

**Trillium Lakelands
District School Board
Consolidated Financial Statements
For the year ended August 31, 2007**

Contents

Management Report	2
Auditors' Report	3
Financial Statements	
Consolidated Statement of Financial Position	4
Consolidated Statement of Financial Activities	5
Consolidated Statement of Changes in Financial Position	6
Schedule of Operating Fund	7
Schedule of Capital Fund	8
Schedule of Internally Restricted Reserve Funds	9
Schedule of School Activities Fund	10
Summary of Significant Accounting Policies	11 - 13
Notes to Financial Statements	14 - 20

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 Board's 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 judgement, 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.

Haliburton Office

P.O. Box 507
Haliburton, ON
K0M 1S0
T 705-457-1980
F 705-457-3040



Director of Education



Treasurer

November 20, 2007

Bracebridge Office

76 Pine Street
Bracebridge, ON
P1L 1N4
T 705-645-8704
F 705-645-8452



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, 2007 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, 2007 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Rennoody LLP


Chartered Accountants, Licensed Public Accountants

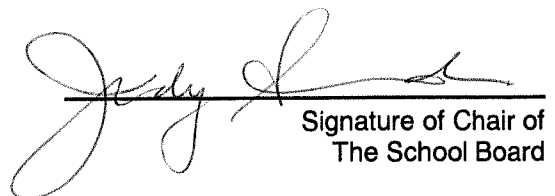
Peterborough, Ontario
November 20, 2007

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

August 31	2007	2006
	(in thousands of dollars)	
Financial Assets		
Cash and cash equivalents	\$ 2,955	\$ 14,098
Accounts receivable	<u>12,412</u>	<u>13,420</u>
	<u>15,367</u>	<u>27,518</u>
Financial Liabilities		
Accounts payable and accrued liabilities	11,003	14,711
Net debenture debt (Note 3)	13,321	8,943
Deferred revenue - reserves (Note 1)	4,343	6,012
Deferred revenue - other	680	233
Employee benefits payable (Note 2)	<u>29,044</u>	<u>28,082</u>
	<u>58,391</u>	<u>57,981</u>
Net Financial Liabilities	(43,024)	(30,463)
Non-Financial Assets		
Prepaid expenses	<u>3,382</u>	<u>2,320</u>
	<u>\$ (39,642)</u>	<u>\$ (28,143)</u>
Financial Position		
Operating fund	\$ -	\$ -
Capital fund	(10,562)	(4,564)
Reserve fund	12,800	12,877
School activities fund	<u>1,504</u>	<u>1,491</u>
	3,742	9,804
Amounts to be Recovered by Future Revenues (Note 4)	<u>(43,384)</u>	<u>(37,947)</u>
	<u>\$ (39,642)</u>	<u>\$ (28,143)</u>

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 (Unaudited)	Actual 2007	Actual 2006
(in thousands of dollars)			
Revenues			
Local taxation	\$ 72,908	\$ 79,053	\$ 75,657
Provincial grants - student focused funding	109,575	97,317	103,369
Provincial grants - other	68	2,029	3,376
Federal grants and fees	-	161	155
Other revenues - school boards	910	1,137	988
Other fees and revenues	185	1,898	872
Investment income	250	624	586
School fundraising	5,550	6,173	6,162
	189,446	188,392	191,165
Expenditures			
Instruction	133,871	135,772	133,044
Administration	5,869	5,649	5,323
Transportation	15,115	14,482	13,549
School operations and maintenance	18,090	17,694	17,813
Pupil accommodation	9,723	20,608	21,508
Other	587	587	587
School fund activities	5,420	6,160	5,992
	188,675	200,952	197,816
Net revenue (expenditure)	771	(12,560)	(6,651)
Increase (decrease) in non-financial assets	-	1,062	2,210
Change in amounts to be recovered			
Long-term financing	-	5,108	-
Debt repayments and sinking fund contributions	(674)	(730)	(918)
Increase (decrease) in unfunded liabilities	933	1,058	(106)
	259	5,436	(1,024)
Change in fund balances	1,030	(6,062)	(5,465)
Opening fund balances	11,629	9,804	15,269
Closing fund balances	\$ 12,659	\$ 3,742	\$ 9,804

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	2007	2006
	(in thousands of dollars)	
Operations		
Net revenue	\$ (12,560)	\$ (6,651)
Change in non-cash working capital balances		
Decrease (increase) in accounts receivable	1,008	(4,022)
Increase (decrease) in accounts payable and accrued liabilities	(3,709)	3,020
Increase (decrease) in deferred revenue - reserves	(1,669)	(5,722)
Increase (decrease) in deferred revenue - other	447	(1,323)
Increase (decrease) in employee benefits payable	962	(139)
	<u>(15,521)</u>	<u>(14,837)</u>
Financing		
New debt issued	5,108	-
Debt repaid and sinking fund contributions	(730)	(918)
	<u>4,378</u>	<u>(918)</u>
Change in cash and cash equivalents	<u>(11,143)</u>	<u>(15,755)</u>
Cash and cash equivalents, beginning of year	<u>14,098</u>	<u>29,853</u>
Cash and cash equivalents, end of year	<u>\$ 2,955</u>	<u>\$ 14,098</u>

Trillium Lakelands District School Board
Schedule of Operating Fund

For the year ended August 31	Budget (Unaudited)	Actual 2007	Actual 2006
	(in thousands of dollars)		
Revenues			
Local taxation	\$ 72,908	\$ 79,053	\$ 75,657
Provincial grants - student focused funding	109,575	97,317	103,369
Provincial grants - other	68	2,029	3,376
Federal grants and fees	-	161	155
Other revenues - school boards	910	1,137	988
Other fees and revenues	185	1,677	818
Investment income	250	624	586
	183,896	181,998	184,949
Expenditures			
Instruction	132,771	133,669	129,480
Administration	5,664	5,631	5,283
Transportation	15,115	14,482	13,549
School operations and maintenance	17,994	17,642	17,813
Pupil accommodation	958	1,128	997
Other	587	587	587
	173,089	173,139	167,709
Net revenue	10,807	8,859	17,240
Increase (decrease) in non-financial assets	-	1,062	2,210
Change in amounts to be recovered			
Debt repayments and sinking fund contributions	(674)	(730)	(918)
Increase (decrease) in unfunded liabilities	933	1,058	(106)
	259	328	(1,024)
Net transfers (to) from other funds			
Transfers from (to) capital fund	(10,166)	(8,826)	(14,828)
Transfers from (to) reserve fund	(900)	(1,423)	(3,598)
	(11,066)	(10,249)	(18,426)
Change in operating fund balance	-	-	-
Closing operating fund balance	\$ -	\$ -	\$ -

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

**Trillium Lakelands District School Board
Schedule of Capital Fund**

For the year ended August 31	Budget (Unaudited)	Actual 2007	Actual 2006
	(in thousands of dollars)		
Revenues			
Other fees and revenues	\$ -	\$ 221	\$ 54
Expenditures			
Instruction	1,100	2,103	3,564
Administration	205	18	40
School operations and maintenance	96	52	-
Pupil accommodation	8,765	19,480	20,511
	<u>10,166</u>	<u>21,653</u>	<u>24,115</u>
Net revenue (expenditure)	<u>(10,166)</u>	<u>(21,432)</u>	<u>(24,061)</u>
Change in amounts to be recovered			
Long-term financing	-	5,108	-
Net transfers (to) from other funds			
Transfers from (to) operating fund	10,166	8,826	14,828
Transfers from (to) reserve fund	-	1,500	6,240
	<u>10,166</u>	<u>10,326</u>	<u>21,068</u>
Change in capital fund balance	-	(5,998)	(2,993)
Opening capital fund balance	-	(4,564)	(1,571)
Closing capital fund balance	<u>\$ -</u>	<u>\$ (10,562)</u>	<u>\$ (4,564)</u>

**Trillium Lakelands District School Board
Schedule of Internally Restricted Reserve Funds**

For the year ended August 31	Budget (Unaudited)	Actual 2007	Actual 2006
(in thousands of dollars)			
<u>Operating reserves</u>			
Reserve for working funds			
Balance, beginning of year	\$ 12,299	\$ 12,299	\$ 9,602
Net transfer to (from) the operating fund	-	(77)	2,697
Balance, end of year	12,299	12,222	12,299
Reserve for retirement gratuities			
Balance, beginning of year	500	500	500
Net transfer to (from) the reserve fund	-	-	-
Balance, end of year	500	500	500
<u>Capital reserves</u>			
Reserve for capital			
Balance, beginning of year	-	-	5,339
Transfer from operating fund	900	1,500	901
Transfer to capital fund	-	(1,500)	(6,240)
Balance, end of year	900	-	-
Reserve for administrative facilities			
Balance, beginning of year	78	78	78
Net transfer (from) the reserve fund	-	-	-
Interest earned	2	-	-
Balance, end of year	80	78	78
	\$ 13,779	\$ 12,800	\$ 12,877

**Trillium Lakelands District School Board
Schedule of School Activities Fund**

For the year ended August 31	Budget (Unaudited)	Actual 2007	Actual 2006
	(in thousands of dollars)		
Revenues			
School fundraising	\$ 5,550	\$ 6,173	\$ 6,162
Expenditures			
School fund activities	5,420	6,160	5,992
Change in School Activities Fund Balance	130	13	170
Opening School Activities Fund Balance	1,450	1,491	1,321
Closing School Activities Fund Balance	\$ 1,580	\$ 1,504	\$ 1,491

Trillium Lakelands District School Board Summary of Significant Accounting Policies

August 31, 2007

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, 2007

(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 accumulated 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, 2007

(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. The budget figures are unaudited.

(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. Actual results may vary from current estimates.

(m) Financial Instruments

The Board's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and long-term debt. Unless otherwise noted, it is management's opinion that the Board is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Trillium Lakelands District School Board Notes to Consolidated Financial Statements

August 31, 2007

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, 2007 is comprised of:

	Balance as at August 31 2006	Externally Restricted Revenue and Investment Income	Revenue Recognized in the Period	Balance as at August 31 2007
Pupil accommodation	\$ 245,757	\$ 5,375,581	\$ 5,621,338	\$ -
Classroom expenditure	5,623,325	-	1,428,905	4,194,420
Other	142,334	5,750	-	148,084
	\$ 6,011,416	\$ 5,381,331	\$ 7,050,243	\$ 4,342,504

2. Retirement and Other Employee Future Benefits

Liabilities

	2007			2006	
	Retirement Benefits	Sick Leave Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Accrued liability	\$ 22,622,237	\$ 7,302,634	\$ 475,424	\$ 30,400,295	\$ 29,566,065
Unamortized actuarial (gain) loss	(2,122,107)	3,587,365	(155,762)	1,309,496	-
Accrued benefit obligation	\$ 20,500,130	\$ 10,889,999	\$ 319,662	\$ 31,709,791	\$ 29,566,065

The Board has determined that the liability related to the identified retirees amounts to \$1,356,663 (2006 - \$1,484,034). 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, 2007

2. Retirement and Other Employee Future Benefits (Continued)

Change in Employee Future Benefit Liability

	2007			2006	
	Retirement Benefits	Sick Leave Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Current year benefit cost	\$ 1,524,564	\$ 659,550	\$ 8,651	\$ 2,192,765	\$ 1,834,588
Interest on accrued benefit obligation	889,310	475,807	13,984	1,379,101	1,292,257
Benefit payments ¹	(1,827,845)	(978,129)	(18,814)	(2,824,788)	(2,720,604)
Amortization of actuarial (gains)/losses	(169,864)	(34,009)	291,025	87,152	-
Net change	\$ 416,165	\$ 123,219	\$ 294,846	\$ 834,230	\$ 406,241

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 provides defined pension benefits to employees based on their length of service and rates of pay. The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2007 the Board contributed \$1,392,982 (2006 - \$1,319,644) 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.

Trillium Lakelands District School Board Notes to Consolidated Financial Statements

August 31, 2007

2. Retirement and Other Employee Future Benefits (Continued)

(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, 2007 (2006 - \$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, 2007 are based on actuarial valuations for accounting purposes as at August 31, 2007. 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:

	<u>2007</u>	<u>2006</u>
Inflation	2.0 %	1.5 %
Wage and salary escalation	3.0 %	2.5 %
Insurance and health care cost escalation	12.0 %	9.0 %

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 Board has funds on account with National bank in the amount of \$1,049,957 (2006 - \$1,274,784) and has an accrual provision of \$896,050 (2006 - \$653,731) to provide for WSIB claims. The actuarially determined future benefit obligation for WSIB claims is \$1,946,007 (2006 - \$1,928,515).

(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, 2007

3. Net Long-term Liabilities

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

	<u>2007</u>	<u>2006</u>
Debenture payable - Bylaw #92-2 for permanent improvements, 6.625% to 9.375% per annum, interest payable semi-annually, principal payments of \$300,000 to \$500,000 due annually, maturing September 2012	\$ 2,450,000	\$ 2,750,000
Debenture payable - Bylaw #93-1 for permanent improvements, 6.375% to 8.625% per annum, interest payable semi-annually, principal payments of \$140,000 to \$228,000 due annually, maturing November 2013	1,278,000	1,408,000
Debenture payable - Bylaw #96-1 for permanent improvements, 5.350% to 8.650% per annum, interest payable semi-annually, principal payments of \$154,000 to \$321,000 due annually, maturing February 2016	1,996,000	2,138,000
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	5,051,997	-
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	2,308,000	2,308,000
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	1,855,000	1,855,000
	14,938,997	10,459,000
Less: sinking fund assets	1,617,871	1,515,716
	\$ 13,321,126	\$ 8,943,284

Included in net long-term debt are outstanding debentures of \$4,163,000 (2006 - \$4,163,000) secured by sinking fund assets with a carrying value of \$1,617,871 (market value - \$3,330,460). Sinking fund assets are comprised of short-term notes and deposits, government and government-guaranteed bonds and debentures and corporate bonds.

Trillium Lakelands District School Board
Notes to Consolidated Financial Statements

August 31, 2007

3. Net Long-term Liabilities (Continued)

Payments relating to net long-term debt outstanding as at August 31, 2007 are due as follows:

	Sinking Funds	Principal	Interest	Total
2008	\$ 102,155	\$ 709,449	\$ 1,137,944	\$ 1,949,548
2009	102,155	787,774	1,077,977	1,967,906
2010	102,155	877,344	1,099,547	2,079,046
2011	66,422	3,267,171	805,785	4,139,378
2012	40,883	2,857,266	596,602	3,494,751
Thereafter	-	6,439,993	2,559,362	8,999,355
	<u>\$ 413,770</u>	<u>\$ 14,938,997</u>	<u>\$ 7,277,217</u>	<u>\$ 22,629,984</u>

4. 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:

	<u>2007</u>	<u>2006</u>
Capital outlay to be recovered in future years		
Net long-term debt (Note 3)	\$ 13,321,126	\$ 8,943,284
Amounts to be financed in future years		
Retirement and other employee future benefits liability (Note 2)	29,043,632	28,082,030
Vacation accrual	665,148	620,828
Interest accrual	353,910	301,346
	<u>\$ 43,383,816</u>	<u>\$ 37,947,488</u>

Trillium Lakelands District School Board
Notes to Consolidated Financial Statements

August 31, 2007

5. Debt Charges and Capital Loans and Leases Interest

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

	2007	2006
Principal payment on long-term liabilities including contributions to sinking funds	\$ 729,957	\$ 918,155
Interest payments on long-term liabilities	1,074,974	1,017,792
	\$ 1,804,931	\$ 1,935,947

6. Expenditures by Object

	Budget (Unaudited)	Actual 2007	Actual 2006
Current expenditures			
Salary and wages	\$121,519,296	\$121,373,158	\$116,047,662
Employee benefits	17,052,464	17,324,071	17,342,227
Staff development	486,649	682,168	645,251
Supplies and services	15,633,442	12,657,385	12,950,395
Replacement furniture and equipment	300,000	229,310	328,465
Interest	958,515	1,127,537	996,923
Rental expenditures	125,450	170,374	176,904
Fees and contract services	16,173,983	18,726,056	18,382,556
Other	839,703	848,930	838,281
	173,089,502	173,138,989	167,708,664
Capital expenditures			
School activity funds	10,165,654	21,653,027	24,114,679
	5,420,000	6,159,654	5,991,774
	\$188,675,156	\$200,951,670	\$197,815,117

Trillium Lakelands District School Board Notes to Consolidated Financial Statements

August 31, 2007

7. 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.

8. Contractual Obligations

At year end, there were commitments to complete the following capital projects:

	Approximate Cost
New Bracebridge and Muskoka Lakes Secondary School	\$ 3,387,000
New Muskoka Falls Public School	563,700
King Albert Public School Gym	724,700
	<u>\$ 4,675,400</u>
