



THE YORK REGION BOARD OF EDUCATION

AUDITORS' REPORT

TO THE TRUSTEES OF THE YORK REGION BOARD OF EDUCATION

We have audited the balance sheet of The York Region Board of Education as at December 31, 1992 and the Revenue Fund Statements of Operations, the Capital Fund Statement of Operations and the Capital Reserve Fund Statement of Continuity for the year then ended. These financial statements are the responsibility of the school board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 1992 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles described in Note 1 to the financial statements.

Toronto, Ontario
April 1, 1993

Deanne Seelye Janet Mabee
CHARTERED ACCOUNTANTS

BALANCE SHEET AS OF DECEMBER 31,

	1992	1991
ASSETS		
CURRENT		
Cash	\$ 6,678	\$ 607,649
Accounts receivable		
Municipalities - supplementary taxes, etc.	6,769,641	11,783,552
Other school boards	6,935,440	5,447,194
Government of Ontario	5,860,240	4,623,414
Government of Canada	75,228	173,504
Other	2,472,344	3,498,465
	22,119,571	26,133,778
CAPITAL OUTLAY TO BE RECOVERED IN FUTURE YEARS, note 1(b)	142,759,790	144,427,496
	\$ 164,879,361	\$ 170,561,274
LIABILITIES		
CURRENT		
Bank indebtedness	\$ 4,841,986	\$ -
Accounts payable and accrued liabilities		
Other school boards	2,040,836	3,167,409
Trade payables	38,296,430	28,784,097
Deferred income	2,416,153	7,587,687
	47,595,405	39,539,193
NET LONG TERM LIABILITIES, notes 1(b) and 2		
Unmatured debenture debt	96,703,321	96,965,149
Other long term liabilities	466,951	1,046,720
	97,170,272	98,011,869
RESERVE FOR WORKING FUNDS, note 4	14,638,549	27,359,162
EQUITY IN CAPITAL RESERVE FUND	5,475,135	5,651,050
	\$ 164,879,361	\$ 170,561,274

SIGNIFICANT ACCOUNTING POLICIES, note 1
COMMITMENTS, note 5
PENSION PLAN COSTS, note 6
ONTARIO SCHOOL BOARD INSURANCE EXCHANGE, note 7
Approved on behalf of the Board:

B. Crothers
Chair of the Board

R.A. Cressman
Chief Executive Officer

REVENUE FUND STATEMENT OF OPERATIONS FOR ELEMENTARY SCHOOL PURPOSES FOR THE YEAR ENDED DECEMBER 31, 1992

	1992	1991
EXPENDITURE		
Business administration	\$ 2,992,737	\$ 2,919,055
General administration	1,355,478	1,313,604
Computer services	2,281,055	2,132,632
Instruction	198,943,755	179,868,615
Plant operations and maintenance	26,685,395	26,327,169
Transportation	17,625,309	18,202,329
Tuition fees	445,771	421,924
Capital expenditures (non-allocable)	21,022,539	16,214,179
Debt charges and capital loan interest, note 3	12,989,887	9,355,213
Other operating expenditures	1,130,940	1,137,144
Non-operating expenditure, excluding transfers to reserves	4,511,591	4,571,871
TOTAL EXPENDITURE	289,964,457	262,463,735
RECOVERY OF EXPENDITURE		
Other school boards - tuition fees and miscellaneous	113,227	178,690
Government of Ontario - miscellaneous	53,486	60,267
Government of Canada	174,390	174,842
Individuals - tuition fees	72,690	104,833
Other revenue, excluding transfers from reserves	2,366,665	1,949,523
TOTAL RECOVERY OF EXPENDITURE	2,780,458	2,468,155
NET EXPENDITURE	\$ 287,183,999	\$ 259,995,580
FINANCING OF NET EXPENDITURE		
Government of Ontario - General	\$ 58,204,770	\$ 58,920,678
Legislative Grants		
Local taxation		
Local taxation raised in current year	221,900,010	198,658,358
Decrease in reserves other than reserve for refund of taxes	7,079,219	2,416,544
	\$ 287,183,999	\$ 259,995,580

REVENUE FUND STATEMENT OF OPERATIONS FOR SECONDARY SCHOOL PURPOSES FOR THE YEAR ENDED DECEMBER 31, 1992

	1992	1991
EXPENDITURE		
Business administration	\$ 2,003,788	\$ 1,961,836
General administration	803,372	780,770
Computer services	2,059,083	2,519,142
Instruction	134,235,200	121,629,323
Plant operations and maintenance	22,091,043	21,573,574
Transportation	7,346,848	8,038,082
Tuition fees	7,301,289	6,175,877
Capital expenditures (non-allocable)	12,284,084	8,548,209
Debt charges and capital loan interest, note 3	10,738,257	9,367,863
Other operating expenditures	1,160,745	1,087,937
Non-operating expenditure, excluding transfers to reserves	3,685,215	3,630,806
TOTAL EXPENDITURE	203,708,924	185,313,419
RECOVERY OF EXPENDITURE		
Other school boards - tuition fees and miscellaneous	11,696,387	8,978,958
Government of Ontario - miscellaneous	22,671	13,446
Government of Canada	131,601	103,085
Individuals - tuition fees	1,266,933	1,349,958
Other revenue, excluding transfers from reserves	2,579,033	1,982,891
TOTAL RECOVERY OF EXPENDITURE	15,696,625	12,428,338
NET EXPENDITURE	\$ 188,012,299	\$ 172,885,081
FINANCING OF NET EXPENDITURE		
Government of Ontario - General	\$ 12,783,636	\$ 16,591,093
Legislative Grants		
Local taxation		
Local taxation raised in current year	169,108,026	156,943,247
Decrease (increase) in reserves other than reserve for refund of taxes	6,120,637	(649,259)
	\$ 188,012,299	\$ 172,885,081

CAPITAL FUND STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1992

	1992	1991
CAPITAL EXPENDITURE		
Capital Assets and Work in Progress		
Buildings, furniture and equipment	\$ 43,268,641	\$ 66,801,661
School sites	2,424,496	2,630,291
	45,693,137	69,431,952
Less: Federal sales tax refund	\$ 553,254	\$ 1,006,569
	\$ 45,139,883	\$ 68,425,383
CAPITAL FINANCING		
Unexpended capital funds at beginning of year, or (Balance at beginning of year not permanently financed)		
Elementary	(\$ 31,886,241)	(\$ 37,384,603)
Secondary	(14,529,386)	(8,362,954)
Long term liabilities issued and sold	9,037,000	38,198,000
Capital expenditure from revenue fund	37,042,321	29,559,313
Transfer to revenue fund	(113,328)	-
Balance at end of year not permanently financed		
Elementary	27,904,548	31,886,241
Secondary	17,684,969	14,529,386
	\$ 45,139,883	\$ 68,425,383

CAPITAL RESERVE FUND STATEMENTS OF CONTINUITY FOR THE YEAR ENDED DECEMBER 31, 1992

	1992	1991
ELEMENTARY SCHOOL PURPOSES		
EQUITY IN CAPITAL RESERVE FUND, BEGINNING OF YEAR	\$ 3,497,032	\$ 3,323,504
Provided from revenue fund	784,998	2,899,527
Interest earned on investments	82,479	95,930
	4,364,509	6,318,961
Transfers to revenue fund	1,844,254	2,821,929
EQUITY IN CAPITAL RESERVE FUND, END OF YEAR	\$ 2,520,255	\$ 3,497,032
SECONDARY SCHOOL PURPOSES		
EQUITY IN CAPITAL RESERVE FUND, BEGINNING OF YEAR	\$ 2,154,018	\$ 1,994,748
Provided from revenue fund	693,341	800,000
Interest earned on investments	107,521	159,270
	2,954,880	2,954,018
Transfers to revenue fund	-	800,000
EQUITY IN CAPITAL RESERVE FUND, END OF YEAR	\$ 2,954,880	\$ 2,154,018

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1992

- SIGNIFICANT ACCOUNTING POLICIES**
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:
(a) **Accrual Accounting**
Revenue and expenditure are accounted for on the accrual basis of accounting, with the following exceptions:
(i) No provision is made for interest on unamatured debenture debt from the date of payment of the year end.
(ii) No provision is made to record the liability for retirement and/or sick leave benefits accruing over the working lives of employees.
(b) **Capital Assets**
Capital assets are charged to current expenditure unless they are to be financed by long term debt. Principal and interest charges on net long term liabilities are included as expenditures in the period due. Capital 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 year end.
(c) **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.
- NET LONG TERM LIABILITIES**
Of the net long term liabilities outstanding of \$97,170,272, principal amounting to \$48,543,894 plus interest amounting to \$51,413,456 is payable over the next five years as follows:

	Principal	Interest	Total
1993	\$ 10,681,833	\$ 11,411,305	\$ 22,093,138
1994	9,189,356	10,807,105	19,996,461
1995	9,469,787	10,283,921	19,753,708
1996	9,667,205	9,716,343	19,383,548
1997	9,535,713	9,194,782	18,730,495
Total	\$ 48,543,894	\$ 51,413,456	\$ 99,957,350

- DEBT CHARGES AND CAPITAL LOAN INTEREST**
The Revenue Fund expenditure for debt charges and capital loan interest includes principal and interest payments as follows:

	Elementary	Secondary	1992 Total	1991 Total
Principal payments on long term liabilities including contribution to sinking funds	\$ 4,948,980	\$ 4,349,847	\$ 9,298,827	\$ 6,765,724
Interest payments on long term liabilities	6,533,830	4,881,334	11,415,164	8,194,016
Interest payments on temporary financing of capital projects	1,507,077	1,507,076	3,014,153	3,763,336
	\$ 12,989,887	\$ 10,738,257	\$ 23,728,144	\$ 18,723,076
- RESERVE FOR WORKING FUNDS**
The Revenue for working funds is applicable to the elementary and secondary school operations of the Board as follows:

	1992	1991
Elementary	\$ 7,983,576	\$ 14,003,539
Secondary	6,654,973	13,355,623
	\$ 14,638,549	\$ 27,359,162
- COMMITMENTS**
The Board has entered into contractual obligations for completion of school projects on a continuing basis.
- 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 \$3,005,179 (1991 - \$2,680,089). Those 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.
- ONTARIO SCHOOL BOARD INSURANCE EXCHANGE**
The School Board joined, effective January 1, 1987, 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.