405,132	\$ 1,272,868
Net Transfers From (To) Other Funds			
Transfers from (to) operating fund	(828,117)	(11,692,494)	(11,246,105)
Transfers from (to) capital fund	-	1,132,871	(690,882)
	(828,117)	(10,559,623)	(11,936,987)
Change in Reserve Funds Balance	(828,117)	(9,154,491)	(10,664,119)
Opening Balance - Reserve Funds	31,970,375	31,970,375	42,634,494
Closing Balance - Reserve Funds (Note 6, Page 15)	\$ 31,142,258	\$ 22,815,884	\$ 31,970,375

Simcoe Muskoka Catholic District School Board
Schedule 4 - School Activities Fund
For the Year Ended August 31, 2007

	Budget August 31 2007	Actual August 31 2007	Actual August 31 2006
Revenue			
School fund raising and other revenue	\$ -	\$ 7,337,712	\$ 7,010,558
Expenditures			
School-funded activities	-	7,362,383	6,872,265
Net Revenue (Expenditures)	-	(24,671)	138,293
Opening Balance - School Activities Fund	1,579,821	1,579,821	1,503,949
Adjustments to School Activities Funds (Note 14, Page 17)			
	-	57,328	(62,421)
Closing Balance - School Activities Fund	\$ 1,579,821	\$ 1,612,478	\$ 1,579,821