

Financial Statements of

**MOOSE FACTORY ISLAND
DISTRICT SCHOOL AREA BOARD**

Year ended August 31, 2018

MANAGEMENT REPORT

Management's Responsibility for the Financial Statements

The accompanying financial statements of the Moose Factory Island District School Area Board are the responsibility of the Board's management and have been prepared in accordance with generally accepted accounting principles as prescribed for Ontario School Boards and in compliance with the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Board 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 financial statements. These systems are monitored and evaluated by management.

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

The 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 opinion on the Board's financial statements.



Business Administrator and Treasurer

January 8, 2019



KPMG LLP
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INDEPENDENT AUDITORS' REPORT

To the Trustees of the Moose Factory Island District School Area Board

We have audited the accompanying financial statements Moose Factory Island District School Area Board, which comprise the statement of financial position as at August 31, 2018, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



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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 schools and we were not able to determine whether adjustments might be necessary to school fundraising revenue, annual surplus, financial assets and accumulated surplus.

Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of school fundraising revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of Moose Factory Island District School Area Board as at August 31, 2018 and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada
January 8, 2019

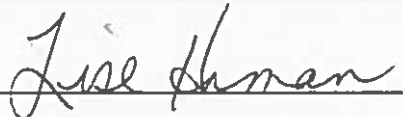
MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Statement of Financial Position

August 31, 2018, with comparative information for 2017

	2018	2017
Financial assets		
Cash and short-term investments (note 2)	\$ 2,608,425	3,112,401
Accounts receivable - other (note 3)	726,612	538,896
Total financial assets	3,335,037	3,651,297
Financial liabilities		
Accounts payable and accrued liabilities	280,993	676,112
Deferred revenue (note 4)	465,037	512,326
Employee future benefits (note 5)	62,700	58,440
Total financial liabilities	808,730	1,246,878
Net financial assets	2,526,307	2,404,419
Non-financial assets:		
Prepaid expenses	6,607	6,224
Tangible capital assets (note 6)	3,541,595	3,516,531
Total non-financial assets	3,548,202	3,522,755
Accumulated surplus (note 7)	\$ 6,074,509	5,927,174

See accompanying notes to the financial statements


 _____ Director of Education


 _____ Chair of the Board

MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Statement of Operations and Accumulated Surplus

Year ended August 31, 2018, with comparative information for 2017

	2018 Budget	2018 Actual	2017 Actual
Revenue:			
Municipal taxation	\$ 39,000	37,724	40,851
Government of Ontario grants:			
- Grants for Student Needs	1,642,307	1,880,488	1,889,922
- Other	175,000	286,639	221,489
Education authority and negotiated fees	3,317,710	3,151,594	3,234,809
Other fees and revenue	66,000	272,934	231,662
Investment income	8,000	4,059	2,869
School generated funds	10,000	31,997	18,466
Total revenues	5,258,017	5,665,435	5,640,068
Expenses (note 8):			
Instruction	3,578,181	3,883,421	3,648,396
Administration	528,909	569,233	571,842
Transportation	51,856	55,765	56,404
School operations and maintenance	985,973	868,193	843,525
Teacherages	103,098	115,105	124,366
School funded activities	10,000	26,383	29,001
Total expenses	5,258,017	5,518,100	5,273,534
Annual surplus	-	147,335	366,534
Accumulated surplus, beginning of year	5,927,174	5,927,174	5,560,640
Accumulated surplus, end of year	\$ 5,927,174	6,074,509	5,927,174

See accompanying notes to the financial statements

MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Statement of Change in Net Financial Assets

Year ended August 31, 2018, with comparative information for 2017

	2018 Budget	2018 Actual	2017 Actual
Annual surplus	\$ -	147,335	366,534
Tangible capital assets:			
Acquisition of tangible capital assets	(217,510)	(381,245)	(561,566)
Amortization of tangible capital assets	310,270	356,181	338,096
	92,760	(25,064)	(223,470)
Prepaid expenses:			
Acquisition of prepaid expenses	-	(6,607)	(6,224)
Use of prepaid expenses	-	6,224	6,399
	-	(383)	175
Increase in net financial assets	92,760	121,888	143,239
Net financial assets, beginning of year	2,404,419	2,404,419	2,261,180
Net financial assets, end of year	\$ 2,497,179	2,526,307	2,404,419

See accompanying notes to the financial statements

MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Statement of Cash Flows

Year ended August 31, 2018, with comparative information for 2017

	2018	2017
Cash flows provided by (used in):		
Operating transactions:		
Annual surplus	\$ 147,335	366,534
Item not involving cash:		
Amortization of tangible capital assets	356,181	338,096
	503,516	704,630
Change in non-cash working capital:		
Decrease (increase) in accounts receivable	(187,716)	406,564
Increase (decrease) in accounts payable and accrued liabilities	(395,119)	434,303
Decrease in deferred revenue	(47,289)	(99,274)
Increase in employee future benefits	4,260	2,955
Decrease (increase) in prepaid expenses	(383)	175
Cash provided by (used by) operating transactions	(122,731)	1,449,353
Capital transactions:		
Cash used to acquire tangible capital assets	(381,245)	(561,566)
Cash applied to capital transactions	(381,245)	(561,566)
Net change in cash and short-term investments	(503,976)	887,787
Cash and short-term investments, beginning of year	3,112,401	2,224,614
Cash and short-term investments, end of year	\$ 2,608,425	3,112,401

See accompanying notes to the financial statements

MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Notes to Financial Statements

Year ended August 31, 2018

1. Significant accounting policies:

The financial statements of Moose Factory Island District School Area Board (the "Board") are prepared by management in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(a) 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 which are controlled by the Board.

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.

(b) Investments:

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 carried on the Statement of Financial Position at fair market value.

(c) 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.

(d) Non-financial assets:

Non-financial assets are not available to discharge 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.

(e) 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. When historical records were not available, other methods were used to estimate the costs and accumulated amortization.

MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Notes to Financial Statements (continued)

Year ended August 31, 2018

1. Significant accounting policies (continued):

(e) Tangible capital assets (continued):

Leases, which 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.

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

	Estimated Useful Life
School buildings and building improvements	40 years
Portable structures	20 years
Other buildings	20 years
Furniture and equipment - first-time equipping of school	5 - 10 years
Computers	5 years
Vehicles	5 - 10 years

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

Assets under construction and assets that relate to pre-acquisition and pre-construction costs are not amortized until the asset is available for productive use.

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

(g) Investment income:

Investment income earned is reported as revenue in the period earned.

MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Notes to Financial Statements (continued)

Year ended August 31, 2018

1. Significant accounting policies (continued):

(h) 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. Any actuarial gains and losses arising from changes to the discount rate are amortized over the expected 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.

MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Notes to Financial Statements (continued)

Year ended August 31, 2018

1. Significant accounting policies (continued):

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

- (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.

(i) 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 2017-2018 is reflected on the statement of operations. The budget was approved on November 7, 2017.

(j) 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.

(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 municipalities is recorded as part of Provincial Legislative Grants.

2. Cash and short-term Investments:

Included in cash and short-term investments is a guaranteed investment certificate with an interest rate of 1.15% (2017 – 0.55%) that matures in April 2019.

MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Notes to Financial Statements (continued)

Year ended August 31, 2018

3. Accounts receivable - other:

	2018	2017
Province of Ontario	\$ 19,682	50,113
Moose Cree Education Authority	345,496	320,548
Government of Canada HST	255,539	165,135
School boards and other	105,895	3,100
	\$ 726,612	538,896

4. Deferred revenue:

Deferred revenue consists of amounts received by the Board that are required to be set aside for specific purposes by legislation, regulations or agreement and are reported on the statement of financial position.

Deferred revenue is comprised of:

	Balance at August 31, 2017	Contributions received	Transfers to revenue	Balance at August 31, 2018
Ministry of Education:				
Special Education	\$ 233,200	617,763	(583,301)	267,662
Other grants for specific purposes	211,616	221,184	(271,904)	160,896
Moose Cree First Nation	46,074	-	(17,844)	28,230
Other	21,436	-	(13,187)	8,249
	\$ 512,326	838,947	(886,236)	465,037

5. Employee future benefits:

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, retirement gratuity, worker's compensated absences, worker's compensation and long-term disability benefits.

(a) Plan changes:

In 2013, changes were made to the short term leave and disability plan. Under the new short term leave and disability plan, 11 unused sick leave days may be carried forward into the following year only, to be used to top-up benefits received under the short term leave and disability plan in that year. A provision has been established representing the expected usage of sick days that have been carried forward for benefit top-up in the following year.

MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Notes to Financial Statements (continued)

Year ended August 31, 2018

5. Employee future benefits (continued):

(b) Retirement benefits:

(i) Ontario Teacher's Pension Plan:

Teachers and related employee groups are eligible to be members of the Ontario Teacher's Pension Plan. Employer contributions for these employees are provided directly by the Province of Ontario. The pension costs and obligations related to this plan are a direct responsibility of the Province. Accordingly, no costs or liabilities related to this plan are included in the Board's financial statements.

(ii) Ontario Municipal Employees Retirement System:

All non-teaching employees of the Board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2018, the Board contributed \$80,941 (2017 - \$101,491). As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses. No pension liability for this type of plan is included in the Board's financial statements.

(iii) Retirement gratuities:

The Board provides retirement gratuities to certain groups of employees hired prior to specified dates. The Board provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the Board's financial statements. The amount of gratuities payable to eligible employees at retirement was based on their salary, accumulated sick days, and years of service at retirement at August 31, 2012.

(c) Other employee future benefits:

(i) Workplace Safety and Insurance Board Obligations:

The Board is a Schedule 1 employer under the Workplace Safety and Insurance Act and, as such, the Board insures all claims by its injured workers under the Act. The Board's insurance premiums for the year ended August 31, 2018 were \$29,653 (2017 - \$26,364) and are included in the Board's current year benefit costs. No liabilities for claims by its injured workers under the Act are included in the Board's financial statements. The plan changes made in 2012 now requires school boards to provide salary top-up to a maximum of 4½ years for employees receiving payments from the Workplace Safety and Insurance Board, where previously negotiated collective agreement included such provision.

(ii) Long-term disability, dental and health care benefits:

ELHTs were established for all employee groups. There are no employee groups remaining for which the Board is responsible for providing health, dental and life insurance benefits as at August 31, 2018, and as a result, the liability for this benefit has been eliminated.

MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Notes to Financial Statements (continued)

Year ended August 31, 2018

5. Employee future benefits (continued):

The accrued benefit obligations for employee future benefit plans as at August 31, 2018 are based on actuarial valuations for accounting purposes as at August 31, 2018. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	2018	2017
Inflation	1.5%	1.5%
Wage and salary escalation	N/A	N/A
Discount on accrued benefit obligations	2.90%	2.55%

Information with respect to the Board's retirement and other employee future benefit obligations is as follows:

	2018	2017
Accrued benefit liability, beginning of year	\$ 58,440	55,485
Expense recognized for the year:		
Current service cost	3,183	3,462
Amortized of actuarial gains and losses	2,349	1,008
Interest cost	1,153	923
	65,125	60,878
Benefits for the year	(2,425)	(2,438)
Accrued benefit liability, end of year	\$ 62,700	58,440
Accrued future benefit obligation, end of year	\$ 68,813	66,609
Net unamortized actuarial loss	(6,113)	(8,169)
Accrued benefit liability, end of year	\$ 62,700	58,440

MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Notes to Financial Statements (continued)

Year ended August 31, 2018

6. Tangible capital assets:

Cost	Balance at August 31, 2017	Additions and Transfer	Disposals and Write-offs	Balance at August 31, 2018
Land	\$ 10	-	-	10
School buildings	7,282,613	-	-	7,282,613
Other buildings	1,628,492	704,030	-	2,332,522
Portable structures	316,700	-	-	316,700
Furniture and equipment	458,765	89,285	-	548,050
Computers	-	42,944	-	42,944
Vehicles	307,251	-	-	307,251
Construction in progress	455,014	-	(455,014)	-
Total	\$ 10,448,845	836,259	(455,014)	10,830,090

Accumulated Amortization	Balance at August 31, 2017	Disposals and Transfer	Amortization Expense	Balance at August 31, 2018
Land	\$ -	-	-	-
School buildings	4,901,822	-	239,456	5,141,278
Other buildings	1,265,419	-	40,978	1,306,397
Portable structures	281,601	-	3,774	285,375
Furniture and equipment	298,865	-	28,320	327,185
Computers	-	-	4,294	4,294
Vehicles	184,607	-	39,359	223,966
Total	\$ 6,932,314	-	356,181	7,288,495

	Net book value, August 31, 2017	Net book value, August 31, 2018
Land	\$ 10	10
School buildings (40 years)	2,380,791	2,141,335
Other buildings (20 years)	363,073	1,026,125
Portable structures	35,099	31,325
Furniture and equipment	159,900	220,865
Computers	-	38,650
Vehicles	122,644	83,285
Construction in progress	455,014	-
Total	\$ 3,516,531	3,541,595

MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Notes to Financial Statements (continued)

Year ended August 31, 2018

6. Tangible capital assets (continued):

Cost	Balance at August 31, 2016	Additions and Transfer	Disposals and Write-offs	Balance at August 31, 2017
Land	\$ 10	-	-	10
School buildings	7,223,050	59,563	-	7,282,613
Other buildings	1,628,492	-	-	1,628,492
Portable structures	316,700	-	-	316,700
Furniture and equipment	411,776	46,989	-	458,765
Computers	-	-	-	-
Vehicles	307,251	-	-	307,251
Construction in progress	-	455,014	-	455,014
Total	\$ 9,887,279	561,566	-	10,448,845

Accumulated Amortization	Balance at August 31, 2016	Disposals and Transfer	Amortization Expense	Balance at August 31, 2017
Land	\$ -	-	-	-
School buildings	4,663,111	-	238,711	4,901,822
Other buildings	1,242,041	-	23,378	1,265,419
Portable structures	265,766	-	15,835	281,601
Furniture and equipment	278,052	-	20,813	298,865
Computers	-	-	-	-
Vehicles	145,248	-	39,359	184,607
Total	\$ 6,594,218	-	338,096	6,932,314

	Net book value, August 31, 2016	Net book value, August 31, 2017
Land	\$ 10	10
School buildings (40 years)	2,559,939	2,380,791
Other buildings (20 years)	386,451	363,073
Portable structures	50,934	35,099
Furniture and equipment	133,724	159,900
Computers	-	-
Vehicles	162,003	122,644
Construction in progress	-	455,014
Total	\$ 3,293,061	3,516,531

MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Notes to Financial Statements (continued)

Year ended August 31, 2018

7. Accumulated surplus:

Accumulated surplus consists of the following:

	2018	2017
Unappropriated operating accumulated surplus	\$ 2,279,444	2,158,527
Internally restricted for retirement gratuities	275,000	275,000
Invested in tangible capital assets	3,541,595	3,516,531
Employee future benefits	(62,700)	(58,440)
School generated funds	41,170	35,556
Total accumulated surplus	\$ 6,074,509	5,927,174

8. Expenses by object:

The following is a summary of expenses reported on the Statement of Operations and Accumulated Surplus by object:

	2018 Budget	2018 Actual	2017 Actual
Expenses by object:			
Salary and wages	\$ 3,020,369	3,314,322	3,051,572
Employee benefits	691,963	625,241	516,237
Staff development	47,000	64,735	60,083
Supplies and services	768,215	519,421	505,332
Rental	52,000	46,090	44,867
Fees and contract services	300,200	157,882	245,314
Other program related	68,000	434,227	512,033
Amortization	310,270	356,182	338,096
	\$ 5,258,017	5,518,100	5,273,534

MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Notes to Financial Statements (continued)

Year ended August 31, 2018

9. Ontario School Board Insurance Exchange (OSBIE):

The 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.

10. Temporary borrowing:

The School Board has available to it a \$800,000 revolving line of credit by way of business operating account overdraft with a chartered bank, payable on demand, bearing interest at the prime rate per annum. Security is provided in the form of a borrowing resolution. The Board did not utilize this credit facility during the year.

11. Comparative information:

Certain of the 2017 comparative figures have been restated to conform with the 2018 presentation.

