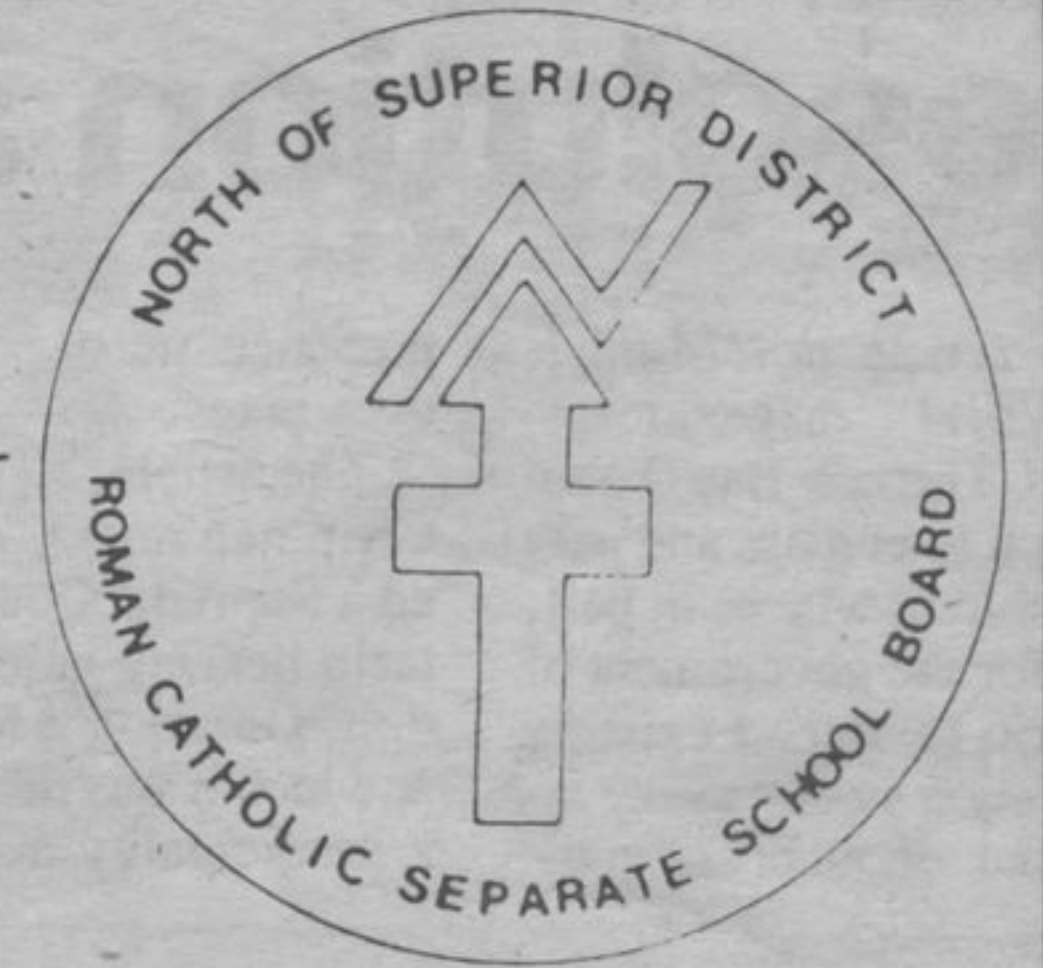


# The North of Superior District Roman Catholic Separate School Board

# Auditor's Report



TO THE CHAIRMAN AND MEMBERS,  
The North of Superior District  
Roman Catholic Separate School Board

We have examined the consolidated balance sheet of The North of Superior District Roman Catholic Separate School Board as at December 31, 1985 and the Revenue Fund and Capital Fund statements of operations and Capital Reserve Funds statement of operations and fund balance for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the consolidated financial position of the Board as at December 31, 1985 and the results of its operations for the year then ended in accordance with accounting principles described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada,  
March 20, 1986

CLARKSON GORDON  
Chartered Accountants

## REVENUE FUND STATEMENT OF OPERATIONS

For the year ended December 31, 1985  
(with comparative figures for 1984)

	1985	1984
<b>EXPENDITURE</b>		
Instruction	\$ 3,200,002	\$ 2,997,796
Plant operation and maintenance	597,490	506,339
Transportation	289,728	219,200
Debt charges and capital loan interest	216,648	214,235
Business administration	351,677	332,645
Other operating expenditure	226,968	35,081
Taxes written off	661	2,459
Transfers to Capital Fund	70,557	44,437
Transfer to Capital Reserve Funds	3,500	
Tuition fees	52,714	
<b>TOTAL EXPENDITURE</b>	<b>5,009,945</b>	<b>4,352,192</b>
<b>RECOVERY OF EXPENDITURE</b>		
Government of Canada	433,206	368,827
Government of Ontario	9,797	6,194
Other revenue	51,347	52,726
Other school boards	19,946	16,186
<b>Total recovery of expenditure</b>	<b>514,296</b>	<b>443,933</b>
<b>NET EXPENDITURE</b>	<b>4,495,649</b>	<b>3,908,259</b>
<b>FINANCING OF NET EXPENDITURE</b>		
Government of Ontario		
General Legislative Grants	4,079,209	3,514,536
Local taxation		
Previous year's over (under) requisitions	(96,032)	(16,496)
Local taxation raised in current year	379,077	314,187
Transfer from reserve for working capital	47,000	
	4,409,254	3,812,227
Net under requisitions to be recovered from following year's taxation	\$ 86,395	\$ 96,032

(See Notes to Financial Statements)

## NOTES TO FINANCIAL STATEMENTS December 31, 1985

- Significant accounting policies**  
The financial statements of the Board have been prepared by management using accounting principles that are prescribed by the Ministry of Education and are considered appropriate for Ontario School Boards. These principles are in accordance with generally accepted accounting principles except as follows:
  - Basis of consolidation**  
The balance sheet presents the financial position of the Revenue, Capital Reserve, and Capital Funds on a consolidated basis. Separate statements of operations are presented for each of those funds.  
  
The Revenue Fund is used to account for operational and administrative costs financed by the Province of Ontario, Government of Canada, participating organized and unorganized municipalities and miscellaneous sources.  
  
The Capital Fund is used to account for all capital expenditures.  
  
The Capital Reserve Funds represent funds appropriated for future capital projects which will be credited to Capital Fund Operations in the year of capital expenditure.  
  
The Trust Funds are used in conjunction with the Board's Deferred Salary Leave Plan. This plan allows a teacher to defer a portion of his/her salary for several years and to take a year's leave from teaching. During the years of deferral the deferred salary is held in trust for the teacher by the Board. The Trust Funds, as described in note 5, are not reflected in these financial statements.
  - Accrual accounting**  
The accrual method of reporting revenue and expenditure has been used except for the following:  
  
Interest charged on long-term liabilities is not accrued from the due date of payment to the end of the fiscal year, and;  
  
No provision has been made in these financial statements for the amount of sick leave benefits accumulated to December 31, 1985 which might be payable upon retirement to those employees remaining on staff after December 31, 1985 (see note 4).
  - Fixed assets**  
Fixed assets are charged to current expenditure unless financed by long-term debt. Principal and interest charges on long-term liabilities are included in expenditure in the period due.  
  
Fixed assets, described as unrecovered capital expenditure, are included on the balance sheet only to the extent of the balances of the related long-term liabilities outstanding and of the related temporary financing outstanding at the end of the fiscal year.
  - Long-term debt**  
Debentures are recorded as unmatured debenture debt in the year of sale.
- Write-down of debentures**  
During the year, the Province of Ontario announced they would write-down the Government's share of the approved portion of school board debentures outstanding at December 31, 1985 which are held by the Ontario Education Capital Aid Corporation. Accordingly, outstanding debenture debt and the corresponding fixed assets have been written down by \$1,078,082 representing the Government's share of these debentures as of December 31, 1985. General Legislative Grants from the Province will be reduced in future years to the extent that the Province would have advanced funds to retire the debentures as they came due.

## BALANCE SHEET As at December 31, 1985 (with comparative figures at December 31, 1984)

ASSETS	1985	1984
<b>Current:</b>		
Cash on hand and in bank	\$ 1,284	\$ 185,776
Accounts Receivable	514,086	285,507
Net under requisitions	86,395	96,032
Prepaid expenses	14,720	7,520
<b>TOTAL CURRENT ASSETS</b>	<b>616,485</b>	<b>574,835</b>
Unrecovered capital expenditure	113,705	1,299,787
	\$ 730,190	\$ 1,874,622
<b>LIABILITIES AND EQUITY</b>		
<b>Current:</b>		
Bank indebtedness	\$ 92,380	
Accounts payable and accrued liabilities (note 4)	376,833	384,061
Debt charges due and unpaid	559	561
<b>Total Current Liabilities</b>	<b>469,772</b>	<b>384,622</b>
Long-term liabilities (note 3)	110,918	1,297,000
<b>Equity:</b>		
Reserve for working capital	146,000	193,000
Capital Reserve Funds - Board equity	157	
- Ministry equity	3,343	
	149,500	193,000
	\$ 730,190	\$ 1,874,622

(See Notes to Financial Statements)

## CAPITAL FUND STATEMENT OF OPERATIONS

For the year ended December 31, 1985  
(with comparative figures for 1985)

	1985	1984
<b>Sources of recovery of capital expenditure</b>		
Transfers from Revenue Fund	\$ 70,557	\$ 44,437
Debenture principal payments included in Revenue Fund expenditure	108,000	98,000
Write-down of debentures (note 2)	1,078,082	
	1,256,639	142,437
<b>CAPITAL EXPENDITURE</b>		
Buildings, furniture and equipment	70,557	47,224
Net recovery of prior year's capital expenditure	1,186,082	95,213
Unrecovered capital expenditure, beginning of year	1,299,787	1,395,000
Unrecovered capital expenditure, end of year	\$ 113,705	\$ 1,299,787

(See Notes to Financial Statements)

## CAPITAL RESERVE FUNDS STATEMENT OF OPERATIONS AND FUND BALANCE

For the year ended December 31, 1985

Source of funds	1985
Transfer from Revenue Fund	\$ 3,500
<b>Capital Reserve Fund balance, end of year</b>	
- Board equity	157
- Ministry equity	3,343
	\$ 3,500

(See Notes to Financial Statements)

## NOTES CONTINUED

- Long-term liabilities**  
Long-term liabilities consists of debentures outstanding of \$110,918. Over the next five years the principal portion amounting to \$47,245 and interest amounting to \$39,304 are payable as follows:

	Principal	Interest	Total
1986	\$ 10,822	\$ 9,495	\$ 20,317
1987	11,362	8,657	20,019
1988	9,247	7,770	17,017
1989	7,610	7,018	14,628
1990	8,204	6,364	14,568
	\$ 47,245	\$ 39,304	\$ 86,549

- Liability for employee sick leave benefits**

Sick leave benefit plan -

Under the sick leave benefit plan unused sick leave can accumulate to a certain maximum and, depending upon the number of days accumulated at the time of retirement, employees may become entitled to a cash payment, assuming that they are still employed by the Board at the time of their retirement.

These financial statements include a payment of \$1,604 (\$20,900 in 1984) for accumulated sick leave benefits which have accrued to employees who have terminated employment in 1985. However, as stated in note 1(b), no provision has been made for the benefits accumulated to December 31, 1985 which might be payable upon retirement to those employees remaining on staff after December 31, 1985. This liability is estimated at approximately \$169,500 at the year end.

- Trust Funds**

These funds consist solely of cash. A continuity of trust fund transactions are as follows:

Capital received during year	\$8,790
Interest earned during year	10
Fund balances, end of year	\$8,800