

Consolidated Financial Statements of

**UPPER CANADA DISTRICT
SCHOOL BOARD**

Year ended August 31, 2017

UPPER CANADA DISTRICT SCHOOL BOARD

Consolidated Financial Statements

Year ended August 31, 2017

Management's Responsibility for the Consolidated Financial Statements

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MANAGEMENT REPORT

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Upper Canada District School Board are the responsibility of Board management and have been prepared in compliance with the Financial Administration Act, supplemented by Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act as described in note 1 to the consolidated financial statements.

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 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 consolidated financial statements.

Original signed

Director of Education

Original signed

Superintendent of Business

November 8, 2017



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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of Upper Canada District School Board

We have audited the accompanying consolidated financial statements of the Upper Canada District School Board, which comprise the consolidated statement of financial position as at August 31, 2017, the consolidated statements of operations and accumulated surplus (deficit), change in net debt 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 Consolidated Financial Statements

Management is responsible for the preparation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the consolidated 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 consolidated financial statements.



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

Opinion

In our opinion, the consolidated financial statements of the Upper Canada District School Board as at August 31, 2017, are prepared, in all material respects, in accordance with the basis of accounting described in note 1 to the consolidated financial statements.

Emphasis of Matter

Without modifying our opinion, 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.

KPMG LLP

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a long, horizontal, slightly curved line that underlines the text.

Chartered Professional Accountants, Licensed Public Accountants

November 8, 2017

Ottawa, Canada

UPPER CANADA DISTRICT SCHOOL BOARD

Consolidated Statement of Financial Position

August 31, 2017, with comparative information for 2016

	2017	2016
Financial assets:		
Cash	\$ 37,698,053	\$ 35,466,820
Temporary investments (note 2)	2,082,612	2,021,569
Accounts receivable:		
Municipalities	7,924,602	8,298,497
Government of Ontario - approved capital grants (note 3)	90,478,891	92,221,335
Other	4,340,979	3,330,480
Assets held for sale	894,495	–
Other assets	51,131	56,388
Total financial assets	143,470,763	141,395,089
Financial liabilities:		
Accounts payable and accrued liabilities	34,987,655	29,569,742
Deferred revenue (note 4)	15,673,529	20,052,132
Deferred capital contributions (note 5)	287,679,451	270,200,936
Employee future benefits liability (note 6)	23,305,376	26,295,371
Net long-term liabilities (note 7)	81,687,239	84,226,981
Total financial liabilities	443,333,250	430,345,162
Net debt	(299,862,487)	(288,950,073)
Non-financial assets:		
Prepaid expenses	3,392,286	3,576,241
Tangible capital assets (note 11)	300,799,345	282,044,873
Total non-financial assets	304,191,631	285,621,114
Guarantees (note 8)		
Contingent liabilities (note 15)		
Accumulated surplus (deficit)	\$ 4,329,144	\$ (3,328,959)

See accompanying notes to the consolidated financial statements.

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 (Deficit)

Year ended August 31, 2017, with comparative information for 2016

	2017 Budget	2017 Actual	2016 Actual
Revenue:			
Municipal grants	\$ 75,360,719	\$ 78,532,617	\$ 78,581,886
Government of Ontario grants:			
Student focused funding	241,973,765	240,537,900	238,381,239
Other	3,529,963	3,776,251	5,019,461
Amortization of deferred capital contributions	12,925,495	13,232,406	12,392,431
Federal grants and fees	2,056,161	2,206,830	1,997,441
Other - school boards	235,000	249,641	271,848
Investment income	397,724	372,994	363,896
Other	9,204,543	10,454,890	9,907,574
Deferred capital contributions on disposal of unrestricted and restricted assets	—	14,427	134,836
School-generated funds	6,051,872	6,576,781	6,103,452
	<u>351,735,242</u>	<u>355,954,737</u>	<u>353,154,064</u>
Expenses (note 10):			
Instruction	253,862,416	257,880,507	256,512,082
Administration	8,569,811	8,239,915	8,146,446
Transportation	25,484,946	24,899,667	24,335,992
Pupil accommodation	48,918,569	48,897,637	49,327,424
Other	2,783,677	2,167,210	2,578,293
School-generated funds	6,308,994	6,211,698	5,916,223
	<u>345,928,413</u>	<u>348,296,634</u>	<u>346,816,460</u>
Annual surplus	5,806,829	7,658,103	6,337,604
Accumulated deficit, beginning of year	(4,169,068)	(3,328,959)	(9,666,563)
Accumulated surplus (deficit), end of year (note 12)	<u>\$ 1,637,761</u>	<u>\$ 4,329,144</u>	<u>\$ (3,328,959)</u>

See accompanying notes to the consolidated financial statements.

UPPER CANADA DISTRICT SCHOOL BOARD

Consolidated Statement of Change in Net Debt

Year ended August 31, 2017, with comparative information for 2016

	2017	2016
Annual surplus	\$ 7,658,103	\$ 6,337,604
Tangible capital assets:		
Amortization of tangible capital assets	13,444,654	12,613,903
Proceeds on disposal of tangible capital assets	25,540	503,157
Gain on disposal of tangible capital assets	(11,113)	(306,622)
Acquisition of tangible capital assets	(33,108,047)	(27,038,012)
Transfer to assets held for sale	894,494	-
	(18,754,472)	(14,227,574)
Prepaid expenses:		
Acquisition of prepaid expenses	(3,392,286)	(3,576,241)
Use of prepaid expenses	3,576,241	3,683,113
	183,955	106,872
Change in net debt	(10,912,414)	(7,783,098)
Net debt, beginning of year	(288,950,073)	(281,166,975)
Net debt, end of year	\$ (299,862,487)	\$ (288,950,073)

See accompanying notes to the consolidated financial statements.

UPPER CANADA DISTRICT SCHOOL BOARD

Consolidated Statement of Cash Flows

Year ended August 31, 2017, with comparative information for 2016

	2017	2016
Operating transactions:		
Annual surplus	\$ 7,658,103	\$ 6,337,604
Items not involving cash:		
Amortization of tangible capital assets	14,328,035	12,613,903
Gain on disposal of tangible capital assets	–	(306,622)
Amortization of deferred capital contributions	(13,232,406)	(12,392,431)
Change in non-cash assets and liabilities:		
Decrease (increase) in accounts receivable	(636,604)	2,960,114
Increase in assets held for sale	(894,495)	–
Decrease (increase) in other financial assets	5,257	(33,301)
Increase in accounts payable and accrued liabilities	5,417,913	5,474,792
Increase in operating deferred revenue	909,352	625,965
Decrease in employee benefits payable	(2,989,995)	(4,706,103)
Decrease in prepaid expenses	183,955	106,872
Cash provided by operating transactions	10,749,115	10,680,793
Capital transactions:		
Proceeds on disposal of tangible capital assets	25,540	503,157
Cash used to acquire tangible capital assets	(33,108,047)	(27,038,012)
Cash applied to capital transactions	(33,082,507)	(26,534,855)
Investing transactions:		
Change in temporary investments	(61,043)	(60,750)
Financing transactions:		
Debt issuance	1,896,306	–
Debt principal repayments and sinking fund contributions	(4,436,044)	(4,202,807)
Change in accounts receivable - approved capital grants	1,742,444	(4,676,896)
Increase (decrease) in capital deferred revenue	(5,287,959)	1,854,429
Additions to deferred capital contributions	30,710,921	25,682,309
Cash provided by financing transactions	24,625,668	18,657,035
Change in cash	2,231,233	2,742,223
Cash, beginning of year	35,466,820	32,724,597
Cash, end of year	\$ 37,698,053	\$ 35,466,820

See accompanying notes to the consolidated financial statements.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2017

1. Significant accounting policies:

The consolidated financial statements of the Upper Canada District School Board (the "Board") are prepared by management in accordance with the basis of accounting described below. The consolidated financial statements contain the following significant accounting policies:

(a) Basis of accounting:

These 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 to adopt Canadian public sector accounting standards commencing with their year ended August 31, 2004 and that changes may be required to the application of these standards as a result of regulation.

In 2011, the government passed Ontario Regulation 395/11 of the Financial Administration Act. 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 consolidated statement of operations and accumulated surplus (deficit) over the periods during which the asset is used to provided 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 amortization, a proportionate reduction of the deferred capital contribution along with a proportionate increase in the revenue be recognized. For Ontario school boards, these contributions included 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 public sector accounting standard PS3410;
- 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.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2017

1. Significant accounting policies (continued):

(a) Basis of accounting (continued):

As a result, revenue recognized in the consolidated statement of operations and accumulated surplus (deficit) and certain related deferred revenues and deferred capital contributions would be recorded differently under Canadian public sector accounting standards.

(b) 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 Board and 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.
- (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.
- (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.

Interdepartmental and inter-organizational transactions and balances are eliminated in these consolidated financial statements.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2017

1. Significant accounting policies (continued):

(c) 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.

(d) Cash:

Cash comprise cash on hand, demand deposits and short-term investments. Short-term investments are highly liquid, subject to insignificant risk of changes in value and have a short maturity term of less than 90 days.

(e) Temporary investments:

Investments consist of marketable securities which are liquid short-term investments with maturities of between three months and one year at the date of acquisition. Investments are recorded at cost which approximates market value. Investments have interest rates that range from 1.90% to 4.50%.

(f) Investment income:

Interest on investments is accrued as earned. Gains or losses on the sale of investments are recognized in the year of sale if sold before maturity. Amortization of bond discounts or premiums are accrued over the term of the investment.

When required by the funding government or related Act, investment income earned on externally appropriated funds such as pupil accommodation, special education, energy efficient schools capital and proceeds of disposition, when required by the funding government or related Act, is added to the fund balance and forms part of the respective deferred revenue balances.

(g) 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.

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. The Board capitalizes interest paid on debt used to finance the construction of tangible capital assets. When historical cost records were not available, other methods were used to estimate the cost and accumulated amortization.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2017

1. Significant accounting policies (continued):

(g) Non-financial assets (continued):

Tangible capital assets (continued):

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

Rate	Estimated Useful Lives
Land improvements with finite lives	15 years
Buildings	40 years
Portable structures	20 years
Other buildings	20 years
First-time equipping of schools	10 years
Furniture	10 years
Equipment	5 to 15 years
Computer hardware	5 years
Computer software	5 years
Vehicles	5 to 10 years
Leasehold improvements	Over the lease term

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. 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. Cost includes amounts for improvements to prepare the land for sale or servicing. Other assets permanently removed from service cease to be amortized and the carrying value is written down to the residual value.

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

(h) Deferred revenue:

The Board receives amounts pursuant to legislation, regulation or agreement that 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 expenses are incurred or services performed.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2017

1. Significant accounting policies (continued):

(h) Deferred revenue (continued):

The Board also receives restricted contributions under the authority of provincial legislation, regulation or agreement. These funds by their nature are restricted in their use, and until applied to applicable expenses, are recorded as deferred revenue. Amounts applied to qualifying costs are recorded as revenue in the fiscal period that they are expended.

(i) 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 of depreciable tangible capital assets received or receivable for use in providing services, are recorded as deferred capital contributions when the asset is acquired as required under Ontario Regulation 395/11 of the Financial Administration Act. Amounts are recognized into revenue at the same rate as the related tangible capital asset is amortized.

(j) Retirement and other employee future 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. The Board accrues its obligation for these employee benefits.

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: ETFO, and OSSTF (including PSSP) employee groups. The ELHTs provide health, life and dental benefits to teachers (including daily occasional teachers), education workers (may exclude casual and temporary staff), other school board staff, and retired individuals up to a school board's participation date into the ELHT. These benefits are being provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario. Starting June 1, 2017, the Board is no longer responsible to provide certain benefits to ETFO and OSSTF (including PSSP). Beginning in the 2016-17 school year, school boards whose employee groups transitioned their health, dental and life benefits to the ELHT 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.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2017

1. Significant accounting policies (continued):

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

The Board continues to provide health, dental and life insurance benefits for retired individuals and the following employee groups: CUPE, Principals & Vice-principals, and Other Non-union, and continues to have a liability for payment of benefits for those who are on long-term disability and for some who are retired under these plans.

The Board has adopted the following policies with respect to accounting for these employee benefits:

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 cost 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 (if applicable) 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 service 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 benefit obligations that arise from specific events that occur from time to time, such as obligations for worker's compensation, long-term disability 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.

- (i) The costs of multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System 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.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2017

1. Significant accounting policies (continued):

- (k) Accumulated surplus - available for compliance, internally appropriated:

Certain amounts, as approved by the Board trustees, are set aside as internally appropriated funds for future operating and capital purposes. Transfers to and/or from internally appropriated funds are an adjustment to the respective fund when approved.

- (l) Government transfers:

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.

Government transfers for capital are deferred as required by Regulation 395/11, recorded as deferred capital contributions (DCC) and recognized as revenue in the consolidated statement of operations at the same rate and over the same periods as the asset is amortized.

- (m) Budget figures:

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.

The Board approves its budget annually. The approved operating budget for 2016-2017 is reflected on the consolidated statement of operations and accumulated surplus (deficit). The budget was approved on June 1, 2016.

- (n) Use of estimates:

The preparation of consolidated financial statements in conformity with the basis of accounting described in note 1(a) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Significant estimates include assumptions used in performing actuarial valuations of employee future benefit liabilities. Actual results could differ from these current estimates.

These estimates are reviewed annually and, as adjustments become necessary, they are recorded in the period in which they become known.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2017

1. Significant accounting policies (continued):

(o) Property tax revenue:

Under Public Sector Accounting Standards, the entity that determines and sets the tax levy records the revenue in the consolidated 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. Temporary investments:

Temporary investments consist of marketable securities and are comprised as follows:

	2017		2016	
	Cost	Market value	Cost	Market value
Fixed income securities	\$ 2,082,612	\$ 2,105,602	\$ 2,021,569	\$ 2,137,053

3. Accounts receivable - Government of Ontario - Approved capital grants:

The Province of Ontario (the "Province") replaced variable capital funding with a one-time debt support grant that was recognized in 2009-2010. The Board was awarded 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 \$90,478,891 as at August 31, 2017 (2016 - \$92,221,335) with respect to capital grants.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2017

4. Deferred revenue:

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

Deferred revenue set aside for specific purposes by legislation, regulation or agreement as at August 31, 2017 is comprised of:

	Balance as at August 31, 2016	Externally restricted revenue and investment income	Transferred to deferred capital contributions	Revenue recognized in the period	Balance as at August 31, 2017
Capital:					
Proceeds of disposition	\$ 497,748	\$ 738,341	\$ –	\$ –	\$ 1,236,089
School renewal	7,782,256	7,292,675	12,842,327	481,684	1,750,920
Third party	90,725	59,238	54,196	–	95,767
Minor tangible capital assets	–	7,873,846	1,998,211	5,875,635	–
Interest on capital	–	3,907,198	–	3,907,198	–
Temporary accommodations	–	670,000	–	670,000	–
Total deferred revenue - capital	8,370,729	20,541,298	14,894,734	10,934,517	3,082,776
Operating:					
Special education	3,079,802	39,215,227	–	38,609,508	3,685,521
Other	616,195	464,792	–	232,998	847,989
Other legislative grants	–	2,569,365	–	2,417,800	151,565
Third party	7,985,406	(79,728)	–	–	7,905,678
Total deferred revenue - operating	11,681,403	42,169,656	–	41,260,306	12,590,753
Total deferred revenue	\$ 20,052,132	\$ 62,710,954	\$ 14,894,734	\$ 52,194,823	\$ 15,673,529

(a) Proceeds of disposition:

Deferred revenue is from the sale of buildings and reflects the gross proceeds.

(b) School Renewal:

The Province provides specific funding to address costs of repairing and renovating schools. Spending plans are in place for 2017-2018.

(c) Special Education:

Specific funding is provided by the province for unspent regular Special Education and formula-based Special Equipment Amount (SEA) funding.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2017

4. Deferred revenue (continued):

- (d) The third party deferred revenue primarily relates to UCLC deferred revenue of \$7,832,596 (2016 - \$7,905,329) due to consolidation.

5. 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. Amounts are recognized into revenue as the liability is extinguished over the useful life of the asset.

	2017	2016
Balance, beginning of year	\$ 270,200,936	\$ 256,911,058
Additions to deferred capital contributions	31,496,342	25,817,145
Revenue recognized in the period	(13,232,406)	(12,392,431)
Disposals/transfer to financial assets	(785,421)	(134,836)
Balance, end of year	\$ 287,679,451	\$ 270,200,936

6. Retirement and other employee future 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.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2017

6. Retirement and other employee future benefits (continued):

(a) Retirement benefits (continued):

(ii) Ontario Municipal Employees Retirement System:

All non-teaching employees of the Board who meet the OMERS and Board approved criteria 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, 2017, the Board contributed \$4,623,553 (2016 - \$4,729,978) to the plan. 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 consolidated financial statements.

(iii) Retirement gratuity benefits:

The Board provides retirement gratuities to certain groups of employees hired prior to specific 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 as at August 31, 2012.

(iv) Retirement gratuity benefits:

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, 2017 and is \$21,070,062 (2016 - \$23,813,576).

(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. Plan changes made in 2012 require 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 the previously negotiated collective agreement included such provision.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2017

6. Retirement and other employee future benefits (continued):

(b) Other employee future benefits (continued):

(i) Workplace Safety and Insurance Board obligations (continued):

The Board carries catastrophic risk insurance and has a reserve fund established for these liabilities which amounted to \$2,082,612 as at August 31, 2017 (2016 - \$2,021,569).

The amount of liability for WSIB that was actuarially determined as at August 31, 2017 is \$1,791,999 (2016 - \$1,984,258).

(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, 2017 amount to \$1,503,522 (2016 - \$1,392,776) and are reported as part of the accounts payable and accrued liabilities.

(iii) Accumulated sick leave:

As a result of plan changes made during 2012-2013 to the short-term leave and disability plan, a maximum of 11 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 (recovered) in the consolidated financial statements are \$2,690 (2016 - (\$4,965)).

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, 2013 (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, 2017.

The benefit liability in the consolidated financial statements as at August 31, 2017 amounts to \$191,159 (2016 - \$188,469).

(iv) Long-term disability life insurance:

The Board provides employees (CUPE, Principals & Vice-principals and Other Non-union) on long-term disability leave the opportunity to purchase life insurance. The Board is responsible for the remittance of life insurance premiums paid by the employee under this plan if they choose to continue the coverage.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2017

6. Retirement and other employee future benefits (continued):

(b) Other employee future benefits (continued):

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

The Board provides life insurance, dental and health care benefits to certain employee groups after retirement until the members reach 65 years of age. The premiums are based on the Board experience and retirees' premiums are subsidized by the Board. The benefit costs and liabilities related to the plan are provided through an unfunded defined benefit plan and are included in the Board's consolidated financial statements. Effective September 1, 2013, employees retiring on or after this date, do not qualify for board subsidized premiums or contributions.

(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.

(c) Actuarial assumptions:

The accrued benefit obligations for employee future benefit plans as at August 31, 2017 are based on the most recent actuarial valuation completed 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:

	2017	2016
Discount rate	2.55%	2.05%
Salary growth	0.00%	0.00%
Dental benefits escalation	4.00% for 2016/17 reducing by ¼% in each subsequent year to an ultimate rate increase of 3.0%	4.25% for 2015/16, reducing by ¼% in each subsequent year to an ultimate rate increase of 3.0%
Health benefits escalation	8.00% for 2016/17 reducing by ¼% in each subsequent year to an ultimate rate increase of 4.0%	8.25% for 2015/16, reducing by ¼% in each subsequent year to an ultimate rate increase of 4.0%

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2017

6. Retirement and other employee future benefits (continued):

(d) Other financial information:

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

	2017	2016
Accrued benefit liability, beginning of year	\$ 26,295,371	\$ 31,001,474
Expense recognized for the year:		
Interest cost	1,186,350	2,719,909
Change in retirement gratuity liability due to cash payout and actuarial gain	–	(3,605,028)
Benefits paid for the year	(4,176,345)	(3,820,984)
Accrued benefit liability, end of year	\$ 23,305,376	\$ 26,295,371

	2017	2016
Accrued future benefit obligation, end of year	\$ 25,121,924	\$ 29,297,245
Net unamortized actuarial loss	(1,816,548)	(3,001,874)
Accrued benefit liability, end of year	\$ 23,305,376	\$ 26,295,371

Accrued benefit obligation:

	2017	2016
Retirement gratuity	\$ 22,886,612	\$ 26,815,450
Retirement health, dental and life insurance	226,428	269,295
Compensated absences	191,159	188,469
Workplace Safety and Insurance Board obligations	1,791,999	1,984,258
Long-term disability	25,726	39,773
	\$ 25,121,924	\$ 29,297,245

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2017

7. Net long-term liabilities:

Net long-term liabilities reported on the consolidated statement of financial position comprise the following:

	2017	2016
Debentures	\$ 81,687,239	\$ 84,226,981
Interest accrual	1,157,179	1,212,982
	\$ 82,844,418	\$ 85,439,963

The debentures totalling \$81,687,239 (2016 - \$84,226,981) consist of the following:

	2017	2016
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	\$ 18,030,293	\$ 19,012,801
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	8,924,014	9,457,268
No. GFR96 - 001 Global instalment debenture. Paid out.	-	269,000
No. FRG1998 - 001 Global instalment debenture, bearing interest ranging from 5.4% to 6.95% for 1999 to 2018, payable March 13 and September 13, principal payments March 13 every year in variable instalments based on debenture agreement dated March 13, 1998	883,000	1,709,000
Amortizing debenture payable, bearing interest at 4.56% payable semi-annually starting May 15, 2007, principal payable up to November 17, 2031	3,685,239	3,861,303
Amortizing debenture payable, bearing interest at 4.90% payable semi-annually starting May 15, 2008, principal payable up to March 3, 2033	11,134,149	11,592,363
Carry forward	42,656,695	45,901,735

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2017

7. Net long-term liabilities (continued):

	2017	2016
Carry forward	\$ 42,656,695	\$ 45,901,735
Amortizing debenture payable, bearing interest at 5.062% payable semi-annually starting May 15, 2009, principal payable up to March 13, 2034	2,714,630	2,815,010
Amortizing debenture payable, bearing interest at 5.232% payable semi-annually starting May 15, 2010, principal payable up to April 13, 2035	1,947,949	2,012,387
Amortizing debenture payable, bearing interest at 4.833% payable semi-annually starting May 16, 2011, principal payable up to March 11, 2036	14,951,440	15,430,108
Amortized debenture payable, bearing interest at 3.564% payable semi-annually starting May 15, 2012, principal payable up to March 9, 2037	1,829,902	1,892,568
Amortized debenture payable, bearing interest at 3.799% payable semi-annually starting May 15, 2013, principal payable up to March 19, 2038	14,684,458	15,139,910
Amortized debenture payable, bearing interest at 4.003% payable semi-annually starting May 15, 2014, principal payable up to March 11, 2039	502,484	516,691
Amortized debenture payable, bearing interest at 2.993% payable semi-annually starting May 15, 2015, principal payable up to March 9, 2040	503,375	518,572
Amortized debenture payable, bearing interest at 3.594% payable semi-annually starting May 15, 2017 principal payable up to March 14, 2042	1,896,306	-
	\$ 81,687,239	\$ 84,226,981

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2017

7. Net long-term liabilities (continued):

Principal and interest payments relating to the Board's debentures outstanding as at August 31, 2017 are due as follows:

	Principal	Interest	Total
2017-2018	\$ 4,441,986	\$ 3,925,636	\$ 8,367,622
2018-2019	3,739,063	3,684,190	7,423,253
2019-2020	3,928,424	3,494,829	7,423,253
2020-2021	4,127,559	3,295,695	7,423,254
2021-2022	4,336,974	3,086,280	7,423,254
Thereafter	61,113,233	18,784,556	79,897,789
Net long-term liabilities	\$ 81,687,239	\$ 36,271,186	\$ 117,958,425

8. Temporary borrowing:

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

Facility (1): The Board has a revolving demand facility by way of loans, overdrafts and bankers' acceptances of up to \$25,000,000 (2016 - \$25,000,000) to finance operations, with \$Nil (2016 - \$Nil) utilized as at August 31, 2017.

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 (2016 - \$5,000,000) for the purpose of providing security for obligations to third parties with \$95,000 (2016 - \$389,337) utilized as at August 31, 2017.

Facility (3): The Board has a revolving term facility of up to \$200,000 (2016 - \$200,000) to finance the remaining new school construction of North Grenville High School project, with \$Nil (2016 - \$Nil) utilized as at August 31, 2017.

Facility (4): The Board has a revolving term facility of up to \$500,000 (2016 - \$3,600,000) associated with the Full Day Kindergarten project, with \$Nil (2016 - \$Nil) utilized as at August 31, 2017.

Facility (5): The Board has a revolving term facility of up to \$800,000 (2016 - \$8,800,000) to finance construction of a school in Kemptville, with \$Nil (2016 - \$Nil) utilized as at August 31, 2017.

Facility (6): The Board has a revolving lease line of credit of up to \$800,000 (2016 - \$Nil) to associated with Greenhouse Gas Reduction project, with \$Nil (2016 - \$Nil) utilized as at August 31, 2017.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2017

8. Temporary borrowing (continued):

Facility (7): The Board has a revolving term facility of up to \$19,500,000 (2016 - \$11,400,000) to finance the School Improvement program, with \$Nil (2016 - \$Nil) utilized as at August 31, 2017.

Facility (8): The Board has a revolving lease line of credit of up to \$1,500,000 (2016 - \$Nil) associated with Winchester Childcare additions, with \$Nil (2016 - \$Nil) utilized as at August 31, 2017.

Facility (9): The Board has a revolving lease line of credit of up to \$1,100,000 (2016 - \$Nil) associated with Community Hubs project, with \$Nil (2016 - \$Nil) utilized as at August 31, 2017.

Facility (10): The Board has a revolving facility by way of a series of fixed-rate term loans of up to \$3,000,000 (2016 - \$3,000,000) to finance capital expenditures (technology refresh), with \$Nil (2016 - \$Nil) utilized as at August 31, 2017.

Facility (11): The Board has a revolving lease line of credit of up to \$2,000,000 (2016 - \$3,000,000) to finance capital expenditures and the acquisition of equipment, with \$Nil (2016 - \$Nil) utilized as at August 31, 2017.

9. Debt charges and capital loans interest:

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

	2017	2016
Principal payments on long-term liabilities	\$ 4,436,044	\$ 4,202,807
Interest payments on long-term liabilities	4,106,469	4,319,153
	<u>\$ 8,542,513</u>	<u>\$ 8,521,960</u>

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2017

10. Expenses by object:

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

	2017 Budget	2017 Actual	2016 Actual
Operating expenses by object:			
Salary and wages	\$ 228,113,193	\$ 230,834,652	\$ 230,346,990
Employee benefits	36,421,884	35,143,119	36,335,462
Staff development	800,187	855,296	966,190
Supplies and services	21,186,987	22,973,516	21,305,039
Interest	4,015,541	4,050,667	4,254,479
Rental	1,422,401	1,057,196	1,722,543
Fees and contract services	31,632,909	31,426,170	30,261,193
Other	114,842	132,663	406,841
Amortization, write-downs, loss on disposal	13,127,798	13,444,654	12,726,317
School activities	6,308,994	6,211,698	5,916,223
Centre for Education and Training	2,608,677	2,025,873	2,356,386
Champion for Kids Foundation	175,000	141,130	218,797
	\$ 345,928,413	\$ 348,296,634	\$ 346,816,460

11. Tangible capital assets:

Cost	Balance at August 31, 2016	Additions and transfers	Disposals, write-offs and adjustments	Balance at August 31, 2017
Land	\$ 8,431,404	\$ 1,769,985	\$ (123,500)	\$ 10,077,889
Land improvements	11,774,451	5,173,185	—	16,947,636
Buildings	380,401,707	18,984,123	6,093,016	405,478,846
Other buildings	30,988	—	—	30,988
First-time equipping of schools	3,829,280	536,536	(946,229)	3,419,587
Furniture	1,148,927	—	(44,705)	1,104,222
Equipment	10,220,030	614,959	(406,516)	10,428,473
Computer hardware	5,364,194	1,423,295	(590,125)	6,197,364
Computer software	485,858	24,509	(97,801)	412,566
Vehicles	489,591	89,184	(52,394)	526,381
Construction in process	3,525,209	4,492,271	(8,017,480)	—
Pre-acquisition costs	323,187	—	—	323,187
Total	\$ 426,024,826	\$ 33,108,047	\$ (4,185,734)	\$ 454,947,139

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2017

11. Tangible capital assets (continued):

Accumulated amortization	Balance at August 31, 2016	Amortization	Disposals, write-offs and adjustments	Balance at August 31, 2017
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	3,419,309	957,403	-	4,376,712
Buildings	131,803,678	9,811,479	(1,153,470)	140,461,687
Other buildings	7,772	1,549	-	9,321
First-time equipping of schools	1,872,047	315,132	(946,229)	1,240,950
Furniture	608,158	112,657	(44,705)	676,110
Equipment	4,174,574	905,041	(406,516)	4,673,099
Computer hardware	1,701,273	1,156,156	(590,125)	2,267,304
Computer software	221,404	89,843	(97,801)	213,446
Vehicles	171,738	95,394	(37,967)	229,165
Total	\$ 143,979,953	\$ 13,444,654	\$ (3,276,813)	\$ 154,147,794

Net book value	Net book value August 31, 2016	Net book value August 31, 2017
Land	\$ 8,431,404	\$ 10,077,889
Land improvements	8,355,142	12,570,924
Buildings	248,598,029	265,017,159
Other buildings	23,216	21,667
First-time equipping of schools	1,957,233	2,178,637
Furniture	540,769	428,112
Equipment	6,045,456	5,755,374
Computer hardware	3,662,921	3,930,060
Computer software	264,454	199,120
Vehicles	317,853	297,216
Construction in process	3,525,209	-
Pre-acquisition costs	323,187	323,187
Total	\$ 282,044,873	\$ 300,799,345

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2017

12. Accumulated surplus (deficit):

Accumulated surplus (deficit) consists of the following:

	2017	2016
Available for compliance - unappropriated		
Total operating accumulated surplus	\$ 6,276,296	\$ 4,880,176
Available for compliance - internally appropriated		
Workers' Safety Insurance Board (WSIB)	2,082,612	2,021,569
Other purpose - operating	551,236	547,611
Other purpose - capital	480,086	356,329
Committed sinking fund interest	46,115	49,506
Total accumulated surplus available for compliance	9,436,345	7,855,191
Unavailable for compliance - externally appropriated		
Employee future benefits	(17,816,431)	(21,702,508)
Interest accrued	(1,157,179)	(1,212,982)
School generated funds	3,665,019	3,299,935
Revenue recognized for land	10,201,390	8,431,405
Total externally appropriated	(5,107,201)	(11,184,150)
Total accumulated surplus (deficit)	\$ 4,329,144	\$ (3,328,959)

13. Trust funds (unaudited):

Trust funds administered by the Board amounting to \$2,883,820 (2016 - \$2,545,465) 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, in accordance with Public Sector Accounting Board's requirements.

14. 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, 2018.

UPPER CANADA DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2017

15. 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.

16. 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. Related party transactions and balances with STEO include the following:

- (i) The Board paid STEO \$23,169,419 (2016 - \$22,942,404) for student transportation services in the year.
- (ii) The Board has a receivable from STEO of \$1,475,491 (2016 - \$2,289,501) for student transportation services.

STEO's assets, liabilities, revenue, expenses and surplus for the year ended August 31, 2017 are as follows:

	2017	2016
Financial assets	\$ 2,826,702	\$ 2,723,165
Financial liabilities	(3,187,105)	(3,150,062)
Net debt	(360,403)	(426,897)
Non-financial assets	360,403	426,897
Accumulated surplus	\$ -	\$ -

	2017	2016
Revenue	\$ 36,284,950	\$ 35,909,141
Expenses	36,284,950	35,909,141
Annual surplus	\$ -	\$ -