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# Financial statements of the Lester B. Pearson School Board

June 30, 2017

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## **Independent Auditor's Report**

To the Council of Commissioners of  
Lester B. Pearson School Board

We have audited the accompanying financial statements of Lester B. Pearson School Board, which comprise the statement of financial position as at June 30, 2017 and the statements of operations, accumulated operating surplus, changes in net debt and cash flows for the year then ended, and 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 Lester B. Pearson School Board as at June 30, 2017 and the results of its activities, changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Others Matters**

The financial statements of Lester B. Pearson School Board for the year ended June 30, 2016, were audited by another auditor who expressed an unmodified opinion on October 7, 2016.

Lester B. Pearson School Board has prepared another set of financial statements for the year ended June 30, 2017, in accordance with Canadian public sector accounting standards, to conform to the mandatory format prescribed by the Ministère de l'Éducation et de l'Enseignement supérieur, on which we issued an Auditor's Report to the Council of Commissioners of Lester B. Pearson School Board dated October 13, 2017.

 Deloitte LLP<sup>1</sup>

October 13, 2017

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<sup>1</sup> CPA auditor, CA, public accountancy permit No. A110078

**Lester B. Pearson School Board**  
**Statement of financial position**  
As at June 30, 2017

	Notes	<b>2017</b>	2016
		\$	\$
<b>Financial assets</b>			
Cash		<b>2,110,357</b>	1,553,738
Operating grants receivable	4	<b>32,522,404</b>	31,327,053
Grants receivable specific to the acquisition of property and equipment		—	90,306
Financing grants receivable		<b>34,113,080</b>	33,165,672
Accounts receivable	5	<b>19,252,033</b>	9,156,684
		<b>87,997,874</b>	75,293,453
<b>Liabilities</b>			
Accounts payable and accrued liabilities	6	<b>52,760,038</b>	44,690,970
Deferred contributions related to property and equipment acquisitions	7	<b>6,200,859</b>	6,559,307
Deferred revenues		<b>8,661,953</b>	7,478,514
Accrued employee future benefits	8	<b>17,266,603</b>	16,869,021
Environmental liabilities		<b>2,190,170</b>	2,647,309
Other liabilities	9	<b>203,598,022</b>	204,349,826
		<b>290,677,645</b>	282,594,947
<b>Net debt</b>		<b>(202,679,771)</b>	(207,301,494)
<b>Non-financial assets</b>			
Property and equipment	10	<b>237,986,443</b>	236,691,783
Prepaid expenditures		<b>51,326</b>	132,732
		<b>238,037,769</b>	236,824,515
<b>Accumulated operating surplus</b>		<b>35,357,998</b>	29,523,021

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

**Lester B. Pearson School Board**  
**Statement of operations**  
Year ended June 30, 2017

	<b>2017</b>	2016
	\$	\$
<b>Revenues</b>		
Ministère de l'Éducation et de l'Enseignement supérieur (MEES) operating grants	<b>176,575,425</b>	159,035,962
School taxes	<b>62,439,428</b>	61,602,761
Other operating revenues	<b>55,387,977</b>	58,099,197
Transportation grants – MEES	<b>5,532,463</b>	5,443,445
	<b>299,935,293</b>	284,181,365
<b>Expenditures</b>		
Teaching services	<b>142,852,024</b>	134,505,319
Educational support activities	<b>67,564,443</b>	66,913,144
Extra-curricular activities	<b>11,919,589</b>	11,713,721
Transportation	<b>13,374,671</b>	13,151,877
Administrative activities	<b>11,898,668</b>	11,634,389
Energy	<b>5,275,588</b>	5,623,127
Amortization of property and equipment	<b>13,557,521</b>	13,105,553
Maintenance and caretaking	<b>15,094,857</b>	14,930,917
Financing costs	<b>197,137</b>	268,213
Subsidized schools in the public interest	<b>9,832,021</b>	9,107,237
Other	<b>1,964,096</b>	4,163,263
Net change in accrued employee future benefits	<b>397,582</b>	988,343
Losses on disposals of property and equipment	<b>172,119</b>	—
	<b>294,100,316</b>	286,105,103
<b>Excess (deficit) of revenues over expenditures</b>	<b>5,834,977</b>	(1,923,738)

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

**Lester B. Pearson School Board**  
**Statement of accumulated operating surplus**  
Year ended June 30, 2017

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	<b>2017</b>	2016
	\$	\$
Accumulated operating surplus, beginning of year	<b>29,523,021</b>	31,446,759
Excess (deficit) of revenues over expenditures	<b>5,834,977</b>	(1,923,738)
<b>Accumulated operating surplus, end of the year</b>	<b>35,357,998</b>	29,523,021

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

**Lester B. Pearson School Board**  
**Statement of changes in net debt**  
Year ended June 30, 2017

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	<b>2017</b>	2016
	<b>\$</b>	\$
Net debt, beginning of year	<b>(207,301,494)</b>	(203,638,403)
Excess (deficit) of revenues over expenditures	<b>5,834,977</b>	(1,923,738)
Changes due to property and equipment		
Property and equipment purchases	<b>(18,409,092)</b>	(14,873,018)
Amortization of property and equipment	<b>13,557,521</b>	13,105,553
Losses on disposals of property and equipment	<b>172,119</b>	—
Proceeds on disposals of property and equipment	<b>3,384,792</b>	—
	<b>(1,294,660)</b>	(1,767,465)
Changes due to prepaid expenditures	<b>81,406</b>	28,112
Decrease (increase) in net debt	<b>4,621,723</b>	(3,663,091)
<b>Net debt, end of year</b>	<b>(202,679,771)</b>	(207,301,494)

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

Approved by the Board

\_\_\_\_\_, Director

\_\_\_\_\_, Director

**Lester B. Pearson School Board**  
**Statement of cash flows**  
Year ended June 30, 2017

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	<b>2017</b>	2016
	\$	\$
<b>Operating activities</b>		
Excess (deficit) of revenues over expenditures	<b>5,834,977</b>	(1,923,738)
Non-cash items		
Doubtful accounts	<b>7,913</b>	500,247
Accrued employee future benefits	<b>397,582</b>	988,342
Prepaid expenditures	<b>81,406</b>	28,112
Amortization of deferred contributions related to property and equipment acquisitions	<b>(367,835)</b>	(378,446)
Amortization of property and equipment	<b>13,557,521</b>	13,105,553
Losses on disposals of property and equipment	<b>172,119</b>	—
Changes due to operating assets and liabilities	<b>(1,806,395)</b>	5,152,389
Cash flows from operating activities	<b>17,877,288</b>	17,472,459
<b>Investing activities</b>		
Additions to property and equipment	<b>(20,705,461)</b>	(15,667,570)
Proceeds on disposals of property and equipment	<b>3,384,792</b>	—
Cash flows from investing activities	<b>(17,320,669)</b>	(15,667,570)
Net increase in cash	<b>556,619</b>	1,804,889
Cash (bank overdraft), beginning of year	<b>1,553,738</b>	(251,151)
<b>Cash, end of year</b>	<b>2,110,357</b>	1,553,738

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

## **1. Governing statutes**

The Lester B. Pearson School Board (the "School Board") was incorporated under decree 1014-97 on August 13, 1997 of the *Education Act*. The financial statements have been prepared to satisfy the requirements of Section 284 of the *Education Act* (L.R.Q., c. I-13.3).

## **2. Significant accounting policies**

The financial statements are prepared by the School Board in accordance with Canadian public sector accounting standards in the *CPA Canada Public Sector Accounting Handbook*, and the use of any other source of generally accepted accounting principles must be consistent with these standards. The information provided in the financial statements is based on best judgments and estimates.

### *Accounting estimates*

The preparation of the School Board's financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the recognition of assets and liabilities, presentation of assets and contingent liabilities at the date of the financial statements and the recognition of revenues and expenditures for the period presented in the financial statements. Estimates and assumptions were used to evaluate the main items, such as useful lives of property and equipment, accrued liabilities, accrued employee future benefits, CNESST's retrospective program provision and environmental liabilities. Actual results may differ from management's best estimates.

### *Financial assets*

#### *Cash and cash equivalents*

The School Board's policy is to present in cash and cash equivalents bank balances, including bank overdrafts whose balances fluctuate frequently from being positive to overdrawn.

#### *Accounts receivable*

Accounts receivable, excluding commodity taxes receivable, are initially recorded at cost and revalued at the net recoverable value with the use of an allowance for doubtful accounts. The annual variation of this provision is included in expenditures.

### *Liabilities*

#### *Pension plans*

Members of the School Board's staff participate in the Régime de retraite des employés du gouvernement et des organismes publics (RREGOP), the Régime de retraite des enseignants (RRE) or the Régime de retraite du personnel d'encadrement (RRPE). These multiemployer plans are defined benefit plans with guaranteed retirement and death benefits. The School Board's contributions to these government retirement plans are assumed by the Government of Québec and are not included in the financial statements.

#### *Employee future benefits*

Long-term obligations under other employee benefit plans, such as sick leave, vacation, accumulated overtime, wages insurance coverage and other benefits (maternity and paternity leave) are recognized at cost in liabilities. The annual change in the provisions is recognized in expenditures.

## **2. Significant accounting policies (continued)**

### *Liabilities (continued)*

#### *Environmental liabilities*

Obligations to restore contaminated sites are recognized when the School Board is likely to assume responsibility inasmuch as the contamination exceeds the environmental standard and the amount can be reasonably estimated. The contaminated sites liability includes the estimated costs of managing and restoring contaminated sites. The School Board used various methods to estimate these restoration and management costs, including characterization studies and comparative analyses. For each contaminated site, the estimated cost has been raised to reflect the degree of accuracy associated with the method used. The cost estimates are determined using the best available information and are reviewed annually.

### *Non-financial assets*

#### *Property and equipment*

Property and equipment are non-financial assets acquired, built, developed or improved, whose useful life extends beyond the period, and are intended to be used sustainably for the production of goods or delivery of service.

Property and equipment are recognized at cost. With the exception of land, the cost of property and equipment is amortized using the straight-line method over the following periods:

Land development	10 or 20 years
Buildings and major building improvements	15 to 50 years
Material and equipment	3 to 15 years
Specialized pedagogical equipment	10 or 20 years
Complex networks	20 years

Property and equipment under construction, development or improvement are not amortized until they are put into service.

Property and equipment acquired by donation or for a nominal value are recognized at fair value at the time of acquisition with the corresponding liability in deferred contributions, except for land where the contributions are recognized in revenues in the year of acquisition. Deferred contributions are gradually transferred to the operating results and amortized on the same basis and over the same period as the related property and equipment.

If circumstances indicate that an item of property and equipment no longer contributes to the School Board's ability to provide goods and services or that the value of the item's future economic benefits is less than its net carrying amount, the cost of the item of property and equipment is reduced to reflect the decline in value.

#### *Prepaid expenditures*

Prepaid expenditures represent payments made before the financial year-end for services from which the School Board will benefit from during or beyond the upcoming financial year. These costs will be added to the expenditures when the School Board benefits from the services paid for.

## **2. Significant accounting policies (continued)**

### *Revenue*

#### *Deferred contributions and grants*

Grants received from the MEES are recognized in the year during which the School Board meets the eligibility criteria prescribed in the budget rules for that year. Grant revenues received from the MEES in accordance with the provisions set out in the budget rules are not deferred, with the exception of allocations paid for professional development activities and intended to satisfy the provisions of the collective agreements.

Grants used to acquire property and equipment that constitute transfer payments are recognized when the grants are authorized and the School Board has met any and all eligibility criteria. They are presented as "Deferred contributions related to property and equipment acquisitions" when they contain stipulations that create an obligation that meets the definition of a liability. Grant revenue is recognized in income, under "Amortization of deferred contributions related to property and equipment acquisitions," as the related liability is settled.

Other contributions used to acquire property and equipment that do not constitute transfer payments are deferred and presented under "Deferred contributions related to property and equipment acquisitions" and are recognized as revenue under "Amortization of deferred revenues related to property and equipment acquisitions" for the year during which the resources are used for the prescribed purposes.

#### *School taxes*

Revenues from school taxes are recognized for the period covered by the collection roll. Changes to property assessment rolls are recognized when assessment certificates are issued. The annual school tax bill covers the periods of July 1<sup>st</sup> to June 30<sup>th</sup>. School taxes are levied on the adjusted value, which is determined by applying the average variation, over three years, between the effective standardized value as at December 31 of the final year in the preceding roll and the amount indicated in the new roll taking effect on January 1<sup>st</sup>. Payments in lieu of school taxes are recognized for the year in which the amounts were received.

School tax revenues and grants in lieu of taxes are managed by the Comité de gestion de la taxe scolaire de l'île de Montréal (CGTSIM) and recognized according to the share allocated and confirmed by the CGTSIM.

#### *Sales of goods and services and miscellaneous revenues*

Revenues are recognized in the year during which the transactions or related facts occur.

### *Expenses*

Expenses include the cost of goods consumed and services obtained during the year, regardless of whether or not any payment was made or any invoice received, as well as the amortization of the cost of the capital assets for the year.

### 3. Budget forecast presentation

Under the *Education Act* (L.R.Q., c. I-13.3), the School Board has prepared budget forecasts for the current year which were duly adopted by the Council of Commissioners.

These budget data are not prepared with the same level of detail as the actual data presented in the financial statements.

The summary of budget forecasts initially adopted by the Council of Commissioners is compared with the corresponding actual data:

		<b>2016-2017</b>	
		<b>Budget</b>	<b>Actual</b>
		<b>\$</b>	<b>\$</b>
<b>Revenues</b>			
MEES operating grants		<b>181,616,809</b>	<b>182,107,888</b>
Other grants and contributions		<b>2,501,109</b>	<b>3,086,430</b>
School taxes		<b>61,757,069</b>	<b>62,439,428</b>
Tuition and course-related fees		<b>6,592,498</b>	<b>10,985,589</b>
Sales of goods and services		<b>20,820,000</b>	<b>25,897,604</b>
Other revenues		<b>14,012,354</b>	<b>15,050,519</b>
Amortization of deferred contributions related to property and equipment		<b>369,681</b>	<b>367,835</b>
		<b>287,669,520</b>	<b>299,935,293</b>
<b>Expenditures</b>			
Teaching services		<b>145,603,010</b>	<b>142,852,024</b>
Educational support activities		<b>57,928,627</b>	<b>67,564,443</b>
Extra-curricular activities		<b>24,867,877</b>	<b>25,294,260</b>
Administrative activities		<b>12,248,738</b>	<b>11,898,668</b>
Property and equipment activities		<b>32,931,734</b>	<b>33,927,966</b>
Other		<b>13,714,534</b>	<b>11,993,254</b>
Net change in the accrued provision for fringe benefits		<b>375,000</b>	<b>397,582</b>
Losses on disposals of property and equipment		<b>—</b>	<b>172,119</b>
		<b>287,669,520</b>	<b>294,100,316</b>
Excess of revenues over expenditures		<b>—</b>	<b>5,834,977</b>

### 4. Operating grants receivable

		<b>2017</b>	2016
		<b>\$</b>	<b>\$</b>
<b>MEES</b>			
Youth, adult education and vocational		<b>19,299,018</b>	18,894,780
Subsidy – financing (employee future benefits)		<b>12,641,226</b>	12,693,484
Debt service		<b>71,718</b>	128,730
Transportation		<b>(386,386)</b>	(444,992)
Contaminated lands		<b>851,859</b>	55,051
Other grants		<b>39,332</b>	—
Ministère du Travail, de l'Emploi et de la Solidarité sociale		<b>5,637</b>	—
		<b>32,522,404</b>	31,327,053

**5. Accounts receivable**

	<b>2017</b>	2016
	\$	\$
Accounts receivable – other	<b>18,104,376</b>	8,161,321
Sabbatical leave receivable	<b>78,611</b>	143,942
Commodity taxes receivable	<b>1,069,046</b>	851,421
	<b>19,252,033</b>	9,156,684

**6. Accounts payable and accrued liabilities**

	<b>2017</b>	2016
	\$	\$
Advance from the CGTSIM	<b>9,025,080</b>	225,558
Accounts payable and accrued liabilities	<b>13,254,657</b>	12,749,172
Salaries and benefits payable	<b>27,715,756</b>	27,728,243
Sabbatical leave payable	<b>1,579,225</b>	1,549,124
Holdbacks on contracts	<b>1,175,320</b>	2,423,873
Deposits on tenders	<b>10,000</b>	15,000
	<b>52,760,038</b>	44,690,970

**7. Deferred contributions related to property and equipment acquisitions**

	<b>2017</b>	2016
	\$	\$
Balance, beginning of year	<b>6,559,307</b>	6,776,531
Revenues recognized as deferred contributions	<b>9,387</b>	161,222
Deferred contributions recognized as revenues for the year	<b>(367,835)</b>	(378,446)
Balance, end of year	<b>6,200,859</b>	6,559,307

## **8. Accrued employee future benefits**

The School Board's long-term obligations relating to employee benefits include a program under which sick leave is accumulated in accordance with the various collective agreements in effect. Until June 30, 2016, this program allowed some employees to accumulate unused sick days to which they were entitled each year and to receive a cash payment in the event of cessation of employment, retirement or death. Moreover, employees who decide to take early retirement can elect to use these accumulated sick days as fully remunerated days of absence. Since July 1, 2016, it is no longer possible for employees to accumulate their sick days acquired after that date. Any unused sick days on June 30th will be paid out annually as at that date.

	<b>2017</b>	2016
	\$	\$
Sick leave	<b>6,826,316</b>	7,043,791
Vacation	<b>5,962,932</b>	5,914,921
Fringe benefits	<b>2,407,070</b>	2,345,370
Accumulated overtime, wages insurance coverage and other	<b>2,070,285</b>	1,564,939
	<b>17,266,603</b>	16,869,021

## **9. Other liabilities**

	<b>2017</b>	2016
	\$	\$
CNESST's retrospective program provision	<b>944,910</b>	713,526
School Board's share of the debt that is subject to a subsidy commitment held by the CGTSIM	<b>201,047,932</b>	201,432,690
Other liabilities	<b>1,605,180</b>	2,203,610
	<b>203,598,022</b>	204,349,826

The long-term debt of school boards on the Island of Montreal is managed by the CGTSIM. The School Board's share of the long-term debt that is subject to a subsidy commitment is confirmed by the CGTSIM.

## 10. Property and equipment

2017			
	Cost	Accumulated amortization	Net carrying amount
	\$	\$	\$
Land development			
Land	11,572,621	—	11,572,621
Land development	7,330,357	1,818,449	5,511,908
Buildings			
Buildings	252,635,500	160,980,505	91,654,995
Major building improvements	136,867,009	18,635,348	118,231,661
Material equipment	26,166,907	17,346,051	8,820,856
Specialized pedagogical equipment	4,696,787	2,521,895	2,174,892
Complex networks	27,178	7,668	19,510
	<b>439,296,359</b>	<b>201,309,916</b>	<b>237,986,443</b>
2016			
	Cost	Accumulated amortization	Net carrying amount
	\$	\$	\$
Land development			
Land	11,746,027	—	11,746,027
Land development	6,640,811	1,441,607	5,199,204
Buildings			
Buildings	255,932,986	159,370,107	96,562,879
Major building improvements	125,478,640	14,756,597	110,722,043
Material equipment	22,947,656	12,753,915	10,193,741
Specialized pedagogical equipment	4,323,884	2,076,882	2,247,002
Complex networks	27,178	6,291	20,887
	<b>427,097,182</b>	<b>190,405,399</b>	<b>236,691,783</b>

The total of property and equipment includes \$4,358,357 of property and equipment in progress or development (\$2,751,402 as at June 30, 2016); \$43,073 for land development (\$124,472 as at June 30, 2016) and \$4,315,284 for major improvements and transformation (\$2,626,930 as at June 30, 2016). No amortization is taken on these property and equipment items.

## **11. Risk management and financial risks**

### *Risk management policy*

The School Board is exposed to various risks related to its financial instruments. The following sections provide an assessment of the risks at the financial position date of June 30, 2017.

### *Credit risk*

Credit risk is the risk of a counterparty defaulting on contractual obligations. The School Board's credit risk is mainly associated with accounts receivable, excluding commodity taxes and with grants receivable. To reduce its credit risk, the School Board regularly analyzes the balance of its user accounts receivable and reserves an allowance for doubtful accounts, as necessary, based on the estimated realizable value. Credit risk associated with grants receivable is minimal given that the amounts come from governments.

The carrying amount of the School Board's main financial assets represents the maximum amount exposed to credit risk.

### *Liquidity risk*

The liquidity risk of the School Board is the risk that they have difficulties honouring their obligations in relation to their financial liabilities.

As a result, the School Board is exposed to liquidity risk on the totality of its financial liabilities reported on its statement of financial position.

Managing liquidity risks consists of maintaining a sufficient amount of cash and cash equivalents and of ensuring that the School Board has a sufficient amount of authorized sources of financing. The School Board established budget and cash forecasts to ensure it has the necessary funds to fulfill its obligations.

### *Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes three types of risk: currency risk, interest rate risk, and other price risk. Given the nature of its activities, the School Board is exposed only to interest rate risk.

### *Interest rate risk*

The interest rate risk is the risk that the financial instruments will vary unfavourably according to interest rate fluctuations, whether the interest rates are fixed or variable. Fixed interest rate financial instruments expose the School Board to a fair value risk and those with variable interest rates, to a cash flow risk.

## **12. Commitments**

In the normal course of operations, the School Board has entered into various long-term agreements. The most significant agreements have led to the following contractual obligations:

- The School Board is bound by construction, renovation and land development contracts in respect of work to be completed in the coming year and representing commitments totalling \$14,539,786.
- The School Board has signed school transportation agreements expiring on June 30, 2022 and representing commitments totalling \$12,202,902 per year, starting in 2018, and then increasing by 1% annually for the next four years.

## **12. Commitments (continued)**

- The School Board has signed long-term leases for photocopiers, representing commitments totalling \$621,419; the leases expire on different dates between 2018 and 2022. The minimum lease payments for the next five years ending June 30 are as follows:

	\$
2018	265,082
2019	175,283
2020	109,386
2021	55,308
2022	16,360

- The School Board has agreed to offer professional development activities, representing a total of \$770,092, during the coming year in accordance with the various collective agreements.
- The School Board has agreed to provide services relating to certain measures for the 2015-2016 budget rules, representing a balance of \$462,254 as at June 30, 2017, in accordance with the various collective agreements.

## **13. Contingencies**

As at June 30, 2017, outstanding claims against the School Board amount to \$1,250,294 (\$2,268,362 as at June 30, 2016) and consist of various claims on construction contracts. In respect of these claims, management has recorded a provision of \$191,667.

## **14. Related party transactions**

In addition to the related party transactions, which are already reported in the financial statements and recognized at the exchange amount, the School Board is related to all the departments, special funds, organizations and enterprises controlled directly or indirectly by the Government of Quebec or under the common control or subject to the significant influence of the Government of Quebec. The School Board had not entered into any commercial transactions with any of these related parties, other than in the normal course of its operations and under normal commercial terms. These transactions are not reported separately in the financial statements.

**Lester B. Pearson School Board**  
**Supplementary information**  
Year ended June 30, 2017  
(Unaudited)

	<b>2017</b>	2016
	\$	\$
<b>Breakdown of operating expenditures</b>		
Teaching services		
Kindergarten	<b>8,393,644</b>	7,584,902
Elementary	<b>51,054,325</b>	50,043,401
Secondary	<b>49,609,496</b>	45,756,609
Technical vocational	<b>24,478,971</b>	24,443,425
Educational intervention	<b>2,958,608</b>	486,560
Adult education	<b>6,356,980</b>	6,190,422
	<b>142,852,024</b>	134,505,319
Educational support activities		
Management of schools and centres	<b>19,636,957</b>	18,921,317
Educational material	<b>4,120,206</b>	4,329,446
Complementary services	<b>26,002,468</b>	24,710,685
Pedagogical services	<b>10,816,473</b>	12,780,034
Animation and pedagogical services	<b>2,232,780</b>	1,815,732
Professional development	<b>483,551</b>	433,725
Social, cultural and sports activities	<b>4,272,008</b>	3,922,205
	<b>67,564,443</b>	66,913,144
Extra-curricular and transportation activities		
Living allocation	—	21,000
Food services	<b>1,035,899</b>	1,025,712
Transportation	<b>13,374,671</b>	13,151,877
Daycare	<b>10,883,690</b>	10,667,009
	<b>25,294,260</b>	24,865,598
Administrative activities		
Council of commissioners	<b>303,109</b>	299,334
Management	<b>9,404,334</b>	8,908,451
Corporate services	<b>2,146,330</b>	2,382,399
Professional development	<b>44,895</b>	44,205
	<b>11,898,668</b>	11,634,389

**Lester B. Pearson School Board****Supplementary information**

Year ended June 30, 2017

(Unaudited)

	<b>2017</b>	2016
	\$	\$
<b>Breakdown of operating expenditures (continued)</b>		
Property and equipment activities		
Furniture and equipment	<b>135,668</b>	113,961
Amortization of furniture	<b>5,038,527</b>	5,156,123
Building upkeep	<b>4,414,523</b>	4,144,352
Amortization of buildings	<b>8,518,994</b>	7,949,430
Caretaking services	<b>9,381,645</b>	9,344,281
Energy	<b>5,275,588</b>	5,623,127
Rental	<b>275,374</b>	263,675
Computer development – not capitalized	<b>319,787</b>	319,787
Security	<b>567,860</b>	744,861
	<b>33,927,966</b>	33,659,597
Other		
Financing costs	<b>197,137</b>	268,213
Special projects	<b>1,049,983</b>	3,540,873
Subsidized schools in the public interest	<b>9,832,021</b>	9,107,237
Retroactivity	<b>135,895</b>	720,911
Job security	<b>30,378</b>	27,805
Change in allowance for doubtful accounts	<b>180,768</b>	500,247
Environmental liability – revaluation	<b>391,429</b>	(975,164)
Loan of service	<b>(77,152)</b>	118,235
Miscellaneous	<b>252,795</b>	230,356
	<b>11,993,254</b>	13,538,713
Net change on the accrued provision for fringe benefits	<b>397,582</b>	988,343
Losses on disposals of property and equipment	<b>172,119</b>	—
	<b>294,100,316</b>	286,105,103