



Former  
Employees  
of  
The  
Acton  
Free  
Press  
Plant

We are  
planning  
a party!  
Social Time  
Leisure Golf,  
Dinner and  
Dance  
**JUNE  
17 BLUE  
SPRINGS  
GOLF  
CLUB**  
Social Time/  
Leisure Golf -  
All Afternoon  
starting at 1p.m.  
Dinner - 6:30  
Dance to Follow

**RSVP  
by  
Mail**  
(before June 1st)  
**132 Elizabeth  
Dr., Acton, Ont.  
L7J 1B7**  
Name: \_\_\_\_\_

Number of  
People  
Amount  
Enclosed

\$30 per person  
Golf extra  
Cash Bar

Please  
make cheques  
payable to  
Dills Reunion  
Please say  
you'll come!

Any Questions??  
Call  
Hartley Coles  
853-0147 or  
Ev Watson  
853-0554

# THE HALTON BOARD OF EDUCATION 1994 Financial Statements & Auditors' Report

## BALANCE SHEET AS AT DECEMBER 31, 1994

	1994	1993
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ -	\$ 4,365,642
Short-term investment	3,000,000	8,000,000
Accounts Receivable - Other	8,306,293	7,488,677
Prepaid expense	20,107	151,572
<b>Total Current Assets</b>	<b>11,326,400</b>	<b>20,005,891</b>
<b>Capital Outlay to be recovered</b>		
In future years	76,353,230	73,825,546
Other Assets - Deferred Charges (Note #6)	1,734,618	2,578,512
<b>Total Assets</b>	<b>\$ 89,414,248</b>	<b>\$ 96,409,949</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank and other short-term borrowing	\$ 1,615,507	\$ -
Accounts Payable & accrued liabilities		
Municipalities		
Over-requisition - elementary	2,485,648	4,494,069
Over-requisition - secondary	1,833,080	3,202,205
Other	8,210,602	9,113,044
Due to Trust Funds	3,438,095	2,812,668
Other current liabilities	443,794	671,052
<b>Total Current Liabilities</b>	<b>18,026,726</b>	<b>20,293,038</b>
<b>Net Long-Term Liabilities (Note #3)</b>		
Reserve for working funds - specific	67,675,712	72,672,942
Equity in reserve funds	554,421	447,444
Unexpended Capital Funds	3,157,389	1,506,263
	-	1,490,262
<b>Total Liabilities &amp; Funds</b>	<b>\$ 89,414,248</b>	<b>\$ 96,409,949</b>

## REVENUE FUND STATEMENT OF OPERATIONS FOR THE YEAR ENDED - DECEMBER 31, 1994

	ELEMENTARY		SECONDARY	
	1994	1993	1994	1993
<b>Expenditure</b>				
Business Administration	\$ 1,342,922	\$ 1,337,587	\$ 1,358,000	\$ 1,338,362
General Administration	496,870	540,999	495,017	536,482
Computer Services	924,844	915,319	877,397	867,690
Instruction	119,665,284	121,274,251	95,940,047	101,243,573
Plant Operation	11,515,443	11,419,540	10,027,659	9,681,754
Plant Maintenance	3,073,178	3,031,453	2,794,970	2,244,586
Transportation	5,673,852	5,735,295	2,138,315	2,362,153
Tuition Fees	219,478	274,200	5,887,476	4,632,669
Capital Expenditures (non-allocable)	229,248	450,448	8,623,151	6,382,175
Debt Charges & Capital Loan Interest (Note #4)	6,199,775	6,082,045	6,040,353	4,229,309
Other Operating Expenditure	1,221,039	1,574,015	4,998,297	5,321,595
Non-Operating Expenditure - excluding transfers to reserves	2,079,891	1,484,492	1,754,604	1,222,159
<b>Total Expenditure</b>	<b>\$152,641,824</b>	<b>\$154,119,644</b>	<b>\$140,935,286</b>	<b>\$140,062,507</b>
<b>Recovery of Expenditure</b>				
Other School Boards - Tuition Fees & Miscellaneous	201,882	138,988	11,088,664	12,063,136
Government of Ontario (Note #8)	684,810	743,869	7,716,323	369,125
Social Contract Savings Reimbursement (Note #9)	(3,015,602)	(1,032,204)	(2,467,310)	(881,079)
Government of Canada	53,912	43,700	1,762,561	1,954,449
Individual - Tuition Fees	57,387	65,243	488,649	782,800
Other Revenue, excluding transfers from reserves	1,031,044	1,059,996	3,716,897	1,275,748
<b>Total Recovery of Expenditure</b>	<b>(986,567)</b>	<b>1,019,592</b>	<b>22,305,784</b>	<b>15,564,179</b>
<b>Net Expenditure</b>	<b>\$153,628,391</b>	<b>\$153,100,052</b>	<b>\$118,629,502</b>	<b>\$124,498,328</b>
<b>Financing of Net Expenditure</b>				
Government of Ontario - General Legislative Grants	\$ 37,369,432	\$ 40,170,364	\$ 20,006,314	\$ 30,302,526
<b>Local Taxation</b>				
Previous year's over requisition	4,494,069	2,548,009	3,202,205	1,959,174
Local taxation raised in the current year	114,511,998	114,977,934	98,638,296	95,698,889
(Increase) decrease in reserves	(261,460)	(102,186)	(1,384,233)	(260,056)
	118,744,607	117,423,757	100,456,268	97,398,007
To be applied to the following year's taxation	(2,485,648)	(4,494,069)	(1,833,080)	(3,202,205)
<b>Total financing of Net Expenditure</b>	<b>\$153,628,391</b>	<b>\$153,100,052</b>	<b>\$118,629,502</b>	<b>\$124,498,328</b>

## CAPITAL FUND STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1994

	1994	1993
<b>CAPITAL EXPENDITURE</b>		
Fixed Assets & Work In Progress		
Buildings, Furniture & Equipment	\$ 15,764,359	\$ 21,655,993
School Sites & Improvements to Sites	4,918,575	560,958
<b>Total Capital Expenditure</b>	<b>\$ 20,682,934</b>	<b>\$ 22,216,951</b>
<b>CAPITAL FINANCING</b>		
Unexpended Funds at Beginning of Year (Balance at beginning of year not permanently financed)		
- Elementary	\$ (1,152,604)	\$ 270,377
- Secondary	1,490,262	(6,488,135)
Long Term Liabilities Issued & Sold	-	19,954,281
Contributions from Government of Canada	515,549	-
Capital Expenditure from Revenue Fund	11,338,112	8,818,086
Transfer of Surplus Capital Funds to the Revenue Fund	(185,902)	-
Balance at end of year not permanently financed (Unexpended Funds at end of year)		
- Elementary	6,003,826	1,152,604
- Secondary	2,673,691	(1,490,262)
<b>Total Capital Financing</b>	<b>\$ 20,682,934</b>	<b>\$ 22,216,951</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1994

### 1. ACCOUNTING PRINCIPLES

The financial statements have been prepared by the Board using accounting principles that are prescribed by the Ministry of Education & Training and are considered appropriate for Ontario School Boards. These principles are in accordance with generally accepted accounting principles except as follows:

- Accrual Accounting** - Revenue and expenditure are accounted for on the accrual basis of accounting with the following exceptions:
  - No provision is made for interest on unmatured debenture debt from the date of payment to the year-end.
  - No provision is made to record the liability for retirement and/or sick leave benefits accruing over the working lives of employees.
- Capital Assets** - Capital assets are expensed unless they are to be financed by long-term debt. Principal and interest charges on net long-term liabilities are included as expenditures in the period due. Capital assets, including capital leases, described as capital outlay to be recovered in future years, are included on the balance sheet only to the extent of the balance of the related net long-term liabilities outstanding and of the related temporary financing at the year-end.
- Reserves and Reserve Funds** - Reserves and reserve funds represent funds appropriated for general and specific purposes and are charged or credited to Revenue Fund Operations in the year appropriated or drawn down. The amounts in Reserves and Reserve funds are approved by the Board and are within the limits defined in the Education Act.
- Under/Over Requisition of Taxes** - The difference between the net expenditures of any year and the amounts received to finance these expenditures is carried forward to the subsequent year to either increase or reduce the net revenue requirement from ratepayers.
- Deferred Charges** - Computers purchased for administrative purposes are stated at cost less amortization. Amortization is on a blended monthly basis over five to six years. The Workers' Compensation Board's special assessment for the Board to change from a Schedule 1 to Schedule 2 employer is stated at cost less amortization. Amortization is on a straight-line basis over four years.

### 2. RETIREMENT GRATUITY PLANS

The Retirement Gratuity Plans established by the Board provide for the payment of a gratuity to employees who have a minimum of ten consecutive years service with the Board immediately prior to retirement on pension by reason of age or ill health. The amount of gratuity payment is determined by the employee's years of service, number of cumulative sick leave days and annual salary. The benefit payable to an employee is equal to the lesser of fifty percent of his/her annual salary or a maximum amount as set forth in the terms and conditions of employment.

Retirement gratuities paid in respect of employees who retired in 1994 - \$2,693,183 (1993 - \$2,109,067).

The estimated unfunded liability of the plans at December 31, 1994 of \$6,276,200 (1993 - \$6,250,000), is based on the liability which would occur if all employees who were entitled to a gratuity had retired at the end of 1994.

### 3. NET LONG-TERM LIABILITIES

Of the net long-term liabilities outstanding of \$67,675,712, principal plus interest payable over the next five years and subsequent payments to maturity including sinking fund earnings are as follows:

	Principal	Interest	Total
1995	4,785,810	7,036,676	11,822,486
1996	5,327,247	6,699,506	12,026,753
1997	5,511,467	6,381,860	11,893,327
1998	5,500,479	5,843,334	11,343,813
1999	5,469,563	5,277,961	10,747,524
	26,594,566	31,239,337	57,833,903
Subsequent	30,483,464	26,483,213	56,966,677
Add Sinking Fund	10,597,682	-	10,597,682
	67,675,712	57,727,550	125,398,262

### 4. DEBT CHARGES AND CAPITAL LOAN INTEREST

The Revenue Fund expenditure for debt charges and capital loan interest includes principal and interest payments as follows:

	Elementary	Secondary
Principal payments on long-term liabilities including contributions to sinking funds	\$2,145,801	\$2,394,938
Interest payments on long-term liabilities	3,967,668	3,601,788
Interest payments on temporary financing of capital projects and debenture issuance costs	86,306	43,627
	\$6,199,775	\$6,040,353

### 5. PENSION PLAN COSTS

Certain non-teaching employees of the school board are eligible to be members of the Ontario Municipal Employees Retirement System which is a multi-employer final average pay contributory plan. Employer contributions made to the plan during the year by the Board amounted to \$1,543,087 (1993 - \$1,576,666). Those amounts have been included in expenditure reported in the Revenue Fund Statement of Operations.

Not shown in the financial statements of the Board are the employer's contributions to the Teachers' Pension Plan. The funding for such is provided directly by the Provincial Government.

### 6. DEFERRED CHARGES

Deferred charges, which are reported on the balance sheet as "Other Assets", comprise the unamortized portion of computer hardware and software for administrative purposes purchased after 1989 and the unamortized portion of the Workers' Compensation Board's special assessment. The cost of computer hardware and software purchased in 1994 was nil and amortization charged to the Revenue Fund for the year was \$358,894 (1993 - \$546,661). The Workers' Compensation Board's special assessment levied in 1993, which is being amortized over the four years 1993 to 1996, amounted to \$1,939,947. Amortization of the special assessment charged to the Revenue Fund for the year was \$485,000 (1993 - \$485,000). At the year-end, deferred charges comprise \$764,671 (1993 - \$1,123,565) in respect of unamortized computer costs and \$969,947 (1993 - \$1,454,947) in respect of the unamortized portion of the W.C.B. special assessment.

### 7. SALARY NEGOTIATIONS

As at the time the Financial Statements were prepared, the salary or wage agreements were not settled for the following groups: Federation of Women Teachers' Association of Ontario, Ontario Public School Teachers' Federation, Ontario Secondary School Teachers' Federation, Professional Student Services Personnel, and The Halton Board of Education Office Personnel Association. A salary or wage accrual based on the results of these negotiations is not included in the Financial Statements.

### 8. ONTARIO FINANCING AUTHORITY

The school board, the Government of Ontario and the Ontario Financing Authority (OFA) have entered into an agreement whereby certain capital assets are funded by loan advances from the OFA. During the year, the school board received loans totalling \$7,135,858 which have been included in the Revenue Fund Statement of Operations as Recovery of Expenditure under the caption Government of Ontario.

Effective March 31, 1994 the loans advanced from April 1, 1993 to March 31, 1994 together with accrued interest, were converted into a debenture payable to the OFA amounting to \$6,488,930. The debenture is unsecured, bears interest at 8.77% and is repayable in semi-annual installments over a twenty year period.

The agreement provides that the Government of Ontario will give annual grants equal to the principal and interest installments required by the debenture. The agreement specifies that the obligation to repay the debenture principal and interest is conditional upon the school board receiving the grants from the Government of Ontario.

Because the school board has no obligation to make the semi-annual principal and interest payments unless the grants are received from the Government of Ontario, the debenture liability is not shown in these financial statements.

### 9. SOCIAL CONTRACT

The Social Contract Act requires that school boards reduce expenditures by a specified amount in the years 1993 through 1996. Grants will be reduced by a corresponding amount each year. For 1994 the social contract amount is \$5,482,912 (1993 - \$1,913,283) and this amount is reflected in the financial statements.

## AUDITORS' REPORT

To the Trustees of The Halton Board of Education

We have audited the Balance Sheet of The Halton Board of Education as at December 31, 1994, and the Revenue Fund Statement of Operations and the Capital Fund Statement of Operations 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 generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 1994 and the results of its operations for the year then ended in accordance with the accounting principles described in note 1 to the financial statements.

Hamilton, Canada  
February 23, 1995

MacGILLIVRAY PARTNERS  
CHARTERED ACCOUNTANTS

Published by: The Halton Board of Education as required by Provincial Legislation.