

STATEMENT OF OUTLAY FOR PERFORMING DUTIES OF A MUNICIPAL COUNCIL IN TERRITORY WITHOUT MUNICIPAL ORGANIZATION FOR THE YEAR ENDED DECEMBER 31, 1987
(Recoverable through levy on assessment in the applicable areas)

Name of Area	Lake Superior Board of Education		TOTAL (Col 1 + Col 2)
	Net Expenditure of a Recreation Committee	Expenditure on account of voters, lists, elections, levying and collecting taxes, etc	
Lake Superior Locality		1,000	1,000
TOTAL		1,000	1,000
Lake Superior Locality		1,000	1,000
TOTAL		1,000	1,000

CAPITAL FUND STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1987
(with comparative amounts for the year ended December 31, 1986)

		1987	1986
CAPITAL EXPENDITURE			
Fixed Asset and Work in Progress			
Buildings, Furniture & equipment	0141	\$3,793,662	\$1,089,056
School Sites & Improvement to Sites	0142	2,532	270,963
Pupil Transportation Vehicles	0143		
Other	0144		
Less Federal Sales Tax Refund	0145	()	()
Total Capital Expenditure	0146	\$3,796,194	\$1,360,019
CAPITAL FINANCING			
Unexpended Funds at Beginning of Year, or (Balance at Beginning of Year not Permanently Financed)			
	Elementary	0147	\$
	Secondary	0148	2,550
Long Term Liabilities Issued and Sold	0149		
Contributions from Government of Canada	0150		
Capital Expenditure from the Revenue Fund	0151	3,796,194	1,360,019
Transfer to the Revenue Fund	0152	()	(2,550)
Balance at end of Year not Permanently Financed or (Unexpended Funds at End of Year)			
	Elementary	0153	
	Secondary	0154	
Total Capital Financing	0155	\$3,796,194	\$1,360,019

The Lake Superior Board of Education
(Elementary and Secondary Schools)
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1987

1. ACCOUNTING PRINCIPLES

The financial statements have been prepared by the Board 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:

Accrual accounting

Revenue and expenditure are accounted for by the accrual method except that:

- (a) No provision is made for interest on unmatured debenture debt from the date of the last principal payment to the end of the fiscal year.
- (b) No provision is made to record the liability for retirement and/or sick leave benefits accruing over the working lives of employees.

Fixed Assets

Fixed assets are charged to current expenditure unless financed by long-term debt. Principal and interest charges on the long-term liabilities are included as expenditures in the period due. Fixed assets including capital leases, described as capital outlay to be recovered in future years, are included on 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.

Reserves and reserve funds

Reserves and reserve funds represent funds appropriated for general and specific purposes and are charged or credited to revenue fund operations in the year appropriated or drawn down.

Under/over-requisition of taxes

The difference between the net expenditures of any year and the amounts received to finance these expenditures is carried forward to the subsequent year to either increase or reduce the net revenue requirement from ratepayers.

2. INVESTMENTS

	1987	1986
Revenue fund - mortgages	\$64,393	\$81,177

3. NET LONG-TERM LIABILITY

	1987	1986
Unmatured debenture debt	\$218,508	\$285,353

Repayments over the next five years are as follows:

	Principal	Interest	Total
1988	\$54,063	\$18,003	\$72,066
1989	21,153	14,029	35,182
1990	23,209	12,243	35,452
1991	25,013	10,285	35,298
1992	27,042	4,184	31,226
Thereafter	68,028	12,386	80,414
	<u>\$218,508</u>	<u>\$71,130</u>	<u>\$289,638</u>

4. DEBT CHARGES AND CAPITAL LOAN INTEREST

The revenue fund expenditure for debt charges and capital loan interest includes principal and interest payments as follows:

	1987	1986
Principal payments on long-term liabilities	\$66,846	\$61,427
Interest payments on long-term liabilities	22,609	26,841
	<u>\$89,455</u>	<u>\$88,268</u>

5. RESERVE FOR RETIREMENT GRATUITIES

The Board has established a reserve for retirement gratuities. The retirement gratuities are payable to employees on retirement after five years' continuous service provided one year's notice is given of the intent to retire. The reserve for retirement gratuities at December 31, 1987 is applicable to the elementary and secondary school operations of the Board as follows:

	1987	1986
Elementary	\$150,025	\$42,906
Secondary	89,637	59,100
	<u>\$239,662</u>	<u>\$102,006</u>

The above amounts are included on the balance sheet in equity in reserve funds.

6. AREAS OF JURISDICTION WITHOUT MUNICIPAL ORGANIZATION

The Board performs the duties of levying and collecting taxes in the territory without municipal organization of the Lake Superior Locality. The amounts required from this area for 1987 include outlay by the Board in respect of performing duties of a municipal council. This outlay is not included in the revenue fund statement of operations of the Board. The amounts are reported by area in a separate statement.

7. PRIOR YEAR'S ADJUSTMENTS

Grants from the Ministry of Education in respect of the year ended December 31, 1986 for secondary schools have not yet been finalized. Adjustments, reflected in the prior year, to the grants from the Ministry of Education in respect of the year ended December 31, 1985 resulted in an increase in the 1985 grant for elementary schools of \$16,701 and an increase in the 1985 grant for secondary school of \$22,432. In respect of the year ended December 31, 1986 an increase in the grant for elementary schools of \$4,452 has been reflected.

8. NET EXPENDITURES BY MUNICIPALITIES

The amounts of the net expenditures allocated to each of the participating municipalities have been determined on the basis of available information. Adjustments of Provincial grants for current and/or prior years may change these allocations.

9. PENSION PLAN COSTS

All non-teaching employees of the school board are eligible to be members of the Ontario Municipal Employees Retirement System which is a multi-employer final average pay contributory plan. Employer contributions made to the plan during the year by the Board amounted to \$49,032 (1986 - \$44,523). These amounts have been included in employee benefits expense in the Schedule of Expenditure. Not shown in the financial statements of the Board are the employer's contributions to the Teachers' Superannuation Fund. The funding for such is provided directly by the Provincial Government.

10. ONTARIO SCHOOL BOARD INSURANCE EXCHANGE

The school board joined, effective April 19, 1987, for a period, ending December 31, 1991, the Ontario School Board Insurance Exchange(OSBIE), a reciprocal insurance company licensed under the Insurance Act. OSBIE insures general public liability, property damage and certain other risks.

11. CONTRACTUAL OBLIGATIONS

The school board has committed to a sum of \$6,994,153 for the construction of a new high school in Marathon. Of this commitment \$2,539,997 has been spent in 1987 and is included in capital expense in the Schedule of Expenditure