

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1977

1. Accounting policies

(a) Accrual accounting -

The accrual method for reporting revenue and expenditure has been used with the exception of reporting of charges for net long-term liabilities. Principal and interest charges are not accrued from the due date of payment to the end of the fiscal year.

(b) Fixed assets -

Fixed assets are charged to current expenditure unless financed by long-term debt. Principal and interest charges on net long-term liabilities are included in expenditure in the period due. Fixed assets are included in the balance sheet only to the extent of the balances of the related net long-term liabilities outstanding and of the related temporary financing at the end of the fiscal year.

(c) Net long-term liabilities -

Debentures are recorded as unmatured debenture debt in the year of sale.

2. Sick leave benefits

Under the sick leave benefit plan unused sick leave can accumulate and employees may become entitled to a cash payment when they retire while in the Board's employ. The accumulated value of sick leave days, to the extent that they could be used to determine the cash payments to an employee on retirement amount to approximately \$51,000 at December 31, 1977. No provision has been made in the accounts for the sick leave benefit plan.

3. Net long-term liability repayments

Of the net long-term liabilities outstanding of \$2,058,200 principal amounting to \$567,700 plus interest amounting to \$742,798 is payable over the next five years as follows:

	Principal	Interest	Total
1978	\$108,200	\$164,442	\$ 272,642
1979	108,500	156,770	265,270
1980	118,000	149,014	267,014
1981	118,500	140,559	259,059
1982	114,500	132,013	246,513
	<u>\$567,700</u>	<u>\$742,798</u>	<u>\$1,310,498</u>

4. Debt charges and capital loan interest

The expenditure for debt charges and capital loan interest reported in the revenue fund statement of operations includes principal and interest payments as follows:

Principal payments on long-term liabilities	\$ 90,700
Interest payments on long-term liabilities	108,836
Interest payments on temporary financing of capital projects	<u>5,110</u>
	<u>\$204,646</u>

5. Anti-Inflation Act (Canada)

Under an agreement between the Government of Ontario and the Government of Canada, authorized by the Anti-Inflation Agreements Act (1976), remuneration paid by an Ontario school board to its employees is subject to the provision of the Anti-Inflation Act (Canada). The members of the Board are of the opinion that the Board is in compliance with the requirements of the Anti-Inflation legislation.

6. Mortgage agreement

In 1976 the Board sold a home to one of its employees. Consideration for the sale included an \$8,000 interest free mortgage forgivable as at August 15, 1986 if the employee remains in the employ of the Board until the expiry of the school year terminating June 1986. In the event that the employee sells or transfers the house, or terminates employment with the Board, the whole amount owing shall become due and payable. The Board also has obtained an option to purchase which gives the Board the first option to purchase the property for a period of 9 years and 10 months. The above item has not been reflected in the financial statements.

		NAME OF BOARD	
		THE NORTH OF SUPERIOR DISTRICT ROMAN CATHOLIC SEPARATE SCHOOL BOARD	
<b>CAPITAL FUND STATEMENT OF OPERATIONS</b>			
FOR THE YEAR ENDED DECEMBER 31, 1977			
<b>Capital Expenditure</b>			
Fixed Assets and Work in Progress		1977	1976
Buildings, Furniture and Equipment	0141	\$ 534,797	\$ 418,076
School Sites and Improvements to Sites	0142	.	.
Pupil Transportation Vehicles	0143	.	.
Other	0144	.	.
Less Federal Sales Tax Refund	0145	( 6,357 )	( 3,597 )
<b>Total Capital Expenditure</b>	<b>0146</b>	<u>528,440</u>	<u>414,479</u>
<b>Capital Financing</b>			
Unexpended Funds at Beginning of Year, or (Balance at Beginning of year not permanently financed)			
Elementary	0147	19,302	12,695
Secondary	0148	.	.
Long-Term Liabilities issued and sold	0149	686,000	355,000
Contributions from Government of Canada	0150	.	.
Capital Expenditure from the Revenue Fund	0151	8,825	66,086
Transfer to the Revenue Fund	0152	( )	( )
Balance at end of Year not Permanently Financed or (Unexpended Funds at End of Year)			
Elementary	0153	(185,687)	(19,302)
Secondary	0154	.	.
<b>Total</b>	<b>0155</b>	<u>528,440</u>	<u>414,479</u>