

AUDITOR'S REPORT

109 Cuthbertson Bleek,  
Fort William, Ontario,  
April 18, 1968.

THE REEVE AND MEMBERS OF COUNCIL,  
THE TOWNSHIP OF TERRACE BAY,  
TERRACE BAY, ONTARIO.

We have examined the books and records of the Township of Terrace Bay for the year ended December 31, 1967, and statements relative thereto are attached.

REVENUE FUND

It is our understanding that receipts from swimming pool donations and memberships are to be taken into the Township revenue fund until such time as the amounts expended by the Township in past years on the construction and maintenance of the pool and changehouse have been fully recovered. Subsequent receipts from these sources would then be paid directly to the Recreation Committee to finance operating expenses. The unrecovered balance of the pool and changehouse costs at December 31, 1967, was \$17,129.58 as follows:

Balance, December 31, 1966	\$21,075.58
Donations and memberships	3,946.00
Balance, December 31, 1967	<u>\$17,129.58</u>

We were not able to determine if the division of recreation memberships was properly made between those for the use of the pool, which are receivable by the Township as shown above, and those receivable by the Recreation Committee for general recreation purposes. There is no effective control on revenue from this source, and verification was possible of only those amounts for which Township receipts were issued.

During the year an amount of \$22,748.00 was paid to the Thunder Bay District Home for the Aged to complete payment of the Township's share of the capital cost of the new district home for the aged. The total cost of this project to the Township, based on equalized assessment, was \$60,828.00, of which \$38,080.00 was paid in 1966.

The construction of the centennial park, which was commenced in 1966, was completed during the year at a total cost of \$6,484.59. The full amount of \$4,000.00 of government grants on this project has been received.

TERRACE BAY HYDRO-ELECTRIC UTILITY

As in past years, neither the expenditure on power purchased during the last month in the year nor the revenue derived from sales of power during an approximately equal period are included in the attached operating statement.

PUBLIC SCHOOL BOARD

Expenditures for teachers' salaries in the attached statement includes the gross salaries earned by teachers during the year. Since the teaching staff is paid on a twelve-month basis from September to August inclusive, whereas the services are rendered over a ten-month period from September to June, there is a resultant liability to teachers for deferred salary payments as at December 31, 1967. This accrued liability is included in the attached statements.

The secretary-treasurer has not been covered by a surety bond from September 1, 1967. This coverage should be renewed.

R.C. SEPARATE SCHOOL BOARD

The expenditure for teachers' salaries and the liability for accrued salaries have been determined in the same manner as was explained above for the Public School Board.

A residence is held in the name of the School Board, as an accommodation measure only, on behalf of the Parish. A mortgage in the amount of \$14,300.00, without interest, payable on demand, was given by the Board to the Parish to indicate effective ownership by the Parish of this dwelling. Neither the asset nor the liability for the demand mortgage are included in the attached statement.

HIGH SCHOOL BOARD

Capital expenditures from revenue funds for school building projects and teachers residences amounted to \$15,112.00 and were in excess of the statutory two mill limitation imposed by the Secondary Schools Act.

RECREATION COMMITTEE

There is no effective control on sales from vending machines. Revenues from this source have, therefore, been

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