MANAGEMENT REPORT

Management's Responsibility for the Financial Statements

The accompanying consolidated financial statements of Lord Selkirk School Division ("Division") are the responsibility of the Division's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of Chartered Professional Accountants Canada. A summary of the significant accounting policies are described in Note 2 to the consolidated financial statements.

The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods. Division management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Board of Trustees of the Division met with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by BDO Canada LLP, independent external auditors, appointed by the Board of Trustees. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Division's consolidated financial statements.

Original Document Signed
Chairperson

Original Document Signed
Secretary-Treasurer

October 15, 2019

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Independent Auditor's Report

To the Chairperson and Board of Trustees of Lord Selkirk School Division

Opinion

We have audited the consolidated financial statements of Lord Selkirk School Division, and its group reporting entities (the "Division") which comprise the consolidated statement of financial position as at June 30, 2019, and the consolidated statement of revenue, expenses, and accumulated surplus, statement of change in net debt, and statement of 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 consolidated financial position of the Division as at June 30, 2019, and its consolidated results of operations, its consolidated change in net debt and its consolidated 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 Consolidated Financial Statements* section of our report. We are independent of the Division 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.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Division'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 Division'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 Division'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 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 Division 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Division 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.

BDO Canada LLP

Chartered Professional Accountants

Winnipeg, Manitoba
October 15, 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.

October 15, 2019
Date

Original Document Signed
Chairperson

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at June 30

Notes			2019	2018
	Financial Assets			
	Cash and Bank		-	-
	Due from	- Provincial Government	2,766,023	3,008,300
		- Federal Government	69,896	28,260
		- Municipal Government	14,709,622	14,418,249
		- Other School Divisions	205	103
		- First Nations	14,300	44,000
	Accounts Receivable		109,351	104,162
	Accrued Investment Income		-	-
	Portfolio Investments		-	-
			17,669,397	17,603,074
	Liabilities			
*	Overdraft		3,551,376	3,004,905
	Accounts Payable		4,423,041	4,003,033
	Accrued Liabilities		3,964,491	4,163,471
*	Employee Future Benefits		390,109	393,354
	Accrued Interest Payable		527,943	544,535
	Due to	- Provincial Government	202,525	212,780
		- Federal Government	-	-
		- Municipal Government	-	-
		- Other School Divisions	-	-
		- First Nations	-	-
*	Deferred Revenue		1,168,760	910,705
*	Borrowings from the Provincial Government		26,945,804	27,380,938
	Other Borrowings		-	-
	School Generated Funds Liability		82,167	66,159
			41,256,216	40,679,880
	Net Assets (Debt)		(23,586,819)	(23,076,806)
	Non-Financial Assets			
*	Net Tangible Capital Assets (TCA Schedule)		37,388,390	36,454,193
	Inventories		59,572	67,076
	Prepaid Expenses		90,226	23,841
			37,538,188	36,545,110
*	**Accumulated Surplus**		13,951,369	13,468,304

See accompanying notes to the Financial Statements

Lord Selkirk School Division

CONSOLIDATED STATEMENT OF REVENUE, EXPENSES AND ACCUMULATED SURPLUS

For the Year Ended June 30

Notes			2019	2018
	Revenue			
	Provincial Government		36,725,183	37,293,296
	Federal Government		37,119	20,992
	Municipal Government	- Property Tax	24,532,105	24,026,977
		- Other	-	-
	Other School Divisions		160,100	175,003
	First Nations		552,200	550,000
	Private Organizations and Individuals		560,869	539,685
	Other Sources		335,414	461,643
	School Generated Funds		996,528	1,023,274
	Other Special Purpose Funds		-	-
			63,899,518	64,090,870
	Expenses			
	Regular Instruction		34,205,393	34,178,154
	Student Support Services		9,781,230	9,415,613
	Adult Learning Centres		331,693	357,455
	Community Education and Services		517,518	488,624
	Divisional Administration		1,932,713	1,889,601
	Instructional and Other Support Services		1,696,143	1,548,516
	Transportation of Pupils		2,554,470	2,629,921
	Operations and Maintenance		6,279,762	6,554,978
*	Fiscal	- Interest	1,315,124	1,311,822
		- Other	968,534	966,489
	Amortization		2,852,269	2,734,493
	Other Capital Items		-	-
	School Generated Funds		984,849	1,033,771
	Other Special Purpose Funds		-	-
			63,419,698	63,109,437
	Current Year Surplus (Deficit) before Non-vested Sick Leave		479,820	981,433
	Less: Non-vested Sick Leave Expense (Recovery)		(3,245)	96,865
	Net Current Year Surplus (Deficit)		483,065	884,568
	Opening Accumulated Surplus		13,468,304	12,583,736
	Adjustments:	Tangible Cap. Assets and Accum. Amort.	-	-
		Other than Tangible Cap. Assets	-	-
		Non-vested sick leave - prior years	-	-
	Opening Accumulated Surplus, as adjusted		13,468,304	12,583,736
	Closing Accumulated Surplus		13,951,369	13,468,304

See accompanying notes to the Financial Statements

* NOTE REQUIRED

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

For the Year Ended June 30, 2019

	2019	2018
Net Current Year Surplus (Deficit)	483,065	884,568
Amortization of Tangible Capital Assets	2,852,269	2,734,493
Acquisition of Tangible Capital Assets	(3,791,249)	(2,612,392)
(Gain) / Loss on Disposal of Tangible Capital Assets	(28,658)	(17,110)
Proceeds on Disposal of Tangible Capital Assets	33,441	24,909
	(934,197)	129,900
Inventories (Increase)/Decrease	7,504	(8,456)
Prepaid Expenses (Increase)/Decrease	(66,385)	39,144
	(58,881)	30,688
(Increase)/Decrease in Net Debt	(510,013)	1,045,156
Net Debt at Beginning of Year	(23,076,806)	(24,121,962)
Adjustments Other than Tangible Cap. Assets	-	-
	(23,076,806)	(24,121,962)
Net Assets (Debt) at End of Year	(23,586,819)	(23,076,806)

CONSOLIDATED STATEMENT OF CASH FLOW

For the Year Ended June 30, 2019

	2019	2018
Operating Transactions		
Net Current Year Surplus (Deficit)	483,065	884,568
Non-Cash Items Included in Current Year Surplus/(Deficit):		
Amortization of Tangible Capital Assets	2,852,269	2,734,493
(Gain)/Loss on Disposal of Tangible Capital Assets	(28,658)	(17,110)
Employee Future Benefits Increase/(Decrease)	(3,245)	96,865
Due from Other Organizations (Increase)/Decrease	(61,134)	(221,832)
Accounts Receivable & Accrued Income (Increase)/Decrease	(5,189)	16,194
Inventories and Prepaid Expenses - (Increase)/Decrease	(58,881)	30,688
Due to Other Organizations Increase/(Decrease)	(10,255)	(10,423)
Accounts Payable & Accrued Liabilities Increase/(Decrease)	204,436	(248,623)
Deferred Revenue Increase/(Decrease)	258,055	(283,118)
School Generated Funds Liability Increase/(Decrease)	16,008	4,764
Adjustments Other than Tangible Cap. Assets	-	-
Cash Provided by (Applied to) Operating Transactions	3,646,471	2,986,466
Capital Transactions		
Acquisition of Tangible Capital Assets	(3,791,249)	(2,612,392)
Proceeds on Disposal of Tangible Capital Assets	33,441	24,909
Cash Provided by (Applied to) Capital Transactions	(3,757,808)	(2,587,483)
Investing Transactions		
Portfolio Investments (Increase)/Decrease	-	-
Cash Provided by (Applied to) Investing Transactions	-	-
Financing Transactions		
Borrowings from the Provincial Government Increase/(Decrease)	(435,134)	9,980
Other Borrowings Increase/(Decrease)	-	-
Cash Provided by (Applied to) Financing Transactions	(435,134)	9,980
Cash and Bank / Overdraft (Increase)/Decrease	(546,471)	408,963
Cash and Bank (Overdraft) at Beginning of Year	(3,004,905)	(3,413,868)
Cash and Bank (Overdraft) at End of Year	(3,551,376)	(3,004,905)

Lord Selkirk 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	58,436,786	5,777,822	6,055,898	418,990	3,146,549	1,604,044	480,378	2,934,844	163,244	79,018,555	77,149,581
Adjustments	-	-	-	-	-	-	-	-	-	-	-
Opening Cost adjusted	58,436,786	5,777,822	6,055,898	418,990	3,146,549	1,604,044	480,378	2,934,844	163,244	79,018,555	77,149,581
Add: Additions during the year	179,663	-	653,940	-	703,270	41,480	-	-	2,212,896	3,791,249	2,612,392
Less: Disposals and write downs	-	-	548,453	-	-	-	-	-	-	548,453	743,418
Closing Cost	58,616,449	5,777,822	6,161,385	418,990	3,849,819	1,645,524	480,378	2,934,844	2,376,140	82,261,351	79,018,555
Accumulated Amortization											
Opening, as previously reported	30,380,643	3,041,019	3,351,469	216,826	2,405,848	961,544		2,207,013		42,564,362	40,565,488
Adjustments	-	-	-	-	-	-		-		-	-
Opening adjusted	30,380,643	3,041,019	3,351,469	216,826	2,405,848	961,544		2,207,013		42,564,362	40,565,488
Add: Current period Amortization	1,540,000	168,819	527,339	61,985	291,067	115,467		147,592		2,852,269	2,734,493
Less: Accumulated Amortization on Disposals and Writedowns	-	-	543,670	-	-	-		-		543,670	735,619
Closing Accumulated Amortization	31,920,643	3,209,838	3,335,138	278,811	2,696,915	1,077,011		2,354,605		44,872,961	42,564,362
Net Tangible Capital Asset	26,695,806	2,567,984	2,826,247	140,179	1,152,904	568,513	480,378	580,239	2,376,140	37,388,390	36,454,193
Proceeds from Disposal of Capital Assets	-	-	33,441	-	-	-	-			33,441	24,909

* Includes network infrastructure.

1. Nature of Organization and Economic Dependence

The Lord Selkirk School Division (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 (Province), and a special levy on the property assessment included in the Division's boundaries. The Division is exempt from income tax and is a registered charity under the Income Tax Act.

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 public sector accounting standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants Canada (CPAC).

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.

Trust Funds

The Division administers various trust funds. Trust funds and their related operations are not included in the consolidated financial statements as they are not owned or controlled by the Division. A schedule of trust funds is attached as part of the notes to the consolidated financial statements.

Trust funds, under PSAB are properties assigned to a trustee (school division) under a trust agreement or statute; the trustee merely administers the terms and conditions embodied in the agreement, and it has no unilateral authority to change the conditions set out in the trust indenture.

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.

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.

School Generated Funds

School generated funds are moneys raised by the school, or under the auspices of the school, through extra curricular 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.

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
Land Improvements	50,000	10 years
Buildings – bricks, mortar, steel	50,000	40 years
Buildings – wood frame	50,000	25 years
School buses	50,000	10 years
Vehicles	10,000	5 years
Equipment	10,000	5 years
Network Infrastructure	25,000	10 years
Computer Hardware, Servers, Peripherals	10,000	4 years
Computer Software	10,000	4 years
Furniture & Fixtures	10,000	10 years
Leasehold Improvements	25,000	Over term of lease

Grouping of assets is not permitted except for computer work stations.

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. For buildings acquired prior to June 30, 2005 where the actual cost was not known, the replacement value for insurance purposes as at June 30, 2005 was regressed to the date of acquisition using a regression index based on Southam and CanaData construction cost indices.

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, and assets under construction, are amortized on a straight-line basis over their estimated useful lives as prescribed by FRAME. Land is not amortized.

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.

Employee Future Benefits

The Province of Manitoba pays the employer portion of the Teachers' Retirement Allowances Fund (TRAF), the pension plan for all certified teachers of the Division. The Division does not contribute to TRAF, and no costs relating to this plan are included in the Division's financial statements.

The Division provides retirement benefits to its administrative employees in the form of a defined contribution pension plan. The Division pays the employer portion of the defined contribution plan administered by the Manitoba School Boards Association (MSBA). Under this plan, specific fixed amounts are contributed by the Division each period for services rendered, matching employee contributions. No responsibility is assumed by the Division to make any further contribution.

For those defined benefit self-insured plans that are event driven such as non-vesting parental leave, the benefit costs are recognized and recorded only in the period when the event occurs.

For non-vesting accumulating sick days, the benefit costs are recognized, if deemed material, based on a projection of expected future utilization of sick time, discounted using net present value techniques.

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.

Use of Estimates

The preparation of 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 financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates, as additional information becomes available in the future.

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 are minimal. The carrying amounts of the financial instruments approximate their carrying values, unless otherwise noted.

3. Bank Overdraft

The Division has an authorized line of credit with TD Canada Trust of $9,554,000 by way of overdrafts and is repayable on demand at the bank's prime rate less .75% (3.2% as of June 30, 2019); interest is paid monthly. Overdrafts are secured by a borrowing by-law. As at June 30, 2019, the Division's operating line of credit utilized is $4,032,299.

4. Employee Future Benefits

The Division sponsors a defined contribution pension plan, run by the Manitoba School Boards Association (MSBA). The defined contribution plan is provided to administrative employees based on their age at the beginning of the year and rates of pay. Each age group under the MSBA pension plan has a specific percentage for the employees to contribute. The Division contributions equal the employee contributions to the plan. No pension liability is included in the financial statements.

Effective January 1, 2019, the pension plan was amended by changing the scheduled contribution rates for both members and school boards to 8% of "earnings for the year" as defined under the plan.

The employee future benefit expense is a part of the Employee Benefits and Allowances expense account. It includes the Division's contribution of $948,222 in 2019 ($866,068 in 2018).

Non-vested accumulating sick leave benefits are measured using net present value techniques on the expected future utilization of excess of sick leave benefits used over earned per year, to maximum entitlement. The non-vested sick leave recovery for the year is $3,245 (expense of $96,865 in 2018).

Employee future benefits of $390,109 ($393,354 at June 30, 2018) recorded as a liability consists entirely of the Division's sick leave liability.

5. 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 period	Revenue recognized in period	Balance as at June 30, 2019
Operating Fund				
Education Property Tax Credit (EPTC)	$ 431,886	$ 6,343,879	$ 6,004,700	$ 771,065
START	43,758	87,618	103,233	28,143
Breakfast Programs	2,381	19,682	17,347	4,716
International Students Program	217,010	114,263	146,124	185,149
Community Stadium	31,831	672	-	32,503
Other	82,553	51,094	70,939	62,708
	809,419	6,617,208	6,342,343	1,084,284
Capital Fund				
Capital Fund Donations	101,286	-	16,810	84,476
Total	$ 910,705	$ 6,617,208	$ 6,359,153	$ 1,168,760

6. 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 $82,167 in 2019 ($66,159 in 2018).

7. Debenture Debt

The debenture debt of the Division is in the form of twenty-year debentures payable, principal and interest, in twenty equal yearly instalments and maturing at various dates from 2020 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 carry interest rates that range from 3.0% to 7.25%. Debenture interest expense payable as at June 30, 2019, is 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 principal and interest repayments in the next five years are:

2020	$ 3,247,422
2021	3,182,554
2022	3,091,895
2023	3,027,470
2024	2,901,932
	$ 15,451,273

8. 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. The amount of interest capitalized in the period included in Assets under Construction was nil (previous year nil).

9. Accumulated Surplus

The consolidated accumulated surplus is comprised of the following:

	2019	2018
Operating Fund		
Designated Surplus	$ -	$ -
Undesignated Surplus	1,810,042	2,353,264
Non-vested Sick Leave	(390,109)	(393,354)
	1,419,933	1,959,910
Capital Fund		
Reserve Accounts	1,674,790	2,416,020
Equity in Tangible Capital Assets	10,511,850	8,759,257
	12,186,640	11,175,277
Special Purpose Fund		
School Generated Funds	344,796	333,117
Other Special Purpose Funds	-	-
	344,796	333,117
Total Accumulated Surplus	$ 13,951,369	$ 13,468,304

Designated Surplus under the Operating Fund represents internally restricted amounts appropriated by the Board of Trustees or, in the case of school budget carryovers, by Board policy. The designated surplus is $nil for the current year.

Reserve Accounts under the Capital Fund represent internally restricted reserves for specific purposes approved by the Board of Trustees and PSFB. A Schedule of Capital Reserve Accounts is provided on page 24 of the consolidated financial statements.

10. 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 students' resident in the division. The Municipal Government - Property Tax shown on the consolidated statement of revenue and expense is raised over the two calendar (tax) years; 40% from 2018 tax year and 60% from 2019 tax year. Below are the related revenue and receivable amounts:

	2019	2018
Revenue – Municipal Government – Property Tax	$24,532,105	$ 24,026,977
Receivable – Due from Municipal – Property Tax	$14,709,622	$ 14,418,249

11. Interest Received and Paid

The Division received interest during the year of $32,321 (previous year $26,119); interest paid during the year was $1,315,124 (previous year $1,311,822).

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

	2019	2018
Operating Fund		
Fiscal-short term loan, interest and bank charges	$ 76,490	$ 66,635
Capital Fund		
Debenture interest	1,238,634	1,245,187
	$ 1,315,124	$ 1,311,822

The accrual portion of debenture debt interest expense of $527,943 included under the Capital Fund-Debenture debt interest is offset by an accrual of the debt servicing grant from the Province of Manitoba.

12. Expenses by Object

Expenses in the consolidated statement of revenue, expenses and accumulated surplus are reported by function as defined by FRAME. Below is the detail of expenses by object:

	Actual 2019	Budget 2019	Actual 2018
Salaries	$44,696,604	$ 44,961,955	$ 45,023,249
Employees benefits and allowances	3,696,156	3,801,995	3,759,400
Services	4,217,525	4,381,460	4,327,509
Supplies, materials & minor equipment	4,251,397	4,253,008	3,728,343
Interest	1,315,124	60,000	1,311,822
Payroll tax	968,534	960,000	966,489
Amortization	2,852,269	-	2,734,493
Transfers	437,240	186,000	224,361
Other capital items	-	-	-
School generated funds	984,849	-	1,033,771
	$63,419,698	$ 58,604,418	$ 63,109,437