MANAGEMENT REPORT

Management's Responsibility for the Financial Statements

The accompanying consolidated financial statements of Seven Oaks School Division are the responsibility of the Division's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in note 2 to the consolidated financial statements.

The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods. The Division's 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 KPMG 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 28, 2019

KPMG LLP
One Lombard Place
Suite 2000
Winnipeg MB
R3B 0X3

Telephone (204) 957-1770
Fax (204) 957-0808
www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees

Opinion

We have audited the consolidated financial statements of Seven Oaks School Division (the Entity), which comprise the consolidated statement of financial position as at June 30, 2019, the consolidated statement of revenue, expenses, and accumulated surplus, the consolidated statement of changes in net debt, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

KPMG

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the 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 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 Entity'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 Entity'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 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 Entity to cease to continue as a going concern.

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

- 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.

Chartered Professional Accountants

Winnipeg, Canada

October 28, 2019

I hereby certify that the preceding report has been presented to the members of the Board of Seven Oaks School Division.

Original Document Signed

Chairperson of the Board

Oct. 28, 2019

Date

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at June 30

Notes		2019	2018
	Financial Assets		
	Cash and Bank	-	-
	Due from - Provincial Government	5,607,920	5,944,461
	- Federal Government	541,218	542,973
	- Municipal Government	27,510,619	26,153,657
	- Other School Divisions	-	-
	- First Nations	438,000	339,400
	Accounts Receivable	199,841	469,987
	Accrued Investment Income	-	-
	Portfolio Investments	-	458,805
		34,297,598	33,909,283
	Liabilities		
*	Overdraft	17,132,987	20,136,008
	Accounts Payable	7,203,228	7,604,969
	Accrued Liabilities	1,401,822	1,096,980
*	Employee Future Benefits	662,130	563,116
	Accrued Interest Payable	1,513,360	1,386,159
	Due to - Provincial Government	492,171	514,794
	- Federal Government	5,868,435	5,657,482
	- Municipal Government	135,578	128,841
	- Other School Divisions	15,150	14,189
	- First Nations	-	-
*	Deferred Revenue	5,217,039	5,226,800
*	Borrowings from the Provincial Government	90,170,906	84,566,009
*	Other Borrowings	23,592,410	18,297,116
	School Generated Funds Liability	377,718	475,677
		153,782,934	145,668,140
	Net Assets (Debt)	(119,485,336)	(111,758,857)
	Non-Financial Assets		
*	Net Tangible Capital Assets (TCA Schedule)	172,422,009	160,622,218
	Inventories	3,735	13,165
	Prepaid Expenses	275,579	302,154
		172,701,323	160,937,537
*	**Accumulated Surplus**	53,215,987	49,178,680

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		108,765,486	105,236,648
	Federal Government		845,013	1,128,999
	Municipal Government	- Property Tax	45,424,310	43,239,662
		- Other	86,417	25,863
	Other School Divisions		1,414,599	1,333,487
	First Nations		717,000	675,400
	Private Organizations and Individuals		2,009,245	1,974,888
	Other Sources		892,833	594,667
	School Generated Funds		84,656	36,773
	Other Special Purpose Funds		-	-
			160,239,559	154,246,387
	Expenses			
	Regular Instruction		83,656,708	83,208,836
	Student Support Services		26,634,766	26,614,351
	Adult Learning Centres		2,103,790	923,875
	Community Education and Services		2,269,359	2,223,729
	Divisional Administration		4,324,746	4,056,506
	Instructional and Other Support Services		5,507,623	5,277,364
	Transportation of Pupils		4,510,362	4,051,529
	Operations and Maintenance		13,601,359	13,276,984
*	Fiscal	- Interest	4,589,012	4,368,786
		- Other	2,373,357	2,334,225
	Amortization		6,464,444	6,061,423
	Other Capital Items		-	1,200
	School Generated Funds		67,712	80,603
	Other Special Purpose Funds		-	-
			156,103,238	152,479,411
	Current Year Surplus (Deficit) before Non-vested Sick Leave		4,136,321	1,766,976
	Less: Non-vested Sick Leave Expense (Recovery)		99,014	(36,306)
	Net Current Year Surplus (Deficit)		4,037,307	1,803,282
	Opening Accumulated Surplus		49,178,680	47,375,398
	Adjustments:	Tangible Cap. Assets and Accum. Amort.	-	-
		Other than Tangible Cap. Assets	-	-
		Non-vested sick leave - prior years	-	-
	Opening Accumulated Surplus, as adjusted		49,178,680	47,375,398
	Closing Accumulated Surplus		53,215,987	49,178,680

See accompanying notes to the Financial Statements

* NOTE REQUIRED

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

For the Year Ended June 30, 2019

	2019	2018
Net Current Year Surplus (Deficit)	4,037,307	1,803,282
Amortization of Tangible Capital Assets	6,464,444	6,061,423
Acquisition of Tangible Capital Assets	(18,304,800)	(19,070,324)
(Gain) / Loss on Disposal of Tangible Capital Assets	(19,895)	266,542
Proceeds on Disposal of Tangible Capital Assets	60,460	2,500
	(11,799,791)	(12,739,859)
Inventories (Increase)/Decrease	9,430	(6,986)
Prepaid Expenses (Increase)/Decrease	26,575	(23,952)
	36,005	(30,938)
(Increase)/Decrease in Net Debt	(7,726,479)	(10,967,515)
Net Debt at Beginning of Year	(111,758,857)	(100,791,342)
Adjustments Other than Tangible Cap. Assets	-	-
	(111,758,857)	(100,791,342)
Net Assets (Debt) at End of Year	(119,485,336)	(111,758,857)

CONSOLIDATED STATEMENT OF CASH FLOW

For the Year Ended June 30, 2019

	2019	2018
Operating Transactions		
Net Current Year Surplus (Deficit)	4,037,307	1,803,282
Non-Cash Items Included in Current Year Surplus/(Deficit):		
Amortization of Tangible Capital Assets	6,464,444	6,061,423
(Gain)/Loss on Disposal of Tangible Capital Assets	(19,895)	266,542
Employee Future Benefits Increase/(Decrease)	99,014	(36,306)
Due from Other Organizations (Increase)/Decrease	(1,117,266)	(427,614)
Accounts Receivable & Accrued Income (Increase)/Decrease	270,146	29,058
Inventories and Prepaid Expenses - (Increase)/Decrease	36,005	(30,938)
Due to Other Organizations Increase/(Decrease)	196,028	200,410
Accounts Payable & Accrued Liabilities Increase/(Decrease)	30,302	2,310,502
Deferred Revenue Increase/(Decrease)	(9,761)	387,312
School Generated Funds Liability Increase/(Decrease)	(97,959)	35,796
Adjustments Other than Tangible Cap. Assets	-	-
Cash Provided by (Applied to) Operating Transactions	9,888,365	10,599,467
Capital Transactions		
Acquisition of Tangible Capital Assets	(18,304,800)	(19,070,324)
Proceeds on Disposal of Tangible Capital Assets	60,460	2,500
Cash Provided by (Applied to) Capital Transactions	(18,244,340)	(19,067,824)
Investing Transactions		
Portfolio Investments (Increase)/Decrease	458,805	166,247
Cash Provided by (Applied to) Investing Transactions	458,805	166,247
Financing Transactions		
Borrowings from the Provincial Government Increase/(Decrease)	5,604,897	(2,952,025)
Other Borrowings Increase/(Decrease)	5,295,294	5,238,869
Cash Provided by (Applied to) Financing Transactions	10,900,191	2,286,844
Cash and Bank / Overdraft (Increase)/Decrease	3,003,021	(6,015,266)
Cash and Bank (Overdraft) at Beginning of Year	(20,136,008)	(14,120,742)
Cash and Bank (Overdraft) at End of Year	(17,132,987)	(20,136,008)

Seven Oaks School Division

SCHEDULE OF TANGIBLE CAPITAL ASSETS

at June 30, 2019

	Buildings and Leasehold Improvements		School Buses	Other Vehicles	Furniture / Fixtures & Equipment	Computer Hardware & Software *	Land	Land Improvements	Assets Under Construction	2019 TOTALS	2018 TOTALS
	School	Non-School									
Tangible Capital Asset Cost											
Opening Cost, as previously reported	182,615,026	2,177,320	5,491,824	503,082	2,519,997	3,381,769	19,072,060	1,132,660	13,597,244	230,490,982	212,042,746
Adjustments	-	-	-	-	-	-	-	-	-	-	-
Opening Cost adjusted	182,615,026	2,177,320	5,491,824	503,082	2,519,997	3,381,769	19,072,060	1,132,660	13,597,244	230,490,982	212,042,746
Add: Additions during the year	5,794,968	14,826,195	572,232	112,230	285,361	164,302	675,661	-	(4,126,149)	18,304,800	19,070,324
Less: Disposals and write downs	40,565	-	183,518	38,585	-	-	-	-	-	262,668	622,088
Closing Cost	188,369,429	17,003,515	5,880,538	576,727	2,805,358	3,546,071	19,747,721	1,132,660	9,471,095	248,533,114	230,490,982
Accumulated Amortization											
Opening, as previously reported	60,052,938	1,804,880	3,184,998	397,617	1,764,510	2,129,725		534,096		69,868,764	64,160,387
Adjustments	-	-	-	-	-	-		-		-	-
Opening adjusted	60,052,938	1,804,880	3,184,998	397,617	1,764,510	2,129,725		534,096		69,868,764	64,160,387
Add: Current period Amortization	5,103,977	227,644	420,834	44,162	275,769	278,792		113,266		6,464,444	6,061,423
Less: Accumulated Amortization on Disposals and Writedowns	-	-	183,518	38,585	-	-		-		222,103	353,046
Closing Accumulated Amortization	65,156,915	2,032,524	3,422,314	403,194	2,040,279	2,408,517		647,362		76,111,105	69,868,764
Net Tangible Capital Asset	123,212,514	14,970,991	2,458,224	173,533	765,079	1,137,554	19,747,721	485,298	9,471,095	172,422,009	160,622,218
Proceeds from Disposal of Capital Assets	40,565	-	5,418	14,477	-	-				60,460	2,500

* Includes network infrastructure.

1. Nature of organization and economic dependence:

Seven Oaks School Division (the Division), is a public corporate body that provides educational programming to residents within its geographic location. The Division is funded mainly by grants from the Province of Manitoba (the Province), and a special levy on the property assessment included in the Division's boundaries. The Division is exempt from income tax 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 significant accounting policies of the Division include:

(a) Reporting entity and consolidation:

The Division's reporting entities are comprised of the Division and school generated funds.

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures of the Division's Operating Fund, Capital Fund, and Special Purpose Fund.

(b) Basis of accounting:

These consolidated financial statements are prepared by management in accordance with generally accepted accounting principles established by the Canadian Public Sector Accounting Board (PSAB). Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods and services acquired in the period whether or not payment has been made or invoices received.

2. Significant accounting policies (continued):

(c) 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.

The Division holds funds in trust (amounts contributed in trust) for the following organizations:

Maples Youth Activity Centre	$	30,651
Kildonan Youth Activity Centre		10,541
Seven Oaks BAG Program		15,032
Maples MET Art Sale		12
	$	56,236

The amounts contributed by the Division will be reimbursed by these organizations.

(d) Fund accounting:

The Division records financial transactions in separate funds as defined by Financial Reporting and Accounting in Manitoba Education (FRAME).

The Operating Fund is maintained to record all the day to day operating revenues and expenditures. 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.

(e) Deferred revenue:

Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services performed.

2. Significant accounting policies (continued):

(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
Building - 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, services and peripherals	10,000	4
Computer software	10,000	4
Furniture and fixtures	10,000	10
Leasehold improvements	25,000	Over term of the lease

With the exception of certain buildings, all tangible capital assets are recorded at historical cost.

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.

Tangible capital assets are amortized on a straight-line basis over their estimated useful lives as prescribed by FRAME. Land is not 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.

2. Significant accounting policies (continued):

(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 consolidated financial statements.

However, the Division provides retirement and other future benefits to its employees. These benefits include pension and supplemental unemployment benefits.

The Division adopted the following policies with respect to accounting for these employee future benefits:

(i) Defined contribution plan:

The Division provides retirement benefits to its administrative employees through a defined contribution plan under the Manitoba School Boards Association Pension Plan (MSBA). Under this plan, specific fixed amounts are contributed by the Division each period for services rendered by the employees. No responsibility is assumed by the Division to make any further contributions.

(ii) Self-insured employee future benefits plan:

For those self-insured benefit obligations that are event driven (e.g. supplemental unemployment benefits; non-vesting parental leave), the benefit costs are recognized and recorded only in the period when the event occurs.

(iii) Non-vesting accumulated sick days:

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 approved by the Board of Trustees and the Public Schools Finance Board have been set aside in reserve accounts for future capital purposes as detailed on page 24 of the consolidated financial statements. These capital reserve accounts are internally restricted funds that form part of the accumulated surplus presented in the consolidated statement of financial position.

2. Significant accounting policies (continued):

(i) Government transfers:

Government transfers, including legislative grants, are recognized in the consolidated financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made.

(j) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to estimates include the carrying amount of capital assets. Actual results could differ from those estimates.

(k) Financial instruments:

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

(l) Liability for contaminated sites:

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use all the following criteria are met:

(i) An environmental standard exists;

(ii) Contamination exceeds the environmental standard;

(iii) The Division is directly responsible or accepts responsibility;

(iv) Is expected that the future economic benefits will be given up; and

(v) A reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

3. Overdraft:

The Division has authorized revolving demand facility with the Royal Bank of Canada (RBC) of $20,000,000 by way of overdrafts and letters of guarantee. The loans are repayable on demand at RBC prime less 0.25 percent. Interest is paid monthly.

4. Non-vested accumulated sick leave benefits:

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 earner per year, to maximum entitlement. The impact of the estimated non-vested sick leave benefit cost for the year ended June 30, 2019 is an increase of 99,014 (2018 - decrease of $36,306). At June 30, 2019, the Division has recorded an estimated liability of $662,130 (2018 - $563,116) in respect of these benefits.

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

5. Employee future benefits:

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

The employee benefit expense is part of the employee benefits and allowances expense account. It includes the Division's contribution of $2,084,887 for fiscal 2019 (2018 - $1,890,524).

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).

6. Commitments:

On March 12, 2018 the Division received approval from the Province of Manitoba for the construction of a new school to be located on Templeton Avenue in Precinct E. The projected completion date of construction is September 2020, and is projected to cost $15,800,000.

7. Deferred revenue:

	Balance, June 30, 2018	Additions in the period	Revenue recognized in the period	Balance, June 30, 2019
Education property tax credit	$ 5,104,940	$ 12,620,095	$ 12,665,731	$ 5,059,304
Bus pass fees	12,769	382,828	378,561	17,036
Other special purpose funds:				
Wayfinders - grants	6,000	–	6,000	–
My Camp	19,900	26,431	20,131	26,200
Summer school fees	8,230	12,400	14,030	6,600
School Grants	55,484	61,967	51,985	65,466
CVE Fees	3,000	32,552	22,202	13,350
NIB Trust	16,477	90,000	77,894	28,583
Facility Rent	–	500	–	500
	$ 5,226,800	$ 13,226,773	$ 13,236,534	$ 5,217,039

8. School generated funds:

School generated funds are monies raised by the school, or under the auspices of the school, which each school's principal may raise, hold, administer or expend subject to the rules of the Division. At June 30, 2019, school funds held in the Special Purpose Fund totaled $531,219 (2018 - $612,234).

The school generated funds liability of $377,718 at June 30, 2019 (2018 - $475,677) comprises the portion of the school generated funds that are not controlled.

9. Debenture debt:

The debenture debt of the Division is in the form of twenty-year debentures payable, principal and interest, in twenty equal yearly installments and maturing at various dates from fiscal 2020 to fiscal 2039. Payment of principal and interest is funded entirely by grants from the Province of Manitoba. The debentures carry interest rates that range from 3 percent to 7.25 percent. The debenture principal and interest repayments in the next five years and thereafter are:

	Principal	Interest	Total
2020	$ 5,222,581	$ 3,713,175	$ 8,935,756
2021	5,369,950	3,477,786	8,847,736
2022	5,458,040	3,237,302	8,695,342
2023	5,547,376	2,995,958	8,543,334
2024	5,647,545	2,753,557	8,401,102
Thereafter	62,925,414	14,984,428	77,909,842
	$ 90,170,906	$ 31,162,206	$ 121,333,112

During 2019, the Division had submitted claims for capital projects to the Public Schools Finance Board totaling $10,319,200 (2018 - $1,553,700) and received debenture proceeds of this amount in 2019.

10. Other borrowings:

Garden City Collegiate Link Loan, Land Loan, Seven Oaks MET School and Seven Oaks Preforming Arts Centre (SOPAC) and Learning and Service Centre Loans:

The Garden City Collegiate Link loan is a 5.20 percent fixed rate term loan from RBC Life Insurance Company which is repayable over 20 years. The principal amount outstanding at June 30, 2019 is $5,854,410 (2018 - $6,263,116). The purpose of the loan was to fund the construction of the Garden City Collegiate Link and Garden City Collegiate renovation project.

The Land loan is a 1.59 percent Interest Rate Swap loan for a 5 year term. The principal amount outstanding at June 30, 2019 is $1,436,000 (2018 - $1,509,000). The purpose of the loan is to provide interim financing until new school build is approved.

The Seven Oaks MET School and SOPAC loan is a 2.47 percent Interest Rate Swap loan repayable over 20 years. The principal outstanding at June 30, 2019 is $3,175,000 (2018 - $3,325,000). The purpose of the loan is to fund a portion of SOPAC and all of the Seven Oaks MET School. The SOPAC and Learning and Service Centre loan is a 2.98 percent Interest Rate Swap loan repayable over 19.75 years. The principal amount outstanding at June 30, 2019 is $13,127,000. The purpose of the loan is to fund a portion of the construction of the SOPAC and the entire construction of the Service Centre facility.

10. Other borrowings (continued):

Principal and interest payments in the next five years and thereafter are as follows:

	Principal	Interest	Total
2020	$ 1,157,473	$ 781,459	$ 1,938,932
2021	2,487,398	732,890	3,220,288
2022	1,169,545	670,979	1,840,524
2023	1,213,978	625,709	1,839,687
2024	1,261,766	579,437	1,841,203
Thereafter	16,302,250	3,391,024	19,693,274
	$ 23,592,410	$ 6,781,498	$ 30,373,908

11. Net tangible capital assets:

The schedule of tangible capital assets, page 23 of the consolidated financial statements provides a breakdown of cost, accumulated amortization and net book value by class.

	Gross amount	Accumulated amortization	Net book value
Tangible capital assets	$ 248,533,114	$ 76,111,105	$ 172,422,009

12. Expenditures by type:

Expenditures by type not otherwise disclosed in these consolidated financial statements are listed on page 11.

13. Related party transactions:

The Seven Oaks Education Foundation Inc. (the Foundation) was incorporated on July 17, 2001 to assist students to further their education beyond the high school level. Currently, there are no trustees of the Division sitting on the Foundation's Board.

During fiscal 2019, the Division provided a grant to the Foundation in the amount of $25,250 (2018 - $16,000).

14. Interest paid:

Interest paid during the fiscal year is comprised of the following:

	2019	2018
Operating Fund:		
Overdraft interest	$ 309,709	$ 191,492
Capital Fund:		
Debenture debt interest - PSFB funded	3,669,318	3,635,378
Loan interest	609,985	541,916
	$ 4,589,012	$ 4,368,786