

Consolidated Financial Statements of

**MOOSE FACTORY ISLAND  
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 Moose Factory Island District School Area Board (the "Board") are the responsibility of the Board 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 the Board management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The 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 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 consolidated 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.



Business Administrator and Treasurer

March 22, 2021



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## **INDEPENDENT AUDITORS' REPORT**

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

### **Qualified Opinion**

We have audited the accompanying consolidated financial statements of Moose Factory Island 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.



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

- the financial assets reported in the consolidated statement of financial position as at August 31, 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 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 opinion.

### ***Responsibilities of Management 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.

### ***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 opinion.



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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 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 22, 2021

# MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Consolidated Statement of Financial Position

August 31, 2020, with comparative information for 2019

	2020	2019
<b>Financial assets</b>		
Cash	\$ 2,982,247	\$ 2,258,422
Short-term investments (note 2)	537,471	532,761
Accounts receivable (note 3)	983,188	970,640
<b>Total financial assets</b>	<b>4,502,906</b>	<b>3,761,823</b>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities (note 4)	1,272,469	1,027,624
Deferred revenue (note 5)	276,870	233,711
Employee future benefits (note 6)	54,807	65,359
<b>Total financial liabilities</b>	<b>1,604,146</b>	<b>1,326,694</b>
<b>Net financial assets</b>	<b>2,898,760</b>	<b>2,435,129</b>
<b>Non-financial assets:</b>		
Prepaid expenses	8,629	62,233
Tangible capital assets (note 7)	3,921,005	4,238,738
<b>Total non-financial assets</b>	<b>3,929,634</b>	<b>4,300,971</b>
Effects of COVID-19 (note 13)		
<b>Accumulated surplus (note 8)</b>	<b>\$ 6,828,394</b>	<b>\$ 6,736,100</b>

See accompanying notes to the consolidated financial statements

 Supervisory Officer

 Chair of the Board

# MOOSE FACTORY ISLAND 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
<b>Revenue:</b>			
Education authority and negotiated fees	\$ 3,010,000	\$ 3,463,375	\$ 3,529,712
Government of Ontario:			
- Grants for Student Needs	2,427,594	1,776,249	1,938,617
- Other	178,077	118,994	261,569
- Municipal taxation	37,652	35,913	36,204
Other fees and revenue	311,426	360,470	256,003
Investment income	25,000	20,195	26,491
School generated funds	25,000	11,073	12,810
<b>Total revenues</b>	<b>6,014,749</b>	<b>5,786,269</b>	<b>6,061,406</b>
<b>Expenses (note 9):</b>			
Instruction	3,641,155	3,425,897	3,605,041
Administration	568,963	648,211	627,035
Transportation	86,754	81,436	70,174
School operations and maintenance	1,014,992	1,367,108	968,503
Teacherages	111,218	169,342	212,788
School funded activities	25,000	1,981	18,936
<b>Total expenses</b>	<b>5,448,082</b>	<b>5,693,975</b>	<b>5,502,477</b>
<b>Annual surplus</b>	<b>566,667</b>	<b>92,294</b>	<b>558,929</b>
Accumulated surplus, beginning of year	6,736,100	6,736,100	6,177,171
<b>Accumulated surplus, end of year</b>	<b>\$ 7,302,767</b>	<b>\$ 6,828,394</b>	<b>\$ 6,736,100</b>

See accompanying notes to the consolidated financial statements



# MOOSE FACTORY ISLAND 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	\$ 566,667	\$ 92,294	\$ 558,929
Tangible capital assets:			
Acquisition of tangible capital assets	(325,000)	(36,938)	(1,038,925)
Amortization of tangible capital assets	475,632	354,671	341,782
	150,632	317,733	(697,143)
Prepaid expenses:			
Acquisition of prepaid expenses	-	(8,629)	(62,233)
Use of prepaid expenses	-	62,233	6,607
	-	53,604	(55,626)
Increase (decrease) in net financial assets	717,299	463,631	(193,840)
Net financial assets, beginning of year	2,435,129	2,435,129	2,628,969
Net financial assets, end of year	\$ 3,152,428	\$ 2,898,760	\$ 2,435,129

See accompanying notes to the consolidated financial statements

# MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

## Consolidated Statement of Cash Flows

Year ended August 31, 2020, with comparative information for 2019

	2020	2019
Cash flows from operating activities:		
Annual surplus	\$ 92,294	\$ 558,929
Item not involving cash:		
Amortization of tangible capital assets	354,671	341,782
	446,965	900,711
Change in non-cash working capital:		
Increase in short term investments	(4,710)	(5,009)
Increase in accounts receivable	(12,548)	(141,366)
Increase in accounts payable and accrued liabilities	244,845	746,631
Increase (decrease) in deferred revenue	43,159	(231,326)
Increase (decrease) in employee future benefits	(10,552)	2,659
Decrease (increase) in prepaid expenses	53,604	(55,626)
Cash provided in operating activities	760,763	1,216,674
Cash flows used in capital activities:		
Cash used to acquire tangible capital assets	(36,938)	(1,038,925)
Net increase in cash	723,825	177,749
Cash, beginning of year	2,258,422	2,080,673
Cash, end of year	\$ 2,982,247	\$ 2,258,422

See accompanying notes to the consolidated financial statements

# MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2020

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

## 1. Significant accounting policies:

The consolidated financial statements (the “financial statements”) of Moose Factory Island 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: the assets, liabilities, revenues, expenses 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 includes cash and cash equivalents which consist of cash on hand, and demand deposits. Cash equivalents include highly liquid investments, subject to insignificant risk of changes in value and have a short maturity term of less than 90 days.

# MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2020

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## 1. Significant accounting policies (continued):

### (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.

### (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. 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.

# MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2020

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## 1. Significant accounting policies (continued):

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

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.

- (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 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.

- (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.

# MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2020

## 1. Significant accounting policies (continued):

### (h) Non-financial assets (continued)

#### (i) 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	40 years
Other buildings	20 years
Portable structures	20 years
Furniture and equipment	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 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) Investment income:

Investment income is reported as revenue in the period earned.

# MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2020

## 1. Significant accounting policies (continued):

### (k) 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 November 13, 2019.

### (l) 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.

### (m) 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.

## 2. Short-term Investments:

Included in short-term investments is a guaranteed investment certificate with an interest rate of 1.35% (2019 – 0.55%) that matures April 2021.

## 3. Accounts receivable:

	2020	2019
Government of Canada HST	\$ 426,201	\$ 370,369
Moose Cree Education Authority	417,376	362,431
Province of Ontario	19,065	139,244
Other	120,546	98,596
	<b>\$ 983,188</b>	<b>\$ 970,640</b>

# MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2020

#### 4. Accounts payable and accrued liabilities:

	2020	2019
Province of Ontario	\$ 556,197	\$ 1,742
Accounts payable	416,074	\$ 794,978
Accrued liabilities	254,354	169,231
Accrued payroll and government remittances	45,844	61,673
	<u>\$ 1,272,469</u>	<u>\$ 1,027,624</u>

#### 5. Deferred revenue:

Deferred revenue is comprised of:

	Balance at August 31, 2019	Contributions received	Transfers to revenue	Balance at August 31, 2020
Ministry of Education:				
Special Education –				
Behavioral Expertise	\$ 178,946	\$ 200,288	\$(192,478)	\$ 186,756
Other grants for specific purposes	35,047	152,075	(116,726)	70,396
Moose Cree First Nation	11,469	–	–	11,469
Other	8,249	–	–	8,249
	<u>\$ 233,711</u>	<u>\$ 352,363</u>	<u>\$(309,204)</u>	<u>\$ 276,870</u>

#### 6. 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 Consolidated Financial Statements (continued)

Year ended August 31, 2020

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## 6. 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, 2020, the Board contributed \$81,296 (2019 - \$97,110). 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, 2020 were \$17,187 (2019 - \$25,488) 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 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, 2020, and as a result, the liability for this benefit has been eliminated.

# MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2020

## 6. Employee future benefits (continued):

The accrued benefit obligations for employee future benefit plans as at August 31, 2020 are based on actuarial valuations for accounting purposes as at August 31, 2019. 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:

	2020	2019
Inflation	1.50%	1.50%
Wage and salary escalation	N/A	N/A
Discount on accrued benefit obligations	2.00%	2.00%

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

	2020	2019
Accrued benefit liability, beginning of year	\$ 65,359	\$ 62,700
Expense recognized for the year:		
Current service cost	3,693	3,114
Amortized of actuarial gains and losses	1,231	3,140
Interest cost	778	1,330
	71,061	70,284
Benefits for the year	(16,254)	(4,925)
Accrued benefit liability, end of year	\$ 54,807	\$ 65,359
Accrued future benefit obligation, end of year	\$ 56,917	\$ 68,700
Net unamortized actuarial loss	(2,110)	(3,341)
Accrued benefit liability, end of year	\$ 54,807	\$ 65,359

# MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2020

## 7. Tangible capital assets:

Cost	Balance at August 31, 2019	Additions and Transfer	Disposals and Transfers	Balance at August 31, 2020
Land	\$ 10	\$ -	\$ -	\$ 10
School buildings	7,505,672	-	-	7,505,672
Other buildings	2,357,866	359,597	-	2,717,463
Portable structures	316,700	-	-	316,700
Furniture and equipment	601,410	-	-	601,410
Computers	77,846	12,284	-	90,130
Vehicles	338,748	-	-	338,748
Construction in progress	670,763	19,051	(353,994)	335,820
<b>Total</b>	<b>\$ 11,869,015</b>	<b>\$ 390,932</b>	<b>\$ (353,994)</b>	<b>\$ 11,905,953</b>

Accumulated Amortization	Balance at August 31, 2019	Disposals and Transfer	Amortization Expense	Balance at August 31, 2020
Land	\$ -	\$ -	\$ -	\$ -
School buildings	5,331,322	-	192,832	5,524,154
Other buildings	1,365,610	-	68,836	1,434,446
Portable structures	287,165	-	1,790	288,955
Furniture and equipment	363,332	-	38,814	402,146
Computers	16,373	-	16,798	33,171
Vehicles	266,475	-	35,601	302,076
<b>Total</b>	<b>\$ 7,630,277</b>	<b>\$ -</b>	<b>\$ 354,671</b>	<b>\$ 7,984,948</b>

	Net book value, August 31, 2019	Net book value, August 31, 2020
Land	\$ 10	\$ 10
School buildings	2,174,350	1,981,518
Other buildings	992,256	1,283,017
Portable structures	29,535	27,745
Furniture and equipment	238,078	199,264
Computers	61,473	56,959
Vehicles	72,273	36,672
Construction in progress	670,763	335,820
<b>Total</b>	<b>\$ 4,238,738</b>	<b>\$ 3,921,005</b>

# MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2020

## 7. Tangible capital assets:

Cost	Balance at August 31, 2018	Additions and Transfer	Disposals and Transfers	Balance at August 31, 2019
Land	\$ 10	\$ -	\$ -	\$ 10
School buildings	7,282,613	223,059	-	7,505,672
Other buildings	2,332,522	25,344	-	2,357,866
Portable structures	316,700	-	-	316,700
Furniture and equipment	548,050	53,360	-	601,410
Computers	42,944	34,902	-	77,846
Vehicles	307,251	31,497	-	338,748
Construction in progress	-	670,763	-	670,763
<b>Total</b>	<b>\$ 10,830,090</b>	<b>\$ 1,038,925</b>	<b>\$ -</b>	<b>\$ 11,869,015</b>

Accumulated Amortization	Balance at August 31, 2018	Disposals and Transfer	Amortization Expense	Balance at August 31, 2019
Land	\$ -	\$ -	\$ -	\$ -
School buildings	5,141,278	-	190,044	5,331,322
Other buildings	1,306,397	-	59,213	1,365,610
Portable structures	285,375	-	1,790	287,165
Furniture and equipment	327,185	-	36,147	363,332
Computers	4,294	-	12,079	16,373
Vehicles	223,966	-	42,509	266,475
<b>Total</b>	<b>\$ 7,288,495</b>	<b>\$ -</b>	<b>\$ 341,782</b>	<b>\$ 7,630,277</b>

	Net book value, August 31, 2018	Net book value, August 31, 2019
Land	\$ 10	\$ 10
School buildings	2,141,335	2,174,350
Other buildings	1,026,125	992,256
Portable structures	31,325	29,535
Furniture and equipment	220,865	238,078
Computers	38,650	61,473
Vehicles	83,285	72,273
Construction in progress	-	670,763
<b>Total</b>	<b>\$ 3,541,595</b>	<b>\$ 4,238,738</b>

# MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2020

## 8. Accumulated surplus:

Accumulated surplus consists of the following:

	2020	2019
Unappropriated operating accumulated surplus	\$ 2,643,060	\$ 2,252,677
Internally restricted for retirement gratuities	275,000	275,000
Invested in tangible capital assets	3,921,005	4,238,738
Employee future benefits	(54,807)	(65,359)
School generated funds	44,136	35,044
<b>Total accumulated surplus</b>	<b>\$ 6,828,394</b>	<b>\$ 6,736,100</b>

## 9. 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
Expenses by object:			
Salary and wages	\$ 3,322,902	\$ 3,103,296	\$ 3,199,381
Employee benefits	651,989	530,527	566,745
Staff development	33,600	36,174	69,235
Supplies and services	661,209	492,003	581,570
Rental	57,000	42,611	47,692
Fees and contract services	183,900	959,443	488,445
Other program related	61,850	175,250	207,627
Amortization	475,632	354,671	341,782
	<b>\$ 5,448,082</b>	<b>\$ 5,693,975</b>	<b>\$ 5,502,477</b>

# MOOSE FACTORY ISLAND DISTRICT SCHOOL AREA BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2020

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## **10. 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.

## **11. Temporary borrowing:**

The 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.

## **12. Comparative information:**

Certain of the 2019 comparative figures have been reclassified to conform with the 2020 presentation.

## **13. 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 board reopened the school for alternating groups of students to attend school for half days with the remainder completed online, effective September 2020. 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 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.