MANAGEMENT REPORT

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of Mountain View School Division are the responsibility of the Division management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Chartered Professional Accountants (CPA) of Canada. A summary of the significant accounting policies is 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 MNP LLP independent external auditors appointed by the Board. The accompanying Auditor's 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

Independent Auditor's Report

To the Board of Trustees of Mountain View School Division:

Opinion

We have audited the accompanying consolidated financial statements of Mountain View 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of Mountain View School Division as at June 30, 2019 and the consolidated results of its operations and accumulated surplus, consolidated changes in net debt and its consolidated cash flow for the year then ended in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

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

Other Matters

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included in the other statements and reports is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

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 Canadian generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, 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 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 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 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.

Brandon, Manitoba
October 15, 2019

MNP LLP
Chartered Professional Accountants

I hereby certify that the preceding report and the statements and reports referenced herein have been presented to the members of the Board of Mountain View School Division.

Original Document Signed
Chairperson of the Board

October 15, 2019
Date

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at June 30

Notes		2019	2018
	Financial Assets		
	Cash and Bank	-	-
	Due from - Provincial Government	1,251,326	2,281,157
	- Federal Government	67,209	71,231
	- Municipal Government	7,934,021	7,694,972
	- Other School Divisions	60,889	32,632
	- First Nations	208,413	229,183
	Accounts Receivable	428,529	104,923
	Accrued Investment Income	-	-
4	Portfolio Investments	27,660	27,605
		9,978,047	10,441,703
	Liabilities		
5	Overdraft	5,062,342	6,362,863
	Accounts Payable	2,897,698	3,144,755
	Accrued Liabilities	2,081,512	2,237,727
6	Employee Future Benefits	510,455	460,175
	Accrued Interest Payable	595,464	595,464
	Due to - Provincial Government	23,815	-
	- Federal Government	-	-
	- Municipal Government	-	-
	- Other School Divisions	-	-
	- First Nations	-	-
7	Deferred Revenue	843,761	391,492
9	Borrowings from the Provincial Government	31,575,851	30,896,559
10	Other Borrowings	2,314,195	2,718,832
8	School Generated Funds Liability	24,420	(3,615)
		45,929,513	46,804,252
	Net Assets (Debt)	(35,951,466)	(36,362,549)
	Non-Financial Assets		
	Net Tangible Capital Assets (TCA Schedule)	41,457,155	40,393,847
	Inventories	332,548	332,610
	Prepaid Expenses	983,906	1,690,274
		42,773,609	42,416,731
12	**Accumulated Surplus**	6,822,143	6,054,182

See accompanying notes to the Financial Statements

Mountain View School Division

CONSOLIDATED STATEMENT OF REVENUE, EXPENSES AND ACCUMULATED SURPLUS

For the Year Ended June 30

Notes			2019	2018
	Revenue			
	Provincial Government		29,792,317	30,033,348
	Federal Government		-	4,936
	Municipal Government	- Property Tax	13,198,342	12,779,448
		- Other	-	-
	Other School Divisions		540,502	487,550
	First Nations		682,124	761,052
	Private Organizations and Individuals		720,350	660,265
	Other Sources		175,570	133,566
	School Generated Funds		650,775	708,623
	Other Special Purpose Funds		-	-
			45,759,980	45,568,788
	Expenses			
	Regular Instruction		22,790,929	23,033,128
	Student Support Services		6,228,496	5,920,438
	Adult Learning Centres		-	-
	Community Education and Services		91,243	86,152
	Divisional Administration		1,416,068	1,414,854
	Instructional and Other Support Services		1,554,811	1,403,166
	Transportation of Pupils		3,209,331	3,136,322
	Operations and Maintenance		4,748,407	4,983,449
14	Fiscal	- Interest	1,499,679	1,423,238
		- Other	698,565	651,892
	Amortization		2,083,873	1,984,943
	Other Capital Items		-	105,329
	School Generated Funds		645,051	708,169
	Other Special Purpose Funds		-	-
			44,966,453	44,851,080
	Current Year Surplus (Deficit) before Non-vested Sick Leave		793,527	717,708
	Less: Non-vested Sick Leave Expense (Recovery)		25,566	(47,951)
	Net Current Year Surplus (Deficit)		767,961	765,659
	Opening Accumulated Surplus		6,054,182	5,288,523
	Adjustments:	Tangible Cap. Assets and Accum. Amort.	-	-
		Other than Tangible Cap. Assets	-	-
		Non-vested sick leave - prior years	-	-
	Opening Accumulated Surplus, as adjusted		6,054,182	5,288,523
	Closing Accumulated Surplus		6,822,143	6,054,182

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)	767,961	765,659
Amortization of Tangible Capital Assets	2,083,873	1,984,943
Acquisition of Tangible Capital Assets	(3,147,181)	(5,986,422)
(Gain) / Loss on Disposal of Tangible Capital Assets	(22,386)	-
Proceeds on Disposal of Tangible Capital Assets	22,386	-
	(1,063,308)	(4,001,479)
Inventories (Increase)/Decrease	62	175,663
Prepaid Expenses (Increase)/Decrease	706,368	(204,180)
	706,430	(28,517)
(Increase)/Decrease in Net Debt	411,083	(3,264,337)
Net Debt at Beginning of Year	(36,362,549)	(33,098,212)
Adjustments Other than Tangible Cap. Assets	-	-
	(36,362,549)	(33,098,212)
Net Assets (Debt) at End of Year	(35,951,466)	(36,362,549)

CONSOLIDATED STATEMENT OF CASH FLOW

For the Year Ended June 30, 2019

	2019	2018
Operating Transactions		
Net Current Year Surplus (Deficit)	767,961	765,659
Non-Cash Items Included in Current Year Surplus/(Deficit):		
Amortization of Tangible Capital Assets	2,083,873	1,984,943
(Gain)/Loss on Disposal of Tangible Capital Assets	(22,386)	-
Employee Future Benefits Increase/(Decrease)	50,280	(52,518)
Due from Other Organizations (Increase)/Decrease	787,317	(1,302,326)
Accounts Receivable & Accrued Income (Increase)/Decrease	(323,606)	2,672
Inventories and Prepaid Expenses - (Increase)/Decrease	706,430	(28,517)
Due to Other Organizations Increase/(Decrease)	23,815	-
Accounts Payable & Accrued Liabilities Increase/(Decrease)	(403,272)	626,760
Deferred Revenue Increase/(Decrease)	452,269	(590,043)
School Generated Funds Liability Increase/(Decrease)	28,035	2,255
Adjustments Other than Tangible Cap. Assets	-	-
Cash Provided by (Applied to) Operating Transactions	4,150,716	1,408,885
Capital Transactions		
Acquisition of Tangible Capital Assets	(3,147,181)	(5,986,422)
Proceeds on Disposal of Tangible Capital Assets	22,386	-
Cash Provided by (Applied to) Capital Transactions	(3,124,795)	(5,986,422)
Investing Transactions		
Portfolio Investments (Increase)/Decrease	(55)	(54)
Cash Provided by (Applied to) Investing Transactions	(55)	(54)
Financing Transactions		
Borrowings from the Provincial Government Increase/(Decrease)	679,292	1,906,110
Other Borrowings Increase/(Decrease)	(404,637)	(411,780)
Cash Provided by (Applied to) Financing Transactions	274,655	1,494,330
Cash and Bank / Overdraft (Increase)/Decrease	1,300,521	(3,083,261)
Cash and Bank (Overdraft) at Beginning of Year	(6,362,863)	(3,279,602)
Cash and Bank (Overdraft) at End of Year	(5,062,342)	(6,362,863)

Mountain View 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	51,530,975	4,909,850	6,272,242	534,374	2,709,377	414,662	570,392	276,659	14,348,916	81,567,447	75,581,025
Adjustments	-	-	-	-	-	-	-	-	-	-	-
Opening Cost adjusted	51,530,975	4,909,850	6,272,242	534,374	2,709,377	414,662	570,392	276,659	14,348,916	81,567,447	75,581,025
Add: Additions during the year	3,109,065	-	358,827	35,659	358,440	44,069	-	-	(758,879)	3,147,181	5,986,422
Less: Disposals and write downs	-	-	514,147	5,469	15,162	-	-	-	-	534,778	-
Closing Cost	54,640,040	4,909,850	6,116,922	564,564	3,052,655	458,731	570,392	276,659	13,590,037	84,179,850	81,567,447
Accumulated Amortization											
Opening, as previously reported	31,328,087	2,247,922	4,175,757	433,504	2,440,970	372,439		174,921		41,173,600	39,188,657
Adjustments	-	-	-	-	-	-		-		-	-
Opening adjusted	31,328,087	2,247,922	4,175,757	433,504	2,440,970	372,439		174,921		41,173,600	39,188,657
Add: Current period Amortization	1,181,651	320,765	402,269	49,581	88,710	22,399		18,498		2,083,873	1,984,943
Less: Accumulated Amortization on Disposals and Writedowns	-	-	514,147	5,469	15,162	-		-		534,778	-
Closing Accumulated Amortization	32,509,738	2,568,687	4,063,879	477,616	2,514,518	394,838		193,419		42,722,695	41,173,600
Net Tangible Capital Asset	22,130,302	2,341,163	2,053,043	86,948	538,137	63,893	570,392	83,240	13,590,037	41,457,155	40,393,847
Proceeds from Disposal of Capital Assets	-	-	20,766	1,620	-	-				22,386	-

* Includes network infrastructure.

MOUNTAIN VIEW SCHOOL DIVISION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

1. Nature of Organization and Economic Dependence

The 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 generally accepted accounting principles established by PSAB of the Chartered Professional Accountants (CPA) of Canada.

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.

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

b) 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.

c) 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.

d) 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.

e) 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.

f) 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	N/A	N/A
Land Improvements	$50,000	10 years
Buildings - bricks, mortar and 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 workstations.

With the exception of land, donated capital assets and capital leases, 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.

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.

g) 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 non-teaching employees. The Division adopted the following policy with respect to accounting for these employee future benefits:

(i) Defined contribution/ insured benefit plans

Under these plans, specific fixed amounts are contributed by the Division each period for services rendered by the employees.

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.

h) 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.

i) 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.

j) Financial instruments

There are no significant terms and conditions related to financial instruments (cash, accounts receivable, investments, 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. Conversion to PSAB

Commencing with the 2006/07 fiscal year, the Board has adopted generally accepted accounting principles established by PSAB.

The following changes have been implemented to comply with the PSAB standard:

(i) Tangible capital assets were restated and amortized over their useful lives to reflect net book value. Amortization of tangible capital assets and gain or loss on disposal of capital assets are recorded in the Statement of Revenue, Expenses and Accumulated Surplus.

(ii) The Operating Fund, Capital Fund and Special Purpose Fund are consolidated in the financial statements. The Special Purpose Fund was created to include school generated funds and charitable foundations controlled by the Division.

(iii) The Employee Future Benefits Liability was established to account for the Division's commitment to pay vested future benefits to its employees.

(iv) Accrued Interest Payable was established to account for accrual of interest on Debenture Debt and Other Borrowings from the last payment date. An equal amount is set up as due from the Province to offset the accrued interest payable on debentures.

4. Other Investments

Other investments consist mainly of long-term guaranteed investment certificates and credit union surplus shares.

5. Overdraft

The Division has an authorized line of credit with the Royal Bank of Canada in the amount of $12,500,000 by way of overdrafts and is repayable on demand. Interest is paid monthly at prime less .75%.

6. Employee Future Benefits

Employee future benefits are benefits earned by employees in the current period, but will not be paid out until future periods. The employee future benefit is the annual vacation earned by the twelve month non-teaching employees during the fiscal year. Typically this earned vacation entitlement is taken in the subsequent fiscal year.

Non-vested accumulated sick leave benefits are measured using net present value techniques on the expected future utilization of excess of sick benefits used over earned per year, to maximum entitlement. The impact of the estimated non-vested sick leave benefit cost for 2018-2019 is a decrease of the liability in the amount of $47,951.

	Type of Plan		2019
Employee Future Benefit Liabilities (EFBL)			
Vacation accrual	defined contribution		$ 272,289
Non-vested sick leave	defined benefits		238,166
Accrued EFBL		$ -	
Deduct: Pension plan assets		-	
Unamortized actuarial (gains)/losses		-	-
Long-term disability	defined contribution		-
Continuation benefits-health care, dental or life ins.	defined benefits/vesting		-
Supplemental unemployment benefits	defined benefits/event driven		-
Total Employee Future Benefit Liability			$ 510,455
Employee future benefit expense (EFB)			$ 50,280

The Division sponsors a defined contribution and defined benefits plan. The defined contribution plan is provided to non-teaching staff through MAST Pension Plan. Eligible employees contributed a percentage of their regular salary or wage. The percentage varies according to the age of the employee. The Division contributions equal the employee contributions to the plan. No pension liability is included in the financial statements other than late payment interest owing for the period.

Long term disability benefits are covered by a defined contribution/ insured plan. The costs of salary compensation paid to employees on long-term disability leave are fully insured and are not included in the financial statements.

Supplemental unemployment benefits are defined benefits that are recognized and recorded only in the period when the events occur (e.g. maternity top up).

7. 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
Property Tax Credit	$ -	$ 332,190	$ -	$ 332,190
International Education Revenue	263,458	153,425	263,458	153,425
Playground donations	128,034	254,985	24,873	358,146
	$ 391,492	$ 740,600	$ 288,331	$ 843,761

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 $24,420.

	2019
Parent council funds	$ -
Other parent group funds	-
Student council funds	24,420
Travel club funds	
	$ 24,420

As a transition measure in the implementation of the new accounting policies, school generated funds revenue and expenses reported in the Consolidated Statement of Revenue, Expenses and Accumulated Surplus as at June 30, 2019 covers a period of twelve months from April 1, 2018 to March 31, 2019.

9. Borrowings from the Provincial Government

The borrowings of the Division are in the form of twenty-year debentures and long-term promissory notes payable, principal and interest, in twenty equal yearly installments 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 and promissory note on self-funded capital projects. The debentures and promissory notes carry interest rates that range from 3.25% to 7.25%. The long-term borrowings principal and interest repayments in the next five years are:

	Principal	Interest	Total
2020	$ 1,937,044	$ 1,246,772	$ 3,183,816
2021	1,927,086	1,159,157	3,086,243
2022	1,916,774	1,074,053	2,990,827
2023	1,927,662	991,297	2,918,959
2024	1,939,535	909,589	2,849,124
Thereafter	21,927,750	5,289,299	27,217,049
	$31,575,851	$10,670,167	$42,246,018

10. Other Borrowings

Other borrowings are debts other than overdrafts or debentures:

On May 8, 2012 Mountain View School Division entered into a loan agreement for $2,200,000 with the Royal Bank of Canada to finance the broadband internet project. The funds were advanced December 17, 2012. The term of the loan is 120 equal principal payments of $18,334 plus interest at a rate of prime minus 0.75%.

On December 4, 2014 Mountain View School Division entered into a loan agreement for $2,400,000 with the Royal Bank of Canada to finance the telecom and fire alarm projects. The term of the loan is 144 fixed payments of $19,587 with an interest rate of prime minus 0.75%.

	2018	2019
Connectivity Loan	$ 989,956	$ 769,948
Telecom/Fire alarm	$ 1,728,876	$ 1,544,247
	$ 2,718,832	$ 2,314,195

2020	$ 408,383
2021	$ 414,500
2022	$ 420,816
2023	$ 427,337
2024	$ 434,070
Until Maturity	$ 209,089
	$ 2,314,195

11. 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 $0 (previous year $2,375).

Owned-tangible capital assets	$ 84,179,850	$ 42,722,695	$ 41,457,155
Capital lease			
	$ 84,179,850	$ 42,722,695	$ 41,457,155

12. Accumulated Surplus

The consolidated accumulated surplus is comprised of the following:

	2019	
Operating fund		
Designated Surplus		
Undesignated Surplus	1,228,537	
Non-vested sick leave	(238,166)	
	$ 990,371	
Capital Fund		
Reserve Accounts	418,876	
Equity in Tangible Capital Assets	4,937,558	
	$ 5,356,434	
Special Purpose Fund		
School Generated Funds	475,338	
Other Special Purpose Funds		
	$ 475,338	
Total Accumulated Surplus	$ 6,822,143	

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.

Reserve Accounts under the Capital Fund represents 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 audited financial statements.

	2019
Bus reserves	$ 166,166
Other reserves	252,710
Capital Reserve	$ 418,876

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

13. 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 revenue and expense statement 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:

	2018	2019
Revenue-Municipal Government-Property Tax	$ 12,779,448	$ 13,198,342
Receivable-Due from Municipal-Property Tax	$ 7,694,972	$ 7,934,021

14. Interest Received and Paid

The Division received interest during the year of $665 (previous year $805); interest paid during the year was $1,499,679 (previous year $1,423,238).

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

		2019
Operating Fund		
	Fiscal-short term loan, interest and bank charges	$ 180,732
	Interest on long-term debt	26,957
Capital Fund		
	Debenture debt interest	1,241,462
	Other interest	50,528
		$ 1,499,679

15. 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	$ 30,322,215	$ 29,963,135	$ 30,092,627	
Employee benefits & allowances	2,960,644	3,098,191	2,858,455	
Services	3,852,838	4,053,768	3,936,801	
Supplies, materials & minor equipment	2,890,553	3,128,290	3,085,491	
Interest	1,499,679	135,000	1,423,238	
Bad debts	45,000		5,230	
Payroll tax and transfers	666,600	650,207	650,797	
Amortization	2,083,873		1,984,943	
Other capital items			105,329	
School generated funds	645,051		708,169	
Other special purpose funds				
	$ 44,966,453	$ 41,028,591	$ 44,851,080	

16. Contractual Obligations

High Speed Connectivity Agreement

The Division has entered into a long-term agreement with Manitoba Telephone System Inc. to provide high-speed internet and wide area network connectivity for all community schools. The term of the agreement is ten years commencing July 1, 2014 with a one-time cost of $2,298,275. The agreement provides for fiber optic connectivity to the administration office, Barker School, DRCSS, Ethelbert School, Gilbert Plains Elementary and Collegiate, Goose Lake High, Grandview School, Roblin Elementary School, Winnipegosis Elementary and Collegiate. All remaining sites will receive high-speed service through copper cable access.

17. Contingent Liabilities

There have been no legal actions initiated against the Division

18. 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 school division.