

**St. James-Assiniboia  
School Division**

Financial Statements  
**June 30, 2018**



October 9, 2018

## **Independent Auditor's Report**

### **To the Board of Trustees of St. James-Assiniboia School Division**

We have audited the accompanying financial statements of St. James-Assiniboia School Division, which comprise the statement of financial position as at June 30, 2018 and the statements of revenue, expenses and accumulated surplus, change in net debt and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

#### **Management's responsibility for the financial statements**

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

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of St. James-Assiniboia School Division as at June 30, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*PricewaterhouseCoopers LLP*

#### **Chartered Professional Accountants**

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# St. James-Assiniboia School Division

## Statement of Financial Position

As at June 30, 2018

	2018 \$	2017 \$
<b>Financial Assets</b>		
<b>Cash</b>	2,262,208	3,565,141
<b>Due from</b>		
Provincial government	3,277,926	3,285,854
Federal government	144,057	104,476
Municipal government	26,010,967	24,186,146
Other school divisions	3,900	-
First Nations	-	6,434
<b>Accounts receivable</b>	100,762	254,825
	<u>31,799,820</u>	<u>31,402,876</u>
<b>Liabilities</b>		
<b>Accounts payable</b>	6,947,006	6,519,738
<b>Accrued liabilities</b>	6,087,856	5,785,308
<b>Employee future benefits</b> (note 4)	2,196,507	1,844,389
<b>Accrued interest payable</b>	386,862	376,299
<b>Deferred revenue</b> (note 5)	7,313,854	7,536,130
<b>School generated funds liability</b> (note 6)	187,175	164,586
<b>Debenture debt</b> (note 7)	24,848,977	23,374,055
	<u>47,968,237</u>	<u>45,600,505</u>
<b>Net debt</b>	<u>(16,168,417)</u>	<u>(14,197,629)</u>
<b>Non-financial Assets</b>		
<b>Net tangible capital assets</b> (note 8)	52,504,184	49,685,357
<b>Prepaid expenses</b>	476,024	499,917
	<u>52,980,208</u>	<u>50,185,274</u>
<b>Accumulated surplus</b> (note 9)	<u>36,811,791</u>	<u>35,987,645</u>

### Approved by the Board of Directors

\_\_\_\_\_ Director \_\_\_\_\_ Director

The accompanying notes are an integral part of these financial statements.

# St. James-Assiniboia School Division

## Statement of Revenue, Expenses and Accumulated Surplus

For the year ended June 30, 2018

	2018 \$	2017 \$
<b>Revenue</b>		
Provincial government	60,401,633	61,048,812
Federal government	9,680	-
Municipal government property tax	47,850,609	44,286,375
Other school divisions	562,424	609,670
First Nations	144,527	243,955
Private organizations and individuals	2,145,228	3,173,638
Other sources	864,579	941,305
School generated funds	787,737	783,754
	<u>112,766,417</u>	<u>111,087,509</u>
<b>Expenses</b>		
Regular instruction	59,199,187	59,544,915
Student support services	23,622,856	22,188,693
Community education and services	922,135	998,811
Divisional administration	3,621,419	3,588,924
Instructional and other support services	3,415,257	3,590,232
Transportation of pupils	2,813,955	2,560,230
Operations and maintenance	10,956,767	10,473,510
Fiscal		
Interest (note 10)	1,093,841	1,092,884
Other	1,783,722	1,768,178
Amortization	3,540,135	3,382,004
Other	-	8,256
School generated funds	729,486	724,105
	<u>111,698,760</u>	<u>109,920,742</u>
<b>Current year surplus before non-vested sick leave</b>	1,067,657	1,166,767
<b>Non-vested sick leave cost</b>	<u>(243,511)</u>	<u>(44,168)</u>
<b>Current year surplus</b>	824,146	1,122,599
<b>Accumulated surplus - Beginning of year</b>	<u>35,987,645</u>	<u>34,865,046</u>
<b>Accumulated surplus - End of year</b>	<u>36,811,791</u>	<u>35,987,645</u>

The accompanying notes are an integral part of these financial statements.

# St. James-Assiniboia School Division

## Statement of Change in Net Debt

For the year ended June 30, 2018

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	2018 \$	2017 \$
<b>Current year surplus</b>	824,146	1,122,599
Amortization of tangible capital assets	3,540,135	3,382,004
Acquisition of tangible capital assets	(6,387,300)	(3,729,962)
Decrease (increase) in prepaid expenses	23,893	(55,183)
Loss on disposal of tangible capital assets	3,130	-
Proceeds on disposal of tangible capital assets	25,208	-
	<u>(2,794,934)</u>	<u>(403,141)</u>
<b>(Increase) decrease in net debt during the year</b>	(1,970,788)	719,458
<b>Net debt - Beginning of year</b>	<u>(14,197,629)</u>	<u>(14,917,087)</u>
<b>Net debt - End of year</b>	<u>(16,168,417)</u>	<u>(14,197,629)</u>

The accompanying notes are an integral part of these financial statements.

# St. James-Assiniboia School Division

## Statement of Cash Flows

For the year ended June 30, 2018

	2018 \$	2017 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Current year surplus	824,146	1,122,599
Items not affecting cash		
Amortization of tangible capital assets	3,540,135	3,382,004
Loss on disposal of tangible capital assets	3,130	-
Employee future benefits	352,118	28,692
	<hr/> 4,719,529	<hr/> 4,533,295
Change in non-cash working capital items		
Increase in due from other organizations	(1,853,940)	(1,979,092)
Decrease (increase) in accounts receivable	154,063	(84,113)
Increase (decrease) in prepaid expenses	23,893	(55,183)
Increase in accounts payable and accrued liabilities	740,379	517,506
Increase (decrease) in deferred revenue	(222,276)	408,002
Increase (decrease) in school generated funds liability	22,589	(22,809)
	<hr/> 3,584,237	<hr/> 3,317,606
<b>Capital activities</b>		
Acquisition of tangible capital assets	(6,387,300)	(3,729,962)
Proceeds on disposal of tangible capital assets	25,208	-
	<hr/> (6,362,092)	<hr/> (3,729,962)
<b>Financing activities</b>		
Proceeds from debenture debt	2,954,900	2,978,700
Repayment of debenture debt	(1,479,978)	(1,323,922)
	<hr/> 1,474,922	<hr/> 1,654,778
<b>(Decrease) increase in cash during the year</b>	(1,302,933)	1,242,422
<b>Cash - Beginning of year</b>	<hr/> 3,565,141	<hr/> 2,322,719
<b>Cash - End of year</b>	<hr/> <hr/> 2,262,208	<hr/> <hr/> 3,565,141

The accompanying notes are an integral part of these financial statements.

# St. James-Assiniboia School Division

## Notes to Financial Statements

June 30, 2018

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### 1 Nature of organization and economic dependence

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

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

### 2 Summary of significant accounting policies

The 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

The financial statements reflect the assets, liabilities, revenues and expenses of the Operating Fund, Capital Fund, and Special Purpose Fund of the Division. The Division's reporting entity includes school generated funds controlled by the Division.

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 controlled by the Division.

All inter-fund accounts and transactions are eliminated in the Division's financial statements.

#### b) Basis of accounting

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

#### c) 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 the services performed.

# St. James-Assiniboia School Division

## Notes to Financial Statements

June 30, 2018

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### d) School generated funds

School generated funds are monies raised by the school, or under the auspices of the school, through extracurricular activities for the sole use of the school that the principal of each school, subject to the rules of the school board, may raise, hold, administer and expend for the purposes of the school.

Only revenue and expenses of school generated funds controlled by the Division are included in the 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.

Year-end cash balances of all school generated funds are included in the 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. Revenue and expenses of uncontrolled school generated funds are not included in the financial statements.

### e) Tangible capital assets

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

<b>Asset description</b>	<b>Capitalization threshold \$</b>	<b>Estimated useful life (years)</b>
Buildings (school and non-school)		
Bricks, mortar and steel	50,000	15 - 40
Wood frame	50,000	15 - 25
Computer hardware	10,000	4
Computer software	10,000	4
Equipment	10,000	5
Furniture and fixtures	10,000	10
Land improvements	50,000	10
Leasehold improvements	25,000	Over lease term
Network infrastructure	25,000	10
Other vehicles	10,000	5
School buses	50,000	10

Grouping of assets is not permitted except for computer workstations.

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



# St. James-Assiniboia School Division

## Notes to Financial Statements

June 30, 2018

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

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

Land is recorded at historical cost when known. For land acquired prior to June 30, 2006, where historical cost was not known, land has been recorded based on values determined by the Crown Lands and Property Agency.

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

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

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

### **f) Employee future benefits**

The Province 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 non-teacher employees. These benefits include a defined benefit pension plan for non-teacher employees, vacation pay and parental leave benefits. The Division adopted the following policies with respect to accounting for these employee future benefits:

#### **i) Defined benefit pension plan**

Under this plan, 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. An accrued benefit asset is presented net of any valuation allowance.

# St. James-Assiniboia School Division

## Notes to Financial Statements

June 30, 2018

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A market discount rate is used to measure the benefit obligations. The expected return on pension plan assets is calculated on the market related value of the assets. The cost of the plan is actuarially determined using the projected benefit method pro-rated on years of employee service, final average salary levels during specified years of employment, retirement ages of employees and other actuarial factors, together with the expected rate of return on pension plan assets. Current service costs and interest costs on the benefit obligation are charged to income as they accrue. Past service costs, plan amendments, changes in assumptions, the cumulative unrecognized net actuarial gains and losses are amortized to earnings on a straight-line basis over the expected average remaining service lives (14 years) of active plan members, and are adjusted for changes in the valuation allowance.

### ii) Other future benefits

For those benefit obligations that are event driven (vacation pay and parental leave), the benefit costs are recognized and recorded when earned.

The employee future benefits expense includes the Division's contribution for the period.

### iii) Non-vested sick leave

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) 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 Statement of Financial Position (note 9).

### h) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles established by the Public Sector Accounting Board of CPA Canada requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

## 3 Overdraft

The Division has an authorized line of credit with The Royal Bank of Canada of \$15,000,000 by way of overdrafts and is repayable on demand at prime less 0.25%; interest is paid monthly.

# St. James-Assiniboia School Division

## Notes to Financial Statements

June 30, 2018

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### 4 Employee future benefits

Employee future benefits are benefits earned by employees, but will not be paid out until future years.

	2018 \$	2017 \$
Employee future benefit liabilities		
Defined benefit pension plan - accrued benefit asset	-	-
Maternity leave earned	476,565	428,905
Vacation payable	796,966	736,019
Non-vested accumulated sick leave (note 9)	922,976	679,465
	<hr/>	<hr/>
Total employee future benefit liability	2,196,507	1,844,389

The Division sponsors a defined benefit plan for non-teaching employees that is actuarially valued every three years using a number of assumptions about future events, including inflation rate (2%), wage and salary increases (3%), and employee turnover and mortality to determine the accrued benefit obligation. The most recent actuarial report was prepared as at December 31, 2016. The expected average remaining service life of the related employee groups is 14 years. Pension plan assets are valued at market related values and the expected rate of return is 5.5%.

As at June 30, 2018, there were 498 active members, 21 inactive members, 195 deferred benefit members and 291 pensioners receiving payments.

Non-vested accumulated sick leave benefits are measured using net present value techniques on the expected future utilization of excess of sick benefits used over earned per year, to maximum entitlement. The impact of the estimated non-vested sick leave benefit cost for 2018 is \$243,511 (2017 - \$44,168).

# St. James-Assiniboia School Division

## Notes to Financial Statements

June 30, 2018

	2018 \$	2017 \$
<b>Change in accrued benefit obligation</b>		
Balance - Beginning of year	56,490,828	52,718,001
Current service cost		
Division	1,161,687	1,037,654
Employees	1,582,364	1,668,385
Interest cost	3,105,708	2,905,564
Benefits paid	(2,790,881)	(2,376,888)
Non-investment expenses paid	-	(108,295)
Actual experience (gain) loss	(825,466)	646,407
Actuarial assumption loss CPM	1,974,495	-
	<hr/>	<hr/>
Balance - End of year	60,698,735	56,490,828
<b>Change in plan assets</b>		
Market related value - Beginning of year	58,642,706	52,915,219
Contributions		
Division	1,573,754	1,648,275
Employees	1,582,364	1,668,385
Expected return on plan assets	3,235,393	2,933,203
Experience gain	1,468,692	1,962,806
Benefits paid	(2,790,881)	(2,376,888)
Non-investment expenses paid	-	(108,295)
	<hr/>	<hr/>
Market related value - End of year	63,712,028	58,642,705
<b>Funded status</b>		
Plan asset greater than benefit obligation	3,013,293	2,151,878
Unamortized net actuarial gain	(319,663)	(1,316,399)
Valuation allowance	(2,693,630)	(835,479)
	<hr/>	<hr/>
Accrued benefit asset	-	-
<b>Net benefit plan cost</b>		
Current service cost - Division	1,161,687	1,037,654
Interest cost	3,105,708	2,905,564
Expected return on plan assets	(3,235,393)	(2,933,203)
Amortization of actuarial (gain) loss	(996,735)	622,828
Valuation allowance	1,538,487	15,432
	<hr/>	<hr/>
Net benefit plan expense for the year	1,573,754	1,648,275

# St. James-Assiniboia School Division

## Notes to Financial Statements

June 30, 2018

As at June 30, 2018, total additional contributions to the plan are \$1,827,885 (2017 - \$1,827,885) and these contributions may, at the Division's discretion, be used to reduce or eliminate future contribution requirements if and when the plan's assets are in a surplus position as determined by the actuary of the plan.

	2018 %	2017 %
Plan assets in equities (includes real estate)	62.28	66.73
Plan assets in fixed income	37.72	33.27

	2018 %	2017 %
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### Significant assumptions

Accrued benefit obligation as at June 30

Discount rate	5.25	5.50
Rate of compensation increase	3.00	3.00

Net benefit plan cost for the year ended June 30

Discount rate	5.50	5.50
Expected return on plan assets	5.50	5.50
Rate of compensation increase	3.00	3.00

Expected Average Remaining Service Life (EARSL)	14 years	12 years
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Maternity leave earned and vacation payable are defined benefits that are recognized and recorded when earned (e.g. maternity top up).

## 5 Deferred revenue

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

	Balance as at June 30, 2017 \$	Additions in the year \$	Revenue recognized in the year \$	Balance as at June 30, 2018 \$
Donated capital assets	252,736	204,555	53,335	403,956
Continuing education	-	12,590	-	12,590
International student program fees	1,396,195	952,771	1,396,195	952,771
Province of MB Green Team Grant	6,394	5,684	6,394	5,684
Property tax	5,880,805	5,938,853	5,880,805	5,938,853
	<u>7,536,130</u>	<u>7,114,453</u>	<u>7,336,729</u>	<u>7,313,854</u>

# St. James-Assiniboia School Division

## Notes to Financial Statements

June 30, 2018

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### 6 School generated funds liability

School generated funds liability includes the non-controlling portion of school generated funds consolidated in the cash balance in the amount of \$187,175.

	2018 \$	2017 \$
Parent council funds	591	620
Student funds (including travel)	164,191	135,420
Other	22,393	28,546
	<hr/>	<hr/>
	187,175	164,586
	<hr/>	<hr/>

### 7 Debenture debt

The debenture debt of the Division is in the form of twenty-year debentures payable, principal and interest, in twenty equal yearly instalments and maturing at various dates from 2018 to 2038 and is owing to the Public Schools Finance Board (PSFB). Payment of principal and interest is funded entirely by grants from the Province, except for the debenture debt on self-funded capital projects. There were no self-funded capital projects outstanding during the year. The debentures carry interest rates that range from 3.00% to 7.25%.

Debenture interest expense payable as at June 30, 2018, 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 as follows:

	Principal \$	Interest \$	Total \$
2018 - 2019	1,624,495	1,068,098	2,692,593
2019 - 2020	1,672,711	987,031	2,659,742
2020 - 2021	1,637,710	903,663	2,541,373
2021 - 2022	1,658,411	824,443	2,482,854
2022 - 2023	1,554,164	745,056	2,299,220
Thereafter	16,701,486	4,194,695	20,896,181
	<hr/>	<hr/>	<hr/>
	24,848,977	8,722,986	33,571,963
	<hr/>	<hr/>	<hr/>

# St. James-Assiniboia School Division

## Notes to Financial Statements

June 30, 2018

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### 8 Tangible capital assets

The schedule of tangible capital assets (schedule attached) of the audited financial statements provides a breakdown of cost, accumulated amortization and net book value by class.

A summary is as follows:

			<u>2018</u>	<u>2017</u>
	<b>Gross amount</b>	<b>Accumulated amortization</b>	<b>Net book value</b>	<b>Net book value</b>
	\$	\$	\$	\$
Tangible capital assets	114,257,383	61,753,199	52,504,184	49,685,357

### 9 Accumulated surplus

The accumulated surplus is comprised of the following:

	<u>2018</u>	<u>2017</u>
	\$	\$
Operating Fund		
Designated surplus	2,232,164	489,721
Undesignated surplus	2,939,641	4,229,583
Non-vested sick leave	(922,976)	(679,465)
	<u>4,248,829</u>	<u>4,039,839</u>
Capital Fund		
Reserve accounts	6,015,834	6,537,809
Equity in tangible capital assets	26,106,652	25,027,772
	<u>32,122,486</u>	<u>31,565,581</u>
Special Purpose Fund		
School generated funds	440,476	382,225
	<u>440,476</u>	<u>382,225</u>
Total accumulated surplus	<u>36,811,791</u>	<u>35,987,645</u>

# St. James-Assiniboia School Division

## Notes to Financial Statements

June 30, 2018

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The 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.

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Air conditioning projects	671,786	-
St. James bus loop	446,409	-
Bruce woodshop	388,608	-
Dust collectors and windows	645,220	-
Middle years reorganization	-	379,000
School budget carryovers by board policy	80,141	110,721
	<hr/>	<hr/>
Designated surplus	2,232,164	489,721

Reserve accounts under the Capital Fund represent internally restricted reserves for specific projects approved by the Board of Trustees and the PSFB.

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Undesignated	115,094	115,094
Information technology	1,200,000	1,200,000
Equipment/vehicle	500,000	500,000
School building reserve	2,873,740	3,376,130
School bus reserve	827,000	827,000
Other reserves - Sturgeon Heights Reserve	-	19,585
Lease reserve	500,000	500,000
	<hr/>	<hr/>
Capital reserve	6,015,834	6,537,809

School generated funds and other special purpose funds are externally restricted monies for school use.



# St. James-Assiniboia School Division

## Notes to Financial Statements

June 30, 2018

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### 10 Interest received and paid

The Division received interest during the year of \$173,319 (2017 - \$102,559); interest paid during the year was \$1,093,841 (2017 - \$1,092,884).

Interest expense is included in fiscal on the Statement of Revenue, Expenses and Accumulated Surplus and is comprised of the following:

	2018 \$	2017 \$
Operating Fund		
Fiscal short-term loan, interest and bank charges	47,686	52,100
Capital Fund		
Debenture debt interest	1,046,155	1,040,784
	<u>1,093,841</u>	<u>1,092,884</u>

The accrued portion of debenture debt interest expense of \$386,862 (2017 - \$376,299) is offset by an accrual of the debt servicing grant from the Province.

### 11 Expenses by object

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

	2018 \$	2017 \$
Salaries	82,134,295	79,891,433
Employees' benefits and allowances	6,327,082	6,115,430
Services	10,524,042	11,020,342
Supplies, materials and minor equipment	5,114,384	5,496,432
Interest and bank charges	47,686	52,100
Interest - debenture	1,046,155	1,040,784
Payroll tax	1,783,722	1,768,178
Transfers	451,773	421,678
Amortization	3,540,135	3,382,004
School generated funds	729,486	724,105
Other capital items	-	8,256
	<u>111,698,760</u>	<u>109,920,742</u>

# St. James-Assiniboia School Division

## Notes to Financial Statements

June 30, 2018

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### 12 Contractual obligations

Agreements with respect to student transportation were entered into for terms ranging from one to five years. The specific costs for these services are approximately \$1,887,378 for 2018 - 2019. As costs are based on student enrolment and transportation requirements, the service agreements do not contain predetermined costs for subsequent years.

### 13 Lease revenue

The Division recorded lease revenue of \$399,783 from other sources relating to various unoccupied building space. Minimum payments under the lease terms over the next three years are as follows:

	\$
2018 - 2019	105,545
2019 - 2020	107,558
2020 - 2021	-

### 14 Special levy raised for la Division scolaire franco-manitobaine

In accordance with Section 190.1 of The Public Schools Act, the Division is required to collect a special levy on behalf of la Division scolaire franco-manitobaine. For the year ended June 30, 2018, the amount of this special levy was \$609,917 (2017 - \$815,994). These amounts are not included in the Division's financial statements.

# St. James-Assiniboia School Division

## Schedule of Tangible Capital Assets

For the year ended June 30, 2018

										2018	2017
	Buildings and Leasehold Improvements				Furniture, fixtures and equipment	Computer hardware and software*	Land	Land improvements	Assets under construction	Total	Total
	School \$	Non-school \$	School buses \$	Other vehicles \$	\$	\$	\$	\$	\$	\$	\$
<b>Tangible capital asset cost</b>											
Opening cost	79,533,449	4,452,673	948,680	721,711	3,723,498	3,496,316	7,025,772	7,354,401	1,036,709	108,293,209	104,748,726
Add: Additions during the year	2,875,136	35,836	125,145	138,375	394,262	141,783	-	818,588	1,858,175	6,387,300	3,729,962
Less: Disposals and writedowns	-	-	-	(52,785)	(325,498)	(44,843)	-	-	-	(423,126)	(185,479)
Closing cost	82,408,585	4,488,509	1,073,825	807,301	3,792,262	3,593,256	7,025,772	8,172,989	2,894,884	114,257,383	108,293,209
<b>Accumulated amortization</b>											
Opening balance	44,911,816	3,050,141	668,636	670,927	3,217,439	2,400,644	-	3,688,249	-	58,607,852	55,411,327
Add: Current period amortization	2,211,122	103,926	66,422	38,396	205,150	288,573	-	626,546	-	3,540,135	3,382,004
Less: Accumulated amortization on disposals and writedowns	-	-	-	(52,785)	(297,160)	(44,843)	-	-	-	(394,788)	(185,479)
Closing accumulated amortization	47,122,938	3,154,067	735,058	656,538	3,125,429	2,644,374	-	4,314,795	-	61,753,199	58,607,852
<b>Net tangible capital assets</b>	<b>35,285,647</b>	<b>1,334,442</b>	<b>338,767</b>	<b>150,763</b>	<b>666,833</b>	<b>948,882</b>	<b>7,025,772</b>	<b>3,858,194</b>	<b>2,894,884</b>	<b>52,504,184</b>	<b>49,685,357</b>
<b>Proceeds from disposal of capital assets</b>	-	-	-	25,208	-	-	-	-	-	-	-

\* Includes network infrastructure.

