MANAGEMENT REPORT
PS 1200.005-6 (Reference)

Management's Responsibility for the Financial Statements

The accompanying consolidated financial statements of Prairie Spirit 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 Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Division's consolidated financial statements.

Original Document Signed	Original Document Signed
Chairperson	Secretary-Treasurer

Independent Auditors' Report

To the Board of Trustees of Prairie Spirit School Division:

Opinion

We have audited the accompanying consolidated financial statements of Prairie Spirit 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 Prairie Spirit 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 Auditors' 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 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.

Auditors' 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 auditors' 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 Auditors' 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 auditors' 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 auditors' 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.

MNP LLP

Brandon, Manitoba
September 24, 2019

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 Prairie Spirit School Division.

Original Document Signed

Chairperson of the Board

September 24, 2019

Date

MNP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at June 30

Notes		2019	2018
	Financial Assets		
	Cash and Bank	-	-
	Due from - Provincial Government	743,829	729,665
	- Federal Government	78,288	87,369
10	- Municipal Government	7,352,861	7,182,111
	- Other School Divisions	1,656	1,300
	- First Nations	47,488	67,056
	Accounts Receivable	61,141	111,087
	Accrued Investment Income	-	-
	Portfolio Investments	-	-
		8,285,263	8,178,588
	Liabilities		
3	Overdraft	1,528,072	2,258,894
	Accounts Payable	3,130,851	2,916,848
	Accrued Liabilities	370,033	334,616
4	Employee Future Benefits	559,103	551,915
	Accrued Interest Payable	91,793	101,157
	Due to - Provincial Government	-	-
	- Federal Government	-	-
	- Municipal Government	-	-
	- Other School Divisions	-	-
	- First Nations	-	-
5	Deferred Revenue	41,250	13,100
6	Borrowings from the Provincial Government	4,978,570	5,171,504
	Other Borrowings	-	-
7	School Generated Funds Liability	61,500	53,190
		10,761,172	11,401,224
	Net Assets (Debt)	(2,475,909)	(3,222,636)
	Non-Financial Assets		
8	Net Tangible Capital Assets (TCA Schedule)	11,562,498	12,203,534
	Inventories	-	-
	Prepaid Expenses	143,552	170,086
		11,706,050	12,373,620
9	**Accumulated Surplus**	9,230,141	9,150,984

See accompanying notes to the Financial Statements

CONSOLIDATED STATEMENT OF REVENUE, EXPENSES AND ACCUMULATED SURPLUS

For the Year Ended June 30

Notes		2019	2018
	Revenue		
	Provincial Government	17,869,546	18,197,273
	Federal Government	34,051	34,680
10	Municipal Government - Property Tax	11,457,875	11,159,523
	- Other	-	-
	Other School Divisions	36,400	46,150
	First Nations	274,095	236,419
	Private Organizations and Individuals	223,406	172,651
	Other Sources	120,210	200,777
	School Generated Funds	533,568	580,633
	Other Special Purpose Funds	-	-
		30,549,151	30,628,106
	Expenses		
	Regular Instruction	16,515,625	16,680,392
	Student Support Services	3,670,621	3,691,006
	Adult Learning Centres	-	-
	Community Education and Services	27,887	34,580
	Divisional Administration	875,657	876,789
	Instructional and Other Support Services	732,408	824,769
	Transportation of Pupils	2,479,401	2,529,897
	Operations and Maintenance	3,314,726	3,312,556
11	Fiscal - Interest	305,214	316,742
	- Other	449,978	441,324
	Amortization	1,565,450	1,454,422
	Other Capital Items	-	-
	School Generated Funds	549,085	541,876
	Other Special Purpose Funds	-	-
		30,486,052	30,704,353
	Current Year Surplus (Deficit) before Non-vested Sick Leave	63,099	(76,247)
	Less: Non-vested Sick Leave Expense (Recovery)	(16,058)	18,579
	Net Current Year Surplus (Deficit)	79,157	(94,826)
	Opening Accumulated Surplus	9,150,984	9,245,810
	Adjustments: Tangible Cap. Assets and Accum. Amort.	-	-
	Other than Tangible Cap. Assets	-	-
	Non-vested sick leave - prior years	-	-
	Opening Accumulated Surplus, as adjusted	9,150,984	9,245,810
	Closing Accumulated Surplus	9,230,141	9,150,984

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)	79,157	(94,826)
Amortization of Tangible Capital Assets	1,565,450	1,454,422
Acquisition of Tangible Capital Assets	(924,414)	(846,528)
(Gain) / Loss on Disposal of Tangible Capital Assets	(7,872)	(12,143)
Proceeds on Disposal of Tangible Capital Assets	7,872	12,143
	641,036	607,894
Inventories (Increase)/Decrease	-	-
Prepaid Expenses (Increase)/Decrease	26,534	(110,376)
	26,534	(110,376)
(Increase)/Decrease in Net Debt	746,727	402,692
Net Debt at Beginning of Year	(3,222,636)	(3,625,328)
Adjustments Other than Tangible Cap. Assets	-	-
	(3,222,636)	(3,625,328)
Net Assets (Debt) at End of Year	(2,475,909)	(3,222,636)

CONSOLIDATED STATEMENT OF CASH FLOW

For the Year Ended June 30, 2019

	2019	2018
Operating Transactions		
Net Current Year Surplus (Deficit)	79,157	(94,826)
Non-Cash Items Included in Current Year Surplus/(Deficit):		
Amortization of Tangible Capital Assets	1,565,450	1,454,422
(Gain)/Loss on Disposal of Tangible Capital Assets	(7,872)	(12,143)
Employee Future Benefits Increase/(Decrease)	7,188	(116,717)
Due from Other Organizations (Increase)/Decrease	(156,621)	(692,248)
Accounts Receivable & Accrued Income (Increase)/Decrease	49,946	(55,279)
Inventories and Prepaid Expenses - (Increase)/Decrease	26,534	(110,376)
Due to Other Organizations Increase/(Decrease)	-	-
Accounts Payable & Accrued Liabilities Increase/(Decrease)	240,056	715,869
Deferred Revenue Increase/(Decrease)	28,150	(3,116)
School Generated Funds Liability Increase/(Decrease)	8,310	6,487
Adjustments Other than Tangible Cap. Assets	-	-
Cash Provided by (Applied to) Operating Transactions	1,840,298	1,092,073
Capital Transactions		
Acquisition of Tangible Capital Assets	(924,414)	(846,528)
Proceeds on Disposal of Tangible Capital Assets	7,872	12,143
Cash Provided by (Applied to) Capital Transactions	(916,542)	(834,385)
Investing Transactions		
Portfolio Investments (Increase)/Decrease	-	-
Cash Provided by (Applied to) Investing Transactions	-	-
Financing Transactions		
Borrowings from the Provincial Government Increase/(Decrease)	(192,934)	(505,403)
Other Borrowings Increase/(Decrease)	-	-
Cash Provided by (Applied to) Financing Transactions	(192,934)	(505,403)
Cash and Bank / Overdraft (Increase)/Decrease	730,822	(247,715)
Cash and Bank (Overdraft) at Beginning of Year	(2,258,894)	(2,011,179)
Cash and Bank (Overdraft) at End of Year	(1,528,072)	(2,258,894)

Prairie Spirit School Division

SCHEDULE OF TANGIBLE CAPITAL ASSETS

at June 30, 2019

	Buildings and Leasehold Improvements										
	School	Non-School	School Buses	Other Vehicles	Furniture / Fixtures & Equipment	Computer Hardware & Software *	Land	Land Improvements	Assets Under Construction	2019 TOTALS	2018 TOTALS
Tangible Capital Asset Cost											
Opening Cost, as previously reported	25,896,413	2,437,090	6,666,841	239,905	1,087,899	4,777,686	56,091	-	294,790	41,456,715	40,795,964
Adjustments	-	-	-	-	-	-	-	-	-	-	-
Opening Cost adjusted	25,896,413	2,437,090	6,666,841	239,905	1,087,899	4,777,686	56,091	-	294,790	41,456,715	40,795,964
Add: Additions during the year	556,382	210,733	417,249	-	21,798	9,864	-	-	(291,612)	924,414	846,528
Less: Disposals and write downs	-	-	216,520	-	5,721	-	-	-	-	222,241	185,777
Closing Cost	26,452,795	2,647,823	6,867,570	239,905	1,103,976	4,787,550	56,091	-	3,178	42,158,888	41,456,715
Accumulated Amortization											
Opening, as previously reported	19,687,445	779,430	4,827,286	168,483	708,052	3,082,485		-		29,253,181	27,984,536
Adjustments	-	-	-	-	-	-		-		-	-
Opening adjusted	19,687,445	779,430	4,827,286	168,483	708,052	3,082,485		-		29,253,181	27,984,536
Add: Current period Amortization	566,255	55,725	363,407	34,014	105,677	440,372		-		1,565,450	1,454,422
Less: Accumulated Amortization on Disposals and Writedowns	-	-	216,520	-	5,721	-		-		222,241	185,777
Closing Accumulated Amortization	20,253,700	835,155	4,974,173	202,497	808,008	3,522,857		-		30,596,390	29,253,181
Net Tangible Capital Asset	6,199,095	1,812,668	1,893,397	37,408	295,968	1,264,693	56,091	-	3,178	11,562,498	12,203,534
Proceeds from Disposal of Capital Assets	-	-	3,450	-	4,422	-				7,872	12,143

* 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), and a special levy on the property assessment included in the Division's boundaries. The Division is exempt from income tax.

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

2. Significant Accounting Policies

The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles established by PSAB of the 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 and trust funds controlled by the Division.

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

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.

b) Basis of Accounting

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

c) Fund Accounting

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

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

d) School Generated Funds

School generated funds are moneys raised by the school, or under the auspices of the school, through 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 student council funds, yearbook funds, graduation funds and specified sports and cultural funds. Revenues and expenses of uncontrolled school generated funds are not included in the consolidated financial statements.

e) Tangible Capital Assets

Tangible capital assets are non-financial assets that are used by the Division to provide services to the public and have an economic life beyond one fiscal year. Tangible capital assets include land, buildings, buses, other vehicles, furniture and equipment 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 and Fixtures	10,000	10
Leasehold Improvements	25,000	Over term of lease

All land acquired prior to June 30, 1995 has been valued using information provided by the Crown Lands and Property Agency and adjusted by the Division where further information was available.

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 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.

f) 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.

However, the Division provides other future benefits to its employees. These benefits include supplemental employment benefits and sick leave. These benefits are event driven and the costs are recognized when the event becomes known. Effective with the 2009/2010 fiscal year, expected future payment of non vested accumulated sick leave benefits for employees based on estimated sick days that will be used over earned per year has been set up as a future benefit.

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.

j) Contaminated sites

Effective July 1st, 2014, the school 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 1st, 2013 and did not result in any adjustments to financial liabilities, tangible capital assets or accumulated surplus of the school division.

3. Overdraft

The Division had an authorized line of credit with the Royal Bank of Canada of $5,000,000 by way of overdrafts and is repayable on demand at prime less 0.75%; interest is paid monthly. $5,000,000 remains available on this line of credit, with a provision to increase the line of credit to $6,000,000 for the period September 1st, 2019 to November 30th, 2019. Overdrafts are secured by a temporary borrowing by-law.

4. Employee Future Benefits

Employee Future Benefits are benefits earned by employees in the current period, but will not be paid out until future periods and include vacation accrual, retirement payment, supplemental employment and sick leave benefits. As well, expected future payment of non vested accumulated sick leave benefits for employees based on estimated sick days that will be used over earned per year has been set up as a future benefit.

5. Deferred Revenue

The deferral method of accounting is used to properly match revenues with expenditures. These amounts are recognized as revenue in the fiscal year the related expenses are incurred or services performed.

6. Borrowings from the Provincial Government

The Borrowings from the Provincial Government of the Division is in the form of twenty year debentures and 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 debentures and promissory notes carry interest rates that range from 3.25% to 7%. Debenture and 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 and promissory notes is recorded in Due from the Provincial Government. The debenture and promissory notes repayments in the next five years are as follows:

2020	$ 596,194
2021	610,929
2022	397,080
2023	350,962
2024	332,775
	$ 2,287,940

7. School Generated Funds Liability

School Generated Funds Liability represents the non-controlled portion of school generated funds consolidated in the cash and bank balances in the amount of $61,500 ($53,190 in 2018).

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	2018 Net Book Value
Owned-tangible capital assets	$ 42,158,888	$30,596,390	$ 11,562,498	$ 12,203,534
Capital lease	-	-	-	-
	$ 42,158,888	$30,596,390	$ 11,562,498	$ 12,203,534

9. Accumulated Surplus

The consolidated accumulated surplus is comprised of the following:

	2019	2018
Operating Fund		
Designated Surplus	$ 26,166	$ 0
Undesignated Surplus	1,109,760	1,140,605
Non vested sick leave to date	(113,057)	(129,115)
	1,022,869	1,011,490
Capital Fund		
Reserve Accounts	1,359,334	999,689
Equity in Tangible Capital Assets	6,609,652	6,886,002
	7,968,986	7,885,691
Special Purpose Fund		
School Generated Funds	238,286	253,803
Other Special Purpose Funds	-	-
	238,286	253,803
Total Accumulated Surplus	$ 9,230,141	$ 9,150,984

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.

School Generated Funds and Other Special Purpose Funds are externally restricted moneys for school use, Scholarship Awards and donations for school projects.

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; 43% from 2018 tax year and 57% from 2019 tax year. Below are the related revenue and receivable amounts:

	2019	2018
Revenue-Municipal Government-Property Tax	$11,457,875	$11,159,523
Receivable-Due from Municipal-Property Tax	$7,352,861	$7,182,111

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 $827,337 (2018: $801,859). These amounts are not included in the Division's financial statements in 2019.

11. Interest Received and Paid

The Division received interest during the year of $26,749 (2018: $18,216); interest paid during the year was $305,214 (2018: $316,742).

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

	2019	2018
Operating Fund		
Fiscal-short term loan, interest and bank charges	$ 51,156	$ 35,896
Capital Fund		
Tower infrastructure capital loan	0	66
Debenture and promissory note debt interest	254,058	280,780
	$ 305,214	$ 316,742

The accrual portion of debenture and promissory note debt interest expense of $91,793 (2018: $101,157) included under the Capital Fund-Debenture and promissory note 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	$ 20,754,875	$ 21,484,000	$ 20,888,800
Employees benefits and allowances	2,024,864	1,650,405	2,044,732
Services	2,708,826	2,896,300	2,706,894
Supplies, materials and minor equipment	2,034,466	2,035,369	2,231,593
Interest	305,214	27,000	316,742
Bad debts	-	-	-
Payroll tax	449,978	429,056	441,324
Transfers	93,294	97,000	77,970
Amortization	1,565,450		1,454,422
Other capital services, supplies, and materials	-		-
School generated funds	549,085		541,876
Other special purpose funds	-	-	-
	$ 30,486,052	$ 28,619,130	$ 30,704,353

13. Budget Figures and Non Financial Information

The 2019 budget figures, transportation statistics, full time equivalent personnel, and senior staff allocations are unaudited and have been presented for information purposes only.

14. Commitment

The Division has leased realty at an annual rental of $46,939 through October 31, 2021. The aggregate minimum lease payments to the expiry date are $109,524.