

**RIVER EAST TRANSCONA SCHOOL DIVISION  
589 ROCH STREET  
WINNIPEG, MANITOBA R2K 2P7**

**AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**June 30, 2019**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of River East Transcona School Division

### Opinion

We have audited the following financial statements of River East Transcona School Division (the "Division") as at June 30, 2019, and for the year then ended:

Consolidated – Statement of Financial Position  
Consolidated – Statement of Revenue, Expenses and Accumulated Surplus  
Consolidated – Statement of Change in Net Debt  
Consolidated – Statement of Cash Flow  
Operating Fund – Schedule of Financial Position  
Operating Fund – Schedule of Revenue, Expenses and Accumulated Surplus  
Capital Fund – Schedule of Financial Position  
Capital Fund – Schedule of Revenue, Expenses and Accumulated Surplus  
Schedule of Tangible Capital Assets  
Schedule of Capital Reserve Accounts  
Special Purpose Fund – Schedule of Financial Position  
Special Purpose Fund – Schedule of Revenue, Expenses and Accumulated Surplus  
Notes to the Consolidated Financial Statements

In our opinion, these financial statements present fairly, in all material respects, the financial position of the River East Transcona School Division as at June 30, 2019 and the results of its operations and its cash flows 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 the Canadian generally accepted accounting standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Division in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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 conducted for the purpose of forming an opinion on the above listed financial statements taken as a whole. The current year's supplementary information included in the other statements and reports is presented for purposes of additional analysis and is not a required part of basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in, our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our opinion on these financial statements does not extend to any budget information contained therein.

### **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 PSAS, 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 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 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 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 GAAS 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 financial statements. As part of an audit in accordance with Canadian GAAS, 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 Division's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Division's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Division to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

The logo for Deloitte, featuring the word "Deloitte" in a stylized, handwritten-style font, followed by a small graphic element.

Chartered Professional Accountants

Winnipeg, Manitoba  
October 15, 2019

I hereby certify that the preceding report has been presented to members of the Board of the River East Transcona School Division.

October 15, 2019

A handwritten signature in blue ink, reading "Colleen Carwell".  

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Chair of the Board

## AUDITOR'S REPORT ON ENROLMENT

### TO THE BOARD OF TRUSTEES RIVER EAST TRANSCONA SCHOOL DIVISION

We have audited the attached EIS Enrolment File Verification Report - EIS Cert. - part 2 of 2 (prepared in accordance with Part I, Sections 1.1 and 1.2 of the Public Schools Enrolment and Categorical Grants Reporting for the 2018/19 School Year) of the River East Transcona School Division as at September 30, 2018. This enrolment information is the responsibility of the Division's management. Our responsibility is to express an opinion on this enrolment information based on our audit.

We conducted our audit in accordance with the standards for assurance engagements set out in the CICA Handbook - Assurance. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the enrolment information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the enrolment information.

In our opinion, this report presents fairly, in all material respects, the enrolment of the River East Transcona School Division as at September 30, 2018 in accordance with the Public Schools Enrolment and Categorical Grants Reporting for the 2018/19 School Year referred to above.



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Auditor

October 15, 2019

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Date

I hereby certify that the preceding report has been presented to the members of the Board of River East Transcona School Division.



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Chairperson of the Board

October 15, 2019

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Date

## MANAGEMENT REPORT

### Management's Responsibility for the Financial Statements

The accompanying consolidated financial statements of River East Transcona School Division are the responsibility of the Division's 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 are described in Note 2 to the consolidated financial statements.

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

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

The consolidated financial statements have been audited by Deloitte 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.



Chairperson  
Colleen Carswell



Secretary-Treasurer  
Vince Mariani



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

as at June 30

Notes		2019	2018
	<b>Financial Assets</b>		
	Cash and Bank	1,665,436	1,074,871
	Due from - Provincial Government	3,905,481	3,802,490
	- Federal Government	386,046	470,781
10	- Municipal Government	40,188,366	39,052,108
	- Other School Divisions	1,300	-
	- First Nations	61,525	86,900
	Accounts Receivable	217,594	232,441
	Accrued Investment Income	-	-
	Portfolio Investments	-	-
		<u>46,425,748</u>	<u>44,719,591</u>
	<b>Liabilities</b>		
	Overdraft	-	-
	Accounts Payable	1,746,875	2,458,775
	Accrued Liabilities	24,051,387	24,460,290
3	Employee Future Benefits	2,177,416	1,936,070
	Accrued Interest Payable	1,122,538	1,010,421
	Due to - Provincial Government	7,002	5,916
	- Federal Government	19,022	-
	- Municipal Government	-	-
	- Other School Divisions	-	-
	- First Nations	-	-
4	Deferred Revenue	10,535,399	8,736,648
6	Borrowings from the Provincial Government	57,245,429	51,264,867
7	Other Borrowings	3,955,572	4,679,457
5	School Generated Funds Liability	<u>1,798,088</u>	<u>1,678,336</u>
		<u>102,658,728</u>	<u>96,230,780</u>
	<b>Net Assets (Debt)</b>	<u>(56,232,980)</u>	<u>(51,511,189)</u>
	<b>Non-Financial Assets</b>		
8	Net Tangible Capital Assets (TCA Schedule)	90,533,836	83,791,458
	Inventories	-	-
	Prepaid Expenses	<u>443,780</u>	<u>370,258</u>
		<u>90,977,616</u>	<u>84,161,716</u>
9	<b>Accumulated Surplus</b>	<u>34,744,636</u>	<u>32,650,527</u>

See accompanying notes to the Financial Statements



# **CONSOLIDATED STATEMENT OF REVENUE, EXPENSES AND ACCUMULATED SURPLUS**

For the Year Ended June 30

Notes		2019	2018
	<b>Revenue</b>		
	Provincial Government	134,246,505	130,341,967
	Federal Government	459,974	517,004
10	Municipal Government - Property Tax	66,911,019	65,039,054
	- Other	-	-
	Other School Divisions	675,222	708,089
	First Nations	202,255	193,600
	Private Organizations and Individuals	2,063,109	2,164,774
	Other Sources	763,738	529,249
	School Generated Funds	830,625	786,691
	Other Special Purpose Funds	-	-
		<u>206,152,447</u>	<u>200,280,428</u>
	<b>Expenses</b>		
	Regular Instruction	109,125,972	107,067,982
	Student Support Services	37,452,026	36,049,392
	Adult Learning Centres	1,527,358	1,493,615
	Community Education and Services	1,458,292	1,531,094
	Divisional Administration	6,044,417	5,635,578
	Instructional and Other Support Services	7,777,805	8,069,780
	Transportation of Pupils	4,699,085	4,850,137
	Operations and Maintenance	22,019,028	20,974,149
11	Fiscal - Interest	2,623,268	2,326,793
	- Other	3,300,526	3,239,179
	Amortization	7,116,825	6,790,945
	Other Capital Items	9,260	216,318
	School Generated Funds	810,209	737,550
	Other Special Purpose Funds	-	-
12		<u>203,964,071</u>	<u>198,982,512</u>
	Current Year Surplus (Deficit) before Non-vested Sick Leave	<u>2,188,376</u>	<u>1,297,916</u>
	Less: Non-vested Sick Leave Expense (Recovery)	<u>94,267</u>	<u>143,416</u>
	Net Current Year Surplus (Deficit)	<u>2,094,109</u>	<u>1,154,500</u>
	Opening Accumulated Surplus	32,650,527	31,496,027
	Adjustments: Tangible Cap. Assets and Accum. Amort.	-	-
	Other than Tangible Cap. Assets	-	-
	Non-vested sick leave - prior years	-	-
	Opening Accumulated Surplus, as adjusted	<u>32,650,527</u>	<u>31,496,027</u>
	<b>Closing Accumulated Surplus</b>	<u>34,744,636</u>	<u>32,650,527</u>

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)	<u>2,094,109</u>	<u>1,154,500</u>
Amortization of Tangible Capital Assets	7,116,825	6,790,945
Acquisition of Tangible Capital Assets	(13,859,204)	(13,227,248)
(Gain) / Loss on Disposal of Tangible Capital Assets	(13,594)	(29,606)
Proceeds on Disposal of Tangible Capital Assets	<u>13,595</u>	<u>29,606</u>
	<u>(6,742,378)</u>	<u>(6,436,303)</u>
Inventories (Increase)/Decrease	-	-
Prepaid Expenses (Increase)/Decrease	<u>(73,522)</u>	<u>(79,773)</u>
	<u>(73,522)</u>	<u>(79,773)</u>
(Increase)/Decrease in Net Debt	<u>(4,721,791)</u>	<u>(5,361,576)</u>
Net Debt at Beginning of Year	(51,511,189)	(46,149,613)
Adjustments Other than Tangible Cap. Assets	<u>-</u>	<u>-</u>
	<u>(51,511,189)</u>	<u>(46,149,613)</u>
<b>Net Assets (Debt) at End of Year</b>	<u><u>(56,232,980)</u></u>	<u><u>(51,511,189)</u></u>

**CONSOLIDATED STATEMENT OF CASH FLOW**

For the Year Ended June 30, 2019

	2019	2018
<b>Operating Transactions</b>		
Net Current Year Surplus (Deficit)	2,094,109	1,154,500
Non-Cash Items Included in Current Year Surplus/(Deficit):		
Amortization of Tangible Capital Assets	7,116,825	6,790,945
(Gain)/Loss on Disposal of Tangible Capital Assets	(13,594)	(29,606)
Employee Future Benefits Increase/(Decrease)	241,346	158,264
Due from Other Organizations (Increase)/Decrease	(1,130,439)	(1,997,175)
Accounts Receivable & Accrued Income (Increase)/Decrease	14,847	(130,011)
Inventories and Prepaid Expenses - (Increase)/Decrease	(73,522)	(79,773)
Due to Other Organizations Increase/(Decrease)	20,108	(10,589)
Accounts Payable & Accrued Liabilities Increase/(Decrease)	(1,008,686)	1,926,460
Deferred Revenue Increase/(Decrease)	1,798,751	(1,408,514)
School Generated Funds Liability Increase/(Decrease)	119,752	91,304
Adjustments Other than Tangible Cap. Assets	-	-
Cash Provided by (Applied to) Operating Transactions	<u>9,179,497</u>	<u>6,465,805</u>
<b>Capital Transactions</b>		
Acquisition of Tangible Capital Assets	(13,859,204)	(13,227,248)
Proceeds on Disposal of Tangible Capital Assets	<u>13,595</u>	<u>29,606</u>
Cash Provided by (Applied to) Capital Transactions	<u>(13,845,609)</u>	<u>(13,197,642)</u>
<b>Investing Transactions</b>		
Portfolio Investments (Increase)/Decrease	-	-
Cash Provided by (Applied to) Investing Transactions	-	-
<b>Financing Transactions</b>		
Borrowings from the Provincial Government Increase/(Decrease)	5,980,562	6,169,214
Other Borrowings Increase/(Decrease)	<u>(723,885)</u>	<u>(599,718)</u>
Cash Provided by (Applied to) Financing Transactions	<u>5,256,677</u>	<u>5,569,496</u>
Cash and Bank / Overdraft (Increase)/Decrease	590,565	(1,162,341)
Cash and Bank (Overdraft) at Beginning of Year	<u>1,074,871</u>	<u>2,237,212</u>
<b>Cash and Bank (Overdraft) at End of Year</b>	<u><u>1,665,436</u></u>	<u><u>1,074,871</u></u>



## OPERATING FUND SCHEDULE OF FINANCIAL POSITION

as at June 30

	2019	2018
<b>Financial Assets</b>		
Cash and Bank	2,336,331	382,920
Due from		
- Provincial Government	2,782,943	2,792,069
- Federal Government	368,891	392,711
- Municipal Government	40,188,366	39,052,108
- Other School Divisions	1,300	-
- First Nations	61,525	86,900
- Other Funds		155,300
Accounts Receivable	217,594	232,441
Accrued Investment Income	-	-
Portfolio Investments	-	-
	45,956,950	43,094,449
<b>Liabilities</b>		
Overdraft	-	-
Accounts Payable	1,012,953	1,127,110
Accrued Liabilities	23,621,245	24,089,711
Employee Future Benefits	2,177,416	1,936,070
Accrued Interest Payable	-	-
Due to		
- Provincial Government	7,002	5,916
- Federal Government	19,022	-
- Municipal Government	-	-
- Other School Divisions	-	-
- First Nations	-	-
- Capital Fund	2,782,736	2,940,419
Deferred Revenue	9,975,456	8,048,351
Other Borrowings	-	-
	39,595,830	38,147,577
<b>Net Financial Assets (Net Debt)</b>	6,361,120	4,946,872
<b>Non-Financial Assets</b>		
Inventories	-	-
Prepaid Expenses	443,780	370,258
	443,780	370,258
<b>Accumulated Surplus (Deficit)</b>	6,804,900	5,317,130

**OPERATING FUND  
SCHEDULE OF REVENUE, EXPENSES  
AND ACCUMULATED SURPLUS**

For the Year Ended June 30

	2019 Actual	2019 Budget	2018 Actual
<b>Revenue</b>			
Provincial Government - Core	128,133,066	125,568,622	124,854,408
Federal Government	459,974	-	517,004
Municipal Government - Property Tax	66,911,019	66,879,058	65,039,054
- Other	-	-	-
Other School Divisions	675,222	200,000	708,089
First Nations	202,255	-	193,600
Private Organizations and Individuals	2,063,109	880,000	2,164,774
Other Sources	479,661	39,346	286,278
	<u>198,924,306</u>	<u>193,567,026</u>	<u>193,763,207</u>
<b>Expenses</b>			
Regular Instruction	109,125,972	110,431,908	107,067,982
Student Support Services	37,452,026	36,136,686	36,049,392
Adult Learning Centres	1,527,358	-	1,493,615
Community Education and Services	1,458,292	597,790	1,531,094
Divisional Administration	6,044,417	5,134,185	5,635,578
Instructional and Other Support Services	7,777,805	8,131,743	8,069,780
Transportation of Pupils	4,699,085	4,893,006	4,850,137
Operations and Maintenance	22,019,028	22,231,981	20,974,149
Fiscal	3,383,864	3,409,000	3,310,445
	<u>193,487,847</u>	<u>190,966,299</u>	<u>188,982,172</u>
Current Year Surplus (Deficit) before Non-vested Sick Leave	<u>5,436,459</u>	<u>2,600,727</u>	<u>4,781,035</u>
Less: Non-vested Sick Leave Expense (Recovery)	<u>94,267</u>		<u>143,416</u>
Current Year Surplus (Deficit) after Non-vested Sick Leave	<u>5,342,192</u>	<u>2,600,727</u>	<u>4,637,619</u>
Net Transfers from (to) Capital Fund	(3,854,422)	(2,600,727)	(3,049,174)
Transfers from Special Purpose Funds	-		-
Net Current Year Surplus (Deficit)	<u>1,487,770</u>	<u>0</u>	<u>1,588,445</u>
Opening Accumulated Surplus (Deficit)	5,317,130		3,728,685
Adjustments: Liability for Contaminated Sites	-		-
	-		-
Non-vested sick leave - prior years	-		-
Opening Accumulated Surplus (Deficit), as adjusted	<u>5,317,130</u>		<u>3,728,685</u>
<b>Closing Accumulated Surplus (Deficit)</b>	<u><u>6,804,900</u></u>		<u><u>5,317,130</u></u>

## OPERATING FUND - REVENUE DETAIL PROVINCE OF MANITOBA

For the Year Ended June 30, 2019

### Funding of Schools Program

Base Support		
Instructional Support	30,279,915	
Additional Instructional Support for Small Schools	-	
Sparsity	-	
Curricular Materials	912,752	
Information Technology	974,237	
Library Services	1,445,642	
Student Services	5,289,718	
Counselling and Guidance	1,304,221	
Professional Development	612,827	
Physical Education	344,525	
Occupancy	6,907,545	48,071,382
Categorical Support		
Transportation	1,929,524	
Board and Room	-	
Special Needs: Coordinator/Clinician	1,178,513	
Special Needs: Level 2	4,062,200	
Special Needs: Level 3	4,219,661	
Senior Years Technology Education	874,665	
English as an Additional Language	969,300	
Indigenous Academic Achievement (including BSSIP)	864,000	
Indigenous and International Languages	56,022	
French Language Education	808,437	
Small Schools	-	
Enrolment Change Support	490,314	
Northern Allowance	-	
Early Childhood Development Initiative	236,241	
Literacy and Numeracy	1,379,080	
Education for Sustainable Development	29,400	17,097,357
Equalization		26,220,151
Additional Equalization		3,036,165
Adjustment for Days Closed		-
Formula Guarantee		-
Other Program Support		
School Buildings Support: "D" Projects	464,940	
Technology Education Equipment Replacement	233,700	
Skills Strategy Equipment Enhancement	81,071	
Other Minor Capital Support	-	
Prior Year Support		
Finalization of Previous Year Support	(750)	
Curricular Materials	-	
School Buildings Support: "D" Projects	-	
Technology Education Equipment	-	778,961
		<u>95,204,016</u>



## OPERATING FUND - REVENUE DETAIL PROVINCE OF MANITOBA (CONT'D)

For the Year Ended June 30, 2019

### Other Department of Education and Training

Non-Resident	-
Special Needs	-
Institutional Programs	-
Nursing Supports (URIS)	375,603
Substitute Fees	-
General Support Grant	3,143,104
Education Property Tax Credit	23,896,937
Tax Incentive Grant	1,071,950
Early Years Enhancement Grant	1,373,864
Community Schools	165,201
Healthy Schools Initiative	29,483
Learning to Age 18 Coordinator	79,395
Adult Learning Centres	1,558,759
Other: Shared Services Agreement	180,765
Special Funding Agreement - John G Stewart	475,000
Provincial Exam Marking	32,471
French Second Language Revitalization	42,309
Career Development Initiative	129,948
Reading Initiative	13,859
German Language Grant	4,500
EDI	13,607
Reading Provincial	25,488
	32,612,243

### Other Provincial Government Departments (Not including GBE's)

Employment Programs	-
Other: Urban Green Team	88,958
Healthy Child/Baby	189,965
Lighthouse	31,484
Miscellaneous	6,400
	316,807

### Funding of Schools Program (previous page)

95,204,016

### TOTAL PROVINCIAL GOVERNMENT REVENUE

128,133,066

# **OPERATING FUND - REVENUE DETAIL** **NON-PROVINCIAL GOVERNMENT SOURCES**

For the Year Ended June 30, 2019

## **Federal Government**

Tuition Fees		-	
Transportation of Pupils		-	
French Language Monitor		-	
English as an Additional Language (Adults)		-	
Other:	Citizenship and Immigration	459,974	
			459,974

## **Municipal Government**

Special Requirement	91,879,906		
Less: Education Property Tax Credit	(23,896,937)		
Less: Tax Incentive Grant	(1,071,950)	66,911,019	
Other:		-	66,911,019

## **Other School Divisions**

Tuition Fees		561,421	
Transfer Fees		-	
Residual Fees		113,801	
Transportation of Pupils		-	
Other:		-	
			675,222

## **First Nations**

Tuition Fees		202,255	
Transportation of Pupils		-	
Other:		-	
			202,255

## **Private Organizations and Individuals (Includes GBE's)**

Regular Tuition		-	
International Tuition		1,118,126	
Continuing Education		276,816	
Other Tuition:		-	
Food Service		212,947	
Government Business Enterprises (GBE's)		-	
Other:	Vocational Shops	57,311	
	Building Rental	233,423	
	Transportation User Fee	164,486	
			2,063,109

## **Other Sources**

Interest		212,988	
Donations		31,875	
Other:	Miscellaneous	234,798	
			479,661

## **TOTAL NON-PROVINCIAL GOVERNMENT REVENUE**

70,791,240

OPERATING FUND - EXPENSE BY FUNCTION AND BY OBJECT

For the Year Ended June 30

<div><div></div><div>FUNCTION</div><div>OBJECT</div></div>	100	200	300	400	500	600	700	800	900	2019	2018
	Regular Instruction	Student Support Services	Adult Learning Centres	Education and Services	Divisional Administration	Instructional and Other Support Services	Transportation of Pupils	Operations and Maintenance	Fiscal	TOTALS	TOTALS
Salaries	96,869,889	33,081,140	1,166,361	1,161,709	3,838,409	5,967,503	3,253,870	10,105,765		155,444,646	152,268,672
Employees Benefits and Allowances	5,259,760	3,011,577	77,160	75,779	451,455	471,441	438,786	1,451,724		11,237,682	10,807,464
Services	1,883,935	1,067,308	243,335	105,854	1,470,551	937,671	221,241	9,102,509		15,032,404	14,178,153
Supplies, Materials and Minor Equipment	4,513,407	292,001	40,502	114,950	284,002	364,045	785,188	1,359,030		7,753,125	7,766,219
Interest and Bank Charges									83,338	83,338	71,266
Bad Debt Expense									-	0	0
Transfers	598,981	-	-	-	-	37,145	-	-	(PAYROLL TAX) 3,300,526	3,936,652	3,890,398
TOTALS	109,125,972	37,452,026	1,527,358	1,458,292	6,044,417	7,777,805	4,699,085	22,019,028	3,383,864	193,487,847	188,982,172

**OPERATING FUND - EXPENSE DETAIL: FUNCTION 100**

For the Year Ended June 30, 2019

REGULAR INSTRUCTION	10	SINGLE TRACK SCHOOLS *			80	90	TOTALS
		20	50	70			
CODE OBJECT \ PROGRAM	ADMINISTRATION	ENGLISH LANGUAGE	FRANÇAIS	FRENCH IMMERSION	DUAL TRACK SCHOOLS **	SENIOR YEARS TECHNOLOGY EDUCATION	
3XX SALARIES							
320 Executive, Managerial and Supervisory	8,027,965						8,027,965
330 Instructional - Teaching	52,677	48,914,495		6,103,569	25,314,107	3,125,049	83,509,897
350 Instructional - Other		427,576		34,146	233,006		694,728
360 Technical, Specialized and Service	176,301	106,431				226,335	509,067
370 Secretarial, Clerical and Other	3,351,083						3,351,083
390 Information Technology	777,149						777,149
Total Salaries	12,385,175	49,448,502	0	6,137,715	25,547,113	3,351,384	96,869,889
4XX EMPLOYEES BENEFITS AND ALLOWANCES	897,215	2,684,956		293,606	1,212,004	171,979	5,259,760
5-6XX SERVICES							
510 Professional, Technical and Specialized	1,344	211,077		11,157	30,924	6,058	260,560
520 Communications	214,301	17,120		302	572		232,295
540 Travel and Meetings	13,614	95,559		3,761	15,626	1,009	129,569
560 Tuition		6,182			1,074		7,256
570 Printing and Binding		2,801		1,078	3,825		7,704
580 Insurance and Bond Premiums		20,243			2,658		22,901
590 Maintenance and Repair Services	1,692	267,928		49,129	136,835	39,388	494,972
610 Rentals		43,227		375	22,398		66,000
630 Advertising		1,651					1,651
640 Dues and Fees		32,496		7,906	8,365		48,767
650 Professional and Staff Development	2,897						2,897
680 Information Technology Services	199,773	409,590					609,363
Total Services	433,621	1,107,874	0	73,708	222,277	46,455	1,883,935
7XX SUPPLIES, MATERIALS AND MINOR EQUIPMENT							
710 Supplies	2,711	1,072,326		91,651	523,521	448,383	2,138,592
740 Curricular and Media Materials		644,124		78,978	256,026	6,925	986,053
760 Minor Equipment	1,119	481,927		46,865	121,371	198,791	850,073
780 Information Technology Equipment	6,215	468,242		4,859	56,434	2,939	538,689
Total Supplies, Materials and Minor Equipment	10,045	2,666,619	0	222,353	957,352	657,038	4,513,407
96X-99 TRANSFERS							
960 School Divisions				78,206	13,650	30,675	122,531
980 Organizations and Individuals		476,450					476,450
Total Transfers	0	476,450	0	78,206	13,650	30,675	598,981
TOTALS	13,726,056	56,384,401	0	6,805,588	27,952,396	4,257,531	109,125,972

\* 90% or more of enrolment is in one of the following instructional programs: English Language, Français, French Immersion.

\*\* includes multi-track schools.

**OPERATING FUND - EXPENSE DETAIL: FUNCTION 200**

For the Year Ended June 30, 2019

<b>STUDENT SUPPORT SERVICES</b>		10	30	40	50	60	70	
CODE	OBJECT \ PROGRAM	ADMINISTRATION /CO-ORDINATION	CLINICAL AND RELATED SERVICES	SPECIAL PLACEMENT	REGULAR PLACEMENT	RESOURCE SERVICES	COUNSELLING AND GUIDANCE	TOTALS
3XX	SALARIES							
320	Executive, Managerial and Supervisory	411,321	112,821					524,142
330	Instructional - Teaching	320,676		6,775	1,837,183	8,686,525	3,359,926	14,211,085
350	Instructional - Other			1,831,462	12,223,263	1,125,057		15,179,782
360	Technical, Specialized and Service							0
370	Secretarial, Clerical and Other	223,741						223,741
380	Clinician		2,898,244					2,898,244
390	Information Technology	44,146						44,146
	Total Salaries	999,884	3,011,065	1,838,237	14,060,446	9,811,582	3,359,926	33,081,140
4XX	EMPLOYEES BENEFITS AND ALLOWANCES	65,799	143,420	282,809	1,807,196	572,805	139,548	3,011,577
5-6XX	SERVICES							
510	Professional, Technical and Specialized	473	292,437	621,203	255	54,790		969,158
520	Communications	6,508	4,839		123			11,470
540	Travel and Meetings	3,730	39,354	244	167	10,338		53,833
560	Tuition							0
570	Printing and Binding	977	1,067		24	858		2,926
580	Insurance and Bond Premiums	684			3,614			4,298
590	Maintenance and Repair Services		6,342	472	509	1,615	142	9,080
610	Rentals		811	3,509	102			4,422
630	Advertising							0
640	Dues and Fees	3,560	1,489					5,049
650	Professional and Staff Development	7,072						7,072
680	Information Technology Services							0
	Total Services	23,004	346,339	625,428	4,794	67,601	142	1,067,308
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT							
710	Supplies	4,072	44,693	5,192	81,170	28,078	784	163,989
740	Curricular and Media Materials	461	25,354	4,709	23,546	7,378	100	61,548
760	Minor Equipment		824	2,414	17,784	12,384	133	33,539
780	Information Technology Equipment	16,354	809		15,762			32,925
	Total Supplies, Materials and Minor Equipment	20,887	71,680	12,315	138,262	47,840	1,017	292,001
96X-99	TRANSFERS							
960	School Divisions							0
980	Organizations and Individuals							0
	Total Transfers	0	0	0	0			0
	TOTALS	1,109,574	3,572,504	2,758,789	16,010,698	10,499,828	3,500,633	37,452,026

**OPERATING FUND - EXPENSE DETAIL: FUNCTION 300**

For the Year Ended June 30, 2019

<b>ADULT LEARNING CENTRES</b>		10	20	
CODE	OBJECT \ PROGRAM	ADMINISTRATION AND OTHER	INSTRUCTION	TOTALS
3XX	SALARIES			
320	Executive, Managerial and Supervisory	158,851		158,851
330	Instructional - Teaching		864,613	864,613
350	Instructional - Other			0
360	Technical, Specialized and Service			0
370	Secretarial, Clerical and Other	142,897		142,897
390	Information Technology			0
	Total Salaries	301,748	864,613	1,166,361
4XX	EMPLOYEES BENEFITS AND ALLOWANCES	32,900	44,260	77,160
5-6XX	SERVICES			
510	Professional, Technical and Specialized		7,720	7,720
520	Communications		4,772	4,772
530	Utility Services			0
540	Travel and Meetings		823	823
560	Tuition			0
570	Printing and Binding		7	7
580	Insurance and Bond Premiums			0
590	Maintenance and Repair Services		5,449	5,449
610	Rentals		220,019	220,019
620	Property Taxes			0
630	Advertising		701	701
640	Dues and Fees			0
650	Professional and Staff Development			0
680	Information Technology Services		3,844	3,844
	Total Services	0	243,335	243,335
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT			
710	Supplies		21,684	21,684
740	Curricular and Media Materials		8,599	8,599
760	Minor Equipment		7,306	7,306
780	Information Technology Equipment		2,913	2,913
	Total Supplies, Materials and Minor Equipment	0	40,502	40,502
96X-99	TRANSFERS			
960	School Divisions			0
980	Organizations and Individuals			0
999	Recharge			0
	Total Transfers	0	0	0
	TOTALS	334,648	1,192,710	1,527,358

**OPERATING FUND - EXPENSE DETAIL: FUNCTION 400**

For the Year Ended June 30, 2019

<b>COMMUNITY EDUCATION AND SERVICES</b>		10	20	30	40	
		CONTINUING	ENGLISH AS AN	COMMUNITY	PRE-KINDERGARTEN	TOTALS
CODE	OBJECT \ PROGRAM	EDUCATION	ADDITIONAL LANGUAGE	SERVICES AND	EDUCATION	
			FOR ADULTS	RECREATION		
3XX	SALARIES					
320	Executive, Managerial and Supervisory	98,150			91,052	189,202
330	Instructional - Teaching	65,276	42,327		4,230	111,833
350	Instructional - Other			270,988	111,911	382,899
360	Technical, Specialized and Service		97,979	269,631	48,060	415,670
370	Secretarial, Clerical and Other	53,459		6,891		60,350
380	Clinician				1,755	1,755
390	Information Technology					0
	Total Salaries	216,885	140,306	547,510	257,008	1,161,709
4XX	EMPLOYEES BENEFITS AND ALLOWANCES	21,484	8,192	32,779	13,324	75,779
5-6XX	SERVICES					
510	Professional, Technical and Specialized	47,773		6,485	2,090	56,348
520	Communications	600		2,009	1,934	4,543
540	Travel and Meetings	130		12,342	2,202	14,674
570	Printing and Binding			25	2,342	2,367
580	Insurance and Bond Premiums					0
590	Maintenance and Repair Services	3,380	630	419	1,423	5,852
610	Rentals					0
630	Advertising	21,835				21,835
640	Dues and Fees		100			100
650	Professional and Staff Development			135		135
680	Information Technology Services					0
	Total Services	73,718	730	21,415	9,991	105,854
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT					
710	Supplies	5,752	7,447	70,618	18,921	102,738
740	Curricular and Media Materials			6,503		6,503
760	Minor Equipment	2,695		1,144	1,870	5,709
780	Information Technology Equipment					0
	Total Supplies, Materials and Minor Equipment	8,447	7,447	78,265	20,791	114,950
96X-99	TRANSFERS					
980	Organizations and Individuals					0
999	Recharge					0
	Total Transfers	0	0	0	0	0
	TOTALS	320,534	156,675	679,969	301,114	1,458,292



**OPERATING FUND - EXPENSE DETAIL: FUNCTION 500**

For the Year Ended June 30, 2019

<b>DIVISIONAL ADMINISTRATION</b>		10	20	30	50	
CODE	OBJECT \ PROGRAM	BOARD OF TRUSTEES	INSTRUCTIONAL MANAGEMENT & ADMINISTRATION	BUSINESS AND ADMINISTRATIVE SERVICES	MANAGEMENT INFORMATION SERVICES	TOTALS
3XX	SALARIES					
310	Trustees Remuneration	217,238				217,238
320	Executive, Managerial and Supervisory		595,053	809,414	173,510	1,577,977
360	Technical, Specialized and Service		391,534	126,896	123,471	641,901
370	Secretarial, Clerical and Other		271,326	839,660	23,438	1,134,424
390	Information Technology				266,869	266,869
	Total Salaries	217,238	1,257,913	1,775,970	587,288	3,838,409
4XX	EMPLOYEES BENEFITS AND ALLOWANCES	6,631	124,707	255,970	64,147	451,455
5-6XX	SERVICES					
510	Professional, Technical and Specialized	161,733	92,907	115,975	227,419	598,034
520	Communications	10,376	12,260	17,625	810	41,071
540	Travel and Meetings	44,748	23,114	5,764	68	73,694
570	Printing and Binding	164	3,161	901		4,226
580	Insurance and Bond Premiums			106,260		106,260
590	Maintenance and Repair Services		1,912		15,217	17,129
610	Rentals					0
630	Advertising	999	38,641			39,640
640	Dues and Fees	149,741	18,856	19,102	323	188,022
650	Professional and Staff Development	25,329	27,648	22,339		75,316
680	Information Technology Services	7,583	28,496		291,080	327,159
	Total Services	400,673	246,995	287,966	534,917	1,470,551
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT					
710	Supplies	5,813	58,832	117,963	465	183,073
740	Curricular and Media Materials	696	3,948	30		4,674
760	Minor Equipment	17,556	4,234	12,810		34,600
780	Information Technology Equipment		15,661		45,994	61,655
	Total Supplies, Materials and Minor Equipment	24,065	82,675	130,803	46,459	284,002
96X-99	TRANSFERS					
960	School Divisions					0
980	Organizations and Individuals					0
999	Recharge					0
	Total Transfers	0	0	0		0
	TOTALS	648,607	1,712,290	2,450,709	1,232,811	6,044,417

**OPERATING FUND - EXPENSE DETAIL: FUNCTION 600**

For the Year Ended June 30, 2019

<b>INSTRUCTIONAL AND OTHER SUPPORT SERVICES</b>		05 CURRICULUM CONSULTING & DEVELOPMENT ADMINISTRATION	10 CURRICULUM CONSULTING & DEVELOPMENT	20 LIBRARY / MEDIA CENTRE	30 PROFESSIONAL AND STAFF DEVELOPMENT	80 OTHER	TOTALS
CODE	OBJECT \ PROGRAM						
3XX	SALARIES						
320	Executive, Managerial and Supervisory	261,310					261,310
330	Instructional - Teaching		1,093,273	2,051,627	504,045	107,123	3,756,068
350	Instructional - Other			1,470,764			1,470,764
360	Technical, Specialized and Service			210,909		154,329	365,238
370	Secretarial, Clerical and Other	112,825			1,298		114,123
390	Information Technology						0
	Total Salaries	374,135	1,093,273	3,733,300	505,343	261,452	5,967,503
4XX	EMPLOYEES BENEFITS AND ALLOWANCES	23,953	40,326	357,861	28,103	21,198	471,441
5-6XX	SERVICES						
510	Professional, Technical and Specialized		487		57,463	182,719	240,669
520	Communications	115	1,071		588		1,774
540	Travel and Meetings		20,904	5,234		1,288	27,426
560	Tuition					4,400	4,400
570	Printing and Binding		11		347		358
580	Insurance and Bond Premiums					13,077	13,077
590	Maintenance and Repair Services		2,239	106	31		2,376
610	Rentals				651		651
630	Advertising						0
640	Dues and Fees		2,102		856		2,958
650	Professional and Staff Development		371		591,584		591,955
680	Information Technology Services			52,027			52,027
	Total Services	115	27,185	57,367	651,520	201,484	937,671
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT						
710	Supplies		23,618	53,781	3,737		81,136
740	Curricular and Media Materials		18,076	132,188	16,324		166,588
760	Minor Equipment		6,489	5,897	484		12,870
780	Information Technology Equipment		68,118	35,035	298		103,451
	Total Supplies, Materials and Minor Equipment	0	116,301	226,901	20,843	0	364,045
96X-99	TRANSFERS						
960	School Divisions						0
980	Organizations and Individuals					37,145	37,145
	Total Transfers					37,145	37,145
	TOTALS	398,203	1,277,085	4,375,429	1,205,809	521,279	7,777,805

**OPERATING FUND - EXPENSE DETAIL: FUNCTION 700**

For the Year Ended June 30, 2019

<b>TRANSPORTATION OF PUPILS</b>		10	20	70	80	90	
CODE	OBJECT \ PROGRAM	ADMINISTRATION	REGULAR	ALLOWANCES IN LIEU OF TRANSPORTATION	BOARDING OF STUDENTS/ DORMITORIES	FIELD TRIPS AND OTHER	TOTALS
3XX	SALARIES						
320	Executive, Managerial and Supervisory	224,650					224,650
350	Instructional - Other						0
360	Technical, Specialized and Service		2,873,086			55,775	2,928,861
370	Secretarial, Clerical and Other	53,200				47,159	100,359
390	Information Technology						0
	Total Salaries	277,850	2,873,086		0	102,934	3,253,870
4XX	EMPLOYEES BENEFITS AND ALLOWANCES	31,529	388,095			19,162	438,786
5-6XX	SERVICES						
510	Professional, Technical and Specialized	134	4,991				5,125
520	Communications	9,514	23,776				33,290
540	Travel and Meetings	1,131	418				1,549
550	Transportation of Pupils		21,209	9,752			30,961
570	Printing and Binding	74	650				724
580	Insurance and Bond Premiums		59,249				59,249
590	Maintenance and Repair Services	1,260					1,260
610	Rentals		77,467				77,467
630	Advertising	2,003					2,003
640	Dues and Fees	1,016					1,016
650	Professional and Staff Development	1,113	4,410				5,523
680	Information Technology Services	3,074					3,074
	Total Services	19,319	192,170	9,752	0	0	221,241
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT						
710	Supplies	3,814	710,896			40,581	755,291
740	Curricular and Media Materials	684	1,854				2,538
760	Minor Equipment	866	14,254				15,120
780	Information Technology Equipment	10,685	1,554				12,239
	Total Supplies, Materials and Minor Equipment	16,049	728,558		0	40,581	785,188
96X-99	TRANSFERS						
960	School Divisions						0
980	Organizations and Individuals						0
999	Recharge						0
	Total Transfers	0	0	0	0	0	0
	TOTALS	344,747	4,181,909	9,752	0	162,677	4,699,085

**OPERATING FUND - EXPENSE DETAIL: FUNCTION 800**

For the Year Ended June 30, 2019

<b>OPERATIONS AND MAINTENANCE</b>		10	20	50	70	80	
CODE	OBJECT \ PROGRAM	ADMINISTRATION	SCHOOL BUILDINGS MAINTENANCE	SCHOOL BUILDINGS REPAIRS AND REPLACEMENTS	OTHER BUILDINGS	GROUND	TOTALS
3XX	SALARIES						
320	Executive, Managerial and Supervisory	648,696					648,696
360	Technical, Specialized and Service		9,212,527		89,285		9,301,812
370	Secretarial, Clerical and Other	155,257					155,257
390	Information Technology						0
	Total Salaries	803,953	9,212,527	0	89,285	0	10,105,765
4XX	EMPLOYEES BENEFITS AND ALLOWANCES	116,642	1,320,983		14,099		1,451,724
5-6XX	SERVICES						
510	Professional, Technical and Specialized	180	225,104		2,913	83,228	311,425
520	Communications	5,243	140,129		4,783		150,155
530	Utility Services		3,584,851		139,655		3,724,506
540	Travel and Meetings	29,839					29,839
570	Printing and Binding	2,084					2,084
580	Insurance and Bond Premiums		466,950				466,950
590	Maintenance and Repair Services	452	2,549,936	566,236	141,357	98,865	3,356,846
610	Rentals		216,396	18,796	38,228	495,722	769,142
620	Property Taxes		161,543		109,615		271,158
630	Advertising	991					991
640	Dues and Fees	1,016	508				1,524
650	Professional and Staff Development	353					353
680	Information Technology Services		17,536				17,536
	Total Services	40,158	7,362,953	585,032	436,551	677,815	9,102,509
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT						
710	Supplies	9,101	1,228,209		25,406		1,262,716
740	Curricular and Media Materials						0
760	Minor Equipment	336	93,840		331		94,507
780	Information Technology Equipment	1,807					1,807
	Total Supplies, Materials and Minor Equipment	11,244	1,322,049	0	25,737	0	1,359,030
96X-99	TRANSFERS						
999	Recharge						0
	TOTALS	971,997	19,218,512	585,032	565,672	677,815	22,019,028

## OPERATING FUND - DETAIL OF TRANSFERS TO (FROM) CAPITAL FUND

For the Year Ended June 30, 2019

### Transfers To Capital Fund

Category "D" School Buildings	-	
Bus Reserve	-	
Bus Purchases	1,135,059	
Other Vehicles	49,232	
Furniture/Fixtures & Equipment	74,551	
Computer Hardware & Software	1,984,555	
Assets Under Construction	-	
Other: Capital Projects (Special and PSFB)	385,495	
Debenture Debt Repayment	225,530	
	<hr/>	3,854,422

### Less: Transfers From Capital Fund

	-	
	<hr/>	0

### Net Transfers To (From) Capital Fund

3,854,422

**CAPITAL FUND SCHEDULE OF FINANCIAL POSITION**

as at June 30

	2019	2018
<b>Financial Assets</b>		
Cash and Bank	-	-
Due from		
- Provincial Government	1,122,538	1,010,421
- Federal Government	17,155	78,070
- Municipal Government	-	-
- First Nations	-	-
- Other Funds	2,782,736	2,940,419
Accounts Receivable	-	-
Accrued Investment Income	-	-
Portfolio Investments	-	-
	<u>3,922,429</u>	<u>4,028,910</u>
<b>Liabilities</b>		
Overdraft	2,847,426	1,344,412
Accounts Payable	733,922	1,331,665
Accrued Liabilities	430,142	370,579
Accrued Interest Payable	1,122,538	1,010,421
Due to		
- Provincial Government	-	-
- Federal Government	-	-
- Municipal Government	-	-
- First Nations	-	-
- Operating Fund	-	155,300
Deferred Revenue	559,943	688,297
Borrowings from the Provincial Government	57,245,429	51,264,867
Other Borrowings	3,955,572	4,679,457
	<u>66,894,972</u>	<u>60,844,998</u>
<b>Net Assets (Debt)</b>	<u>(62,972,543)</u>	<u>(56,816,088)</u>
<b>Non-Financial Assets</b>		
Net Tangible Capital Assets	<u>90,533,836</u>	<u>83,791,458</u>
<b>Accumulated Surplus / Equity *</b>	<u>27,561,293</u>	<u>26,975,370</u>
* Comprised of:		
Reserve Accounts	2,782,736	2,940,420
Equity in Tangible Capital Assets	<u>24,778,557</u>	<u>24,034,950</u>
	<u>27,561,293</u>	<u>26,975,370</u>

# CAPITAL FUND SCHEDULE OF REVENUE, EXPENSES AND ACCUMULATED SURPLUS

For the Year Ended June 30

	2019	2018
<b>Revenue</b>		
Provincial Government		
Grants	30,680	40,998
Debt Servicing - Principal	3,754,839	3,353,186
- Interest	2,327,920	2,093,375
Federal Government	-	-
Municipal Government	-	-
Other Sources:		
Investment Income	-	-
Donations	133,200	168,234
MB Hydro grant	90,778	45,131
Gain / (Loss) on Disposal of Capital Assets	13,594	29,606
Gain on receipt of Modular classroom	-	-
Other- Aviva	46,505	
	-	-
	46,505	-
	6,397,516	5,730,530
<b>Expenses</b>		
Amortization	7,116,825	6,790,945
Interest on Borrowings from the Provincial Government	2,374,329	2,151,831
Other Interest	165,601	103,696
Other Capital Items	9,260	216,318
	9,666,015	9,262,790
Current Year Surplus / (Deficit)	(3,268,499)	(3,532,260)
Net Transfers from (to) Operating Fund	3,854,422	3,049,174
Transfers from Special Purpose Fund	-	-
Net Current Year Surplus (Deficit)	585,923	(483,086)
Opening Accumulated Surplus / Equity	26,975,370	27,458,456
Adjustments:	-	-
	-	-
Opening Accumulated Surplus / Equity as adjusted	26,975,370	27,458,456
<b>Closing Accumulated Surplus / Equity</b>	27,561,293	26,975,370



**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									
<b>Tangible Capital Asset Cost</b>											
Opening Cost, as previously reported	148,076,993	6,537,137	7,655,575	495,756	3,572,953	20,963,818	1,878,287	3,016,292	6,485,241	198,682,052	185,822,693
Adjustments	-	-	-	-	-	-	-	-	-	-	-
Opening Cost adjusted	148,076,993	6,537,137	7,655,575	495,756	3,572,953	20,963,818	1,878,287	3,016,292	6,485,241	198,682,052	185,822,693
Add:											
Additions during the year	7,481,562	-	1,148,654	49,232	79,397	1,274,817	-	-	3,825,542	13,859,204	13,227,248
Less:											
Disposals and write downs	-	-	662,558	24,413	1,082,649	7,177,477	-	-		8,947,097	367,889
Closing Cost	155,558,555	6,537,137	8,141,671	520,575	2,569,701	15,061,158	1,878,287	3,016,292	10,310,783	203,594,159	198,682,052
<b>Accumulated Amortization</b>											
Opening, as previously reported	85,693,979	4,302,413	5,280,670	363,391	2,238,086	14,377,603		2,634,452		114,890,594	108,467,538
Adjustments	-	-	-	-	-	-		-		-	-
Opening adjusted	85,693,979	4,302,413	5,280,670	363,391	2,238,086	14,377,603		2,634,452		114,890,594	108,467,538
Add:											
Current period Amortization	3,626,420	216,529	503,957	48,760	359,254	2,262,950		98,955		7,116,825	6,790,945
Less:											
Accumulated Amortization on Disposals and Writedowns	-	-	662,557	24,413	1,082,649	7,177,477		-		8,947,096	367,889
Closing Accumulated Amortization	89,320,399	4,518,942	5,122,070	387,738	1,514,691	9,463,076		2,733,407		113,060,323	114,890,594
<b>Net Tangible Capital Asset</b>	66,238,156	2,018,195	3,019,601	132,837	1,055,010	5,598,082	1,878,287	282,885	10,310,783	90,533,836	83,791,458
<b>Proceeds from Disposal of Capital Assets</b>	-	-	13,595	-	-	-				13,595	29,606

\* Includes network infrastructure.

**SCHEDULE OF CAPITAL RESERVE ACCOUNTS**  
**For the Year Ended June 30, 2019**

Fund Name >	Buses	Locker Replacement	Science Labs	MMC Re-Configuration	Workplace Health & Safety Enhancements	Sub-Totals
Opening Balance, July 1, 2018	-	-	-	357,929	82,491	440,420
Additions: (Provide a description of each transaction)						-
						-
						-
						-
						-
						-
						-
						-
						-
Total Additions	-	-	-	-	-	-
Withdrawals: (Provide a description of each transaction)						-
					58,693	58,693
						-
						-
						-
						-
						-
						-
						-
Total Withdrawals	-	-	-	-	58,693	58,693
Closing Balance, June 30, 2019	-	-	-	357,929	23,798	381,727

I certify that the information above is true and correct and that the withdrawals have been made for the purposes approved by the Public Schools Finance Board.

October 15, 2019  
Date

  
Secretary-Treasurer

**SCHEDULE OF CAPITAL RESERVE ACCOUNTS**  
For the Year Ended June 30, 2019

Fund Name >	MMC Addition	Transportation Building				Totals (includes totals from previous page)
Opening Balance, July 1, 2018	1,250,000	1,250,000	-	-	-	2,940,420
Additions: (Provide a description of each transaction)						
						-
						-
						-
						-
						-
						-
						-
						-
Total Additions	-	-	-	-	-	-
Withdrawals: (Provide a description of each transaction)						
	98,991					157,684
						-
						-
						-
						-
						-
						-
						-
Total Withdrawals	98,991	-	-	-	-	157,684
Closing Balance, June 30, 2019	1,151,009	1,250,000	-	-	-	2,782,736

I certify that the information above is true and correct and that the withdrawals have been made for the purposes approved by the Public Schools Finance Board.

October 15 2019

Date

Marian

Secretary-Treasurer

## SPECIAL PURPOSE FUND SCHEDULE OF FINANCIAL POSITION

as at June 30

	2019	2018
<b>Financial Assets</b>		
Cash and Bank	2,176,531	2,036,363
GST Receivable	-	-
Accrued Investment Income	-	-
Portfolio Investments	-	-
	2,176,531	2,036,363
<b>Liabilities</b>		
School Generated Funds Liability	1,798,088	1,678,336
Accounts Payable	-	-
Accrued Liabilities	-	-
Due to Other Funds	-	-
Deferred Revenue	-	-
	1,798,088	1,678,336
<b>Accumulated Surplus *</b>	378,443	358,027
* Comprised of:		
School Generated Funds Accumulated Surplus	378,443	358,027
Other Funds Accumulated Surplus	-	-
<b>Accumulated Surplus *</b>	378,443	358,027

**SPECIAL PURPOSE FUND  
SCHEDULE OF REVENUE, EXPENSES  
AND ACCUMULATED SURPLUS**

For the Year Ended June 30

	2019	2018
<b>Revenue</b>		
School Generated Funds	830,625	786,691
Other Funds	-	-
	-	-
	830,625	786,691
<b>Expenses</b>		
School Generated Funds	810,209	737,550
Other Funds	-	-
	-	-
	810,209	737,550
Current Year Surplus (Deficit)	20,416	49,141
Transfers (to) Operating Fund	-	-
Transfers (to) Capital Fund	-	-
Net Current Year Surplus (Deficit)	20,416	49,141
Opening Accumulated Surplus	358,027	308,886
Adjustments: School Generated Funds	-	-
Other Funds	-	-
Opening Accumulated Surplus as adjusted	358,027	308,886
<b>Closing Accumulated Surplus</b>	<b>378,443</b>	<b>358,027</b>

## STUDENT ENROLMENTS (FRAME) AND TRANSPORTATION STATISTICS (UNAUDITED)

ENROLMENTS BY PROGRAM		F.T.E. Enrolment September 30, 2018
REGULAR INSTRUCTION		
English Language - Single Track		9,387.5
Francais - Single Track		-
French Immersion - Single Track		1,319.5
Dual Track		
- English Language	2,419.0	
- Francais	-	
- French Immersion	1,861.5	
- Other Bilingual	374.5	4,655.0
Senior Years Technology Education		703.0
TOTAL NUMBER OF FULL TIME EQUIVALENT K - 12 STUDENTS		<u>16,065.0</u>

TRANSPORTATION OF PUPILS	
TRANSPORTED STUDENTS (September 30)	3,931
TOTAL KILOMETERS - LOG BOOK (For the period ended June 30)	1,288,976
TOTAL KILOMETERS - BUS ROUTES (For the period ended June 30)	970,406
LOADED KILOMETERS (For the period ended June 30)	496,820

**FULL TIME EQUIVALENT PERSONNEL (UNAUDITED)**

For the 2018/19 Fiscal Year

CODE      OBJECT \ FUNCTION	FUNCTION 100	FUNCTION 200	FUNCTION 300	FUNCTION 400	FUNCTION 500	FUNCTION 600	FUNCTION 700	FUNCTION 800	TOTALS
320 Executive, Managerial, & Supervisory	67.90	3.25	1.50	2.00	11.50	1.50	3.00	7.00	97.65
330 Instructional - Teaching	902.43	141.92	7.10	0.75		32.31			1,084.51
350 Instructional - Other	8.50	427.35				34.00			469.85
360 Technical, Specialized And Service	11.30				8.00	10.00	78.25	180.00	287.55
370 Secretarial, Clerical And Other	86.57	6.50	3.23	1.00	22.50	3.50	3.00	3.00	129.30
380 Clinician		29.50							29.50
390 Information Technology	11.00	1.00			5.00				17.00
TOTALS (excluding Trustees)	1,087.70	609.52	11.83	3.75	47.00	81.31	84.25	190.00	2,115.36
510 Contracted Clinicians (include private clinicians where possible)		0.00							
310 TRUSTEES									9.00



## CALCULATION OF ADMINISTRATION COSTS AS A PERCENTAGE OF TOTAL EXPENSES

### Administration Costs

Divisional Administration, Function 500	6,044,417
Less: Liability Insurance	119,539
Administration portion of self-funded expenses (see below)	416,621 *
Trustee election costs	155,425
	-
	<u><u>5,352,832 (A)</u></u>

### Expense Base

Total Operating Expenses	193,487,847
Plus: Transfers to Capital	3,854,422
Less: Adult Learning Centres, Function 300	1,527,358
	<u><u>195,814,911 (B)</u></u>

### Percentage (A) / (B)

2.73%

### Maximum Allowable Percentage

3.00%

Calculation of **Maximum Allowable Percentage**:  
If F.T.E. Enrolment is 5,000 or over = 3.00%

### Self-Funded Expenses (fully offset by incremental revenues):

#### International Student Programs

##### Expenses (1)

Instructional	428,781
Administration (deducted above)	416,621 *
Other: _____	-
_____	-
	<u><u>845,402</u></u>

##### Associated Revenue <sup>(2)</sup>

1,118,126

#### Self-Administered Pension Plans

##### Expenses (1)

Administration (deducted above)	- *
Other: _____	-
_____	-
	<u><u>0</u></u>

##### Associated Revenue <sup>(2)</sup>

0

(1) Incremental costs of the program.

(2) Tuition fees from international students or the pension plan administration fee.

[illegible]

**DETAIL OF REVENUE ALLOCATIONS TO ALLOWABLE EXPENSES:  
NON-PROVINCIAL SOURCES - OTHER**

[illegible]

<b><u>TUITION, TRANSFER AND RESIDUAL FEES</u></b>	<b><u>Function/ Program</u></b>	<b><u>Amount</u></b>
Other School Divisions	Unallocated	675,222
Adult Education	Unallocated	
First Nations - Tuition Fees	Unallocated	202,255
International Tuition	Unallocated	1,118,126
Continuing Education/Summer School	400	276,816
<b>Total Tuition, Transfer and Residual Fees: \$2,272,419</b>		<b>2,272,419.00</b>

**CALCULATION OF ALLOWABLE AND UNSUPPORTED EXPENSES**

CALCULATION OF ALLOWABLE EXPENSES			REDUCTIONS TO EXPENSES					ALLOWABLE EXPENSES
FUNCTION / PROGRAM	TOTAL EXPENSES	ADJUSTMENTS TO EXPENSES	CATEGORICAL SUPPORT	OTHER PROGRAM SUPPORT	OTHER PROVINCIAL GOVERNMENT REVENUE	NON-PROVINCIAL SOURCES		
						TUITION, TRANSFER AND RESIDUAL FEES	OTHER	
		<<<<< (from Appendix A) >>>>>			<<<<< (from Appendix B) >>>>>			
210 - 260 Student Support Services	33,951,393	142,607	9,460,374	0	1,031,368	0	0	23,602,258
270 Counselling and Guidance	3,500,633	0	0	0	0	0	0	3,500,633
300 Adult Learning Centres	1,527,358				1,558,759	0	0	
400 Community Education and Services	1,458,292		236,241	0	505,091	276,816	459,974	
620 Library / Media Centre	4,375,429	26,829	0	0	0	0	0	4,402,258
630 Professional and Staff Development	1,205,809	0	0	0	0	0	0	1,205,809
800 Operations and Maintenance	22,019,028	269,224	0	464,940	0	0	233,423	21,589,889
ALLOCATED ADJUSTMENTS/REDUCTIONS		438,660	9,696,615	464,940	3,095,218	276,816	693,397	
UNALLOCATED ADJUSTMENTS/REDUCTIONS		1,889,670	7,400,742	314,021	4,864,945	1,995,603	701,417	(1)
TOTALS	68,037,942	2,328,330	17,097,357	778,961	7,960,163	2,272,419	1,394,814	54,300,847

OTHER FUNCTION/PROGRAMS EXPENSES	<b>125,449,905</b>	<input type="checkbox"/> OPEN OR CLOSE DETAIL
<b>TOTAL EXPENSES</b>	<b>193,487,847</b>	

CALCULATION OF UNSUPPORTED EXPENSES		
OTHER FUNCTION/PROGRAMS EXPENSES	125,449,905	
TOTAL ALLOWABLE EXPENSES	54,300,847	
TOTAL UNALLOCATED ADJUSTMENTS/REDUCTIONS (1)	(13,387,058)	<input type="checkbox"/> OPEN OR CLOSE DETAIL
Base Support (from page 8)	(48,071,382)	
Formula Guarantee (from page 8)	0	
SCHOOL BUS AMORTIZATION (from TCA Sched page 23)	503,957	
<b>TOTAL UNSUPPORTED EXPENSES</b>	<b>118,796,269</b>	

## APPENDIX A

CATEGORICAL SUPPORT TO BE ALLOCATED		
Special Needs: Coordinator/Clinician		
(A) Maximum Support		1,178,513
(B) Eligible Expenses		3,487,765
(C) Less related revenues		
(D) Allowable Expenses (B) - (C)		3,487,765
Eligible Support (lesser of A or D)		1,178,513
Special Needs: Level 2 and 3		8,281,861
Indigenous Academic Achievement		864,000
Literacy and Numeracy		1,379,080
Small Schools		
(A) Maximum Support		
(B) Program Expenses		
Eligible Support (lesser of A or B)		0
Board and Room		
(A) Maximum Support		
(B) Program Expenses		
Eligible Support (lesser of A or B)		0
Early Childhood Development		236,241
<b>Total allocable Categorical Support (carried to Allow Input)</b>		<b>11,939,695</b>
<b>Non-allocable Categorical Support</b>		<b>5,157,662</b>
<b>Total Categorical Support (carried to page 30)</b>		<b>17,097,357</b>

<b>CALCULATION OF ALLOWABLE SCHOOL BUILDING SUPPORT "D" EXPENSES:</b>	
Program 850 School Building Repairs & Replacements	585,032
PLUS: Capitalized Section "D" Expenses (net)	269,224
Grounds	-
LESS: Related revenue other than "D" Support	-
<b>Allowable Section "D" Expenses</b>	<b>(C) 854,256</b>
<b>&lt; OR &gt;</b>	
<b>Expenses to be used for calculating "D" Grant. Enter an amount to overwrite if different from above.</b>	<b>(D) 854,256</b>
<b>(cannot be more than amount on line "C")</b>	
<b>Refer to page 2 of the Allowable Expenses Guide when completing this section.</b>	

**CALCULATION OF ALLOWABLE EXPENSES**

APPENDIX B

OTHER PROVINCIAL GOVERNMENT REVENUE:	Allocated	Unallocated	Total
Other Dept. of Education			
General Support Grant		3,143,104	3,143,104
Education Property Tax Credit		23,896,937	23,896,937
Tax Incentive Grant		1,071,950	1,071,950
All other	4,500,252		4,500,252
Other Provincial Government Departments	316,807		316,807
<b>Total Revenue</b>	<b>4,817,059</b>	<b>28,111,991</b>	<b>32,929,050</b>

ALL REVENUES REPORTED ON THIS PAGE, EXCEPT THOSE SHADED, MUST BE DEDUCTED FROM TOTAL EXPENSES ON PAGE 30 UNLESS THERE ARE SPECIAL CIRCUMSTANCES WHICH WOULD MAKE AN ALLOCATION IMPRACTICAL OR INAPPROPRIATE. IN THOSE LIMITED CASES, REASONS FOR NOT ALLOCATING MUST BE PROVIDED BELOW.

NON-PROVINCIAL SOURCES:	Allocated	Unallocated	Total
Federal Government			
Tuition Fees	0		0
All other	459,974		459,974
Municipal Government			
Net Special Requirement		66,911,019	66,911,019
Other	0		0
Other School Divisions			
Tuition Fees	561,421		561,421
Transfer Fees	0		0
Residual Fees	113,801		113,801
All other	0		0
First Nations			
Tuition Fees	202,255		202,255
All other	0		0
Private Organizations and Individuals			
Tuition Fees	1,394,942		1,394,942
Ancillary Services	668,167		668,167
Other Sources			
Interest		212,988	212,988
Donations	31,875		31,875
Other	234,798		234,798
<b>Total Revenue</b>	<b>3,667,233</b>	<b>67,124,007</b>	<b>70,791,240</b>

**OTHER PROVINCIAL GOVERNMENT REVENUE:**

Total Revenue	32,929,050
Education Property Tax Credit	(23,896,937)
Tax Incentive Grant	(1,071,950)
<b>PROVINCIAL REVENUE FOR EQUALIZATION</b>	<b>7,960,163</b>
(to agree with Other Provincial Gov't Revenue on page 30)	

**NON-PROVINCIAL SOURCES:**

<b>TOTAL ALLOCABLE FEES</b>	<b>2,272,419</b>
(Tuition, Transfer and Residual Fees)	

**TOTAL ALLOCABLE OTHER REVENUE**

(to agree with total other revenue on page 30)

**1,394,814****TOTAL ALLOCABLE NON-PROV. SOURCES****3,667,233**

# RIVER EAST TRANSCONA SCHOOL DIVISION

## Notes to Consolidated Financial Statements

June 30, 2019

---

### 1. NATURE OF ORGANIZATION AND ECONOMIC DEPENDENCE

The River East Transcona School Division (Division) is a public body that provides education services to residents within its geographic location. The division is funded mainly by grants from the Province of Manitoba (Province), and a special levy on the property assessment included in the Division's boundaries. The Division is exempt from income tax and is a registered charity under the Income Tax Act.

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles established by PSAB of the Canadian Chartered Professional Accountants 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.

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

#### b) *Trust Funds*

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

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

#### c) *Basis of Accounting*

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

# RIVER EAST TRANSCONA SCHOOL DIVISION

## Notes to Consolidated Financial Statements

June 30, 2019

---

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### d) *Fund Accounting*

The fund method of accounting is employed by the Division to record financial transactions in separate funds as defined by 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 monies raised by the school, or under the auspices of the school, through extracurricular activities for the sole use of the school that the principal of each school, subject to the rules of the school board, may raise, hold, administer and expend for the purposes of the school.

Only revenue and expenses of school generated funds controlled by the Division are included in the Consolidated Statement of Revenue, Expenses and Accumulated Surplus. To be deemed as controlled, a school must have the unilateral authority to make the decisions as to when, how and on what the funds are to be spent.

Period end cash balances of all school generated funds are included in the Consolidated Statement of Financial Position. The uncontrolled portion of this amount is reflected in the School Generated Funds Liability account. Examples of uncontrolled school generated funds are parent council funds, other parent group funds, student council funds and travel club funds. Revenues and expenses of uncontrolled school generated funds are not included in the consolidated financial statements.

#### f) *Tangible Capital Assets*

Tangible capital assets are non-financial assets that are used by the Division to provide services to the public and have an economic life beyond one fiscal year. Tangible capital assets include land, buildings, buses, other vehicles, furniture and equipment, computers, capital leases, leasehold improvements, and assets under construction.

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.



# RIVER EAST TRANSCONA SCHOOL DIVISION

## Notes to Consolidated Financial Statements

June 30, 2019

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### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### f) *Tangible Capital Assets (continued)*

Capital leases are recorded at the present value of the minimum lease payments excluding executory costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the lower of the Division's rate for incremental borrowing or the interest rate implicit in the lease.

Donated tangible capital assets are recorded at fair market value at the date of donation. Deferred revenue is recorded in an equivalent amount, for all donated assets except land. The deferred revenue will be recognized as revenue over the useful life of the related asset, on the same basis that the asset is amortized.

All land acquired prior to June 30, 2006 has been valued by the Crown Lands and Property Agency at their estimated fair market value at the time of acquisition.

All tangible capital assets, except for land and assets under construction, are amortized on a straight-line basis over their estimated useful lives as follows:

<u>Asset Description</u>	<u>Estimated Useful Life</u> (Years)
Land Improvements	10
Building - Brick, Mortar and Steel	40
Buildings - Wood Frame	25
School Buses	10
Vehicles	5
Equipment	5
Network Infrastructure	10
Computer Hardware, Servers & Peripherals	4
Computer Software	4
Furniture & Fixtures	10
Leasehold Improvements	Over term of lease

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 on a straight line basis 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.

Assets under construction are not amortized until the date of substantial completion. Interest on funds used to finance school buildings under construction is capitalized for the periods preceding the date of substantial completion.

#### g) *Employee Future Benefits*

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

# RIVER EAST TRANSCONA SCHOOL DIVISION

## Notes to Consolidated Financial Statements

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### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

*g) Employee Future Benefits (continued)*

Under the Pension Plan for Non-Teaching Employees of Public School Boards in Manitoba, the Division's contribution equals the employee's contributions to the plan. No responsibility is assumed by the Division to make any further contributions.

For non-vesting accumulated 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.

An employee future benefit liability is accrued for maternity and parental leave top up payments, a self-insured benefit obligation that is event driven. The benefit costs are recognized and recorded only in the period the event occurred.

*h) Capital Reserve*

Certain amounts, as approved by the Board of Trustees and the Public Schools Finance Board (PSFB), have been set aside in reserve accounts for future capital purposes. These Capital Reserve accounts are internally restricted funds that form part of the Accumulated Surplus presented in the Consolidated Statement of Financial Position.

*i) Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates. Changes in estimates are recorded in the accounting period in which these changes are determined.

*j) Financial Instruments*

The Division's financial instruments include cash, accounts receivable, due to/from governments, other schools and First Nations, accounts payable, accrued liabilities and long-term debt. All financial instruments are initially recognized at fair value when the Division becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost. The effective interest method is used to recognize interest income or expense. Transaction costs related to all financial instruments are expensed as incurred.

## RIVER EAST TRANSCONA SCHOOL DIVISION

### Notes to Consolidated Financial Statements

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#### 3. EMPLOYEE FUTURE BENEFITS

An employee future benefit liability of \$365,179 (2018 - \$218,098) has been accrued as at June 30, 2019 relating to maternity and parental leave top up payments. The employee future benefit expense is a part of the Employee Benefits and Allowances expense account.

Non-vested accumulated sick leave benefits are measured using net present value techniques of the expected future utilization of excess of sick benefits used over earned per year, to maximum entitlement. The impact of the estimated non-vested sick leave benefit is \$1,812,239 (2018 - \$1,717,972).

During the year ended June 30, 2019, the employer contributions to the Pension Plan for Non-Teaching Employees of Public School Boards in Manitoba amounted to \$2,549,168 (2018 - \$2,365,642). This amount has been expensed in the Division's financial statements for the year ended June 30, 2019.

#### 4. 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:

	<b>Balance at June 30, 2018</b>	<b>Additions in the period</b>	<b>Revenue recognized in the period</b>	<b>Balance at June 30, 2019</b>
Province of MB – EPTC*	\$ 6,475,480	\$ 8,326,603	\$ 6,475,480	<b>\$ 8,326,603</b>
Province of MB – Other	270,188	763,978	777,400	<b>256,766</b>
Tuition Fees	1,054,538	1,140,434	1,054,539	<b>1,140,433</b>
Donated Capital Asset	688,297	4,846	133,200	<b>559,943</b>
Miscellaneous	248,145	528,086	522,609	<b>253,622</b>
	<b>\$ 8,736,648</b>	<b>\$10,763,947</b>	<b>\$ 8,963,228</b>	<b>\$ 10,537,367</b>

\*EPTC = Education Property Tax Credit

#### 5. SCHOOL GENERATED FUNDS LIABILITY

School Generated Funds Liability includes the non-controlled portion of school generated funds consolidated in the cash and bank balances in the amount of \$1,798,088 (2018 - \$1,678,336).

# RIVER EAST TRANSCONA SCHOOL DIVISION

## Notes to Consolidated Financial Statements

June 30, 2019

### 6. BORROWINGS FROM PROVINCIAL GOVERNMENT

The debenture debt of the Division is in the form of twenty-year debentures payable, or promissory note, principal and interest, in equal yearly installments and maturing at various dates from 2019 to 2039. Payment of principal and interest is funded entirely by grants from the Province of Manitoba. The debentures carry interest rates that range from 3.0% to 7.25%. Debenture interest expense payable as at June 30, 2019 is accrued and recorded in Accrued Interest Payable, and a grant in an amount equal to the interest accrued on provincially funded debentures is recorded in Due from the Provincial Government. The debenture principal and interest repayments in the next five years are:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 3,839,863	\$ 2,391,965	\$ 6,231,828
2021	3,751,056	2,202,663	5,953,719
2022	3,629,155	2,022,670	5,651,825
2023	3,606,158	1,853,881	5,460,039
2024	3,509,844	1,689,827	5,199,671
	<u>\$ 18,336,076</u>	<u>\$ 10,161,006</u>	<u>\$ 28,497,082</u>

### 7. OTHER BORROWINGS

Other borrowings are debts other than overdrafts and includes obligations related to capital leases and debentures for self-funded capital projects.

Capital lease loans have interest rates ranging from 2.34% to 4.16% per annum and have lease terms that expire between 2020 to 2025. These loans are secured by the assets to which the leases relate.

Principal and interest repayments related to obligations under capital leases are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 1,561,407	\$ 114,505	\$ 1,675,912
2021	1,025,324	61,168	1,086,492
2022	458,452	25,914	484,366
2023	208,705	9,531	218,236
2024	86,993	2,587	89,580
	<u>\$ 3,340,880</u>	<u>\$ 213,705</u>	<u>\$ 3,554,584</u>

# RIVER EAST TRANSCONA SCHOOL DIVISION

## Notes to Consolidated Financial Statements

June 30, 2019

### 7. OTHER BORROWINGS (continued)

The debentures for self-funded capital projects are in the form of twenty year debt payable, principal and interest in equal yearly installments and maturing in 2022. These self-funded debentures carry interest rates of 6.875%. The principal and interest repayments for the debentures in the next five years are:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 191,435	\$ 42,260	\$ 233,695
2021	204,596	29,099	233,695
2022	218,662	15,033	233,695
	<u>\$ 614,693</u>	<u>\$ 86,392</u>	<u>\$ 701,085</u>

### 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 asset class. The amount of interest capitalized in the period included in Assets under Construction was \$96,527 (2018 - \$85,802). Included in net tangible capital assets are assets relating to obligations under capital lease for the gross amount, accumulated amortization and net book value at June 30, 2019 are \$9,201,045, \$4,889,834 and \$4,311,211 respectively.

### 9. ACCUMULATED SURPLUS

The consolidated accumulated surplus is comprised of the following:

	<b><u>2019</u></b>	<b><u>2018</u></b>
Operating Fund		
Designated Surplus	\$ 1,349,380	\$ 1,281,379
Undesignated Surplus	7,267,759	5,753,723
Non-Vested Sick Leave	( 1,812,239)	( 1,717,972)
	<u>\$ 6,804,900</u>	<u>\$ 5,317,130</u>
Capital Fund		
Reserve Accounts	\$ 2,782,736	\$ 2,940,420
Equity in Tangible Capital Assets	24,778,557	24,034,950
	<u>\$ 27,561,293</u>	<u>\$ 26,975,370</u>
Special Purpose Fund		
School Generated Funds	\$ 378,443	\$ 358,027
	<u>\$ 378,443</u>	<u>\$ 358,027</u>
Total Accumulated Surplus	<u>\$ 34,744,636</u>	<u>\$ 32,650,527</u>

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. See page 5 of the audited financial statements for a detailed breakdown of the Designated Surplus.

# RIVER EAST TRANSCONA SCHOOL DIVISION

## Notes to Consolidated Financial Statements

June 30, 2019

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### 9. ACCUMULATED SURPLUS (continued)

	<u>2019</u>	<u>2018</u>
Board approved appropriation by motion	\$ 31,647	\$ 33,815
School budget carryovers by board policy	1,317,733	1,247,564
Designated surplus	<u>\$ 1,349,380</u>	<u>\$ 1,281,379</u>

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 pages 24 and 24A of the audited financial statements.

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

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

	<u>2019</u>	<u>2018</u>
Revenue-Municipal Government-Property Tax	\$ 66,911,019	\$ 65,039,054
Receivable-Due from Municipal Government-Property Tax	<u>\$ 40,188,366</u>	<u>\$ 39,052,108</u>

**RIVER EAST TRANSCONA SCHOOL DIVISION**  
**Notes to Consolidated Financial Statements**  
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**11. INTEREST RECEIVED AND PAID**

The Division received interest during the year of \$212,988 (2018 - \$131,631).

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

	<u><b>2019</b></u>	<u><b>2018</b></u>
Operating Fund		
Fiscal-Short Term Loan, Interest and Bank Charges	<b>\$ 83,338</b>	\$ 71,266
Capital Fund		
Debenture Debt Interest	<b>\$ 2,374,329</b>	\$ 2,151,831
Interest on Obligation under Capital Lease	<b>164,973</b>	101,221
Other Interest	<b>628</b>	2,475
	<b>\$ 2,539,930</b>	\$ 2,255,527
Total Fiscal – Interest	<b>\$ 2,623,268</b>	\$ 2,326,793

The accrued portion of debenture debt interest expense at June 30, 2019 of \$1,122,538 (2018- \$1,010,421) included under the Capital Fund-Debenture debt interest, is offset by an accrual of the debt servicing grant from the Province of Manitoba.

**12. EXPENSES BY OBJECT**

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

	<u><b>Actual 2019</b></u>	<u><b>Budget 2019</b></u>	<u><b>Actual 2018</b></u>
Salaries	<b>\$ 155,444,646</b>	\$153,910,106	\$ 152,268,672
Employees benefits & allowances	<b>11,237,682</b>	11,308,864	10,807,464
Services	<b>15,032,404</b>	14,468,717	14,178,153
Supplies, materials, minor equipment	<b>7,753,125</b>	7,810,812	7,766,219
Payroll tax	<b>3,300,526</b>	3,350,000	3,239,179
Interest and bank charges	<b>2,623,268</b>	59,000	2,326,793
Other operating expenses	<b>37,265</b>	58,800	65,980
	<b>195,428,916</b>	190,966,299	190,652,460
School Divisions	<b>598,891</b>		585,239
Amortization	<b>7,116,825</b>		6,790,945
Other capital items	<b>9,260</b>		216,318
School generated funds	<b>810,209</b>		737,550
	<b>\$ 203,964,101</b>	\$190,966,299	\$ 198,982,512

# RIVER EAST TRANSCONA SCHOOL DIVISION

## Notes to Consolidated Financial Statements

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### 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 la Division scolaire franco-manitobaine. As at June 30, 2019, the amount of this special levy was \$1,270,858 (2018 - \$1,005,822). These amounts are not included in the Division's consolidated financial statements.

### 14. TRUST FUND

The Division administers the following trust funds, which are not reflected in the financial statements:

	<u>2019</u>	<u>2018</u>
<u>Scholarship Funds</u>		
Balance, beginning of year	\$ 268,753	\$ 268,300
Cash contributions received during the year	13,033	18,375
Interest income	4,983	3,274
Scholarships awarded	(23,863)	(21,196)
Balance, end of year	<u>\$ 262,906</u>	<u>\$ 268,753</u>
<u>Assets</u>		
Cash and investments	\$ 276,356	\$ 280,453
Accounts Payable	(13,450)	(11,700)
Balance end of year	<u>\$ 262,906</u>	<u>\$ 268,753</u>

### 15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Division is exposed to credit, liquidity and interest rate risks in respect of its use of financial instruments.

#### Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to the counter party. The financial instruments that potentially subject the Division to credit risk consist principally of accounts receivable. The carrying amount of financial assets represents the maximum credit exposure. The Division's maximum possible exposure to credit risk is as follows:

	<u>2019</u>	<u>2018</u>
Cash	\$ 1,665,436	\$ 1,074,871
Due from – Provincial Government	3,905,481	3,802,490
– Federal Government	386,046	470,781
– Municipal Government	40,188,366	39,052,108
– Other School Divisions	1,300	-
– First Nations	61,525	86,900
Accounts Receivable	<u>217,594</u>	<u>232,441</u>

The Division's accounts receivable consist largely of the grants and revenues to be received from local, provincial, and federal governments. The Division is not exposed to significant credit risk as payments in full are typically collected when due.



# RIVER EAST TRANSCONA SCHOOL DIVISION

## Notes to Consolidated Financial Statements

June 30, 2019

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### 15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

#### Liquidity risk

Liquidity risk relates to the Division's ability to access sufficient funds to meet its financial commitments. The following table details the Fund's remaining contractual maturities for its financial liabilities.

	Due < 1 year	Due > 1 year, < 2 years	Due > 2 years, < 3 years	Due > 3 years, < 4 years	Due > 4 years, < 5 years	Due > 5 years
Accounts payable	\$ 1,746,875	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	24,051,387	-	-	-	-	-
Due to Governments	-	-	-	-	-	-
Debenture debt	3,839,863	3,751,056	3,629,155	3,606,158	3,509,844	38,909,353
Other borrowings	1,752,842	1,229,920	677,115	208,705	76,420	10,573

The Division's primary liquidity risk relates to its liability for debenture debt. The Division does not have material liabilities that can be called unexpectedly at the demand of a lender, and has no material commitments for capital expenditures, or need for same, in the normal course of business. As payment of principal and interest is funded entirely by grants from the Province of Manitoba, the Division is not exposed to significant liquidity risk.

#### Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The interest rate exposure relates to debenture debt.