

**Manitoba**  
Education and Training



Schools' Finance Branch  
511-1181 Portage Avenue  
Winnipeg, Manitoba  
R3G 0T3

HANOVER SCHOOL DIVISION  
5 CHRYSLER GATE  
STEINBACH, MANITOBA R5G 0E2

**AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

June 30, 2019

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## Independent Auditors' Report

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to the Board of Trustees of Hanover School Division:

### Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the School Division as at June 30, 2019, and the results of its consolidated operations, changes in net debt and 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the School Division in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements. The supplemental information presented in the attached schedules is presented for the purpose of additional analysis and is not a required part of the consolidated financial statements. Such supplemental information has been subjected only to auditing procedures applied in the audit of the consolidated financial statements, taken as a whole.

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

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School 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 School Division's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School Division to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Winnipeg, Manitoba

October 1, 2019

**MNP LLP**

Chartered Professional Accountants

I hereby certify that this report and the statements and reports referenced herein have been presented to the members of the board of the Hanover School Division.

10/01/19  
DATE

Qua Ginta  
CHAIRPERSON

## Independent Auditors' Report

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To the Board of Trustees of Hanover School Division:

### *Opinion*

We have audited the EIS Enrolment File Verification Report of Hanover School Division for the year ended June 30, 2019 ("the Schedule").

In our opinion, the enrolment information in the EIS Enrolment File Verification Report for the year ended June 30, 2019 is prepared, in all material respects, 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 as issued by the Province of Manitoba.

### *Basis for Opinion*

We conducted our audit in accordance with the Public Schools Enrolment and Categorical Grants Reporting for the 2018/19 School Year referred to above. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Schedule* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the schedule 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.

### *Emphasis of Matter - Basis of Accounting and Restriction on Distribution*

This schedule is prepared to assist Hanover School Division to meet the requirements of the Public Schools Enrolment and Categorical Grants Reporting for the 2018/19 School Year. As a result, the schedule may not be suitable for another purpose. Our report is intended solely for the Board of Directors of Hanover School Division relative to the Public Schools Enrolment and Categorical Grants Reporting for the 2018/19 School Year and should not be distributed to other parties.

### *Responsibilities of Management and Those Charged with Governance for the Schedule*

Management is responsible for the preparation of this schedule in accordance the Public Schools Enrolment and Categorical Grants Reporting for the 2018/19 School Year issued by the Province of Manitoba, and for such internal controls as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

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

### *Auditors' Responsibilities for the Audit of the Schedule*

Our objectives are to obtain reasonable assurance about whether the schedule is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this schedule.

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 schedule, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Evaluate the overall presentation and content of the schedule, including the disclosures, and whether the schedule represents the underlying transactions and events in a manner that achieves fair presentation.

**MNP**

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.

Winnipeg, Manitoba

October 1, 2019

**MNP LLP**  
Chartered Professional Accountants

I hereby certify that this report and the schedule referenced herein have been presented to the members of the Board of Trustees of Hanover School Division.

10/01/19  
DATE

  
CHAIRPERSON

**MNP**

## MANAGEMENT REPORT

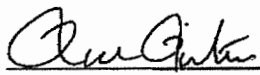
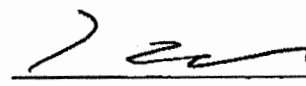
### Management's Responsibility for the Financial Statements

The accompanying consolidated financial statements of Hanover School Division (the "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 MNP LLP, independent external auditors appointed by the Board. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Division's consolidated financial statements.

  
Chairperson  
Secretary-Treasurer

October 1, 2019



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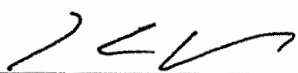
**CERTIFICATION FORM FOR  
REPORTING OF ENROLMENT ELECTRONICALLY  
ON SEPTEMBER 30, 2018**

**HANOVER SCHOOL DIVISION**

We hereby certify that to the best of our knowledge and belief, the following pupil enrolment and school information reported electronically through EIS Collection is true and correct and in accordance with the laws and regulations of the Province of Manitoba;

- |                          |   |
|--------------------------|---|
| - MET number;            | - postal code (residence);                |
| - school attended;       | - attendance (eligible percentage);       |
| - birthdate;             | - diploma already attained;               |
| - gender;                | - homeroom;                               |
| - school student number; | - Child and Family Services (CFS) status; |
| - enrolment date;        | - transportation code;                    |
| - grade;                 | - French Language;                        |
| - enrolment code;        | - Aboriginal and International Languages; |
| - resident division;     | - English as an Additional Language.      |

OCT 12 / 18  
DATE

  
\_\_\_\_\_  
SECRETARY - TREASURER

OCT 12 / 18  
DATE

  
\_\_\_\_\_  
SUPERINTENDENT

The collection of personal information submitted by divisions is authorized under *The Public Schools Act* and the *Funding of Schools Program Regulation (M.R.259/2006)*.

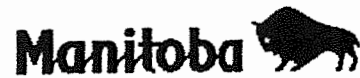
The personal information reported will be used for the purpose of determining and verifying funding eligibility and program requirements under the Funding of Schools Program and for statistical use.

It is protected by the Protection of Privacy provisions of *The Freedom of Information and Protection of Privacy Act*.

Any questions about the collection can be directed to: Schools' Finance Branch at 204-945-6910.

Remember to attach part 2





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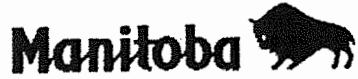
## EIS ENROLMENT FILE VERIFICATION REPORT - SEPTEMBER 30, 2018

### HANOVER SCHOOL DIVISION

This report counts the number of pupils, on a head-count basis, for which enrolment data has been reported through the accompanying electronic EIS Collection file being submitted to Schools' Finance Branch (SFB).

The report is used to verify that the electronic file submitted to SFB reconciles to this certification report prior to upload to the departmental EIS database.

SCHOOL NAME	SPECIAL UNGRADED CLASSES		GRADE														TOTAL ENROL	CODE 300	CODE 400	FILE TOTAL
	SE (Ages 4 to 13)	SS (14 and Older)	N	K	1	2	3	4	5	6	7	8	9	10	11	12				
Blumenort School				51	43	50	48	51	49	26	48	33					399		0	399
Bothwell School				10	11	14	10	9	14	14	14	18					114		0	114
Clearspring Middle School									149	143	157	153					602	1	0	603
Crystal Springs School				2	3	5	8	2	7	4	6	6	5	3	3	3	57		0	57
Fondale School				61	41	64	60	49									275		0	275
Green Valley School									77	61	60	55	51	55	41	61	461	9	0	470
Kleefeld School				37	37	43	28	41	47	45	40	35					353		0	353
Landmark Collegiate											30	39	31	31	32	25	188		0	188
Landmark Elementary School				36	27	26	26	42	38	30							225		0	225



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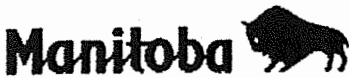
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SCHOOL NAME	SPECIAL UNGRADED CLASSES		GRADE														TOTAL ENROL	CODE 300	CODE 400	FILE TOTAL
	SE (Ages 4 to 13)	SS (14 and Older)	N	K	1	2	3	4	5	6	7	8	9	10	11	12				
Mitchell Elementary School				88	91	89	84	95									447		0	447
Mitchell Middle School									87	84	81	81					333		0	333
Niverville Collegiate									101	95	87	92	84	66	58	61	644	2	0	646
Niverville Elementary				83	90	101	108	99									481	1	0	482
South Oaks Elementary				76	55	71	85	72									359	1	0	360
Southwood School				96	97	94	73	113									473		0	473
Steinbach Regional Secondary													439	471	428	438	1,776	18	0	1,794
Stonybrook Middle School									113	123	92	94					422	1	0	423
Woodlawn School				125	105	127	111	120									588		0	588
SCHOOL DIVISION TOTAL				665	600	684	641	693	682	625	615	606	610	626	562	588	8,197	33	0	8,230



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EIS ENROLMENT FILE VERIFICATION REPORT - SEPTEMBER 30, 2018

HANOVER SCHOOL DIVISION

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SCHOOL NAME	SPECIAL UNGRADED CLASSES		GRADE													TOTAL ENROL	CODE 300	CODE 400	FILE TOTAL
	SE (Ages 4 to 13)	SS (14 and Older)	N	K	1	2	3	4	5	6	7	8	9	10	11	12			
PUPILS ATTENDING OUT OF DIVISION (ENROLMENT CODE 500 SERIES)										4			1		1				6

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

as at June 30

Notes		2019	2018
	<b>Financial Assets</b>		
	Cash and Bank	-	-
	Due from - Provincial Government	3,476,909	3,890,635
	- Federal Government	96,336	57,530
	- Municipal Government	16,183,099	15,752,284
	- Other School Divisions	-	-
	- First Nations	-	-
	Accounts Receivable	191,511	205,278
	Accrued Investment Income	-	-
*	Portfolio Investments	10	10
		<u>19,947,865</u>	<u>19,905,737</u>
	<b>Liabilities</b>		
*	Overdraft	7,993,994	3,955,354
	Accounts Payable	2,170,897	2,050,657
	Accrued Liabilities	8,873,881	9,222,805
*	Employee Future Benefits	1,155,593	834,006
	Accrued Interest Payable	1,780,541	1,780,675
	Due to - Provincial Government	-	-
	- Federal Government	-	-
	- Municipal Government	-	-
	- Other School Divisions	-	-
	- First Nations	-	-
*	Deferred Revenue	2,789,959	2,370,883
*	Borrowings from the Provincial Government	91,098,187	88,712,407
	Other Borrowings	-	-
	School Generated Funds Liability	-	115,739
		<u>115,863,052</u>	<u>109,042,526</u>
	<b>Net Assets (Debt)</b>	<u>(95,915,187)</u>	<u>(89,136,789)</u>
	<b>Non-Financial Assets</b>		
*	Net Tangible Capital Assets (TCA Schedule)	124,410,387	116,333,989
	Inventories	308,936	249,965
	Prepaid Expenses	900,719	664,076
		<u>125,620,042</u>	<u>117,248,030</u>
*	<b>Accumulated Surplus</b>	<u>29,704,855</u>	<u>28,111,241</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	72,036,237	69,907,225
	Federal Government	-	-
	Municipal Government - Property Tax	26,956,842	26,195,562
	- Other	-	-
	Other School Divisions	124,350	65,650
	First Nations	-	-
	Private Organizations and Individuals	553,700	597,536
	Other Sources	284,685	271,837
	School Generated Funds	2,157,496	2,077,333
	Other Special Purpose Funds	-	-
		<u>102,113,310</u>	<u>99,115,143</u>
	<b>Expenses</b>		
	Regular Instruction	57,125,602	55,099,606
	Student Support Services	12,539,740	12,116,226
	Adult Learning Centres	-	-
	Community Education and Services	190,777	184,935
	Divisional Administration	2,352,879	2,194,498
	Instructional and Other Support Services	2,622,663	2,663,514
	Transportation of Pupils	3,957,748	3,949,571
	Operations and Maintenance	9,070,925	8,995,494
*	Fiscal - Interest	4,012,726	4,019,843
	- Other	1,464,456	1,251,289
	Amortization	5,091,548	5,055,514
	Other Capital Items	-	119,902
	School Generated Funds	2,090,632	2,081,746
	Other Special Purpose Funds	-	-
		<u>100,519,696</u>	<u>97,732,138</u>
	Current Year Surplus (Deficit) before Non-vested Sick Leave	<u>1,593,614</u>	<u>1,383,005</u>
	Less: Non-vested Sick Leave Expense (Recovery)	<u>0</u>	<u>0</u>
	Net Current Year Surplus (Deficit)	<u>1,593,614</u>	<u>1,383,005</u>
	Opening Accumulated Surplus	28,111,241	26,728,236
	Adjustments: Tangible Cap. Assets and Accum. Amort.	-	-
	Other than Tangible Cap. Assets	-	-
	Non-vested sick leave - prior years	-	-
	Opening Accumulated Surplus, as adjusted	<u>28,111,241</u>	<u>26,728,236</u>
	<b>Closing Accumulated Surplus</b>	<u>29,704,855</u>	<u>28,111,241</u>

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)	1,593,614	1,383,005
Amortization of Tangible Capital Assets	5,091,548	5,055,514
Acquisition of Tangible Capital Assets	(13,167,946)	(9,401,218)
(Gain) / Loss on Disposal of Tangible Capital Assets	(8,500)	(19,295)
Proceeds on Disposal of Tangible Capital Assets	8,500	19,295
	(8,076,398)	(4,345,704)
Inventories (Increase)/Decrease	(58,971)	(8,177)
Prepaid Expenses (Increase)/Decrease	(236,643)	64,300
	(295,614)	56,123
(Increase)/Decrease in Net Debt	(6,778,398)	(2,906,576)
Net Debt at Beginning of Year	(89,136,789)	(86,230,213)
Adjustments Other than Tangible Cap. Assets	-	-
	(89,136,789)	(86,230,213)
Net Assets (Debt) at End of Year	(95,915,187)	(89,136,789)

**CONSOLIDATED STATEMENT OF CASH FLOW**  
For the Year Ended June 30, 2019

	2019	2018
<b>Operating Transactions</b>		
Net Current Year Surplus (Deficit)	1,593,614	1,383,005
Non-Cash Items Included in Current Year Surplus/(Deficit):		
Amortization of Tangible Capital Assets	5,091,548	5,055,514
(Gain)/Loss on Disposal of Tangible Capital Assets	(8,500)	(19,295)
Employee Future Benefits Increase/(Decrease)	321,587	(197,797)
Due from Other Organizations (Increase)/Decrease	(55,895)	722,835
Accounts Receivable & Accrued Income (Increase)/Decrease	13,767	1,227
Inventories and Prepaid Expenses - (Increase)/Decrease	(295,614)	56,123
Due to Other Organizations Increase/(Decrease)	-	-
Accounts Payable & Accrued Liabilities Increase/(Decrease)	(228,818)	279,576
Deferred Revenue Increase/(Decrease)	419,076	576,676
School Generated Funds Liability Increase/(Decrease)	(115,739)	(30,223)
Adjustments Other than Tangible Cap. Assets	-	-
Cash Provided by (Applied to) Operating Transactions	6,735,026	7,827,641
<b>Capital Transactions</b>		
Acquisition of Tangible Capital Assets	(13,167,946)	(9,401,218)
Proceeds on Disposal of Tangible Capital Assets	8,500	19,295
Cash Provided by (Applied to) Capital Transactions	(13,159,446)	(9,381,923)
<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)	2,385,780	766,585
Other Borrowings Increase/(Decrease)	-	-
Cash Provided by (Applied to) Financing Transactions	2,385,780	766,585
Cash and Bank / Overdraft (Increase)/Decrease	(4,038,640)	(787,697)
Cash and Bank (Overdraft) at Beginning of Year	(3,955,354)	(3,167,657)
Cash and Bank (Overdraft) at End of Year	(7,993,994)	(3,955,354)

## ANALYSIS OF CONSOLIDATED ACCUMULATED SURPLUS

as at June 30, 2019

Operating Fund Accumulated Surplus (Deficit)	3,407,529
Equity in Tangible Capital Assets	24,814,995
Capital Reserve Accounts	1,023,526
School Generated Funds	458,805
Other Special Purpose Funds	<u>0</u>
Consolidated Accumulated Surplus	<u>29,704,855</u>

Operating Fund Accumulated Surplus Comprised of:

## Designated Surplus \*

[illegible]

Total Designated Surplus	0
Undesignated Surplus (Deficit)	3,407,529
Operating Fund Accumulated Surplus (Deficit) Gross of Non-vested sick leave	3,407,529
Less: Non-vested sick leave to date	0
Operating Fund Accumulated Surplus (Deficit) Net of Non-vested sick leave	3,407,529
Operating Fund Accumulated Surplus as a % of Operating Expenses **	3.8%

\* Includes all Board-approved surplus designations by Board Motion or, in the case of school budget carryovers, by Board policy.

\*\* Gross of Non-vested sick leave.



# OPERATING FUND SCHEDULE OF FINANCIAL POSITION

as at June 30

	2019	2018
<b>Financial Assets</b>		
Cash and Bank	12,267	18,462
Due from		
- Provincial Government	1,696,368	2,109,960
- Federal Government	59,672	49,319
- Municipal Government	16,183,099	15,752,284
- Other School Divisions	-	-
- First Nations	-	-
- Other Funds	4,030,038	3,823,512
Accounts Receivable	191,511	205,278
Accrued Investment Income		-
Portfolio Investments	10	10
	<u>22,172,965</u>	<u>21,958,825</u>
<b>Liabilities</b>		
Overdraft	4,984,761	4,981,628
Accounts Payable	2,170,897	2,050,657
Accrued Liabilities	8,873,881	9,222,805
Employee Future Benefits	1,155,593	834,006
Accrued Interest Payable	-	-
Due to		
- Provincial Government	-	-
- Federal Government	-	-
- Municipal Government	-	-
- Other School Divisions	-	-
- First Nations	-	-
- Capital Fund	-	-
Deferred Revenue	2,789,959	2,370,883
Other Borrowings	-	-
	<u>19,975,091</u>	<u>19,459,979</u>
<b>Net Financial Assets (Net Debt)</b>	<u>2,197,874</u>	<u>2,498,846</u>
<b>Non-Financial Assets</b>		
Inventories	308,936	249,965
Prepaid Expenses	900,719	664,076
	<u>1,209,655</u>	<u>914,041</u>
<b>Accumulated Surplus (Deficit)</b>	<u>3,407,529</u>	<u>3,412,887</u>

OPERATING FUND  
SCHEDULE OF REVENUE, EXPENSES  
AND ACCUMULATED SURPLUS  
For the Year Ended June 30

	2019 Actual	2019 Budget	2018 Actual
Revenue			
Provincial Government - Core	62,759,186	62,530,968	61,003,148
Federal Government	-	-	-
Municipal Government - Property Tax	26,956,842	27,044,632	26,195,562
- Other	-	-	-
Other School Divisions	124,350	65,000	65,650
First Nations	-	-	-
Private Organizations and Individuals	553,700	415,000	597,536
Other Sources	201,891	169,400	204,561
	90,595,969	90,225,000	88,066,457
Expenses			
Regular Instruction	57,125,602	55,759,400	55,099,606
Student Support Services	12,539,740	12,925,300	12,116,226
Adult Learning Centres	-	-	-
Community Education and Services	190,777	162,500	184,935
Divisional Administration	2,352,879	2,436,300	2,194,498
Instructional and Other Support Services	2,622,663	2,894,700	2,663,514
Transportation of Pupils	3,957,748	4,119,900	3,949,571
Operations and Maintenance	9,070,925	9,304,900	8,995,494
Fiscal	1,679,250	1,568,100	1,441,470
	89,539,584	89,171,100	86,645,314
Current Year Surplus (Deficit) before Non-vested Sick Leave	1,056,385	1,053,900	1,421,143
Less: Non-vested Sick Leave Expense (Recovery)			-
Current Year Surplus (Deficit) after Non-vested Sick Leave	1,056,385	1,053,900	1,421,143
Net Transfers from (to) Capital Fund	(1,061,743)	(1,053,900)	(1,366,848)
Transfers from Special Purpose Funds	-		-
Net Current Year Surplus (Deficit)	(5,358)	0	54,295
Opening Accumulated Surplus (Deficit)	3,412,887		3,358,592
Adjustments: Liability for Contaminated Sites	-		-
	-		-
Non-vested sick leave - prior years	-		-
Opening Accumulated Surplus (Deficit), as adjusted	3,412,887		3,358,592
Closing Accumulated Surplus (Deficit)	3,407,529		3,412,887

**OPERATING FUND - REVENUE DETAIL**  
**PROVINCE OF MANITOBA**  
For the Year Ended June 30, 2019

**Funding of Schools Program**

Base Support		
Instructional Support	15,006,705	
Additional Instructional Support for Small Schools	-	
Sparsity	241,085	
Curricular Materials	467,376	
Information Technology	482,831	
Library Services	716,459	
Student Services	2,569,844	
Counselling and Guidance	646,371	
Professional Development	303,716	
Physical Education	144,625	
Occupancy	2,791,575	23,370,587
Categorical Support		
Transportation	2,625,674	
Board and Room	-	
Special Needs: Coordinator/Clinician	584,070	
Special Needs: Level 2	1,493,400	
Special Needs: Level 3	1,345,981	
Senior Years Technology Education	651,035	
English as an Additional Language	580,400	
Indigenous Academic Achievement (including BSSIP)	171,000	
Indigenous and International Languages	1,974	
French Language Education	21,077	
Small Schools	35,244	
Enrolment Change Support	239,720	
Northern Allowance	-	
Early Childhood Development Initiative	106,984	
Literacy and Numeracy	623,008	
Education for Sustainable Development	12,600	8,492,167
Equalization		20,304,939
Additional Equalization		-
Adjustment for Days Closed		-
Formula Guarantee		-
Other Program Support		
School Buildings Support: "D" Projects	168,960	
Technology Education Equipment Replacement	101,100	
Skills Strategy Equipment Enhancement	33,286	
Other Minor Capital Support	-	
Prior Year Support		
Finalization of Previous Year Support	(3,506)	
Curricular Materials	-	
School Buildings Support: "D" Projects	-	
Technology Education Equipment	-	299,840
		<u>52,467,533</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)	-	
Substitute Fees	11,955	
General Support Grant	1,334,681	
Education Property Tax Credit	6,666,249	
Tax Incentive Grant	1,095,290	
Early Years Enhancement Grant	962,667	
Community Schools	-	
Healthy Schools Initiative	21,688	
Learning to Age 18 Coordinator	35,250	
Adult Learning Centres	-	
Other: Exam Marking	12,984	
French Revitalization	21,620	
Career Development Fund	80,750	
PSFB - Portable Program Revenue	36,487	
EDI Survey Reimbursements	932	
		10,280,553

Other Provincial Government Departments (Not including GBE's)

Employment Programs	-	
Other: Southeastman Health	11,100	
		11,100

Funding of Schools Program (previous page) 52,467,533

TOTAL PROVINCIAL GOVERNMENT REVENUE 62,759,186

# **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:	-

0

## **Municipal Government**

Special Requirement	34,718,381	
Less: Education Property Tax Credit	(6,666,249)	
Less: Tax Incentive Grant	(1,095,290)	26,956,842
Other:	-	-

26,956,842

## **Other School Divisions**

Tuition Fees	-
Transfer Fees	-
Residual Fees	124,350
Transportation of Pupils	-
Other:	-

124,350

## **First Nations**

Tuition Fees	-
Transportation of Pupils	-
Other:	-

0

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

Regular Tuition	-
International Tuition	-
Continuing Education	-
Other Tuition:	-
Food Service	114,687
Government Business Enterprises (GBE's)	-
Other:	SRSS Marketing
	41,997
	SRSS Other Departments
	109,109
	Band Instrument Rentals
	32,340
	School Rentals
	121,953
	Manitoba Hydro Power Smart
	133,614

553,700

## **Other Sources**

Interest	5,219
Donations	-
Other:	Substitute Fees
	9,003
	Property and Liability Insurance Rebate
	16,852
	Misc. Income
	138,477
	Autopac Rebate
	20,795
	Computer Department Warranty Work
	7,355
	Labor Cost Recovery
	4,190

201,891

**TOTAL NON-PROVINCIAL GOVERNMENT REVENUE**

27,836,783

OPERATING FUND - EXPENSE BY FUNCTION AND BY OBJECT  
For the Year Ended June 30

<div><div></div><div>FUNCTION</div><div></div></div> <div>OBJECT</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	47,398,202	11,220,058	-	148,578	1,597,731	1,917,434	2,639,083	4,048,414		68,969,500	66,849,010
Employees Benefits and Allowances	2,594,241	920,353	-	14,405	174,175	179,488	358,858	601,297		4,842,817	4,683,325
Services	694,869	164,505	-	2,479	521,320	304,389	206,305	2,825,617		4,719,484	4,561,533
Supplies, Materials and Minor Equipment	4,317,365	234,824	-	25,315	59,653	221,352	753,502	1,595,597		7,207,608	7,271,399
Interest and Bank Charges									214,794	214,794	190,181
Bad Debt Expense									-	0	0
Transfers	2,120,925	-	-	-	-	-	-	-	(PAYROLL TAX) 1,464,456	3,585,381	3,089,866
TOTALS	57,125,602	12,539,740	0	190,777	2,352,879	2,622,663	3,957,748	9,070,925	1,679,250	89,539,584	86,645,314



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

For the Year Ended June 30, 2019

REGULAR INSTRUCTION		10 ADMINISTRATION	SINGLE TRACK SCHOOLS *			80 DUAL TRACK SCHOOLS **	90 SENIOR YEARS TECHNOLOGY EDUCATION	TOTALS
CODE	OBJECT \ PROGRAM		20 ENGLISH LANGUAGE	50 FRANÇAIS	70 FRENCH IMMERSION			
3XX	SALARIES							
320	Executive, Managerial and Supervisory	3,446,777						3,446,777
330	Instructional - Teaching	4,342	38,598,683				2,342,378	40,945,403
350	Instructional - Other		529,396					529,396
360	Technical, Specialized and Service		469,678					469,678
370	Secretarial, Clerical and Other	1,302,605						1,302,605
390	Information Technology	704,343						704,343
	Total Salaries	5,458,067	39,597,757	0	0	0	2,342,378	47,398,202
4XX	EMPLOYEES BENEFITS AND ALLOWANCES	323,107	2,162,594				108,540	2,594,241
5-6XX	SERVICES							
510	Professional, Technical and Specialized		44,966					44,966
520	Communications	77,701	9,213				297	87,211
540	Travel and Meetings	8,969	82,257					91,226
560	Tuition							0
570	Printing and Binding							0
580	Insurance and Bond Premiums		9,389					9,389
590	Maintenance and Repair Services	137	62,536				1,560	64,233
610	Rentals		74,040					74,040
630	Advertising	3,001						3,001
640	Dues and Fees		100,099					100,099
650	Professional and Staff Development	7,755						7,755
680	Information Technology Services	56,196	156,753					212,949
	Total Services	153,759	539,253	0	0	0	1,857	694,869
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT							
710	Supplies	149,588	1,335,310				453,062	1,937,960
740	Curricular and Media Materials	2,957	176,937				11,771	191,665
760	Minor Equipment	9,376	300,788				84,667	394,831
780	Information Technology Equipment	313,444	1,460,454				19,011	1,792,909
	Total Supplies, Materials and Minor Equipment	475,365	3,273,489	0	0	0	568,511	4,317,365
96X-99	TRANSFERS							
960	School Divisions		22,750	980,744	1,102,486			2,105,980
980	Organizations and Individuals	1,000	1,945				12,000	14,945
	Total Transfers	1,000	24,695	980,744	1,102,486	0	12,000	2,120,925
	TOTALS	6,411,298	45,597,788	980,744	1,102,486	0	3,033,286	57,125,602

\* 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

STUDENT SUPPORT SERVICES		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	191,216						191,216
330	Instructional - Teaching			601,200	1,331,806	2,022,646	1,591,173	5,546,825
350	Instructional - Other			67,577	2,201,109	1,279,396	85,926	3,634,008
360	Technical, Specialized and Service							0
370	Secretarial, Clerical and Other	89,398						89,398
380	Clinician		1,758,611					1,758,611
390	Information Technology							0
	Total Salaries	280,614	1,758,611	668,777	3,532,915	3,302,042	1,677,099	11,220,058
4XX	EMPLOYEES BENEFITS AND ALLOWANCES	27,984	87,455	40,336	542,971	132,571	89,036	920,353
5-6XX	SERVICES							
510	Professional, Technical and Specialized	72,910						72,910
520	Communications	8,631					600	9,231
540	Travel and Meetings	5,203	43,596	913	24,234	1,449		75,395
560	Tuition			341				341
570	Printing and Binding							0
580	Insurance and Bond Premiums							0
590	Maintenance and Repair Services	2,735						2,735
610	Rentals	2,907						2,907
630	Advertising							0
640	Dues and Fees							0
650	Professional and Staff Development							0
680	Information Technology Services	986						986
	Total Services	93,372	43,596	1,254	24,234	1,449	600	164,505
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT							
710	Supplies	58,248		12,083	60,145	25,548		156,024
740	Curricular and Media Materials	1,587			395	2,806		4,788
760	Minor Equipment	7,598		3,934	1,317	546		13,395
780	Information Technology Equipment	49,946			10,671			60,617
	Total Supplies, Materials and Minor Equipment	117,379	0	16,017	72,528	28,900	0	234,824
96X-99	TRANSFERS							
960	School Divisions							0
980	Organizations and Individuals							0
	Total Transfers	0	0	0	0			0
	TOTALS	519,349	1,889,662	726,384	4,172,648	3,464,962	1,766,735	12,539,740



For the Year Ended June 30, 2019

ADULT LEARNING CENTRES		10	20	
CODE	OBJECT \ PROGRAM	ADMINISTRATION AND OTHER	INSTRUCTION	TOTALS
3XX	SALARIES			
320	Executive, Managerial and Supervisory			0
330	Instructional - Teaching			0
350	Instructional - Other			0
360	Technical, Specialized and Service			0
370	Secretarial, Clerical and Other			0
390	Information Technology			0
	Total Salaries	0	0	0
4XX	EMPLOYEES BENEFITS AND ALLOWANCES			0
5-6XX	SERVICES			
510	Professional, Technical and Specialized			0
520	Communications			0
530	Utility Services			0
540	Travel and Meetings			0
560	Tuition			0
570	Printing and Binding			0
580	Insurance and Bond Premiums			0
590	Maintenance and Repair Services			0
610	Rentals			0
620	Property Taxes			0
630	Advertising			0
640	Dues and Fees			0
650	Professional and Staff Development			0
680	Information Technology Services			0
	Total Services	0	0	0
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT			
710	Supplies			0
740	Curricular and Media Materials			0
760	Minor Equipment			0
780	Information Technology Equipment			0
	Total Supplies, Materials and Minor Equipment	0	0	0
96X-99	TRANSFERS			
960	School Divisions			0
980	Organizations and Individuals			0
999	Recharge			0
	Total Transfers	0	0	0
	TOTALS	0	0	0

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

For the Year Ended June 30, 2019

<b>COMMUNITY EDUCATION AND SERVICES</b>		10	20	30	40	
CODE	OBJECT \ PROGRAM	CONTINUING EDUCATION	ENGLISH AS AN ADDITIONAL LANGUAGE FOR ADULTS	COMMUNITY SERVICES AND RECREATION	PRE-KINDERGARTEN EDUCATION	TOTALS
3XX	SALARIES					
320	Executive, Managerial and Supervisory					0
330	Instructional - Teaching					0
350	Instructional - Other				99,649	99,649
360	Technical, Specialized and Service					0
370	Secretarial, Clerical and Other					0
380	Clinician				48,929	48,929
390	Information Technology					0
	Total Salaries	0	0	0	148,578	148,578
4XX	EMPLOYEES BENEFITS AND ALLOWANCES				14,405	14,405
5-6XX	SERVICES					
510	Professional, Technical and Specialized					0
520	Communications					0
540	Travel and Meetings				2,479	2,479
570	Printing and Binding					0
580	Insurance and Bond Premiums					0
590	Maintenance and Repair Services					0
610	Rentals					0
630	Advertising					0
640	Dues and Fees					0
650	Professional and Staff Development					0
680	Information Technology Services					0
	Total Services	0	0	0	2,479	2,479
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT					
710	Supplies				25,234	25,234
740	Curricular and Media Materials				81	81
760	Minor Equipment					0
780	Information Technology Equipment					0
	Total Supplies, Materials and Minor Equipment	0	0	0	25,315	25,315
96X-99	TRANSFERS					
980	Organizations and Individuals					0
999	Recharge					0
	Total Transfers	0	0	0	0	0
	TOTALS	0	0	0	190,777	190,777

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

For the Year Ended June 30, 2019

DIVISIONAL ADMINISTRATION		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	126,826				126,826
320	Executive, Managerial and Supervisory		488,723	531,100		1,019,823
360	Technical, Specialized and Service					0
370	Secretarial, Clerical and Other	12,988	80,875	357,219		451,082
390	Information Technology					0
	Total Salaries	139,814	569,598	888,319	0	1,597,731
4XX	EMPLOYEES BENEFITS AND ALLOWANCES	5,817	33,540	134,818		174,175
5-6XX	SERVICES					
510	Professional, Technical and Specialized	15,875		44,978		60,853
520	Communications		3,616	47,148		50,764
540	Travel and Meetings	4,920	8,393	6,953		20,266
570	Printing and Binding					0
580	Insurance and Bond Premiums			69,198		69,198
590	Maintenance and Repair Services			9,137		9,137
610	Rentals			6,707		6,707
630	Advertising					0
640	Dues and Fees	95,733	5,431	11,199		112,363
650	Professional and Staff Development	25,416	24,823	20,570		70,809
680	Information Technology Services	12,972	3,960	1,854	102,437	121,223
	Total Services	154,916	46,223	217,744	102,437	521,320
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT					
710	Supplies	11,082	6,133	26,469		43,684
740	Curricular and Media Materials		2,635	352		2,987
760	Minor Equipment					0
780	Information Technology Equipment		1,462	11,520		12,982
	Total Supplies, Materials and Minor Equipment	11,082	10,230	38,341	0	59,653
96X-99	TRANSFERS					
960	School Divisions					0
980	Organizations and Individuals					0
999	Recharge					0
	Total Transfers	0	0	0		0
	TOTALS	311,629	659,591	1,279,222	102,437	2,352,879



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

For the Year Ended June 30, 2019

INSTRUCTIONAL AND OTHER SUPPORT SERVICES		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	4,834					4,834
330	Instructional - Teaching		373,977	25,339	685,567		1,084,883
350	Instructional - Other				56,515	54,068	110,583
360	Technical, Specialized and Service					54,113	54,113
370	Secretarial, Clerical and Other		9,667	623,161			632,828
390	Information Technology			30,193			30,193
	Total Salaries	4,834	383,644	678,693	742,082	108,181	1,917,434
4XX	EMPLOYEES BENEFITS AND ALLOWANCES	784	18,593	104,392	38,364	17,355	179,488
5-6XX	SERVICES						
510	Professional, Technical and Specialized						0
520	Communications		7,210	739			7,949
540	Travel and Meetings		11,258	2,991			14,249
560	Tuition						0
570	Printing and Binding						0
580	Insurance and Bond Premiums					6,370	6,370
590	Maintenance and Repair Services		212	15,806			16,018
610	Rentals		2,075				2,075
630	Advertising						0
640	Dues and Fees		150				150
650	Professional and Staff Development				257,426		257,426
680	Information Technology Services			152			152
	Total Services	0	20,905	19,688	257,426	6,370	304,389
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT						
710	Supplies		10,968	30,033	1,310	104,344	146,655
740	Curricular and Media Materials		12,886	57,672			70,558
760	Minor Equipment			1,412			1,412
780	Information Technology Equipment		337	2,390			2,727
	Total Supplies, Materials and Minor Equipment	0	24,191	91,507	1,310	104,344	221,352
96X-99	TRANSFERS						
960	School Divisions						0
980	Organizations and Individuals						0
	Total Transfers					0	0
	TOTALS	5,618	447,333	894,280	1,039,182	236,250	2,622,663

For the Year Ended June 30, 2019

TRANSPORTATION OF PUPILS		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	144,138					144,138
350	Instructional - Other						0
360	Technical, Specialized and Service		2,134,100			309,511	2,443,611
370	Secretarial, Clerical and Other	51,334					51,334
390	Information Technology						0
	Total Salaries	195,472	2,134,100		0	309,511	2,639,083
4XX	EMPLOYEES BENEFITS AND ALLOWANCES	31,800	288,964			38,094	358,858
5-6XX	SERVICES						
510	Professional, Technical and Specialized						0
520	Communications		15,549				15,549
540	Travel and Meetings	4,843	558				5,401
550	Transportation of Pupils			1,380			1,380
570	Printing and Binding						0
580	Insurance and Bond Premiums		68,194				68,194
590	Maintenance and Repair Services		19,344				19,344
610	Rentals		1,420				1,420
630	Advertising						0
640	Dues and Fees		1,270				1,270
650	Professional and Staff Development	2,469	5,928				8,397
680	Information Technology Services	85,350					85,350
	Total Services	92,662	112,263	1,380	0	0	206,305
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT						
710	Supplies		616,286			128,566	744,852
740	Curricular and Media Materials						0
760	Minor Equipment	380	7,415				7,795
780	Information Technology Equipment	819	36				855
	Total Supplies, Materials and Minor Equipment	1,199	623,737		0	128,566	753,502
96X-99	TRANSFERS						
960	School Divisions						0
980	Organizations and Individuals						0
999	Recharge						0
	Total Transfers	0	0	0	0	0	0
	TOTALS	321,133	3,159,064	1,380	0	476,171	3,957,748



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

For the Year Ended June 30, 2019

<b>OPERATIONS AND MAINTENANCE</b>		10	20	50	70	80	
			SCHOOL	SCHOOL	OTHER		
CODE	OBJECT \ PROGRAM	ADMINISTRATION	BUILDINGS	BUILDINGS	BUILDINGS	GROUND	TOTALS
			MAINTENANCE	REPAIRS AND			
				REPLACEMENTS			
3XX	SALARIES						
320	Executive, Managerial and Supervisory	107,961					107,961
360	Technical, Specialized and Service		3,822,037		21,834	19,721	3,863,592
370	Secretarial, Clerical and Other	76,861					76,861
390	Information Technology						0
	Total Salaries	184,822	3,822,037	0	21,834	19,721	4,048,414
4XX	EMPLOYEES BENEFITS AND ALLOWANCES	27,539	567,201		3,468	3,089	601,297
5-6XX	SERVICES						
510	Professional, Technical and Specialized		196,003			238,346	434,349
520	Communications		18,251				18,251
530	Utility Services		1,214,421		69,242		1,283,663
540	Travel and Meetings	8,015	81,803				89,818
570	Printing and Binding						0
580	Insurance and Bond Premiums		384,747				384,747
590	Maintenance and Repair Services		8,718				8,718
610	Rentals		20,481				20,481
620	Property Taxes		441,572		127,571		569,143
630	Advertising						0
640	Dues and Fees						0
650	Professional and Staff Development	4,579	3,429				8,008
680	Information Technology Services		8,439				8,439
	Total Services	12,594	2,377,864	0	196,813	238,346	2,825,617
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT						
710	Supplies	755	657,198	660,403	6,201	172,300	1,496,857
740	Curricular and Media Materials						0
760	Minor Equipment		80,278			7,290	87,568
780	Information Technology Equipment		11,172				11,172
	Total Supplies, Materials and Minor Equipment	755	748,648	660,403	6,201	179,590	1,595,597
96X-99	TRANSFERS						
999	Recharge						0
	TOTALS	225,710	7,515,750	660,403	228,316	440,746	9,070,925



**CAPITAL FUND SCHEDULE OF FINANCIAL POSITION**

as at June 30

	2019	2018
<b>Financial Assets</b>		
Cash and Bank	1,023,526	807,355
Due from		
- Provincial Government	1,780,541	1,780,675
- Federal Government	36,664	8,211
- Municipal Government	-	-
- First Nations	-	-
- Other Funds	-	-
Accounts Receivable	-	-
Accrued Investment Income	-	-
Portfolio Investments	-	-
	<u>2,840,731</u>	<u>2,596,241</u>
<b>Liabilities</b>		
Overdraft	4,503,831	307,223
Accounts Payable	-	-
Accrued Liabilities	-	-
Accrued Interest Payable	1,780,541	1,780,675
Due to		
- Provincial Government	-	-
- Federal Government	-	-
- Municipal Government	-	-
- First Nations	-	-
- Operating Fund	4,030,038	3,823,512
Deferred Revenue	-	-
Borrowings from the Provincial Government	91,098,187	88,712,407
Other Borrowings	-	-
	<u>101,412,597</u>	<u>94,623,817</u>
<b>Net Assets (Debt)</b>	<u>(98,571,866)</u>	<u>(92,027,576)</u>
<b>Non-Financial Assets</b>		
Net Tangible Capital Assets	<u>124,410,387</u>	<u>116,333,989</u>
<b>Accumulated Surplus / Equity *</b>	<u>25,838,521</u>	<u>24,306,413</u>
* Comprised of:		
Reserve Accounts	1,023,526	807,355
Equity in Tangible Capital Assets	<u>24,814,995</u>	<u>23,499,058</u>
	<u>25,838,521</u>	<u>24,306,413</u>



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

For the Year Ended June 30

	2019	2018
<b>Revenue</b>		
Provincial Government		
Grants	-	-
Debt Servicing - Principal	5,479,119	5,074,415
- Interest	3,797,932	3,829,662
Federal Government	-	-
Municipal Government	-	-
Other Sources:		
Investment Income	16,171	5,866
Donations	-	-
MB Hydro grant	-	-
Gain / (Loss) on Disposal of Capital Assets	8,500	19,295
Gain on receipt of Modular classroom	-	-
SMS Pac - playstructure	57,678	
Misc Finalized Projects	445	
	9,359,845	8,971,353
<b>Expenses</b>		
Amortization	5,091,548	5,055,514
Interest on Borrowings from the Provincial Government	3,797,932	3,829,662
Other Interest	-	-
Other Capital Items	-	119,902
	8,889,480	9,005,078
Current Year Surplus / (Deficit)	470,365	(33,725)
Net Transfers from (to) Operating Fund	1,061,743	1,366,848
Transfers from Special Purpose Fund	-	-
Net Current Year Surplus (Deficit)	1,532,108	1,333,123
Opening Accumulated Surplus / Equity	24,306,413	22,973,290
Adjustments:	-	-
	-	-
Opening Accumulated Surplus / Equity as adjusted	24,306,413	22,973,290
<b>Closing Accumulated Surplus / Equity</b>	<b>25,838,521</b>	<b>24,306,413</b>

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	143,892,909	5,200,351	9,289,293	455,615	3,334,634	4,139,847	6,623,557	-	5,056,533	177,992,739	168,975,256
Adjustments	-	-	-	-	-	-	-	-	-	-	-
Opening Cost adjusted	143,892,909	5,200,351	9,289,293	455,615	3,334,634	4,139,847	6,623,557	-	5,056,533	177,992,739	168,975,256
Add:											
Additions during the year	2,580,744	-	559,749	-	139,980	32,829	1,079,427	-	8,775,217	13,167,946	9,401,218
Less:											
Disposals and write downs	-	-	231,476	-	-	-	-	-	-	231,476	383,735
Closing Cost	146,473,653	5,200,351	9,617,566	455,615	3,474,614	4,172,676	7,702,984	-	13,831,750	190,929,209	177,992,739
<b>Accumulated Amortization</b>											
Opening, as previously reported	49,485,140	1,940,116	5,794,571	343,930	2,348,608	1,746,385	-	-	-	61,658,750	56,986,971
Adjustments	-	-	-	-	-	-	-	-	-	-	-
Opening adjusted	49,485,140	1,940,116	5,794,571	343,930	2,348,608	1,746,385	-	-	-	61,658,750	56,986,971
Add:											
Current period Amortization	3,628,345	124,019	625,902	41,954	256,445	414,883	-	-	-	5,091,548	5,055,514
Less:											
Accumulated Amortization on Disposals and Writedowns	-	-	231,476	-	-	-	-	-	-	231,476	383,735
Closing Accumulated Amortization	53,113,485	2,064,135	6,188,997	385,884	2,605,053	2,161,268	-	-	-	66,518,822	61,658,750
<b>Net Tangible Capital Asset</b>	93,360,168	3,136,216	3,428,569	69,731	869,561	2,011,408	7,702,984	-	13,831,750	124,410,387	116,333,989
<b>Proceeds from Disposal of Capital Assets</b>	-	-	8,500	-	-	-	-	-	-	8,500	19,295

\* Includes network infrastructure.

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

Fund Name >	Buses	Fibre				Totals
Opening Balance, July 1, 2018	-	807,355	-	-	-	807,355
Additions: (Provide a description of each transaction)						
New School Development Reserve		200,000				200,000
Interest on Account		16,171				16,171
						-
						-
						-
						-
Total Additions	-	216,171	-	-	-	216,171
Withdrawals: (Provide a description of each transaction)						
						-
						-
						-
						-
						-
						-
						-
						-
						-
Total Withdrawals	-	-	-	-	-	-
Closing Balance, June 30, 2019	-	1,023,526	-	-	-	1,023,526

**SPECIAL PURPOSE FUND**  
**SCHEDULE OF FINANCIAL POSITION**  
as at June 30

	2019	2018
<b>Financial Assets</b>		
Cash and Bank	458,805	507,680
GST Receivable	-	-
Accrued Investment Income	-	-
Portfolio Investments	-	-
	<u>458,805</u>	<u>507,680</u>
<b>Liabilities</b>		
School Generated Funds Liability	-	115,739
Accounts Payable	-	-
Accrued Liabilities	-	-
Due to Other Funds	-	-
Deferred Revenue	-	-
	<u>0</u>	<u>115,739</u>
<b>Accumulated Surplus *</b>	<u>458,805</u>	<u>391,941</u>
* Comprised of:		
School Generated Funds Accumulated Surplus	458,805	391,941
Other Funds Accumulated Surplus	-	-
<b>Accumulated Surplus *</b>	<u>458,805</u>	<u>391,941</u>

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

For the Year Ended June 30

	2019	2018
<b>Revenue</b>		
School Generated Funds	2,157,496	2,077,333
Other Funds	-	-
	-	-
	2,157,496	2,077,333
<b>Expenses</b>		
School Generated Funds	2,090,632	2,081,746
Other Funds	-	-
	-	-
	2,090,632	2,081,746
Current Year Surplus (Deficit)	66,864	(4,413)
Transfers (to) Operating Fund	-	-
Transfers (to) Capital Fund	-	-
Net Current Year Surplus (Deficit)	66,864	(4,413)
Opening Accumulated Surplus	391,941	396,354
Adjustments:      School Generated Funds	-	-
Other Funds	-	-
Opening Accumulated Surplus as adjusted	391,941	396,354
<b>Closing Accumulated Surplus</b>	<u>458,805</u>	<u>391,941</u>

STUDENT ENROLMENTS (FRAME) AND TRANSPORTATION STATISTICS  
(UNAUDITED)

ENROLMENTS BY PROGRAM		F.T.E. Enrolment September 30, 2018
REGULAR INSTRUCTION		
English Language - Single Track		7,342.5
Francais - Single Track		-
French Immersion - Single Track		-
Dual Track		
- English Language	-	
- Francais	-	
- French Immersion	-	
- Other Bilingual	-	0.0
Senior Years Technology Education		539.0
TOTAL NUMBER OF FULL TIME EQUIVALENT K - 12 STUDENTS		7,881.5

TRANSPORTATION OF PUPILS	
TRANSPORTED STUDENTS (September 30)	5,183
TOTAL KILOMETERS - LOG BOOK (For the period ended June 30)	1,607,007
TOTAL KILOMETERS - BUS ROUTES (For the period ended June 30)	1,380,707
LOADED KILOMETERS (For the period ended June 30)	823,204

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	29.50	2.00			8.92	0.13	2.00	1.00	43.55
330	Instructional - Teaching	447.28	63.50				8.76			519.54
350	Instructional - Other	22.78	136.42		3.30		4.08			166.58
360	Technical, Specialized And Service	18.54					2.00	101.60	82.01	204.15
370	Secretarial, Clerical And Other	37.06	2.00			10.04	19.22	1.00	1.47	70.79
380	Clinician		19.10							19.10
390	Information Technology	10.83					0.50			11.33
TOTALS (excluding Trustees)		565.99	223.02	0.00	3.30	18.96	34.69	104.60	84.48	1,035.04

28

510 Contracted Clinicians (include private clinicians where possible)		
--	--	--

310 TRUSTEES		9.00
--------------	--	------

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

**Administration Costs**

Divisional Administration, Function 500	2,352,879
Less: Liability Insurance	69,198
Administration portion of self-funded expenses (see below)	0 *
Trustee election costs	21,764
	<u>2,261,917 (A)</u>

**Expense Base**

Total Operating Expenses	89,539,584
Plus: Transfers to Capital	1,070,243
Less: Adult Learning Centres, Function 300	0
	<u>90,609,827 (B)</u>

**Percentage (A) / (B)** 2.50%

**Maximum Allowable Percentage** 3.00%

Calculation of Maximum Allowable Percentage:  
If F.T.E. Enrolment is 5,000 or over = 3.00%  
If F.T.E. Enrolment is 1,000 or less = 3.60%  
If F.T.E. Enrolment is between 1,000 and 5,000, calculated as:  
(3.00% + (5,000 – division enrolment) X 0.0001500%) to a maximum of 3.60%  
4.25% limit for Northern divisions

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

**International Student Programs**

Expenses (1)	
Instructional	-
Administration (deducted above)	- *
Other: _____	-
_____	-
	<u>0</u>
Associated Revenue <sup>(2)</sup>	<u>-</u>

**Self-Administered Pension Plans**

Expenses (1)	
Administration (deducted above)	- *
Other: _____	-
_____	-
	<u>0</u>
Associated Revenue <sup>(2)</sup>	<u>-</u>



CALCULATION OF ALLOWABLE AND UNSUPPORTED EXPENSES

CALCULATION OF ALLOWABLE EXPENSES								
FUNCTION / PROGRAM	TOTAL EXPENSES	ADJUSTMENTS TO EXPENSES	REDUCTIONS TO EXPENSES					ALLOWABLE 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	10,773,005	0	4,217,459	0	47,282	0	0	6,508,264
270 Counselling and Guidance	1,766,735	0	0	0	0	0	0	1,766,735
300 Adult Learning Centres	0				0	0	0	
400 Community Education and Services	190,777		106,984	0	0	0	0	
620 Library / Media Centre	894,280	0	0	0	0	0	0	894,280
630 Professional and Staff Development	1,039,182	0	0	0	11,955	0	0	1,027,227
800 Operations and Maintenance	9,070,925	11,299	0	168,960	36,487	0	255,567	8,621,210
ALLOCATED ADJUSTMENTS/REDUCTIONS		11,299	4,324,443	168,960	95,724	0	255,567	
UNALLOCATED ADJUSTMENTS/REDUCTIONS		346,573	4,167,724	130,880	2,434,390	124,350	494,805	(1)
TOTALS	23,734,904	357,872	8,492,167	299,840	2,530,114	124,350	750,372	18,817,716

OTHER FUNCTION/PROGRAMS EXPENSES65,804,680

TOTAL EXPENSES89,539,584

☐ OPEN OR CLOSE DETAIL

CALCULATION OF UNSUPPORTED EXPENSES

OTHER FUNCTION/PROGRAMS EXPENSES65,804,680

TOTAL ALLOWABLE EXPENSES18,817,716

TOTAL UNALLOCATED ADJUSTMENTS/REDUCTIONS (1)(7,005,576)

Base Support (from page 8)(23,370,587)

Formula Guarantee (from page 8)0

SCHOOL BUS AMORTIZATION (from TCA Sched page 23)625,902

TOTAL UNSUPPORTED EXPENSES54,872,135

☐ OPEN OR CLOSE DETAIL

**CALCULATION OF ALLOWABLE EXPENSES (refer to "Allow Guide")**

## APPENDIX A

ADJUSTMENTS TO EXPENSES: (enter deductions as negative amounts)	Function/ Program	Amount
Capitalized Energy Mgmt. Systems Costs (add) (1), (2)	800	
Capitalized Section "D" School Bldgs. Costs (add) (1)	800	0
Transfers from Capital Fund (deduct)	800	(8,500)
Leased Non-School Space (deduct)	800	0
Transfers from Special Purpose Fund (deduct)		0
Other Capitalized Items (specify Item and Function/Program) (2)		
Google Jamboard	Unallocated	10,491
Computer Workstation	Unallocated	5,024
Zspace Hardware	Unallocated	5,260
Zspace Hardware	Unallocated	12,054
Planer	Unallocated	6,667
Display Case	Unallocated	5,748
Floor Scrubber	800	8,439
Floor Scrubber	800	5,907
Floor Scrubber	800	5,453
Bleachers - 2400 series	Unallocated	21,006
Reception Millwork	Unallocated	21,087
Laser Engraver	Unallocated	7,995
Norscan Field Engineering - NHS	Unallocated	101,241
Fiber Network Build	Unallocated	150,000
<b>Total Adjustments to Expenses</b>		<b>357,872</b>
(1) Net of all related revenues.		
(2) For capitalized energy management systems costs and other capitalized items, lease and loan payments for eligible equipment may be included.		

OTHER PROGRAM SUPPORT:	
School Buildings Support: "D" Projects	168,960
Technology Education Equipment & Skills Strategy Equipment Enhancement	134,386
Other Minor Capital Support	0
Curricular Materials Prior Year Support	0
Finalization of Previous Year's support	(3,506)
<b>Amount carried forward to Allowable Expenses</b>	<b>299,840</b>

CATEGORICAL SUPPORT TO BE ALLOCATED

Special Needs: Coordinator/Clinician		
(A) Maximum Support	584,070	
(B) Eligible Expenses	584,070	
(C) Less related revenues		
(D) Allowable Expenses (B) - (C)	584,070	
Eligible Support (lesser of A or D)		584,070
Special Needs: Level 2 and 3		2,839,381
Indigenous Academic Achievement		171,000
Literacy and Numeracy		623,008
Small Schools		
(A) Maximum Support	35,244	
(B) Program Expenses	35,244	
Eligible Support (lesser of A or B)		35,244
Board and Room		
(A) Maximum Support		
(B) Program Expenses		
Eligible Support (lesser of A or B)		0
Early Childhood Development		106,984
Total allocable Categorical Support (carried to Allow Input)		4,359,687
Non-allocable Categorical Support		4,132,480
Total Categorical Support (carried to page 30)		8,492,167

**CALCULATION OF ALLOWABLE SCHOOL BUILDING SUPPORT "D" EXPENSES:**

Program 850 School Building Repairs & Replacements	660,403
PLUS: Capitalized Section "D" Expenses (net)	0
Grounds	-
LESS: Related revenue other than "D" Support	-
Allowable Section "D" Expenses < OR >	(C) 660,403
Expenses to be used for calculating "D" Grant. Enter an amount to overwrite if different from above. (cannot be more than amount on line "C")	(D) 660,403

Refer to page 2 of the Allowable Expenses Guide when completing this section.

CALCULATION OF ALLOWABLE EXPENSES

APPENDIX B

OTHER PROVINCIAL GOVERNMENT REVENUE:		Allocated	Unallocated	Total
Other Dept. of Education				
General Support Grant			1,334,681	1,334,681
Education Property Tax Credit			6,666,249	6,666,249
Tax Incentive Grant			1,095,290	1,095,290
All other		1,184,333		1,184,333
Other Provincial Government Departments		11,100		11,100
Total Revenue		1,195,433	9,096,220	10,291,653

NON-PROVINCIAL SOURCES:		Allocated	Unallocated	Total
Federal Government				
Tuition Fees		0		0
All other		0		0
Municipal Government				
Net Special Requirement			26,956,842	26,956,842
Other		0		0
Other School Divisions				
Tuition Fees		0		0
Transfer Fees		0		0
Residual Fees		124,350		124,350
All other		0		0
First Nations				
Tuition Fees		0		0
All other		0		0
Private Organizations and Individuals				
Tuition Fees		0		0
Ancillary Services		553,700		553,700
Other Sources				
Interest			5,219	5,219
Donations		0		0
Other		196,672		196,672
Total Revenue		874,722	26,962,061	27,836,783

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.

OTHER PROVINCIAL GOVERNMENT REVENUE:	
Total Revenue	10,291,653
Education Property Tax Credit	(6,666,249)
Tax Incentive Grant	(1,095,290)
PROVINCIAL REVENUE FOR EQUALIZATION	2,530,114
(to agree with Other Provincial Gov't Revenue on page 30)	

NON-PROVINCIAL SOURCES:	
TOTAL ALLOCABLE FEES	124,350
(Tuition, Transfer and Residual Fees)	
TOTAL ALLOCABLE OTHER REVENUE	750,372
(to agree with total other revenue on page 30)	
TOTAL ALLOCABLE NON-PROV. SOURCES	874,722



**HANOVER SCHOOL DIVISION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**1. Nature of Organization and Economic Dependence**

The Hanover School Division (the "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 (the "Province"), and a special levy on the property assessment included in the Division's boundaries. The Division is exempt from income tax.

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

**2. Significant Accounting Policies**

The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board ("PSAB") of the 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) Basis of Accounting**

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

**c) Fund Accounting**

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

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

**d) 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.

**HANOVER SCHOOL DIVISION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**2. Significant Accounting Policies – Continued**

**d) School Generated Funds - Continued**

Year 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.

**e) Tangible Capital Assets**

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

To be classified as tangible capital assets, each asset other than land must individually meet the capitalization threshold for its class.

Asset Description	Capitalization Threshold (\$)	Estimated Useful Life (years)
Land Improvements	25,000	10
Buildings - bricks, mortar and steel	25,000	40
Buildings - wood frame	25,000	25
School buses	20,000	10
Vehicles	10,000	5
Equipment	10,000	5
Network Infrastructure	25,000	10
Computer Hardware, Servers & Peripherals	5,000	4
Computer Software	10,000	4
Furniture and Fixtures	5,000	10
Leasehold Improvements	25,000	Over term of lease

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

Tangible capital assets are initially recorded at cost, which includes purchase price, installation costs and other costs incurred to put the asset into service.

All land acquired prior to June 30, 2006 has been valued by the Crown Lands and Property Agency.

For buildings acquired prior to June 30, 2005 where the actual cost was not known, the replacement value for insurance purposes as at June 30, 2005 was regressed to the date of acquisition using a regression index based on Southam and CanaData construction cost indices.

All tangible capital assets, except for land and assets under construction are amortized on a straight-line basis over their estimated useful lives. Land is not amortized.

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal if not fully amortized.

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

**2. Significant Accounting Policies – Continued**

**f) Employee Future Benefits**

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

The Division provides retirement and other future benefits to its administrative employees as a defined contribution plan, under the Manitoba School Boards Association ("MSBA"). The Division adopted the following policy with respect to accounting for these employee future benefits:

Defined contribution plan

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 contribution.

Non-vested sick leave benefits

Non-vested sick leave benefits are estimated using a net present value technique on the expected future utilization of sick benefits in excess of the amounts earned per year, to a maximum entitlement. The calculated dollar value of non-vested sick leave as at June 30, 2019 is \$557,304 (\$433,116 in 2018). These amounts are disclosed for compliance with PS2120 only and are not considered material for inclusion in the financial statements.

**g) Use of Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada 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. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. Employee future benefits are based on estimates of future obligations to the Division. Actual results could differ from management's best estimates, as additional information becomes available in the future.

**h) Financial Instruments**

**Fair values:**

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Division's designation of such instruments.

**Classification:**

Cash and bank, portfolio investments and overdraft	Held-for-trading
Accounts receivable	Loans and receivables
Accounts payable and accrued liabilities, employee future benefits, accrued interest payable, debenture debt, other borrowings, and school generated funds liability	Other financial liabilities

**HANOVER SCHOOL DIVISION**  
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**2. Significant Accounting Policies – Continued**

**h) Financial Instruments - Continued**

**Held for trading:**

Held-for-trading financial assets and liabilities are typically acquired for resale prior to maturity or are designated as held-for-trading. They are measured at fair value at the balance sheet date. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in investment income.

**Loans and receivables:**

Financial assets designated as loans and receivables are recorded at amortized cost using the effective interest method. Given the short-term nature of accounts receivable, their carrying value approximates fair value.

**Other financial liabilities:**

Other liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities. Given the short-term nature of accounts payable and accrued liabilities, employee future benefits, accrued interest payable and school generated funds liability, their carrying value approximates fair value. The carrying value of the debenture debt and other borrowings also approximates their fair value as there have been no significant changes to the underlying characteristics of the parties to the agreements.

**Interest, currency and credit risk:**

It is management's opinion that the Division is not exposed to significant interest, currency or credit risk from financial instruments. The Division is exposed to some credit risk from the potential non-payment of accounts receivable, however as the majority of the receivables are from local, provincial and federal governments, credit risk is minimal.

**i) Liability for Contaminated Sites**

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the School Division is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activity and is reduced by expected net recoveries based on information available at June 30, 2019.

At each financial reporting date, the School Division reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The School Division continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

**j) Leases**

Leases are classified as capital or operating leases. A lease that transfers substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. At the inception of a capital lease, an asset and payment obligation is recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair market value. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

**HANOVER SCHOOL DIVISION**  
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**3. Overdraft**

The Division has an authorized line of credit with the Steinbach Credit Union of \$27,000,000 (\$27,000,000 in 2018) by way of overdrafts and is repayable on demand at prime less 0.875%; interest is paid monthly. Overdrafts are secured by temporary borrowing by-laws. As at June 30, 2019, the prime rate was 3.95%.

**4. Employee Future Benefits**

The Division sponsors a defined contribution pension plan, run by 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 employees to contribute. The Division contributions equal the employee contributions to the plan. No pension liability is included in the financial statements.

The employee future benefit expense is a part of the Employee Benefits and Allowances expense account. It includes the Division's contribution of \$1,221,580 for the year ended June 30, 2019 (\$1,100,485 in 2018).

Employee future benefits recorded as a liability represents maternity and parental leave payable for administrative employees.

**5. Deferred Revenue**

The deferral method of accounting is used for revenues received that, pursuant to legislation, regulation or agreement, may only be used for specific purposes. These amounts are recognized as revenue in the fiscal year the related expenses are incurred or services performed. The following is a breakdown of the account balance:

	Balance as at June 30, 2018	Additions for the year	Revenue recognized during year	Balance as at June 30, 2019
Education Property Tax Credit ("EPTC")	\$ 2,240,710	\$ 2,671,211	\$ 2,240,710	\$ 2,671,211
Special grant	6,419	5,000	6,419	5,000
Other amounts	123,754	113,748	123,754	113,748
	<u>\$ 2,370,883</u>	<u>\$ 2,789,959</u>	<u>\$ 2,370,883</u>	<u>\$ 2,789,959</u>

**6. School Generated Funds Liability**

The cash and bank (overdraft) balance in the statement of financial position includes the non-controlled portion of school generated funds in the amount of \$nil (\$115,739 in 2018).

**7. 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 2020 to 2039. Payment of principal and interest is funded entirely by grants from the Province of Manitoba, except for the debt on self-funded capital projects. The debentures carry interest rates that range from 3.000% to 7.250%. 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:

	Total
2020	\$ 9,797,755
2021	9,370,337
2022	9,095,653
2023	8,735,238
2024	8,438,082
	<u>\$ 45,437,065</u>



**HANOVER SCHOOL DIVISION**  
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**8. Net Tangible Capital Assets**

The Schedule of Tangible Capital Assets (TCA), page 23 of the audited financial statements, provides a breakdown of cost, accumulated amortization and net book value by class. The amount of interest capitalized in the period included in Assets under Construction was \$66,701 in 2019 (\$16,092 in 2018).

**9. Accumulated Surplus**

The consolidated accumulated surplus is comprised of the following:

	2019	2018
Operating Fund		
Designated Surplus	\$ -	\$ -
Undesignated Surplus	3,407,529	3,412,887
	<u>3,407,529</u>	<u>3,412,887</u>
Capital Fund		
Reserved Accounts	\$ 1,023,526	\$ 807,355
Equity in Tangible Capital Assets	24,814,995	23,499,058
	<u>25,838,521</u>	<u>24,306,413</u>
Special Purpose Fund		
School Generated Funds	\$ 458,805	\$ 391,941
Total Accumulated Surplus	<u>\$ 29,704,855</u>	<u>\$ 28,111,241</u>

**10. Municipal Government - Property Tax and related Due from Municipal Government**

Education property tax or Special Levy is raised as the Division's contribution to the cost of providing public education for the students' resident in the division. The Municipal Government-Property Tax shown on the consolidated revenue and expense 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:

	2019	2018
Revenue - Municipal Government - Property Tax	\$26,956,842	\$ 26,195,562
Receivable - Due from Municipal - Property Tax	<u>\$16,183,099</u>	<u>\$ 15,752,284</u>

**11. Interest Received and Paid**

The Division received interest during the year of \$5,219 (\$3,744 in 2018) and interest paid during the year was \$4,079,427 (\$4,035,935 in 2018). Interest paid is comprised of interest expense of \$4,012,726 (\$4,019,843 in 2018) as outlined below, plus capitalized interest of \$66,701 (\$16,092 in 2017) included in construction in progress on the consolidated statement of financial position.

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

	2019	2018
Operating Fund		
Fiscal-short term loan, interest and bank charges	\$ 214,794	\$ 190,181
Capital Fund		
Debenture interest	3,797,932	3,829,662
Total	<u>\$ 4,012,726</u>	<u>\$ 4,019,843</u>

The accrual portion of debenture debt interest expense of \$1,780,541 (\$1,780,675 in 2018) included under the Capital Fund – Debenture interest, is offset by an accrual of the debt servicing grant from the Province of Manitoba.

**HANOVER SCHOOL DIVISION**  
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**12. Expenses by Object**

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

	Actual 2019	Budget 2019	Actual 2018
Salaries	\$ 68,969,500	\$ 68,996,800	\$ 66,849,010
Employees benefits and allowances	4,842,817	4,731,000	4,683,325
Services	4,719,484	4,823,700	4,561,533
Supplies, materials and minor equipment	7,207,608	7,132,700	7,271,399
Interest	4,012,726	175,400	4,019,843
Payroll tax	1,464,456	1,420,900	1,251,289
Amortization	5,091,548	-	5,055,514
Transfers	2,120,925	1,918,800	1,838,577
Other capital items	-	-	119,902
School generated funds	2,090,632	-	2,081,746
	<u>\$ 100,519,696</u>	<u>\$ 89,171,100</u>	<u>\$ 97,732,138</u>

**13. Non Financial Information**

The 2019 student enrolments (FRAME) and transportation statistics, full time equivalent personnel, and senior staff allocations are unaudited and have been presented for information purposes only.

**14. Capital Management**

The Division's objective when managing capital is to ensure that its expenditures closely match their revenues. Capital consists of the various fund balances in the amount of \$29,704,855 (\$28,111,241 in 2018). The Division is not subject to externally imposed capital requirements. There have been no changes in the Division's approach to capital management during the period.

**15. Special Levy Raised for La Division Scolaire Franco-Manitobaine**

In accordance with Section 190.1 of The Public Schools Act, the Division is required to collect a special levy on behalf of la Division scolaire franco-manitobaine. As at June 30, 2019 the amount of this special levy was \$320,477 (\$270,407 in 2018). These amounts are not included in the Division's consolidated financial statements.

**16. Commitments**

The Division has equipment lease agreements. Future annual minimum operating lease commitments as at June 30, 2019 are as follows:

2019/20	\$ 897,143
2020/21	565,584
2021/22	412,327
2022/23	229,059
2023/24	11,218
Thereafter	nil

**17. Subsequent Event**

Hanover School Division received a debenture on July 15, 2019 in the amount of \$3,304,500 in fulfillment of Hanover School Division By-law No.5/2019. This debenture reimburses Hanover for certain capital projects recently undertaken.