

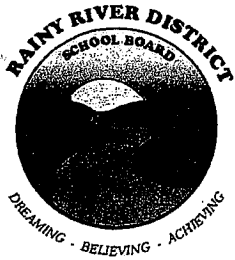
**The Rainy River District  
School Board  
Financial Statements  
For the year ended August 31, 2009**

**The Rainy River District School  
Board  
Financial Statements  
For the year ended August 31, 2009**

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# *Rainy River*

## DISTRICT SCHOOL BOARD

### MANAGEMENT REPORT

#### Management's Responsibility for the Financial Statements

EDUCATION CENTRE  
522 Second Street E.  
Fort Frances, ON  
P9A 1N4  
Phone: 807 274 9855  
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Toll Free: 1 800 214 1753

The accompanying financial statements of the **Rainy River District School Board** are the responsibility of the Board of 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 described in Note 1 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.

#### WEB SITE:

[www.rrdsb.com](http://www.rrdsb.com)

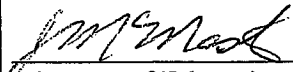
Board management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management (and by the Board's internal auditors).

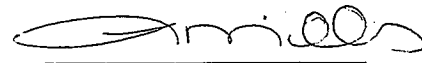
#### DIRECTOR

Jack McMaster

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.

  
Director of Education  
Jack McMaster

  
Superintendent of Business  
Laura Mills, C.A.

November 23, 2009



**BDO Dunwoody LLP**  
Chartered Accountants  
and Advisors

375 Scott Street  
Fort Frances, Ontario, Canada P9A 1H1  
Telephone: (807) 274-9848  
Telefax: (807) 274-5142

[www.bdo.ca](http://www.bdo.ca)

## The Rainy River District School Board

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### Auditors' Report

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#### To the Board of Trustees of the Rainy River District School Board

We have audited the statement of financial position of the Rainy River District School Board as at August 31, 2009, and the statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, 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 common with many School Boards, individual schools derive revenue from school fundraising activities held throughout the year. Adequate documentation and controls were not in place throughout the year to allow us to obtain satisfactory audit verification as to the completeness of these revenues. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the individual schools and we were not able to determine whether adjustments might be necessary to school fundraising revenue, net revenue, financial assets and net financial position.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of school fundraising revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Rainy River District School Board as at August 31, 2009, and the results of its financial activities and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

*BDO DUNWOODY LLP*

Fort Frances, Ontario  
November 23, 2009

## The Rainy River District School Board Statement of Financial Position

August 31	2009	2008
<b>Financial assets</b>		
Cash and cash equivalents	\$ 10,259,166	\$ 8,529,653
Accounts receivable	4,489,212	2,803,635
Investments (Note 2)	492,683	1,492,640
Other	2,145,510	1,891,489
<b>Total financial assets</b>	<b>17,386,571</b>	<b>14,717,417</b>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	1,993,810	1,384,222
Net long-term liabilities (Note 3)	6,135,268	6,167,661
Other	526,498	637,714
Deferred revenue - reserves (Note 4)	3,927,357	3,647,728
Employee benefits payable (Note 5)	6,260,466	5,879,495
<b>Total financial liabilities</b>	<b>18,843,399</b>	<b>17,716,820</b>
<b>Net liabilities</b>	<b>\$ (1,456,828)</b>	<b>\$ (2,999,403)</b>
<b>Financial position</b>		
Operating fund	\$ -	\$ -
Capital fund	(1,619,920)	(157,023)
Reserve fund	12,031,239	8,897,140
School activities fund	726,732	521,740
<b>Total fund balance</b>	<b>11,138,051</b>	<b>9,261,857</b>
<b>Amounts to be recovered in future years (Note 6)</b>	<b>(12,594,879)</b>	<b>(12,261,260)</b>
<b>Net financial position</b>	<b>\$ (1,456,828)</b>	<b>\$ (2,999,403)</b>

On Behalf of the Board:

\_\_\_\_\_ Trustee

\_\_\_\_\_ Trustee

## The Rainy River District School Board Statement of Financial Activities

For the year ended August 31	2009 Budget	2009 Actual	2008 Actual
<b>Revenues</b>			
Local taxation	\$ 5,601,665	\$ 4,406,458	\$ 5,110,579
Provincial grants - student focused funding	29,124,235	31,680,992	28,688,097
Provincial grants - other	90,253	1,229,393	2,377,439
Federal grants and fees	4,166,228	4,985,393	3,845,902
Other revenues - school boards	16,000	461,827	473,451
Other fees and revenues	156,000	3,006,921	2,392,114
Investment income	107,500	157,517	342,657
School fundraising	-	1,975,136	1,366,857
<b>Total revenues</b>	<b>39,261,881</b>	<b>47,903,637</b>	<b>44,597,096</b>
<b>Expenditures</b>			
Instruction	28,376,345	29,159,136	28,366,338
Administration	2,234,525	2,308,904	2,128,776
Transportation	2,467,105	2,821,181	2,825,274
School operations and maintenance	4,118,688	4,037,283	3,860,439
Pupil accommodation	1,493,552	5,127,991	1,689,866
Other	1,035,614	1,278,606	1,903,495
School funded activities	-	1,770,144	1,218,675
<b>Total expenditures</b>	<b>39,725,829</b>	<b>46,503,245</b>	<b>41,992,863</b>
<b>Change in net assets (liabilities)</b>	<b>(463,948)</b>	<b>1,400,392</b>	<b>2,604,233</b>
<b>Financing transactions</b>			
Increase in long-term financing	-	135,915	1,500,381
Debt repayments	(147,222)	(168,308)	(126,386)
Increase in unfunded liabilities	137,435	170,349	139,385
<b>Change in amounts to be recovered</b>	<b>(9,787)</b>	<b>137,956</b>	<b>1,513,380</b>
<b>Change in fund balances</b>	<b>(473,735)</b>	<b>1,538,348</b>	<b>4,117,613</b>
<b>Opening fund balances</b>	<b>6,280,360</b>	<b>9,261,857</b>	<b>5,144,244</b>
<b>Transfer to fund balance on amalgamation (Note 13)</b>	<b>-</b>	<b>337,846</b>	<b>-</b>
<b>Adjusted opening fund balances</b>	<b>6,280,360</b>	<b>9,599,703</b>	<b>5,144,244</b>
<b>Closing fund balances</b>	<b>\$ 5,806,625</b>	<b>\$ 11,138,051</b>	<b>\$ 9,261,857</b>

## The Rainy River District School Board Statement of Changes in Financial Position

For the year ended August 31	2009	2008
<b>Operations</b>		
Net revenues	\$ 1,400,392	\$ 2,604,233
Transfer to operations on amalgamation (Note 13)	337,846	-
	<u>1,738,238</u>	<u>2,604,233</u>
<b>Sources and (uses)</b>		
Increase in accounts receivable	(1,685,577)	(148,302)
Increase in other financial assets	(254,021)	(2,000)
Increase (decrease) in accounts payable and accrued liabilities	609,588	(78,220)
Decrease in other liabilities	(111,216)	(168,504)
Transfer to deferred revenues - reserves on amalgamation (Note 4)	48,555	-
Increase in deferred revenues - reserves	231,074	9,436
Increase in employee benefits payable	185,308	117,628
	<u>761,949</u>	<u>2,334,271</u>
<b>Net increase in cash from operations</b>	<u>761,949</u>	<u>2,334,271</u>
<b>Investing</b>		
Decrease (increase) in investments	999,957	(53,017)
	<u>999,957</u>	<u>(53,017)</u>
<b>Financing activities</b>		
Long-term liabilities issued	135,915	1,500,381
Repayment of long-term debt	(168,308)	(126,386)
	<u>(32,393)</u>	<u>1,373,995</u>
<b>Change in cash and cash equivalents</b>	<u>1,729,513</u>	<u>3,655,249</u>
<b>Opening cash and cash equivalents</b>	<u>8,529,653</u>	<u>4,874,404</u>
<b>Closing cash and cash equivalents</b>	<u>\$ 10,259,166</u>	<u>\$ 8,529,653</u>
<b>Represented by</b>		
Cash	<u>\$ 10,259,166</u>	<u>\$ 8,529,653</u>

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# The Rainy River District School Board

## Notes to Financial Statements

August 31, 2009

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### 1. Significant Accounting Policies

The financial statements are prepared by management in accordance with Canadian generally accepted accounting principles for local governments established by 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 generated funds, which include the assets, liabilities, revenue, 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.

#### (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 comprise of cash on hand, demand deposits and short-term investments. Short-term investments are highly liquid, subject to insignificant risk of changes 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, and are carried on the Statement of Financial Position at the lower of cost or market value.

#### (f) Tangible Capital Assets

Capital assets are reported as expenditures on the Statement of Financial Activities in the year of acquisition. However, for 2009, tangible capital asset information is disclosed in the notes to the financial statements. In this note purchased tangible assets are recorded at cost. Contributed tangible capital assets are recorded at fair market value at the date of contribution. Amortization is provided on a straight line basis over the estimated useful life of the assets.



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# The Rainy River District School Board Notes to Financial Statements

August 31, 2009

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## 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 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 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 costs trends, disability recovery rates, long-term inflation rates and discount rates.

For self-insured retirement and other employee future benefits that vested or accumulated 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 obligations for worker's 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.

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# The Rainy River District School Board

## Notes to Financial Statements

August 31, 2009

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### 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 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 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 Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board, the budget figures presented have been adjusted to conform with the basis of accounting as it is used to prepare the financial statements.

(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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the year. Actual results could differ from these estimates.

## The Rainy River District School Board Notes to Financial Statements

**August 31, 2009**

### 2. Investments

Investments consisting of marketable securities are comprised as follows:

	Cost	2009 Market Value	Cost	2008 Market Value
Non-redeemable guaranteed investment certificate. Interest at 3.25% with a maturity date of March 20, 2009.	\$ -	\$ -	\$ 383,872	\$ 383,872
Non-redeemable guaranteed investment certificate. Interest at 2.75% with a maturity date of August 29, 2009.	-	-	1,108,768	1,108,768
Non-redeemable guaranteed investment certificate. Interest at 2.0% with a maturity date of July 6, 2011.	455,000	455,000	-	-
Board interest in NSRA joint venture.	37,683	37,683	-	-
	<b>\$ 492,683</b>	<b>\$ 492,683</b>	<b>\$ 1,492,640</b>	<b>\$ 1,492,640</b>

# The Rainy River District School Board Notes to Financial Statements

August 31, 2009

### 3. Net Long-term Liabilities

There is net long-term debt outstanding at August 31, 2009, for which repayments of principal and interest are scheduled over the next five years.

	2009	2008
\$1,072,658 financing for permanent improvements from the Ontario Financing Authority, by way of loan. Interest at 4.56% with blended semi-annual payments of principal and interest in the amount of \$36,175.17 each.	\$ 1,011,332	\$ 1,036,694
\$4,000,000 non-revolving term facility, by way of match funded term loans. Interest at 4.87% with blended monthly payments of principal and interest in the amount of \$23,032 each.	3,534,995	3,636,502
\$1,443,144 financing for permanent improvements from the Ontario Financing Authority, by way of loan. Interest at 4.90% with blended semi-annual payments of principal and interest in the amount of \$50,588.64 each.	1,412,307	1,443,144
\$57,237 financing for replacement of Board vans, by way of loan. Interest at 5.19% with blended monthly payments of principal and interest in the amount of \$1,084.00 each.	40,719	51,321
\$135,915 financing for permanent improvements from the Ontario Financing Authority, by way of loan. Interest at 5.062% with blended semi-annual payments of principal and interest in the amount of \$4,839.07 each.	135,915	-
	\$ 6,135,268	\$ 6,167,661

The long-term debt of the Board is subject to debt covenants. At August 31, 2009, the Board is in compliance with all debt covenants.

Principal payments relating to net long-term liabilities of \$6,135,268 outstanding as at August 31, 2009, are due as follows:

Year	Principal	Interest	Total
2010	\$ 179,478	\$ 293,119	\$ 472,597
2011	188,353	284,244	472,597
2012	197,668	274,929	472,597
2013	199,846	265,159	465,005
2014	203,979	255,611	459,590
Thereafter	5,165,944	2,357,384	7,523,328
	\$ 6,135,268	\$ 3,730,446	\$ 9,865,714

## The Rainy River District School Board Notes to Financial Statements

**August 31, 2009**

### 4. Deferred Revenue

Revenues received that have been set aside for specific purposes by legislation, regulation or agreement are included in deferred revenue and reported on the Statement of Financial Position.

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

	Balance, beginning of year	Transfer to deferred revenue on amalgamation (Note 13)	Adjusted balance, beginning of year	Externally restricted revenue and investment income	Revenue recognized in the period	Balance at August 31, 2009
Classroom Proceeds on disposition	\$ 3,495,546	\$ -	\$ 3,495,546	\$ 8,221	\$ -	\$ 3,503,767
Pupil accommodation - Mine Centre	133,914	-	133,914	311	-	134,225
Energy efficient - operating	-	46,128	46,128	109	-	46,237
Energy efficient - capital	-	-	-	89,885	-	89,885
Other MECR/BECR	18,268	-	18,268	43	-	18,311
Teacherage rent	-	2,427	2,427	6	-	2,433
<b>Total deferred revenue</b>	<b>\$ 3,647,728</b>	<b>\$ 48,555</b>	<b>\$ 3,696,283</b>	<b>\$ 231,074</b>	<b>\$ -</b>	<b>\$ 3,927,357</b>

### 5. Retirement and Other Employee Future Benefits

Retirement and Other Employee Future Benefit Liabilities	2009		2008	
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Accrued employee future benefit obligations	\$ 4,189,897	\$ -	\$ 4,189,897	\$ 3,922,479
Unamortized actuarial gains	196,654	-	196,654	224,735
<b>Employee future benefits liability</b>	<b>\$ 4,386,551</b>	<b>\$ -</b>	<b>\$ 4,386,551</b>	<b>\$ 4,147,214</b>

## The Rainy River District School Board Notes to Financial Statements

August 31, 2009

### 5. Retirement and Other Employee Future Benefits (continued)

Retirement and Other Employee Future Benefit Expenses	2009		2008	
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Current year benefit costs	\$ 358,428	\$ 835	\$ 359,263	\$ 329,119
Interest on accrued benefit obligation	181,361	1,274	182,635	172,363
Actuarial (gain) loss due to plan termination	-	(27,887)	(27,887)	-
Amortized actuarial (gains) losses	(13,993)	(2,737)	(16,730)	(14,687)
Employee contributions	(401,829)	(4,231)	(406,060)	(489,496)
<b>Employee future benefits expenses*</b>	<b>\$ 123,967</b>	<b>\$ (32,746)</b>	<b>\$ 91,221</b>	<b>\$ (2,701)</b>

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

#### Sick Leave

Sick Leave Liabilities	2009		2008	
	Sick Leave Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Accrued employee future benefit obligations	\$ 2,347,715	-	\$ 2,347,715	\$ 2,217,412
Unamortized actuarial gains (losses)	(473,800)	-	(473,800)	(485,131)
<b>Employee future benefits liability</b>	<b>\$ 1,873,915</b>	<b>\$ -</b>	<b>\$ 1,873,915</b>	<b>\$ 1,732,281</b>

## The Rainy River District School Board Notes to Financial Statements

August 31, 2009

### 5. Retirement and Other Employee Future Benefits (continued)

Sick Leave Expenses	2009		2008	
	Sick Leave Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Current year benefit costs	\$ 142,198	\$ -	\$ 142,198	\$ 135,585
Interest on accrued benefit obligation	102,064	-	102,064	95,711
Amortized actuarial losses	36,867	-	36,867	35,032
Employee contributions	(187,042)	-	(187,042)	(145,999)
Employee future benefits expenses*	\$ 94,087	\$ -	\$ 94,087	\$ 120,329

\*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 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. Employee contribution rates are up to 8.8% of annual earnings. The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2009, the Board contributed \$316,509 (2008 - \$306,391) 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.

# The Rainy River District School Board

## Notes to Financial Statements

**August 31, 2009**

**5. 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.

(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.

**Other Employee Future Benefits**

(i) Workplace Safety and Insurance Board Obligations

This Board is a Schedule I 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, 2009, were \$185,217 (2008 - \$174,064) and are included in the Board's current year benefit costs. No liabilities for claims by its injured workers under the Act are included in the Board's financial statements.

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

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

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, 2004. 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
Insurance and health care cost escalation	11.0	11.5
Discount on accrued benefit obligations	4.5	4.5

The Board has not designated reserves for certain of these employee future benefit obligations.



# The Rainy River District School Board Notes to Financial Statements

**August 31, 2009**

## 5. Retirement and Other Employee Future Benefits (continued)

### (iii) Sick Leave Benefits

Regular full-time employees are allocated a certain number of days each year for use as paid absences due to illness or injury. Part-time employees are entitled to prorated days based on the proportion of part-time to full-time work.

Employees are allowed to accumulate their unused allocation each year, up to the allowable maximum provided in their employment agreements. Accumulated credits may be used in future years to the extent that the duration of the employee's illness or injury exceeds the current year as allocation of credits. Sick days credits are paid out at the salary in effect at the time of usage. The use of accumulated sick days for sick leave compensation ceases on termination of employment.

The accrued benefit obligations for employee sick leave benefits as at August 31, 2009, are based on actuarial valuations for accounting purposes as at August 31, 2006. The economic assumptions used in these valuations are the Board's best estimates outlined in Section (ii).

## 6. 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:

	Balance, beginning of year	Transfer to amounts to be recovered on amalgamation (Note 13)	Adjusted balance, beginning of year	Change in amounts to be recovered	Balance at August 31, 2009	Balance at August 31, 2008
Retirement and other employee future benefits liability (Note 5)	\$ 4,147,214	\$ 148,116	\$ 4,295,330	\$ 91,221	\$ 4,386,551	\$ 4,147,214
Sick leave (Note 5)	1,732,281	47,547	1,779,828	94,087	1,873,915	1,732,281
Capital financing (Note 3)	6,167,661	-	6,167,661	(32,393)	6,135,268	6,167,661
Vacation accrual	214,104	-	214,104	(14,959)	199,145	214,104
	<b>\$ 12,261,260</b>	<b>\$ 195,663</b>	<b>\$ 12,456,923</b>	<b>\$ 137,956</b>	<b>\$ 12,594,879</b>	<b>\$ 12,261,260</b>

# The Rainy River District School Board Notes to Financial Statements

**August 31, 2009**

## 7. Debt Charges and Capital Loans and Leases Interest

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

	2009	2008
Principal payments on long-term liabilities including contributions to sinking funds	\$ 168,309	\$ 126,386
Interest payments on long-term liabilities	295,798	244,079
Interest payments on temporary financing	-	-
	\$ 464,107	\$ 370,465

## 8. Revolving Credit Facility

The Board has an unused revolving demand credit facility available with a limit of \$3,000,000.

## 9. Expenditures by Object

The following is a summary of the current and capital expenditures reported on the Statement of Financial Activities by object:

	2008/09 Budget	2008/09 Actual	2007/08 Actual
<b>Current expenditures</b>			
Salary and wages	\$ 24,905,718	\$ 25,959,169	\$ 24,146,173
Employee benefits	4,175,892	4,022,504	3,985,772
Staff development	482,812	436,937	533,087
Supplies and services	3,850,990	3,679,377	3,549,012
Interest	306,305	295,798	244,079
Rental expenditures	82,500	66,554	60,064
Fees and contract services	2,978,995	3,289,843	3,401,021
Other	1,148,114	1,356,185	1,372,600
Transfers to other boards	-	47,200	1,263,788
School funded activities	-	1,770,144	1,218,675
<b>Capital expenditures</b>	1,794,503	5,579,534	2,218,592
	\$ 39,725,829	\$ 46,503,245	\$ 41,992,863

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# The Rainy River District School Board

## Notes to Financial Statements

August 31, 2009

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### 10. Board Performs Duties of a Municipal Council

The Board performs the duties of levying and collecting taxes, conducting elections of members, etc. in territories without municipal organization. The outlay by the Board in 2008-09 in respect of performing duties of municipal council is reported by area in a separate statement.

Certain costs are recoverable through a levy on all rateable property in the area and other approved costs are recoverable through an offset to the local taxation revenue.

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### 11. 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.

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### 12. Contractual Obligations

#### (a) Leasing of other equipment

The Board routinely acquires or replaces photo-copying equipment, telephone equipment and other equipment by ways of leasing through a bank or a supplier.

#### (b) 55 School Board Trust

In 2003, the 55 School Board Trust was set up to finance non-permanently financed capital expenditures of various Ontario District School Boards. The financing was secured by an assignment of future legislated grants. Each participating Board has agreed to indemnify the Trustee on a several basis for any losses sustained by the Trustee.

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## The Rainy River District School Board Notes to Financial Statements

August 31, 2009

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### 13. Amalgamation

Effective September 1, 2008, the Rainy River District School Board boundaries were amended by Ontario Regulation 177/08 and the Mine Centre District School Area Board was amalgamated with the Rainy River District School Board. Ontario Regulation 178/08 provides the transition provisions relating to the school board boundary changes made in Ontario Regulation 177/08 (includes provisions for employee transfer to the Rainy River District School Board, collection of unorganized taxes, etc.).

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### 14. Segmented Information

The Rainy River District School Board is a government institution that provides primarily 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.

# The Rainy River District School Board

## Notes to Financial Statements

**August 31, 2009**

### 15. 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.

For 2009, the Ministry of Education requires the disclosure of tangible capital asset information in the notes to the financial statements. The Board has \$2,499,362 in tangible capital assets not being amortized: \$2,206,194 as they are under construction and \$293,168 as they are permanently removed from service. Of the tangible capital assets permanently removed from service, these represent land and building assets that the Board is attempting to sell.

Tangible capital assets will be recorded at historical cost. Historical cost includes the costs directly related to the acquisition, design, construction, development, improvement or betterment of tangible capital assets. Cost includes overheads directly attributable to construction and development. Estimated historical cost was used to record existing tangible capital assets, if the actual cost was unknown when the board first started to prepare to implement tangible capital asset accounting.

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

Land improvements with finite lives	15 years
Buildings	40 years
Portable Structures	20 years
Other Buildings	20 years
First-time Equipping	10 years
Furniture	10 years
Equipment	5 - 15 years
Computer Hardware	5 years
Computer Software	5 years
Vehicles	5 - 10 years

	COST (IN 000'S)				ACCUMULATED AMORTIZATION (IN 000's)				Net Book Value August 31, 2009	Net Book Value August 31, 2008
	Balance August 31, 2008	Additions and Transfers	Disposals	Balance August 31, 2009	Balance August 31, 2008	Disposals, Write-offs and Amortization Adjustments	Balance August 31, 2009			
Buildings	\$ 38,244	\$ 3,649	\$ -	\$ 41,893	\$ 9,042	\$ 1,252	\$ 336	\$ 10,630	\$ 31,263	\$ 29,202
Assets permanently removed from service	493	-	-	493	206	-	(5)	201	292	287
Construction in progress	869	4,449	(3,111)	2,207	-	-	-	-	2,207	869
Portables	493	-	-	493	23	24	-	47	446	470
Other buildings	-	167	-	167	-	4	-	4	163	-
Land	102	3	-	105	-	-	-	-	105	102
Land improvements	132	318	-	450	12	24	25	61	389	120
Furniture	26	6	-	32	14	3	-	17	15	13
First-time equipping	963	-	-	963	813	67	-	880	83	150
Equipment 5 years	25	14	-	39	17	5	-	22	17	7
Equipment 10 years	279	62	-	341	136	30	-	166	175	143
Equipment 15 years	46	-	-	46	14	3	-	17	29	32
Computer hardware	1,686	232	-	1,918	866	346	-	1,212	706	820
Computer software	148	23	-	171	92	28	-	120	51	56
Vehicles 5 years	130	28	-	158	44	29	-	73	85	86
<b>Total</b>	<b>\$ 43,636</b>	<b>\$ 8,951</b>	<b>\$ (3,111)</b>	<b>\$ 49,476</b>	<b>\$ 11,279</b>	<b>\$ 1,815</b>	<b>\$ 356</b>	<b>\$ 13,450</b>	<b>\$ 36,026</b>	<b>\$ 32,357</b>

## The Rainy River District School Board Notes to Financial Statements

August 31, 2009

### 16. Government Partnerships

#### Northern School Resource Alliance

The Northern School Resource Alliance is an organization providing services to certain private and public school boards and educational authorities. As a result of the amalgamation with the Mine Centre District School Area Board (Note 13), effective September 1, 2008 The Rainy River District School became a member of the organization. The School Board's membership share of Northern School Resource Alliance as at August 31, 2009 was 11.11%. Note that comparative figures have not been presented as the Rainy River District School Board only became a member of the Northern School Resources Alliance, effective September 1, 2008.

	2009
<b>Assets</b>	
Cash	\$ 11,947
Accounts receivable	84,933
Investments	37,683
Prepays	1,379
	\$ 135,942
<b>Liabilities</b>	
Accounts payable and accrued liabilities	41,175
Fund balances	
Reserves	94,767
	\$ 135,942
Revenues	\$ 185,899
Expenditures	116,859
Net revenue for the year	\$ 69,040

The following summarizes the School Board's transactions and balances with Northern School Resource Alliance for the year:

	2009
<b>Expenditures</b>	
Instruction	\$ 38,110
Administration	\$ 78,749

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## The Rainy River District School Board Notes to Financial Statements

August 31, 2009

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### 16. Government Partnerships

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the government partnership.

At the end of the year, the amounts due to Northern School Resource Alliance are as follows:

	<u>2009</u>
Due to	\$ 15

These transactions and balances have been eliminated upon the consolidation of Northern School Resource Alliance.

## The Rainy River District School Board Schedule of Operating Fund

For the year ended August 31	2009 Budget	2009 Actual	2008 Actual
<b>Revenues</b>			
Local taxation	\$ 5,601,665	\$ 4,406,458	\$ 5,110,579
Provincial legislative grants	29,124,235	31,680,992	28,688,097
Provincial grants - other	90,253	1,229,393	2,377,439
Federal grants and fees	4,166,228	4,985,393	3,845,902
Other revenues - school boards	16,000	461,827	473,451
Other fees and revenues	156,000	3,006,921	2,392,114
Investment income	15,000	123,570	242,155
<b>Total revenues</b>	<b>39,169,381</b>	<b>45,894,554</b>	<b>43,129,737</b>
<b>Expenditures</b>			
Instruction	27,817,089	28,485,795	27,704,091
Administration	2,213,525	2,288,523	2,053,490
Transportation	2,461,105	2,815,859	2,820,361
School operations and maintenance	4,097,688	3,988,986	3,848,392
Pupil accommodation	306,305	295,798	244,079
Other	1,035,614	1,278,606	1,885,183
<b>Total expenditures</b>	<b>37,931,326</b>	<b>39,153,567</b>	<b>38,555,596</b>
<b>Net revenues</b>	<b>1,238,055</b>	<b>6,740,987</b>	<b>4,574,141</b>
<b>Debt principal repayments</b>	<b>(147,222)</b>	<b>(168,308)</b>	<b>(126,386)</b>
<b>Increase in unfunded liabilities</b>	<b>137,435</b>	<b>170,349</b>	<b>139,385</b>
<b>Change in amounts to be recovered</b>	<b>(9,787)</b>	<b>2,041</b>	<b>12,999</b>
<b>Net transfers to other funds</b>			
Transfers to capital fund	(1,278,268)	(3,980,722)	(2,004,332)
Transfer to reserve fund	50,000	(2,762,306)	(2,582,808)
<b>Net transfers to other funds</b>	<b>(1,228,268)</b>	<b>(6,743,028)</b>	<b>(4,587,140)</b>
<b>Change in operating fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Opening balance - operating fund</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing balance - operating fund</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



## The Rainy River District School Board Schedule of Capital Fund

For the year ended August 31	2009 Budget	2009 Actual	2008 Actual
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Capital expenditures</b>			
Instruction	559,256	673,341	662,247
Administration	21,000	20,381	75,286
Transportation	6,000	5,322	4,913
School operations and maintenance	21,000	48,297	12,047
Pupil accommodation	1,187,247	4,832,193	1,445,787
Other	-	-	18,312
<b>Total capital expenditures</b>	<b>1,794,503</b>	<b>5,579,534</b>	<b>2,218,592</b>
<b>Net expenditures</b>	<b>(1,794,503)</b>	<b>(5,579,534)</b>	<b>(2,218,592)</b>
<b>Long-term financing</b>	-	135,915	1,500,381
<b>Net transfers from other funds</b>			
Transfer from operating fund	1,278,268	3,980,722	2,004,332
<b>Change in capital fund balance</b>	<b>(516,235)</b>	<b>(1,462,897)</b>	<b>1,286,121</b>
<b>Opening balance, capital fund</b>	-	(157,023)	(1,443,144)
<b>Closing balance, capital fund</b>	<b>\$ (516,235)</b>	<b>\$ (1,619,920)</b>	<b>\$ (157,023)</b>

# The Rainy River District School Board Schedule of Reserve Funds

	2009		2008						
	Budget	Actual	Actual	Actual					
	Reserve for Working Funds	Reserve for Professional Development	Manulife Reserve	Capital Reserve	Capital Smartboard/ Vehicle Reserve	Reserve for Mine Centre Working Funds	Reserve for Board Interest in NSRA Joint Venture	Total	Total
<b>Balance, beginning of year</b>	\$ 6,508,946	\$ 28,184	\$ 389,477	\$ 1,933,153	\$ 37,380	\$ -	\$ -	\$ 6,280,360	\$ 8,897,140
Transfer to reserve fund on amalgamation (Note 13)	-	-	-	-	-	312,119	25,727	-	337,846
<b>Adjusted balance, beginning of year</b>	6,508,946	28,184	389,477	1,933,153	37,380	312,119	25,727	6,280,360	9,234,986
Transfer to the reserve fund	2,210,240	41,601	-	515,359	60,342	-	69,040	-	2,896,582
Earnings on reserve fund investments	20,318	124	6,870	5,759	142	734	-	92,500	33,947
Transfer from the reserve fund	(80,000)	(16,896)	-	-	(37,380)	-	-	(50,000)	(134,276)
<b>Balance, end of year</b>	\$ 8,659,504	\$ 53,013	\$ 396,347	\$ 2,454,271	\$ 60,484	\$ 312,853	\$ 94,767	\$ 6,322,860	\$ 12,031,239
								\$ 8,897,140	\$ 8,897,140

**The Rainy River District School Board  
Schedule of School Activities Fund**

<b>For the year ended August 31</b>	<b>2009 Budget</b>	<b>2009 Actual</b>	<b>2008 Actual</b>
<b>Revenues</b>			
School fundraising	\$ -	\$ 1,975,136	\$ 1,366,857
<b>Expenditures</b>			
School funded activities	-	1,770,144	1,218,675
<b>Net revenues</b>	-	<b>204,992</b>	148,182
<b>Opening balance - school activities fund</b>	-	<b>521,740</b>	373,558
<b>Closing balance - school activities fund</b>	\$ -	\$ 726,732	\$ 521,740