

THE LAKE SUPERIOR BOARD OF EDUCATION
NOTES TO THE SECONDARY AND ELEMENTARY FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1970

1. As at December 31, 1970, accrued retirement gratuities, based on 50% of accumulated sick leave for teachers with at least five years continuous service with The Lake Superior Board of Education or one of its predecessor boards, had accumulated to amounts of \$13,900 for elementary school teachers and \$9,600 for secondary school teachers. Upon leaving the Board, eligible teachers have the option of receiving the retirement gratuity in cash or, if they transfer to another board which has a similar plan, of having their accumulated sick leave remain in force. The potential liability for the payment of retirement gratuities has not been included in the attached financial statements. However, a reserve has been set aside in the amount of \$1,062 which, we have been advised, will be increased in future years to meet estimated required future outlays for retirement gratuities.
2. 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 \$122,109 (\$39,935 secondary, \$82,174 elementary) of net revenue fund assets which were transferred to The Lake Superior Board of Education.
3. Since the municipalities comprising The Lake Superior Board area were unable to agree upon the method of apportioning the municipalities' share of the Board's costs for both 1969 and 1970, the matter was referred to the Ontario Municipal Board for a decision, in accordance with Provincial legislation. Since that decision has not yet been obtained, the apportionment has been made on a provisional basis which may be subject to change.
4. 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.