

THE LAKE SUPERIOR BOARD OF EDUCATION
 NOTES TO THE SECONDARY AND ELEMENTARY FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1974

STATEMENT OF SOURCE AND APPLICATION OF CAPITAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1974

SOURCE

- 1. Unexpended funds at beginning of year 34,571
- Long-term liabilities
- 2.1 Sold to Education Capital Aid Corporation (par value)
- 2.2 Sold to the public (par value)
- 2.3 Premium on debentures
- 2.4 Discount on debentures

Reimbursements from Governments

- 3.1 Canada
- 3.2 Ontario (Special Vocational Grant)

4. Capital Expenditure from the revenue fund

5. Federal sales tax refund

6. Balance at the end of year not permanently financed

7. Total

APPLICATION

8. Balance at beginning of year not permanently financed

Fixed assets and work in progress

- 9.1 Buildings 94,205
- 9.2 Furniture and equipment 52,762
- 9.3 School sites
- 9.4 Improvement of school sites
- 9.5 Pupil transportation vehicles
- 9.6 Other (Specify) O.M.B. Fees 600

Other Applications

- 10.1 Cost of issuing debentures
- 10.2 Transferred to revenue fund

11. Unexpended funds at end of year

12. Total

1. Accounts receivable - other
 Accounts receivable - other includes an amount of \$1,580 being taxes receivable from unorganized townships.

2. Fixed assets
 It is the practice of the Board to carry fixed assets at a value corresponding with the principal amount of the outstanding debentures and capital loans at December 31 of each year (see Note 4).
 Buildings and equipment valued at replacement costs for insurance coverage purposes amount to approximately \$10,372,304 and \$1,111,017 respectively.
 Capital asset purchases made during the year, amounting to \$109,869 (elementary schools \$42,286; secondary schools \$67,583) are included in expenditures.

3. Project in progress
 The Board is in the process of making certain alterations to the Marathon public school, the total cost of which is estimated to amount to approximately \$699,000. Financing of such alterations will be made entirely through the issue of a debenture for which approval by the Ministry of Education has already been received. The grant portion of the aforementioned debenture will amount to approximately \$629,000.

4. Long-term liabilities
 Long-term liabilities consist of the following:

Debentures	\$1,030,798
Secondary schools	789,569
Elementary schools	<u>\$1,820,367</u>
Capital bank loans and mortgage	\$ 82,740
Secondary schools	28,104
Elementary schools	<u>\$ 110,844</u>
	<u>\$1,931,211</u>

Principal payments due in the ensuing twelve months amount to approximately

\$ 217,600

5. Reserve for working funds

The reserve for working funds at December 31, 1974 for elementary and secondary schools amount to \$130,438 and \$148,928 respectively.
 Included in the reserve for working funds is an amount of \$81,410 (elementary schools \$31,742; secondary schools \$49,668) regarding the Board's estimated liability at December 31, 1974 in respect to its sick leave benefit plan.

Under the sick leave benefit plan unused sick leave can accumulate and certain employees may become entitled to a cash payment when they leave the Board's employment.

6. Capital reserve fund

The Board by resolution dated April 20, 1974 created a capital reserve fund for the purpose of teacherage replacements. The source of income during 1974 for the aforementioned fund was principally derived from the sale proceeds less expenses incurred on such sales and outstanding debenture liabilities of existing teacherages.

7. Adjustments to prior years grants by the Ministry of Education has resulted in adjustments to the 1973 over requisitions for elementary and secondary schools in the amounts of \$1,524 and \$12,057 respectively.

8. The amount of the net expenditures allocated to each of the participating municipalities has been determined on the basis of available information. Adjustments which may result from re-assessment of provincial grants for current and/or prior years would change these allocations.