Management's Responsibility for Financial Reporting

The accompanying financial statements of the **Brandon School Division** and all the information in this annual report are the responsibility of management and have been approved by the Board of Trustees.

The financial statements have been prepared in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances in order to ensure that the financial statements are presented fairly in all material respects.

The School Division maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the School Division's assets are appropriately accounted for and adequately safeguarded.

The Board of Trustees are responsible for ensuring that management fulfils its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the statements.

The Board of Trustees reviews and approves the School Division's financial statements. The Board of Trustees meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the annual report, the financial statements and the external auditor's report. The Board of Trustees also consider the engagement of the external auditors.

The financial statements have been audited by BDO Canada LLP in accordance with Canadian public sector accounting standards. BDO Canada LLP have full and free access to the Board of Trustees.

Chairperson Original Document Signed

Tel: 204-727-0671
Fax: 204-726-4580
Toll-Free: 800-775-3328
www.bdo.ca

BDO Canada LLP
148 - 10th Street
Brandon MB R7A 4E6 Canada

Independent Auditor's Report

To the Chairperson and Board of Trustees of **Brandon School Division**

Opinion

We have audited the accompanying consolidated financial statements of Brandon School Division, which comprise the consolidated statement of financial position as at June 30, 2019, and the consolidated statements of revenue, expenses and accumulated surplus, change in net debt and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at June 30, 2019, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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 organization'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 organization'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 organization to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

BDO Canada LLP

Chartered Professional Accountants

Brandon, Manitoba
October 22, 2019

I hereby certify that this report and the statements, schedules and reports referenced herein have been presented to the Members of the Board of Trustees of the above-mentioned School Division.

Oct. 28, 2019 — Date

Original Document Signed — Chairperson

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at June 30

Notes		2019	2018
	Financial Assets		
	Cash and Bank	9,332,300	7,565,752
	Due from - Provincial Government	2,448,151	2,626,556
	- Federal Government	145,804	99,196
	- Municipal Government	22,723,109	22,380,440
	- Other School Divisions	67,146	42,412
	- First Nations	77,600	10,770
	Accounts Receivable	109,166	190,755
	Accrued Investment Income	-	-
	Portfolio Investments	-	-
		34,903,276	32,915,881
	Liabilities		
4	Overdraft	-	-
	Accounts Payable	16,896,434	14,567,729
	Accrued Liabilities	8,476	8,476
5	Employee Future Benefits	2,098,937	2,143,073
	Accrued Interest Payable	790,551	789,171
	Due to - Provincial Government	-	-
	- Federal Government	-	-
	- Municipal Government	-	-
	- Other School Divisions	-	-
	- First Nations	-	-
6	Deferred Revenue	3,447,988	3,351,292
7	Borrowings from the Provincial Government	39,737,650	37,554,152
	Other Borrowings	-	-
8	School Generated Funds Liability	199,480	194,315
		63,179,516	58,608,208
	Net Assets (Debt)	(28,276,240)	(25,692,327)
	Non-Financial Assets		
9	Net Tangible Capital Assets (TCA Schedule)	53,964,678	49,198,203
	Inventories	117,156	93,449
	Prepaid Expenses	473,959	489,424
		54,555,793	49,781,076
10	**Accumulated Surplus**	26,279,553	24,088,749

See accompanying notes to the Financial Statements

Brandon School Division

CONSOLIDATED STATEMENT OF REVENUE, EXPENSES AND ACCUMULATED SURPLUS

For the Year Ended June 30

Notes			2019	2018
	Revenue			
	Provincial Government		66,220,177	64,457,797
	Federal Government		5,768	22,275
11	Municipal Government	- Property Tax	39,600,779	38,954,935
		- Other	-	-
	Other School Divisions		481,855	435,204
	First Nations		278,301	202,299
	Private Organizations and Individuals		957,208	932,137
	Other Sources		358,923	324,973
	School Generated Funds		2,091,346	2,607,030
	Other Special Purpose Funds		296,035	258,062
			110,290,392	108,194,712
	Expenses			
	Regular Instruction		60,973,351	60,021,403
	Student Support Services		20,802,779	20,271,570
	Adult Learning Centres		-	-
	Community Education and Services		310,961	322,020
	Divisional Administration		3,164,855	3,105,980
	Instructional and Other Support Services		2,998,348	3,028,856
	Transportation of Pupils		2,449,618	2,454,570
	Operations and Maintenance		8,587,378	8,172,801
12	Fiscal	- Interest	1,480,611	1,454,207
		- Other	1,712,471	1,693,088
	Amortization		3,236,255	3,039,701
	Other Capital Items		-	1,362
	School Generated Funds		2,087,486	2,640,755
	Other Special Purpose Funds		201,237	166,274
			108,005,350	106,372,587
	Current Year Surplus (Deficit) before Non-vested Sick Leave		2,285,042	1,822,125
	Less: Non-vested Sick Leave Expense (Recovery)		94,238	(60,974)
	Net Current Year Surplus (Deficit)		2,190,804	1,883,099
	Opening Accumulated Surplus		24,088,749	22,205,650
	Adjustments:	Tangible Cap. Assets and Accum. Amort.	-	-
		Other than Tangible Cap. Assets	-	-
		Non-vested sick leave - prior years	-	-
	Opening Accumulated Surplus, as adjusted		24,088,749	22,205,650
	Closing Accumulated Surplus		26,279,553	24,088,749

See accompanying notes to the Financial Statements

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

For the Year Ended June 30, 2019

	2019	2018
Net Current Year Surplus (Deficit)	2,190,804	1,883,099
Amortization of Tangible Capital Assets	3,236,255	3,039,701
Acquisition of Tangible Capital Assets	(8,002,730)	(4,359,765)
(Gain) / Loss on Disposal of Tangible Capital Assets	(4,187)	(8,448)
Proceeds on Disposal of Tangible Capital Assets	4,187	8,448
	(4,766,475)	(1,320,064)
Inventories (Increase)/Decrease	(23,707)	17,911
Prepaid Expenses (Increase)/Decrease	15,465	(277,533)
	(8,242)	(259,622)
(Increase)/Decrease in Net Debt	(2,583,913)	303,413
Net Debt at Beginning of Year	(25,692,327)	(25,995,740)
Adjustments Other than Tangible Cap. Assets	-	-
	(25,692,327)	(25,995,740)
Net Assets (Debt) at End of Year	(28,276,240)	(25,692,327)

CONSOLIDATED STATEMENT OF CASH FLOW

For the Year Ended June 30, 2019

	2019	2018
Operating Transactions		
Net Current Year Surplus (Deficit)	2,190,804	1,883,099
Non-Cash Items Included in Current Year Surplus/(Deficit):		
Amortization of Tangible Capital Assets	3,236,255	3,039,701
(Gain)/Loss on Disposal of Tangible Capital Assets	(4,187)	(8,448)
Employee Future Benefits Increase/(Decrease)	(44,136)	(21,552)
Due from Other Organizations (Increase)/Decrease	(302,436)	(897,663)
Accounts Receivable & Accrued Income (Increase)/Decrease	81,589	166,252
Inventories and Prepaid Expenses - (Increase)/Decrease	(8,242)	(259,622)
Due to Other Organizations Increase/(Decrease)	-	-
Accounts Payable & Accrued Liabilities Increase/(Decrease)	2,330,085	(10,014)
Deferred Revenue Increase/(Decrease)	96,696	11,495
School Generated Funds Liability Increase/(Decrease)	5,165	(88,242)
Adjustments Other than Tangible Cap. Assets	-	-
Cash Provided by (Applied to) Operating Transactions	7,581,593	3,815,006
Capital Transactions		
Acquisition of Tangible Capital Assets	(8,002,730)	(4,359,765)
Proceeds on Disposal of Tangible Capital Assets	4,187	8,448
Cash Provided by (Applied to) Capital Transactions	(7,998,543)	(4,351,317)
Investing Transactions		
Portfolio Investments (Increase)/Decrease	-	-
Cash Provided by (Applied to) Investing Transactions	-	-
Financing Transactions		
Borrowings from the Provincial Government Increase/(Decrease)	2,183,498	3,608,395
Other Borrowings Increase/(Decrease)	-	-
Cash Provided by (Applied to) Financing Transactions	2,183,498	3,608,395
Cash and Bank / Overdraft (Increase)/Decrease	1,766,548	3,072,084
Cash and Bank (Overdraft) at Beginning of Year	7,565,752	4,493,668
Cash and Bank (Overdraft) at End of Year	9,332,300	7,565,752

Brandon School Division

SCHEDULE OF TANGIBLE CAPITAL ASSETS

at June 30, 2019

	Buildings and Leasehold Improvements		School	Other	Furniture / Fixtures &	Computer Hardware &		Land	Assets Under	2019	2018
	School	Non-School	Buses	Vehicles	Equipment	Software *	Land	Improvements	Construction	TOTALS	TOTALS
Tangible Capital Asset Cost											
Opening Cost, as previously reported	87,937,531	3,346,265	4,805,180	438,687	4,178,783	2,320,937	1,079,084	298,062	392,444	104,796,973	100,849,809
Adjustments	-	-	-	-	-	-	-	-	-	-	-
Opening Cost adjusted	87,937,531	3,346,265	4,805,180	438,687	4,178,783	2,320,937	1,079,084	298,062	392,444	104,796,973	100,849,809
Add: Additions during the year	34,633	-	556,429	38,748	268,231	299,667	-	-	6,805,022	8,002,730	4,359,765
Less: Disposals and write downs	-	-	-	22,774	-	-	-	-	-	22,774	412,601
Closing Cost	87,972,164	3,346,265	5,361,609	454,661	4,447,014	2,620,604	1,079,084	298,062	7,197,466	112,776,929	104,796,973
Accumulated Amortization											
Opening, as previously reported	46,276,626	1,660,697	3,026,105	293,957	3,187,235	982,049		172,101		55,598,770	52,971,670
Adjustments	-	-	-	-	-	-		-		-	-
Opening adjusted	46,276,626	1,660,697	3,026,105	293,957	3,187,235	982,049		172,101		55,598,770	52,971,670
Add: Current period Amortization	2,016,606	81,262	336,754	58,424	385,200	328,204		29,805		3,236,255	3,039,701
Less: Accumulated Amortization on Disposals and Writedowns	-	-	-	22,774	-	-		-		22,774	412,601
Closing Accumulated Amortization	48,293,232	1,741,959	3,362,859	329,607	3,572,435	1,310,253		201,906		58,812,251	55,598,770
Net Tangible Capital Asset	39,678,932	1,604,306	1,998,750	125,054	874,579	1,310,351	1,079,084	96,156	7,197,466	53,964,678	49,198,203
Proceeds from Disposal of Capital Assets	-	-	-	4,187	-	-				4,187	8,448

* Includes network infrastructure.

1. Nature of Organization and Economic Dependence

The Brandon School Division (the Division) is a public body that provides education services to residents within its geographic location. The Division is funded mainly by grants from the Province of Manitoba, and a special levy on the property assessment included in the Division's boundaries. The Division is not subject to income tax.

The Division is economically dependent on the Province for the majority of its revenue and capital financing requirements. Without this funding, the Division would not be able to continue its operations.

2. Significant Accounting Policies

The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles established by PSAB of the Canadian Institute of Chartered Accountants (CICA).

a) Reporting Entity and Consolidation

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the operating fund, capital fund, and special purpose fund of the Division. The Division reporting entity includes school generated funds controlled by the Division.

All inter-fund accounts and transactions are eliminated upon consolidation.

b) Basis of Accounting

Revenues and expenses are reported on the accrual basis of accounting except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay. Expenses also include the amortization of tangible capital assets.

c) Fund Accounting

The fund method of accounting is employed by the Division to record financial transactions in separate funds as defined by Financial Reporting and Accounting in Manitoba Education (FRAME) in accordance with the purpose for which the funds have been created.

The Operating Fund is maintained to record all the day to day operating revenues and expenses. The Capital Fund is used to account for the acquisition, amortization, disposal and financing of capital assets. The Special Purpose Fund is used to account for school generated funds and charitable foundations controlled by the Division.

d) School Generated Funds

School generated funds are moneys raised by the school, or under the auspices of the school, through extracurricular activities for the sole use of the school that the principal of each school, subject to the rules of the school board, may raise, hold, administer and expend for the purposes of the school.

Only revenue and expenses of school generated funds controlled by the Division are included in the Consolidated Statement of Revenue, Expenses and Accumulated Surplus. To be deemed as controlled, a school must have the unilateral authority to make the decisions as to when, how and on what the funds are to be spent.

Period end cash balances of all school generated funds are included in the Consolidated Statement of Financial Position. The uncontrolled portion of this amount is reflected in the School Generated Funds Liability account. Examples of uncontrolled school generated funds are parent council funds, other parent group funds, student council funds and travel club funds. Revenues and expenses of uncontrolled school generated funds are not included in the consolidated financial statements.

e) Tangible Capital Assets

Tangible capital assets are non-financial assets that are used by the Division to provide services to the public and have an economic life beyond one fiscal year. Tangible capital assets include land, buildings, buses, other vehicles, furniture and equipment, computers, capital leases, leasehold improvements, and assets under construction.

To be classified as tangible capital assets, each asset other than land must individually meet the capitalization threshold for its class as prescribed by FRAME.

Asset Description	Capitalization Threshold ($)	Estimated Useful Life (years)
Land improvements	50,000	10
Buildings - bricks, mortar, steel	50,000	40
Buildings - wood frame	50,000	25
School buses	50,000	10
Vehicles	10,000	5
Equipment	10,000	5
Network Infrastructure	25,000	10
Computer Hardware, Servers, Peripherals	10,000	4
Computer Software	10,000	4
Furniture & Fixtures	10,000	10
Leasehold Improvements	25,000	Over term of lease

e) Tangible Capital Assets (continued)

Grouping of assets is not permitted except for computer workstations and for systems in which use of each component is dependent on each other to operate.

With the exception of land, all tangible capital assets, are recorded at historical cost, which includes purchase price, installation costs and other costs incurred to put the asset into service.

Buildings are recorded at historical cost when known. Where actual costs are not determinable, estimated costs have been determined.

Capital leases are recorded at the present value of the minimum lease payments excluding executory costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the lower of the Division's rate for incremental borrowing or the interest rate implicit in the lease.

Donated tangible capital assets are recorded at fair market value at the date of donation. Deferred revenue is recorded in an equivalent amount, for all donated assets except land. The deferred revenue will be recognized as revenue over the useful life of the related asset, on the same basis that the asset is amortized.

All land acquired prior to June 30, 2006 has been valued by the Crown Lands and Property Agency.

All tangible capital assets, except for land, capital leases, and assets under construction, are amortized on a straight-line basis over their estimated useful lives as prescribed by FRAME. Land is not amortized. Capital leases with lease terms that have a bargain purchase option or allow ownership to pass to the Division are amortized over the useful life of the asset class. All other capital leases are amortized over the lesser of the lease term and the useful life of the asset class.

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal if not fully amortized.

Assets under construction are not amortized until the date of substantial completion. Interest on funds used to finance school buildings under construction is capitalized for the periods preceding the date of substantial completion.

f) Capital Reserve

Certain amounts, as approved by the Board of Trustees and the Public Schools Finance Board (PSFB), have been set aside in reserve accounts for future capital purposes. These Capital Reserve accounts are internally restricted funds that form part of the Accumulated Surplus presented in the Consolidated Statement of Financial Position.

g) Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates were employed when calculating the future sick leave liability, the future severance liability and the useful life of capital assets used to determine amortization expense. Actual results could differ from management's best estimates, as additional information becomes available in the future.

h) Measurement Uncertainty

Measurement uncertainty exists in the recording of sick leave and severance liabilities affecting employee future benefits payable and the regular instruction, student support services, community education and services, divisional administration, instructional and other support services, transportation of pupils, and operations and maintenance expense accounts.

Sick leave is calculated using an estimate of the future salary rates of employees and the number of sick days that employees will use in future years. These estimates are based on past experience; however, measurement uncertainty exists as the actual future salary rates and sick days to be claimed are unknown.

The severance liability is an estimate of future severance costs related to the number of employees who will earn vested severance pay. These estimates are based on the number of employees who have earned this benefit in the past; however, measurement uncertainty exists as the actual number of employees who will earn this benefit in the future is unknown.

i) Financial Instruments

There are no significant terms and conditions related to financial instruments (cash, accounts receivable, investments, and bank indebtedness, accounts payable and long-term debt) that may affect the amount, timing and certainty of future cash flows. The Division is exposed to credit risk from the potential non-payment of accounts receivable. However, the majority of the receivables are from local, provincial, and federal governments, and therefore the credit risk is minimal. The carrying amounts of the financial instruments approximate their carrying values, unless otherwise noted.

3. Liability for Contaminated Sites

Effective July 1, 2014, the Division has adopted the new Public Sector Accounting Board accounting standard - Liability for Contaminated Sites, Section PS3260. The standard was applied on a retroactive basis to July 1, 2013 and did not result in any adjustments to financial liabilities, tangible capital assets or accumulated surplus of the division.

4. Bank Overdraft

The Division has an authorized line of credit with CIBC of $10,500,000 for operating expenditures by way of overdrafts; the unused portion of the line of credit at June 30, 2019 is $10,500,000. The Division also has an authorized line of credit with CIBC of $25,000,000 for the Maryland Park School project by way of overdrafts; the unused portion of the line of credit at June 30, 2019 is $23,198,800. Both lines of credit are repayable on demand at the bank's prime rate less 0.600%; interest is paid monthly. Interest earned is the monthly average Banker's Acceptance rate less the Banker's Acceptance cap.

5. Employee Future Benefits

Non-vested accumulated sick leave benefits are measured using net present value techniques on the expected future utilization of excess sick benefits used over earned per year, to maximum entitlement. The impact of the estimated non-vested sick leave benefit cost for the year ended June 30, 2019 is an increase of $94,238 (2018 – decrease of $60,974). At June 30, 2019, the Division has recorded an estimated liability of $562,486 (2018 - $468,248) in respect of these benefits.

The significant assumptions adopted in measuring the non-vested accumulated sick leave benefit liability includes a discount rate of 4% (2018 – 4%) and a salary rate increase of 0% (2018 – 3%).

Long Service Recognition benefits are given to employees who resign from their position with the Division after fifteen (15) or more consecutive years of service in a support staff position, the employee is entitled to and has the option of a paid leave or a lump sum payment based on two (2) days for each year of said service. Long Service Recognition benefits are measured using three (3) year retirement averages on the expected future utilization of this benefit. The impact of the estimated Long Service Recognition Benefit cost for 2018-2019 is a decrease of $132,409 (2017-2018 increase of $51,028).

At June 30, 2019, the Division has recorded an estimated liability for employee future benefits of $2,098,936 (2018 - $2,143,073).

6. Deferred Revenue

The deferral method of accounting is used for revenues received that, pursuant to legislation, regulation or agreement, may only be used for specific purposes. These amounts are recognized as revenue in the fiscal year the related expenses are incurred or services performed. The following is a breakdown of the account balance:

	Balance as at June 30, 2018	Additions in the period	Revenue recognized in the period	Balance as at June 30, 2019
Education property tax credit	$ 3,207,290	$ 7,801,089	$ 7,766,373	$ 3,242,007
Other special funds	144,002	233,605	171,626	205,981
	$ 3,351,292	$ 8,034,694	$ 7,937,999	$ 3,447,988

7. Borrowings from the Provincial Government

The long-term debt of the Division is in the form of fifteen and twenty-year debentures and promissory notes, with the principal and interest payable in fifteen and twenty equal yearly instalments and maturing at various dates from 2019 to 2039. Payment of principal and interest is funded entirely by grants from the Province of Manitoba, except for the debenture debt on self-funded capital projects. The debentures and promissory notes carry interest rates that range from 3.000% to 6.875%.

The interest payable as of June 30, 2019 for the debentures and promissory notes are accrued and recorded in Accrued Interest Payable, and a grant in an amount equal to the interest accrued on provincially funded debentures is recorded in Due from the Provincial Government. The debenture and promissory note principal and interest repayments in the next five years are:

	Principal	Interest	Total
2019-20	$ 2,224,030	$ 1,544,008	$ 3,768,038
2020-21	2,286,518	1,447,548	3,734,066
2021-22	2,365,320	1,348,929	3,714,249
2022-23	2,358,771	1,247,156	3,605,927
2023-24	2,303,632	1,147,971	3,451,603
Thereafter	28,199,379	7,026,045	35,225,424
	$ 39,737,650	$ 13,761,657	$ 53,499,307

8. School Generated Funds Liability

School Generated Funds Liability includes the non-controlled portion of school generated funds consolidated in the cash and bank balances in the amount of $199,480.

	2019
Parent Council Funds	$ 163,284
Student Council Funds	31,647
Staff Funds	4,549
	$ 199,480

9. Net Tangible Capital Assets

The Schedule of Tangible Capital Assets (TCA), page 23 of the audited financial statements, provides a breakdown of cost, accumulated amortization and net book value by class.

	Gross Amount	Accumulated Amortization	2019 Book Value
Owned-tangible	$ 112,221,693	$ 58,451,348	$ 53,770,345
Capital Lease	555,236	360,903	194,333
	$ 112,776,929	$ 58,812,251	$ 53,964,678

10. Accumulated Surplus

The consolidated accumulated surplus is comprised of the following:

	2019
Operating fund:	
Designated surplus	$ 2,746,150
Undesignated surplus	3,403,795
Less: Non-vested sick leave to date	(562,485)
	5,587,460
Capital fund:	
Reserve accounts	7,293,455
Equity in tangible capital assets	11,061,560
	18,355,015
Special purpose fund:	
School generated funds	900,232
Other special purpose funds	1,436,846
	2,337,078
Total accumulated surplus	$ 26,279,553

10. Accumulated Surplus (continued)

Designated Surplus under the Operating Fund represents internally restricted amounts appropriated by the board or, in the case of school budget carryovers, by board policy. See page 5 of the audited financial statements for a breakdown of the Designated Surplus.

	2019
Insurance Aggregate Retention (Self-Insurance)	$ 45,000
HR Systems consultant	11,250
School budget carryovers	394,600
Linden Lanes Resource Centre Renovation Project	65,300
Vincent Massey Fitness Studio Project	295,000
VOIP (Voice over Internet Protocol) Phone System Replacement Project	176,000
Security Cameras System Replacement / Upgrade Project	339,000
Computer Network Infrastructure Project - Replacement of wireless networking equipment	225,000
Lighting Retrofit Project at Crocus Plains, Earl Oxford and George Fitton	489,000
Outdoor Basketball Backstops Replacement Project	173,000
Replacement of School Paging Systems at Neelin, Linden Lanes, JR Reid, Meadows & O'Kelly	533,000
	$ 2,746,150

Reserve Accounts under the Capital Fund represent internally restricted reserves for specific purposes approved by the Board of Trustees and the Public Schools Finance Board (PSFB). A Schedule of Capital Reserve Accounts is provided on page 24C of the audited financial statements.

	2019
Access/Barrier Free Facility Improvements	$ 60,000
Admin. Office Roof Replacement	27,358
Administration Building Reserves	175,526
Bus Reserves	2,407,838
Computer Network Infrastructure	500,000
Ecole New Era School - DDC Controls	52,700
Electronic Job Evaluation System	54,000
Emergency Equipment/System Replacement	100,000
ERP System	224,143
Green Acres Gymnasium Addition	3,601
New School	3,000,000
School Building Reserves	411,557
School Bus Video Surveillance Hardware	36,732
Universally Accessible Washrooms	240,000
	$ 7,293,455

10. Accumulated Surplus (continued)

School Generated Funds and Other Special Purpose Funds are externally restricted moneys for school use.

	2019
Scholarship trust	$ 3,458
Property trust	1,210,513
Charitable donation fund	222,876
Other special purpose funds	$ 1,436,847

11. Municipal Government – Property Tax and Related Due from Municipal Government

Education property tax or Special Levy is raised as the Division's contribution to the cost of providing public education for the student resident in the Division. The Municipal Government-Property Tax shown on the consolidated revenue and expense is raised over the two calendar (tax) years 43.5% from 2018 tax year and 56.5% from 2019 tax year. Below are the related revenue and receivable amounts:

	2019	2018
Revenue - Municipal Government - Property Tax	$ 39,600,779	$ 38,954,935
Receivable - Due from Municipal - Property Tax	$ 22,723,109	$ 22,380,440

12. Interest Received and Paid

The Division received interest during the year of $337,855 (2018 - $187,486); interest paid during the year was $1,480,611 (2018 - $1,454,207).

Interest expense is included in Fiscal and is comprised of the following:

Fiscal-short term loan, interest and bank charges	$ (2,988)
Capital fund	
Debenture debt interest	1,483,599
Other interest	-
	$ 1,480,611

The accrual portion of debenture debt interest expense of $790,551 included under the Capital Fund-Debenture debt interest is offset by an accrual of the debt servicing grant from the Province of Manitoba and our self-funded debt.

13. Special Levy Raised for la Division scolaire franco-manitobaine

In accordance with Section 190.1 of The Public Schools Act the Division is required to collect a special levy on behalf of la Division scolaire franco-manitobaine. As at June 30, 2019, the amount of this special levy was $773,146 (2018 - $741,130). These amounts are not included in the Division's consolidated financial statements.