

**LAKE SUPERIOR BOARD OF EDUCATION
(ELEMENTARY and SECONDARY SCHOOLS)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1990**

1. SIGNIFICANT 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 unmature debenture debt from the date of the last principal payment to the end the fiscal year.
- (b) Provision is not 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	1990	1989
Revenue fund - mortgages	<u>\$36,917</u>	<u>\$43,108</u>
3. NET LONG-TERM LIABILITY	1990	1989
Unmatured debenture debt	<u>\$871,082</u>	<u>\$943,291</u>

Repayments over the next five years are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1991	\$79,013	\$90,385	\$169,398
1992	87,042	82,605	169,647
1993	90,467	74,173	164,640
1994	93,805	65,120	158,925
1995	102,755	55,583	158,338
Thereafter	<u>418,000</u>	<u>118,035</u>	<u>536,035</u>
	<u>\$871,082</u>	<u>\$485,901</u>	<u>\$1,356,983</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:

	1990	1989
Principal payments on long term liabilities	\$72,209	\$21,154
Interest payments on long-term liabilities	<u>97,488</u>	<u>14,028</u>
	<u>\$169,697</u>	<u>\$35,182</u>

5. RETIREMENT GRATUITIES PLANS

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 gratuity is not vested.

The amount paid in the current year in respect of retirement gratuities amounted to \$24,771 (\$37,364 in 1989).

The reserve for retirement gratuities at December 31, 1990 is applicable to the elementary and secondary school operations of the Board as follows:

	1990	1989
Elementary	\$268,288	\$219,092
Secondary	<u>311,651</u>	<u>216,431</u>
	<u>\$579,939</u>	<u>\$435,523</u>

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

**THE LAKE SUPERIOR BOARD OF EDUCATION
(ELEMENTARY and SECONDARY SCHOOLS)
NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 1990**

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 1990 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 YEARS' ADJUSTMENTS

Adjustments to the prior years' grants from the Ministry of Education have been reflected in the current year as follows:

	<u>Elementary Increase</u>	<u>Secondary (Decrease)</u>
1989	\$10,328	\$(10,011)

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 \$71,269 (\$64,597 in 1989). These amounts have been included in employee benefits expense in the schedule of expenditure.

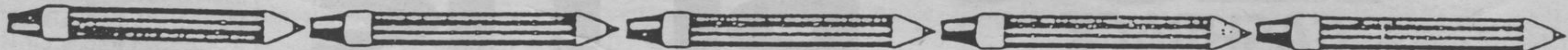
Not shown in the financial statements of the Board are the employer's contributions to the Teachers' Pension Plan. The funding for such is provided directly by the Provincial Government.

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's Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act. OSBIE insures general public liability, property damage and certain other risks.

**CAPITAL FUND STATEMENT OF OPERATIONS
For the year ended December 31, 1991 (with comparative amounts as at
December 31, 1988)**

	1990	1989
Capital Expenditure		
Fixed Assets and Work in Progress		
Buildings, Furniture and Equipment	\$1,187,636	\$2,092,109
School Sites and Improvements to Sites	712,597	--
Pupil Transportation Vehicles	--	--
Other	7,560	--
Less Federal Sales Tax Refund	<u>(195,351)</u>	<u>()</u>
Total Capital Expenditure	<u>\$1,712,442</u>	<u>\$2,092,109</u>
Capital Financing		
Unexpected Funds at Beginning of Year, or (Balance at Beginning of Year not Permanently Financed)		
Elementary	\$ --	\$ --
Secondary	--	--
Long-Term Liabilities Issued and Sold	--	800,000
Contributions from Government Canada	--	--
Capital Expenditure from the Revenue Fund	1,712,442	2,092,109
Transfer to the Revenue Fund	<u>()</u>	<u>(800,000)</u>
Balance at end of Year not Permanently Financed or (Unexpected Funds at End of Year)		
Elementary	--	--
Secondary	--	--
Total Capital Financing	<u>\$1,712,442</u>	<u>2,092,109</u>



**Statement Of Outlay For Performing Duties Of A
Municipal Council In Territory Without Municipal Organization
For the Year Ended December 31, 1990
(Recoverable through levy on assessment in the applicable areas)**

Name of Area:	Col. 1 Net Expenditure of Recreation Committee	Col. 2 Expenditure on Account of Voters' Lists, Elections, Levying and Collecting Taxes ect.	Col. 3 Total (Col. 1 +Col.2)
Lake Superior Locality	=	1,043	1,043
Total	=	1,043	1,043

**Statement Of Outlay For Performing Duties Of A
Municipal Council In Territory Without Municipal Organization
For the Year Ended December 31, 1990
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Name of Area:	Col. 1 Net Expenditure of Recreation Committee	Col. 2 Expenditure on Account of Voters' Lists, Elections, Levying and Collecting Taxes ect.	Col. 3 Total (Col. 1 +Col.2)
Lake Superior Locality	=	957	957
Total	=	957	957