

**FRONTIER SCHOOL DIVISION
30 SPEERS ROAD
WINNIPEG, MANITOBA R2J 1L9**

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

June 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Frontier School Division

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

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of Frontier School Division as at June 30, 2019 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Basis for Opinion

We conducted our audit in accordance with the Canadian generally accepted accounting standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Division in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the above listed financial statements taken as a whole. The current year's supplementary information included in the other statements and reports is presented for purposes of additional analysis and is not a required part of basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in, our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

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

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

In preparing the financial statements, management is responsible for assessing the Division's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Division or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Division's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Division's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Division to cease to continue as a going concern.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants

Winnipeg, Manitoba
November 7, 2019

INDEPENDENT AUDITOR'S SUPPLEMENTARY REPORT

To the Board of Trustees Frontier School Division

We have audited the EIS Enrolment File Verification Report – EIS Cert. – part 2 of 2 (prepared in accordance with Part 1, Sections 1.1 and 1.2 of the Public Schools Enrolment and Categorical Grants Reporting for the 2018/2019 school year) of the Frontier School Division as at September 30, 2018 (the "schedule").

In our opinion, this schedule presents fairly, in all material aspects, the enrolment of the Frontier School Division as at September 30, 2018 in accordance with the Public Schools Enrolment and Categorical Grants Reporting for the 2018/19 school year referred to above.

Basis for Opinion

We conducted our audit in accordance with the Canadian generally accepted accounting standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedule section of our report. We are independent of the Division in accordance with ethical requirements that are relevant to our audit of the schedule in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Schedule

Management is responsible for the preparation of the schedule in accordance with the provisions of Public Schools Enrolment and Categorical Grants Reporting, and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditor's 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 GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the schedule. As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Division's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure 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.

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.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to the basis of preparation of the enrolment report. The enrolment report is prepared to assist Frontier School Division to comply with with Part 1, Sections 1.1 and 1.2 of the Public Schools Enrolment and Categorical Grants Reporting for the 2018/2019 school year of Frontier School Division and contains pupil enrolment totals on a head-count basis. As a result, this report may not be suitable for another purpose. Our report is intended solely for the Manitoba Schools' Finance Branch and Frontier School Division and should not be distributed or used by parties other than the Manitoba Schools' Finance Branch and Frontier School Division.

Deloitte LLP

Chartered Professional Accountants

Winnipeg, Manitoba
November 8, 2019

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

NOVEMBER 8, 2019
Date

Linda Ballantyne
Chairperson of the Board

AUDITOR'S REPORT ON ENROLMENT

TO THE BOARD OF TRUSTEES FRONTIER SCHOOL DIVISION

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

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

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

Deloitte LLP

Auditor

November 8, 2019

Date

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

Linda Ballentyne

Chairperson of the Board

NOVEMBER 8, 2019

Date

MANAGEMENT REPORT

Management's Responsibility for the Financial Statements

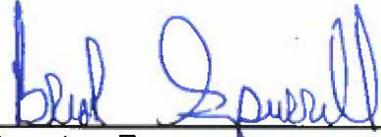
The accompanying consolidated financial statements of Frontier School Division are the responsibility of the Division management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 2 to the consolidated financial statements.

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

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

The consolidated financial statements have been audited by Deloitte LLP, independent external auditors appointed by the Board. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Division's consolidated financial statements.


Chairperson


Secretary-Treasurer

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at June 30

Notes	2019	2018	
	Financial Assets		
	Cash and Bank	12,810,189	15,906,310
	Due from - Provincial Government	2,876,515	2,819,034
	- Federal Government	679,610	657,739
	- Municipal Government	2,141,651	2,099,866
	- Other School Divisions	1,446	1,610
	- First Nations	14,250,674	16,352,744
	Accounts Receivable	189,189	171,114
	Accrued Investment Income	79,950	59,918
*	Portfolio Investments	16,500,000	12,500,000
		<u>49,529,224</u>	<u>50,568,335</u>
	Liabilities		
	Overdraft	-	-
	Accounts Payable	10,774,932	11,192,503
	Accrued Liabilities	8,757,890	8,768,593
*	Employee Future Benefits	1,055,978	1,368,862
	Accrued Interest Payable	778,485	827,234
	Due to - Provincial Government	422,541	-
	- Federal Government	-	-
	- Municipal Government	-	-
	- Other School Divisions	2,970	-
	- First Nations	3,548,959	2,305,096
*	Deferred Revenue	17,901,889	19,478,896
*	Borrowings from the Provincial Government	42,291,441	44,731,070
*	Other Borrowings	2,009,410	1,937,924
	School Generated Funds Liability	433,207	427,591
		<u>87,977,702</u>	<u>91,037,769</u>
	Net Assets (Debt)	<u>(38,448,478)</u>	<u>(40,469,434)</u>
	Non-Financial Assets		
*	Net Tangible Capital Assets (TCA Schedule)	77,074,671	78,275,906
	Inventories	-	-
	Prepaid Expenses	610,509	344,981
		<u>77,685,180</u>	<u>78,620,887</u>
*	Accumulated Surplus	<u>39,236,702</u>	<u>38,151,453</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
Revenue		
Provincial Government	55,123,615	55,811,061
Federal Government	1,889,451	1,340,944
Municipal Government	2,827,160	2,653,984
- Property Tax		
- Other	403,920	396,000
Other School Divisions	10,400	13,650
First Nations	80,518,140	78,718,387
Private Organizations and Individuals	4,908,147	4,921,226
Other Sources	2,118,830	2,014,589
School Generated Funds	649,387	818,862
Other Special Purpose Funds	-	-
	<u>148,449,050</u>	<u>146,688,703</u>
Expenses		
Regular Instruction	60,272,999	59,623,308
Student Support Services	21,312,857	20,314,037
Adult Learning Centres	3,976,842	3,637,187
Community Education and Services	2,479,833	2,633,985
Divisional Administration	7,290,505	7,046,575
Instructional and Other Support Services	7,644,906	7,505,004
Transportation of Pupils	11,949,484	11,723,894
Operations and Maintenance	23,985,328	24,169,791
* Fiscal	2,200,117	2,232,076
- Interest		
- Other	1,211,927	1,247,339
Amortization	4,413,125	4,237,237
Other Capital Items	-	-
School Generated Funds	625,878	768,790
Other Special Purpose Funds	-	-
	<u>147,363,801</u>	<u>145,139,223</u>
Current Year Surplus (Deficit) before Non-vested Sick Leave	<u>1,085,249</u>	<u>1,549,480</u>
Less: Non-vested Sick Leave Expense (Recovery)	<u>0</u>	<u>0</u>
Net Current Year Surplus (Deficit)	<u>1,085,249</u>	<u>1,549,480</u>
Opening Accumulated Surplus	38,151,453	36,601,973
Adjustments:		
Tangible Cap. Assets and Accum. Amort.	-	-
Other than Tangible Cap. Assets	-	-
Non-vested sick leave - prior years	-	-
Opening Accumulated Surplus, as adjusted	<u>38,151,453</u>	<u>36,601,973</u>
Closing Accumulated Surplus	<u>39,236,702</u>	<u>38,151,453</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)	<u>1,085,249</u>	<u>1,549,480</u>
Amortization of Tangible Capital Assets	4,413,125	4,237,237
Acquisition of Tangible Capital Assets	(3,211,890)	(3,905,977)
(Gain) / Loss on Disposal of Tangible Capital Assets	-	(3,922)
Proceeds on Disposal of Tangible Capital Assets	<u>-</u>	<u>3,922</u>
	<u>1,201,235</u>	<u>331,260</u>
Inventories (Increase)/Decrease	-	-
Prepaid Expenses (Increase)/Decrease	<u>(265,528)</u>	<u>46,896</u>
	<u>(265,528)</u>	<u>46,896</u>
(Increase)/Decrease in Net Debt	<u>2,020,956</u>	<u>1,927,636</u>
Net Debt at Beginning of Year	(40,469,434)	(42,397,070)
Adjustments Other than Tangible Cap. Assets	<u>-</u>	<u>-</u>
	<u>(40,469,434)</u>	<u>(42,397,070)</u>
Net Assets (Debt) at End of Year	<u><u>(38,448,478)</u></u>	<u><u>(40,469,434)</u></u>

CONSOLIDATED STATEMENT OF CASH FLOW

For the Year Ended June 30, 2019

	2019	2018
Operating Transactions		
Net Current Year Surplus (Deficit)	1,085,249	1,549,480
Non-Cash Items Included in Current Year Surplus/(Deficit):		
Amortization of Tangible Capital Assets	4,413,125	4,237,237
(Gain)/Loss on Disposal of Tangible Capital Assets	-	(3,922)
Employee Future Benefits Increase/(Decrease)	(312,884)	215,970
Due from Other Organizations (Increase)/Decrease	1,981,097	2,021,678
Accounts Receivable & Accrued Income (Increase)/Decrease	(38,107)	252,672
Inventories and Prepaid Expenses - (Increase)/Decrease	(265,528)	46,896
Due to Other Organizations Increase/(Decrease)	1,669,374	(962,044)
Accounts Payable & Accrued Liabilities Increase/(Decrease)	(477,023)	373,104
Deferred Revenue Increase/(Decrease)	(1,577,007)	1,293,615
School Generated Funds Liability Increase/(Decrease)	5,616	71,135
Adjustments Other than Tangible Cap. Assets	-	-
Cash Provided by (Applied to) Operating Transactions	<u>6,483,912</u>	<u>9,095,821</u>
Capital Transactions		
Acquisition of Tangible Capital Assets	(3,211,890)	(3,905,977)
Proceeds on Disposal of Tangible Capital Assets	-	3,922
Cash Provided by (Applied to) Capital Transactions	<u>(3,211,890)</u>	<u>(3,902,055)</u>
Investing Transactions		
Portfolio Investments (Increase)/Decrease	(4,000,000)	2,500,000
Cash Provided by (Applied to) Investing Transactions	<u>(4,000,000)</u>	<u>2,500,000</u>
Financing Transactions		
Borrowings from the Provincial Government Increase/(Decrease)	(2,439,629)	(2,759,214)
Other Borrowings Increase/(Decrease)	71,486	31,381
Cash Provided by (Applied to) Financing Transactions	<u>(2,368,143)</u>	<u>(2,727,833)</u>
Cash and Bank / Overdraft (Increase)/Decrease	(3,096,121)	4,965,933
Cash and Bank (Overdraft) at Beginning of Year	<u>15,906,310</u>	<u>10,940,377</u>
Cash and Bank (Overdraft) at End of Year	<u><u>12,810,189</u></u>	<u><u>15,906,310</u></u>

OPERATING FUND SCHEDULE OF FINANCIAL POSITION

as at June 30

	2019	2018
Financial Assets		
Cash and Bank	12,173,795	15,299,041
Due from		
- Provincial Government	2,098,030	1,991,800
- Federal Government	679,610	657,739
- Municipal Government	2,141,651	2,099,866
- Other School Divisions	1,446	1,610
- First Nations	14,250,674	16,352,744
- Other Funds	-	-
Accounts Receivable	189,189	171,114
Accrued Investment Income	79,950	59,918
Portfolio Investments	16,500,000	12,500,000
	<u>48,114,345</u>	<u>49,133,832</u>
Liabilities		
Overdraft	-	-
Accounts Payable	10,774,932	11,192,503
Accrued Liabilities	8,757,890	8,768,593
Employee Future Benefits	1,055,978	1,368,862
Accrued Interest Payable	-	-
Due to		
- Provincial Government	422,541	-
- Federal Government	-	-
- Municipal Government	-	-
- Other School Divisions	2,970	-
- First Nations	3,548,959	2,305,096
- Capital Fund	1,782,155	2,682,128
Deferred Revenue	17,371,097	17,842,674
Other Borrowings	-	-
	<u>43,716,522</u>	<u>44,159,856</u>
Net Financial Assets (Net Debt)	<u>4,397,823</u>	<u>4,973,976</u>
Non-Financial Assets		
Inventories	-	-
Prepaid Expenses	610,509	344,981
	<u>610,509</u>	<u>344,981</u>
Accumulated Surplus (Deficit)	<u>5,008,332</u>	<u>5,318,957</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	49,807,973	49,330,342	50,617,156
Federal Government	1,252,478	726,000	595,682
Municipal Government - Property Tax	2,827,160	2,776,702	2,653,984
- Other	403,920	397,000	396,000
Other School Divisions	10,400	-	13,650
First Nations	80,518,140	82,003,122	78,718,387
Private Organizations and Individuals	4,908,147	4,591,360	4,921,226
Other Sources	1,121,699	650,000	1,056,171
	<u>140,849,917</u>	<u>140,474,526</u>	<u>138,972,256</u>
Expenses			
Regular Instruction	60,272,999	59,773,841	59,623,308
Student Support Services	21,312,857	22,891,574	20,314,037
Adult Learning Centres	3,976,842	3,569,738	3,637,187
Community Education and Services	2,479,833	2,353,589	2,633,985
Divisional Administration	7,290,505	7,487,557	7,046,575
Instructional and Other Support Services	7,644,906	7,620,040	7,505,004
Transportation of Pupils	11,949,484	11,510,359	11,723,894
Operations and Maintenance	23,985,328	23,182,828	24,169,791
Fiscal	1,215,205	1,235,000	1,250,671
	<u>140,127,959</u>	<u>139,624,526</u>	<u>137,904,452</u>
Current Year Surplus (Deficit) before Non-vested Sick Leave	<u>721,958</u>	<u>850,000</u>	<u>1,067,804</u>
Less: Non-vested Sick Leave Expense (Recovery)	<u>-</u>	<u>-</u>	<u>-</u>
Current Year Surplus (Deficit) after Non-vested Sick Leave	<u>721,958</u>	<u>850,000</u>	<u>1,067,804</u>
Net Transfers from (to) Capital Fund	(1,032,583)	(850,000)	(1,381,806)
Transfers from Special Purpose Funds	<u>-</u>	<u>-</u>	<u>-</u>
Net Current Year Surplus (Deficit)	<u>(310,625)</u>	<u>0</u>	<u>(314,002)</u>
Opening Accumulated Surplus (Deficit)	5,318,957		5,632,959
Adjustments: Liability for Contaminated Sites	-		-
	-		-
Non-vested sick leave - prior years	-		-
Opening Accumulated Surplus (Deficit), as adjusted	<u>5,318,957</u>		<u>5,632,959</u>
Closing Accumulated Surplus (Deficit)	<u><u>5,008,332</u></u>		<u><u>5,318,957</u></u>

OPERATING FUND - REVENUE DETAIL
PROVINCE OF MANITOBA

For the Year Ended June 30, 2019

Funding of Schools Program

Base Support		
Instructional Support	4,240,171	
Additional Instructional Support for Small Schools	-	
Sparsity	975,782	
Curricular Materials	132,024	
Information Technology	136,425	
Library Services	202,437	
Student Services	1,334,727	
Counselling and Guidance	182,633	
Professional Development	85,816	
Physical Education	27,375	
Occupancy	4,177,530	11,494,920
Categorical Support		
Transportation	1,270,197	
Board and Room	285,000	
Special Needs: Coordinator/Clinician	323,459	
Special Needs: Level 2	972,800	
Special Needs: Level 3	538,815	
Senior Years Technology Education	99,715	
English as an Additional Language	3,200	
Indigenous Academic Achievement (including BSSIP)	851,750	
Indigenous and International Languages	322	
French Language Education	60	
Small Schools	407,426	
Enrolment Change Support	186,533	
Northern Allowance	1,474,268	
Early Childhood Development Initiative	41,071	
Literacy and Numeracy	186,032	
Education for Sustainable Development	27,300	6,667,948
Equalization		13,929,082
Additional Equalization		4,758,592
Adjustment for Days Closed		-
Formula Guarantee		-
Other Program Support		
School Buildings Support: "D" Projects	286,020	
Technology Education Equipment Replacement	94,700	
Skills Strategy Equipment Enhancement	50,810	
Other Minor Capital Support	-	
Prior Year Support		
Finalization of Previous Year Support	-	
Curricular Materials	-	
School Buildings Support: "D" Projects	-	
Technology Education Equipment	-	431,530
		<u>37,282,072</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	3,373,641	
Special Needs	-	
Institutional Programs	-	
Nursing Supports (URIS)	-	
Substitute Fees	-	
General Support Grant	1,190,415	
Education Property Tax Credit	508,710	
Tax Incentive Grant	233,548	
Early Years Enhancement Grant	268,903	
Community Schools	240,000	
Healthy Schools Initiative	18,711	
Learning to Age 18 Coordinator	20,000	
Adult Learning Centres	1,200,875	
Other: Test marking	4,041	
Special Operating Grant	3,790,000	
Common Area Grant (Churchill and Leaf Rapids)	500,692	
Healthy Child - Grand Rapids Parenting	20,100	
Paul Martin Grant	30,000	
Minor Teacherage / Capital Grant	624,805	
Northern and Rural Clinician Grant	15,000	
Career Development	135,000	
Wellbeing and Wellbecoming Group	2,517	
K-12 Commission Review	3,182	
Healthy Child - PEER churchill and Cormorant	80,000	
		12,260,140

Other Provincial Government Departments (Not including GBE's)

Employment Programs	60,526	
Other: Municipal Affairs - Frontier Games / Green Team	31,843	
Aboriginal and Northern Affairs - Northern Green house	113,922	
Justice - Lighthouse	24,000	
Child and Youth Opportunity - WE DAY	26,500	
Aboriginal and Northern Affairs - Northern Foods Initiative	3,770	
Sustainable Development - Cold Lake / Ilford / Jack River	5,200	
		265,761

Funding of Schools Program (previous page)	<u>37,282,072</u>
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TOTAL PROVINCIAL GOVERNMENT REVENUE	<u><u>49,807,973</u></u>
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**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:	Jordran's Principal Grant	1,252,478	
			1,252,478
Municipal Government			
Special Requirement	3,569,418		
Less: Education Property Tax Credit	(508,710)		
Less: Tax Incentive Grant	(233,548)	2,827,160	
Other:	Snow Lake Mining Tax	403,920	3,231,080
Other School Divisions			
Tuition Fees		10,400	
Transfer Fees		-	
Residual Fees		-	
Transportation of Pupils		-	
Other:		-	
			10,400
First Nations			
Tuition Fees		67,532,421	
Transportation of Pupils		4,869,452	
Other:	Norway House Adult Education	1,951,019	
	Skownan First Nation Grant	20,600	
	Dauphin River Start up grant	40,358	
	Special Needs	2,342,133	
	FCI Room and Board	3,762,157	80,518,140
Private Organizations and Individuals (Includes GBE's)			
Regular Tuition		-	
International Tuition		-	
Continuing Education		-	
Other Tuition:	Manitoba Hydro	3,247,275	
Food Service		227,551	
Government Business Enterprises (GBE's)		-	
Other:	Northern Regional Health	6,000	
	Regional Health Authority	671	
	Harbinger Foundation	3,351	
	Canadian Red Cross	30,000	
	Teacherage Income	1,391,539	
	Manitoba Metis Federation	1,760	4,908,147
Other Sources			
Interest		307,247	
Donations		-	
Other:	Various Grants - 0381-0471	61,462	
	Frontier Builders	218,264	
	Heart and Stroke	8,813	
	FCI 3rd Party Billing / FCI Misc / FCI Cante	51,083	
	Power Smart	2,040	
	Misc Exp / Income / Leadership/sale of FA	439,826	
	Egg Lake / MB Forestry / O-Chi-Chak-Ko-S	7,623	
	MB Forestry	2,000	
	Tides Canada	23,341	1,121,699
TOTAL NON-PROVINCIAL GOVERNMENT REVENUE			<u>91,041,944</u>

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	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	45,999,314	16,412,509	1,686,216	1,857,636	4,416,126	3,534,898	5,366,372	8,136,047		87,409,118	87,655,154
Employees Benefits and Allowances	3,092,907	2,027,750	107,415	171,531	518,056	358,472	816,873	1,342,831		8,435,835	8,507,833
Services	1,741,498	1,678,467	148,791	97,768	1,684,539	2,032,717	4,165,165	10,754,738		22,303,683	21,300,444
Supplies, Materials and Minor Equipment	6,005,839	1,194,131	75,944	352,898	573,984	1,698,579	1,492,816	3,751,712		15,145,903	14,359,504
Interest and Bank Charges									3,278	3,278	3,332
Bad Debt Expense									-	0	0
Transfers	3,433,441	-	1,958,476	-	97,800	20,240	108,258	-	(PAYROLL TAX) 1,211,927	6,830,142	6,078,185
TOTALS	60,272,999	21,312,857	3,976,842	2,479,833	7,290,505	7,644,906	11,949,484	23,985,328	1,215,205	140,127,959	137,904,452

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
			20 ENGLISH LANGUAGE	50 FRANÇAIS	70 FRENCH IMMERSION			
CODE	OBJECT \ PROGRAM							
3XX	SALARIES							
320	Executive, Managerial and Supervisory	4,565,156						4,565,156
330	Instructional - Teaching		37,707,953				371,419	38,079,372
350	Instructional - Other		504,317					504,317
360	Technical, Specialized and Service		1,035,933					1,035,933
370	Secretarial, Clerical and Other	1,454,957						1,454,957
390	Information Technology	359,579						359,579
	Total Salaries	6,379,692	39,248,203	0	0	0	371,419	45,999,314
4XX	EMPLOYEES BENEFITS AND ALLOWANCES	528,822	2,544,515				19,570	3,092,907
5-6XX	SERVICES							
510	Professional, Technical and Specialized		176,424				63,691	240,115
520	Communications	311,391	3,889					315,280
540	Travel and Meetings	56,496	461,142					517,638
560	Tuition		6,720					6,720
570	Printing and Binding							0
580	Insurance and Bond Premiums	4,339	15,743					20,082
590	Maintenance and Repair Services		224,620					224,620
610	Rentals	18,005	288,304					306,309
630	Advertising	34,941	30,562					65,503
640	Dues and Fees							0
650	Professional and Staff Development	45,231						45,231
680	Information Technology Services							0
	Total Services	470,403	1,207,404	0	0	0	63,691	1,741,498
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT							
710	Supplies	9,864	2,943,740				18,055	2,971,659
740	Curricular and Media Materials		540,030					540,030
760	Minor Equipment	18,739	939,234				47,258	1,005,231
780	Information Technology Equipment	15,677	1,473,242					1,488,919
	Total Supplies, Materials and Minor Equipment	44,280	5,896,246	0	0	0	65,313	6,005,839
96X-99	TRANSFERS							
960	School Divisions		845,698					845,698
980	Organizations and Individuals		2,587,743					2,587,743
	Total Transfers	0	3,433,441	0	0	0	0	3,433,441
TOTALS		7,423,197	52,329,809	0	0	0	519,993	60,272,999

* 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						333,564	333,564
330	Instructional - Teaching				88,457	3,488,338	1,042,476	4,619,271
350	Instructional - Other				8,494,936		1,418,226	9,913,162
360	Technical, Specialized and Service						123,727	123,727
370	Secretarial, Clerical and Other						82,419	82,419
380	Clinician		831,525				508,841	1,340,366
390	Information Technology							0
	Total Salaries	0	831,525	0	8,583,393	3,488,338	3,509,253	16,412,509
4XX	EMPLOYEES BENEFITS AND ALLOWANCES		48,959		1,402,603	192,548	383,640	2,027,750
5-6XX	SERVICES							
510	Professional, Technical and Specialized		593,369		1,829		82,749	677,947
520	Communications		1,807			684	7,106	9,597
540	Travel and Meetings		169,449		9,045	110,672	460,287	749,453
560	Tuition							0
570	Printing and Binding							0
580	Insurance and Bond Premiums		4,463			2,353	13,557	20,373
590	Maintenance and Repair Services		41,600				18,647	60,247
610	Rentals		24,274			12,786	61,589	98,649
630	Advertising		381		3,406		7,824	11,611
640	Dues and Fees					700	1,524	2,224
650	Professional and Staff Development		2,702				45,664	48,366
680	Information Technology Services							0
	Total Services	0	838,045	0	14,280	127,195	698,947	1,678,467
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT							
710	Supplies		26,212		450,352	6,585	102,584	585,733
740	Curricular and Media Materials						2,965	2,965
760	Minor Equipment		2,374		206,411	1,586	33,379	243,750
780	Information Technology Equipment		1,408		81,918	132	278,225	361,683
	Total Supplies, Materials and Minor Equipment	0	29,994	0	738,681	8,303	417,153	1,194,131
96X-99	TRANSFERS							
960	School Divisions							0
980	Organizations and Individuals							0
	Total Transfers	0	0	0	0			0
	TOTALS	0	1,748,523	0	10,738,957	3,816,384	5,008,993	21,312,857

OPERATING FUND - EXPENSE DETAIL: FUNCTION 300

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	43,725		43,725
330	Instructional - Teaching		1,536,692	1,536,692
350	Instructional - Other		41,777	41,777
360	Technical, Specialized and Service		42,116	42,116
370	Secretarial, Clerical and Other	21,906		21,906
390	Information Technology			0
	Total Salaries	65,631	1,620,585	1,686,216
4XX EMPLOYEES BENEFITS AND ALLOWANCES				
		5,759	101,656	107,415
5-6XX SERVICES				
510	Professional, Technical and Specialized		15,627	15,627
520	Communications	10,122	2,424	12,546
530	Utility Services	8,778		8,778
540	Travel and Meetings	21,798	41,715	63,513
560	Tuition			0
570	Printing and Binding			0
580	Insurance and Bond Premiums	1,332		1,332
590	Maintenance and Repair Services		3,410	3,410
610	Rentals	9,138	27,132	36,270
620	Property Taxes			0
630	Advertising			0
640	Dues and Fees			0
650	Professional and Staff Development	2,070	5,245	7,315
680	Information Technology Services			0
	Total Services	53,238	95,553	148,791
7XX SUPPLIES, MATERIALS AND MINOR EQUIPMENT				
710	Supplies	1,952	20,381	22,333
740	Curricular and Media Materials	13,811		13,811
760	Minor Equipment		19,527	19,527
780	Information Technology Equipment	2,929	17,344	20,273
	Total Supplies, Materials and Minor Equipment	18,692	57,252	75,944
96X-99 TRANSFERS				
960	School Divisions			0
980	Organizations and Individuals	7,457	1,951,019	1,958,476
999	Recharge			0
	Total Transfers	7,457	1,951,019	1,958,476
TOTALS		150,777	3,826,065	3,976,842

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OPERATING FUND - EXPENSE DETAIL: FUNCTION 400

For the Year Ended June 30, 2019

COMMUNITY EDUCATION AND SERVICES		10	20	30	40	
		CONTINUING	ENGLISH AS AN	COMMUNITY	PRE-KINDERGARTEN	TOTALS
CODE	OBJECT \ PROGRAM	EDUCATION	ADDITIONAL LANGUAGE	SERVICES AND	EDUCATION	
			FOR ADULTS	RECREATION		
3XX	SALARIES					
320	Executive, Managerial and Supervisory					0
330	Instructional - Teaching				1,218,358	1,218,358
350	Instructional - Other			342,805	99,485	442,290
360	Technical, Specialized and Service			196,988		196,988
370	Secretarial, Clerical and Other					0
380	Clinician					0
390	Information Technology					0
	Total Salaries	0	0	539,793	1,317,843	1,857,636
4XX	EMPLOYEES BENEFITS AND ALLOWANCES			78,838	92,693	171,531
5-6XX	SERVICES					
510	Professional, Technical and Specialized			36,158		36,158
520	Communications			2,988		2,988
540	Travel and Meetings			44,241		44,241
570	Printing and Binding					0
580	Insurance and Bond Premiums			1,096		1,096
590	Maintenance and Repair Services			12,350		12,350
610	Rentals				935	935
630	Advertising					0
640	Dues and Fees					0
650	Professional and Staff Development					0
680	Information Technology Services					0
	Total Services	0	0	96,833	935	97,768
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT					
710	Supplies			317,834	22,245	340,079
740	Curricular and Media Materials					0
760	Minor Equipment			12,819		12,819
780	Information Technology Equipment					0
	Total Supplies, Materials and Minor Equipment	0	0	330,653	22,245	352,898
96X-99	TRANSFERS					
980	Organizations and Individuals					0
999	Recharge					0
	Total Transfers	0	0	0	0	0
	TOTALS	0	0	1,046,117	1,433,716	2,479,833

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	241,931				241,931
320	Executive, Managerial and Supervisory		1,567,361	494,501	127,321	2,189,183
360	Technical, Specialized and Service	280,662		232,812		513,474
370	Secretarial, Clerical and Other		56,336	1,114,075	21,722	1,192,133
390	Information Technology				279,405	279,405
	Total Salaries	522,593	1,623,697	1,841,388	428,448	4,416,126
4XX	EMPLOYEES BENEFITS AND ALLOWANCES	41,249	122,820	290,745	63,242	518,056
5-6XX	SERVICES					
510	Professional, Technical and Specialized	18,124	197,394	89,329		304,847
520	Communications	2,592	2,926	125,022	15,463	146,003
540	Travel and Meetings	472,967	186,741	39,923	24,416	724,047
570	Printing and Binding	13,996		2,578		16,574
580	Insurance and Bond Premiums	2,019	12,394	91,354	1,501	107,268
590	Maintenance and Repair Services			6,907		6,907
610	Rentals	12,687	56,158	116,416	8,165	193,426
630	Advertising		5,146	6,951		12,097
640	Dues and Fees	95,953	9,366	10,013	1,684	117,016
650	Professional and Staff Development	3,318	31,470	16,645	4,921	56,354
680	Information Technology Services					0
	Total Services	621,656	501,595	505,138	56,150	1,684,539
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT					
710	Supplies	4,528	2,107	186,195	1,904	194,734
740	Curricular and Media Materials		80			80
760	Minor Equipment			46,316		46,316
780	Information Technology Equipment	281	94,733	37,952	199,888	332,854
	Total Supplies, Materials and Minor Equipment	4,809	96,920	270,463	201,792	573,984
96X-99	TRANSFERS					
960	School Divisions					0
980	Organizations and Individuals	65,360		32,440		97,800
999	Recharge					0
	Total Transfers	65,360	0	32,440		97,800
	TOTALS	1,255,667	2,345,032	2,940,174	749,632	7,290,505

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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		284,551	80,372			364,923
330	Instructional - Teaching		1,427,672				1,427,672
350	Instructional - Other			890,671		58,131	948,802
360	Technical, Specialized and Service		54,911	58,215		587,368	700,494
370	Secretarial, Clerical and Other		56,537	36,470			93,007
390	Information Technology						0
	Total Salaries	0	1,823,671	1,065,728	0	645,499	3,534,898
4XX	EMPLOYEES BENEFITS AND ALLOWANCES		106,436	163,582		88,454	358,472
5-6XX	SERVICES						
510	Professional, Technical and Specialized		12,039	48,885			60,924
520	Communications		8,254	1,276			9,530
540	Travel and Meetings		313,430	23,824		251,213	588,467
560	Tuition						0
570	Printing and Binding		77				77
580	Insurance and Bond Premiums		13,673			5,144	18,817
590	Maintenance and Repair Services		54,188			13,242	67,430
610	Rentals		84,337			2,525	86,862
630	Advertising		127	206			333
640	Dues and Fees		3,561				3,561
650	Professional and Staff Development		105,317	23,581	1,067,818		1,196,716
680	Information Technology Services						0
	Total Services	0	595,003	97,772	1,067,818	272,124	2,032,717
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT						
710	Supplies		174,706	15,793	88	907,321	1,097,908
740	Curricular and Media Materials		1,391	406,992			408,383
760	Minor Equipment		19,336	42,718		49,317	111,371
780	Information Technology Equipment		2,179	78,738			80,917
	Total Supplies, Materials and Minor Equipment	0	197,612	544,241	88	956,638	1,698,579
96X-99	TRANSFERS						
960	School Divisions						0
980	Organizations and Individuals					20,240	20,240
	Total Transfers					20,240	20,240
	TOTALS	0	2,722,722	1,871,323	1,067,906	1,982,955	7,644,906

OPERATING FUND - EXPENSE DETAIL: FUNCTION 700

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	165,406			255,314		420,720
350	Instructional - Other				28,896		28,896
360	Technical, Specialized and Service		3,342,276		1,343,632	137,505	4,823,413
370	Secretarial, Clerical and Other	46,190			47,153		93,343
390	Information Technology						0
	Total Salaries	211,596	3,342,276		1,674,995	137,505	5,366,372
4XX	EMPLOYEES BENEFITS AND ALLOWANCES	31,512	515,722		250,986	18,653	816,873
5-6XX	SERVICES						
510	Professional, Technical and Specialized	534			157	7,956	8,647
520	Communications	8,731	68,654		20,793		98,178
540	Travel and Meetings	43,760	59,756		26,741	868,096	998,353
550	Transportation of Pupils		634,098	88,901	397,725		1,120,724
570	Printing and Binding	4,900					4,900
580	Insurance and Bond Premiums	2,648	46,549		5,557	5,091	59,845
590	Maintenance and Repair Services		920,943		19,739		940,682
610	Rentals	22,877	789,072		34,084	65,387	911,420
630	Advertising		458		5,644		6,102
640	Dues and Fees	1,016					1,016
650	Professional and Staff Development		13,164		2,134		15,298
680	Information Technology Services						0
	Total Services	84,466	2,532,694	88,901	512,574	946,530	4,165,165
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT						
710	Supplies	5,516	1,208,939		107,417	50,538	1,372,410
740	Curricular and Media Materials				400		400
760	Minor Equipment	540	65,067		35,912	17,421	118,940
780	Information Technology Equipment	97	969				1,066
	Total Supplies, Materials and Minor Equipment	6,153	1,274,975		143,729	67,959	1,492,816
96X-99	TRANSFERS						
960	School Divisions						0
980	Organizations and Individuals				108,258		108,258
999	Recharge						0
	Total Transfers	0	0	0	108,258	0	108,258
	TOTALS	333,727	7,665,667	88,901	2,690,542	1,170,647	11,949,484

OPERATING FUND - EXPENSE DETAIL: FUNCTION 800

For the Year Ended June 30, 2019

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	565,688					565,688
360	Technical, Specialized and Service	49,841	7,328,069	53,623	50,989	4,395	7,486,917
370	Secretarial, Clerical and Other	37,314	46,128				83,442
390	Information Technology						0
	Total Salaries	652,843	7,374,197	53,623	50,989	4,395	8,136,047
4XX EMPLOYEES BENEFITS AND ALLOWANCES							
		89,815	1,243,857	3,678	5,181	300	1,342,831
5-6XX SERVICES							
510	Professional, Technical and Specialized					43,250	43,250
520	Communications	10,776	6,090				16,866
530	Utility Services		3,884,924		1,778,455		5,663,379
540	Travel and Meetings	55,733	151,105				206,838
570	Printing and Binding						0
580	Insurance and Bond Premiums	7,256	1,589,709		416,907		2,013,872
590	Maintenance and Repair Services		750,722	449,324	254,825		1,454,871
610	Rentals	45,750	552,047		580,987		1,178,784
620	Property Taxes				148,544		148,544
630	Advertising	1,277	1,775				3,052
640	Dues and Fees	2,220					2,220
650	Professional and Staff Development	19,842	3,220				23,062
680	Information Technology Services						0
	Total Services	142,854	6,939,592	449,324	3,179,718	43,250	10,754,738
7XX SUPPLIES, MATERIALS AND MINOR EQUIPMENT							
710	Supplies	12,805	1,390,959	1,656,802	160,807		3,221,373
740	Curricular and Media Materials	962					962
760	Minor Equipment	6,183	381,706		126,705		514,594
780	Information Technology Equipment	14,078	705				14,783
	Total Supplies, Materials and Minor Equipment	34,028	1,773,370	1,656,802	287,512	0	3,751,712
96X-99 TRANSFERS							
999	Recharge						0
TOTALS		919,540	17,331,016	2,163,427	3,523,400	47,945	23,985,328

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

For the Year Ended June 30, 2019

Transfers To Capital Fund

Category "D" School Buildings	-	
Bus Reserve	250,000	
Bus Purchases	-	
Other Vehicles	-	
Furniture/Fixtures & Equipment	-	
Computer Hardware & Software	-	
Assets Under Construction	382,583	
Other:	-	
Board resolution 144-2019	400,000	
	1,032,583	

Less: Transfers From Capital Fund

	-	
	0	

Net Transfers To (From) Capital Fund 1,032,583

CAPITAL FUND SCHEDULE OF FINANCIAL POSITION

as at June 30

	2019	2018
Financial Assets		
Cash and Bank	-	-
Due from		
- Provincial Government	778,485	827,234
- Federal Government	-	-
- Municipal Government	-	-
- First Nations	-	-
- Other Funds	1,782,155	2,682,128
Accounts Receivable	-	-
Accrued Investment Income	-	-
Portfolio Investments	-	-
	2,560,640	3,509,362
Liabilities		
Overdraft	-	-
Accounts Payable	-	-
Accrued Liabilities	-	-
Accrued Interest Payable	778,485	827,234
Due to		
- Provincial Government	-	-
- Federal Government	-	-
- Municipal Government	-	-
- First Nations	-	-
- Operating Fund	-	-
Deferred Revenue	530,792	1,636,222
Borrowings from the Provincial Government	42,291,441	44,731,070
Other Borrowings	2,009,410	1,937,924
	45,610,128	49,132,450
Net Assets (Debt)	(43,049,488)	(45,623,088)
Non-Financial Assets		
Net Tangible Capital Assets	77,074,671	78,275,906
Accumulated Surplus / Equity *	34,025,183	32,652,818
* Comprised of:		
Reserve Accounts	3,440,583	3,229,719
Equity in Tangible Capital Assets	30,584,600	29,423,099
	34,025,183	32,652,818

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

For the Year Ended June 30

	2019	2018
Revenue		
Provincial Government		
Grants	135,838	87,370
Debt Servicing - Principal	3,052,729	2,943,514
- Interest	2,127,075	2,163,021
Federal Government	636,973	745,262
Municipal Government	-	-
Other Sources:		
Investment Income	-	-
Donations	-	-
MB Hydro grant	-	-
Gain / (Loss) on Disposal of Capital Assets	-	3,922
Gain on receipt of Modular classroom	-	-
Operating Charges	969,131	
Rancho Realty	28,000	
	997,131	954,496
	6,949,746	6,897,585
Expenses		
Amortization	4,413,125	4,237,237
Interest on Borrowings from the Provincial Government	2,127,075	2,163,021
Other Interest	69,764	65,723
Other Capital Items	-	-
	6,609,964	6,465,981
Current Year Surplus / (Deficit)	339,782	431,604
Net Transfers from (to) Operating Fund	1,032,583	1,381,806
Transfers from Special Purpose Fund	-	-
Net Current Year Surplus (Deficit)	1,372,365	1,813,410
Opening Accumulated Surplus / Equity	32,652,818	30,839,408
Adjustments:	-	-
	-	-
Opening Accumulated Surplus / Equity as adjusted	32,652,818	30,839,408
Closing Accumulated Surplus / Equity	34,025,183	32,652,818

SCHEDULE OF TANGIBLE CAPITAL ASSETS

at June 30, 2019

	Buildings and Leasehold Improvements		School Buses	Other Vehicles	Furniture / Fixtures & Equipment	Computer Hardware & Software *	Land	Land Improvements	Assets Under Construction	2019 TOTALS	2018 TOTALS
	School	Non-School									
Tangible Capital Asset Cost											
Opening Cost, as previously reported	137,131,872	18,259,203	12,672,532	247,770	2,502,176	-	1,462,248	-	1,684,516	173,960,317	170,932,926
Adjustments	-	-	-	-	-	-	-	-	-	-	-
Opening Cost adjusted	137,131,872	18,259,203	12,672,532	247,770	2,502,176	-	1,462,248	-	1,684,516	173,960,317	170,932,926
Add:											
Additions during the year	1,475,837	263,711	1,680,936	73,271	34,112	-	-	-	(315,977)	3,211,890	3,905,977
Less:											
Disposals and write downs	-	229,170	-	19,656	562,038	-	-	-	-	810,864	878,586
Closing Cost	138,607,709	18,293,744	14,353,468	301,385	1,974,250	-	1,462,248	-	1,368,539	176,361,343	173,960,317
Accumulated Amortization											
Opening, as previously reported	72,735,858	13,275,306	7,206,416	247,770	2,219,061	-	-	-	-	95,684,411	92,325,760
Adjustments	-	-	-	-	-	-	-	-	-	-	-
Opening adjusted	72,735,858	13,275,306	7,206,416	247,770	2,219,061	-	-	-	-	95,684,411	92,325,760
Add:											
Current period Amortization	2,728,480	435,585	1,047,029	73,271	128,760	-	-	-	-	4,413,125	4,237,237
Less:											
Accumulated Amortization on Disposals and Writedowns	-	229,170	-	19,656	562,038	-	-	-	-	810,864	878,586
Closing Accumulated Amortization	75,464,338	13,481,721	8,253,445	301,385	1,785,783	-	-	-	-	99,286,672	95,684,411
Net Tangible Capital Asset	63,143,371	4,812,023	6,100,023	-	188,467	-	1,462,248	-	1,368,539	77,074,671	78,275,906
Proceeds from Disposal of Capital Assets	-	-	-	-	-	-	-	-	-	-	3,922

* Includes network infrastructure.

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

Fund Name >	Buses	Appropriation for additional Teacherages	Request for Provision for Six Plex 09/15/18			Totals
Opening Balance, July 1, 2018	1,729,719	750,000	750,000	-	-	3,229,719
Additions: (Provide a description of each transaction)						
Addition for increased costs to 6 plex			400,000			400,000
Addition transfer for increased costs		310,424				310,424
Addition fto the Bus reserve	250,000					250,000
						-
						-
						-
						-
						-
Total Additions	250,000	310,424	400,000	-	-	960,424
Withdrawals: (Provide a description of each transaction)						
Bus Purchase Unit #48:224	114,635					114,635
Bus Purchase Unit #48:226	114,109					114,109
Bus Purchase Unit #48:227	114,109					114,109
Bus Purchase Unit #48:203	135,569					135,569
Bus Purchase Unit #48:204	135,569					135,569
Bus Purchase Unit #48:205	135,569					135,569
						-
						-
Total Withdrawals	749,560	-	-	-	-	749,560
Closing Balance, June 30, 2019	1,230,159	1,060,424	1,150,000	-	-	3,440,583

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**SPECIAL PURPOSE FUND
SCHEDULE OF FINANCIAL POSITION**

as at June 30

	2019	2018
Financial Assets		
Cash and Bank	636,394	607,269
GST Receivable	-	-
Accrued Investment Income	-	-
Portfolio Investments	-	-
	<u>636,394</u>	<u>607,269</u>
Liabilities		
School Generated Funds Liability	433,207	427,591
Accounts Payable	-	-
Accrued Liabilities	-	-
Due to Other Funds	-	-
Deferred Revenue	-	-
	<u>433,207</u>	<u>427,591</u>
Accumulated Surplus *	<u><u>203,187</u></u>	<u><u>179,678</u></u>
* Comprised of:		
School Generated Funds Accumulated Surplus	203,187	179,678
Other Funds Accumulated Surplus	-	-
Accumulated Surplus *	<u><u>203,187</u></u>	<u><u>179,678</u></u>

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

For the Year Ended June 30

	2019	2018
Revenue		
School Generated Funds	649,387	818,862
Other Funds	-	-
	-	-
	<u>649,387</u>	<u>818,862</u>
Expenses		
School Generated Funds	625,878	768,790
Other Funds	-	-
	-	-
	<u>625,878</u>	<u>768,790</u>
Current Year Surplus (Deficit)	23,509	50,072
Transfers (to) Operating Fund	-	-
Transfers (to) Capital Fund	-	-
Net Current Year Surplus (Deficit)	<u>23,509</u>	<u>50,072</u>
Opening Accumulated Surplus	179,678	129,606
Adjustments: School Generated Funds	-	-
Other Funds	-	-
Opening Accumulated Surplus as adjusted	<u>179,678</u>	<u>129,606</u>
Closing Accumulated Surplus	<u><u>203,187</u></u>	<u><u>179,678</u></u>

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

ENROLMENTS BY PROGRAM	F.T.E. Enrolment September 30, 2018
REGULAR INSTRUCTION	
English Language - Single Track	5,966.3
Francais - Single Track	-
French Immersion - Single Track	-
Dual Track	
- English Language	-
- Francais	-
- French Immersion	-
- Other Bilingual	-
Senior Years Technology Education	<u>30.7</u>
TOTAL NUMBER OF FULL TIME EQUIVALENT K - 12 STUDENTS	<u><u>5,997.0</u></u>

TRANSPORTATION OF PUPILS	
TRANSPORTED STUDENTS (September 30)	4,906
TOTAL KILOMETERS - LOG BOOK (For the period ended June 30)	1,810,000
TOTAL KILOMETERS - BUS ROUTES (For the period ended June 30)	1,670,000
LOADED KILOMETERS (For the period ended June 30)	1,113,000

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	38.77	2.57	0.42		17.20	2.91	5.17	6.00	73.04
330	Instructional - Teaching	404.65	47.53	15.25	12.23		13.35			493.02
350	Instructional - Other	15.64	362.24	1.50	14.00		22.76	0.41		416.55
360	Technical, Specialized And Service	15.78	2.36	1.25	5.60	7.17	12.66	114.06	148.44	307.31
370	Secretarial, Clerical And Other	40.26	1.94	0.50		23.56	2.44	2.00	2.00	72.70
380	Clinician		14.78							14.78
390	Information Technology	5.00				5.00				10.00
TOTALS (excluding Trustees)		520.10	431.43	18.92	31.83	52.93	54.12	121.63	156.43	1,387.39

510 Contracted Clinicians (include private clinicians where possible)		7.00
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310 TRUSTEES		10.00
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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	16,303,864	0	1,835,074	0	3,391,158	8,414,803	2,342,133	3,694,337
270 Counselling and Guidance	5,008,993	0	166,363	0	135,000	2,304,775	1,291,291	1,111,564
300 Adult Learning Centres	3,976,842				1,287,901	802,912	1,951,019	
400 Community Education and Services	2,479,833		121,571	0	472,135	1,295,127	94,484	
620 Library / Media Centre	1,871,323	0	0	0	0	1,199,440	13,055	658,828
630 Professional and Staff Development	1,067,906	0	0	0	0	684,373	0	383,533
800 Operations and Maintenance	23,985,328	(120,912)	190,000	286,020	1,125,497	12,850,888	2,187,999	7,224,012
ALLOCATED ADJUSTMENTS/REDUCTIONS		(120,912)	2,313,008	286,020	6,411,691	27,552,318	7,879,981	
UNALLOCATED ADJUSTMENTS/REDUCTIONS		0	4,354,940	145,510	5,371,952	43,237,778	8,833,540	(1)
TOTALS	54,694,089	(120,912)	6,667,948	431,530	11,783,643	70,790,096	16,713,521	9,698,633

OTHER FUNCTION/PROGRAMS EXPENSES	85,433,870
100 Regular Instruction	60,272,999
500 Administration	7,290,505
605 Curriculum Consulting Admin.	0
610 Curriculum Consulting	2,722,722
680 Other	1,982,955
700 Transportation of Pupils	11,949,484
900 Fiscal	1,215,205
TOTAL EXPENSES	140,127,959

OPEN OR CLOSE DETAIL

CALCULATION OF UNSUPPORTED EXPENSES	
OTHER FUNCTION/PROGRAMS EXPENSES	85,433,870
TOTAL ALLOWABLE EXPENSES	9,698,633
TOTAL UNALLOCATED ADJUSTMENTS/REDUCTIONS ((61,943,720)
- ADJUSTMENTS TO EXPENSES	0
- CATEGORICAL SUPPORT	(4,354,940)
- OTHER PROGRAM SUPPORT	(145,510)
- OTHER PROVINCIAL GOVERNMENT REVENUE	(5,371,952)
- NON-PROV. SOURCES - TUITION, TRANSFER AND RES	(43,237,778)
- NON-PROV. SOURCES - OTHER	(8,833,540)
Base Support (from page 8)	(11,494,920)
Formula Guarantee (from page 8)	0
SCHOOL BUS AMORTIZATION (from TCA Sched page 23)	1,047,029
TOTAL UNSUPPORTED EXPENSES	22,740,892

OPEN OR CLOSE DETAIL

CALCULATION OF ALLOWABLE EXPENSES

OTHER PROVINCIAL GOVERNMENT REVENUE:	Allocated	Unallocated	Total
Other Dept. of Education			
General Support Grant		1,190,415	1,190,415
Education Property Tax Credit		508,710	508,710
Tax Incentive Grant		233,548	233,548
All other	6,537,467	3,790,000	10,327,467
Other Provincial Government Departments	265,761		265,761
Total Revenue	6,803,228	5,722,673	12,525,901

NON-PROVINCIAL SOURCES:	Allocated	Unallocated	Total
Federal Government			
Tuition Fees	0		0
All other	1,252,478		1,252,478
Municipal Government			
Net Special Requirement		2,827,160	2,827,160
Other	0	403,920	403,920
Other School Divisions			
Tuition Fees	10,400		10,400
Transfer Fees	0		0
Residual Fees	0		0
All other	0		0
First Nations			
Tuition Fees	67,532,421		67,532,421
All other	12,985,719		12,985,719
Private Organizations and Individuals			
Tuition Fees	3,247,275		3,247,275
Ancillary Services	1,660,872		1,660,872
Other Sources			
Interest		307,247	307,247
Donations	0		0
Other	814,452		814,452
Total Revenue	87,503,617	3,538,327	91,041,944

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.

Special Support Grant \$3,790,000

Snow Lake Mining Tax \$403,920

OTHER PROVINCIAL GOVERNMENT REVENUE:

Total Revenue	12,525,901
Education Property Tax Credit	(508,710)
Tax Incentive Grant	(233,548)
PROVINCIAL REVENUE FOR EQUALIZATION	11,783,643
(to agree with Other Provincial Gov't Revenue on page 30)	

NON-PROVINCIAL SOURCES:

TOTAL ALLOCABLE FEES	70,790,096
(Tuition, Transfer and Residual Fees)	

TOTAL ALLOCABLE OTHER REVENUE	16,713,521
(to agree with total other revenue on page 30)	

TOTAL ALLOCABLE NON-PROV. SOURCES	87,503,617
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FRONTIER SCHOOL DIVISION

Notes to the Consolidated Financial Statements

June 30, 2019

1. NATURE OF ORGANIZATION AND ECONOMIC DEPENDENCE

The School Division (Division) is a public body that provides education services to residents within its geographic location. The Division is funded mainly by grants from the Province of Manitoba (Province), a special levy on the property assessment included in the Division's boundaries, and funding from ISC/First Nation government. The Division is exempt from income tax.

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 (CPA Canada).

a) *Reporting Entity and Consolidation*

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the operating fund, capital fund, and special purpose fund of the Division. The Division reporting entity includes school generated funds and controlled by the Division.

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

b) *Trust Funds*

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

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

c) *Basis of Accounting*

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

FRONTIER SCHOOL DIVISION
Notes to the Consolidated Financial Statements
June 30, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Fund Accounting

The fund method of accounting is employed by the Division to record financial transactions in separate funds as defined by 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.

e) School Generated Funds

School generated funds are moneys 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.

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

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

f) Tangible Capital Assets

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

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

FRONTIER SCHOOL DIVISION
Notes to the Consolidated Financial Statements
June 30, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Tangible Capital Assets (continued)

Asset Description	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u> (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 and 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.

With the exception of land, donated capital assets and capital leases, all tangible capital assets are recorded at historical cost, which includes purchase price, installation costs and other costs incurred to put the asset into service.

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

All land acquired prior to June 30, 2006 has been valued at \$1,225,210.

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

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

FRONTIER SCHOOL DIVISION
Notes to the Consolidated Financial Statements
June 30, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Tangible Capital Assets (continued)

All tangible capital assets, except for land, capital leases, and assets under construction, are amortized on a straight-line basis over their estimated useful life.

Land is not amortized. Capital leases with lease terms that have a bargain purchase option or allow ownership to pass to the Division are amortized over the useful life of the asset class. All other capital leases are amortized over the lesser of the lease term and the useful life of the asset class.

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.

g) Employee Future Benefits

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

However, the Division provides retirement and other future benefits to its employees. These benefits include pension, life insurance, and retirement allowances. The Division adopted the following policies with respect to accounting for these employee future benefits:

(i) Defined Contribution / Insured Benefit Plans

Frontier School Division had established a future benefit liability for life insurance premiums paid on behalf of retired employees. During the 2018 year this plan was reviewed and determined to be phased out over the next five years.

(ii) Defined Benefit / Self-Insured Employee Future Benefit Plans

Under these plans, benefits to be received by employees or the method for determining those benefits have been specified by the Division. The actuarial risk (with respect to the amount of the benefit that each employee will receive) and the investment risk (with respect to the investment returns on any assets set aside to pay for the cost of these benefits) are assumed by the Division.

FRONTIER SCHOOL DIVISION
Notes to the Consolidated Financial Statements
June 30, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Defined Benefit / Self-Insured Employee Future Benefit Plans (continued)

Frontier School Division has a Defined Benefit Pension Plan for non-teaching employees. Employees and Frontier School Division currently contribute equal amounts (2019 – 9.0%, 2018 – 9.0%). The plan is evaluated using both the “Going Concern Valuation” and the “Solvency Valuation”. The last review was as at December 31, 2018.

The Employee contributions for 2019 were \$ 2,532,211 (2018 - \$2,584,767). Frontier School Division contributed an equal amount.

For self-insured employee future benefits other than pension plans, that are vesting and accumulating over the employees’ length of service (e.g. vesting sick days, continuation of benefits for health care, dental or life insurance), the benefit costs are accounted for on a full accrual basis determined using actuarial valuation of salary escalation, accumulated sick days, insurance and health care costs trends, and long-term inflation rates.

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

The employee future benefits liability is the total accrued benefit obligation. The employee future benefits expense includes the Division’s contribution for the period.

h) Capital Reserve

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

i) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles as established for PSAB 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.

FRONTIER SCHOOL DIVISION
Notes to the Consolidated Financial Statements
June 30, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Financial Instruments

The Division's financial instruments include cash and bank, accounts receivable, accrued investment income, due to/from governments, other schools and First Nations, accounts payable, accrued liabilities, accrued interest payable and long-term debt. The additional disclosure required due to the Division's adoption of PSA Handbook section 3450, Financial Instruments, is disclosed in Note 15.

All financial instruments are initially recognized at fair value when the Division becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost. The effective interest method is used to recognize interest income or expense. Transaction costs related to all financial instruments are expensed as incurred.

k) 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 time as at June 30, 2019 is \$601,722 (2018 - \$945,488). These amounts are disclosed for compliance with PS 2120 only and are not considered material for inclusion in the financial statements.

3. OVERDRAFT

The Division has an authorized Line of Credit with the Royal Bank of \$35,000,000 by way of overdrafts and is repayable on demand; rates are related to prime, payable monthly. Any overdrafts are secured through a Borrowing By-Law.

4. EMPLOYEE FUTURE BENEFITS

Employee future benefits are benefits earned by employees in the current period, but will not be paid out until future periods. Employee future benefits are comprised of future insurance payments to retired employees, provision for teacher special leave, and a provision for Superintendents retirement, as follows:

	<u>2019</u>	<u>2018</u>
Employee Future Benefit Liability (EFBL)		
Retirement Insurance Plan	\$ 0	\$ 42,187
Superintendent Retirement	623,272	701,790
Special Leave	432,706	624,885
	<u>\$ 1,055,978</u>	<u>\$ 1,368,862</u>

FRONTIER SCHOOL DIVISION
Notes to the Consolidated Financial Statements
June 30, 2019

4. EMPLOYEE FUTURE BENEFITS (continued)

The defined benefit plan provided to non-teaching staff is actuarially valued using a number of assumptions about future events, including interest rates, wage and salary increases, employee turnover and mortality to determine the accrued benefit obligation. The most recent actuarial report was prepared as at December 31, 2018. The net unamortized actuarial gain is amortized on a straight-line basis over the expected average remaining service life of the related employee groups. Pension plan assets are valued at market values and the expected rate of return is 5.75% (2018 – 5.75%).

See Appendix 1 for disclosure information on the pension plan.

Long term disability benefits are covered by an insured plan. The costs of salary compensation paid to employees on long-term disability leave are fully insured and are not included in the financial statements.

Continuation of benefits for life insurance are defined benefits and vesting to certain employees at or after retirement. The related benefit costs and liabilities are included in the financial statements.

Supplemental unemployment benefits are defined benefits that are recognized and recorded only in the period when the events occur (e.g. maternity top up).

The employee future benefit expense is a part of the Employee Benefits and Allowances expense account. It includes the Division's contribution and amortized actuarial gains for the period. Any related pension interest expense is recorded under the Interest and Bank Charges account of the Operating Fund.

5. SCHOOL GENERATED FUNDS LIABILITY

School Generated Funds Liability includes the non-controlled portion of school generated funds consolidated in the cash and bank balances in the amount of \$ 433,207 (2018 \$ 427,591).

	<u>2019</u>	<u>2018</u>
Student Council funds	\$ 58,655	\$ 60,913
Travel	74,198	66,610
Graduation	50,558	48,016
Music Enhancement	15,490	14,867
Community Development	72,200	61,336
Other	162,106	175,849
	\$ 433,207	\$ 427,591

FRONTIER SCHOOL DIVISION
Notes to the Consolidated Financial Statements
June 30, 2019

6. DEBENTURE DEBT

The debenture debt of the Division is in the form of twenty-year debentures payable, principal and interest, in twenty equal yearly instalments 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 debenture debt on self-funded capital projects. The debentures carry interest rates that range from 3.00% 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:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 3,207,814	\$ 1,946,907	\$ 5,154,721
2021	3,261,241	1,785,537	5,046,778
2022	3,344,082	1,623,334	4,967,416
2023	3,348,993	1,458,292	4,807,285
2024	3,435,712	1,295,692	4,731,404
Thereafter	25,693,599	5,671,048	31,364,647
	<u>\$ 42,291,441</u>	<u>\$ 13,780,810</u>	<u>\$ 56,072,251</u>

7. OTHER BORROWINGS

Other borrowings are debts other than overdrafts or debentures and include obligations related to capital leases.

Capital lease loans on buses and copiers have interest rates ranging from 2.73% to 3.98% per annum, due between 2020 and 2024. Payments are monthly, quarterly and annually and include principal and interest.

Principal and interest repayments, of Other Borrowings in the next five years are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 750,353	\$ 62,427	\$ 812,780
2021	528,722	39,730	568,452
2022	410,626	21,858	432,484
2023	246,198	8,271	254,469
2024	73,511	992	74,503
	<u>\$ 2,009,410</u>	<u>\$ 133,278</u>	<u>\$ 2,142,688</u>

FRONTIER SCHOOL DIVISION
Notes to the Consolidated Financial Statements
June 30, 2019

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.

	<u>2019</u>		<u>2018</u>
	<u>Gross Amount</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Owned Tangible Capital Assets	\$ 166,821,482	\$ 93,763,503	\$ 73,057,979
Capital lease	9,539,861	5,523,169	4,016,692
	<u>\$ 176,361,343</u>	<u>\$ 99,286,672</u>	<u>\$ 77,074,671</u>
			\$ 74,469,990
			3,805,916
			<u>\$ 78,275,906</u>

9. ACCUMULATED FUNDS

The consolidated accumulated surplus is comprised of the following:

	<u>2019</u>	<u>2018</u>
Operating Fund		
- Undesignated	\$ 5,008,332	\$ 5,318,957
Capital Fund		
- Reserve Account	3,440,583	3,219,719
- Equity in Tangible Assets	30,584,600	29,423,099
Special Purpose Funds	203,187	179,678
Total Accumulated Surplus	<u>\$ 39,236,702</u>	<u>\$ 38,141,453</u>

Reserve Accounts under the Capital Fund represents internally restricted reserves for specific purposes approved by the Board of Trustees and PSFB. A Schedule of Capital Reserve Accounts is provided on page 24 of the audited financial statements.

	<u>2019</u>	<u>2018</u>
Bus Reserves	\$ 1,230,159	\$ 1,729,719
Teacherages	2,210,424	1,500,000

FRONTIER SCHOOL DIVISION
Notes to the Consolidated Financial Statements
June 30, 2019

10. MUNICIPAL GOVERNMENT – PROPERTY TAX AND RELATED DUE FROM MUNICIPAL GOVERNMENT

Education property tax or Special Levy is raised as the Division's contribution to the cost of providing public education for the student's resident in the division. The Municipal Government-Property Tax shown on the Consolidated Statement of Revenue, Expense and Accumulated Surplus is raised over the two calendar (tax) years; 60% from 2017 tax year and 40% from 2018 tax year. Below are the related revenue and receivable amounts:

	<u>2019</u>	<u>2018</u>
Revenue – Municipal Government – Property Tax	\$ 2,827,160	\$ 2,653,984
Receivable – Due from Municipal – Property Tax	2,141,651	2,099,866

11. INTEREST RECEIVED AND PAID

The Division received interest during the year of \$307,247 (2018 - \$279,808); interest paid during the year was \$2,200,171 (2018 - \$2,232,076). Interest expense is included in Fiscal and is comprised of the following:

	<u>2019</u>	<u>2018</u>
Operating Fund		
Fiscal – short term loan, interest and bank charges	\$ 3,278	\$ 3,332
Capital Fund		
Debenture debt interest	2,127,075	2,163,021
Other interest	69,764	65,723
	\$ 2,200,171	\$ 2,232,076

The accrual portion of debenture debt interest expense of \$778,485 (2018 - \$827,234) included under the Capital Fund-Debenture debt interest is offset by an accrual of the debt servicing grant from the Province of Manitoba.

12. ALLOWANCE FOR DOUBTFUL ACCOUNTS

All receivables presented on the Consolidated Statement of Financial Position are net of an allowance for doubtful accounts in the amount of \$124,861 (2018 - \$124,861).

FRONTIER SCHOOL DIVISION
Notes to the Consolidated Financial Statements
June 30, 2019

13. EXPENSES BY OBJECT

Expenses in the Consolidated Statement of Revenue, Expenses and Accumulated Surplus are reported by function as defined by FRAME. Below is the detail of expenses by object:

	<u>Actual</u> <u>2019</u>	Budget <u>2019</u>	Actual <u>2018</u>
Salaries	\$ 87,409,118	\$ 90,016,213	\$ 87,655,154
Employees benefits & allowances	8,435,835	9,077,095	8,507,833
Services	22,303,683	20,845,754	21,300,444
Supplies, materials & minor equipment	15,145,903	13,498,421	14,359,504
Interest	3,278	35,000	3,332
Bad debts	-	-	-
Payroll tax & Transfers	6,830,142	6,151,943	6,078,185
	\$ 140,127,959	\$ 139,624,426	\$ 137,904,452
Amortization	4,413,125		4,227,237
Other capital items	2,196,839		2,228,744
School generated funds	625,878		768,790
Other special purpose funds	-		-
	\$ 147,363,801		\$ 145,139,223

14. 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.

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

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

Credit Risk

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

FRONTIER SCHOOL DIVISION
Notes to the Consolidated Financial Statements
June 30, 2019

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

The Division's maximum possible exposure to credit risk is as follows:

	2019	2018
Cash / (Bank Overdraft)	\$ 12,810,189	\$ 15,906,310
Due from - Provincial Government	2,876,515	3,219,034
- Federal Government	679,610	657,739
- Municipal Government	2,141,651	2,099,866
- Other School Division	1,446	1,610
- First Nations	14,250,674	16,352,744
Accounts Receivable	189,188	171,114
Accrued Investment Income	79,950	59,918
Portfolio Investment	16,500,000	12,500,000

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

Liquidity Risk

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

Liquidity Risk	Due < 1 year	Due > 1 year, < 2 years	Due > 2 years, < 3 years	Due > 3 years, < 4 years	Due > 4 years, < 5 years	Due > 5 years
Accounts payable	\$10,774,932	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	8,757,890	-	-	-	-	-
Due to Governments	422,451	-	-	-	-	-
Due to Other School Divisions	2,970					
Due to First Nations	3,548,959					
Debenture Debt	5,154,721	5,046,778	4,967,416	4,807,285	4,731,404	31,364,647
Other Borrowings	812,780	568,452	432,484	254,469	74,503	

FRONTIER SCHOOL DIVISION
Notes to the Consolidated Financial Statements
June 30, 2019

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

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

Interest Rate Risk

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

16. PORTFOLIO INVESTMENT

The Division has made use of surplus funds on April 18, 2019 and invested \$16,500,000 (2018 - \$12,500,000) with the Scotia Bank for a period of 180 days at an interest rate of 2.39 %.

FRONTIER SCHOOL DIVISION

Information for Notes to Financial Statements

	12 Month Projection 30-Jun-2018	9 Month Projection 31-Mar-2019	12 Month Projection 31-Mar-2019	3 Month Projection 30-Jun-2019	12 Month Projection 30-Jun-2019
Plan Assets - Defined Benefit Pension Plan:					
Market Value of Assets - Smoothed Value (Beginning of Period)	\$ 111,593,749	\$ 119,510,355	\$ 118,091,107	\$ 124,383,865	\$ 119,510,355
Expected Return on Plan Assets	6,423,628	5,141,116	6,776,908	1,708,631	6,847,934
Actuarial Gain/(Loss)	1,249,953	324,559	(20,493)	737,205	1,063,574
Employer Contributions	2,583,158	1,760,881	2,534,883	755,580	2,516,462
Employee Contributions	2,583,158	1,760,881	2,534,883	755,580	2,516,462
Benefits Payments	(4,923,290)	(4,113,927)	(5,533,423)	(1,750,704)	(5,864,631)
Market Value of Assets - Smoothed Value (End of Period)	\$ 119,510,355	\$ 124,383,865	\$ 124,383,865	\$ 126,590,157	\$ 126,590,157
Accrued Benefit Obligation - Defined Benefit Pension Plan:					
Accrued Benefit Obligation (Beginning of Period)	\$ 103,105,851	\$ 109,912,087	\$ 108,089,451	\$ 110,456,194	\$ 109,912,087
Current Service Cost	5,166,316	2,915,236	4,196,640	1,250,905	4,166,143
Interest Cost	5,935,573	4,714,112	6,176,711	1,515,337	6,271,113
Benefits Payments	(4,923,290)	(4,113,927)	(5,533,423)	(1,750,704)	(5,864,631)
Actuarial (Gain)/Loss Due to Experience	627,637	(1,181,366)	(683,237)	123,517	(937,692)
Actuarial (Gain)/Loss Due to Change in Salary Scale (Assumption)	-	(4,886,527)	(4,886,527)	-	(5,059,938)
Actuarial (Gain)/Loss Due to Change in Mortality Table (Assumption)	-	(475,790)	(475,790)	-	(482,486)
Actuarial (Gain)/Loss Due to Change in Discount Rate (Assumption)	-	3,572,370	3,572,370	-	3,590,653
Accrued Benefit Obligation (End of Period)	\$ 109,912,087	\$ 110,456,194	\$ 110,456,194	\$ 111,595,249	\$ 111,595,249
Surplus/(Deficit)	\$ 9,598,268	\$ 13,927,671	\$ 13,927,671	\$ 14,994,908	\$ 14,994,908
Asset Smoothing Adjustment (Investment Reserve)	(2,972,561)	(2,520,709)	(2,520,709)	(2,671,599)	(2,671,599)
Surplus/(Deficit) on a Market Value Basis	\$ 12,570,829	\$ 16,448,380	\$ 16,448,380	\$ 17,666,507	\$ 17,666,507
Accrued Benefit Asset:					
Surplus/(Deficit)	\$ 9,598,268	\$ 13,927,671	\$ 13,927,671	\$ 14,994,908	\$ 14,994,908
Unamortized Net Actuarial (Gains)/Losses	-	-	-	-	-
Valuation Allowance	(9,598,268)	(13,927,671)	(13,927,671)	(14,994,908)	(14,994,908)
Accrued Benefit Asset	\$ -	\$ -	\$ -	\$ -	\$ -
Total Retirement Expense of the Division's Defined Benefit Pension Plan:					
Current Period Benefit Cost Less Employee Contributions	\$ 2,583,158	\$ 1,154,355	\$ 1,661,757	\$ 495,325	\$ 1,649,681
Interest Cost	5,935,573	4,714,112	6,176,711	1,515,337	6,271,113
Expected Return on Plan Assets	(6,423,628)	(5,141,116)	(6,776,908)	(1,708,631)	(6,847,934)
Actuarial (Gains)/ Losses	(622,316)	(3,295,873)	(2,452,692)	(613,688)	(3,953,037)
Change in Valuation Allowance	1,110,371	4,329,403	3,926,015	1,067,237	5,396,639
Defined Benefit Pension Expense	\$ 2,583,158	\$ 1,760,881	\$ 2,534,883	\$ 755,580	\$ 2,516,462
Actuarial Assumptions used to measure pension obligations:					
Most Recent Actuarial Valuation Report	31-Dec-2016	31-Dec-2017	31-Dec-2017	31-Dec-2017	31-Dec-2017
Discount Rate - Beginning of Period	5.75%	4.31%	5.75%	1.38%	5.75%
Discount Rate - End of Period	5.75%	4.13%	5.50%	1.38%	5.50%
Rate of compensation increase	3.25%	2.25%	3.00%	0.75%	3.00%
Plan assets are held in trust and invested as follows:					
Equities	63.40%	65.20%	65.20%	66.00%	66.00%
Bonds	25.00%	22.30%	22.30%	21.40%	21.40%
Real Estate	11.60%	12.50%	12.50%	12.60%	12.60%
Cash and cash equivalents	0.00%	0.00%	0.00%	0.00%	0.00%