

Upper Canada District School Board  
Consolidated Financial Statements  
For the Year Ended August 31, 2020

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## Management's Responsibility for the Consolidated Financial Statements

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The accompanying consolidated financial statements are prepared in accordance with the Financial memorandum 2004: B2 and Ontario Regulation 395/11 of the Financial Administration Act as described in note 1 to the consolidated financial statements.

The consolidated financial statements are the responsibility of management and have been approved by the board and trustees.

The preparation of consolidated 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 consolidated financial statements. These systems are monitored and evaluated by management.

The Audit Committee of the Board meets with the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to the Board's approval of the consolidated financial statements.

The consolidated financial statements have been audited by BDO Canada 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 consolidated financial statements.

*Original Signed*

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Jeremy Hobbs, MBA  
Executive Superintendent of Business

*Original Signed*

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Diana Kingston, CPA, CMA  
Comptroller of Finance

Brockville, Ontario  
November 18, 2020

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## Independent Auditor's Report

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To the Board of Trustees of Upper Canada District School Board

### Opinion

We have audited the consolidated financial statements of Upper Canada District School Board (the Entity), 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 change in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies.

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying consolidated financial statements of the Entity as at and for the year ended August 31, 2020 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the consolidated financial statements.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated 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.

### Other matters

The consolidated financial statements of the Entity for the year ended August 31, 2019, were audited by another auditor who expressed an unqualified opinion on those statements on November 13, 2019.

### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the consolidated financial statements, which describes the basis of accounting used in the preparation of these consolidated financial statements and the significant differences between such basis of accounting and Canadian public sector accounting standards. Our opinion is not modified in respect of this matter.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with the basis of accounting described in Note 1 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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.

*Original Signed*

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Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario  
November 18, 2020

## Upper Canada District School Board Consolidated Statement of Financial Position

August 31	2020	2019
Financial assets:		
Cash	\$ 53,701,869	\$ 25,957,100
Temporary investments (Note 2)	2,218,142	2,175,748
Accounts receivable :		
Government of Ontario (Note 3)	77,053,048	83,431,233
Municipalities (Note 4)	21,016,150	8,139,917
Other	11,277,159	9,870,995
Other assets	2,713	57,361
Assets held for sale (Note 6)	-	722,689
	165,269,081	130,355,043
Financial liabilities		
Accounts payable and accrued liabilities (Note 5)	54,287,543	27,305,462
Deferred revenue (Note 7)	17,686,741	18,411,778
Deferred capital contributions (Note 8)	309,538,891	303,352,196
Employee future benefits liability (Note 9)	20,389,224	20,516,507
Net long-term debt (Note 10)	69,577,767	73,506,192
	471,480,166	443,092,135
Net Debt	(306,211,085)	(312,737,092)
Non-financial assets		
Prepaid expenses	4,122,171	4,141,072
Tangible capital assets (Note 13)	322,755,226	315,575,369
	326,877,397	319,716,441
Accumulated surplus	\$ 20,666,312	\$ 6,979,349

Approved on behalf of the Board:

Original Signed

Director of Education

Original Signed

Chair of the Board

## Upper Canada District School Board Consolidated Statement of Operations and Accumulated Surplus

For the year ended August 31	2020 Budget	Actual 2020	Actual 2019
<b>Revenue</b>			
Provincial grants			
Grants for student needs	\$257,773,206	\$ 259,637,848	\$ 257,897,976
Other	3,047,501	4,704,528	5,275,437
Amortization of deferred capital contributions	15,615,547	15,507,700	15,155,896
Local taxation	76,349,563	75,802,505	77,268,940
School-generated funds	6,343,305	3,550,074	6,105,199
Federal grants and fees	2,786,601	2,585,490	2,344,209
Investment income	442,923	391,692	600,233
Other - school boards	19,800	31,985	40,071
Other sources	7,800,914	8,370,706	10,961,599
Deferred capital contributions on disposal of unrestricted and restricted assets	-	80,623	886,900
	<u>370,179,360</u>	<u>370,663,151</u>	<u>376,536,460</u>
<b>Expenses (Note 15)</b>			
Instruction	265,742,655	262,815,845	273,087,486
Administration	8,658,561	8,292,840	8,602,515
Transportation	31,204,050	30,509,392	32,397,151
Pupil accommodation	49,980,792	49,697,845	51,233,206
Other	2,711,796	2,538,721	2,952,124
School-generated funds	6,167,162	3,121,545	6,026,655
	<u>364,465,016</u>	<u>356,976,188</u>	<u>374,299,137</u>
Annual surplus	<u>5,714,344</u>	<u>13,686,963</u>	<u>2,237,323</u>
Accumulated surplus, beginning of the year	<u>4,722,235</u>	<u>6,979,349</u>	<u>4,742,026</u>
Accumulated surplus, end of year (Note 14)	<u>\$ 10,436,579</u>	<u>\$ 20,666,312</u>	<u>\$ 6,979,349</u>

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

**Upper Canada District School Board  
Consolidated Statement of Changes in Net Debt**

For the year ended August 31	Actual 2020	Actual 2019
Annual Surplus	\$ 13,686,963	\$ 2,237,323
Tangible Capital Assets:		
Acquisition of tangible capital assets	(22,900,922)	(25,669,898)
Amortization of tangible capital assets	15,640,441	14,909,350
Proceeds on disposal of tangible capital assets	116,505	1,097,956
Loss (gain) on disposal of tangible capital assets	(35,881)	750,128
Transfer to assets held for sale	-	722,689
Write-down of tangible capital assets	-	407,620
	<u>(7,179,857)</u>	<u>(7,782,155)</u>
Other Non-Financial Asset Activity		
Acquisition of prepaid expenses	(771,753)	(4,141,072)
Use of prepaid expenses	790,654	3,573,939
	<u>18,901</u>	<u>(567,133)</u>
Change in net debt	<u>6,526,007</u>	<u>(6,111,965)</u>
Net debt, beginning of year	(312,737,092)	(306,625,127)
Net debt, end of year	<u>\$(306,211,085)</u>	<u>\$ (312,737,092)</u>

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



## Upper Canada District School Board Consolidated Statement of Cash Flows

For the year ended August 31	2020	2019
<b>Operating transactions</b>		
Annual surplus	\$13,686,963	\$ 2,237,323
Items not affecting cash:		
Amortization of tangible capital assets	15,640,441	14,909,350
Loss (gain) on disposal of tangible capital assets	(35,881)	750,128
Amortization of deferred capital contributions	(15,507,700)	(15,155,896)
Transfer to assets held for sale	-	722,689
Write-down of tangible capital assets	-	407,620
Changes in non-cash working capital:		
Increase in accounts receivable	(14,282,397)	(4,288,072)
Decrease (increase) in assets held for sale	722,689	(494,492)
Decrease in other financial assets	54,648	5,329
Increase (decrease) in accounts payable and accrued liabilities	26,982,080	(8,761,228)
Decrease in employee benefits payable	(127,283)	(1,323,129)
Decrease in operating deferred revenue	(3,943,824)	(2,043,365)
Decrease (increase) in prepaid expenses	18,901	(567,133)
	<u>23,208,637</u>	<u>(13,600,876)</u>
<b>Capital transactions</b>		
Proceeds on disposal of tangible capital assets	116,506	1,097,956
Cash used to acquire tangible capital assets	(22,900,922)	(25,669,898)
	<u>(22,784,416)</u>	<u>(24,571,942)</u>
<b>Investing transactions</b>		
Increase in temporary investments	(42,394)	(50,094)
<b>Financing transactions</b>		
Debt principal repayments and sinking fund contributions	(3,928,425)	(3,739,064)
Change in accounts receivable - approved capital grants	6,378,185	4,740,660
Increase (decrease) in capital deferred revenue	3,218,787	(627,098)
Additions to deferred capital contributions	21,694,395	23,347,400
	<u>27,362,942</u>	<u>23,721,898</u>
Net change in cash	27,744,769	(14,501,014)
Cash, beginning of the year	<u>25,957,100</u>	<u>40,458,114</u>
Cash, end of the year	<u>\$53,701,869</u>	<u>\$ 25,957,100</u>

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

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# Upper Canada District School Board

## Notes to Consolidated Financial Statements

August 31, 2020

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### 1. Significant Accounting Policies

The consolidated financial statements are prepared by management in accordance with the basis of accounting described below.

#### Basis of Accounting

The consolidated financial statements have been prepared in accordance with the Financial Administration Act supplemented by Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act

The Financial Administration Act requires that the consolidated financial statements be prepared in accordance with the accounting principles determined by the relevant Ministry of the Province of Ontario. A directive was provided by the Ontario Ministry of Education within memorandum 2004:B2 requiring school boards in Ontario 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 of Ontario passed Ontario Regulation 395/11 of the Financial Administration Act (the "Regulation"). The Regulation requires that contributions received or receivable for the acquisition or development of depreciable tangible capital assets and contributions of depreciable tangible capital assets for use in providing services, be recorded as deferred capital contributions and be recognized as revenue in the statement of operations and accumulated surplus over the periods during which the asset is used to provide service at the same rate that amortization is recognized in respect of the related asset. The Regulation further requires that if the net book value of the depreciable tangible capital asset is reduced for any reason other than depreciation, a proportionate reduction of deferred capital contribution along with a proportionate increase in the revenue be recognized. For Ontario school boards, these contributions include government transfers, externally restricted contributions and, historically, property tax revenue.

The accounting policy requirements under Regulation 395/11 are significantly different from the requirements of Canadian public sector accounting standards which require that:

- Government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with Canadian public sector accounting standard PS3410;

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# Upper Canada District School Board

## Notes to Consolidated Financial Statements

August 31, 2020

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### 1. Significant Accounting Policies (continued)

- Externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100; and
- Property taxation revenue be reported as revenue when received or receivable in accordance with public sector accounting standard PS3510

As a result, revenue recognized in the statement of operations and accumulated surplus and certain related deferred revenues and deferred capital contributions would be recorded differently under Canadian Public Sector Accounting Standards.

### Reporting Entity

The consolidated 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 Upper Canada District School Board (the "Board") which are controlled by the Board.

The consolidated financial statements include the following organizations:

(i) Student Transportation of Eastern Ontario (STEO): STEO is accounted for using the proportionate consolidation method of accounting and reporting, whereby the Board's pro-rata share of each of the assets, liabilities, revenues and expenses is combined on a line-by-line basis in the consolidated financial statements. The Board is a member of STEO with the Catholic District School Board of Eastern Ontario. STEO is a not-for-profit organization separately incorporated without share capital under the laws of Ontario. STEO's principal activity is to facilitate, organize and deliver safe, effective and efficient school transportation services to students in the eastern Ontario area on behalf of the member school boards.

(ii) Upper Canada Leger Centre for Education and Training (UCLC): UCLC is deemed to be controlled by the Board, therefore the assets, liabilities, revenues, expenses, and net assets of UCLC have been reflected in the consolidated financial statements. UCLC was incorporated under the Corporations Act of Ontario. The Centre was created to enhance the development, implementation and advancement of community educational and training programs which are not funded by the Ministry of Education.

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## Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2020

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### 1. Significant Accounting Policies (continued)

Reporting Entity (continued)	<p>(iii) School generated funds: 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 consolidated financial statements.</p> <p>(iv) Champions for Kids Foundation: the Foundation is deemed to be controlled by the Board, therefore the assets, liabilities, revenues, expenses, and net assets of the Foundation have been reflected in the consolidated financial statements. Champions for Kids was created to help level the playing field for children of struggling families.</p> <p>Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.</p>
Trust Funds	Trust funds and their related operations administered by the Board are not included in the consolidated financial statements, as they are not controlled by the Board
Investments	Temporary 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, are recorded at cost, and assessed regularly for permanent impairment.
Deferred Revenue	Certain amounts are received pursuant to legislation, regulation, or agreement and may only be used in the conduct of 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 are performed.
Deferred Capital Contributions	Contributions received or receivable for the purpose of acquiring or developing a depreciable tangible capital asset for use in providing services, or any contributions in the form of depreciable tangible assets received or receivable for use in providing services, is recognized as deferred capital contributions as defined in Ontario Regulation 395/11 of the Financial Administration Act.

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## Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2020

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### 1. Significant Accounting Policies (continued)

Deferred Capital Contributions (continued)	<p>These amounts are recognized as revenue at the same rate as the related tangible capital asset is amortized. The following items fall under this category:</p> <ul style="list-style-type: none"><li>• Government transfers received or receivable for capital purposes</li><li>• Other restricted contributions received or receivable for capital purpose</li><li>• Property taxation revenues which were historically used to fund tangible capital assets.</li></ul>
Retirement and Other Employee Future Benefits	<p>The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance, health care benefits, dental benefits, retirement gratuity, worker's compensation and long-term disability benefits.</p> <p>As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the Principals and Vice-Principals Associations, the following Employee Life and Health Trusts (ELHTs) were established in 2016-17: Elementary Teachers' Federation of Ontario (ETFEO), Ontario Secondary School Teachers' Federation (OSSTF), including PSSP employee groups. The following ELHTs were established in 2017-2018: Canadian Union of Public Employees (CUPE) and Ontario Non-union Education Trust (ONE-T) for non-unionized employees including principals and vice-principals. The ELHTs provide health, dental and life insurance benefits to teachers (including daily occasional teachers), education workers (may exclude casual and temporary staff), and other school board staff. Currently ONE-T ELHTs also provide benefits to individuals who retired prior to the school board's participation date in the ELHT. These benefits are provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario. Boards no longer administer health, life and dental plans for their employees and instead are required to fund the ELHTs on a monthly basis based on a negotiated amount per full-time equivalency (FTE). Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN), including additional ministry funding in the form of a Crown contribution and Stabilization Adjustment.</p>

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## Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2020

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### 1. Significant Accounting Policies (continued)

Retirement and Other  
Employee Future Benefit  
(continued)

Depending on prior arrangements and employee groups, the Board continues to provide health, dental and life insurance benefits for retired individuals that were previously represented by the following unions/federations: ETFO, OSSTF, and CUPE.

The Board has adopted the following 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 the management's best estimate of insurance and health care cost trends, disability recovery rates, long-term inflation rates and discount rates. The cost of retirement gratuities is actuarially determined using the employee's salary, banked sick days (if applicable) and years of service since 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 life of the employee group.

For self-insured retirement and other employee future benefits that vest or accumulated over the periods of service provided by employees, such as life insurance and 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 benefits obligations that arise from specific events that occur from time to time, such as obligations for worker's compensation and long-term disability, 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 cost of multi-employer defined pension plan benefit, such as the Ontario Municipal Employees Retirement System pension, 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.

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# Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2020

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## 1. Significant Accounting Policies (continued)

**Tangible Capital Assets**      Tangible capital assets are recorded at historical cost less accumulated amortization. Historical cost includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset, as well as interest related to financing during construction. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization.

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

Land improvements with finite lives	15 years
Buildings and building improvements	40 years
Portable structures	20 years
Other buildings	20 years
First-time equipping of schools	10 years
Equipment	5 -15 years
Furniture	10 years
Computer hardware	5 years
Computer software	5 years
Vehicles	5 - 10 years

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.

Land permanently removed from service and held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the land for resale or servicing. Buildings permanently removed from service and held for resale cease to be amortized and are recorded at the lower of carrying value and estimated net realizable value. Tangible capital assets which meet the criteria for financial assets are reclassified as "assets held for sale" on the consolidated statement of financial position.

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

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## Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2020

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### 1. Significant Accounting Policies (continued)

Government Transfers	<p>Government transfers, which include legislative grants, are recognized in the consolidated financial statements 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.</p> <p>Government transfers for capital are deferred as required by Regulation 395/11, recorded as deferred capital contributions (DCC) and recognized in the consolidated statement of operations at the same rate and over the same periods as the asset is amortized</p>
Investment Income	<p>Investment income is reported as revenue in the period earned.</p> <p>When required by the funding government or related Act, investment income earned on externally restricted funds such as pupil accommodation, education development charges and special education forms part of the respective deferred revenue balances.</p>
Long-Term Debt	<p>Long-term debt is recorded net of related sinking fund balances.</p>
Budget Figures	<p>Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Trustees. The budget approved by the Trustees 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.</p>
Use of Estimates	<p>The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 1 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amount of revenues and expenses during the year. Accounts subject to significant estimates include certain accrued liabilities, deferred revenue, the useful lives of tangible capital assets and related amortization as well as assumptions related to employee future benefits. Actual results could differ from these estimates. These estimates are reviewed annually and, as adjustments become necessary, they are reported in the periods in which they become known.</p>



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## Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2020

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### 1. Significant Accounting Policies (continued)

**Property Tax Revenue** Under Canadian 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.

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### 2. Investments

Temporary investments are comprised as follows:

	2020		2019	
	Cost	Market Value	Cost	Market Value
Fixed income securities	\$ 2,218,142	\$ 2,354,989	\$ 2,175,748	\$ 2,250,735

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### 3. Accounts receivable - Government of Ontario

The Province of Ontario replaced variable capital funding with a one-time debt support grant in 2009-10. Upper Canada District Board received a one-time grant that recognizes capital debt as of August 31, 2010 that is supported by the existing capital programs. The Board receives this grant in cash over the remaining term of the existing capital debt instruments. The Board may also receive yearly capital grants to support capital programs which would be reflected in this account receivable.

The Board has an account receivable from the Province of Ontario of \$77,053,048 (2019 - \$83,431,233) with respect to capital grants.

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## Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2020

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4. Accounts receivable - municipalities

Due to the response to COVID-19, the Province of Ontario extended the deadlines for municipalities to pay Education Property Tax (EPT) amounts to the Board. This amount for the Board was \$12,551,875 (2019 \$Nil) and has been included in accounts receivable on the consolidated statement of financial position. This amount will be recovered fully by the Board in the following school year.

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5. Accounts payable - Government of Ontario

Due to the response to COVID-19, the Province of Ontario extended the deadlines for municipalities to pay Education Property Tax (EPT) amounts to the Board. To mitigate the financial impact of this deferral, the Province adjusted its cash flow through the School Board Operating Grant in July 2020 to pay an additional amount equal to about 25% of the annual education property tax amount as forecasted by the Board in the 2019-20 Revised Estimates. This amount for the Board was \$19,080,400 (2019 - \$Nil). This amount will be recovered fully by the Province in 2021.

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6. Assets held for sale

As of August 31, 2020, \$Nil (2019 - \$722,689) related to buildings. During the year, three school properties were sold. Net proceeds of \$1,299,487 were received on the sale of these properties, which had a carrying value of \$722,689, resulting in a gain of \$576,798. The full gain was deferred for future capital asset purchases according to Ontario Regulation 193/10.

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## Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2020

### 7. Deferred revenue

Revenues received and that have been set aside for specific purposes by legislation, regulation or agreement are included in deferred revenue and reported on the Consolidated Statement of Financial Position.

Deferred revenue set-aside for specific purposes by legislation, regulation or agreement as at August 31, 2020 is comprised of:

	Balance at August 31, 2019	Externally restricted revenue and investment income	Revenue recognized in the period	Transfers to deferred capital contributions	Balance at August 31, 2020
Capital:					
Proceeds of disposition	\$ 6,685,753	\$ 576,797	\$ -	\$ 2,156,368	\$ 5,106,182
School renewal	1,442,654	6,636,592	251,542	3,179,020	4,648,684
Third party	67,751	162,574	9,501	159,462	61,362
Minor tangible capital assets	-	8,455,871	6,458,323	1,997,548	-
Interest on capital	-	3,339,075	3,339,075	-	-
Temporary accommodations	-	177,363	97,218	-	80,145
Rural and Northern education fund	-	1,485,062	-	-	1,485,062
Priorities and partnerships fund	-	757,008	170,633	552,865	33,510
<b>Total deferred revenue - capital</b>	<b>8,196,158</b>	<b>21,590,342</b>	<b>10,326,292</b>	<b>8,045,263</b>	<b>11,414,945</b>
Operating:					
Special education	1,929,922	43,889,732	44,182,734	-	1,636,920
Other	885,701	207,801	261,926	-	831,576
Other legislative grants	566,089	2,922,028	2,597,564	-	890,553
Third party	6,833,908	(3,920,191)	970	-	2,912,747
<b>Total deferred revenue - operating</b>	<b>10,215,620</b>	<b>43,099,370</b>	<b>47,043,194</b>	<b>-</b>	<b>6,271,796</b>
<b>Total deferred revenue</b>	<b>\$18,411,778</b>	<b>\$64,689,712</b>	<b>\$57,369,486</b>	<b>\$ 8,045,263</b>	<b>\$17,686,741</b>

The third party revenue primarily relates to UCLC deferred revenue of \$2,865,985 (2019 - \$6,776,819) due to consolidation.

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Upper Canada District School Board  
Notes to Consolidated Financial Statements

August 31, 2020

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8. Deferred capital contributions

Deferred capital contributions include grants and contributions received that are used for the acquisition of tangible capital assets in accordance with regulation 395/11 that have been expended by year end. The contributions are amortized into revenue over the life of the asset acquired.

	2020	2019
Balance, beginning of year	\$303,352,196	\$ 295,160,692
Additions to deferred capital contributions	21,775,018	25,874,790
Revenue recognized in the period	(15,507,700)	(15,155,896)
Disposals/transfer to financial assets	(80,623)	(2,527,390)
	\$309,538,891	\$ 303,352,196

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9. Retirement and other employee future benefits

Retirement and Other Employee Future Benefit Liabilities			2020	2019
	Retirement and sick leave benefits	Other employee future benefits	Total employee future benefits	Total employee future benefits
Accrued employee future benefit obligations	\$21,002,780	\$ 3,363,682	\$24,366,462	\$ 24,143,182
Unamortized actuarial loss	(3,977,238)	-	(3,977,238)	(3,626,675)
Employee future benefits liabilities	\$17,025,542	\$ 3,363,682	\$20,389,224	\$ 20,516,507

Upper Canada District School Board  
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9. Retirement and other employee future benefits (continued)

	2020		2019	
	Retirement and sick leave benefits	Other employee future benefits	Total employee future benefits	Total employee future benefits
Current year benefit cost	239,116	1,691,207	1,930,323	1,054,430
Interest on accrued benefit obligation	408,893	58,353	467,246	676,147
Amortization of actuarial losses	482,118	518	482,636	365,016
Employee future benefits expenses	1,130,127	1,750,078	2,880,205	2,095,593

Actuarial assumptions:

The accrued benefit obligations for employee future benefit plans as at August 31, 2020 are based on actuarial assumptions of future events determined for accounting purposes as at August 31, 2018 (date actuarial probabilities were determined) and based on updated average daily salary and banked sick days (if applicable) as at August 30 2020. These valuations take into account the plan changes outlined above and the economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	2020	2019
Discount rate	1.40%	2.00%
Salary growth	0.00%	0.00%
Dental benefits escalation	4.5% for 2019/20 remaining at a flat rate each year	4.5% for 2018/19 remaining at a flat rate each year
Health benefits escalation	7.25% for 2019/20 reducing by 0.25% in each subsequent year to an ultimate rate increase of 4.5%	7.5% for 2018/19 reducing by 0.25% in each subsequent year to an ultimate rate increase of 4.5%

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## Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2020

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### 9. Retirement and other employee future benefits (continued)

#### Retirement Benefits

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance and health care benefits, retirement gratuity, retirement allowance, worker's compensation and long-term disability benefits.

Retirement life insurance, health and dental benefits have been grandfathered to existing retirees and employees who retired between September 1, 2012 and August 31, 2013. Effective September 1, 2013, any new retiree accessing retirement life, health or dental benefits paid the full premiums for such benefits and are included in a separate experience pool for participating retirees that is self-funded.

#### (a) Retirement benefits:

##### (i) The Ontario Teacher's Pension Plan:

Teachers and related employee groups are eligible to be members of the Ontario Teachers' 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 consolidated 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 \$4,605,867 (2019 - \$5,023,047) to the plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses. At December 31, 2019 OMERS reported an actuarial funding deficit of \$3.4 billion (2018 - \$4.2 billion). No pension liability for this type of plan is included in the Board's consolidated financial statements.

##### (iii) Retirement gratuity benefits:

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 consolidated financial statements. The amount of the gratuities payable to eligible employees at retirement is based on their salary, accumulated sick days, and years of service up to August 31, 2012.

The amount of the accrued benefit payable for retirement gratuities has been actuarially determined using the Projected Unit Credit Actuarial Cost Method pro-rated on services as at August 31, 2020 and is \$16,786,426 (2019 - \$17,768,023).

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## Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2020

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9. Retirement and other employee future benefits (continued)

(b) Other employee future benefits:

(i) Workplace Safety and Insurance Board obligations

The Board is a Schedule 2 employer under the Workplace Safety and Insurance Act and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. The Board does not fund these obligations in advance of payments made under the Act. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements. School boards are required to provide salary top-up to a maximum of 4 ½ years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreement negotiated prior to 2012 included such provision.

The Board carries catastrophic risk insurance and has a reserve fund established for these liabilities which amounted to \$2,218,242 as at August 31, 2020 (2019 - \$2,175,748). The amount of liability for WSIB that was actuarially determined as at August 31, 2020 is \$3,314,328 (2019 - \$2,468,063).

(ii) Accrued vacation pay:

Compensated vacation pay is accrued for employees as entitlement to these payments is earned in accordance with the Board's benefit plans for vacation time. Vacation credits earned as of August 31, 2020 amount to \$1,905,442 (2019 - \$1,689,587) and are reported as part of the accounts payable and accrued liabilities.

(iii) Sick leave top-up benefits:

A maximum of eleven unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illnesses paid through the short-term leave and disability plan in that year. The benefit costs expensed in the consolidated financial statements are \$21,162 (2019 - \$3,084).

For accounting purposes, the valuation of the accrued benefit obligation for the sick leave top-up is based on actuarial assumptions about future events determined as at August 31, 2012 (the date at which the probabilities of usage were determined) and is based on the average daily salary and banked sick days of employees as at August 31, 2019.

The benefit liability in the consolidated financial statements as at August 31, 2020 amounts to \$239,116 (2019 - \$217,954).

(iv) Long-term disability salary compensation:

The costs of salary compensation paid to employees on long-term disability leave are fully insured and are not included in the defined benefit plan.

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## Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2020

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9. Retirement and other employee future benefits (continued)

(v) Post-employment life insurance and health care benefits:

The Board provides a separate life insurance, health care and dental benefits plan for certain retirees. The premiums are based on the Board experience or the rate for active employees. Depending on the year in which a retiree has retired and the board's prior arrangements, retirees' premiums could be subsidized by the Board. The benefit costs and liabilities related to the subsidization of these retirees under this group plan are included in the Board's consolidated financial statements.

(vi) Retiring allowance

CUPE employees hired after amalgamation also have a retiring allowance provision where the Board allocates \$500 each year for five years, upon successful completion of two years of service. As a result of the plan changes, employees no longer accumulate the retiring allowance, and no employee who began employment with the Board after August 31, 2012 is entitled to the benefit. The amount of the accrued benefit payable for retirement allowances has been actuarially determined and is included in accrued liabilities.

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10. Net long-term debt

Net long-term debt reported on the consolidated statement of financial position is comprised of the following

	2020	2019
Debtures	\$ 69,577,767	\$ 73,506,192
Interest accrual	963,650	1,023,632
	<u>\$ 70,541,417</u>	<u>\$ 74,529,824</u>



Upper Canada District School Board  
Notes to Consolidated Financial Statements

August 31, 2020

10. Net long-term debt (continued)

The debenture totaling \$69,577,767 (2019 - \$73,506,192) consist of the following:

	2020	2019
Series 2004-A1 amortizing debenture payable, bearing interest at 5.483% blended principal and interest payments of \$1,005,845 payable semi-annually starting May 26, 2005, principal payable up to November 26, 2029	\$14,742,818	\$ 15,898,425
Series 2003-A2 amortizing debenture payable, bearing interest at 5.80%, blended principal and interest payments of \$537,077 payable semi-annually starting May 7, 2004, principal payable up to November 7, 2028	7,128,495	7,761,528
Amortizing debenture payable, bearing interest at 4.56% payable semi-annually starting May 15, 2007, principal payable up to November 17, 2031	3,106,810	3,308,375
Amortizing debenture payable, bearing interest at 4.90% payable semi-annually starting May 15, 2008, principal payable up to March 3, 2033	9,618,579	10,148,413
Amortizing debenture payable, bearing interest at 5.062% payable semi-annually starting May 15, 2009, principal payable up to March 13, 2034	2,381,549	2,498,170
Amortizing debenture payable, bearing interest at 5.232% payable semi-annually starting May 15, 2010, principal payable up to April 13, 2035	1,733,407	1,808,645
Amortizing debenture payable, bearing interest at 4.833% payable semi-annually starting May 16, 2011, principal payable up to March 11, 2036	13,370,321	13,922,720
Amortized debenture payable, bearing interest at 3.564% payable semi-annually starting May 15, 2012, principal payable up to March 9, 2037	1,628,055	1,697,728
Amortized debenture payable, bearing interest at 3.799% payable semi-annually starting May 15, 2013, principal payable up to March 19, 2038	13,210,596	13,720,484

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Upper Canada District School Board  
Notes to Consolidated Financial Statements

August 31, 2020

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10. Net long-term debt (continued)

Amortized debenture payable, bearing interest at 4.003% payable semi-annually starting May 15, 2014, principal payable up to March 11, 2039	\$ 456,322	\$ 472,323
Amortized debenture payable, bearing interest at 2.993% payable semi-annually starting May 15, 2015, principal payable up to March 9, 2040	454,977	471,591
Amortized debenture payable, bearing interest at 3.594% payable semi-annually starting May 15, 2017 principal payable up to March 14, 2042	1,745,838	1,797,790
	<u>\$69,577,767</u>	<u>\$ 73,506,192</u>

Principal and interest payments relating to the Board's debentures outstanding as at August 31, 2020 are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 4,127,558	\$ 3,295,696	\$ 7,423,254
2022	4,336,973	3,086,280	7,423,254
2023	4,557,211	2,866,042	7,423,254
2024	4,788,840	2,634,414	7,423,254
2025	5,032,457	2,390,797	7,423,254
Thereafter	46,734,728	10,893,304	57,628,032
	<u>\$ 69,577,767</u>	<u>\$ 25,166,533</u>	<u>\$ 94,744,302</u>

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## Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2020

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### 11. Temporary borrowing

The Board's financing agreement with its bank provides for operating credit facilities

- Facility (1): The Board has a revolving demand facility by way of loans, overdrafts and bankers' acceptances of up to \$25,000,000 (2019 - \$25,000,000) to finance operations with \$Nil (2019 - \$Nil) utilized as at August 31, 2020.
- Facility (2): The Board has a revolving demand facility by way of letters of credit and letters of guarantee of up to \$2,000,000 (2019 - \$2,000,000) for the purpose of providing security for obligations to third parties with \$85,000 (2019 - \$75,000) utilized as at August 31, 2020.
- Facility (3): The Board has a revolving term facility of up to \$20,000,000 (2019 - \$20,000,000) to finance the school capital construction/renovation projects with \$Nil (2019 - \$Nil) utilized as at August 31, 2020.
- Facility (4): The Board has a revolving term facility of up to \$3,000,000 (2019 - \$3,000,000) to finance capital expenditures (technology refresh) with \$Nil (2019 - \$Nil) utilized as at August 31, 2020.
- Facility (5): The Board has a revolving lease line of credit of up to \$2,000,000 (2019 - \$2,000,000) to finance capital expenditures and the acquisition of equipment with \$Nil (2019 - \$Nil) utilized as at August 31, 2020.
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### 12. Debt charges and capital loans interest

Payments made for debt charges and capital loans include principal and interest payments as follows:

	2020	2019
Principal payments on long-term liabilities	\$ 3,928,425	\$ 3,739,063
Interest payment on long-term liabilities	3,494,828	3,684,201
	<u>\$ 7,423,253</u>	<u>\$ 7,423,264</u>

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Upper Canada District School Board  
Notes to Consolidated Financial Statements

August 31, 2020

13. Tangible capital assets

Cost	Balance at August 31, 2019	Additions and transfers	Disposals, write-offs and adjustments	Balance at August 31, 2020
Land	\$ 10,034,506	\$ 1,463,721	\$ -	\$ 11,498,227
Land improvements	24,930,877	4,411,712	-	29,342,589
Buildings	428,530,450	11,770,820	-	440,301,270
Other buildings	30,988	-	-	30,988
Portable structures	1,576,224	298,571	-	1,874,795
First-time equipping of schools	3,111,890	-	-	3,111,890
Furniture	835,894	-	(10,188)	825,706
Equipment	10,573,261	2,619,018	(782,185)	12,410,094
Computer hardware	6,726,477	1,842,852	(1,956,688)	6,612,641
Computer software	258,355	102,117	(10,256)	350,216
Vehicles	529,383	219,974	(224,017)	525,340
Construction in progress	558,993	172,137	-	731,130
<b>Total</b>	<b>\$ 487,697,298</b>	<b>\$ 22,900,922</b>	<b>\$ (2,983,334)</b>	<b>\$ 507,614,886</b>

Accumulated amortization	Balance at August 31, 2019	Amortization	Disposals, write-offs and adjustments	Balance at August 31, 2020
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	6,847,894	1,809,116	-	8,657,010
Buildings	152,415,430	10,860,397	-	163,275,827
Other buildings	12,419	1,549	-	13,968
Portable structures	39,406	86,275	-	125,681
First-time equipping of schools	1,500,953	311,189	-	1,812,142
Furniture	579,128	83,080	(10,188)	652,020
Equipment	6,026,698	996,662	(782,185)	6,241,175
Computer hardware	4,275,529	1,333,912	(1,956,688)	3,652,753
Computer software	177,998	60,857	(10,256)	228,599
Vehicles	246,474	97,404	(143,394)	200,484
Construction in progress	-	-	-	-
<b>Total</b>	<b>\$ 172,121,929</b>	<b>15,640,441</b>	<b>\$ (2,902,711)</b>	<b>\$ 184,859,659</b>

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Upper Canada District School Board  
Notes to Consolidated Financial Statements

August 31, 2020

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13. Tangible capital assets (continued)

	Net book value August 31, 2019	Net book value August 31, 2020
Land	\$ 10,034,506	\$ 11,498,227
Land improvements	18,082,983	20,685,579
Buildings	276,115,020	277,025,443
Other buildings	18,569	17,020
Portable structures	1,536,818	1,749,114
First-time equipping of schools	1,610,937	1,299,748
Furniture	256,766	173,686
Equipment	4,546,563	6,168,919
Computer hardware	2,450,948	2,959,888
Computer software	80,357	121,615
Vehicles	282,909	324,856
Construction in progress	558,993	731,130
<b>Total</b>	<b>\$ 315,575,369</b>	<b>\$ 322,755,226</b>

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Upper Canada District School Board  
Notes to Consolidated Financial Statements

August 31, 2020

14. Accumulated surplus

Accumulated surplus consists of the following:

	2020	2019
Available for compliance - unappropriated		
Total operating accumulated surplus (deficit)	\$ 2,229,056	\$ (2,300,669)
Available for compliance - internally appropriated		
Workers' Safety Insurance Board (WSIB)	2,218,142	2,175,748
Other purpose - operating	6,054,412	3,674,969
Other purpose - capital	570,212	580,070
Committed sinking fund interest	35,942	39,333
Total accumulated surplus available for compliance	11,107,764	4,169,451
Unavailable for compliance - externally appropriated		
Employee future benefits	(5,247,850)	(10,044,270)
Interest accrued	(963,650)	(1,023,628)
School generated funds	4,271,817	3,843,289
Revenue recognized for land	11,498,231	10,034,507
Total externally appropriated	9,558,548	2,809,898
Total accumulated surplus	\$20,666,312	\$ 6,979,349

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## Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2020

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### 15. Expenses by object

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

	2020 Budget	2020 Actual	2019 Actual
Expenses:			
Salaries and wages	\$234,665,305	\$234,090,821	\$242,028,032
Employee benefits	39,684,509	41,072,290	41,482,781
Staff development	830,492	573,992	614,976
Supplies and services	21,650,485	20,131,551	22,288,145
Interest charge on capital	3,438,378	3,434,847	3,630,356
Rental expenses	1,448,409	1,131,502	1,172,175
Fees and contract Service	37,979,027	35,100,148	37,767,205
Other	139,733	136,371	446,349
Amortization, write-downs, loss on disposal	15,749,720	15,642,478	16,168,103
School activities	6,167,162	3,121,545	6,026,655
Centre for Education and Training	2,553,236	2,415,012	2,505,617
Champion for Kids Foundation	158,560	125,631	168,743
	<u>\$364,465,016</u>	<u>\$356,976,188</u>	<u>\$374,299,137</u>

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### 16. Impact of COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) a global pandemic. The pandemic has had a significant impact on the global economy and the education system. On March 12, 2020, the Province of Ontario ordered the closure of all publicly funded schools. This closure was later extended to include the remainder of the 2019/2020 school year and education services were moved to a virtual learning platform.

The Ontario Ministry of Education has provided new funding and authorized the redirection of existing funding towards the costs related to implementing safe reopening measures and procuring personal protective equipment. As at the audit report date, the Board has incurred costs of \$1,865,122 related to these initiatives.

Schools have physically re-opened in September 2020 but at reduced capacity due to virtual learning options offered.

Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration and the related financial impact cannot be reasonably estimated.

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## Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2020

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### 17. Trust funds (unaudited)

Trust funds administered by the Board amounting to \$2,942,744 (2019 - \$2,811,630) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations and accumulated deficit.

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### 18. 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.

The ultimate premiums are based on the reciprocal's 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 term expires January 1, 2021.

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### 19. Contingent liabilities

The Board is involved with pending litigation and claims which arose in the normal course of operations. In the opinion of the administration, any liability that may arise from such contingencies would not have a significant adverse effect on the consolidated financial statements of the Board. Any adjustments, arising from these matters, will be provided for in future years.

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### 20. Transportation consortium

The Board is a member of the Student Transportation of Eastern Ontario ("STEO") consortium with the Catholic District School Board of Eastern Ontario, effective February 1, 2012. The consortium provides joint governance and administration of student transportation services provided to students registered with the two member boards. During the 2017-18 year STEO received an arbitrator's decision that resulted in significant increases to the rate paid to operators for the years ending August 2017, 2018, 2019 and future years.

Related party transactions and balances with STEO include the following:

(i) The Board paid STEO \$28,633,440 (2019 - \$29,857,412) for student transportation services in the year.

(ii) The Board has a receivable from STEO of \$59,281 (2019 - \$3,403,225) for student transportation services.



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Upper Canada District School Board  
Notes to Consolidated Financial Statements

August 31, 2020

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20. Transportation consortium (continued)

STEO's assets, liabilities, revenue, expenses and surplus for the year ended August 31, 2020 are as follows:

	2020	2019
Financial assets	\$ 303,060	\$ 3,740,626
Financial liabilities	(411,303)	(3,936,370)
Net debt	(108,243)	(195,744)
Non-financial assets	108,243	195,744
Accumulated surplus	\$ -	\$ -

	2020	2019
Revenue	\$45,401,129	\$ 47,130,405
Expenses	45,401,129	47,130,405
Annual surplus	\$ -	\$ -