

**CAPITAL FUND STATEMENT OF OPERATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 1988**

(with comparative amounts for the year ended December 31, 1987)

Capital Expenditure		1988	1989
Fixed Assets and Work in Progress			
Buildings, Furniture and Equipment	0141	\$6,046,701	\$3,670,578
School Sites and Improvements to Sites	0142	2,320	2,532
Pupil Transportation Vehicles	0143		
Other	0144		
Less Federal Sales Tax Refund	0145	( )	( )
Total Capital Expenditure	0146	<u>\$6,049,021</u>	<u>\$3,673,110</u>
Capital Financing			
Unexpected Funds at Beginning of Year, or (Balance at Beginning of Year not Permanently Financed)			
Elementary	0147		
Secondary	0148		(123,084)
Long-Term Liabilities Issued and Sold	0149		
Contributions from Government of Canada	0150		
Capital Expenditure from the Revenue Fund	0151	6,049,021	3,796,194
Transfer to the Revenue Fund	0152	( )	( )
Balanced at end of Year not Permanently Financed or (Unexpended Funds at End of Year)			
Elementary	0154		
Secondary	0154		
Total Capital Financing	0155	<u>\$6,049,021</u>	<u>3,673,110</u>

**STATEMENT OF OUTLAY FOR PERFORMING DUTIES  
OF A MUNICIPAL COUNCIL IN TERRITORY  
WITHOUT MUNICIPAL ORGANIZATION  
FOR THE YEAR ENDED DECEMBER 31, 1988**

(RECOVERABLE THROUGH LEVY ON ASSESSMENT IN THE APPLICABLE AREAS)

NAME OF AREA	NET EXPENDITURE OF A RECREATION COMMITTEE	EXPENDITURE ON ACCOUNT OF VOTERS LISTS, ELECTIONS, LEVYING AND COLLECTING TAXES,	TOTAL COL 1 & 2
LAKE SUPERIOR LOCALITY (ELEMENTARY)		3,368	3,368
TOTAL	0158 3,368	0159 3,368	3,368
LAKE SUPERIOR LOCALITY (SECONDARY)		3,368	3,368
TOTAL	0158 3,368	0159 3,368	3,368

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 1988**

**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 expenditures 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 net 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. The amounts in reserves and reserve funds are approved by the Board and are within the limits defined in the Education Act.

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**

	1988	1987
Revenue fund - mortgages	<u>\$109,661</u>	<u>\$ 64,393</u>

**3. NET LONG-TERM LIABILITY**

	1988	1987	
Unmatured debenture debt	<u>\$164,444</u>	<u>\$218,508</u>	
Repayments over the next five years as follows:			
	Principal	Interest	Total
1989	\$ 21,153	\$ 14,029	\$ 35,182
1990	23,209	12,243	35,452
1991	25,013	10,285	35,298
1992	27,042	8,175	35,217
1993	24,467	6,043	30,510
Thereafter	<u>43,560</u>	<u>5,968</u>	<u>49,528</u>
	<u>\$164,444</u>	<u>\$ 56,743</u>	<u>\$221,187</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:

	1988	1987
Principal payments on long-term liabilities	\$ 54,064	\$ 66,846
Interest payments on long-term liabilities	18,003	22,609
Interest payments on temporary financing of capital projects	<u>67,111</u>	
	<u>\$139,178</u>	<u>\$ 89,455</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, 1988 is applicable to the elementary and secondary school operations of the Board as follows:

	1988	1987
Elementary	\$161,050	\$150,025
Secondary	<u>162,189</u>	<u>89,637</u>
	<u>\$323,239</u>	<u>\$239,662</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 1988 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**

Adjustments, reflected in the prior year, to the grants from the Ministry of Education are as follows:

Year	Elementary Increase (decrease)	Secondary Increase (decrease)
1984	\$ -	\$ (538)
1985	-	22,433
1987	<u>\$ (2,029)</u>	<u>(33,664)</u>
	<u>\$ (2,029)</u>	<u>\$ (11,769)</u>

**8. NET EXPENDITURE BY MUNICIPALITIES**

The amounts of the net expenditure 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 \$54,626 (\$49,032 in 1987). These amounts have been included in employee benefits expense in the schedule of expenses.

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, effected April 19, 1987, for a period, ending December 31, 1991, the Ontario School Board's 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 \$577,552 for the construction of an administration office. Of this commitment, \$78,252 has been spent in 1988 and is included in capital expense in the schedule of expenditure.