

Financial Statements of

**JAMES BAY LOWLANDS
SECONDARY SCHOOL BOARD**

Year ended August 31, 2018

MANAGEMENT REPORT

Management's Responsibility for the Financial Statements

The accompanying financial statements of the James Bay Lowlands Secondary School 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 judgment, 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



KPMG LLP
Claridge Executive Centre
144 Pine Street
Sudbury Ontario P3C 1X3
Canada
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INDEPENDENT AUDITORS' REPORT

To the Trustees of the James Bay Lowlands Secondary School Board

We have audited the accompanying financial statements James Bay Lowlands Secondary School 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.



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, total revenue, financial assets and accumulated surplus.

Qualified 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 James Bay Secondary School 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 in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada
February 13, 2019

JAMES BAY LOWLANDS SECONDARY SCHOOL BOARD

Statement of Financial Position

August 31, 2018, with comparative information for 2017

| | 2018 | 2017 |
|---|---------------------|------------------|
| Financial assets | | |
| Cash | \$ 951,308 | 1,171,865 |
| Accounts receivable (note 2) | 332,085 | 277,303 |
| Total financial assets | 1,283,393 | 1,449,168 |
| Financial liabilities | | |
| Accounts payable and accrued liabilities | 562,666 | 691,999 |
| Deferred revenue (note 3) | 455,930 | 524,367 |
| Employee future benefits liability (note 4) | 156,672 | 174,828 |
| Total financial liabilities | 1,175,268 | 1,391,194 |
| Net financial assets | 108,125 | 57,974 |
| Non-financial assets | | |
| Prepaid expenses | 34,484 | 20,862 |
| Tangible capital assets (note 5) | 5,150,924 | 5,338,674 |
| Total non-financial assets | 5,185,408 | 5,359,536 |
| Accumulated surplus (note 6) | \$ 5,293,533 | 5,417,510 |

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

Director of Education

Chair of the Board

JAMES BAY LOWLANDS SECONDARY SCHOOL BOARD

Statement of Operations and Accumulated Surplus

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

| | 2018 Budget | 2018 Actual | 2017 Actual |
|---|---------------------|------------------|------------------|
| Revenue: | | | |
| Government of Ontario grants: | | | |
| - Grants for Student Needs | \$ 5,329,253 | 5,205,420 | 4,888,943 |
| - Other | 294,002 | 279,159 | 522,323 |
| - Funding adjustment | - | (24,979) | 267,373 |
| - Municipal | - | 3,001 | 3,360 |
| Other fees and revenue | 224,626 | 182,554 | 206,796 |
| School fundraising | 27,739 | 49,191 | 28,941 |
| Total revenue | 5,875,620 | 5,694,346 | 5,917,736 |
| Expenses (note 7): | | | |
| Instruction | 3,244,826 | 3,104,818 | 3,136,817 |
| Administration | 470,473 | 482,342 | 418,470 |
| Transportation | 633,827 | 802,664 | 622,675 |
| School operations and maintenance | 1,313,119 | 1,158,542 | 1,158,579 |
| Teacherages | 95,636 | 217,002 | 246,186 |
| School funded activities | 27,739 | 52,955 | 31,414 |
| Total expenses | 5,785,620 | 5,818,323 | 5,614,141 |
| Annual surplus (deficit) | 90,000 | (123,977) | 303,595 |
| Accumulated surplus, beginning of year | 5,417,510 | 5,417,510 | 5,113,915 |
| Accumulated surplus, end of year | \$ 5,507,510 | 5,293,533 | 5,417,510 |

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

JAMES BAY LOWLANDS SECONDARY SCHOOL BOARD

Statement of Change in Net Financial Assets

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

| | | 2018 Budget | 2018 | 2017 |
|--|----|----------------|-----------|-----------|
| Annual surplus (deficit) | \$ | 90,000 | (123,977) | 303,595 |
| Tangible capital assets: | | | | |
| Acquisition of tangible capital assets | | - | (110,105) | (45,900) |
| Amortization of tangible capital assets | | 284,980 | 297,855 | 290,238 |
| Total change due to tangible capital assets | | 284,980 | 187,750 | 244,338 |
| Prepaid expenses: | | | | |
| Acquisition of prepaid expenses | | - | (34,484) | (20,862) |
| Use of prepaid expenses | | - | 20,862 | 19,433 |
| Total change due to prepaid expenses | | - | (13,622) | (1,429) |
| Increase in net financial assets | | 374,980 | 50,151 | 546,504 |
| Net financial assets (debt), beginning of year | | 57,974 | 57,974 | (488,530) |
| Net financial assets, end of year | \$ | 432,954 | 108,125 | 57,974 |

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

JAMES BAY LOWLANDS SECONDARY SCHOOL BOARD

Statement of Cash Flows

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

| | 2018 | 2017 |
|---|--------------|-----------|
| Cash flows provided by (used in): | | |
| Operating activities: | | |
| Annual surplus (deficit) | \$ (123,977) | 303,595 |
| Item not involving cash: | | |
| Amortization of tangible capital assets | 297,855 | 290,238 |
| | 173,878 | 593,833 |
| Change in non-cash assets and liabilities: | | |
| Decrease (increase) in accounts receivable | (54,782) | 329,774 |
| Increase (decrease) in accounts payable and accrued liabilities | (129,333) | 155,911 |
| Decrease in deferred revenue | (68,437) | (129,592) |
| Decrease in employee future benefits | (18,156) | (21,157) |
| Increase in prepaid expenses | (13,622) | (1,429) |
| | (110,452) | 927,340 |
| Capital activities: | | |
| Cash used to acquire tangible capital assets | (110,105) | (45,900) |
| | (110,105) | (45,900) |
| Net change in cash | (220,557) | 881,440 |
| Cash, beginning of year | 1,171,865 | 290,425 |
| Cash, end of year | \$ 951,308 | 1,171,865 |

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

JAMES BAY LOWLANDS SECONDARY SCHOOL BOARD

Notes to Financial Statements

Year ended August 31, 2018

1. Significant accounting policies:

The financial statements of the James Bay Secondary School Board (the "Board") have been 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) 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.

(c) 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.

(d) 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.

JAMES BAY LOWLANDS SECONDARY SCHOOL BOARD

Notes to Financial Statements

Year ended August 31, 2018

1. Significant accounting policies (continued):

(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.

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:

| | Useful Life - Years |
|--|---------------------|
| School buildings and building improvements | 40 |
| Other buildings | 20 |
| Leasehold improvements | 10 |
| Furniture and equipment | 5 - 10 |
| Computers, hardware and software | 5 |
| Vehicles | 5 |

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) 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 December 19, 2017.

JAMES BAY LOWLANDS SECONDARY SCHOOL BOARD

Notes to Financial Statements

Year ended August 31, 2018

1. Significant accounting policies (continued):

(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 EHLT 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 base 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 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.

JAMES BAY LOWLANDS SECONDARY SCHOOL BOARD

Notes to Financial Statements

Year ended August 31, 2018

1. Significant accounting policies (continued):

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

(h) 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.

(i) 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. Accounts receivable:

| | 2018 | 2017 |
|-----------------------|-------------------|----------------|
| Government of Canada | \$ 197,994 | 188,169 |
| Government of Ontario | 46,106 | 59,891 |
| Other | 87,985 | 29,243 |
| | <u>\$ 332,085</u> | <u>277,303</u> |

JAMES BAY LOWLANDS SECONDARY SCHOOL BOARD

Notes to Financial Statements

Year ended August 31, 2018

3. 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 | Revenue recognized in the period | Balance at August 31, 2018 |
|------------------------------------|----------------------------------|---------------------------|--|----------------------------------|
| Ministry of Education: | | | | |
| Students at risk (student success) | \$ 220,071 | – | (18,814) | 201,257 |
| Pupil accommodation | 170,467 | 34,611 | (34,611) | 170,467 |
| Other grants for specific purposes | 133,829 | 98,622 | (148,245) | 84,206 |
| Total deferred revenue | \$ 524,367 | 133,233 | (201,670) | 455,930 |

4. 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.

(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.

JAMES BAY LOWLANDS SECONDARY SCHOOL BOARD

Notes to Financial Statements

Year ended August 31, 2018

4. Employee future benefits (continued):

(b) Retirement Benefits (continued):

(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 \$77,381 (2017 - \$72,303). 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 \$19,443 (2017 - \$19,045) 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 consolidated financial statements. The plan changes made in 2012 now requires school boards to provide salary top-up to a maximum of 4 ½ 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.

JAMES BAY LOWLANDS SECONDARY SCHOOL BOARD

Notes to Financial Statements

Year ended August 31, 2018

4. 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, 2017. 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% | 2.05% |

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 | \$ 174,828 | 195,985 |
| Expenses recognized for the year: | | |
| Current service cost | 1,530 | 1,500 |
| Amortized of actuarial gains and losses | 2,456 | 2,456 |
| Interest cost | 3,449 | 3,821 |
| Change due to voluntary early payout | - | - |
| | 182,263 | 203,762 |
| Benefits for the year | (25,591) | (28,934) |
| Accrued benefit liability, end of year | \$ 156,672 | 174,828 |
| Accrued future benefit obligation, end of year | \$ 161,161 | 181,773 |
| Net unamortized actuarial gain | (4,489) | (6,945) |
| Accrued benefit liability, end of year | \$ 156,672 | 174,828 |

JAMES BAY LOWLANDS SECONDARY SCHOOL BOARD

Notes to Financial Statements

Year ended August 31, 2018

5. Tangible capital assets:

| Cost | Balance at August 31, 2017 | Additions | Disposals | Balance at August 31, 2018 |
|--------------------------------|----------------------------------|----------------|-----------|----------------------------------|
| Land | \$ 46,500 | - | - | 46,500 |
| School buildings | 10,516,230 | 43,900 | - | 10,560,130 |
| Other buildings | 512,525 | - | - | 512,525 |
| Leasehold improvements | 431,934 | - | - | 431,934 |
| Furniture and equipment | 491,166 | 4,400 | - | 495,566 |
| Computer hardware and software | 67,189 | 61,805 | - | 128,994 |
| Vehicles | 82,733 | - | - | 82,733 |
| Total | \$ 12,148,277 | 110,105 | - | 12,258,382 |

| Accumulated Amortization | Balance at August 31, 2017 | Disposals and Transfers | Amortization | Balance at August 31, 2018 |
|--------------------------------|----------------------------------|----------------------------|----------------|----------------------------------|
| Land | \$ - | - | - | - |
| School buildings | 5,354,264 | - | 263,776 | 5,618,040 |
| Other buildings | 512,525 | - | - | 512,525 |
| Leasehold improvements | 381,589 | - | 5,924 | 387,513 |
| Furniture and equipment | 450,682 | - | 8,537 | 459,219 |
| Computer hardware and software | 27,810 | - | 19,618 | 47,428 |
| Vehicles | 82,733 | - | - | 82,733 |
| Total | \$ 6,809,603 | - | 297,855 | 7,107,458 |

| | Net book value, August 31, 2017 | Net book value, August 31, 2018 |
|--------------------------------|---------------------------------------|---------------------------------------|
| Land | \$ 46,500 | 46,500 |
| School buildings | 5,161,966 | 4,942,090 |
| Other buildings | - | - |
| Leasehold improvements | 50,345 | 44,421 |
| Furniture and equipment | 40,484 | 36,347 |
| Computer hardware and software | 39,379 | 81,566 |
| Vehicles | - | - |
| Total | \$ 5,338,674 | 5,150,924 |

JAMES BAY LOWLANDS SECONDARY SCHOOL BOARD

Notes to Financial Statements

Year ended August 31, 2018

5. Tangible capital assets (continued):

| Cost | Balance at August 31, 2016 | Additions | Disposals | Balance at August 31, 2017 |
|--------------------------------|----------------------------------|---------------|-----------|----------------------------------|
| Land | \$ 46,500 | - | - | 46,500 |
| School buildings | 10,516,230 | - | - | 10,516,230 |
| Other buildings | 512,525 | - | - | 512,525 |
| Leasehold improvements | 431,934 | - | - | 431,934 |
| Furniture and equipment | 456,364 | 34,802 | - | 491,166 |
| Computer hardware and software | 56,091 | 11,098 | - | 67,189 |
| Vehicles | 82,733 | - | - | 82,733 |
| Total | \$ 12,102,377 | 45,900 | - | 12,148,277 |

| Accumulated Amortization | Balance at August 31, 2016 | Disposals and Transfers | Amortization | Balance at August 31, 2017 |
|--------------------------------|----------------------------------|----------------------------|----------------|----------------------------------|
| Land | \$ - | - | - | - |
| School buildings | 5,091,037 | - | 263,227 | 5,354,264 |
| Other buildings | 512,525 | - | - | 512,525 |
| Leasehold improvements | 375,665 | - | 5,924 | 381,589 |
| Furniture and equipment | 444,912 | - | 5,770 | 450,682 |
| Computer hardware and software | 15,482 | - | 12,328 | 27,810 |
| Vehicles | 79,744 | - | 2,989 | 82,733 |
| Total | \$ 6,519,365 | - | 290,238 | 6,809,603 |

| | Net book value, August 31, 2016 | Net book value, August 31, 2017 |
|--------------------------------|---------------------------------------|---------------------------------------|
| Land | \$ 46,500 | 46,500 |
| School buildings | 5,425,193 | 5,161,966 |
| Other buildings | - | - |
| Leasehold improvements | 56,269 | 50,345 |
| Furniture and equipment | 11,452 | 40,484 |
| Computer hardware and software | 40,609 | 39,379 |
| Vehicles | 2,989 | - |
| Total | \$ 5,583,012 | 5,338,674 |

JAMES BAY LOWLANDS SECONDARY SCHOOL BOARD

Notes to Financial Statements

Year ended August 31, 2018

6. Accumulated surplus:

Accumulated surplus consists of the following:

| | 2018 | 2017 |
|--|---------------------|------------------|
| Unappropriated operating accumulated surplus | \$ 273,899 | 224,518 |
| Invested in tangible capital assets | 5,150,924 | 5,338,674 |
| Employee future benefits | (156,672) | (174,828) |
| School generated funds | 25,382 | 29,146 |
| Total accumulated surplus | \$ 5,293,533 | 5,417,510 |

7. 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 | \$ 2,547,485 | 2,491,200 | 2,501,557 |
| Employee benefits | 693,795 | 668,688 | 655,468 |
| Staff development | 27,500 | 79,695 | 65,989 |
| Supplies and services | 1,186,023 | 918,917 | 989,665 |
| Rental | - | 194,863 | 189,548 |
| Fees and contract services | 815,837 | 1,013,120 | 871,072 |
| Other, transfers to others | 230,000 | 153,985 | 50,604 |
| Amortization of tangible capital assets | 284,980 | 297,855 | 290,238 |
| | \$ 5,785,620 | 5,818,323 | 5,614,141 |

JAMES BAY LOWLANDS SECONDARY SCHOOL BOARD

Notes to Financial Statements

Year ended August 31, 2018

8. 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.

9. Line of credit:

The School Board has available to it a \$750,000 revolving line of credit by way of business operating account overdraft with a chartered bank, payable on demand, bearing interest at the prime rate plus 1% per annum. Security is provided in the form of a borrowing resolution. The Board did not utilize this credit facility during the year.

10. Contractual obligations:

The Board leases premises from the Town of Moosonee under a lease expiring in December 2018. Rents payable are subject to an escalation review on an annual basis. The current years rent charge is \$175,963 (2017 - \$171,935).

11. Comparative information:

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

