Consolidated Financial Statements of

MOOSONEE DISTRICT SCHOOL AREA BOARD

And Independent Auditor's Report thereon

Year ended August 31, 2023

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 Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Board's consolidated financial statements.

Angela

Director of Education

March 18, 2024

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Canada
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INDEPENDENT AUDITOR'S REPORT

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

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, 2023
- 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, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at August 31, 2023, and its consolidated 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 Opinion

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

We are independent of the Entity 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 opinion.

Emphasis of Matter – Basis of Preparation

We draw attention to Note 1 to the financial statements which describes the basis of preparation used in these financial statements.

Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

As part of our audit of the financial statements for the year ended August 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended August 31, 2022, as a result of a change in accounting policy. In our opinion, such adjustments are appropriate and have been properly applied.

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.

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.

Auditor's 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 auditor's report that includes our 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.

- 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 auditor's 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 auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- 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 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

March 18, 2024

MOOSONEE DISTRICT SCHOOL AREA BOARD

Consolidated Statement of Financial Position

August 31, 2023, with comparative information for 2022

	2023	2022 (restated - note 2)
Financial assets		
Cash	$ 3,253,085	$ 3,197,276
Short-term investments (note 3)	127,298	125,945
Accounts receivable (note 4)	563,645	708,122
Total financial assets	3,944,028	4,031,343
Financial liabilities		
Accounts payable and accrued liabilities (note 5)	1,434,601	707,596
Deferred revenue (note 6)	796,000	1,079,331
Asset retirement obligation (note 11)	354,065	310,447
Total financial liabilities	2,584,666	2,097,374
Net financial assets	1,359,362	1,933,969
Non-financial assets		
Prepaid expenses	21,386	28,609
Tangible capital assets (note 7)	3,340,615	2,785,982
Total non-financial assets	3,362,001	2,814,591
Commitments and contingent liabilities (note 15)		
Accumulated surplus (note 8)	$ 4,721,363	$ 4,748,560

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

_________________________ Supervisory Officer

_________________________ Chair of the Board

MOOSONEE DISTRICT SCHOOL AREA BOARD

Consolidated Statement of Operations and Accumulated Surplus

Year ended August 31, 2023, with comparative information for 2022

	2023 Budget	2023 Actual	2022 Actual
			(restated - note 2)
Revenue:			
Government transfers:			
- Grants for Student Needs	$ 5,973,225	$ 6,045,683	$ 5,191,549
- Other	183,533	164,999	749,529
- Municipal	196,341	208,116	200,573
Other fees and revenue	369,750	285,868	638,485
School generated funds	30,500	3,201	11,815
Total revenue	6,753,349	6,707,867	6,791,951
Expenses: (note 9)			
Instruction	4,768,362	4,623,420	4,563,862
Administration	622,013	702,738	661,168
Transportation	379,276	167,454	144,631
School operations and maintenance	934,159	616,563	530,282
Teacherages	30,500	134,475	193,289
Other	78,645	487,500	375,620
School generated funds	-	2,914	9,377
Total expenses	6,812,955	6,735,064	6,478,229
Annual surplus (deficit)	(59,606)	(27,197)	313,722
Accumulated surplus, beginning of year	(63,678)	4,748,560	4,646,203
Adjustment for asset retirement obligation	-	-	(211,365)
Accumulated surplus, end of year	$ (123,284)	4,721,363	4,748,560

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, 2023, with comparative information for 2022

	2023 Budget	2023 Actual	2022 Actual (restated - note 2)
Annual surplus (deficit)	$ (59,606)	$ (27,197)	$ 313,722
Tangible capital assets:			
Acquisition of tangible capital assets	-	(898,519)	(423,064)
Amortization of tangible capital assets	197,945	349,965	275,624
Gain on sale of tangible capital assets	-	-	(3,803)
Proceeds on disposal of tangible capital assets	-	-	3,803
Amortization of tangible capital assets - ARO	-	37,539	-
Revaluation of tangible capital assets - ARO	-	(43,618)	-
	197,945	(554,633)	(147,440)
Prepaid expenses:			
Use of prepaid expenses	-	7,223	(11,349)
Increase (decrease) in net financial assets	138,339	(574,607)	154,933
Net financial assets, beginning of year	1,933,969	1,933,969	2,089,483
Adjustment for asset retirement obligation	-	-	(310,447)
Net financial assets, end of year	$ 2,072,308	$ 1,359,362	$ 1,933,969

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, 2023, with comparative information for 2022

	2023	2022
Cash flows provided by (used in):		
Operating activities:		
Annual surplus (deficit)	$ (27,197)	$ 313,722
Item not involving cash:		
Gain on sale of tangible capital assets	-	(3,803)
Amortization of tangible capital assets	349,965	275,624
Amortization of tangible capital assets - ARO	37,539	-
Revaluation of tangible capital assets - ARO	(43,618)	-
	316,689	585,543
Change in non-cash assets and liabilities:		
Decrease (increase) in short-term investments	(1,353)	7,265
Decrease (increase) in accounts receivable	144,477	(356,295)
Increase in accounts payable and accrued liabilities	727,005	58,339
Increase (decrease) in deferred revenue	(283,331)	54,232
Increase in asset retirement obligation	43,618	-
Decrease (increase) in prepaid expenses	7,223	(11,349)
Net change in cash from operating activities	954,328	337,735
Capital activities:		
Cash used to acquire tangible capital assets	(898,519)	(423,064)
Proceeds on disposal of tangible capital assets	-	3,803
Net change in cash from capital activities	(898,519)	(419,261)
Change in cash	55,809	(81,526)
Cash, beginning of year	3,197,276	3,278,802
Cash, end of year	$ 3,253,085	$ 3,197,276

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

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 preparation:

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) Financial instruments:

Financial instruments are classified into three categories: fair value, amortized cost or cost.

1. **Significant accounting policies (continued):**

(c) Financial instruments (continued):

Fair value

The Board manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the the Consolidated Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses. A statement of remeasurement gains and losses has not been included as there are no matters to report therein.

Amortized cost

Amounts are measured using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, based on the effective interest rate. It is applied to financial assets or financial liabilities that are not in the fair value category and is now the method that must be used to calculate amortized cost.

Cost

Amounts are measured at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt.

The following chart shows the measurement method for each type of financial instrument:

Financial instrument	Measurement method
Cash and cash equivalents	Amortized cost
Guaranteed investment certificates	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Upon standard implementation, amortized cost will be measured using the effective interest rate method, as opposed to the straight-line method.

(d) 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.

1. Significant accounting policies (continued):

(e) 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.

(f) 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.

(g) 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.

(h) 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 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;

1. **Significant accounting policies (continued):**

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

(ii) The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the period.

(i) 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.

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.

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

(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.

(j) 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.

1. Significant accounting policies (continued):

(k) 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.

(l) 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.

(m) 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 2022-2023 is reflected on the statement of operations. The budget was approved on June 27th, 2022.

(n) 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 estimated costs and timing of asset retirement obligations.

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of $354,065. These estimates are subject to uncertainty because of several factors including but not limited to incomplete information on the extent of controlled materials used, indeterminate settlement dates, the allocation of costs between required and discretionary activities and/or change in the discount rate.

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

2. Change in accounting policy – adoption of new accounting standards:

The Board adopted the following standards concurrently beginning September 1, 2022 prospectively: PS 1201 *Financial Statement Presentation,* PS 2601 *Foreign Currency Translation*, PS 3041 *Portfolio Investments* and PS 3450 *Financial Instruments*.

a) PS1201 *Financial Statement Presentation* replaces PS 1200 *Financial Statement Presentation.*

   This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 *Foreign Currency Translation*, PS 3450 *Financial Instruments*, and PS 3041 *Portfolio Investments*, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

b) PS 2601 Foreign Currency Translation replaces PS 2600 Foreign Currency Translation.

   The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denominated in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new Statement of Remeasurement Gains and Losses.

c) PS 3041 *Portfolio Investments* replaces PS 3040 *Portfolio Investments*.

   The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 *Financial Instruments*. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 *Temporary Investments* no longer applies.

d) PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives.

   The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses.

   Establishing fair value

   The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date.

   Fair value hierarchy

   The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

   Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

2. Change in accounting policy – adoption of new accounting standards (continued):

d) PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives (continued):

Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

e) PS 3280 Asset retirement obligation (ARO):

PS 3280 *Asset Retirement Obligations (ARO)* establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use. This standard was adopted on September 1, 2022 on a modified retroactive basis with a prior period restatement upon adoption of this standard.

In the past, the Board has reported its obligations related to the retirement of tangible capital assets in the period when the asset was retired directly as an expense. The new standard requires the recognition of a liability for legal obligations that exist as a result of the acquisition, construction or development of a tangible capital asset, or that result from the normal use of the asset when the asset is recorded, and replaces Section PS 3270, Solid Waste Landfill Closure and Post-Closure Liability (PS 3270). Such obligation justifies recognition of a liability and can result from existing legislation, regulation, agreement, contract, or that is based on a promise and an expectation of performance. The estimate of the liability includes costs directly attributable to asset retirement activities. When recording an asset retirement obligation, the estimated retirement costs are capitalized to the carrying value of the associated assets and amortized over the asset's estimated useful life. The amortization of the asset retirement costs follows the same method of amortization as the associated tangible capital asset.

A significant part of asset retirement obligations results from the removal and disposal of designated substances such as asbestos from board buildings. The Board reports liabilities related to the legal obligations where the Board is obligated to incur costs to retire a tangible capital asset.

The Board's ongoing efforts to assess the extent to which designated substances exist in board assets, and new information obtained through regular maintenance and renewal of board assets may result in additional asset retirement obligations from better information on the nature and extent the substance exists or from changes to in the estimated cost to fulfil the obligation. The measurement of asset retirement obligations is also impacted by activities that occurred to settle all or part of the obligation, or any changes in the legal obligation.

2. Change in accounting policy – adoption of new accounting standards (continued):

e) PS 3280 Asset retirement obligation (ARO) (continued):

Revisions to the estimated cost of the obligation will result in to the carrying amount of the associated assets that are in productive use and amortized as part of the asset on an ongoing basis. When obligations have reliable cash flow projections, the liability may be estimated using the present value of future cash flows.

To estimate the liability for similar buildings that do not have information on asbestos and other designated substances, the Board uses buildings with assessments on the extent and nature of the designated substances in the building to measure the liability and those buildings and this information is extrapolated to a group of similar assets that do not have designated substances reports. As more information becomes available on specific assets, the liability is revised to be asset specific.

As a result of applying this accounting standard, as of August 31, 2023, an asset retirement obligation of $354,065 (2022 – $310,447) was recognized as a liability in the Consolidated Statement of Financial Position. These obligations represent estimated retirement costs for the board owned buildings. The Board has restated the prior period based on a simplified approach, using the ARO liabilities, ARO assets and the associated ARO accumulated amortization for the period September 1, 2022 to August 31, 2023 as a proxy for September 1, 2021 to August 31, 2022 information. The associated TCA gross book value, TCA accumulated amortization and TCA amortization expense were not restated.

The adoption of PS 3280 ARO was applied to the comparative period as follows:

	As previously reported	Adjustments	As restated
Statement of Financial Position			
Tangible Capital Assets including ARO	$ 2,686,900	$ 99,082	$ 2,785,982
Asset retirement obligation liability	–	310,447	310,447
Accumulated Surplus (deficit)	4,646,203	(211,365)	4,748,560
Statement of Change in Net Assets			
Adjustment for asset retirement obligation	–	(310,447)	(310,447)
Net assets	2,089,483	(310,447)	1,933,969
Statement of Operations			
Adjustment for asset retirement obligation	–	(211,365)	(211,365)
Accumulated surplus	4,646,203	(211,365)	4,748,560

3 Short-term investments:

The Board has two GIC's with interest rates ranging from 0.5% - 1.4% (2022 – 0.5% - 1.4%). The GIC's mature January and July 2024.

4. Accounts receivable:

	2023	2022
Government of Canada	$ 153,506	$ 126,288
The Town of Moosonee	133,173	128,223
Province of Ontario	177,021	371,821
Other	99,945	81,790
	$ 563,645	$ 708,122

5. Accounts payable and accrued liabilities:

	2023	2022
Province of Ontario	$ 389,164	$ 217,314
Trade accounts payable and accruals	839,767	348,017
Payroll and benefits	205,670	142,265
	$ 1,434,601	$ 707,596

6. Deferred revenue:

	Balance at August 31, 2022	Additions	Revenue recognized in the period	Balance at August 31, 2023
Ministry of Education:				
Other grants for specific purposes	$ 9,537	$ –	$ 9,537	$ –
Special Education (SEPPA)	1,069,794	983,354	1,257,148	796,000
School renewal	–	45,836	45,836	–
Total deferred revenue	$ 1,079,331	$1,029,190	$ 1,312,521	$ 796,000

	Balance at August 31, 2021	Additions	Revenue recognized in the period	Balance at August 31, 2022
Ministry of Education:				
Other grants for specific purposes	$ 68,943	$ 756,275	$ 815,681	$ 9,537
Special Education (SEPPA)	956,156	910,748	797,110	1,069,794
School renewal	–	33,367	33,367	–
Total deferred revenue	$ 1,025,099	$1,700,390	$ 1,646,158	$ 1,079,331

7. **Tangible capital assets:**

Cost		Adjusted Balance at August 31, 2022 (Restated - Note 2)	Additions	ARO Re-evaluation	Disposals and Transfers	Balance at August 31, 2023
Land	$	51,750	-	-	-	51,750
Land improvements		163,558	366,840	-	(27,603)	502,795
School buildings		5,213,820	60,806	34,356	-	5,308,982
Other buildings		1,802,656	53,596	9,262	-	1,865,514
Computer		340,077	14,780	-	-	354,857
Vehicles		114,757	-	-	-	114,757
Furniture and equipment		66,864	44,297	-	264,586	375,747
Construction in progress		382,717	358,200	-	(264,586)	476,331
Total	$	8,136,199	898,519	43,618	(27,603)	9,050,733

Accumulated Amortization		Adjusted Balance at August 31, 2022 (Restated - Note 2)	Disposals and Transfers	ARO Amortization	Amortization	Balance at August 31, 2023
Land	$	-	-	-	-	-
Land improvements		163,558	27,603	-	18,342	154,297
School buildings		3,739,003	-	29,427	130,491	3,898,921
Other buildings		1,149,829	-	8,112	85,611	1,243,552
Computer		222,766	-	-	77,020	299,786
Vehicles		59,518	-	-	17,799	77,317
Furniture and equipment		15,543	-	-	20,702	36,245
Construction in progress		-	-	-	-	-
Total	$	5,350,217	27,603	37,539	349,965	5,710,118

		Net book value, August 31, 2022 (Restated - Note 2)	Net book value, August 31, 2023
Land	$	51,750	51,750
Land improvements		-	348,498
School buildings		1,474,817	1,410,061
Other buildings		652,827	621,962
Computer		117,311	55,071
Vehicles		55,239	37,440
Furniture and equipment		51,321	339,502
Construction in progress		382,717	476,331
Total	$	2,785,982	3,340,615

8. Accumulated surplus:

Accumulated surplus consists of the following:

	2023	2022
Unappropriated operating accumulated surplus	$ 1,729,568	$ 2,268,067
Invested in tangible capital assets	3,235,454	2,686,900
Asset retirement obligation	(248,904)	(211,365)
School generated funds	5,245	4,958
Total accumulated surplus	$ 4,721,363	$ 4,748,560

9. Expenses by object:

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

	2023 Budget	2023 Actual	2022 Actual
Current expenses:			
Salary and wages	$ 3,982,407	$ 3,829,358	$ 3,629,350
Employee benefits	1,084,751	1,041,056	1,017,590
Staff development	100,740	38,092	15,379
Supplies and services	881,465	846,052	985,336
Equipment rental	223,136	48,423	51,993
Fees and contract services	148,511	437,628	307,376
Other	194,000	104,037	186,204
School generated funds	–	2,914	9,377
Amortization of tangible capital assets	197,945	387,504	275,624
	$ 6,812,955	$ 6,735,064	$ 6,478,229

10. 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.

Premiums paid to OSBIE for the policy year ending December 31, 2023 amounts to $23,175.

11. Asset retirement obligations:

The Board has recorded an asset retirement obligation as of the September 1, 2022 implementation date on a modified retroactive basis, with a simplified restatement of prior year amounts.

As at August 31, 2023, all liabilities for asset retirement obligations are reported at current costs in nominal dollars without discounting.

A reconciliation of the beginning and ending aggregate carrying amount of the ARO liability is below:

	2023	2022
Liabilities for Asset Retirement Obligations at beginning of year	$ 310,447	$ –
Liabilities incurred during the year	–	310,447
Increase in liabilities reflecting changes in the estimate of liabilities[1] (Note 12)	43,618	–
	$ 354,065	$ 310,447

[1] Reflecting changes in the estimated cash flows.

12. Revaluation of asset retirement obligations liability:

As a result of recent high levels of inflation, liability balances based on previous cost estimates, the Board has made an inflation adjustment increase in estimates of 14.05% as at March 31, 2023, in line with the Provincial government fiscal year end, to reflect costs as at that date. This rate represents the percentage increase in the Canada Building Construction Price Index (BCPI) survey from October 1, 2021 to September 30, 2022 and is the rate being used to update costs assumptions in the costing models in order to be reflective of March 31, 2023 costs.

13. Temporary borrowing:

The Board has available to it a $750,000 revolving line of credit to finance general operating requirements which bears interest at the Prime Rate plus 1% per annum. As at August 31, 2023, the amount drawn on this facility was $Nil (2022 - $Nil).

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

14. Comparative information:

Certain 2022 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 restated accumulated surplus.

15. Commitments and contingent liabilities:

(a) Leases and service agreements:

The Board has entered into various lease and service agreements for vehicles, equipment and building. Minimum payments (including taxes excluding tax rebates) are approximately as follows:

2024	$ 25,555
2025	26,033
2026	1,655
2027	1,655
2028	1,655
Thereafter	–

(b) Contingencies:

The Board is involved in certain legal matters and litigation, the outcomes of which are not presently determinable. The loss if any, from these contingencies will be accounted for in the year in which the matters are resolved. Management is of the opinion that these matters are mitigated by adequate insurance coverage.

16. 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 $8,132 with expenses based on use of $8,132.

17. Future accounting standard adoption:

The board is in the process of assessing the impact of the upcoming new standards and the extent of the impact of their adoption on its financial statements.

Standards applicable for fiscal years beginning on or after April 1, 2023 (in effect for the board for as of September 1, 2023 for the year ending August 31, 2024):

PS 3400 Revenue establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions.

PSG-8 Purchased Intangibles provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act.

PS 3160 Public Private Partnerships (P3s) provides specific guidance on the accounting and reporting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.