

MANAGEMENT REPORT

Management's Responsibility for the Financial Statements

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

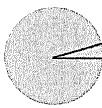
The Board of Trustees of the Division met with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by Craig & Ross Chartered Professional Accountants, the independent external auditors appointed by the Board. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Division's consolidated financial statements.

Original Document Signed
Chairperson

Original Document Signed
Secretary-Treasurer

October 21, 2020



INDEPENDENT AUDITOR'S REPORT

**To the Chairperson and Trustees of
Evergreen School Division**

Opinion

We have audited the financial statements of Evergreen School Division (the "Division"), which comprise the consolidated statement of financial position as at June 30, 2020 and June 30, 2019, and the consolidated statements of revenue, expenses and accumulated surplus, change in net debt and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Division as at June 30, 2020 and June 30, 2019, and the consolidated results of operations, changes in net debt and cash flows for the years 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 Financial Statements* section of our report. We are independent of the Division in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the 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 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 relating 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.

(continues)

Auditor's Responsibilities for the Audit of the 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 financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.



Chartered Professional Accountants
1515 One Lombard Place
Winnipeg MB R3B 0X3
October 21, 2020

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

Oct. 21, 2020
Date

Original Document Signed
Chairperson

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at June 30

Notes		2020	2019
	Financial Assets		
	Cash and Bank	4,434,786	153,946
	Due from - Provincial Government	1,297,793	1,313,720
	- Federal Government	127,557	140,138
	- Municipal Government	4,835,193	4,689,773
	- Other School Divisions	-	-
	- First Nations	202,500	132,500
	Accounts Receivable	52,901	60,300
	Accrued Investment Income	12	12
*	Portfolio Investments	15,000	15,000
		<u>10,965,742</u>	<u>6,505,389</u>
	Liabilities		
	Overdraft	-	-
	Accounts Payable	800,217	890,885
	Accrued Liabilities	2,291,039	1,715,994
*	Employee Future Benefits	122,062	136,166
	Accrued Interest Payable	216,664	250,509
	Due to - Provincial Government	-	-
	- Federal Government	231,613	-
	- Municipal Government	-	-
	- Other School Divisions	-	-
	- First Nations	-	-
*	Deferred Revenue	189,137	566,239
*	Borrowings from the Provincial Government	12,421,313	11,510,729
*	Other Borrowings	1,400,000	-
	School Generated Funds Liability	44,509	39,933
		<u>17,716,554</u>	<u>15,110,455</u>
	Net Assets (Debt)	<u>(6,750,812)</u>	<u>(8,605,066)</u>
	Non-Financial Assets		
*	Net Tangible Capital Assets (TCA Schedule)	19,538,809	19,651,221
	Inventories	-	-
	Prepaid Expenses	48,316	150,357
		<u>19,587,125</u>	<u>19,801,578</u>
*	Accumulated Surplus	<u>12,836,313</u>	<u>11,196,512</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	14,699,579	14,943,357
	Federal Government	53,203	-
	Municipal Government - Property Tax	8,482,042	8,257,821
	- Other	-	-
	Other School Divisions	28,600	35,750
	First Nations	160,000	118,500
	Private Organizations and Individuals	170,026	96,670
	Other Sources	31,466	86,307
	School Generated Funds	307,107	385,908
	Other Special Purpose Funds	23,942	33,694
		<u>23,955,965</u>	<u>23,958,007</u>
	Expenses		
	Regular Instruction	10,816,339	10,891,680
	Student Support Services	3,197,958	3,116,126
	Adult Learning Centres	-	-
	Community Education and Services	46,446	67,158
	Divisional Administration	730,144	825,598
	Instructional and Other Support Services	502,145	555,103
	Transportation of Pupils	1,635,973	1,879,710
	Operations and Maintenance	2,515,861	2,657,891
*	Fiscal - Interest	604,300	667,074
	- Other	320,296	320,740
	Amortization	1,673,432	1,615,909
	Other Capital Items	-	-
	School Generated Funds	274,802	379,332
	Other Special Purpose Funds	12,572	92,372
		<u>22,330,268</u>	<u>23,068,693</u>
	Current Year Surplus (Deficit) before Non-vested Sick Leave	<u>1,625,697</u>	<u>889,314</u>
	Less: Non-vested Sick Leave Expense (Recovery)	<u>(14,104)</u>	<u>25,013</u>
	Net Current Year Surplus (Deficit)	<u>1,639,801</u>	<u>864,301</u>
	Opening Accumulated Surplus	11,196,512	10,332,211
	Adjustments: Tangible Cap. Assets and Accum. Amort.	-	-
	Other than Tangible Cap. Assets	-	-
	Non-vested sick leave - prior years	-	-
	Opening Accumulated Surplus, as adjusted	<u>11,196,512</u>	<u>10,332,211</u>
	Closing Accumulated Surplus	<u>12,836,313</u>	<u>11,196,512</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)	1,639,801	864,301
Amortization of Tangible Capital Assets	1,673,432	1,615,909
Acquisition of Tangible Capital Assets	(1,565,975)	(1,392,401)
(Gain) / Loss on Disposal of Tangible Capital Assets	(737)	(2,535)
Proceeds on Disposal of Tangible Capital Assets	5,692	2,535
	112,412	223,508
Inventories (Increase)/Decrease	-	-
Prepaid Expenses (Increase)/Decrease	102,041	23,830
	102,041	23,830
(Increase)/Decrease in Net Debt	1,854,254	1,111,639
Net Debt at Beginning of Year	(8,605,066)	(9,716,705)
Adjustments Other than Tangible Cap. Assets	-	-
	(8,605,066)	(9,716,705)
Net Assets (Debt) at End of Year	(6,750,812)	(8,605,066)

CONSOLIDATED STATEMENT OF CASH FLOW

For the Year Ended June 30, 2020

	2020	2019
Operating Transactions		
Net Current Year Surplus (Deficit)	1,639,801	864,301
Non-Cash Items Included in Current Year Surplus/(Deficit):		
Amortization of Tangible Capital Assets	1,673,432	1,615,909
(Gain)/Loss on Disposal of Tangible Capital Assets	(737)	(2,535)
Employee Future Benefits Increase/(Decrease)	(14,104)	25,012
Due from Other Organizations (Increase)/Decrease	(186,912)	(172,047)
Accounts Receivable & Accrued Income (Increase)/Decrease	7,399	(9,164)
Inventories and Prepaid Expenses - (Increase)/Decrease	102,041	23,830
Due to Other Organizations Increase/(Decrease)	231,613	-
Accounts Payable & Accrued Liabilities Increase/(Decrease)	450,532	355,056
Deferred Revenue Increase/(Decrease)	(377,102)	(460,223)
School Generated Funds Liability Increase/(Decrease)	4,576	(3,397)
Adjustments Other than Tangible Cap. Assets	-	-
Cash Provided by (Applied to) Operating Transactions	3,530,539	2,236,742
Capital Transactions		
Acquisition of Tangible Capital Assets	(1,565,975)	(1,392,401)
Proceeds on Disposal of Tangible Capital Assets	5,692	2,535
Cash Provided by (Applied to) Capital Transactions	(1,560,283)	(1,389,866)
Investing Transactions		
Portfolio Investments (Increase)/Decrease	-	51,697
Cash Provided by (Applied to) Investing Transactions	-	51,697
Financing Transactions		
Borrowings from the Provincial Government Increase/(Decrease)	910,584	(1,342,480)
Other Borrowings Increase/(Decrease)	1,400,000	-
Cash Provided by (Applied to) Financing Transactions	2,310,584	(1,342,480)
Cash and Bank / Overdraft (Increase)/Decrease	4,280,840	(443,907)
Cash and Bank (Overdraft) at Beginning of Year	153,946	597,853
Cash and Bank (Overdraft) at End of Year	4,434,786	153,946

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	33,432,137	1,626,928	4,239,472	230,234	1,373,292	2,416,385	256,678	557,119	167,531	44,299,776	43,091,618
Adjustments	-	-	-	-	-	-	-	-	-	-	-
Opening Cost adjusted	33,432,137	1,626,928	4,239,472	230,234	1,373,292	2,416,385	256,678	557,119	167,531	44,299,776	43,091,618
Add:											
Additions during the year	264,292	-	292,056	-	85,537	-	-	-	924,090	1,565,975	1,392,401
Less:											
Disposals and write downs	-	-	454,590	-	-	-	-	-	-	454,590	184,243
Closing Cost	33,696,429	1,626,928	4,076,938	230,234	1,458,829	2,416,385	256,678	557,119	1,091,621	45,411,161	44,299,776
Accumulated Amortization											
Opening, as previously reported	19,042,827	752,221	2,668,970	148,036	841,913	952,697		241,891		24,648,555	23,216,889
Adjustments	-	-	-	-	-	-		-		-	-
Opening adjusted	19,042,827	752,221	2,668,970	148,036	841,913	952,697		241,891		24,648,555	23,216,889
Add:											
Current period Amortization	899,807	53,026	281,202	24,783	122,402	239,444		52,768		1,673,432	1,615,909
Less:											
Accumulated Amortization on Disposals and Writedowns	-	-	449,635	-	-	-		-		449,635	184,243
Closing Accumulated Amortization	19,942,634	805,247	2,500,537	172,819	964,315	1,192,141		294,659		25,872,352	24,648,555
Net Tangible Capital Asset	13,753,795	821,681	1,576,401	57,415	494,514	1,224,244	256,678	262,460	1,091,621	19,538,809	19,651,221
Proceeds from Disposal of Capital Assets	-	-	5,692	-	-	-				5,692	2,535

* Includes network infrastructure.

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

1. Nature of Organization and Economic Dependence

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

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 are prepared by management in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada and reflect the following significant accounting policies.

a) Reporting Entity

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 The Evergreen Foundation of Manitoba Inc., an entity controlled by the Division.

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

b) Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an 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 of 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 the charitable foundation 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 extra curricular activities for the sole use of the school that the principal of each school, may raise, hold, administer and expend for the purposes of the school, subject to the rules of the school board.

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.

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

2. Significant Accounting Policies - Continued

d) School Generated Funds - continued

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 student council funds and travel club funds. Revenues and expenses of uncontrolled school generated funds are not included in the consolidated financial statements.

e) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess (deficiency) of revenues over expenses, provides the change in net financial assets for the year.

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.

For non-vesting accumulating sick days, the benefit costs are recognized based on a projection of expected future utilization of sick time, discounted using net present value techniques.

g) 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 as prescribed by FRAME.

Asset Description	Capitalization	
	Threshold	Estimated Useful Life
	(\$)	(years)
Land Improvements (1)	25,000	10
Buildings - bricks, mortar and steel	25,000	40
Buildings - wood frame	25,000	25
School buses	20,000	10
Vehicles (2)	10,000	5
Equipment (3)	10,000	5
Network Infrastructure (4)	25,000	10
Computer Hardware, Servers & Periphe	10,000	4
Computer Software (6)	10,000	4
Furniture & 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 and buildings acquired before June 30, 1995, 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.

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

2. Significant Accounting Policies – Continued

g) Tangible Capital Assets - continued

All land acquired prior to June 30, 1995 has been valued by the Crown Lands and Property Agency.

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 tangible capital assets, except for land and assets under construction, are amortized on a straight-line basis over their estimated useful lives as prescribed by FRAME. 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.

h) Capital Reserve

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

i) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

j) Financial instruments

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

k) Liability for Contaminated Sites

On July 1, 2014, the Division adopted the Public Sector Accounting Board accounting standard *Liability for Contaminated Sites – Section PS3260*. The standard was applied on a retrospective basis to July 1, 2013 and did not result in any adjustments to financial liabilities, tangible capital assets or accumulated surplus of the Division.

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

3. Overdraft

The Division has an authorized line of credit with The Noventis Credit Union Limited of \$4,500,000.00 by way of overdrafts and is repayable on demand at prime less .875%; (interest is paid monthly). Overdrafts are secured by a temporary borrowing by-law. The unused line of credit at June 30, 2020 is \$4,500,000 (June 30, 2019 - \$3,901,531).

4. Employee Future Benefits

Employee future benefits consist of non-vested accumulated sick leave benefits measured using net present value techniques on the expected future utilization of excess of sick benefits used over earned per year, to a maximum entitlement. The impact of the estimated non-vested sick leave benefit (decrease) increase for the year ended June 30, 2020 is \$(14,104) (2019 - \$25,013).

The Division sponsors a defined contribution pension plan, administered by the Manitoba School Boards Association (MSBA). The defined contribution pension plan is provided to all non-teaching employees. The MSBA pension plan has a specific percentage for employees to contribute which is based on earnings. The Division's contributions equal the employee's regular contributions to the plan. No pension liability is included in the financial statements. The pension expense is part of the Employee Benefits and Allowances expense account. The total pension expense for the year ended June 30, 2020 is \$324,436 (2019 - \$335,646).

5. Portfolio Investments

Portfolio investments consist of deposit certificates that mature within one year. Investment income earned during the year was \$452.

6. Deferred Revenue

Deferred revenue consists of:

	2020	2019
EPTC grants	\$ 161,140	\$543,336
Other	27,997	22,903
	<u>\$189,137</u>	<u>\$566,239</u>

7. School Generated Funds Liability

School Generated Funds Liability represents the non-controlled portion of school generated funds consolidated in the cash and bank balances in the amount of \$44,509 (2019 - \$39,933)

8. Debenture Debt

The debenture debt of the Division is in the form of twenty-year debentures payable, principal and interest, in twenty equal yearly installments and maturing at various dates from 2020 to 2040. Payment of principal and interest is funded entirely by grants from the Province of Manitoba. The debentures carry interest rates that range from 2.625% to 7.000%. 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:

	Principal	Interest	Total
2021	\$1,393,809	\$564,720	\$1,958,529
2022	1,388,258	488,622	1,876,880
2023	1,242,084	413,805	1,655,889
2024	913,811	349,423	1,263,234
2025	924,038	306,064	1,230,102
Thereafter	6,559,313	1,304,624	7,863,937
	<u>\$12,421,313</u>	<u>\$3,427,258</u>	<u>\$15,848,571</u>

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

9. Other Borrowings

Other borrowings are debts other than overdrafts or debentures. This is a loan to complete the Music Learning Space project. The loan was issued by Noventis Credit Union and bears interest at 2.29%, repayable with blended monthly installments for principal and interest of \$7,276.25 and matures on June 25, 2025. The principal and interest repayments in the next five years are:

	Principal	Interest	Total
2021	\$ 55,900	\$ 31,327	\$ 87,227
2022	57,188	30,039	87,227
2023	58,505	28,722	87,227
2024	59,853	27,374	87,227
2025	61,231	25,996	87,227
	<u>\$292,677</u>	<u>\$143,458</u>	<u>\$436,135</u>

10. 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

	Gross Amount	Accumulated Amortization	2020 Net Book Value	2019 Net Book Value
Tangible capital assets	\$45,411,161	\$25,872,352	\$19,538,809	\$19,651,221
	<u>\$45,411,161</u>	<u>\$25,872,352</u>	<u>\$19,538,809</u>	<u>\$19,651,221</u>

11. Accumulated Surplus

The consolidated accumulated surplus is comprised of the following:

	2020	2019
Operating Fund		
Undesignated Surplus	\$1,230,260	\$ 646,075
Designated Surplus	1,060,325	-
Undesignated Surplus	<u>\$ 2,168,522</u>	<u>\$ 646,075</u>
Capital Fund		
Reserve Accounts	2,139,509	2,131,565
Equity in Tangible Capital Assets	8,206,077	8,140,342
	<u>10,345,586</u>	<u>10,917,982</u>
Special Purpose Fund		
School Generated Funds	246,738	214,433
Other Special Purpose Funds	75,467	64,094
	<u>322,205</u>	<u>278,530</u>
Total Accumulated Surplus	<u>\$12,836,313</u>	<u>\$11,196,512</u>

Designated Surplus under the Operating Fund represents internally restricted amounts appropriated by the board or, in the case of school budget carryovers, by board policy. See page 5 of the audited financial statements for a breakdown of the Designated Surplus.

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.

School Generated Funds and Other Special Purpose Funds are externally restricted monies for school use, Scholarship Awards and donations for school projects.

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12. 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; 43% from 2019 tax year and 57% from 2020 tax year. Below are the related revenue and receivable amounts:

	2020	2019
Revenue – Municipal Government – Property Tax	<u>\$8,482,042</u>	<u>\$8,257,821</u>
Receivable – Due from Municipal Government - Property Tax	<u>\$4,835,193</u>	<u>\$4,689,773</u>

13. Interest Received and Paid

The Division received interest during the year of \$31,182 (2019 - \$32,796). Interest paid during the year was \$604,300 (2019 - \$667,074).

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

	2020	2019
Operating Fund		
Fiscal-short term loan interest and bank charges	\$ 22,614	\$ 7,935
Capital Fund		
Debenture debt interest	581,686	659,139
Other interest	-	-
	<u>\$604,300</u>	<u>\$667,074</u>

The accrual portion of debenture debt interest expense of \$216,664 (2019 - \$250,509) included under the Capital Fund-Debenture debt interest is offset by an accrual of the debt servicing grant from the Province of Manitoba.

14. 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	\$14,827,449	\$15,697,041	\$14,893,061
Employees' benefits and allowances	1,427,802	1,692,370	1,427,758
Services	1,957,134	2,020,548	2,066,593
Supplies, materials, and minor equipment	1,169,481	1,396,822	1,538,404
Interest	604,300	-	667,074
Bad debts	-	-	3,049
Payroll tax	320,296	330,000	317,691
Transfers	63,000	89,500	67,450
Amortization	1,673,432	-	1,615,909
Other capital items	-	-	-
School generated funds	274,802	-	379,332
Other special purpose funds	12,572	-	92,372
	<u>\$22,330,268</u>	<u>\$21,226,281</u>	<u>\$23,068,693</u>

15. Budget Figures and Non-Financial Information

The 2020 budget figures, student enrolments (FRAME) and transportation statistics, full time equivalent personnel and senior staff allocations are unaudited and have been presented for information purposes only.

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16. Commitments

The Division has long term lease commitments with respect to certain office equipment.
The future lease payments required under the terms of the lease are as follows:

2021	\$23,021
2022	23,021
2023	23,021
2024	<u>11,510</u>
	<u><u>\$80,573</u></u>