MANAGEMENT REPORT

Management's Responsibility for the Financial Statements

The accompanying consolidated financial statements of Park West 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 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 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 10, 2019

Independent Auditor's Report

To the Board of Trustees of Park West School Division:

Opinion

We have audited the accompanying consolidated financial statements of Park West 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 Park West 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 for the Consolidated Financial Statement

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.

Independent Auditor's Report - Continued

- 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 10, 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 Park West School Division.

Original Document Signed

Chairperson of the Board

October 10, 2019
Date

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at June 30

Notes		2019	2018
	Financial Assets		
	Cash and Bank	-	-
	Due from - Provincial Government	1,685,642	1,866,929
	- Federal Government	161,116	75,884
	- Municipal Government	4,453,031	4,347,003
	- Other School Divisions	-	-
	- First Nations	1,918,471	241,634
	Accounts Receivable	1,718,073	101,428
	Accrued Investment Income	-	-
	Portfolio Investments	-	-
		9,936,333	6,632,878
	Liabilities		
Note 4	Overdraft	7,088,757	5,251,416
	Accounts Payable	493,547	744,166
	Accrued Liabilities	-	-
	Employee Future Benefits	-	-
	Accrued Interest Payable	264,223	164,441
	Due to - Provincial Government	-	-
	- Federal Government	-	-
	- Municipal Government	-	-
	- Other School Divisions	-	-
	- First Nations	-	-
Note 5	Deferred Revenue	207,879	45,519
Note 6	Borrowings from the Provincial Government	8,481,051	9,172,121
Note 7	Other Borrowings	3,835,254	1,780,738
	School Generated Funds Liability	-	-
		20,370,711	17,158,401
	Net Assets (Debt)	(10,434,378)	(10,525,523)
	Non-Financial Assets		
Note 8	Net Tangible Capital Assets (TCA Schedule)	12,267,850	12,590,812
	Inventories	143,936	158,854
	Prepaid Expenses	36,318	51,648
		12,448,104	12,801,314
Note 9	**Accumulated Surplus**	2,013,726	2,275,791

See accompanying notes to the Financial Statements

Park West School Division

CONSOLIDATED STATEMENT OF REVENUE, EXPENSES AND ACCUMULATED SURPLUS

For the Year Ended June 30

Notes			2019	2018
	Revenue			
	Provincial Government		14,678,799	14,888,186
	Federal Government		-	-
	Municipal Government	- Property Tax	8,015,748	7,795,984
		- Other	22,825	32,119
	Other School Divisions		15,600	15,975
	First Nations		7,423,701	7,386,325
	Private Organizations and Individuals		102,750	67,846
	Other Sources		82,382	5,981
	School Generated Funds		1,051,795	952,077
	Other Special Purpose Funds		-	-
			31,393,600	31,144,493
	Expenses			
	Regular Instruction		17,487,321	17,608,082
	Student Support Services		3,495,008	3,483,401
	Adult Learning Centres		130,729	127,816
	Community Education and Services		119,057	104,914
	Divisional Administration		1,143,954	1,129,172
	Instructional and Other Support Services		786,295	795,482
	Transportation of Pupils		2,018,490	2,062,971
	Operations and Maintenance		3,487,024	3,232,927
Note 11	Fiscal	- Interest	617,612	497,257
		- Other	427,128	422,160
	Amortization		930,280	1,037,236
	Other Capital Items		-	-
	School Generated Funds		1,029,183	922,830
	Other Special Purpose Funds		-	-
			31,672,081	31,424,248
	Current Year Surplus (Deficit) before Non-vested Sick Leave		(278,481)	(279,755)
	Less: Non-vested Sick Leave Expense (Recovery)		(16,416)	(946)
	Net Current Year Surplus (Deficit)		(262,065)	(278,809)
	Opening Accumulated Surplus		2,275,791	2,554,600
	Adjustments:	Tangible Cap. Assets and Accum. Amort.	-	-
		Other than Tangible Cap. Assets	-	-
		Non-vested sick leave - prior years	-	-
	Opening Accumulated Surplus, as adjusted		2,275,791	2,554,600
	Closing Accumulated Surplus		2,013,726	2,275,791

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)	(262,065)	(278,809)
Amortization of Tangible Capital Assets	930,280	1,037,236
Acquisition of Tangible Capital Assets	(607,318)	(415,153)
(Gain) / Loss on Disposal of Tangible Capital Assets	-	-
Proceeds on Disposal of Tangible Capital Assets	-	-
	322,962	622,083
Inventories (Increase)/Decrease	14,918	(9,082)
Prepaid Expenses (Increase)/Decrease	15,330	(2,222)
	30,248	(11,304)
(Increase)/Decrease in Net Debt	91,145	331,970
Net Debt at Beginning of Year	(10,525,523)	(10,857,493)
Adjustments Other than Tangible Cap. Assets	-	-
	(10,525,523)	(10,857,493)
Net Assets (Debt) at End of Year	(10,434,378)	(10,525,523)

CONSOLIDATED STATEMENT OF CASH FLOW

For the Year Ended June 30, 2019

	2019	2018
Operating Transactions		
Net Current Year Surplus (Deficit)	(262,065)	(278,809)
Non-Cash Items Included in Current Year Surplus/(Deficit):		
Amortization of Tangible Capital Assets	930,280	1,037,236
(Gain)/Loss on Disposal of Tangible Capital Assets	-	-
Employee Future Benefits Increase/(Decrease)	-	-
Due from Other Organizations (Increase)/Decrease	(1,686,810)	(374,310)
Accounts Receivable & Accrued Income (Increase)/Decrease	(1,616,645)	(66,725)
Inventories and Prepaid Expenses - (Increase)/Decrease	30,248	(11,304)
Due to Other Organizations Increase/(Decrease)	-	-
Accounts Payable & Accrued Liabilities Increase/(Decrease)	(150,837)	(30,312)
Deferred Revenue Increase/(Decrease)	162,360	(98,317)
School Generated Funds Liability Increase/(Decrease)	-	-
Adjustments Other than Tangible Cap. Assets	-	-
Cash Provided by (Applied to) Operating Transactions	(2,593,469)	177,459
Capital Transactions		
Acquisition of Tangible Capital Assets	(607,318)	(415,153)
Proceeds on Disposal of Tangible Capital Assets	-	-
Cash Provided by (Applied to) Capital Transactions	(607,318)	(415,153)
Investing Transactions		
Portfolio Investments (Increase)/Decrease	-	-
Cash Provided by (Applied to) Investing Transactions	-	-
Financing Transactions		
Borrowings from the Provincial Government Increase/(Decrease)	(691,070)	(719,385)
Other Borrowings Increase/(Decrease)	2,054,516	78,709
Cash Provided by (Applied to) Financing Transactions	1,363,446	(640,676)
Cash and Bank / Overdraft (Increase)/Decrease	(1,837,341)	(878,370)
Cash and Bank (Overdraft) at Beginning of Year	(5,251,416)	(4,373,046)
Cash and Bank (Overdraft) at End of Year	(7,088,757)	(5,251,416)

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	27,587,097	172,594	3,403,799	164,872	2,638,629	189,411	372,988	-	57,262	34,586,652	34,171,499
Adjustments	-	-	-	-	-	-	-	-	-	-	-
Opening Cost adjusted	27,587,097	172,594	3,403,799	164,872	2,638,629	189,411	372,988	-	57,262	34,586,652	34,171,499
Add: Additions during he year	45,900	-	-	19,723	451,719	-	-	-	89,976	607,318	415,153
Less: Disposals and write downs	-	-	-	-	-	-	-	-	-	-	-
Closing Cost	27,632,997	172,594	3,403,799	184,595	3,090,348	189,411	372,988	-	147,238	35,193,970	34,586,652
Accumulated Amortization											
Opening, as previously reported	18,246,129	91,381	2,724,659	141,972	602,289	189,410		-		21,995,840	20,958,604
Adjustments	-	-	-	-	-	-		-		-	-
Opening adjusted	18,246,129	91,381	2,724,659	141,972	602,289	189,410		-		21,995,840	20,958,604
Add: Current period Amortization	648,835	6,904	144,412	10,739	119,390	-		-		930,280	1,037,236
Less: Accumulated Amortization on Disposals and Writedowns	-	-	-	-	-	-		-		-	-
Closing Accumulated Amortization	18,894,964	98,285	2,869,071	152,711	721,679	189,410		-		22,926,120	21,995,840
Net Tangible Capital Asset	8,738,033	74,309	534,728	31,884	2,368,669	1	372,988	-	147,238	12,267,850	12,590,812
Proceeds from Disposal of Capital Assets	-	-	-	-	-	-				-	-

* Includes network infrastructure.

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), a special levy on the property assessment included in the Division's boundaries, and tuition from First Nations. 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 the Public Sector Accounting Board (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 controlled by the Division, as well as the Division's interest in a government partnership.

All inter-fund and inter-entity 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

Revenue 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. Revenue 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 (Years)
Land Improvements	50,000	10
Buildings- bricks, mortar and 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

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

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) 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.

h) 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.

i) 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 adopted generally accepted accounting principles established by PSAB.

The following changes were 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 Borrowings from the Provincial Government from the last payment date. An equal amount is set up as due from the Province to offset the accrued interest payable on debentures/promissory notes.

4. Overdraft

The Division has an authorized line of credit with Vanguard Credit Union of $8,000,000 by way of overdrafts and is repayable on demand at prime less .5% paid monthly. Included in the overdraft are capital projects totaling $147,238 which will be submitted to PSFB for promissory note funding. Overdrafts are secured by borrowing by-law.

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 at June 30, 2018	Additions in the period	Revenue recognized in the period	Balance at June 30, 2019
Education Property Tax Credit	45,469	207,879	45,469	207,879
2018-19 Career Fair donation	50	-	50	-
	$45,519	**$207,879**	**$45,519**	**$207,879**

6. Borrowings from the Provincial Government

The long-term debt of the Division is in the form of twenty-year debentures/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. The borrowings carry interest rates that range from 3.00% to 7.00%. Debentures/promissory notes 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/promissory notes is recorded in Due from the Provincial Government. The long-term principal and interest repayments in the next five years are:

	Principal	Interest	Total
2020	711,623	374,554	1,086,177
2021	716,662	337,702	1,054,364
2022	712,045	301,013	1,013,058
2023	717,219	265,085	982,304
2024	719,406	229,358	948,764
	$3,576,955	$1,507,712	$5,084,667

7. Other Borrowings

On July 19, 2018, PWSD received a 25 year loan from the Province of Manitoba for $3,154,073 at a fixed interest rate of 3.75% for the full term of the loan. These funds were transferred on the same day to Fusion Credit Union to pay PWSD's guaranteed share of the Fibre Co-op's outstanding loan. This transaction was completed in order to limit PWSD's exposure to rising interest rates.

	2019	2018
Loan from Province of Manitoba for investment in Park West Fibre Optics Co-op Inc. (25 year loan, 3.75% interest rate for 25 years)	3,154,073	
PWSD's share of Park West Fibre Optics Co-op Inc's loan from municipal partners	681,181	
PWSD's share of Park West Fibre Optics Co-op Inc.'s loan from Fusion Credit Union.	-	1,780,738
	3,835,254	1,780,738

The long-term principal and interest repayments on the 25 year $3,154,073 loan from the Province of Manitoba in the next five years are:

	Principal	Interest	Total
2020	81,258	115,341	196,599
2021	84,305	112,294	196,599
2022	87,467	109,132	196,599
2023	90,747	105,852	196,599
2024	94,150	102,449	196,599
	$437,927	$545,068	$982,995

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.

	Gross Amount	Accumulated Amortization	2019 Net Book Value
Owned-tangible capital assets	35,193,970	22,926,120	12,267,850
Capital lease	-	-	-
	$35,193,970	$22,926,120	$12,267,850

9. Accumulated Surplus

The consolidated accumulated surplus is comprised of the following:

	2019
Operating Fund	
Undesignated Surplus	321,842
Capital Fund	
Reserve Accounts	-
Equity in Tangible Capital Assets	1,267,927
Special Purpose Fund	
School Generated Funds	423,957
Other Special Purpose Funds	-
	$2,013,726

School Generated Funds are externally restricted moneys for school use.

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	-
Other reserves	-
Capital Reserve	-

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 revenue and expense statement is raised over the two calendar (tax) years; 44.4% from 2018 tax year and 55.6% from 2019 tax year. Below are the related revenue and receivable amounts:

	2019	2018
Revenue - Municipal Government - Property Tax	$8,015,748	$7,795,984
Receivable - Due from Municipal - Property Tax	$4,453,031	$4,347,003

11. Interest Received and Paid

The Division received interest during the year of $347 (2018: $656); interest paid during the year was $617,612 (2018: $497,257).

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

	2019
Operating Fund	
Fiscal - short term loan, interest and bank charges	106,305
Capital Fund	
Debenture debt/promissory note interest	397,890
Interest on loan from Province for investment in Park West Fibre Optics Co-op Inc.	113,417
	$617,612

The accrual portion of debenture debt/promissory note interest expense of $150,806 (2018: $164,441) included under the Capital Fund-Interest on Borrowings from the Provincial Government, 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	$ 21,530,815	$ 21,323,540	$ 21,612,524
Employees benefits & allowances	1,515,904	1,560,922	1,465,994
Services	3,445,761	3,632,216	3,406,973
Supplies, materials & minor equipment	2,039,854	1,815,520	1,927,760
Interest	617,612	46,600	497,257
Bad debts	-	-	-
Payroll tax	427,128	414,000	422,160
Amortization	930,280	-	1,037,236
Other capital items	-	-	-
School generated funds	1,029,183	-	922,830
Transfers	135,544	135,000	131,514
	$ 31,672,081	$ 28,927,798	$ 31,424,248

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 $265,319 (2018 - $234,569). These amounts are not included in the Division's consolidated financial statements.

14. Additional Information

As of Nov 29, 2010 Park West School Division formed a partnership agreement with Waywayseecappo First Nation so that the education at Waywayseecappo would be a shared responsibility between Waywayseecappo First Nation and Park West School Division.

15. 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 prospective basis and did not result in any adjustments to financial liabilities, tangible capital assets or accumulated surplus of the division at June 30, 2014.

(a) The nature and source of the liability;
Two underground furnace oil tanks

(b) The basis for the estimate of the liability;
Average of the province's estimate

(c) The estimated recoveries;
Costs estimated at $45,000 each for total of $90,000
(Included in accounts payable at June 30, 2019)

16. Related party transactions

In April 2016, the Park West Fibre Optics Co-op Inc. ("the Fibre Co-op") was formed, with its mission being: Communities partnering to own and operate a world class, state of the art, affordable and sustainable broadband network. The fibre network was installed in summer 2017 and connects all schools in Park West School Division ("PWSD"). PWSD's 50% interest in the Fibre Co-op is accounted for as a partnership interest.

In June 2016, PWSD began making levy payments to the Fibre Co-op to support its operations. PWSD funds these levies from its regular operating budget. Levies paid in the year ended June 30, 2019 were $49,119 (2018: $302,858).
Levies were reduced significantly in 2019 due to the restructuring of the Fibre Co-op's debt: in 2018, the Fibre Co-op held the debt, therefore PWSD made levy payments to the Fibre Co-op to enable it to pay its debt. In 2019, PWSD held the debt, therefore PWSD made debt payments to the Province of Manitoba (the lender), which reduced the operating requirements and levies of the Fibre Co-op.

Both the levies paid to the Fibre Co-op (in 2018 and 2019) and the debt payments made to the Province (in 2019) were classified as Function 100 (Regular Instruction) and Object 680 (Information Technology Services) expenses.

The levies paid by PWSD to the Fibre Co-op and received by the Fibre Co-op from PWSD have been eliminated in the consolidated financial statements.