

Consolidated Financial Statements of

**MOOSONEE DISTRICT
SCHOOL AREA BOARD**

And Independent Auditors' Report thereon
Year ended August 31, 2021

MANAGEMENT REPORT

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Moosonee District School Area Board (the "Board") are the responsibility of the Board's management. The consolidated financial statements have been prepared in compliance with Public Sector Accounting Standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The preparation of consolidated financial statements necessarily involves the use of estimates based on Board management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Board's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Board's Trustees meet with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the Board. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their qualified opinion on the Board's consolidated financial statements.



Finance/HR Administrator and Treasurer

February 25, 2022



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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the Moosonee District School Area Board

Qualified Opinion

We have audited the accompanying consolidated financial statements of Moosonee District School Area Board (the "Board"), which comprise:

- the consolidated statement of financial position as at August 31, 2021
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, except for the adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of school generated funds revenue referred to in the following paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at August 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with the basis of accounting described in note 1 to the financial statements.

Basis for Qualified Opinion

In common with many school boards, individual schools derive revenue from school fundraising activities held throughout the year. Adequate documentation and controls were not in place throughout the year to allow us to obtain satisfactory audit verification as to the completeness of these revenues. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the individual school.



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Therefore, we were not able to determine whether adjustments might be necessary to:

- the financial assets reported in the consolidated statement of financial position as at August 31, 2021 and August 31, 2020
- the school generated funds revenues and annual surplus reported in the consolidated statement of operations and accumulated surplus for the years ended August 31, 2021 and August 31, 2020
- the accumulated surplus, at the beginning and end of the year, reported in the consolidated statement of financial position and statements of operations and accumulated surplus for the years ended August 31, 2021 and August 31, 2020
- the annual surplus reported in the consolidated statement of cash flows for the years ended August 31, 2021 and August 31, 2020

Our qualified opinion on the financial statements for the year ended August 31, 2021 was qualified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' report.

We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting described in the notes to the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Board's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our qualified opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient audit evidence regarding the financial information of the entities or business activities within the Board to express an qualified opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

February 25, 2022

MOOSONEE DISTRICT SCHOOL AREA BOARD

Consolidated Statement of Financial Position

August 31, 2021, with comparative information for 2020

	2021	2020
Financial assets		
Cash	\$ 3,278,802	\$ 2,997,910
Short-term investments (note 2)	133,210	131,628
Accounts receivable (note 3)	351,827	393,127
Total financial assets	3,763,839	3,522,665
Financial liabilities		
Accounts payable and accrued liabilities (note 4)	649,257	610,031
Deferred revenue (note 5)	1,025,099	874,211
Total financial liabilities	1,674,356	1,484,242
Net financial assets	2,089,483	2,038,423
Non-financial assets		
Prepaid expenses	17,260	14,953
Tangible capital assets (note 6)	2,539,460	2,408,830
Total non-financial assets	2,556,720	2,423,783
Effects of COVID-19 (note 12)		
Accumulated surplus (note 7)	\$ 4,646,203	\$ 4,462,206

The accompanying notes are an integral part of these consolidated financial statements.

MOOSONEE DISTRICT SCHOOL AREA BOARD

Consolidated Statement of Operations and Accumulated Surplus

Year ended August 31, 2021, with comparative information for 2020

	2021 Budget	2021 Actual	2020 Actual
Revenue:			
Government transfers:			
- Grants for Student Needs	\$ 5,446,027	\$ 5,229,670	\$ 4,803,111
- Other	294,254	393,969	164,710
- Funding adjustment	-	10,186	(27,571)
- Municipal	187,500	194,836	190,565
Other fees and revenue	160,740	367,899	328,615
School generated funds	-	4,977	44,829
Total revenue	6,088,521	6,201,537	5,504,259
Expenses (note 8):			
Instruction	4,375,424	4,349,518	3,687,363
Administration	458,082	611,239	390,862
Transportation	189,900	178,707	145,405
School operations and maintenance	552,626	409,847	405,394
Teacherages	225,183	140,194	141,025
Other	328,476	305,462	294,177
School generated funds	-	22,573	28,127
Total expenses	6,129,691	6,017,540	5,092,353
Annual surplus (deficit)	(41,170)	183,997	411,906
Accumulated surplus, beginning of year	4,462,206	4,462,206	4,050,300
Accumulated surplus, end of year	\$ 4,421,036	\$ 4,646,203	\$ 4,462,206

The accompanying notes are an integral part of these consolidated financial statements.

MOOSONEE DISTRICT SCHOOL AREA BOARD

Consolidated Statement of Change in Net Financial Assets

Year ended August 31, 2021, with comparative information for 2020

	2021 Budget	2021 Actual	2020 Actual
Annual surplus (deficit)	\$ (41,170)	\$ 183,997	\$ 411,906
Tangible capital assets:			
Acquisition of tangible capital assets	-	(380,790)	(124,677)
Amortization of tangible capital assets	197,945	250,160	194,181
	197,945	(130,630)	69,504
Prepaid expenses:			
Use of prepaid expenses	-	(2,307)	(9,521)
Increase in net financial assets	156,775	51,060	471,889
Net financial assets, beginning of year	2,038,423	2,038,423	1,566,534
Net financial assets, end of year	\$ 2,195,198	\$ 2,089,483	\$ 2,038,423

The accompanying notes are an integral part of these consolidated financial statements.

MOOSONEE DISTRICT SCHOOL AREA BOARD

Consolidated Statement of Cash Flows

Year ended August 31, 2021, with comparative information for 2020

	2021	2020
Cash flows provided by (used in):		
Operating activities:		
Annual surplus	\$ 183,997	\$ 411,906
Item not involving cash:		
Amortization of tangible capital assets	250,160	194,181
	434,157	606,087
Change in non-cash assets and liabilities:		
Increase in short-term investments	(1,582)	(2,057)
Decrease (increase) in accounts receivable	41,300	(5,296)
Increase in accounts payable and accrued liabilities	39,226	277,965
Increase in deferred revenue	150,888	368,406
Increase in prepaid expenses	(2,307)	(9,521)
Net change in cash from operating activities	661,682	1,235,584
Capital activities:		
Cash used to acquire tangible capital assets	(380,790)	(124,677)
Change in cash	280,892	1,110,907
Cash, beginning of year	2,997,910	1,887,003
Cash, end of year	\$ 3,278,802	\$ 2,997,910

The accompanying notes are an integral part of these consolidated financial statements.

MOOSONEE DISTRICT SCHOOL AREA BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2021

The Moosonee District School Area Board is a public school board providing schooling services in Moosonee Ontario and operates one elementary school.

1. Significant accounting policies:

The consolidated financial statements (the “financial statements”) of the Moosonee District School Area Board (the “Board”) are prepared by management in accordance with Public Sector Accounting Standards as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(a) Basis of accounting:

The financial statements have been prepared in accordance with the Financial Administration Act (the “Act”) supplemented by Ontario Ministry of Education memorandum 2004:B2.

The Act requires that the financial statements be prepared in accordance with the accounting principles determined by the relevant ministry of the Government of Ontario. A directive was provided by the Ontario Ministry of Education within memorandum 2004:B2 requiring school boards to adopt Canadian public sector accounting standards commencing with their year ended August 31, 2004 and that changes may be required to the application of these standards as a result of regulation.

In 2011, the government passed Ontario Regulation 395/11 of the Act, requiring contributions received or receivable for the acquisition or development of depreciable tangible capital assets be recorded as deferred capital contributions. Subsequent to Ontario Regulation 395/11, the Board has received instructions from the Ontario Ministry of Education to not recognize deferred capital contributions.

As a result, the Board has adopted Public Sector Accounting Standards as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(b) Reporting entity:

The financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations accountable for the administration of their financial affairs and resources to the Board and are owned and controlled by the Board, including:

- i) School generated funds which include the assets, liabilities, revenues, expenses and fund balances of various organizations that exist at the school level and which are deemed to be controlled by the Board, have been reflected in the financial statements.

(c) Cash:

Cash consists of cash-on-hand, and demand deposits. Cash includes highly liquid investments, subject to insignificant risk of changes in value and have a short maturity term of less than 90 days.

(d) Short-term investments:

Short-term investments consist of marketable securities which are liquid short-term investments with maturities of between three months and one year at the date of acquisition, and are measured on the Statement of Financial Position at amortized cost.

MOOSONEE DISTRICT SCHOOL AREA BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2021

1. Significant accounting policies (continued):

(e) Accounts receivable and payable:

Accounts receivable and payable are accounted for on the accrual basis, which recognizes transactions as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal liability to pay.

(f) Deferred revenue:

The Board receives amounts pursuant to legislation, regulation or agreement and may only be used for certain programs or in the delivery of specific services and transactions. Deferred revenue consists of amounts received by the Board that are restricted for specific purposes by the funder and amounts that are required to be set aside by the Board for specific purposes, legislation, regulation or agreement.

These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services performed.

(g) Retirement and other employee future benefits:

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include worker's compensation, long-term disability benefits and a contribution to pension. The Board accrues its obligation for these employee benefits.

As part of the ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the principals and vice-principals associations, Employee Life and Health Trusts ("ELHTs") were established between 2016 and 2018 for all employee groups. Additionally, retirees belonging to the Principal/Vice Principal and Non-union employee groups have transitioned to the ELHT in 2017-18. These benefits are being provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario. School boards are required to remit a negotiated amount per full-time equivalency ("FTE") on a monthly basis. Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs ("GSN") and additional ministry funding in the form of a Crown contribution and Stabilization Adjustment. After retirees transition, the Board continues to be responsible for its share of cost of benefits based on the cost sharing arrangement prior to the transition to the ELHT.

The Board has adopted the following accounting policies with respect to accounting for these employee benefits:

- (i) The costs of self-insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care costs trends, disability recovery rates, long-term inflation rates and discount rates. The cost of retirement gratuities are actuarially determined using the employee's salary, banked sick days and years of service as at August 31, 2012 and management's best estimate of discount rates.

MOOSONEE DISTRICT SCHOOL AREA BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2021

1. Significant accounting policies (continued):

(g) Retirement and other employee future benefits (continued):

- (i) Any actuarial gains and losses arising from changes to the discount rate are amortized over the average remaining services life of the employee group.

For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as health care benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group.

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for worker's compensation and life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

- (ii) The costs of multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions, are the employer's contributions due to the plan in the period;
- (iii) The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the period.

(h) Non-financial assets:

Non-financial assets are not available to settle existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at historical cost less accumulated amortization. Historical costs include amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The Board capitalizes interest paid on debt used to finance the construction of tangible capital assets.

Tangible capital assets, except land, are amortized on a straight-line basis over their estimated useful lives as follows:

	Estimated Useful Life
Land improvements	10 years
School buildings	40 years
Other buildings	20 years
Computers	3 years
Vehicles	5 years
Furniture and equipment	5 - 15 years

Amortization is taken at 50% of the above rates in the year of acquisition.

MOOSONEE DISTRICT SCHOOL AREA BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2021

1. Significant accounting policies (continued):

(h) Non-financial assets (continued)

(i) Tangible capital assets (continued):

Construction in progress assets are not amortized until the asset is available for productive use.

The useful life for computer hardware was revised from five years to three years based on new information related to the actual life of the assets. As such, additional amortization has occurred for these assets as needed to bring the net book value in line with this new policy. The impact of this change in estimate is \$18,890.

(ii) Prepaid expenses:

Prepaid expenses represent amounts paid in advance for a good or service not yet received. The expense is recognized once the goods have been received or the services have been performed.

(i) Government transfers:

Government transfers, which include legislative grants, are recognized in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made. If government transfers contain stipulations which give rise to a liability, they are deferred and recognized in revenue when the stipulations are met.

(j) Municipal taxation:

Under Public Sector Accounting Standards, the entity that determines and sets the tax levy records the revenue in the financial statements, which in the case of the Board, is the Province of Ontario. As a result, property tax revenue received from the municipality is recorded as municipal taxation revenue when it is eligible for receipt.

(k) Leases:

Leases that transfer substantially all of the benefits and risks incidental to ownership of property, are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred. The Board has one lease with Northern College that is accounted for as an operating lease.

(l) Budget figures:

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Board.

The budget approved by the Board is developed in accordance with the provincially mandated funding model for school boards and is used to manage program spending within the guidelines of the funding model.

The Board approves its budget annually. The approved operating budget for 2020-2021 is reflected on the statement of operations. The budget was approved on November 19, 2020.

MOOSONEE DISTRICT SCHOOL AREA BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2021

1. Significant accounting policies (continued):

(m) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from these current estimates. Significant estimates include assumptions used in performing actuarial valuations of employee future benefit liabilities.

These estimates are reviewed annually, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

2. Short-term investments:

The Board has three GIC's with interest rates ranging from 0.25% - 0.4% (2020 – 0.75% - 1.3%). The GIC's mature January and July 2022.

3. Accounts receivable:

	2021	2020
Government of Canada	\$ 118,819	\$ 176,165
The Town of Moosonee	123,992	121,536
Other school boards	–	71,899
Province of Ontario	97,313	6,574
Other	11,703	16,953
	<u>\$ 351,827</u>	<u>\$ 393,127</u>

4. Accounts payable and accrued liabilities:

	2021	2020
Province of Ontario	\$ 143,938	\$ 243,940
Trade accounts payable and accruals	383,362	218,213
Payroll and benefits	121,957	147,878
	<u>\$ 649,257</u>	<u>\$ 610,031</u>

5. Deferred revenue:

	Balance at August 31, 2020	Externally restricted revenue	Revenue recognized in the period	Balance at August 31, 2021
Ministry of Education:				
Other grants for specific purposes	\$ 67,559	\$ 407,807	\$ (406,423)	\$ 68,943
Special Education (SEPPA)	806,652	910,269	(760,765)	956,156
School renewal	–	33,535	(33,535)	–
Total deferred revenue	<u>\$ 874,211</u>	<u>\$1,351,611</u>	<u>\$(1,200,723)</u>	<u>\$ 1,025,099</u>

MOOSONEE DISTRICT SCHOOL AREA BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2021

6. Tangible capital assets:

Cost	Balance at August 31, 2020	Additions	Disposals and Transfers	Balance at August 31, 2021
Land	\$ 51,750	-	-	51,750
Land improvements	163,558	-	-	163,558
School buildings	4,870,283	-	-	4,870,283
Other buildings	1,434,891	127,309	174,533	1,736,733
Computer	144,808	140,387	-	285,195
Vehicles	102,793	-	-	102,793
Furniture and equipment	16,147	37,609	-	53,756
Construction in progress	273,271	75,485	(174,533)	174,223
Total	\$ 7,057,501	380,790	-	7,438,291

Accumulated Amortization	Balance at August 31, 2020	Disposals and Transfers	Amortization	Balance at August 31, 2021
Land	\$ -	-	-	-
Land improvements	163,558	-	-	163,558
School buildings	3,319,540	-	121,757	3,441,297
Other buildings	979,827	-	63,145	1,042,972
Computer	102,055	-	55,276	157,331
Vehicles	73,791	-	8,286	82,077
Furniture and equipment	9,900	-	1,696	11,596
Construction in progress	-	-	-	-
Total	\$ 4,648,671	-	250,160	4,898,831

	Net book value, August 31, 2020	Net book value, August 31, 2021
Land	\$ 51,750	51,750
Land improvements	-	-
School buildings	1,567,659	1,428,986
Other buildings	438,148	693,761
Computer	42,753	127,864
Vehicles	29,002	20,716
Furniture and equipment	6,247	42,160
Construction in progress	273,271	174,223
Total	\$ 2,408,830	2,539,460

MOOSONEE DISTRICT SCHOOL AREA BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2021

6. Tangible capital assets (continued):

Cost	Balance at August 31, 2019	Additions	Disposals	Balance at August 31, 2020
Land	\$ 51,750	-	-	51,750
Land improvements	163,558	-	-	163,558
School buildings	4,887,199	-	-	4,887,199
Other buildings	1,407,843	10,132	-	1,417,975
Computer	130,981	13,827	-	144,808
Vehicles	102,793	-	-	102,793
Furniture and equipment	14,167	1,980	-	16,147
Construction in progress	174,533	98,738	-	273,271
Total	\$ 6,932,824	124,677	-	7,057,501

Accumulated Amortization	Balance at August 31, 2019	Disposals and Transfers	Amortization	Balance at August 31, 2020
Land	\$ -	-	-	-
Land improvements	155,382	-	8,176	163,558
School buildings	3,197,783	-	121,757	3,319,540
Other buildings	936,971	-	42,856	979,827
Computer	89,507	-	12,548	102,055
Vehicles	65,505	-	8,286	73,791
Furniture and equipment	9,342	-	558	9,900
Construction in progress	-	-	-	-
Total	\$ 4,454,490	-	194,181	4,648,671

	Net book value, August 31, 2019	Net book value, August 31, 2020
Land	\$ 51,750	51,750
Land improvements	8,176	-
School buildings	1,689,416	1,567,659
Other buildings	470,872	438,148
Computer	41,474	42,753
Vehicles	37,288	29,002
Furniture and equipment	4,825	6,247
Construction in progress	174,533	273,271
Total	\$ 2,478,334	2,408,830

MOOSONEE DISTRICT SCHOOL AREA BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2021

7. Accumulated surplus:

Accumulated surplus consists of the following:

	2021	2020
Unappropriated operating accumulated surplus	\$ 2,104,223	\$ 2,033,262
Invested in tangible capital assets	2,539,460	2,408,830
School generated funds	2,520	20,114
Total accumulated surplus	\$ 4,646,203	\$ 4,462,206

8. Expenses by object:

The following is a summary of expenses reported on the statement of operations and accumulated surplus by object:

	2021 Budget	2021 Actual	2020 Actual
Current expenses:			
Salary and wages	\$ 3,602,493	\$ 3,480,070	\$ 2,849,909
Employee benefits	1,007,429	923,767	863,324
Staff development	66,000	24,009	42,880
Supplies and services	518,091	753,821	705,545
Equipment rental	57,700	42,681	31,770
Fees and contract services	510,733	397,786	263,993
Other	169,300	122,673	112,624
School generated funds	–	22,573	28,127
Amortization of tangible capital assets	197,945	250,160	194,181
Total accumulated surplus	\$ 6,129,691	\$ 6,017,540	\$ 5,092,353

9. Ontario School Board Insurance Exchange (OSBIE):

The School Board is a member of 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. Liability insurance is available to a maximum of \$27 million per occurrence.

The premiums over a five year period are based on the reciprocals and the Board's actual claims experience. Periodically, the Board may receive a refund or be asked to pay an additional premium based on its pro rata share of claims experience. The current five year term expires December 31, 2026.

MOOSONEE DISTRICT SCHOOL AREA BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2021

10. Temporary borrowing:

The Board has available to it a \$500,000 revolving line of credit to finance general operating requirements which bears interest at the Prime Rate plus 1% per annum. As at August 31, 2021, the amount drawn on this facility was \$Nil (2020 - \$Nil).

Borrowings under the credit facility are secured by a general security agreement.

11. Comparative information:

Certain 2020 comparative information has been reclassified, where applicable to conform to the presentation used in the current year. The changes do not affect the prior year accumulated surplus.

12. Effects of COVID-19:

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus ("COVID-19") a global pandemic. This resulted in the Province mandating that all Boards close their schools and administrative buildings on March 13, 2020 and moving to online/learn-from-home education format for the remainder of the 2019-2020 school year based on recommendations from Public Health Ontario. For the 2020-2021 school year, the schools reopened to students, effective September 2020, with enhanced public health protocols, or the option to continue with online education and at-home distance learning. The Board continues to monitor the situation and plan for potential changes during the fiscal 2021 school year and beyond.

As a result of the pandemic, the Board may experience increased risk exposure in several areas. This includes an increased credit risk exposure on accounts receivable where the risk of default on contractual obligations may increase.

The Board is actively monitoring cash flow forecasts and budget.

As at August 31, 2021, the Board did not have significant adjustments to reflect the possible future impact of COVID-19. Management assessed the impact on the Board and believes there are no significant financial issues as the Board has strong working capital available and access to sufficient liquid resources to sustain operations in the coming year. The outcome and timeframe to a recovery from the current pandemic is highly unpredictable, thus it is not practicable to estimate and disclose its financial effect on future operations at this time.

13. In-kind transfers from the Ministry of Government and Consumer Services:

The Board has recorded entries, both revenues and expenses, associated with centrally procured in-kind transfers of personal protective equipment (PPE) and critical supplies and equipment (CSE) received from the Ministry of Government and Consumer Services (MGCS). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MGCS and quantity information based on the board's records. The in-kind revenue recorded for these transfers is \$12,454 with expenses based on use of \$12,454 with the remaining balance of \$1,384 in prepaid expenses and \$1,384 in deferred revenue.