

**Trillium Lakelands
District School Board
Consolidated Financial Statements
For the year ended August 31, 2009**

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MANAGEMENT REPORT

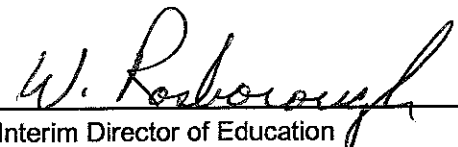
Management's Responsibility for the Financial Statements

The accompanying financial statements of the Trillium Lakelands District School Board are the responsibility of the Boards 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 attached 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.

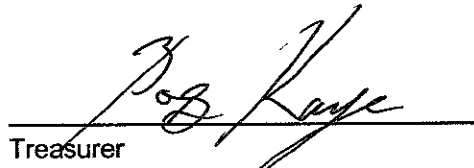
Board management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis 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 BDO Dunwoody 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.


Interim Director of Education

November 4, 2009


Treasurer

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Auditors' Report

**To the Board of Trustees of the
Trillium Lakelands District School Board**

We have audited the consolidated statement of financial position of the Trillium Lakelands District School Board as at August 31, 2009 and the consolidated statement of financial activities and 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 Trillium Lakelands District School Board as at August 31, 2009 and the results of its operations and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

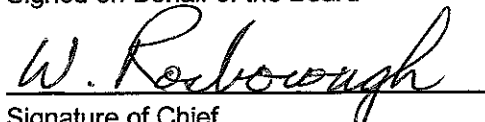
Chartered Accountants, Licensed Public Accountants

Peterborough, Ontario
November 4, 2009

**Trillium Lakelands District School Board
Consolidated Statement of Financial Position**

August 31	2009	2008
	(in thousands of dollars)	
Financial Assets		
Cash and cash equivalents	\$ 12,018	\$ 8,058
Accounts receivable	13,063	11,076
	25,081	19,134
Financial Liabilities		
Accounts payable and accrued liabilities	9,964	10,516
Net debenture debt (Note 3)	20,297	18,883
Deferred revenue - reserves (Note 1)	4,520	4,348
Deferred revenue - other	405	389
Employee benefits payable (Note 2)	30,647	29,503
	65,833	63,639
Net Financial Liabilities	(40,752)	(44,505)
Non-Financial Assets		
Prepaid expenses	122	5,032
	\$ (40,630)	\$ (39,473)
Financial Position		
Operating fund	\$ -	\$ -
Capital fund	(11,373)	(11,330)
Reserve fund	21,261	19,762
School activities fund	1,538	1,588
	11,426	10,020
Amounts to be Recovered by Future Revenues (Note 5)	(52,056)	(49,493)
	\$ (40,630)	\$ (39,473)

Signed on Behalf of the Board


Signature of Chief
Executive Officer


Signature of Chair of
The School Board

Trillium Lakelands District School Board Consolidated Statement of Financial Activities

For the year ended August 31	Budget 2009	Actual 2009	Actual 2008
	(in thousands of dollars)		
Revenues			
Local taxation	\$ 81,911	\$ 83,959	\$ 81,161
Provincial grants - student focused funding	104,714	104,782	101,220
Provincial grants - other	(1)	2,948	2,482
Federal grants and fees	-	146	603
Other revenues - school boards	2,530	2,303	2,471
Other fees and revenues	183	2,232	2,406
Investment income	150	138	236
School fundraising	6,333	6,071	6,333
	<u>195,820</u>	<u>202,579</u>	<u>196,912</u>
Expenditures			
Instruction	139,364	140,481	138,684
Administration	5,982	6,008	6,195
Transportation	17,084	16,445	16,456
School operations and maintenance	18,528	19,818	19,338
Pupil accommodation	6,964	9,366	10,883
Other	587	587	587
School fund activities	6,249	6,121	6,249
	<u>194,758</u>	<u>198,826</u>	<u>198,392</u>
Net revenue (expenditure)	<u>1,062</u>	<u>3,753</u>	<u>(1,480)</u>
Increase (decrease) in non-financial assets	<u>-</u>	<u>(4,910)</u>	<u>1,650</u>
Change in amounts to be recovered			
Long-term financing	-	2,440	6,374
Debt repayments and sinking fund contributions	(1,026)	(1,026)	(812)
Increase (decrease) in unfunded liabilities	949	1,149	546
	<u>(77)</u>	<u>2,563</u>	<u>6,108</u>
Change in fund balances	985	1,406	6,278
Opening fund balances	<u>14,305</u>	<u>10,020</u>	<u>3,742</u>
Closing fund balances	<u>\$ 15,290</u>	<u>\$ 11,426</u>	<u>\$ 10,020</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Trillium Lakelands District School Board
Consolidated Statement of Changes in Financial Position

For the year ended August 31	2009	2008
	(in thousands of dollars)	
Operations		
Net revenue	\$ 3,753	\$ (1,480)
Change in non-cash working capital balances		
Decrease (increase) in accounts receivable	(1,987)	1,335
Increase (decrease) in accounts payable and accrued liabilities	(552)	(487)
Increase (decrease) in deferred revenue - reserves	172	5
Increase (decrease) in deferred revenue - other	16	(291)
Increase (decrease) in employee benefits payable	1,144	459
	<u>2,546</u>	<u>(459)</u>
Financing		
New debt issued	2,440	6,374
Debt repaid and sinking fund contributions	(1,026)	(812)
	<u>1,414</u>	<u>5,562</u>
Increase in cash and cash equivalents	3,960	5,103
Cash and cash equivalents, beginning of year	8,058	2,955
Cash and cash equivalents, end of year	\$ 12,018	\$ 8,058

Trillium Lakelands District School Board
Schedule of Operating Fund

For the year ended August 31	Budget 2009	Actual 2009	Actual 2008
			(in thousands of dollars)
Revenues			
Local taxation	\$ 81,911	\$ 83,959	\$ 81,161
Provincial grants - student focused funding	104,714	104,782	101,220
Provincial grants - other	(1)	2,948	2,482
Federal grants and fees	-	146	603
Other revenues - school boards	2,530	2,303	2,471
Other fees and revenues	183	2,226	2,368
Investment income	150	138	236
	<u>189,487</u>	<u>196,502</u>	<u>190,541</u>
Expenditures			
Instruction	138,324	140,220	138,135
Administration	5,881	5,929	5,835
Transportation	17,084	16,445	16,456
School operations and maintenance	18,428	19,761	19,312
Pupil accommodation	1,389	1,426	1,272
Other	587	587	587
	<u>181,693</u>	<u>184,368</u>	<u>181,597</u>
Net revenue	<u>7,794</u>	<u>12,134</u>	<u>8,944</u>
Increase (decrease) in non-financial assets	<u>-</u>	<u>(4,910)</u>	<u>1,650</u>
Change in amounts to be recovered			
Debt repayments and sinking fund contributions	(1,026)	(1,026)	(812)
Increase (decrease) in unfunded liabilities	949	1,149	546
	<u>(77)</u>	<u>123</u>	<u>(266)</u>
Net transfers (to) from other funds			
Transfers from (to) capital fund	(6,817)	(5,749)	(6,299)
Transfers from (to) reserve fund	(900)	(1,598)	(4,029)
	<u>(7,717)</u>	<u>(7,347)</u>	<u>(10,328)</u>
Change in operating fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Opening operating fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Closing operating fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Trillium Lakelands District School Board
Schedule of Capital Fund

For the year ended August 31	Budget 2009	Actual 2009	Actual 2008
	(in thousands of dollars)		
Revenues			
Other fees and revenues	\$ -	\$ 6	\$ 38
Expenditures			
Instruction	1,040	261	549
Administration	101	79	360
School operations and maintenance	100	57	26
Pupil accommodation	5,576	7,940	9,611
	<u>6,817</u>	<u>8,337</u>	<u>10,546</u>
Net revenue (expenditure)	<u>(6,817)</u>	<u>(8,331)</u>	<u>(10,508)</u>
Change in amounts to be recovered			
Long-term financing	-	2,440	6,374
Net transfers (to) from other funds			
Transfers from (to) operating fund	6,817	5,749	6,299
Transfers from (to) reserve fund	-	99	(2,933)
	<u>6,817</u>	<u>5,848</u>	<u>3,366</u>
Change in capital fund balance	-	(43)	(768)
Opening capital fund balance	-	(11,330)	(10,562)
Closing capital fund balance	<u>\$ -</u>	<u>\$ (11,373)</u>	<u>\$ (11,330)</u>

Trillium Lakelands District School Board
Schedule of Internally Restricted Reserve Funds

For the year ended August 31	Budget 2009	Actual 2009	Actual 2008
			(in thousands of dollars)
<u>Operating reserves</u>			
Reserve for working funds			
Balance, beginning of year	\$ 12,223	\$ 14,751	\$ 12,222
Net transfer (to) from the operating fund	-	698	2,529
Balance, end of year	12,223	15,449	14,751
Reserve for retirement gratuities			
Balance, beginning of year	500	500	500
Net transfer (to) from the operating fund	-	-	-
Balance, end of year	500	500	500
<u>Capital reserves</u>			
Reserve for capital			
Balance, beginning of year	-	4,433	-
Net transfer (to) from operating fund	900	900	1,500
Net transfer (to) from capital fund	-	(99)	2,933
Balance, end of year	900	5,234	4,433
Reserve for administrative facilities			
Balance, beginning of year	77	78	78
Net transfer (to) from the reserve fund	-	-	-
Balance, end of year	77	78	78
	\$ 13,700	\$ 21,261	\$ 19,762

Trillium Lakelands District School Board
Schedule of School Activities Fund

For the year ended August 31	Budget 2009	Actual 2009	Actual 2008
	(in thousands of dollars)		
Revenues			
School fundraising	\$ 6,333	\$ 6,071	\$ 6,333
Expenditures			
School fund activities	6,249	6,121	6,249
Change in school activities fund balance	84	(50)	84
Opening school activities fund balance	1,504	1,588	1,504
Closing school activities fund balance	\$ 1,588	\$ 1,538	\$ 1,588

Trillium Lakelands District School Board Summary of Significant Accounting Policies

August 31, 2009

The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for local governments 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.

The following entities are reflected in the statements:

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.

(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, balances held at chartered banks and investments.

(e) 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 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.

Trillium Lakelands District School Board Summary of Significant Accounting Policies

August 31, 2009

(g) 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 gratuity, worker's compensation and long-term disability benefits. The Board has adopted the following policies with respect to accounting for these employee benefits:

- (i) The cost of self insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care costs trends, disability recovery rates, long-term inflation rates and discount rates.

For self insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as sick leave, 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.

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 & health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur.

- (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.

(h) Reserves and Reserve Funds

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

(i) Government Transfers

Government transfers, which include legislative grants, are recognized in the financial statement 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.

Trillium Lakelands District School Board Summary of Significant Accounting Policies

August 31, 2009

(j) Investment Income

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

(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.

(l) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the year. The principal estimates used in the preparation of these financial statements are the determination of the liability for post-retirement benefits and the estimated useful life of tangible capital assets. Actual results could differ from these estimates, as additional information becomes available in the future.

(m) Segmented Information

The Board is a government institution that provides education services. For management reporting purposes the Board's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Services are provided by departments and their activities are reported in these funds. No additional disclosure on a segmented basis was considered necessary as the Board considers all the services and activities they provide to be encompassed in the segment of education.

Trillium Lakelands District School Board Notes to Consolidated Financial Statements

August 31, 2009

(tabular amounts in thousands of dollars)

1. Deferred Revenue

The use of certain funds is restricted by the provincial government regulations. It is a requirement of the public sector accounting principles of the Canadian Institute of Chartered Accountants that these funds be reported as deferred revenue until the restrictions are met.

Deferred revenue set aside for the specific purposes by legislation, regulation or agreement as at August 31, 2009 is comprised of:

	Balance as at August 31 2008	Externally Restricted Revenue and Investment Income	Revenue Recognized in the Period	Balance as at August 31 2009
Pupil accommodation	\$ -	\$ 4,744	\$ 4,744	\$ -
Classroom expenditure	4,194	-	-	4,194
Other	154	680	508	326
	\$ 4,348	\$ 5,424	\$ 5,252	\$ 4,520

2. Retirement and Other Employee Future Benefits

Liabilities

	2009			2008	
	Retirement Benefits	Sick Leave Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Accrued liability	\$ 23,441	\$ 8,214	\$ 400	\$ 32,055	\$ 31,165
Unamortized actuarial (gain) loss	(1,782)	3,005	(88)	1,135	1,222
Accrued benefit obligation	\$ 21,659	\$ 11,219	\$ 312	\$ 33,190	\$ 32,387

The Board has determined that the liability related to the identified retirees amounts to \$1,409,223 (2008 - \$1,662,208). This portion of the total employee future benefit liability is included in accounts payable and accrued liabilities.

Trillium Lakelands District School Board
Notes to Consolidated Financial Statements

August 31, 2009

(tabular amounts in thousands of dollars)

2. Retirement and Other Employee Future Benefits (Continued)

Change in Employee Future Benefit Liability

	2009			2008	
	Retirement Benefits	Sick Leave Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Current year benefit cost	\$ 1,700	\$ 685	\$ 8	\$ 2,393	\$ 2,296
Interest on accrued benefit obligation	939	490	14	1,443	1,410
Benefit payments ¹	(2,007)	(999)	(27)	(3,033)	(3,028)
Amortization of actuarial (gains)/losses	(170)	291	(34)	87	87
Net change	\$ 462	\$ 467	\$ (39)	\$ 890	\$ 765

¹ Excluding pension contributions to the Ontario Municipal Employees Retirement System, a multi-employer pension plan described below

Retirement Benefits

(i) Ontario Teacher's Pension Plan

Teachers and related employee groups are eligible to be members of the Ontario Teacher's Pension Plan. Employer contributions for these employees are provided directly by the Province of Ontario. The pension costs and obligations related to this plan are a direct responsibility of the Province.

Accordingly, no costs or liabilities related to this plan are included in the Board's financial statements.

(ii) Ontario Municipal Employees Retirement System

All non-teaching employees of the Board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The Administration Corporation Board of Directors, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. OMERS provides pension services to more than 380,000 active and retired members and approximately 910 employers.

Trillium Lakelands District School Board

Notes to Consolidated Financial Statements

August 31, 2009

(tabular amounts in thousands of dollars)

2. Retirement and Other Employee Future Benefits (Continued)

Each year an independent actuary determines the funding status of the OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets of the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2008. The results of this valuation disclosed total actuarial liabilities of \$50.08 billion in respect of benefits accrued for service with actuarial assets at that date of \$49.801 billion indicating an actuarial deficit of \$279 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. During the year ended August 31, 2009, the Board contributed \$1,556,967 (2008 - \$1,477,169) to the plan.

(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. As detailed on the Schedule of Reserve Fund, the Board has a retirement gratuity reserve. The balance of this reserve totalled \$500,000 at August 31, 2009 (2008 - \$500,000).

(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. 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.

The accrued benefit obligations for employee future benefit plans as at August 31, 2009 are based on actuarial valuations for accounting purposes as at August 31, 2008. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	2009	2008
Inflation	2.0 %	2.0 %
Wage and salary escalation	3.0 %	3.0 %
Health care cost escalation	11.0 %	11.5 %
Dental cost escalation	7.0 %	7.5 %
Discount rate	4.5 %	4.5 %

Trillium Lakelands District School Board Notes to Consolidated Financial Statements

August 31, 2009

(tabular amounts in thousands of dollars)

2. Retirement and Other Employee Future Benefits (Continued)

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, is self-insured. The Board has insurance coverage in force to protect against costs in excess of \$250,000 per accident. The actuarially determined future benefit obligation for WSIB claims is \$1,466,974 (2008 - \$1,317,815). The Board holds funds on account with National bank in the amount of \$1,587,506 (2008 - \$1,857,646) with the purpose of meeting this obligation when necessary.

(ii) Sick Leave Benefits

The Board provides sick leave benefits to certain employee groups. Unused sick days are allowed to accumulate to a maximum number of days based on the group plan. Unused sick days are used by employees for illness in the future.

Trillium Lakelands District School Board Notes to Consolidated Financial Statements

August 31, 2009

(tabular amounts in thousands of dollars)

3. Net Debenture Debt

The net long-term debt reported on the statement of financial position is comprised of the following:

	2009	2008
Debenture payable - Bylaw #92-2 for permanent improvements, 9.375% per annum, interest payable semi-annually, principal payments of \$400,000 to \$500,000 due annually, maturing September 2012	\$ 1,800	\$ 2,150
Debenture payable - Bylaw #93-1 for permanent improvements, 8.625% per annum, interest payable semi-annually, principal payments of \$170,000 to \$228,000 due annually, maturing November 2013	988	1,138
Debenture payable - Bylaw #96-1 for permanent improvements, 8.200% to 8.650% per annum, interest payable semi-annually, principal payments of \$181,000 to \$321,000 due annually, maturing February 2016	1,675	1,842
Ontario Financing Authority (OFA) loan payable - Bylaw #2006-1 for Stage 1 of the Good Places to Learn Initiative, 4.56% per annum, repayable in semi-annual blended payments of \$172,259, maturing November 2031	4,816	4,936
Ontario Financing Authority (OFA) loan payable - Bylaw #2008-1 for Stage 1 and 2 of the Good Places to Learn Initiative; Primary Class Size and Prohibitive to Repair Programs, 4.90% per annum, repayable in semi-annual blended payments of \$223,432, maturing March 2033	6,237	6,374
Ontario Financing Authority (OFA) loan payable - Bylaw #2009-1 for Stage 2 and 3 of the Good Places to Learn Initiative; Primary Class Size and Prohibitive to Repair Programs, 5.062% per annum, repayable in semi-annual blended payments of \$86,865, maturing March 2034	2,440	-
Sinking fund debenture payable - Bylaw #90-2 for permanent improvements, 11.040% per annum, repayable in semi-annual interest payments, principal due on maturity November 2010	2,308	2,308
Sinking fund debenture payable - Bylaw #92-1 for permanent improvements, 9.410% per annum, repayable in semi-annual interest payments, principal due on maturity May 2012	1,855	1,855
	22,119	20,603
Less: sinking fund assets	1,822	1,720
	\$ 20,297	\$ 18,883

Trillium Lakelands District School Board
Notes to Consolidated Financial Statements

August 31, 2009

(tabular amounts in thousands of dollars)

3. Net Debenture Debt (Continued)

Included in net long-term debt are outstanding debentures of \$4,163,000 (2008 - \$4,163,000) secured by sinking fund assets with a carrying value of \$1,822,182 (market value - \$4,013,930). Sinking fund assets are comprised of short-term notes and deposits, government and government-guaranteed bonds and debentures and corporate bonds.

Payments relating to net long-term debt outstanding as at August 31, 2009 are due as follows:

	Sinking Funds	Principal	Interest	Total
2010	\$ 102	\$ 1,071	\$ 1,436	\$ 2,609
2011	66	3,471	1,223	4,760
2012	41	3,071	1,004	4,116
2013	-	1,312	731	2,043
2014	-	868	650	1,518
Thereafter	-	12,326	6,195	18,521
	<u>\$ 209</u>	<u>\$ 22,119</u>	<u>\$ 11,239</u>	<u>\$ 33,567</u>

4. Credit Facilities

The school board has authorized credit facilities totalling \$43,000,000 which bear interest at prime less 0.75%. As at August 31, 2009 the Board had not drawn on this credit facility.

5. Amounts to be Recovered in Future Years

The amounts to be recovered in future years reported on the statement of financial position are comprised of:

	2009	2008
Capital outlay to be recovered in future years		
Net long-term debt (Note 3)	\$ 20,297	\$ 18,883
Amounts to be financed in future years		
Retirement and other employee future benefits liability (Note 2)	30,647	29,503
Vacation accrual	670	681
Interest accrual	442	426
	<u>\$ 52,056</u>	<u>\$ 49,493</u>

Trillium Lakelands District School Board
Notes to Consolidated Financial Statements

August 31, 2009

(tabular amounts in thousands of dollars)

6. Debt Charges and Capital Loan Interest

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

	2009	2008
Principal payment on long-term liabilities including contributions to sinking funds	\$ 1,026	\$ 812
Interest payments on long-term liabilities	1,410	1,200
	\$ 2,436	\$ 2,012

7. Expenditures by Object

	Budget 2009	Actual 2009	Actual 2008
Current expenditures			
Salary and wages	\$ 125,384	\$ 124,032	\$ 121,014
Employee benefits	18,548	17,176	20,256
Staff development	948	825	756
Supplies and services	16,053	17,256	15,017
Replacement furniture and equipment	285	63	59
Interest	1,389	1,426	1,272
Rental expenditures	139	139	191
Fees and contract services	18,290	22,672	22,310
Other	657	779	721
	181,693	184,368	181,596
Capital expenditures	6,817	8,337	10,547
School activity funds	6,249	6,121	6,249
	\$ 194,759	\$ 198,826	\$ 198,392

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8. Ontario School Board Insurance Exchange

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. 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, 2010 fiscal year.

Land and building costs are recorded at an estimate of cost. This estimate was calculated by the Ministry of Education using a tool called the Book Value Calculator. Other asset classes are recorded at historical cost where information is available. If this information is not available, an alternative method was used to estimate a reasonable cost.

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

Land Improvements with finite lives	15 years
Buildings	40 years
Portable Structures	20 years
Furniture	10 years
Equipment	5 - 15 years
Computer Hardware	5 years
Computer Software	5 years
Vehicles	5 - 10 years

Trillium Lakelands District School Board

Notes to Consolidated Financial Statements

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(tabular amounts in thousands of dollars)

9. Tangible Capital Assets - continued

	Cost				Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Closing	Opening	Additions	Disposals	Closing	2008/2009	2007/2008
Land	\$ 2,615	\$ -	\$ -	\$ 2,615	\$ -	\$ -	\$ -	\$ -	\$ 2,615	\$ 2,615
Land Improvements	288	-	-	288	17	-	-	68	220	237
Buildings	180,967	7,940	-	188,907	41,625	5,176	-	46,801	142,106	139,342
Portable Structures	3,547	-	-	3,547	2,965	167	-	3,132	415	582
Furniture	78	-	-	78	40	7	-	47	31	38
Equipment	588	35	-	623	128	62	-	190	433	460
Computer Hardware	3,505	305	-	3,810	1,760	667	-	2,427	1,383	1,745
Computer Software	591	-	-	591	331	106	-	437	154	260
Vehicles	108	58	-	166	37	19	-	56	110	71
	\$ 192,287	\$ 8,338	\$ -	\$ 200,625	\$ 46,937	\$ 6,221	\$ -	\$ 53,158	\$ 147,467	\$ 145,350