

THE LAKE SUPERIOR BOARD OF EDUCATIONAUDITORS' REPORT

THE CHAIRMAN AND MEMBERS,
THE LAKE SUPERIOR BOARD OF EDUCATION,
SCHREIBER, ONTARIO.

May 18, 1970.

We have examined the revenue fund and capital (building) fund balance sheets and the statement of assets held in reserve fund of The Lake Superior Board of Education as at December 31, 1969 and the statements of revenue fund revenue, revenue fund expenditure, revised net requirement and source and application of capital funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

The valuation of land, buildings and equipment on the balance sheet is the sum of the valuations placed on these assets by the former school boards. These valuations were not made on any consistent basis and a revaluation is to be made.

The transfer to The Lake Superior Board of Education of title to school properties has not yet been completed. While this transfer is generally being made without compensation being paid to the former owners, in accordance with the legislation which incorporated The Lake Superior Board of Education, a claim for compensation for properties held in the name of the former Improvement District of Marathon has been instituted by that municipality. No provision has been made for this contingent liability in the attached financial statements.

The amounts of the surpluses and deficits of the predecessor school boards, which we understand are to be applied to the 1971 taxation requirements of the participating municipalities, are to be determined by the Ontario Municipal Board. Pending a decision by this Board, the net surplus of the predecessor Boards is included on the attached balance sheets at the amount of \$126,560 of net revenue fund assets which were transferred to The Lake Superior Board of Education.

The apportionment of the net cost of operation for the year among the participating municipalities has been calculated in accordance with the latest instructions of the Department of Education. However, this basis of apportionment is to be the subject of a hearing to be conducted in June, 1970 by the Ontario Municipal Board as a result of an appeal by certain municipalities concerning the allocation of mines profit tax received by one of the municipalities.

Certain residences were purchased during the year without the prior required approval of the Ontario Municipal Board. However, this approval has been received in 1970.

There is no effective control by the Board administration office of revenues arising from night school fees and the sale of books and supplies.

In our opinion, subject to the above qualifications, these financial statements present fairly the financial position of the Board as at December 31, 1969 and the results of its operations and the source and application of its capital funds for the year then ended, in accordance with accounting principles generally accepted for Ontario School Boards.

"GLENDINNING, JARRETT, GOULD & CO."
Chartered Accountants.

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