

Manitoba
Education



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, 2020

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Independent Auditor's Report

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, 2020, 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, 2020, and the results of its consolidated operations, its changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the 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 6, 2020

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.

OCTOBER 6, 2020
DATE

Ron Falk
CHAIRPERSON

Independent Auditor's Report

To the Board of Trustees of Hanover School Division:

Opinion

We have audited the EIS Enrolment File Verification Report of Hanover School Division the ("School Division") for the year ended June 30, 2020 ("the Schedule").

In our opinion, the enrolment information in the EIS Enrolment File Verification Report of the School Division for the year ended June 30, 2020 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 2019/20 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 2019/20 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 School Division in accordance with the ethical requirements that are relevant to our audit of the EIS Enrolment File Verification Report 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 2019/20 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 2019/20 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 the EIS Enrolment File Verification Report, in accordance with the Public Schools Enrolment and Categorical Grants Reporting for the 2019/20 School Year issued by the Province of Manitoba, and for such internal control as management determines is necessary to enable the preparation of the EIS Enrolment File Verification Report that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the EIS Enrolment File Verification Report as a whole 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 EIS Enrolment File Verification Report.

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 EIS Enrolment File Verification Report, 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, if any, and related disclosures made by management.

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 6, 2020

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.

OCTOBER 6, 2020
DATE

Ron Falk
CHAIRPERSON

MANAGEMENT REPORT

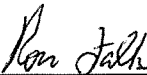
Management's Responsibility for the Financial Statements

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.

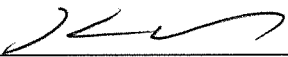
The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods. Division management maintains a system of internal 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 6, 2020



Schools' Finance Branch
511-1181 Portage Ave.
Winnipeg, MB R3G 0T3

**CERTIFICATION FORM FOR
REPORTING OF ENROLMENT ELECTRONICALLY
ON SEPTEMBER 30, 2019**

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 15/19
DATE



SECRETARY - TREASURER

Oct 15/19
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



Schools' Finance Branch
511-1181 Portage Ave.
Winnipeg, MB R3G 0T3

EIS ENROLMENT FILE VERIFICATION REPORT - SEPTEMBER 30, 2019

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				35	49	43	46	42	52	49	23	47					386	4	0	390
Bothwell School				15	10	11	13	11	8	15	13	12					108		0	108
Clearspring Middle School									144	152	148	158					602	4	0	606
Crystal Springs School				6	2	3	5	8	2	7	4	6	6	5	3	3	60		0	60
Fimdale School				50	66	40	69	63									288		0	288
Green Valley School									78	76	63	63	59	43	52	40	474	3	0	477
Kleefeld School				44	38	40	43	30	39	49	47	41					371		0	371
Landmark Collegiate											34	25	42	29	30	31	191		0	191
Landmark Elementary School				29	29	27	24	25	41	40							215	3	0	218



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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				
Mitchell Elementary School				103	94	86	89	87									459		0	459
Mitchell Middle School									93	81	86	77					337	2	0	339
Niverville Elementary				92	91	98	103	114									498	1	0	499
Niverville High School													98	78	69	56	301	5	0	306
Niverville Middle School									99	105	99	86					389	3	0	392
South Oaks Elementary				75	71	56	74	81									357		0	357
Southwood School				102	85	97	99	85									468		0	468
Steinbach Regional Secondary													466	439	457	418	1,780	6	0	1,786
Stonybrook Middle School									137	117	125	96					475	1	0	476
Woodlawn School				109	127	100	122	108									566	2	0	568

EIS CERT - PART 2 OF 2
(2019/2020)



Schools' Finance Branch
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EIS ENROLMENT FILE VERIFICATION REPORT - SEPTEMBER 30, 2019

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
SCHOOL DIVISION TOTAL				660	662	601	687	654	693	691	642	611	671	594	611	548	8,325	34	0	8,359
PUPILS ATTENDING OUT OF DIVISION (ENROLMENT CODE 500 SERIES)				1						1	2	1		1		1			7	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at June 30

Notes		2020	2019
	Financial Assets		
	Cash and Bank	-	-
	Due from - Provincial Government	4,949,999	3,476,909
	- Federal Government	65,092	96,336
	- Municipal Government	16,665,748	16,183,099
	- Other School Divisions	-	-
	- First Nations	-	-
	Accounts Receivable	157,986	191,511
	Accrued Investment Income	-	-
*	Portfolio Investments	10	10
		<u>21,838,835</u>	<u>19,947,865</u>
	Liabilities		
*	Overdraft	854,594	7,993,994
	Accounts Payable	1,578,675	2,170,897
	Accrued Liabilities	11,386,548	8,873,881
*	Employee Future Benefits	1,029,457	1,155,593
	Accrued Interest Payable	1,897,288	1,780,541
	Due to - Provincial Government	91,722	-
	- Federal Government	-	-
	- Municipal Government	-	-
	- Other School Divisions	-	-
	- First Nations	-	-
*	Deferred Revenue	1,698,526	2,789,959
*	Borrowings from the Provincial Government	100,606,804	91,098,187
	Other Borrowings	-	-
	School Generated Funds Liability	20,412	-
		<u>119,164,026</u>	<u>115,863,052</u>
	Net Assets (Debt)	<u>(97,325,191)</u>	<u>(95,915,187)</u>
	Non-Financial Assets		
*	Net Tangible Capital Assets (TCA Schedule)	127,339,142	124,410,387
	Inventories	399,005	308,936
	Prepaid Expenses	1,038,609	900,719
		<u>128,776,756</u>	<u>125,620,042</u>
*	Accumulated Surplus	<u>31,451,565</u>	<u>29,704,855</u>

See accompanying notes to the Financial Statements

CONSOLIDATED STATEMENT OF REVENUE, EXPENSES AND ACCUMULATED SURPLUS

For the Year Ended June 30

Notes		2020	2019
	Revenue		
	Provincial Government	73,773,623	72,036,237
	Federal Government	-	-
	Municipal Government - Property Tax	27,736,314	26,956,842
	- Other	-	-
	Other School Divisions	106,185	124,350
	First Nations	-	-
	Private Organizations and Individuals	314,738	553,700
	Other Sources	(433,314)	284,685
	School Generated Funds	1,594,541	2,157,496
	Other Special Purpose Funds	-	-
		<u>103,092,087</u>	<u>102,113,310</u>
	Expenses		
	Regular Instruction	58,364,121	57,125,602
	Student Support Services	13,315,189	12,539,740
	Adult Learning Centres	-	-
	Community Education and Services	132,174	190,777
	Divisional Administration	2,253,907	2,352,879
	Instructional and Other Support Services	2,494,960	2,622,663
	Transportation of Pupils	3,348,368	3,957,748
	Operations and Maintenance	9,154,084	9,070,925
*	Fiscal - Interest	4,032,434	4,012,726
	- Other	1,431,472	1,464,456
	Amortization	5,062,684	5,091,548
	Other Capital Items	251,903	-
	School Generated Funds	1,504,081	2,090,632
	Other Special Purpose Funds	-	-
		<u>101,345,377</u>	<u>100,519,696</u>
	Current Year Surplus (Deficit) before Non-vested Sick Leave	<u>1,746,710</u>	<u>1,593,614</u>
	Less: Non-vested Sick Leave Expense (Recovery)	<u>0</u>	<u>0</u>
	Net Current Year Surplus (Deficit)	<u>1,746,710</u>	<u>1,593,614</u>
	Opening Accumulated Surplus	29,704,855	28,111,241
	Adjustments: Tangible Cap. Assets and Accum. Amort.	-	-
	Other than Tangible Cap. Assets	-	-
	Non-vested sick leave - prior years	-	-
	Opening Accumulated Surplus, as adjusted	<u>29,704,855</u>	<u>28,111,241</u>
	Closing Accumulated Surplus	<u>31,451,565</u>	<u>29,704,855</u>

See accompanying notes to the Financial Statements

* NOTE REQUIRED

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

For the Year Ended June 30, 2020

	2020	2019
Net Current Year Surplus (Deficit)	1,746,710	1,593,614
Amortization of Tangible Capital Assets	5,062,684	5,091,548
Acquisition of Tangible Capital Assets	(8,698,471)	(13,167,946)
(Gain) / Loss on Disposal of Tangible Capital Assets	704,032	(8,500)
Proceeds on Disposal of Tangible Capital Assets	3,000	8,500
	(2,928,755)	(8,076,398)
Inventories (Increase)/Decrease	(90,069)	(58,971)
Prepaid Expenses (Increase)/Decrease	(137,890)	(236,643)
	(227,959)	(295,614)
(Increase)/Decrease in Net Debt	(1,410,004)	(6,778,398)
Net Debt at Beginning of Year	(95,915,187)	(89,136,789)
Adjustments Other than Tangible Cap. Assets	-	-
	(95,915,187)	(89,136,789)
Net Assets (Debt) at End of Year	(97,325,191)	(95,915,187)

CONSOLIDATED STATEMENT OF CASH FLOW

For the Year Ended June 30, 2020

	2020	2019
Operating Transactions		
Net Current Year Surplus (Deficit)	1,746,710	1,593,614
Non-Cash Items Included in Current Year Surplus/(Deficit):		
Amortization of Tangible Capital Assets	5,062,684	5,091,548
(Gain)/Loss on Disposal of Tangible Capital Assets	704,032	(8,500)
Employee Future Benefits Increase/(Decrease)	(126,136)	321,587
Due from Other Organizations (Increase)/Decrease	(1,924,495)	(55,895)
Accounts Receivable & Accrued Income (Increase)/Decrease	33,525	13,767
Inventories and Prepaid Expenses - (Increase)/Decrease	(227,959)	(295,614)
Due to Other Organizations Increase/(Decrease)	91,722	-
Accounts Payable & Accrued Liabilities Increase/(Decrease)	2,037,192	(228,818)
Deferred Revenue Increase/(Decrease)	(1,091,433)	419,076
School Generated Funds Liability Increase/(Decrease)	20,412	(115,739)
Adjustments Other than Tangible Cap. Assets	-	-
Cash Provided by (Applied to) Operating Transactions	6,326,254	6,735,026
Capital Transactions		
Acquisition of Tangible Capital Assets	(8,698,471)	(13,167,946)
Proceeds on Disposal of Tangible Capital Assets	3,000	8,500
Cash Provided by (Applied to) Capital Transactions	(8,695,471)	(13,159,446)
Investing Transactions		
Portfolio Investments (Increase)/Decrease	-	-
Cash Provided by (Applied to) Investing Transactions	-	-
Financing Transactions		
Borrowings from the Provincial Government Increase/(Decrease)	9,508,617	2,385,780
Other Borrowings Increase/(Decrease)	-	-
Cash Provided by (Applied to) Financing Transactions	9,508,617	2,385,780
Cash and Bank / Overdraft (Increase)/Decrease	7,139,400	(4,038,640)
Cash and Bank (Overdraft) at Beginning of Year	(7,993,994)	(3,955,354)
Cash and Bank (Overdraft) at End of Year	(854,594)	(7,993,994)

OPERATING FUND SCHEDULE OF FINANCIAL POSITION

as at June 30

	2020	2019
Financial Assets		
Cash and Bank	18,207	12,267
Due from		
- Provincial Government	3,052,711	1,696,368
- Federal Government	52,643	59,672
- Municipal Government	16,665,748	16,183,099
- Other School Divisions	-	-
- First Nations	-	-
- Other Funds	2,400,469	4,030,038
Accounts Receivable	157,986	191,511
Accrued Investment Income	-	-
Portfolio Investments	10	10
	22,347,774	22,172,965
Liabilities		
Overdraft	4,324,956	4,984,761
Accounts Payable	1,044,707	2,170,897
Accrued Liabilities	11,386,548	8,873,881
Employee Future Benefits	1,029,457	1,155,593
Accrued Interest Payable	-	-
Due to		
- Provincial Government	91,722	-
- Federal Government	-	-
- Municipal Government	-	-
- Other School Divisions	-	-
- First Nations	-	-
- Capital Fund	-	-
Deferred Revenue	1,698,526	2,789,959
Other Borrowings	-	-
	19,575,916	19,975,091
Net Financial Assets (Net Debt)	2,771,858	2,197,874
Non-Financial Assets		
Inventories	399,005	308,936
Prepaid Expenses	1,038,609	900,719
	1,437,614	1,209,655
Accumulated Surplus (Deficit)	4,209,472	3,407,529

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

For the Year Ended June 30

	2020 Actual	2020 Budget	2019 Actual
Revenue			
Provincial Government - Core	63,975,868	63,197,862	62,759,186
Federal Government	-	-	-
Municipal Government - Property Tax	27,736,314	27,878,470	26,956,842
- Other	-	-	-
Other School Divisions	106,185	86,000	124,350
First Nations	-	-	-
Private Organizations and Individuals	314,738	453,000	553,700
Other Sources	243,059	173,168	201,891
	<u>92,376,164</u>	<u>91,788,500</u>	<u>90,595,969</u>
Expenses			
Regular Instruction	58,364,121	56,822,100	57,125,602
Student Support Services	13,315,189	13,976,900	12,539,740
Adult Learning Centres	-	-	-
Community Education and Services	132,174	142,400	190,777
Divisional Administration	2,253,907	2,339,400	2,352,879
Instructional and Other Support Services	2,494,960	2,748,800	2,622,663
Transportation of Pupils	3,348,368	4,269,400	3,957,748
Operations and Maintenance	9,154,084	9,579,300	9,070,925
Fiscal	1,638,734	1,647,700	1,679,250
	<u>90,701,537</u>	<u>91,526,000</u>	<u>89,539,584</u>
Current Year Surplus (Deficit) before Non-vested Sick Leave	<u>1,674,627</u>	<u>262,500</u>	<u>1,056,385</u>
Less: Non-vested Sick Leave Expense (Recovery)			-
Current Year Surplus (Deficit) after Non-vested Sick Leave	<u>1,674,627</u>	<u>262,500</u>	<u>1,056,385</u>
Net Transfers from (to) Capital Fund	(872,684)	(582,500)	(1,061,743)
Transfers from Special Purpose Funds	-		-
Net Current Year Surplus (Deficit)	<u>801,943</u>	<u>(320,000)</u>	<u>(5,358)</u>
Opening Accumulated Surplus (Deficit)	3,407,529		3,412,887
Adjustments: Liability for Contaminated Sites	-		-
	-		-
Non-vested sick leave - prior years	-		-
Opening Accumulated Surplus (Deficit), as adjusted	<u>3,407,529</u>		<u>3,412,887</u>
Closing Accumulated Surplus (Deficit)	<u>4,209,472</u>		<u>3,407,529</u>

OPERATING FUND - REVENUE DETAIL **PROVINCE OF MANITOBA**

For the Year Ended June 30, 2020

Funding of Schools Program

Base Support

Instructional Support	15,181,484	
Additional Instructional Support for Small Schools	-	
Sparsity	240,052	
Curricular Materials	472,698	
Information Technology	488,455	
Library Services	724,804	
Student Services	2,804,400	
Counselling and Guidance	653,899	
Professional Development	307,254	
Physical Education	144,000	
Occupancy	2,595,316	23,612,362

Categorical Support

Transportation	2,666,351	
Board and Room	-	
Special Needs: Coordinator/Clinician	590,873	
Special Needs: Level 2	1,493,400	
Special Needs: Level 3	1,367,111	
Senior Years Technology Education	589,600	
English as an Additional Language	539,450	
Indigenous Academic Achievement (including BSSIP)	171,000	
Indigenous and International Languages	1,778	
French Language Education	23,884	
Small Schools	36,678	
Enrolment Change Support	367,627	
Northern Allowance	-	
Early Childhood Development Initiative	115,945	
Literacy and Numeracy	630,264	
Education for Sustainable Development	12,600	8,606,561

Equalization		21,041,269
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Additional Equalization		-
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Adjustment for Days Closed		-
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Formula Guarantee		-
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Other Program Support

School Buildings Support: "D" Projects	169,440	
Technology Education Equipment Replacement	101,100	
Skills Strategy Equipment Enhancement	35,291	
Other Minor Capital Support	-	
Prior Year Support		
Finalization of Previous Year Support	-	
Curricular Materials	-	
School Buildings Support: "D" Projects	-	
Technology Education Equipment	-	305,831

53,566,023

OPERATING FUND - REVENUE DETAIL

PROVINCE OF MANITOBA (CONT'D)

For the Year Ended June 30, 2020

Other Department of Education

[illegible]

Other Provincial Government Departments (Not including GBE's)

Employment Programs -
Adult Learning Centres -
Other: _____

Funding of Schools Program (previous page)	53,566,023
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TOTAL PROVINCIAL GOVERNMENT REVENUE

63,975,868

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

For the Year Ended June 30, 2020

Federal Government

Tuition Fees	-
Transportation of Pupils	-
French Language Monitor	-
English as an Additional Language (Adults)	-
Other:	-

0

Municipal Government

Special Requirement	35,412,749	
Less: Education Property Tax Credit	(6,829,926)	
Less: Tax Incentive Grant	(846,509)	27,736,314
Other:	-	

27,736,314

Other School Divisions

Tuition Fees	-
Transfer Fees	-
Residual Fees	106,185
Transportation of Pupils	-
Other:	-

106,185

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	80,798
Government Business Enterprises (GBE's)	-
Other:	SRSS Marketing 32,277
	SRSS Other Departments 60,898
	Band Instrumental Rentals 32,271
	School Rentals 108,494

314,738

Other Sources

Interest	6,203
Donations	-
Other:	Substitute Fees 5,139
	Property & Liability Insurance Rebate 25,824
	Misc Income 171,816
	Autopac Rebate 22,716
	Computer Dept Warranty Work 11,361

243,059

TOTAL NON-PROVINCIAL GOVERNMENT REVENUE

28,400,296

OPERATING FUND - EXPENSE BY FUNCTION AND BY OBJECT

For the Year Ended June 30

FUNCTION OBJECT	100	200	300	400	500	600	700	800	900	2020	2019
	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	48,623,591	11,970,657	-	100,113	1,573,512	1,911,446	2,246,882	3,945,795		70,371,996	68,969,500
Employees Benefits and Allowances	2,635,274	979,684	-	7,915	178,163	187,794	340,265	624,241		4,953,336	4,842,817
Services	612,817	121,062	-	4,012	466,798	194,545	187,207	2,761,857		4,348,298	4,719,484
Supplies, Materials and Minor Equipment	4,308,704	243,786	-	20,134	35,434	201,175	574,014	1,822,191		7,205,438	7,207,608
Interest and Bank Charges									207,262	207,262	214,794
Bad Debt Expense									-	0	0
Transfers	2,183,735	-	-	-	-	-	-	-	(PAYROLL TAX) 1,431,472	3,615,207	3,585,381
TOTALS	58,364,121	13,315,189	0	132,174	2,253,907	2,494,960	3,348,368	9,154,084	1,638,734	90,701,537	89,539,584

OPERATING FUND - EXPENSE DETAIL: FUNCTION 100

6-Oct-20

For the Year Ended June 30, 2020

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	3,615,734						3,615,734
330	Instructional - Teaching	3,635	39,700,771				2,473,548	42,177,954
350	Instructional - Other		405,379					405,379
360	Technical, Specialized and Service		353,648					353,648
370	Secretarial, Clerical and Other	1,332,664						1,332,664
390	Information Technology	738,212						738,212
	Total Salaries	5,690,245	40,459,798	0	0	0	2,473,548	48,623,591
4XX	EMPLOYEES BENEFITS AND ALLOWANCES	350,749	2,171,060				113,465	2,635,274
5-6XX	SERVICES							
510	Professional, Technical and Specialized		36,780					36,780
520	Communications	67,440	5,255					72,695
540	Travel and Meetings	4,291	57,832					62,123
560	Tuition							0
570	Printing and Binding							0
580	Insurance and Bond Premiums		7,680					7,680
590	Maintenance and Repair Services		54,202				888	55,090
610	Rentals		75,409					75,409
630	Advertising	4,297						4,297
640	Dues and Fees		42,842					42,842
650	Professional and Staff Development	15,388						15,388
680	Information Technology Services	56,716	183,797					240,513
	Total Services	148,132	463,797	0	0	0	888	612,817
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT							
710	Supplies	121,480	1,302,530				338,504	1,762,514
740	Curricular and Media Materials	6,942	186,185				10,763	203,890
760	Minor Equipment	8,364	295,655				85,676	389,695
780	Information Technology Equipment	431,233	1,521,372					1,952,605
	Total Supplies, Materials and Minor Equipment	568,019	3,305,742	0	0	0	434,943	4,308,704
96X-99	TRANSFERS							
960	School Divisions		31,850	1,032,280	1,116,605			2,180,735
980	Organizations and Individuals	1,000	2,000					3,000
	Total Transfers	1,000	33,850	1,032,280	1,116,605	0	0	2,183,735
	TOTALS	6,758,145	46,434,247	1,032,280	1,116,605	0	3,022,844	58,364,121

* 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

6-Oct-20

For the Year Ended June 30, 2020

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	201,620						201,620
330	Instructional - Teaching			594,249	1,654,343	2,412,336	1,806,898	6,467,826
350	Instructional - Other			88,413	2,007,613	1,234,348	59,881	3,390,255
360	Technical, Specialized and Service							0
370	Secretarial, Clerical and Other	95,652						95,652
380	Clinician		1,815,304					1,815,304
390	Information Technology							0
	Total Salaries	297,272	1,815,304	682,662	3,661,956	3,646,684	1,866,779	11,970,657
4XX	EMPLOYEES BENEFITS AND ALLOWANCES	30,862	87,657	45,372	576,673	141,601	97,519	979,684
5-6XX	SERVICES							
510	Professional, Technical and Specialized	40,000						40,000
520	Communications	9,223						9,223
540	Travel and Meetings	3,716	28,383		27,146	342		59,587
560	Tuition							0
570	Printing and Binding							0
580	Insurance and Bond Premiums							0
590	Maintenance and Repair Services	4,428						4,428
610	Rentals	3,157						3,157
630	Advertising							0
640	Dues and Fees							0
650	Professional and Staff Development	3,638						3,638
680	Information Technology Services	1,029						1,029
	Total Services	65,191	28,383	0	27,146	342	0	121,062
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT							
710	Supplies	58,322	23	22,522	63,524	26,474		170,865
740	Curricular and Media Materials	2,352			97	9,349		11,798
760	Minor Equipment	6,674				398		7,072
780	Information Technology Equipment	43,318			180	10,553		54,051
	Total Supplies, Materials and Minor Equipment	110,666	23	22,522	63,801	46,774	0	243,786
96X-99	TRANSFERS							
960	School Divisions							0
980	Organizations and Individuals							0
	Total Transfers	0	0	0	0			0
	TOTALS	503,991	1,931,367	750,556	4,329,576	3,835,401	1,964,298	13,315,189

OPERATING FUND - EXPENSE DETAIL: FUNCTION 300

For the Year Ended June 30, 2020

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, 2020

COMMUNITY EDUCATION AND SERVICES		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				51,182	51,182
360	Technical, Specialized and Service					0
370	Secretarial, Clerical and Other					0
380	Clinician				48,931	48,931
390	Information Technology					0
	Total Salaries	0	0	0	100,113	100,113
4XX	EMPLOYEES BENEFITS AND ALLOWANCES				7,915	7,915
5-6XX	SERVICES					
510	Professional, Technical and Specialized					0
520	Communications				4,012	4,012
540	Travel and Meetings					0
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	4,012	4,012
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT					
710	Supplies				20,134	20,134
740	Curricular and Media Materials					0
760	Minor Equipment					0
780	Information Technology Equipment					0
	Total Supplies, Materials and Minor Equipment	0	0	0	20,134	20,134
96X-99	TRANSFERS					
980	Organizations and Individuals					0
999	Recharge					0
	Total Transfers	0	0	0	0	0
	TOTALS	0	0	0	132,174	132,174

OPERATING FUND - EXPENSE DETAIL: FUNCTION 500

For the Year Ended June 30, 2020

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	123,209				123,209
320	Executive, Managerial and Supervisory		447,510	590,367		1,037,877
360	Technical, Specialized and Service					0
370	Secretarial, Clerical and Other	11,333	65,191	335,902		412,426
390	Information Technology					0
	Total Salaries	134,542	512,701	926,269	0	1,573,512
4XX	EMPLOYEES BENEFITS AND ALLOWANCES	6,486	31,508	140,169		178,163
5-6XX	SERVICES					
510	Professional, Technical and Specialized			45,221		45,221
520	Communications		2,598	49,389		51,987
540	Travel and Meetings	2,568		12,746		15,314
570	Printing and Binding					0
580	Insurance and Bond Premiums			59,599		59,599
590	Maintenance and Repair Services			6,988		6,988
610	Rentals			7,826		7,826
630	Advertising					0
640	Dues and Fees	91,745	4,672	16,582		112,999
650	Professional and Staff Development	18,391	12,851	14,301		45,543
680	Information Technology Services	13,250	2,958	1,838	103,275	121,321
	Total Services	125,954	23,079	214,490	103,275	466,798
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT					
710	Supplies	4,538	3,354	21,689		29,581
740	Curricular and Media Materials		2,371	280		2,651
760	Minor Equipment			977		977
780	Information Technology Equipment		1,518	707		2,225
	Total Supplies, Materials and Minor Equipment	4,538	7,243	23,653	0	35,434
96X-99	TRANSFERS					
960	School Divisions					0
980	Organizations and Individuals					0
999	Recharge					0
	Total Transfers	0	0	0		0
	TOTALS	271,520	574,531	1,304,581	103,275	2,253,907

OPERATING FUND - EXPENSE DETAIL: FUNCTION 600

6-Oct-20

For the Year Ended June 30, 2020

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						0
330	Instructional - Teaching		484,227	28,695	567,191		1,080,113
350	Instructional - Other				28,722	46,553	75,275
360	Technical, Specialized and Service					47,341	47,341
370	Secretarial, Clerical and Other	9,632		669,966			679,598
390	Information Technology			29,119			29,119
	Total Salaries	9,632	484,227	727,780	595,913	93,894	1,911,446
4XX	EMPLOYEES BENEFITS AND ALLOWANCES	1,546	22,373	117,908	30,679	15,288	187,794
5-6XX	SERVICES						
510	Professional, Technical and Specialized						0
520	Communications		5,312	514			5,826
540	Travel and Meetings		8,632	3,468			12,100
560	Tuition						0
570	Printing and Binding						0
580	Insurance and Bond Premiums					5,162	5,162
590	Maintenance and Repair Services		105	13,664			13,769
610	Rentals		514				514
630	Advertising						0
640	Dues and Fees						0
650	Professional and Staff Development				157,174		157,174
680	Information Technology Services						0
	Total Services	0	14,563	17,646	157,174	5,162	194,545
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT						
710	Supplies		5,518	9,850		139,035	154,403
740	Curricular and Media Materials		4,157	35,489	855		40,501
760	Minor Equipment			5,103			5,103
780	Information Technology Equipment			1,168			1,168
	Total Supplies, Materials and Minor Equipment	0	9,675	51,610	855	139,035	201,175
96X-99	TRANSFERS						
960	School Divisions						0
980	Organizations and Individuals						0
	Total Transfers					0	0
	TOTALS	11,178	530,838	914,944	784,621	253,379	2,494,960

OPERATING FUND - EXPENSE DETAIL: FUNCTION 700

6-Oct-20

For the Year Ended June 30, 2020

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	147,897					147,897
350	Instructional - Other						0
360	Technical, Specialized and Service		1,847,446			203,196	2,050,642
370	Secretarial, Clerical and Other	48,343					48,343
390	Information Technology						0
	Total Salaries	196,240	1,847,446		0	203,196	2,246,882
4XX	EMPLOYEES BENEFITS AND ALLOWANCES	31,903	283,353			25,009	340,265
5-6XX	SERVICES						
510	Professional, Technical and Specialized						0
520	Communications		12,266				12,266
540	Travel and Meetings	3,750	601				4,351
550	Transportation of Pupils			1,135			1,135
570	Printing and Binding						0
580	Insurance and Bond Premiums		62,965				62,965
590	Maintenance and Repair Services		19,790				19,790
610	Rentals		1,759				1,759
630	Advertising						0
640	Dues and Fees		1,293				1,293
650	Professional and Staff Development	2,351	7,878				10,229
680	Information Technology Services	73,419					73,419
	Total Services	79,520	106,552	1,135	0	0	187,207
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT						
710	Supplies		465,819			84,405	550,224
740	Curricular and Media Materials						0
760	Minor Equipment	60	22,336				22,396
780	Information Technology Equipment	482	912				1,394
	Total Supplies, Materials and Minor Equipment	542	489,067		0	84,405	574,014
96X-99	TRANSFERS						
960	School Divisions						0
980	Organizations and Individuals						0
999	Recharge						0
	Total Transfers	0	0	0	0	0	0
	TOTALS	308,205	2,726,418	1,135	0	312,610	3,348,368

OPERATING FUND - EXPENSE DETAIL: FUNCTION 800

6-Oct-20

For the Year Ended June 30, 2020

OPERATIONS AND MAINTENANCE		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	99,254					99,254
360	Technical, Specialized and Service		3,706,808		22,233	20,932	3,749,973
370	Secretarial, Clerical and Other	96,568					96,568
390	Information Technology						0
	Total Salaries	195,822	3,706,808	0	22,233	20,932	3,945,795
4XX	EMPLOYEES BENEFITS AND ALLOWANCES	31,584	585,327		3,734	3,596	624,241
5-6XX	SERVICES						
510	Professional, Technical and Specialized		166,587			177,922	344,509
520	Communications		16,072				16,072
530	Utility Services		1,220,251		71,570		1,291,821
540	Travel and Meetings	7,049	94,464				101,513
570	Printing and Binding						0
580	Insurance and Bond Premiums		379,913				379,913
590	Maintenance and Repair Services		18,899				18,899
610	Rentals		12,612				12,612
620	Property Taxes		458,241		127,333		585,574
630	Advertising	740					740
640	Dues and Fees						0
650	Professional and Staff Development	2,603	6,007				8,610
680	Information Technology Services		1,594				1,594
	Total Services	10,392	2,374,640	0	198,903	177,922	2,761,857
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT						
710	Supplies	6,258	563,734	975,157	8,676	113,477	1,667,302
740	Curricular and Media Materials						0
760	Minor Equipment		125,243			17,019	142,262
780	Information Technology Equipment	40	12,587				12,627
	Total Supplies, Materials and Minor Equipment	6,298	701,564	975,157	8,676	130,496	1,822,191
96X-99	TRANSFERS						
999	Recharge						0
	TOTALS	244,096	7,368,339	975,157	233,546	332,946	9,154,084

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

For the Year Ended June 30, 2020

Transfers To Capital Fund

Category "D" School Buildings	-
Bus Reserve	-
Bus Purchases	334,686
Other Vehicles	-
Furniture/Fixtures & Equipment	327,024
Computer Hardware & Software	15,173
Assets Under Construction	-
Other: NHS Land Development	198,801

875,684

Less: Transfers From Capital Fund

Bus sales proceeds	3,000

Net Transfers To (From) Capital Fund

872,684

CAPITAL FUND SCHEDULE OF FINANCIAL POSITION

as at June 30

	2020	2019
Financial Assets		
Cash and Bank	2,882,478	1,023,526
Due from		
- Provincial Government	1,897,288	1,780,541
- Federal Government	12,449	36,664
- Municipal Government	-	-
- First Nations	-	-
- Other Funds	-	-
Accounts Receivable	-	-
Accrued Investment Income	-	-
Portfolio Investments	-	-
	<u>4,792,215</u>	<u>2,840,731</u>
Liabilities		
Overdraft	-	4,503,831
Accounts Payable	533,968	-
Accrued Liabilities	-	-
Accrued Interest Payable	1,897,288	1,780,541
Due to		
- Provincial Government	-	-
- Federal Government	-	-
- Municipal Government	-	-
- First Nations	-	-
- Operating Fund	2,400,469	4,030,038
Deferred Revenue	-	-
Borrowings from the Provincial Government	100,606,804	91,098,187
Other Borrowings	-	-
	<u>105,438,529</u>	<u>101,412,597</u>
Net Assets (Debt)	<u>(100,646,314)</u>	<u>(98,571,866)</u>
Non-Financial Assets		
Net Tangible Capital Assets	<u>127,339,142</u>	<u>124,410,387</u>
Accumulated Surplus / Equity *	<u>26,692,828</u>	<u>25,838,521</u>
* Comprised of:		
Reserve Accounts	-	1,023,526
Equity in Tangible Capital Assets	<u>26,692,828</u>	<u>24,814,995</u>
	<u>26,692,828</u>	<u>25,838,521</u>

CAPITAL FUND SCHEDULE OF REVENUE, EXPENSES AND ACCUMULATED SURPLUS

For the Year Ended June 30

	2020	2019
Revenue		
Provincial Government		
Grants	-	-
Debt Servicing - Principal	5,972,583	5,479,119
- Interest	3,825,172	3,797,932
Federal Government	-	-
Municipal Government	-	-
Other Sources:		
Investment Income	27,568	16,171
Donations	-	-
MB Hydro grant	-	-
Gain / (Loss) on Disposal of Capital Assets	(704,032)	8,500
Gain on receipt of Modular classroom	-	-
	-	-
Misc Finalized Projects	91	58,123
	9,121,382	9,359,845
Expenses		
Amortization	5,062,684	5,091,548
Interest on Borrowings from the Provincial Government	3,825,172	3,797,932
Other Interest	-	-
Other Capital Items	251,903	-
	9,139,759	8,889,480
Current Year Surplus / (Deficit)	(18,377)	470,365
Net Transfers from (to) Operating Fund	872,684	1,061,743
Transfers from Special Purpose Fund	-	-
Net Current Year Surplus (Deficit)	854,307	1,532,108
Opening Accumulated Surplus / Equity	25,838,521	24,306,413
Adjustments:	-	-
	-	-
Opening Accumulated Surplus / Equity as adjusted	25,838,521	24,306,413
Closing Accumulated Surplus / Equity	26,692,828	25,838,521

SCHEDULE OF TANGIBLE CAPITAL ASSETS at June 30, 2020

	Buildings and Leasehold Improvements		School Buses	Other Vehicles	Furniture / Fixtures & Equipment	Computer Hardware & Software *	Land	Land Improvements	Assets Under Construction	2020 TOTALS	2019 TOTALS
	School	Non-School									
Tangible Capital Asset Cost											
Opening Cost, as previously reported	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
Adjustments	-	-	-	-	-	-	-	-	-	-	-
Opening Cost adjusted	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
Add:											
Additions during the year	809,338	-	334,686	-	327,023	15,173	-	-	7,212,251	8,698,471	13,167,946
Less:											
Disposals and write downs	759,570	99,738	234,630	-	-	-	-	-	-	1,093,938	231,476
Closing Cost	146,523,421	5,100,613	9,717,622	455,615	3,801,637	4,187,849	7,702,984	-	21,044,001	198,533,742	190,929,209
Accumulated Amortization											
Opening, as previously reported	53,113,485	2,064,135	6,188,997	385,884	2,605,053	2,161,268	-	-	-	66,518,822	61,658,750
Adjustments	-	-	-	-	-	-	-	-	-	-	-
Opening adjusted	53,113,485	2,064,135	6,188,997	385,884	2,605,053	2,161,268	-	-	-	66,518,822	61,658,750
Add:											
Current period Amortization	3,640,628	120,030	628,885	35,549	247,650	389,942	-	-	-	5,062,684	5,091,548
Less:											
Accumulated Amortization on Disposals and Writedowns	82,459	69,817	234,630	-	-	-	-	-	-	386,906	231,476
Closing Accumulated Amortization	56,671,654	2,114,348	6,583,252	421,433	2,852,703	2,551,210	-	-	-	71,194,600	66,518,822
Net Tangible Capital Asset	89,851,767	2,986,265	3,134,370	34,182	948,934	1,636,639	7,702,984	-	21,044,001	127,339,142	124,410,387
Proceeds from Disposal of Capital Assets	-	-	3,000	-	-	-	-	-	-	3,000	8,500

* Includes network infrastructure.

SCHEDULE OF CAPITAL RESERVE ACCOUNTS
For the Year Ended June 30, 2020

Fund Name >	Buses	New School Development				Totals
Opening Balance, July 1, 2019	-	1,023,526	-	-	-	1,023,526
Additions: (Provide a description of each transaction)						
Interest on Account		27,568				27,568
						-
						-
						-
						-
						-
						-
						-
Total Additions	-	27,568	-	-	-	27,568
Withdrawals: (Provide a description of each transaction)						
Withdraw funds - capital reserve account Niverville High School		1,051,094				1,051,094
						-
						-
						-
						-
						-
						-
						-
Total Withdrawals	-	1,051,094	-	-	-	1,051,094
Closing Balance, June 30, 2020	-	-	-	-	-	-

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.

Date

Secretary-Treasurer

SCHEDULE OF CAPITAL RESERVE ACCOUNTS
For the Year Ended June 30, 2020

Fund Name >						Totals (includes totals from previous page)
Opening Balance, July 1, 2019	-	-	-	-	-	1,023,526
Additions: (Provide a description of each transaction)						
						27,568
						-
						-
						-
						-
						-
						-
						-
Total Additions	-	-	-	-	-	27,568
Withdrawals: (Provide a description of each transaction)						
						1,051,094
						-
						-
						-
						-
						-
						-
						-
Total Withdrawals	-	-	-	-	-	1,051,094
Closing Balance, June 30, 2020	-	-	-	-	-	-

SPECIAL PURPOSE FUND SCHEDULE OF FINANCIAL POSITION

as at June 30

	2020	2019
Financial Assets		
Cash and Bank	569,677	458,805
GST Receivable	-	-
Accrued Investment Income	-	-
Portfolio Investments	-	-
	<u>569,677</u>	<u>458,805</u>
Liabilities		
School Generated Funds Liability	20,412	-
Accounts Payable	-	-
Accrued Liabilities	-	-
Due to Other Funds	-	-
Deferred Revenue	-	-
	<u>20,412</u>	<u>0</u>
Accumulated Surplus *	<u>549,265</u>	<u>458,805</u>
* Comprised of:		
School Generated Funds Accumulated Surplus	549,265	458,805
Other Funds Accumulated Surplus	-	-
Accumulated Surplus *	<u>549,265</u>	<u>458,805</u>

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

For the Year Ended June 30

	2020	2019
Revenue		
School Generated Funds	1,594,541	2,157,496
Other Funds	-	-
	-	-
	<u>1,594,541</u>	<u>2,157,496</u>
Expenses		
School Generated Funds	1,504,081	2,090,632
Other Funds	-	-
	-	-
	<u>1,504,081</u>	<u>2,090,632</u>
Current Year Surplus (Deficit)	90,460	66,864
Transfers (to) Operating Fund	-	-
Transfers (to) Capital Fund	-	-
Net Current Year Surplus (Deficit)	<u>90,460</u>	<u>66,864</u>
Opening Accumulated Surplus	458,805	391,941
Adjustments: School Generated Funds	-	-
Other Funds	-	-
Opening Accumulated Surplus as adjusted	<u>458,805</u>	<u>391,941</u>
Closing Accumulated Surplus	<u><u>549,265</u></u>	<u><u>458,805</u></u>

STUDENT ENROLMENTS (FRAME) AND TRANSPORTATION STATISTICS (UNAUDITED)

ENROLMENTS BY PROGRAM		F.T.E. Enrolment September 30, 2019
REGULAR INSTRUCTION		
English Language - Single Track		7,563.5
Francais - Single Track		-
French Immersion - Single Track		-
Dual Track		
- English Language	-	
- Francais	-	
- French Immersion	-	
- Other Bilingual	-	0.0
Senior Years Technology Education		457.0
TOTAL NUMBER OF FULL TIME EQUIVALENT K - 12 STUDENTS		<u>8,020.5</u>

TRANSPORTATION OF PUPILS	
TRANSPORTED STUDENTS (September 30)	5,280
TOTAL KILOMETERS - LOG BOOK (For the period ended June 30)	1,081,406
TOTAL KILOMETERS - BUS ROUTES (For the period ended June 30)	1,023,063
LOADED KILOMETERS (For the period ended June 30)	600,216

FULL TIME EQUIVALENT PERSONNEL (UNAUDITED)

For the 2019/20 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	30.50	2.00			8.50		2.00	1.00	44.00
330	Instructional - Teaching	447.08	68.50				8.78			524.36
350	Instructional - Other	20.75	159.00		2.43		3.75			185.93
360	Technical, Specialized And Service	19.00					2.00	103.50	85.19	209.69
370	Secretarial, Clerical And Other	38.10	2.00			10.00	20.11	1.00	1.91	73.12
380	Clinician		20.10							20.10
390	Information Technology	10.50					0.50			11.00
TOTALS (excluding Trustees)		565.93	251.60	0.00	2.43	18.50	35.14	106.50	88.10	1,068.20

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	2,253,907
Less: Liability Insurance	59,599
Administration portion of self-funded expenses (see below)	0 *
Trustee election costs	-
	<u>2,194,308 (A)</u>

Expense Base

Total Operating Expenses	90,701,537
Plus: Transfers to Capital	875,684
Less: Adult Learning Centres, Function 300	0
	<u>91,577,221 (B)</u>

Percentage (A) / (B)2.40%**% Increase in 2019/20 Special Requirement**2.00% Limit Met**Maximum Allowable Percentage**2.94%

Special Requirement Limit	Met	Exceeded
If FTE Enrolment is 5,000 or over	2.94%	2.85%
If FTE Enrolment is 1,000 or less	3.53%	3.42%
If FTE enrolment is between 1,000 and 5,000	3.53%	3.42%
Northern Division	4.25%	4.25%
If FTE enrolment is between 1,000 and 5,000:		
2% Special Requirement limit met - To a maximum of 3.53%	$2.94\% + (5,000 - \text{enrolment}) \times 0.0001475\%$	
2% Special Requirement limit exceeded - To a maximum of 3.42%	$2.85\% + (5,000 - \text{enrolment}) \times 0.0001425\%$	

Self-Funded Expenses (fully offset by incremental revenues):**International Student Programs****Expenses (1)**

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

Associated Revenue ⁽²⁾-**Self-Administered Pension Plans****Expenses (1)**

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

Associated Revenue ⁽²⁾-

(1) Incremental costs of the program.

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

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	11,350,891	0	4,252,648	0	75,835	0	0	7,022,408
270 Counselling and Guidance	1,964,298	0	0	0	0	0	0	1,964,298
300 Adult Learning Centres	0				0	0	0	
400 Community Education and Services	132,174		115,945	0	0	0	0	
620 Library / Media Centre	914,944	0	0	0	0	0	0	914,944
630 Professional and Staff Development	784,621	0	0	0	9,392	0	0	775,229
800 Operations and Maintenance	9,154,084	446,250	0	169,440	255,000	0	108,494	9,067,400
ALLOCATED ADJUSTMENTS/REDUCTIONS		446,250	4,368,593	169,440	340,227	0	108,494	
UNALLOCATED ADJUSTMENTS/REDUCTIONS		91,748	4,237,968	136,391	2,393,183	106,185	443,100	(1)
TOTALS	24,301,012	537,998	8,606,561	305,831	2,733,410	106,185	551,594	19,744,279

OTHER FUNCTION/PROGRAMS EXPENSES	66,400,525
100 Regular Instruction	58,364,121
500 Administration	2,253,907
605 Curriculum Consulting Admin.	11,178
610 Curriculum Consulting	530,838
680 Other	253,379
700 Transportation of Pupils	3,348,368
900 Fiscal	1,638,734
TOTAL EXPENSES	90,701,537

☒ OPEN OR CLOSE DETAIL

CALCULATION OF UNSUPPORTED EXPENSES	
OTHER FUNCTION/PROGRAMS EXPENSES	66,400,525
TOTAL ALLOWABLE EXPENSES	19,744,279
TOTAL UNALLOCATED ADJUSTMENTS/REDUCTIONS (1)	(7,225,079)
- ADJUSTMENTS TO EXPENSES	91,748
- CATEGORICAL SUPPORT	(4,237,968)
- OTHER PROGRAM SUPPORT	(136,391)
- OTHER PROVINCIAL GOVERNMENT REVENUE	(2,393,183)
- NON-PROV. SOURCES - TUITION, TRANSFER AND RESI	(106,185)
- NON-PROV. SOURCES - OTHER	(443,100)
Base Support (from page 8)	(23,612,362)
Formula Guarantee (from page 8)	0
SCHOOL BUS AMORTIZATION (from TCA Sched page 23)	628,885
TOTAL UNSUPPORTED EXPENSES	55,936,248

☒ OPEN OR CLOSE DETAIL

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

APPENDIX A

ADJUSTMENTS TO EXPENSES:**(enter deductions as negative amounts)**

	<u>Function/ Program</u>	<u>Amount</u>
Capitalized Energy Mgmt. Systems Costs (add) (1), (2)	800	
Capitalized Section "D" School Bldgs. Costs (add) (1)	800	198,801
Transfers from Capital Fund (deduct)	800	(3,000)
Leased Non-School Space (deduct)	800	0
Transfers from Special Purpose Fund (deduct)		0
Other Capitalized Items (specify Item and Function/Program) (2)		

Baritone Saxophone	Unallocated	6,751
Scoreboard, shot clock and bleachers	800	65,469
Vending Machines	800	11,705
Circulation Desk	800	10,566
Fitness Tread Mill	800	10,670
Screen Printing Starter Package	Unallocated	33,415
Wireless Mic System	Unallocated	13,818
Floor Scrubbers	800	23,278
Surveillance Camera System	800	30,106
Reception Desk - Millwork	Unallocated	9,610
PA System Upgrade	800	44,221
Router	Unallocated	7,144
Speedfit Treadmill	Unallocated	5,836
Used Oil Tank	800	5,414
Used Oil Tank	800	5,037
Walk in Cooler/Freezer	800	43,983
Smartboard and network software	Unallocated	7,992
Network software	Unallocated	7,182

Total Adjustments to Expenses

537,998

(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	169,440
Technology Education Equipment & Skills Strategy Equipment Enhancement	136,391
Other Minor Capital Support	0
Curricular Materials Prior Year Support	0
Finalization of Previous Year's support	0
Amount carried forward to Allowable Expenses	305,831

CATEGORICAL SUPPORT TO BE ALLOCATED

Special Needs: Coordinator/Clinician

(A) Maximum Support	590,873
(B) Eligible Expenses	590,873
(C) Less related revenues	0
(D) Allowable Expenses (B) - (C)	590,873

Eligible Support (lesser of A or D)

Special Needs: Level 2 and 3	590,873
Indigenous Academic Achievement	2,860,511
Literacy and Numeracy	171,000
	630,264

Small Schools

(A) Maximum Support	36,678
(B) Program Expenses	36,678
Eligible Support (lesser of A or B)	36,678

Board and Room

(A) Maximum Support	
(B) Program Expenses	
Eligible Support (lesser of A or B)	0
Early Childhood Development	115,945

Total allocable Categorical Support (carried to Allow Input) 4,405,271**Non-allocable Categorical Support** 4,201,290**Total Categorical Support (carried to page 30)** 8,606,561**CALCULATION OF ALLOWABLE SCHOOL BUILDING SUPPORT "D" EXPENSES:**

Program 850 School Building Repairs & Replacements	975,157
PLUS: Capitalized Section "D" Expenses (net)	198,801
Grounds	-
LESS: Related revenue other than "D" Support	-

Allowable Section "D" Expenses	(C)	1,173,958
--------------------------------	-----	-----------

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)	1,173,958
--	-----	-----------

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		1,316,096	1,316,096
Education Property Tax Credit		6,829,926	6,829,926
Tax Incentive Grant		846,509	846,509
All other	1,417,314		1,417,314
Other Provincial Government Departments	0		0
Total Revenue	1,417,314	8,992,531	10,409,845

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	0		0
Municipal Government			
Net Special Requirement		27,736,314	27,736,314
Other	0		0
Other School Divisions			
Tuition Fees	0		0
Transfer Fees	0		0
Residual Fees	106,185		106,185
All other	0		0
First Nations			
Tuition Fees	0		0
All other	0		0
Private Organizations and Individuals			
Tuition Fees	0		0
Ancillary Services	314,738		314,738
Other Sources			
Interest		6,203	6,203
Donations	0		0
Other	236,856		236,856
Total Revenue	657,779	27,742,517	28,400,296

OTHER PROVINCIAL GOVERNMENT REVENUE:

Total Revenue	10,409,845
Education Property Tax Credit	(6,829,926)
Tax Incentive Grant	(846,509)
PROVINCIAL REVENUE FOR EQUALIZATION	2,733,410
(to agree with Other Provincial Gov't Revenue on page 30)	

NON-PROVINCIAL SOURCES:

TOTAL ALLOCABLE FEES	106,185
(Tuition, Transfer and Residual Fees)	

TOTAL ALLOCABLE OTHER REVENUE

(to agree with total other revenue on page 30)

551,594

TOTAL ALLOCABLE NON-PROV. SOURCES

657,779

**HANOVER SCHOOL DIVISION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020**

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
JUNE 30, 2020**

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	50,000	10
Buildings - bricks, mortar and steel	50,000	40
Buildings - wood frame	50,000	25
School buses	50,000	10
Vehicles	10,000	5
Equipment	10,000	5
Network Infrastructure	25,000	10
Computer Hardware, Servers & Peripherals	10,000	4
Computer Software	10,000	4
Furniture and Fixtures	10,000	10
Leasehold Improvements	25,000	Over term of lease

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.

HANOVER SCHOOL DIVISION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020 is \$545,028 (\$557,304 in 2019). 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. Wage accrual is based on management's estimate of wage increases to be awarded on settlement or arbitration of collective bargaining units currently without contract, taking into account all publicly available information as at year end. 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
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020**

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, 2020.

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
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020

3. Overdraft

The Division has an authorized line of credit with the Steinbach Credit Union of \$27,000,000 (\$27,000,000 in 2019) 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, 2020, the prime rate was 2.45%.

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 \$1,185,719 for the year ended June 30, 2020 (\$1,221,580 in 2019).

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, 2019	Additions for the year	Revenue recognized during year	Balance as at June 30, 2020
Education Property Tax Credit ("EPTC")	\$ 2,671,211	\$ 1,574,122	\$ 2,671,211	\$ 1,574,122
Special grant	5,000	5,000	5,000	5,000
Other amounts	113,748	119,404	113,748	119,404
	<u>\$ 2,789,959</u>	<u>\$ 1,698,526</u>	<u>\$ 2,789,959</u>	<u>\$ 1,698,526</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 \$20,412 (\$nil in 2019).

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 2021 to 2040. 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 2.750% to 7.250%. Debenture interest expense payable as at June 30, 2020, 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
2021	\$ 10,399,888
2022	10,125,205
2023	9,764,789
2024	9,467,633
2025	9,013,975
	<u>\$ 48,771,490</u>

HANOVER SCHOOL DIVISION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020

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 \$43,367 in 2020 (\$66,701 in 2019).

9. Accumulated Surplus

The consolidated accumulated surplus is comprised of the following:

	2020	2019
Operating Fund		
Designated Surplus	\$ -	\$ -
Undesignated Surplus	4,209,472	3,407,529
	<u>4,209,472</u>	<u>3,407,529</u>
Capital Fund		
Reserved Accounts	\$ -	\$ 1,023,526
Equity in Tangible Capital Assets	26,692,828	24,814,995
	<u>26,692,828</u>	<u>25,838,521</u>
Special Purpose Fund		
School Generated Funds	\$ 549,265	\$ 458,805
	<u>\$ 549,265</u>	<u>\$ 458,805</u>
Total Accumulated Surplus	<u>\$ 31,451,565</u>	<u>\$ 29,704,855</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 2019 tax year and 60% from 2020 tax year. Below are the related revenue and receivable amounts:

	2020	2019
Revenue - Municipal Government - Property Tax	<u>\$27,736,314</u>	<u>\$ 26,956,842</u>
Receivable - Due from Municipal - Property Tax	<u>\$16,665,748</u>	<u>\$ 16,183,099</u>

11. Interest Received and Paid

The Division received interest during the year of \$6,203 (\$5,219 in 2019) and interest paid during the year was \$4,075,801 (\$4,079,427 in 2019). Interest paid is comprised of interest expense of \$4,032,434 (\$4,012,726 in 2019) as outlined below, plus capitalized interest of \$43,367 (\$66,701 in 2019) included in construction in progress on the consolidated statement of financial position.

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

	2020	2019
Operating Fund		
Fiscal-short term loan, interest and bank charges	\$ 207,262	\$ 214,794
Capital Fund		
Debenture interest	3,825,172	3,797,932
Total	<u>\$ 4,032,434</u>	<u>\$ 4,012,726</u>

The accrual portion of debenture debt interest expense of \$1,897,288 (\$1,780,541 in 2019) 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
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020

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 2020	Budget 2020	Actual 2019
Salaries	\$ 70,371,996	\$ 70,311,000	\$ 68,969,500
Employees benefits and allowances	4,953,336	5,167,500	4,842,817
Services	4,348,298	4,868,500	4,719,484
Supplies, materials and minor equipment	7,205,438	7,095,500	7,207,608
Interest	4,032,434	226,800	4,012,726
Payroll tax	1,431,472	1,420,900	1,464,456
Amortization	5,062,684	-	5,091,548
Transfers	2,183,735	2,435,800	2,120,925
Other capital items	251,903	-	-
School generated funds	1,504,081	-	2,090,632
	<u>\$ 101,345,377</u>	<u>\$ 91,526,000</u>	<u>\$ 100,519,696</u>

13. Non Financial Information

The 2020 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 \$31,451,565 (\$29,704,855 in 2019). 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, 2020 the amount of this special levy was \$325,288 (\$320,477 in 2019). 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, 2020 are as follows:

2020/21	\$ 847,938
2021/22	691,925
2022/23	357,809
2023/24	37,051
2024/25	2,247
Thereafter	nil