

Consolidated Financial Statements of

**MOOSONEE DISTRICT  
SCHOOL AREA BOARD**

And Independent Auditors' Report thereon  
Year ended August 31, 2020

## **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.

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Finance/HR Administrator and Treasurer

March 24, 2021



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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, 2020
- 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, 2020, 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.

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, 2020 and August 31, 2019



- the school generated funds revenues and annual surplus reported in the consolidated statement of operations and accumulated surplus for the years ended August 31, 2020 and August 31, 2019
- 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, 2020 and August 31, 2019
- the annual surplus reported in the consolidated statement of cash flows for the years ended August 31, 2020 and August 31, 2019

Our qualified opinion on the financial statements for the year ended August 31, 2020 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.

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.
- 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.



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- 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.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada  
March 24, 2021

# MOOSONEE DISTRICT SCHOOL AREA BOARD

## Consolidated Statement of Financial Position

August 31, 2020, with comparative information for 2019

	2020	2019
<b>Financial assets</b>		
Cash	\$ 2,997,910	\$ 1,887,003
Short-term investments (note 2)	131,628	129,571
Accounts receivable (note 3)	393,127	387,831
Total financial assets	3,522,665	2,404,405
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities (note 4)	610,031	332,066
Deferred revenue (note 5)	874,211	505,805
Total financial liabilities	1,484,242	837,871
Net financial assets	2,038,423	1,566,534
<b>Non-financial assets</b>		
Prepaid expenses	14,953	5,432
Tangible capital assets (note 6)	2,408,830	2,478,334
Total non-financial assets	2,423,783	2,483,766
Effects of COVID-19 (note 12)		
Accumulated surplus (note 7)	\$ 4,462,206	\$ 4,050,300

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, 2020, with comparative information for 2019

	2020 Budget	2020 Actual	2019 Actual
Revenue:			
Government transfers:			
- Grants for Student Needs	\$ 5,136,534	\$ 4,803,111	\$ 5,039,459
- Other	226,526	164,710	91,667
- Funding adjustment	-	(27,571)	(36,498)
- Municipal	193,000	190,565	186,454
Other fees and revenue	116,000	328,615	393,165
School generated funds	-	44,829	85,097
<b>Total revenue</b>	<b>5,672,060</b>	<b>5,504,259</b>	<b>5,759,344</b>
Expenses (note 8):			
Instruction	4,031,397	3,687,363	3,731,468
Administration	451,361	390,862	378,610
Transportation	160,659	145,405	144,345
School operations and maintenance	605,159	405,394	469,784
Teacherages	198,871	141,025	149,434
Other	220,985	294,177	309,447
School generated funds	-	28,127	91,401
<b>Total expenses</b>	<b>5,668,432</b>	<b>5,092,353</b>	<b>5,274,489</b>
Annual surplus	3,628	411,906	484,855
Accumulated surplus, beginning of year	4,050,300	4,050,300	3,565,445
<b>Accumulated surplus, end of year</b>	<b>\$ 4,053,928</b>	<b>\$ 4,462,206</b>	<b>\$ 4,050,300</b>

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, 2020, with comparative information for 2019

	2020 Budget	2020 Actual	2019 Actual
Annual surplus	\$ 3,628	\$ 411,906	\$ 484,855
Tangible capital assets:			
Acquisition of tangible capital assets	-	(124,677)	(259,257)
Amortization of tangible capital assets	194,181	194,181	196,280
	194,181	69,504	(62,977)
Prepaid expenses:			
Use of prepaid expenses	-	(9,521)	(1,834)
Increase in net financial assets	197,809	471,889	420,044
Net financial assets, beginning of year	1,566,534	1,566,534	1,146,490
Net financial assets, end of year	\$ 1,764,343	\$ 2,038,423	\$ 1,566,534

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, 2020, with comparative information for 2019

	2020	2019
Cash flows provided by (used in):		
Operating activities:		
Annual surplus	\$ 411,906	\$ 484,855
Item not involving cash:		
Amortization of tangible capital assets	194,181	196,280
	<u>606,087</u>	<u>681,135</u>
Change in non-cash assets and liabilities:		
Increase in short-term investments	(2,057)	(744)
Decrease (increase) in accounts receivable	(5,296)	532,514
Increase in accounts payable and accrued liabilities	277,965	134,558
Increase in deferred revenue	368,406	203,677
Decrease in employee future benefits	-	(1,892)
Increase in prepaid expenses	(9,521)	(1,834)
	<u>1,235,584</u>	<u>1,547,414</u>
Net change in cash from operating activities	1,235,584	1,547,414
Capital activities:		
Cash used to acquire tangible capital assets	(124,677)	(259,257)
	<u>1,110,907</u>	<u>1,288,157</u>
Change in cash	1,110,907	1,288,157
Cash, beginning of year	1,887,003	598,846
	<u>\$ 2,997,910</u>	<u>\$ 1,887,003</u>

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, 2020

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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, 2020

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### 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 retirement gratuity, 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, 2020

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## 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:

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

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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, 2020

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### 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.

(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 2019-2020 is reflected on the statement of operations. The budget was approved on January 28, 2020.

(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.

# MOOSONEE DISTRICT SCHOOL AREA BOARD

## Notes to Consolidated Financial Statements

Year ended August 31, 2020

### 2. Short-term investments:

The Board has three GIC's with interest rates ranging from 0.75% - 1.3% (2019 – 1.5% - 1.6%). The GIC's mature January and July 2021.

### 3. Accounts receivable:

	2020	2019
Government of Canada	\$ 176,165	\$ 99,617
The Town of Moosonee	121,536	118,460
Other school boards	71,899	114,182
Province of Ontario	6,574	30,507
Other	16,953	25,065
	<u>\$ 393,127</u>	<u>\$ 387,831</u>

### 4. Accounts payable and accrued liabilities:

	2020	2019
Province of Ontario	\$ 243,940	\$ 22,059
Trade accounts payable and accruals	218,213	250,086
Payroll and benefits	147,878	59,921
	<u>\$ 610,031</u>	<u>\$ 332,066</u>

### 5. Deferred revenue:

	Balance at August 31, 2019	Externally restricted revenue	Revenue recognized in the period	Balance at August 31, 2020
Ministry of Education:				
Other grants for specific purposes	\$ 55,926	\$ 176,343	\$ (164,710)	\$ 67,559
Special Education (SEPPA)	449,879	872,306	(515,533)	806,652
School renewal	—	34,142	(34,142)	—
Total deferred revenue	<u>\$ 505,805</u>	<u>\$ 1,082,791</u>	<u>\$ (714,385)</u>	<u>\$ 874,211</u>

# MOOSONEE DISTRICT SCHOOL AREA BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2020

## 6. Tangible capital assets:

Cost	Balance at August 31, 2019	Additions	Disposals and Transfers	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
<b>Total</b>	<b>\$ 6,932,824</b>	<b>124,677</b>	<b>-</b>	<b>7,057,501</b>

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	-	-	-	-
<b>Total</b>	<b>\$ 4,454,490</b>	<b>-</b>	<b>194,181</b>	<b>4,648,671</b>

	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
<b>Total</b>	<b>\$ 2,478,334</b>	<b>2,408,830</b>



# MOOSONEE DISTRICT SCHOOL AREA BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2020

## 6. Tangible capital assets (continued):

Cost	Balance at August 31, 2018	Additions	Disposals	Balance at August 31, 2019
Land	\$ 51,750	-	-	51,750
Land improvements	163,558	-	-	163,558
School buildings	4,867,674	19,525	-	4,887,199
Other buildings	1,407,843	-	-	1,407,843
Computer	107,213	23,768	-	130,981
Vehicles	61,362	41,431	-	102,793
Furniture and equipment	14,167	-	-	14,167
Construction in progress	-	174,533	-	174,533
<b>Total</b>	<b>\$ 6,673,567</b>	<b>259,257</b>	<b>-</b>	<b>6,932,824</b>

Accumulated Amortization	Balance at August 31, 2018	Disposals and Transfers	Amortization	Balance at August 31, 2019
Land	\$ -	-	-	-
Land improvements	139,026	-	16,356	155,382
School buildings	3,076,026	-	121,757	3,197,783
Other buildings	895,344	-	41,627	936,971
Computer	78,168	-	11,339	89,507
Vehicles	61,362	-	4,143	65,505
Furniture and equipment	8,284	-	1,058	9,342
Construction in progress	-	-	-	-
<b>Total</b>	<b>\$ 4,258,210</b>	<b>-</b>	<b>196,280</b>	<b>4,454,490</b>

	Net book value, August 31, 2018	Net book value, August 31, 2019
Land	\$ 51,750	51,750
Land improvements	24,532	8,176
School buildings	1,791,648	1,689,416
Other buildings	512,499	470,872
Computer	29,045	41,474
Vehicles	-	37,288
Furniture and equipment	5,883	4,825
Construction in progress	-	174,533
<b>Total</b>	<b>\$ 2,415,357</b>	<b>2,478,334</b>

# MOOSONEE DISTRICT SCHOOL AREA BOARD

## Notes to Consolidated Financial Statements

Year ended August 31, 2020

### 7. Accumulated surplus:

Accumulated surplus consists of the following:

	2020	2019
Unappropriated operating accumulated surplus	\$ 2,033,262	\$ 1,568,557
Invested in tangible capital assets	2,408,830	2,478,334
School generated funds	20,114	3,409
<b>Total accumulated surplus</b>	<b>\$ 4,462,206</b>	<b>\$ 4,050,300</b>

### 8. Expenses by object:

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

	2020 Budget	2020 Actual	2019 Actual
Current expenses:			
Salary and wages	\$ 3,118,991	\$ 2,849,909	\$ 2,981,162
Employee benefits	866,103	863,324	811,114
Staff development	85,800	42,880	35,710
Supplies and services	540,419	705,545	729,496
Equipment rental	165,487	31,770	41,679
Fees and contract services	416,235	263,993	253,026
Other	277,452	112,624	134,621
School generated funds	–	28,127	91,401
Amortization of tangible capital assets	197,945	194,181	196,280
<b>Total accumulated surplus</b>	<b>\$ 5,668,432</b>	<b>\$ 5,092,353</b>	<b>\$ 5,274,489</b>

### 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, 2021.

# MOOSONEE DISTRICT SCHOOL AREA BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2020

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## 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, 2020, the amount drawn on this facility was \$Nil (2019 - \$Nil).

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

## 11. Comparative information:

Certain 2019 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.

Subsequent to year-end, the Board received in personal protective equipment (PPE) and cleaning supplies from the Ministry of Education for all teachers, other school board staff. The cost recovery model for PPE received from the Ministry has not yet been formally communicated to School Boards.

As at August 31, 2020, 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.