

New locale of Superior District MNR 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, 1986 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, 1986 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.

CLARKSON GORDON
Chartered Accountants

Thunder Bay, Canada,
March 20, 1987

REVENUE FUND STATEMENT OF OPERATIONS

For the year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
EXPENDITURE		
Instruction	\$ 3,689,348	\$ 3,200,002
Plant operation and maintenance	578,017	597,490
Transportation	331,557	289,728
Debt charges and capital loan interest	23,919	216,648
Business administration	441,481	351,677
Other operating expenditure	166,271	226,968
Taxes written off	4,699	661
Transfers to Capital Fund	219,318	70,557
Transfer to Capital Reserve Funds		3,500
Tuition fees	33,882	52,714
TOTAL EXPENDITURE	5,488,492	5,009,945
RECOVERY OF EXPENDITURE		
Government of Canada	494,665	433,206
Government of Ontario	32,278	9,797
Other revenue	139,460	51,347
Other school boards	36,402	19,946
Total recovery of expenditure	702,805	514,296
NET EXPENDITURE	4,785,687	4,495,649
FINANCING OF NET EXPENDITURE		
Government of Ontario		
General Legislative Grants	4,250,578	4,079,209
Local taxation		
Previous year's over (under) requisitions	(86,395)	(96,032)
Local taxation raised in current year	395,219	379,077
Transfer from reserve for working capital	4,559,402	4,409,254
Net under requisitions to be recovered from following year's taxation	\$ 226,285	\$ 86,395

(See Notes to Financial Statements)

NOTES TO FINANCIAL STATEMENTS December 31, 1986

- 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, 1986 which might be payable upon retirement to those employees remaining on staff after December 31, 1986 (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.
- Bank indebtedness - demand loan**
This demand loan with the Canadian Imperial Bank of Commerce is authorized by a borrowing resolution of the Board and bears interest at the bank's prime lending rate of (9.75% at year end).

CONSOLIDATED BALANCE SHEET

As at December 31, 1986

(with comparative figures at December 31, 1985)

	1986	1985
ASSETS		
Current:		
Cash on hand and in bank	\$ 1,663	\$ 1,284
Accounts Receivable	502,097	514,086
Net under requisitions	226,285	86,395
Prepaid expenses	36,957	14,720
TOTAL CURRENT ASSETS	767,002	616,485
Unrecovered capital expenditure	273,268	113,705
	\$ 1,040,270	\$ 730,190
LIABILITIES AND EQUITY		
Current:		
Bank indebtedness - Overdraft	\$ 102,416	\$ 92,380
-demand loan (note 2)	54,000	
Accounts payable and accrued liabilities (note 4)	460,590	376,833
Debt charges due and unpaid	496	559
Total Current Liabilities	617,502	469,772
Long-term liabilities (note 3)	273,268	110,918
Equity:		
Reserve for working capital	146,000	146,000
Capital Reserve Funds - Board equity	157	157
Ministry equity	3,343	3,343
	149,500	149,500
	\$ 1,040,270	\$ 730,190

(See Notes to Financial Statements)

CAPITAL FUND STATEMENT OF OPERATIONS

For the year ended December 31, 1986

(with comparative figures for 1985)

	1986	1985
Sources of recovery of capital expenditure		
Transfers from Revenue Fund	\$ 219,318	\$ 70,557
Debenture principal payments included in Revenue Fund expenditure	11,475	108,000
Write-down of debentures		1,078,082
	230,793	1,256,639
CAPITAL EXPENDITURE		
Buildings, furniture and equipment	216,531	70,557
House purchases	173,825	
	390,356	70,557
Net increase in (recovery of) prior year's unrecovered capital expenditure	159,563	(1,186,082)
Unrecovered capital expenditure, beginning of year	113,705	1,299,787
Unrecovered capital expenditure end of year	\$ 273,268	\$ 113,705

(See Notes to Financial Statements)

CAPITAL RESERVE FUNDS STATEMENT OF OPERATIONS AND FUND BALANCE

For the year ended December 31, 1986

(with comparative figures for 1985)

	1986	1985
Source of funds		
Transfer from Revenue Fund		\$ 3,500
Capital Reserve Fund balance, end of year		
Board equity	\$ 157	\$ 157
Ministry equity	3,343	3,343
	\$ 3,500	\$ 3,500

(See Notes to Financial Statements)

3. Long-term liabilities

Long-term liabilities consist of debentures outstanding of \$100,096 and mortgages outstanding of \$173,172. Over the next five years the principal portion amounting to \$218,438 and interest amounting to \$65,447 are payable as follows:

	Principal	Interest	Total
1987	\$ 14,297	\$ 25,903	\$ 40,200
1988	179,484	20,504	199,988
1989	7,610	7,018	14,628
1990	8,204	6,364	14,568
1991	8,843	5,658	14,501
	\$218,438	\$ 65,447	\$283,885

4. 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 \$822 (\$1,604 in 1985) for accumulated sick leave benefits which have accrued to employees who have terminated employment in 1986. However, as stated in note 1(b), no provision has been made for the benefits accumulated to December 31, 1986 which might be payable upon retirement to those employees remaining on staff after December 31, 1986. This liability is estimated at approximately \$208,500 at the year end.

5. Trust Funds

These funds consist of cash and term deposits. Trust fund transactions are summarized as follows:

	1986	1985
Capital received during year	\$28,393	\$ 8,790
Interest earned during year	1,150	10
	29,543	8,800
Fund balances, beginning of year	\$8,800	
Fund balances, end of year	\$38,343	\$ 8,800