

THE LAKE SUPERIOR BOARD OF EDUCATION

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CAPITAL FUND STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1975THE LAKE SUPERIOR BOARD OF EDUCATION
NOTES TO THE SECONDARY AND ELEMENTARY FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1975

	1975	1974
Capital Expenditure		
Fixed Assets and Work in Progress	\$ 691,631	\$ 146,967
Buildings, Furniture and Equipment	.	.
School Sites and improvements to sites	.	.
Pupil Transportation Vehicles	.	.
Other	5,635	600
Total	697,266	147,567
Less Federal Sales Tax Refund	.	4,752
Total Capital Expenditure	<u>697,266</u>	<u>142,815</u>
Capital Financing		
Unexpended Funds at Beginning of Year, or (Balance at Beginning of year not permanently financed)		
- Elementary	(32,237)	.
- Secondary	1,215	34,571
Long-Term Liabilities issued and sold	697,626	.
Contributions from Government of Canada	.	.
Capital Expenditure from the Revenue Fund	46,892	109,869
Transfer to the Revenue Fund	()	(32,647)
Balance at end of Year not Permanently Financed or (Unexpended Funds at End of Year)		
- Elementary	(16,230)	31,022
- Secondary	NIL	.
Total	<u>697,266</u>	<u>142,815</u>

1. Accounting policies
The Board follows accounting practices which are generally accepted for Ontario school boards. Of special significance are the following:

(i) The accrual method of accounting is used with the exception of reporting of charges for long-term liabilities. Principal and interest are not accrued from the due date of payment to the end of the fiscal year.

(ii) Fixed assets are charged to current expenditure unless financed by long-term debt. Capital purchases charged to expenditure during the year amounted to \$46,892 (elementary schools - \$27,705; secondary schools - \$19,187) (1974 - \$109,869: elementary schools - \$42,286; secondary schools - \$67,583).

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 the end of each fiscal year. (Note 4)

Buildings and equipment valued at replacement costs for insurance coverage purposes amount to approximately \$11,030,000 and \$1,406,000 respectively (1974 - \$10,372,304 and \$1,111,017 respectively).

2. Accounts receivable - other

	1975	1974
Supplementary taxes	\$ 741	\$ 4,801
Other school boards	1,410	4,397
Government of Ontario	78,953	146,521
Government of Canada	4,973	5,755
Other	4,709	3,471
	<u>\$ 90,786</u>	<u>\$ 164,945</u>

3. Other current assets

	1975	1974
Revenue Fund		
Inventory - at cost		
- items for resale to students	\$ 4,230	\$ 4,372
Reserve Fund		
Deposit made re: offer to purchase teacherage	* \$ 1,000	
Accrued interest	1,325	269
	<u>\$ 2,325</u>	<u>\$ 269</u>
	<u>\$ 6,555</u>	<u>\$ 4,641</u>

*The Board has made an offer to purchase a teacherage for a total consideration of \$32,500.

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NOTES TO THE SECONDARY AND ELEMENTARY FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1975

	1975	1974
4. Long-term liabilities		
Debentures		
Secondary schools	\$ 942,917	\$ 1,030,798
Elementary schools	1,415,516	789,569
	<u>\$ 2,358,433</u>	<u>\$ 1,820,367</u>
Capital bank loans and mortgage		
Secondary schools	\$ 19,399	\$ 82,740
Elementary schools	12,829	28,104
	<u>\$ 32,228</u>	<u>\$ 110,844</u>
	<u>\$ 2,390,661</u>	<u>\$ 1,931,211</u>
Principal payments due in the ensuing twelve months amount to approximately	<u>\$ 191,000</u>	<u>\$ 217,600</u>

5. Reserve for working funds

The reserve for working funds at December 31, 1975 for elementary and secondary schools amount to \$190,438 and \$153,928 respectively (1974: elementary schools - \$130,438; secondary schools - \$148,928).

6. Unapplied capital revenue

The Board has substantially completed the alterations to the Marathon public school, the cost of which to December 31, 1975 amounted to \$690,375. The balance of \$16,230 represents the unexpended portion of capital revenue received during the year to cover the aforementioned alterations. It is anticipated that this amount will be used for final expenditures relating to the alterations.

7. Contingent liability

During the year, the Board by agreement with its elementary and secondary school employees discontinued its sick leave benefit plan whereby certain employees were entitled to a cash payment upon leaving the Board's employment. The Board by so doing, established the date of June 1, 1976 as the last day that cash payments may be claimed for the sick leave credits.

The estimated liability at December 31, 1975 in respect to the above plan regarding certain Board employees amounted to approximately \$15,700. The Board has not specifically provided for this liability in its financial statements.

Amounts paid out during the year and included in expenses regarding the sick leave benefit plan were as follows:

Plan termination payment to certain employees	\$35,290
Payments to departing employees	15,586
	<u>\$50,876</u>

THE LAKE SUPERIOR BOARD OF EDUCATION

NOTES TO THE SECONDARY AND ELEMENTARY FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1975

8. The Board performs the duties of levying and collecting taxes in territories without municipal organization. The amount required for the elementary and secondary panels, from those areas for 1975 in respect to performing duties of a municipal council was \$54 and \$55 respectively (1974 - \$258 and \$259 respectively).
The territories without municipal organization are Pic (Heron Bay), Rosspport, Port Coldwell and Jackfish.

9. Adjustments to prior years grants by the Ministry of Education has resulted in adjustments to the 1973 and 1974 over requisitions for elementary and secondary schools in the amounts of \$13,638 and \$16,836 respectively (1974 - \$1,524 and \$12,057 respectively).

10. 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.

11. Anti-Inflation Legislation

Pursuant to the terms of the Federal-Province of Ontario agreement of January 13, 1976, the Board is subject to Part IV of the guidelines issued under the Federal Anti-Inflation Act. Accordingly salaries and wages paid by the Board are subject to restraint under the Federal program.