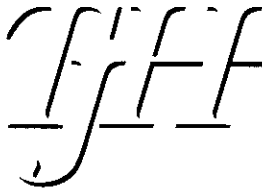


**Simcoe Muskoka Catholic
District School Board
Financial Statements
For the Year Ended August 31, 2006**

Index to Financial Statements

Auditors' Report	2
Financial Statements	
Statement of Financial Position	3
Statement of Financial Activities	4
Statement of Changes in Financial Position	5
Notes to Financial Statements	6
Schedules	
Schedule 1 - Operating Fund	20
Schedule 2 - Capital Fund	21
Schedule 3 - Reserve Funds	22
Schedule 4 - School Activities Fund	23



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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, 2006 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, 2006 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

Orillia, Ontario
November 3, 2006

Simcoe Muskoka Catholic District School Board
Statement of Financial Position
As At August 31, 2006

	August 31 2006	August 31 2005
Financial Assets		
Cash	\$ 9,891,207	\$ 9,654,300
Investments	28,236,142	36,596,049
Accounts receivable	6,252,764	6,001,200
Total Financial Assets	44,380,113	52,251,549
Financial Liabilities		
Bank and other short-term borrowing	6,015,489	-
Accounts payable and accrued liabilities	14,805,885	13,163,097
Deferred revenue - externally restricted (Note 2, Page 9)	1,789,338	2,775,518
Deferred revenue - other	353,187	415,787
Retirement and other employee future benefits payable (Note 3, Page 10)	15,923,928	14,575,160
Net long-term liabilities (Note 4, Page 13)	146,488,485	152,377,691
Total Financial Liabilities	185,376,312	183,307,253
Net Financial Assets (Liabilities)	(140,996,199)	(131,055,704)
Non-Financial Assets		
Prepaid expenses	979,873	223,296
Net Assets (Liabilities)	\$(140,016,326)	\$(130,832,408)
Financial Position		
Operating fund (Schedule 1, Page 20)	\$ 66,618	\$ 329,745
Capital fund (Schedule 2, Page 21)	(6,682,031)	(3,881,538)
Reserve funds (Schedule 3, Page 22 and Note 5, Page 15)	31,970,375	42,634,494
	25,354,962	39,082,701
School activities fund (Schedule 4, Page 23)	1,579,821	1,503,949
Total Fund Balances	26,934,783	40,586,650
Amounts to be Recovered in Future Years (Note 6, Page 15)	(166,951,109)	(171,419,058)
Net Financial Position	\$(140,016,326)	\$(130,832,408)

Simcoe Muskoka Catholic District School Board
Statement of Financial Activities
For the Year Ended August 31, 2006

	Budget August 31 2006	Actual August 31 2006	Actual August 31 2005
Revenue			
Local taxation	\$ 35,157,385	\$ 37,415,259	\$ 36,718,681
Provincial grants - student focused funding	146,262,979	145,318,009	137,379,327
Provincial grants - other	3,811,396	4,070,136	944,449
Federal grants and fees	157,395	167,966	147,764
Other revenues - school boards	-	349,603	351,995
Other fees and revenue	987,895	1,879,386	1,540,113
Investment income	-	2,751,499	2,287,968
School fund raising and other revenues	-	7,010,558	6,696,957
	<u>186,377,050</u>	<u>198,962,416</u>	<u>186,067,254</u>
Expenditures			
Instruction	135,065,662	138,455,029	128,094,450
Administration	6,207,751	6,262,399	5,983,089
Transportation	11,110,000	11,185,888	10,594,998
School operations and maintenance	15,568,016	15,955,327	15,098,343
Pupil accommodation	13,655,077	29,443,178	38,097,901
Other	424,626	666,404	602,774
School funded activities	-	6,872,265	6,516,833
	<u>182,031,132</u>	<u>208,840,490</u>	<u>204,988,388</u>
Net Revenue (Expenditures)	4,345,918	(9,878,074)	(18,921,134)
Increase (Decrease) in Non-Financial Assets - Prepaid Expenses	-	756,577	(15,160)
	<u>4,345,918</u>	<u>(9,121,497)</u>	<u>(18,936,294)</u>
Change in Net Assets (Liabilities)			
Financing Transactions			
Long-term financing issued	-	-	27,000,000
Debt repayments and sinking fund contributions	(4,700,360)	(5,889,207)	(5,352,843)
Increase in unfunded liabilities	-	1,421,258	1,415,953
	<u>(4,700,360)</u>	<u>(4,467,949)</u>	<u>23,063,110</u>
Change in Amounts to be Recovered in Future Years			
	(354,442)	(13,589,446)	4,126,816
Change in Fund Balances			
Adjustments to School Activities			
Funds (Note 14, Page 19)	-	(62,421)	328,896
Opening Fund Balances	40,586,650	40,586,650	36,130,938
	<u>\$ 40,232,208</u>	<u>\$ 26,934,783</u>	<u>\$ 40,586,650</u>

Simcoe Muskoka Catholic District School Board
Statement of Changes in Financial Position
For the Year Ended August 31, 2006

	August 31 2006	August 31 2005
Operating Activities		
Net revenue (expenditures)	\$ (9,878,074)	\$ (18,921,134)
Sources and (uses)		
Decrease (increase) in accounts receivable	(251,564)	(199,766)
Decrease (increase) in investments	8,359,907	(36,596,049)
Increase (decrease) in accounts payable and accrued liabilities	1,642,789	404,153
Increase (decrease) in short-term borrowing	6,015,489	-
Increase (decrease) in deferred revenue - externally restricted	(986,180)	1,120,611
Increase (decrease) in deferred revenues - other	(62,600)	161,352
Increase (decrease) in retirement and other employee future benefits payable (Note 3, Page 10)	1,348,768	874,214
	6,188,535	(53,156,619)
Financing Activities		
Long-term financing issued	-	27,000,000
Debt repaid and sinking fund contributions	(5,889,207)	(5,352,843)
	(5,889,207)	21,647,157
Increase (Decrease) in Cash and Cash Equivalents During the Year	299,328	(31,509,462)
Cash and Cash Equivalents, Beginning of Year	9,654,300	40,834,866
Adjustments to School Activities Funds (Note 14, Page 19)	(62,421)	328,896
Cash and Cash Equivalents, End of Year	\$ 9,891,207	\$ 9,654,300

Simcoe Muskoka Catholic District School Board

Notes to Financial Statements

For the Year Ended August 31, 2006

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, 2006

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, 2006

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 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, 2006

2. 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>2006</u>	<u>2005</u>
Learning Improvements		
Balance, beginning of year	\$ 1,559,622	\$ 15,005
Increase (decrease) in deferred revenue	(1,136,431)	1,544,617
	<u>423,191</u>	<u>1,559,622</u>
Education Development Charges		
Balance, beginning of year	807,475	1,106,281
Increase (decrease) in deferred revenue	168,411	(326,558)
Interest earned	28,611	27,752
	<u>1,004,497</u>	<u>807,475</u>
Proceeds of Disposal		
Balance, beginning of year	224,282	16,974
Increase (decrease) in deferred revenue	70,986	207,308
	<u>295,268</u>	<u>224,282</u>
Distant School and Student Success		
Balance, beginning of year	184,139	516,647
Increase (decrease) in deferred revenue	(117,757)	(332,508)
	<u>66,382</u>	<u>184,139</u>
Total Deferred Revenue - Externally Restricted	<u>\$ 1,789,338</u>	<u>\$ 2,775,518</u>

Simcoe Muskoka Catholic District School Board
Notes to Financial Statements
For the Year Ended August 31, 2006

3. Retirement and Other Employee Future Benefits

	<u>2006</u>	<u>2005</u>
Retirement and Other Employee Future Benefit Liabilities		
Liability, beginning of year	\$ 14,575,160	\$ 6,344,270
Non-vesting sick leave accumulated benefit obligation at September 1, 2004	-	7,356,676
	<u>14,575,160</u>	<u>13,700,946</u>
Employee future benefits expense		
Current year benefit cost	1,196,145	997,347
Interest on accrued benefit obligation	854,795	872,527
Recognized actuarial gains (losses)	141,177	29,161
	<u>2,192,117</u>	<u>1,899,035</u>
Benefits paid during the year	<u>(843,349)</u>	<u>(1,024,821)</u>
	<u>1,348,768</u>	<u>874,214</u>
Liability, end of year	<u>\$ 15,923,928</u>	<u>\$ 14,575,160</u>
Accrued Employee Future Benefit Obligations		
Accrued employee future benefit obligations	\$ 21,439,332	\$ 16,418,545
Unamortized actuarial gains (losses)	<u>(5,515,404)</u>	<u>(1,843,385)</u>
Employee future benefit liability	<u>\$ 15,923,928</u>	<u>\$ 14,575,160</u>

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, 2006

3. 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, 2006, the Board contributed \$1,250,196 (2005 - \$1,081,770) 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 insurance premiums for the year ended August 31, 2006 were \$1,528,856 (2005 - \$1,109,489) and are included in the Board's current year benefit costs. 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, 2006 are based on actuarial valuations for accounting purposes as at August 31, 2006 as indicated in an actuarial report dated October 2006 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, 2006 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, 2006

3. 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 2006 are:

Discount Rate

Fiscal 2006 expense	5.00%
August 31, 2006 funded status	4.75%
Estimated fiscal 2007 expense	4.75%

Salary Increases - Inflation Component

2006/2007	2.50%
2007/2008	3.00%
Thereafter	3.75%

The actuarial valuation for 2005 was based on the following assumptions: inflation 2%, wage and salary escalation 2%, insurance and health care cost escalation 2%, discount on accrued benefit obligations 5%.

Simcoe Muskoka Catholic District School Board
Notes to Financial Statements
For the Year Ended August 31, 2006

4. Net Long-Term Liabilities

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

	<u>2006</u>	<u>2005</u>
Debenture 1991 - Bylaw 2304-91, semi-annual payments of principal and interest at 10.25%, non-callable, maturing in November 2006	\$ 250,000	\$ 480,000
Debenture 1992 - Bylaw 2402-92, semi-annual payments of principal and interest at 9.5% to 9.75%, non-callable, maturing in July 2012	640,000	720,000
Debenture 1994 - Bylaw 2603-94, semi-annual payments of principal and interest at 10% to 10.125%, maturing in July 2014	2,660,000	2,840,000
Debenture 1995 - Bylaw 2701-95, semi-annual payments of principal and interest at 9.875%, maturing in April 2015	2,660,000	2,840,000
Debenture 1996 (1) - Bylaw 2801-96, semi-annual payments of principal and interest at 8.5% to 9.1%, maturing in May 2016	5,450,000	5,800,000
Debenture 1996 (2) - Bylaw 2803-96, semi-annual payments of principal and interest at 6.75% to 7.5%, maturing in December 2016	2,725,000	2,900,000
Debenture 1997 - Bylaw 2903-97, semi-annual payments of principal and interest at 6.25% to 6.8%, maturing in December 2017	3,181,000	3,357,000
Debenture 2000 (OSBFC #1) - Bylaw 3201-00, semi-annual payments of principal and interest at 7.2%, maturing in December 2025	13,292,028	13,612,305
Debenture 2002 (OSBFC #4) - Bylaw 3402-02, semi-annual payments of principal and interest at 5.9%, maturing in October 2027	22,296,644	22,802,291
Debenture 2004 (OSBFC #5) - Bylaw 3601-04, semi-annual payments of principal and interest at 5.483%, maturing in November 2026	26,203,833	26,741,756
Sinking Fund Debenture (OMIC #1 1991) - Bylaw 2301-91, semi-annual payments of principal and interest at 9.81%, maturing in May 2011	1,205,702	1,568,496
Sinking Fund Debenture (OMIC #2 1991) - Bylaw 2303-91, semi-annual payments of principal and interest at 9.86%, maturing in June 2011	1,056,533	1,365,069
Sinking Fund Debenture (OMIC #1 1992) - Bylaw 2401-92, semi-annual payments of principal and interest at 9.17%, maturing in July 2012	2,618,120	3,165,898
Sinking Fund Debenture (OSBFC #2 2000) - Bylaw 3202-00, semi-annual payments of principal and interest at 6.3%, maturing in September 2010	59,622,705	61,490,526
Sinking Fund Debenture (OSBFC #3 2003) - Bylaw 3401-02, semi-annual payments of principal and interest at 5.70%, maturing in October 2017	2,626,920	2,694,350
	\$146,488,485	\$152,377,691

Simcoe Muskoka Catholic District School Board
Notes to Financial Statements
For the Year Ended August 31, 2006

4. Net Long-Term Liabilities (continued)

Principal payments relating to net long-term liabilities of \$146,488,485 outstanding as at August 31, 2006 are due as follows:

	Principal and Sinking Fund Contributions	Interest	Total
2006/07	\$ 4,718,951	\$ 11,117,166	\$ 15,836,117
2007/08	4,667,793	10,913,115	15,580,908
2008/09	4,900,157	10,758,473	15,658,630
2009/10	5,113,390	10,477,827	15,591,217
2010/11	5,328,864	8,085,848	13,414,712
Thereafter	121,759,330	37,291,150	159,050,480
	<u>\$146,488,485</u>	<u>\$ 88,643,579</u>	<u>\$235,132,064</u>

Included in net long-term liabilities are outstanding debentures of \$67,129,980 (2005 - \$70,284,339) secured by sinking fund assets with a carrying and market value of \$19,557,720. 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 \$666,765 of the net long-term liabilities. This amount is included as part of the Amounts to be Recovered in Future Periods. Principal amounting to \$228,850 plus interest amounting to \$462,547 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, 2006

5. Reserve Funds

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

	<u>2006</u>	<u>2005</u>
Learning Improvements Reserve		
Balance, beginning of year	\$ -	\$ 200,000
Transfer from (to) the operating fund	-	(200,000)
	<hr/>	<hr/>
Balance, end of year	-	-
Non-Capital Reserve (Clarica)		
Balance, beginning of year	661,634	550,000
Interest earned	23,404	9,634
Transfer from (to) the operating fund	(25,777)	102,000
	<hr/>	<hr/>
Balance, end of year	659,261	661,634
Pupil Accommodation Reserve		
Balance, beginning of year	41,972,860	32,574,649
Interest earned	1,249,464	1,068,597
Transfer from (to) operating fund	(11,420,328)	3,260,810
Transfer from (to) capital fund	(690,882)	5,068,804
	<hr/>	<hr/>
Balance, end of year	31,111,114	41,972,860
Working Funds Reserve		
Balance, beginning of year	-	150,000
Transfer from (to) operating fund	200,000	(150,000)
	<hr/>	<hr/>
	200,000	-
	<hr/>	<hr/>
	\$ 31,970,375	\$ 42,634,494

6. Amounts to be Recovered in Future Years

	<u>2006</u>	<u>2005</u>
Capital Outlay to be Recovered in Future Years		
Net long term liabilities (Note 4, Page 13)	\$146,488,485	\$152,377,691
Amounts to be Financed in Future Years		
Retirement and other employee future benefits liability (Note 3, Page 10)	15,923,928	14,575,160
Vacation accrual	699,503	555,322
Interest accrual	3,839,193	3,910,885
	<hr/>	<hr/>
	\$166,951,109	\$171,419,058

Simcoe Muskoka Catholic District School Board
Notes to Financial Statements
For the Year Ended August 31, 2006

7. Debt Charges and Interest

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

	<u>2006</u>
Principal payments on long-term liabilities including contributions to sinking funds	\$ 5,889,207
Interest payments on long-term liabilities	<u>11,250,752</u>
	<u>\$ 17,139,959</u>

8. 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.

9. Contractual Obligations and Contingent Liabilities

The Board has outstanding contractual obligations of approximately \$12,475,981 and outstanding letters of credit of \$763,290 for uncompleted capital projects at August 31, 2006.

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.

Simcoe Muskoka Catholic District School Board
Notes to Financial Statements
For the Year Ended August 31, 2006

10. Commitments

The Board has operating leases for its premises at 80 Bell Farm Road in Barrie at \$10,060 per month until May 2007 and at \$11,066 per month until May 2009 and for its premises at 566 Bryne Drive in Barrie at \$2,175 per month under a lease expiring 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:

2007	\$	718,675
2008		727,729
2009		694,531
2010		594,937
2011		592,762
Thereafter		<u>2,891,562</u>
	\$	<u>6,220,196</u>

11. Tuition Fees

During the year the Board billed the Beausoleil and Mnjikaning First Nations, on behalf of First Nations Pupils, \$167,966 in tuition fees.

12. Subsequent Event

On October 18, 2006 the Board passed By-Law #3801-06 to authorize a loan from the Ontario Financing Authority for \$4,500,000 to fund Good Places to Learn projects. The loan is payable in semi-annual payments of principal and interest at 4.56% and matures in November 2031.

Simcoe Muskoka Catholic District School Board
Notes to Financial Statements
For the Year Ended August 31, 2006

13. Public Sector Salary Disclosure Act

For the calendar year 2005, the following employees were paid a salary, as defined in the Public Sector Salary Disclosure Act, 1997, of \$100,000 or more:

<u>Name</u>	<u>Position</u>	<u>Salary Paid</u>	<u>Taxable Benefits</u>
Brian Beal	Superintendent of Programme and Services	\$ 127,585	\$ 75
Denise Calvert	Special Education Coordinator	\$ 100,806	\$ 75
Glenn Clarke	Controller of Plant	\$ 134,666	\$ 75
William Connors	Superintendent of Schools	\$ 135,106	\$ 75
James Dault	Elementary School Principal	\$ 103,264	\$ 75
Peter Derochie	Associate Director of Education (Business and Finance)	\$ 137,849	\$ 5,167
Delio Di Giovanni	Assistant to the Superintendent of Programme and Services	\$ 105,389	\$ 75
Pia Elston	Controller of Finance	\$ 100,554	\$ 75
Carmel Follis	Elementary School Principal	\$ 100,897	\$ 75
Michael Follis	Elementary School Principal	\$ 100,887	\$ 75
Paul Frederick	Assistant to the Superintendent of Schools	\$ 110,633	\$ 75
Alan Hardwick	General Manager and CEO, Transportation Consortium	\$ 100,162	\$ 75
Paul Healy	Elementary School Principal	\$ 100,887	\$ 75
Catherine Humphries	Secondary School Principal	\$ 104,994	\$ 75
Debra Hyland	Elementary School Principal	\$ 104,994	\$ 75
John Ingriselli	Secondary School Vice Principal	\$ 100,887	\$ 75
Shirlee Kowalchuk	Manager of Employee Relations	\$ 100,554	\$ 75
Matthew McCann	Secondary School Principal	\$ 104,994	\$ 75
Catherine McCullough	Superintendent of Schools	\$ 141,090	\$ 75
Mario Melchiorre	Elementary School Principal	\$ 104,315	\$ 75
Michael O'Keefe	Director of Education	\$ 153,874	\$ 6,243
Paul Parent	Assistant to the Superintendent of Schools	\$ 104,385	\$ 75
Ana Marie Prokopich	Secondary School Principal	\$ 102,256	\$ 75
Darren Schmidt	Assistant to the Superintendent of Schools	\$ 104,928	\$ 37
Enda Soostar	Associate Superintendent of Human Resources	\$ 134,828	\$ 75
Denise Tinney	Secondary School Principal	\$ 104,994	\$ 75
Sydney Zyla	Secondary School Principal	\$ 105,994	\$ 75

Simcoe Muskoka Catholic District School Board
Notes to Financial Statements
For the Year Ended August 31, 2006

14. Adjustments to School Activities Funds

During 2006 it was discovered that there were a number of schools that had provided incorrect or incomplete information for 2005. There were also some schools which did not provide any information for 2006. The net affect of these instances is reported as an adjustment to the opening fund balance for 2006 of (\$62,421).

Simcoe Muskoka Catholic District School Board
Schedule 1 - Operating Fund
For the Year Ended August 31, 2006

	Budget August 31 2006	Actual August 31 2006	Actual August 31 2005
Revenue			
Local taxation	\$ 35,157,385	\$ 37,415,259	\$ 36,718,681
Provincial grants - student focused funding	146,262,979	145,318,009	137,379,327
Provincial grants - other	3,811,396	4,070,136	944,449
Federal grants and fees	157,395	167,966	147,764
Other revenues - school boards	-	349,603	351,995
Other fees and revenues	987,895	1,260,122	374,933
Investment income	-	1,478,631	1,209,737
	<u>186,377,050</u>	<u>190,059,726</u>	<u>177,126,886</u>
Expenditures			
Instruction	133,842,022	137,330,619	127,057,879
Administration	6,163,260	6,225,036	5,934,904
Transportation	11,110,000	11,185,888	10,594,998
School operations and maintenance	15,400,516	15,911,541	14,931,899
Pupil accommodation	13,655,077	11,468,161	11,119,987
Other non-operating expenditure	424,626	656,404	602,774
	<u>180,595,501</u>	<u>182,777,649</u>	<u>170,242,441</u>
Net Revenue (Expenditures)	5,781,549	7,282,077	6,884,445
Increase (Decrease) in Non-Financial Assets - Prepaid Expenses	-	756,577	(15,160)
Change in Net Assets (Liabilities)	<u>5,781,549</u>	<u>8,038,654</u>	<u>6,869,285</u>
Financing Transactions			
Debt principal repayments and sinking fund contributions	(4,700,360)	(5,889,207)	(5,352,843)
Increase in unfunded liabilities	-	1,421,258	1,415,953
Change in Amounts to be Recovered in Future Years	<u>(4,700,360)</u>	<u>(4,467,949)</u>	<u>(3,936,890)</u>
Net Transfers (To) From Other Funds			
Transfer (to) from capital fund	(1,435,631)	(15,079,937)	(14,741,381)
Transfer (to) from reserve funds	24,697	11,246,105	10,477,371
	<u>(1,410,934)</u>	<u>(3,833,832)</u>	<u>(4,264,010)</u>
Change in Operating Fund Balance	(329,745)	(263,127)	(1,331,615)
Opening Balance - Operating Fund	<u>329,745</u>	<u>329,745</u>	<u>1,661,360</u>
Closing Balance - Operating Fund	<u>\$ -</u>	<u>\$ 66,618</u>	<u>\$ 329,745</u>

Simcoe Muskoka Catholic District School Board
Schedule 2 - Capital Fund
For the Year Ended August 31, 2006

	Budget August 31 2006	Actual August 31 2006	Actual August 31 2005
Revenue			
Educational development charges	\$ -	\$ 619,264	\$ 1,165,180
Expenditures			
Instruction - furniture, equipment and computers	1,223,640	1,124,410	1,036,571
Administration - furniture, equipment and computers	44,491	37,363	48,185
School operations and maintenance - maintenance vehicles and equipment	167,500	43,786	166,444
Pupil accommodation	-	17,975,017	26,977,914
Other - Best Start	-	10,000	-
Total Expenditures	1,435,631	19,190,576	28,229,114
Net Revenue (Expenditures)	(1,435,631)	(18,571,312)	(27,063,934)
Long-Term Financing Issued	-	-	27,000,000
Net Transfer From (To) Other Funds			
Transfers from (to) operating fund	1,435,631	15,079,937	14,741,381
Transfers from (to) reserve funds	-	690,882	(18,558,985)
	1,435,631	15,770,819	(3,817,604)
Change in Capital Fund Balance	-	(2,800,493)	(3,881,538)
Opening Balance - Capital Fund	(3,881,538)	(3,881,538)	-
Closing Balance - Capital Fund	\$ (3,881,538)	\$ (6,682,031)	\$ (3,881,538)

Simcoe Muskoka Catholic District School Board
Schedule 3 - Reserve Funds
For the Year Ended August 31, 2006

	Budget August 31 2006	Actual August 31 2006	Actual August 31 2005
Revenue			
Interest earned	\$ -	\$ 1,272,868	\$ 1,078,231
Net Transfers (To) From Other Funds			
Transfers from (to) operating fund	(24,697)	(11,246,105)	(10,477,371)
Transfers from (to) capital fund	-	(690,882)	18,558,985
	(24,697)	(11,936,987)	8,081,614
Change in Reserve Funds Balance	(24,697)	(10,664,119)	9,159,845
Opening Balance - Reserve Funds	42,634,494	42,634,494	33,474,649
Closing Balance - Reserve Funds (Note 5, Page 15)	\$ 42,609,797	\$ 31,970,375	\$ 42,634,494

Simcoe Muskoka Catholic District School Board
Schedule 4 - School Activities Fund
For the Year Ended August 31, 2006

	Budget August 31 2006	Actual August 31 2006	Actual August 31 2005
Revenue			
School fund raising and other revenue	\$ -	\$ 7,010,558	\$ 6,696,957
Expenditures			
School-funded activities	-	6,872,265	6,516,833
Net Revenue (Expenditures)	-	138,293	180,124
Opening Balance - School Activities Fund	1,503,949	1,503,949	994,929
Adjustments to School Activities Funds (Note 14, Page 19)			
	-	(62,421)	328,896
Closing Balance - School Activities Fund	\$ 1,503,949	\$ 1,579,821	\$ 1,503,949