

Audited Financial Statements of

School District No. 23 (Central Okanagan)

June 30, 2015

School District No. 23 (Central Okanagan)

June 30, 2015

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School District No. 23 (Central Okanagan)

MANAGEMENT REPORT

Version: 3858-3112-1130

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 23 (Central Okanagan) have been prepared by management in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

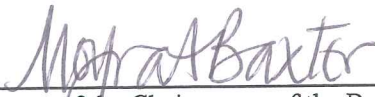
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and reliable financial information is produced.


The Board of Education of School District No. 23 (Central Okanagan) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors', Grant Thornton LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors' have full and free access to financial management of School District No. 23 (Central Okanagan) and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

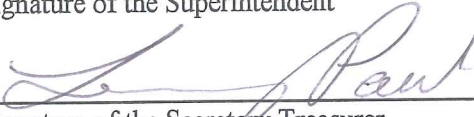
On behalf of School District No. 23 (Central Okanagan)


Signature of the Chairperson of the Board of Education


Date Signed


Signature of the Superintendent


Date Signed


Signature of the Secretary Treasurer


Date Signed

Independent auditors' report

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To the Board of Education of
School District No. 23 (Central Okanagan) and the Ministry of Education

We have audited the accompanying financial statements of School District No. 23 (Central Okanagan), which comprise the statement of financial position as at June 30, 2015 and the statement of operations, statement of remeasurement gains and losses, statement of changes in net financial assets (debt) and statement of 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 of these financial statements in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia 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.

Auditors' 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 auditors' 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 District's preparation 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 District'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 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 of School District No. 23 (Central Okanagan) for the year ended June 30, 2015 are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 3 to the financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards.

Other matters

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The supplementary information included in Schedules 1 through 4 is presented for purposes of additional information and is not a required part of the financial statements. Such information has been subject to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of the financial statements taken as a whole.

Kelowna, Canada
September 16, 2015

Grant Thornton LLP
Chartered Accountants

School District No. 23 (Central Okanagan)

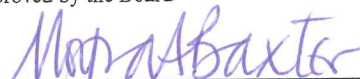
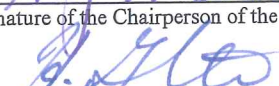
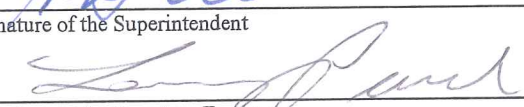
Statement of Financial Position

As at June 30, 2015

	2015 Actual \$	2014 Actual \$
Financial Assets		
Cash and Cash Equivalents (Note 4)	29,607,841	32,048,672
Accounts Receivable		
Due from Province - Ministry of Education	1,164,548	3,218,497
Other (Note 5)	538,115	484,769
Portfolio Investments	11,938,316	11,254,604
Total Financial Assets	43,248,820	47,006,542
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 6)	10,561,530	19,227,557
Unearned Revenue (Note 8)	1,753,198	1,355,289
Deferred Revenue (Note 9)	4,172,821	4,164,494
Deferred Capital Revenue (Note 10)	180,281,291	177,797,202
Employee Future Benefits (Note 11)	8,506,399	8,233,266
Other Liabilities (Note 12)	9,156,177	6,033,940
Total Liabilities	214,431,416	216,811,748
Net Financial Assets (Debt)	(171,182,596)	(169,805,206)
Non-Financial Assets		
Tangible Capital Assets (Note 13)	277,990,627	276,245,122
Prepaid Expenses (Note 14)	209,927	196,015
Supplies Inventory	270,298	259,789
Total Non-Financial Assets	278,470,852	276,700,926
Accumulated Surplus (Deficit)	107,288,256	106,895,720
Accumulated Surplus (Deficit) is comprised of:		
Accumulated Surplus (Deficit) from Operations	105,600,899	105,361,088
Accumulated Remeasurement Gains (Losses)	1,687,357	1,534,632
	107,288,256	106,895,720

Contractual Obligations and Contingencies (Note 21 & 22)

Approved by the Board

		
Signature of the Chairperson of the Board of Education	Signature of the Superintendent	Signature of the Secretary Treasurer

September 23, 2015

Date Signed

Sept. 23/15

Date Signed

Sept 23, 2015

Date Signed

School District No. 23 (Central Okanagan)

Statement of Operations
Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	183,838,764	184,638,629	180,528,066
Other	725,141	553,767	659,525
Tuition	3,375,000	3,343,233	2,861,645
Other Revenue	10,049,637	9,999,071	9,960,666
Rentals and Leases	483,000	512,016	530,346
Investment Income	725,000	608,241	696,970
Amortization of Deferred Capital Revenue	6,750,000	7,127,939	7,166,315
Total Revenue	<u>205,946,542</u>	<u>206,782,896</u>	<u>202,403,533</u>
Expenses			
Instruction	170,587,281	167,418,138	160,383,617
District Administration	5,060,777	4,881,846	4,902,952
Operations and Maintenance	32,191,561	30,569,273	30,984,310
Transportation and Housing	3,701,952	3,673,828	3,707,447
Total Expense	<u>211,541,571</u>	<u>206,543,085</u>	<u>199,978,326</u>
Surplus (Deficit) for the year	<u>(5,595,029)</u>	<u>239,811</u>	<u>2,425,207</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		105,361,088	102,935,881
Accumulated Surplus (Deficit) from Operations, end of year		<u>105,600,899</u>	<u>105,361,088</u>

School District No. 23 (Central Okanagan)

Statement of Remeasurement Gains and Losses

Year Ended June 30, 2015

Statement 3

	2015 Actual	2014 Actual
	\$	\$
Accumulated Remeasurement Gains (Losses) at beginning of year	1,534,632	1,492,138
Unrealized Gains (Losses) attributable to:		
Portfolio Investments	405,726	500,777
Amounts Reclassified to the Statement of Operations:		
Portfolio Investments	(253,001)	(458,283)
Net Remeasurement Gains (Losses) for the year	152,725	42,494
Accumulated Remeasurement Gains (Losses) at end of year	1,687,357	1,534,632

School District No. 23 (Central Okanagan)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(5,595,029)</u>	<u>239,811</u>	<u>2,425,207</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(16,965,231)	(13,362,411)	(32,977,831)
Amortization of Tangible Capital Assets	11,900,000	11,616,906	11,932,682
Total Effect of change in Tangible Capital Assets	<u>(5,065,231)</u>	<u>(1,745,505)</u>	<u>(21,045,149)</u>
Acquisition of Prepaid Expenses		(101,483)	(104,203)
Use of Prepaid Expenses		87,571	761,962
Acquisition of Supplies Inventory		(1,104,438)	(1,151,743)
Use of Supplies Inventory		1,093,929	1,119,522
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(24,421)</u>	<u>625,538</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(10,660,260)</u>	<u>(1,530,115)</u>	<u>(17,994,404)</u>
Net Remeasurement Gains (Losses)		<u>152,725</u>	<u>42,494</u>
(Increase) Decrease in Net Financial Assets (Debt)		<u>(1,377,390)</u>	<u>(17,951,910)</u>
Net Financial Assets (Debt), beginning of year		<u>(169,805,206)</u>	<u>(151,853,296)</u>
Net Financial Assets (Debt), end of year		<u><u>(171,182,596)</u></u>	<u><u>(169,805,206)</u></u>

School District No. 23 (Central Okanagan)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2015

	2015 Actual \$	2014 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	239,811	2,425,207
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	2,000,603	(2,894,410)
Supplies Inventories	(10,509)	(32,221)
Prepaid Expenses	(13,912)	657,759
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(8,666,027)	8,569,422
Unearned Revenue	397,909	187,173
Deferred Revenue	8,327	111,335
Employee Future Benefits	273,133	597,128
Other Liabilities	3,122,237	(1,706,343)
Amortization of Tangible Capital Assets	11,616,906	11,932,682
Amortization of Deferred Capital Revenue	(7,127,939)	(7,166,315)
Recognition of Deferred Capital Revenue Spent on Sites	(57,334)	(1,581,754)
Total Operating Transactions	1,783,205	11,099,663
Capital Transactions		
Tangible Capital Assets Purchased	(13,362,411)	(15,673,810)
Tangible Capital Assets -WIP Purchased		(17,304,021)
Total Capital Transactions	(13,362,411)	(32,977,831)
Financing Transactions		
Capital Revenue Received	9,669,362	22,352,532
Total Financing Transactions	9,669,362	22,352,532
Investing Transactions		
Investments in Portfolio Investments	(683,712)	1,163,613
Increase in Accumulated Remeasurement Gains	152,725	42,494
Total Investing Transactions	(530,987)	1,206,107
Net Increase (Decrease) in Cash and Cash Equivalents	(2,440,831)	1,680,471
Cash and Cash Equivalents, beginning of year	32,048,672	30,368,201
Cash and Cash Equivalents, end of year	29,607,841	32,048,672
Cash and Cash Equivalents, end of year, is made up of:		
Cash	16,332,061	20,448,404
Cash Equivalents	13,275,780	11,600,268
	29,607,841	32,048,672

School District No. 23 (Central Okanagan)
Notes to the Financial Statements
June 30, 2015

1. Authority and purpose

The School District, established on April 12, 1946, operates under the authority of the School Act of British Columbia as a corporation under the name of "The Board of Education of School District No. 23 (Central Okanagan)", and operates as "School District No. 23 (Central Okanagan)". A Board of Education (the "Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the District, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 23 (Central Okanagan) is exempt from federal and provincial corporate income taxes.

2. Adoption of new accounting policy

On July 1, 2014, the District adopted PS 3260 Liability for Contaminated Sites. The standard was applied on a retroactive basis to July 1, 2013 and did not result in any adjustments to financial liabilities, tangible capital assets or accumulated surplus of the District.

3. Summary of significant accounting policies

(a) Basis of accounting

These financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as set out in the *"Deferred Revenue and Deferred Capital Revenue"* and *"Revenue Recognition"* notes below.

In November 2011, Treasury Board provided a directive through Restricted Contributions Regulation 198/2011 providing direction for the reporting of restricted contributions whether they are received or receivable by the School District before or after this regulation was in effect.

As noted in the *"Deferred Revenue and Deferred Capital Revenue"* and *"Revenue Recognition"* notes below, Section 23.1 of the Budget Transparency and Accountability Act and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue. The impact of this difference on the financial statements of the School District is as follows:

Year ended June 30, 2014 - decrease in annual surplus by	<u>\$ (1,808,088)</u>
June 30, 2014 - increase in accumulated surplus & decrease in deferred contributions by	<u>\$ 158,774,360</u>
Year ended June 30, 2015 - increase in annual surplus by	<u>\$ 21,655,601</u>
June 30, 2015 - increase in accumulated surplus & decrease in deferred contributions by	<u>\$ 180,429,961</u>

3. Summary of significant accounting policies (*continued*)

(b) Cash and cash equivalents

Cash and cash equivalents include cash balances and bonds that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These cash equivalents generally have a maturity of three months or less when purchased and are held for the purpose of meeting short term cash commitments rather than for investing.

(c) Portfolio investments

The School District has investments in bonds which have original terms to maturity of greater than three months at the time of acquisition. Bonds not quoted in an active market are reported at cost or amortized cost.

Short term investments in bond instruments that are quoted in an active market are recorded at fair value and the associated transaction costs are expensed upon initial recognition. The change in the fair value is recognized in the Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until the short term investments are realized on disposal. Upon disposal, any accumulated remeasurement gains or losses associated with the short term investments are reclassified to the Statement of Operations.

Impairment is defined as a loss in value of a short term investment that is other than a temporary decline and is included in the Statement of Operations. In the case of an item in the fair value category, a reversal of any net remeasurement gains recognized in previous reporting periods up to the amount of the write-down is reported in the Statement of Remeasurement Gains and Losses. The loss is not reversed if there is a subsequent increase in value.

(d) Accounts receivables

Accounts receivable are measured at amortized cost and shown net of an allowance for doubtful accounts.

(e) Prepaid expenses

Prepaid expenses include licenses and software maintenance contracts that are valued at acquisition cost. Prepaid expenses are charged to expense over the periods expected to benefit from it.

(f) Supplies inventory

Supplies inventory held for consumption or use include school supplies and are recorded at the lower of historical cost and replacement cost.

(g) Tangible capital assets

The following criteria apply:

- Tangible capital assets acquired and constructed are recorded at cost and include donated tangible capital assets which are recorded at their fair market value on the date of donation.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Sites and buildings that no longer contribute to the ability of the School District to provide services are written-down to residual value.

3. Summary of significant accounting policies (*continued*)

(g) Tangible capital assets (*continued*)

- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value.
- Transfers of capital assets from related parties are recorded at carrying value.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written off.
- Amortization is recorded on a straight-line basis over the estimated useful life of the tangible capital asset. It is management's responsibility to determine the appropriate useful lives for capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful lives are as follows:

Buildings	40 years
Computer hardware	5 years
Computer software	5 years
Furniture and equipment	10 years
Vehicles	10 years

Disposals of sites or buildings are recorded and gains/losses calculated.

(h) Unearned revenue

Unearned revenue includes tuition fees received for courses to be delivered in future periods and receipt of proceeds for services to be delivered in a future period. Revenue will be recognized in that future period when the courses or services are provided.

(i) Deferred revenue and deferred capital revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in the "*Revenue Recognition*" note below.

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the Statement of Operations. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished. See the "*Basis of Accounting*" note above for the impact of this policy on these financial statements.

3. Summary of significant accounting policies (*continued*)

(j) Employee future benefits

The School District provides certain post-employment benefits including retiring allowances for certain employees pursuant to certain contracts and union agreements. The School District accrues its obligations and related costs, including both vested and non-vested benefits, under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rata on service and management's best estimate of expected salary escalation, termination and retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARS�) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2013 and projected to June 30, 2016. The next valuation will be performed at March 31, 2016 for use at June 30, 2016. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

The School District and its employees make contributions to the Teachers' Pension Plan and Municipal Pension Plan. The plans are multi-employer plans where assets and obligations are not separated. The costs are expensed as incurred.

(k) Asset retirement obligations

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Statement of Operations.

(l) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

3. Summary of significant accounting policies (*continued*)

(l) Revenue recognition (*continued*)

Contributions received or where eligibility criteria have been met are recognized as revenue except where the contribution meets the criteria for deferral as described below. Eligibility criteria are the criteria that the School District has to meet in order to receive the contributions including authorization by the transferring government.

For contributions subject to a legislative or contractual stipulation or restriction as to their use, revenue is recognized as follows:

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year related expenses are incurred,
- Contributions restricted for site acquisitions are recorded as revenue when the sites are purchased, and
- Contributions restricted for tangible capital assets acquisitions other than sites are recorded as deferred capital revenue and amortized over the useful life of the related assets.

Donated tangible capital assets other than sites are recorded at fair market value and amortized over the useful life of the assets. Donated sites are recorded as revenue at fair market value when received or receivable.

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished. See the "*Basis of Accounting*" note above for the impact of this policy on these financial statements.

Revenue related to fees or services received in advance of the fee being earned or the service performed is deferred and recognized when the fee is earned or service performed.

Investment income is reported in the period earned. When required by the funding party or related Act, investment income earned on deferred revenue is added to the deferred revenue balance.

(m) Expenditures

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

- Categories of salaries
 - Principals, Vice Principals and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice-Principals.
 - Superintendents, Assistant Superintendents, Secretary Treasurers, Trustees and any other employees excluded from union contract are categorized as Other Professionals.

3. Summary of significant accounting policies (*continued*)

(m) Expenditures (*continued*)

- Allocation of costs
 - Operating expenses are reported by function, program and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs such as special and aboriginal education are allocated to these programs. All other costs are allocated to regular programs.
 - Actual salaries of personnel assigned by two or more functions or programs are allocated based on the time spent in each function and program. School based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
 - Employee benefits are allocated to the same programs, and in the same proportions, as the individual's salary.
 - Supplies and services are allocated based on actual program identification.

(n) Financial instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The School District recognizes a financial instrument when it becomes a party to a financial instrument contract.

The School District's financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities and other liabilities. Unless otherwise noted, it is management's opinion that the School District is not exposed to significant credit, liquidity or market risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

Except for portfolio investments in equity instruments quoted in an active market that are recorded at fair value, all financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the Statement of Remeasurement Gains and Losses. Upon settlement, the cumulative gain or loss is reclassified from the Statement of Remeasurement Gains and Losses and recognized in the Statement of Operations.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the Statement of Operations. A write-down of a short term investment to reflect a loss in value is not reversed for a subsequent increase in value.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

3. Summary of significant accounting policies (*continued*)

(o) Measurement uncertainty

Preparation of financial statements in accordance with the "*Basis of Accounting*" note above requires management to make estimates and assumptions that impact reported amounts for assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

(p) Funds and reserves

Certain amounts, as approved by the Board, are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see the "*Internally Restricted Surplus - Operating Fund*" and "*Interfund Transfers*" notes below).

4. Cash and cash equivalents

Included in cash and cash equivalents are funds in the amount of \$163,848 (2014 - \$299,789), restricted and paid out to staff who contribute and take part in the District's deferred self-funded leave plan.

Also included in cash and cash equivalents are funds in the amount of \$6,327,567 (2014 - \$6,059,632), restricted and paid out to teachers who contribute and take part in the District's self-funded summer saving plan.

5. Accounts receivable - other

	2015	2014
GST receivable	\$ 165,564	\$ 127,434
Invoices receivable	193,701	349,475
Long term receivable	5,000	11,000
Other receivable	173,850	36,467
Allowance for doubtful accounts	<u>-</u>	<u>(39,607)</u>
Total accounts receivable - other	<u>\$ 538,115</u>	<u>\$ 484,769</u>

School District No. 23 (Central Okanagan)
Notes to the Financial Statements
June 30, 2015

6. Accounts payable and accrued liabilities - other

	2015	2014
Trade	\$ 2,871,174	\$ 5,298,713
International Education	689,169	561,245
Summer Savings program	6,327,567	6,059,632
Deferred Salary Leave program	163,848	299,789
Ministry of Education strike savings recovery	-	4,709,863
Miscellaneous	509,772	2,298,315
Total accounts payable and accrued liabilities - other	\$ 10,561,530	\$ 19,227,557

7. Bank loans

The School District has a revolving demand operating credit facility with the Royal Bank of Canada in the amount of \$5,000,000. The facility is secured by a certified copy of a resolution permitting short term borrowings up to \$5,000,000 under Section 139 of the School Act approved by the Board of Education of the School District. The amounts are repayable on demand and bear interest at the bank's prime lending rate. At June 30, 2015 the balance outstanding under this credit facility was \$nil (2014 – \$nil).

8. Unearned revenue

	2015	2014
Balance, beginning of year	\$ 1,355,289	\$ 1,168,116
Changes for the year;		
Increase:		
Transportation fees	200,951	151,725
Tuition fees	3,633,036	3,021,352
Other	-	32,515
	<u>3,833,987</u>	<u>3,205,592</u>
Decrease:		
Transportation fees	(151,725)	(160,867)
Tuition fees	(3,284,098)	(2,814,332)
Other	(255)	(43,220)
	<u>(3,436,078)</u>	<u>(3,018,419)</u>
Balance, end of year	\$ 1,753,198	\$ 1,355,289

Unearned revenue comprised of:

	2015	2014
Transportation fees	\$ 200,951	\$ 151,725
Tuition fees	1,552,247	1,203,309
Other	-	255
	<u>\$ 1,753,198</u>	<u>\$ 1,355,289</u>

9. Deferred revenue

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled. Detailed information about the changes in deferred revenue is included in Schedule 3A.

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 4,164,494	\$ 4,053,159
Contributions received during the year	13,727,474	11,689,832
Revenue recognized from deferred contributions	<u>(13,719,147)</u>	<u>(11,578,497)</u>
	<u>8,327</u>	<u>111,335</u>
 Balance, end of year	 <u>\$ 4,172,821</u>	 <u>\$ 4,164,494</u>

10. Deferred capital revenue

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired. Detailed information about the changes in deferred capital revenue is included in Schedule 4C and 4D.

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 177,797,202	\$ 164,192,739
Contributions received during the year	9,669,362	22,352,532
Revenue recognized from deferred contributions	(7,127,939)	(7,166,315)
Site purchases	<u>(57,334)</u>	<u>(1,581,754)</u>
 Balance, end of year	 <u>\$ 180,281,291</u>	 <u>\$ 177,797,202</u>

11. Employee future benefits

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. Funding is provided when the benefits are paid and accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits.

School District No. 23 (Central Okanagan)
Notes to the Financial Statements
June 30, 2015

11. Employee future benefits (*continued*)

	2015	2014
Reconciliation of accrued benefit obligation		
Accrued benefit obligation - April 1	\$ 8,555,120	\$ 8,711,606
Service cost	691,420	691,708
Interest cost	286,629	267,535
Benefit payments		
April 1 to March 31 - non vested	(666,862)	(313,348)
Actuarial (gain) loss	423,345	(802,381)
Accrued benefit obligation - March 31	<u>\$ 9,289,652</u>	<u>\$ 8,555,120</u>
Reconciliation of funded status at end of fiscal year		
Accrued benefit obligation - March 31	\$ 9,289,652	\$ 8,555,120
Market value of plan assets - March 31	-	-
Funded status - surplus (deficit)	(9,289,652)	(8,555,120)
Employer contributions after measurement date	305,248	214,179
Benefit expense after measurement date - April to June 30	(250,628)	(244,512)
Unamortized net actuarial loss	728,633	352,187
Accrued benefit obligation - June 30	<u>\$ (8,506,399)</u>	<u>\$ (8,233,266)</u>
Reconciliation of change in accrued benefit liability		
Accrued benefit liability - July 1	\$ 8,233,266	\$ 7,636,138
Net expense for fiscal year	1,031,063	1,093,562
Employer contributions		
July 1 to March 31	(452,682)	(282,255)
April 1 to June 30	(305,248)	(214,179)
Accrued benefit liability - June 30	<u>\$ 8,506,399</u>	<u>\$ 8,233,266</u>
Components of net benefit expense		
Service cost - July 1 to March 31	518,565	518,781
Service cost - April 1 to June 30	196,344	172,855
Interest cost - July 1 to March 31	214,972	200,651
Interest cost - April 1 to June 30	54,284	71,657
Amortization of net actuarial loss	46,898	129,618
Net benefit expense	<u>\$ 1,031,063</u>	<u>\$ 1,093,562</u>

11. Employee future benefits *(continued)*

The significant actuarial assumptions adopted for measuring the School District's accrued benefit obligations are:

	2015	2014
Discount rate - April 1	3.25%	3.00%
Discount rate - March 31	2.25%	3.25%
Long term salary growth - April 1	2.50% + seniority	2.50% + seniority
Long term salary growth - March 31	2.50% + seniority	2.50% + seniority
Expected avg. remaining service lifetime (EARS�) - March 31	9.7	9.7

12. Other liabilities

	2015	2014
Accrued vacation payable	\$ 1,075,858	\$ 1,076,588
Benefits payable	6,306,978	2,370,477
Wages payable	1,344,321	2,136,096
Other payables	429,020	450,779
Total other liabilities	\$ 9,156,177	\$ 6,033,940

13. Tangible capital assets

	2015	2014
Net Book Value		
Sites	\$ 54,705,849	\$ 54,648,515
Buildings	205,344,348	184,339,311
Buildings - WIP	-	20,222,708
Computer hardware	8,890,202	8,392,177
Computer software	57,925	71,137
Furniture & equipment	5,764,626	5,379,529
Vehicles	3,227,677	3,191,745
Total	\$ 277,990,627	\$ 276,245,122

School District No. 23 (Central Okanagan)
Notes to the Financial Statements
June 30, 2015

13. Tangible capital assets (continued)

	Balance at July 1, 2014	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2015
Cost					
Sites	\$ 54,648,515	\$ 57,334	\$ -	\$ -	\$ 54,705,849
Buildings	320,875,122	7,982,127	-	20,222,708	349,079,957
Buildings - WIP	20,222,708	-	-	(20,222,708)	-
Computer hardware	13,708,679	3,239,765	(2,495,432)	-	14,453,012
Computer software	132,096	13,208	(7,019)	-	138,285
Furniture & equipment	10,963,287	1,481,425	(1,201,324)	-	11,243,388
Vehicles	5,526,195	588,552	(380,426)	-	5,734,321
Total	\$ 426,076,602	\$ 13,362,411	\$ (4,084,201)	\$ -	\$ 435,354,812

Acc. Amortization

Buildings	\$ 136,535,811	\$ 7,199,798	\$ -	\$ -	\$ 143,735,609
Computer hardware	5,316,502	2,741,740	(2,495,432)	-	5,562,810
Computer software	60,959	26,420	(7,019)	-	80,360
Furniture & equipment	5,583,758	1,096,328	(1,201,324)	-	5,478,762
Vehicles	2,334,450	552,620	(380,426)	-	2,506,644
Total	\$ 149,831,480	\$ 11,616,906	\$ (4,084,201)	\$ -	\$ 157,364,185

	Balance at July 1, 2013	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2014
Cost					
Sites	\$ 48,732,774	\$ 5,915,741	\$ -	\$ -	\$ 54,648,515
Buildings	314,599,832	23,579,311	-	(17,304,021)	320,875,122
Buildings - WIP	2,918,687	-	-	17,304,021	20,222,708
Computer hardware	15,356,132	2,510,302	(4,157,755)	-	13,708,679
Computer software	173,483	-	(41,387)	-	132,096
Furniture & equipment	10,889,304	532,092	(458,109)	-	10,963,287
Vehicles	6,645,582	440,385	(1,559,772)	-	5,526,195
Total	\$ 399,315,794	\$ 32,977,831	\$ (6,217,023)	\$ -	\$ 426,076,602

Acc. Amortization

Buildings	\$ 129,462,541	\$ 7,073,270	\$ -	\$ -	\$ 136,535,811
Computer hardware	6,403,031	3,071,226	(4,157,755)	-	5,316,502
Computer software	67,649	34,697	(41,387)	-	60,959
Furniture & equipment	4,952,936	1,088,931	(458,109)	-	5,583,758
Vehicles	3,229,664	664,558	(1,559,772)	-	2,334,450
Total	\$ 144,115,821	\$ 11,932,682	\$ (6,217,023)	\$ -	\$ 149,831,480

Buildings - WIP having a value of \$nil (2014 - \$20,222,708) has not been amortized. Amortization of these assets will commence when the assets are put in service.

School District No. 23 (Central Okanagan)
Notes to the Financial Statements
June 30, 2015

14. Prepaid expenses

	2015	2014
Prepaid licensing	\$ 209,927	\$ 196,015
Total prepaid expenses	\$ 209,927	\$ 196,015

15. Employee pension plans

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The boards of trustees for these plans represent plan members and employers, and are responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer defined benefit pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2013, the Teachers' Pension Plan has about 45,000 active members from school districts and approximately 33,000 retired members from school districts. As at December 31, 2013, the Municipal Plan has about 182,000 active contributors, of which approximately 24,000 are from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The most recent valuation of the Teachers' Pension Plan as at December 31, 2011 indicated a \$855 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2014 with results available in 2015. The most recent valuation for the Municipal Pension Plan as at December 31, 2012 indicated an unfunded liability of \$1,370 million for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan. The School District paid \$17,586,646 (2014 - \$16,822,528) for employer contributions to these plans in the year ended June 30, 2015.

16. Internally restricted surplus - operating fund

	2015	2014
Internally restricted (appropriated) by Board for:		
Net school surpluses	\$ 1,081,577	\$ 542,906
Operating budget	3,759,996	5,860,260
Aboriginal support	97,154	174,516
CUPE training funds	202,415	286,450
Distributed learning	184,681	107,308
Trustee travel	10,085	17,804
Subtotal (internally restricted)	5,335,908	6,989,244
Unrestricted operating surplus	1,016,700	689,385
Total available for future operations	\$ 6,352,608	\$ 7,678,629

17. Expense by object

	2015	2014
Salaries and benefits	\$ 166,760,698	\$ 159,392,838
Services and supplies	28,165,481	28,652,806
Amortization on tangible capital assets	<u>11,616,906</u>	<u>11,932,682</u>
Total expenses by object	<u>\$ 206,543,085</u>	<u>\$ 199,978,326</u>

18. Interfund transfers

Inter-fund transfers between operating, special purpose and capital funds are for the year ended June 30, 2015 were as follows:

- Transfers in the amount of \$585,521 (2014 - \$394,011) were made from the Special Purpose Funds to the Capital Fund for capital asset purchases funded by the Special Purpose Funds.
 - Transfers in the amount of \$817,858 (2014 - \$1,823,396) were made from the Operating Fund to the Capital Fund for capital asset purchases funded by the Operating Fund.
 - Transfers in the amount of \$4,000,000 (2014 - \$4,000,000) were made from Local Capital within the Operating fund to the Capital Fund for capital asset purchases funded by Local Capital.
-

19. Related party transactions

The School District is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations.

Transactions with all of these entities, unless disclosed separately, are generally considered to be in the normal course of operations and are recorded at the exchange amount.

20. Asset retirement obligation

Legal liabilities may exist for the removal or disposal of asbestos in schools that will undergo major renovations or demolition. As at June 30, 2015, the liability is not reasonably determinable and accordingly, the fair value of the liability for asbestos removal or disposal will be recognized in the period in which it is incurred.

21. Contractual obligations

During the year, the School District has entered into several contractual obligations including:

- Construction contracts, relating to the addition to Okanagan Mission Secondary, as well as bus purchases and Annual Facilities purchases, resulting in commitments of \$7,358,788 at June 30, 2015 (2014 - \$13,556,023). These commitments will be funded by bylaw capital through the Province of British Columbia and will become liabilities in the future when the terms of the contracts are met.

21. Contractual obligations (*continued*)

- Contract to purchase computer equipment resulting in a commitment of \$43,139 at June 30, 2015 (2014 - \$1,031,211). This commitment was funded by local capital and paid in full subsequent to year end.
- Agreements to lease certain office equipment for various periods until 2015. The annual lease of the equipment over the next year consists of a minimum rent or lease plus taxes of \$517,257 (2014 - \$517,257).

22. Contingencies

The School District is involved in certain legal actions. Some of these legal actions are managed and covered by the School District, School's Protection Program. The outcome of these matters cannot be determined at this time. In the event that any claims are successful, it is management's opinion that the settlements of such claims would not have a material effect on the financial position of the School District. The resulting loss to the School District, if any, will be recorded in the period in which it is determinable.

The School District has one letter of credit with the Royal Bank of Canada in the amount of \$308,048 (2014 - \$308,048) payable to the District of West Kelowna. This letter of credit is required in connection with security requirements for off-site works for the Mar Jok Elementary school addition project and was issued on July 17, 2013. This letter of credit will expire on July 16, 2015 however it is a condition of this letter of credit that it may automatically extend for one year from the present or any future expire date, unless written notice is received from District of West Kelowna that it is no longer required. Subsequent to the year end, an agreement was reached with the District of West Kelowna to reduce the letter of credit to \$11,463.

23. Risk management

The School District has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk.

The Board ensures that the School District has identified its risks and ensures that management monitors and controls them.

Credit risk

Credit risk is the risk of financial loss to an institution if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held consisting of cash and cash equivalents, accounts receivable and portfolio investments.

The School District is exposed to credit risk in the event of non-performance by a borrower. This risk is mitigated as most accounts receivable are due from the Province and are collectible.

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed with the Royal Bank of Canada and the School District invests solely in fixed income and money market securities. All bonds must have a 'BBB' or better credit rating.

23. Risk management (*continued*)

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 is comprised of currency risk and interest rate risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the School District is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its cash and cash equivalents and portfolio investments. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in fixed income and money market securities.

Liquidity risk

Liquidity risk is the risk that the School District will not be able to meet its financial obligations as they become due.

The School District manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the School District's reputation. It is management's opinion that the School District is not exposed to significant liquidity risk, as cash flows are guaranteed by the Ministry of Education.

Risk Management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance.

24. Economic dependence

The operations of the School District are dependent on continued funding from the Ministry of Education and various governmental agencies to carry out its programs. These financial statements have been prepared on a going concern basis.

25. Comparative figures

Certain of the prior year's figures have been reclassified to conform with the current year's presentation.

26. Budget figures

Budget figures included in the financial statements are the original planned budget approved by the Board through the adoption of an annual budget on June 25, 2014. While PSAS require the presentation of the originally planned budget, an amended budget based on more accurate enrollment numbers was approved by the Board and filed with the Ministry of Education on February 11, 2015. Significant changes between the original and amended budget are as follows:

	Annual Amended Budget	Annual Budget	Change
Revenue			
Provincial Grants	\$ 185,076,656	\$ 184,563,905	\$ (512,751)
Tuition	3,375,000	3,375,000	-
Other Revenue	10,426,155	10,532,637	106,482
Investment Income	400,000	725,000	325,000
Amortization of Deferred Cap Revenue	7,127,939	6,750,000	(377,939)
Total Revenue	\$ 206,405,750	\$ 205,946,542	\$ (459,208)
Expense			
Instruction	\$ 169,073,092	\$ 170,587,281	\$ 1,514,189
District Administration	5,213,542	5,060,777	(152,765)
Operations and Maintenance	31,954,095	32,191,561	237,466
Transportation and Housing	3,802,925	3,701,952	(100,973)
Total Expense	\$ 210,043,654	\$ 211,541,571	\$ 1,497,917
Net Revenue (Expense)	\$ (3,637,904)	\$ (5,595,029)	\$ (1,957,125)
Budget Allocation of Surplus (Deficit)	4,729,586	5,860,260	1,130,674
Budget Surplus (Deficit), for the year	\$ 1,091,682	\$ 265,231	\$ (826,451)

School District No. 23 (Central Okanagan)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2015

	Operating Fund	Special Purpose Fund	Capital Fund	2015 Actual	2014 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	7,678,629		97,682,459	105,361,088	102,935,881
Changes for the year					
Surplus (Deficit) for the year	3,491,837	585,521	(3,837,547)	239,811	2,425,207
Interfund Transfers	(817,858)	(585,521)	1,403,379	-	-
Tangible Capital Assets Purchased	(4,000,000)		4,000,000	-	-
Local Capital	(1,326,021)	-	1,565,832	239,811	2,425,207
Net Changes for the year					
	6,352,608	-	99,248,291	105,600,899	105,361,088
Accumulated Surplus (Deficit), end of year - Statement 2					
	1,687,357			1,687,357	1,534,632
Accumulated Remeasurement Gains (Losses) - Statement 3	8,039,965	-	99,248,291	107,288,256	106,895,720

School District No. 23 (Central Okanagan)

Schedule of Operating Operations
Year Ended June 30, 2015

	2015 Budget \$	2015 Actual \$	2014 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	178,108,148	177,976,194	174,252,072
Other	725,141	553,767	659,525
Tuition	3,375,000	3,343,233	2,861,645
Other Revenue	2,024,637	2,326,124	2,349,549
Rentals and Leases	483,000	512,016	463,307
Investment Income	700,000	578,502	696,634
Total Revenue	185,415,926	185,289,836	181,282,732
Expenses			
Instruction	157,747,810	154,289,958	148,706,956
District Administration	5,060,777	4,881,846	4,902,952
Operations and Maintenance	20,291,561	18,952,367	19,018,103
Transportation and Housing	3,701,952	3,673,828	3,707,447
Total Expense	186,802,100	181,797,999	176,335,458
Operating Surplus (Deficit) for the year	(1,386,174)	3,491,837	4,947,274
Budgeted Appropriation (Retirement) of Surplus (Deficit)	5,860,260		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(1,224,086)	(817,858)	(1,823,396)
Local Capital	(3,250,000)	(4,000,000)	(4,000,000)
Total Net Transfers	(4,474,086)	(4,817,858)	(5,823,396)
Total Operating Surplus (Deficit), for the year	-	(1,326,021)	(876,122)
Operating Surplus (Deficit), beginning of year		7,678,629	8,554,751
Operating Surplus (Deficit), end of year		6,352,608	7,678,629
Operating Surplus (Deficit), end of year			
Internally Restricted		5,335,908	6,989,244
Unrestricted		1,016,700	689,385
Total Operating Surplus (Deficit), end of year		6,352,608	7,678,629

School District No. 23 (Central Okanagan)

Schedule of Operating Revenue by Source

Year Ended June 30, 2015

	2015 Budget \$	2015 Actual \$	2014 Actual \$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	177,541,462	179,877,021	175,213,283
AANDC/LEA Recovery	(791,637)	(891,280)	(923,396)
Strike Savings Recovery	-	(6,196,294)	(1,544,850)
Other Ministry of Education Grants	-	3,678,906	-
Labour Settlement Funding	1,238,323	1,238,323	1,238,323
Pay Equity	120,000	137,531	157,493
Carbon Tax Rebate	-	102,999	82,231
Education Guarantee	-	28,988	28,988
FSA & Exam	-	-	-
Total Provincial Grants - Ministry of Education	178,108,148	177,976,194	174,252,072
Provincial Grants - Other	725,141	553,767	659,525
Tuition	3,375,000	3,343,233	2,861,645
Offshore Tuition Fees	3,375,000	3,343,233	2,861,645
Total Tuition	3,375,000	3,343,233	2,861,645
Other Revenues	400,000	631,287	585,687
Other School District/Education Authorities	791,637	891,281	923,396
LEA/Direct Funding from First Nations	-	-	-
Miscellaneous	450,000	435,077	459,269
Transportation Fees	-	111,350	111,839
Interior Health Authority	-	29,500	-
Trade Wages - Okanagan College	40,000	40,000	40,000
City of Kelowna	70,000	71,981	61,182
District of Lake Country	273,000	115,648	167,901
Other	-	-	275
Funding from Apprenticeships	-	-	-
Total Other Revenue	2,024,637	2,326,124	2,349,549
Rentals and Leases	483,000	512,016	463,307
Investment Income	700,000	578,502	696,634
Total Operating Revenue	185,415,926	185,289,836	181,282,732

School District No. 23 (Central Okanagan)

Schedule of Operating Expense by Object
 Year Ended June 30, 2015

	2015 Budget \$	2015 Actual \$	2014 Actual \$
Salaries			
Teachers	85,710,769	81,485,344	79,811,289
Principals and Vice Principals	9,219,031	9,237,395	9,251,083
Educational Assistants	11,498,682	11,236,392	10,643,640
Support Staff	18,493,660	17,984,895	17,924,506
Other Professionals	2,452,944	2,349,669	2,480,478
Substitutes	5,145,763	5,827,104	5,196,092
Total Salaries	132,520,849	128,120,799	125,307,088
Employee Benefits	33,435,592	34,288,280	31,710,811
Total Salaries and Benefits	165,956,441	162,409,079	157,017,899
Services and Supplies			
Services	3,549,229	3,863,826	3,423,268
Student Transportation	346,497	286,872	278,777
Professional Development and Travel	1,673,812	1,868,555	2,061,450
Rentals and Leases	287,500	116,725	93,453
Dues and Fees	136,900	340,756	277,575
Insurance	530,000	513,258	464,919
Supplies	10,879,721	9,281,944	9,294,140
Utilities	3,442,000	3,103,224	3,423,977
Bad Debts		13,760	
Total Services and Supplies	20,845,659	19,388,920	19,317,559
Total Operating Expense	186,802,100	181,797,999	176,335,458

School District No. 23 (Central Okanagan)

Operating Expense by Function, Program and Object

Year Ended June 30, 2015

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	67,798,859	1,028,187	68,700	2,375,114	-	5,233,688	76,504,548
1.03 Career Programs	709,249	-	42,271	357,822	-	23,816	1,133,158
1.07 Library Services	1,699,195	112,233	-	1,329,924	77,714	40,972	3,260,038
1.08 Counselling	2,099,165	-	-	-	-	-	2,099,165
1.10 Special Education	8,395,813	127,656	9,732,662	757,065	-	366,797	19,379,993
1.30 English Language Learning	200,938	20,430	-	39,840	-	685	261,893
1.31 Aboriginal Education	513,576	102,243	1,392,759	29,734	-	6,640	2,044,952
1.41 School Administration	-	7,262,371	-	1,802,800	-	46,519	9,111,690
1.62 Off Shore Students	68,549	111,900	-	43,588	163,487	-	387,524
Total Function 1	81,485,344	8,765,020	11,236,392	6,735,887	241,201	5,719,117	114,182,961
4 District Administration							
4.11 Educational Administration	-	250,816	-	111,215	427,217	75,063	864,311
4.40 School District Governance	-	-	-	-	126,727	-	126,727
4.41 Business Administration	-	221,559	-	836,183	910,458	27,057	1,995,257
Total Function 4	-	472,375	-	947,398	1,464,402	102,120	2,986,295
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	-	-	-	182,156	421,890	5,867	609,913
5.50 Maintenance Operations	-	-	-	7,546,981	70,019	-	7,617,000
5.52 Maintenance of Grounds	-	-	-	698,220	-	-	698,220
5.56 Utilities	-	-	-	37,001	79,689	-	116,690
Total Function 5	-	-	-	8,464,358	571,598	5,867	9,041,823
7 Transportation and Housing							
7.41 Transportation and Housing Administration	-	-	-	148,591	72,468	-	221,059
7.70 Student Transportation	-	-	-	1,688,661	-	-	1,688,661
Total Function 7	-	-	-	1,837,252	72,468	-	1,909,720
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	81,485,344	9,237,395	11,236,392	17,984,895	2,349,669	5,827,104	128,120,799

School District No. 23 (Central Okanagan)

Operating Expense by Function, Program and Object

Year Ended June 30, 2015

Schedule 2C

	Total Salaries \$	Employee Benefits \$	Total Salaries and Benefits \$	Services and Supplies \$	2015 Actual \$	2015 Budget \$	2014 Actual \$
1 Instruction							
1.02 Regular Instruction	76,504,548	19,860,214	96,364,762	7,277,256	103,642,018	109,184,497	99,120,076
1.03 Career Programs	1,133,158	309,112	1,442,270	121,705	1,563,975	1,675,652	1,500,396
1.07 Library Services	3,260,038	870,967	4,131,005	653,299	4,784,304	4,815,906	5,138,155
1.08 Counselling	2,099,165	518,906	2,618,071	6,531	2,624,602	2,582,588	2,574,069
1.10 Special Education	19,379,993	5,421,170	24,801,163	858,539	25,659,702	24,543,360	24,636,979
1.30 English Language Learning	261,893	63,393	325,286	26,267	351,553	356,187	482,651
1.31 Aboriginal Education	2,044,952	588,914	2,633,866	217,803	2,851,669	2,614,031	2,745,419
1.41 School Administration	9,111,690	2,206,660	11,318,350	36,778	11,355,128	10,668,166	11,463,240
1.62 Off Shore Students	387,524	102,852	490,376	966,631	1,457,007	1,307,423	1,045,971
Total Function 1	114,182,961	29,942,188	144,125,149	10,164,809	154,289,958	157,747,810	148,706,956
4 District Administration							
4.11 Educational Administration	864,311	214,816	1,079,127	161,637	1,240,764	1,341,773	1,314,155
4.40 School District Governance	126,727	1,869	128,596	149,056	277,652	282,083	251,481
4.41 Business Administration	1,995,257	531,577	2,526,834	836,596	3,363,430	3,436,921	3,337,316
Total Function 4	2,986,295	748,262	3,734,557	1,147,289	4,881,846	5,060,777	4,902,952
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	609,913	172,184	782,097	459,398	1,241,495	1,294,855	1,248,618
5.50 Maintenance Operations	7,617,000	2,518,651	10,135,651	3,007,909	13,143,560	14,013,330	12,887,990
5.52 Maintenance of Grounds	698,220	205,525	903,745	418,711	1,322,456	1,338,634	1,326,320
5.56 Utilities	116,690	23,653	140,343	3,104,513	3,244,856	3,644,742	3,555,175
Total Function 5	9,041,823	2,920,013	11,961,836	6,990,531	18,952,367	20,291,561	19,018,103
7 Transportation and Housing							
7.41 Transportation and Housing Administration	221,059	57,818	278,877	6,873	285,750	310,086	285,338
7.70 Student Transportation	1,688,661	619,999	2,308,660	1,079,418	3,388,078	3,391,866	3,422,109
Total Function 7	1,909,720	677,817	2,587,537	1,086,291	3,673,828	3,701,952	3,707,447
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	128,120,799	34,288,280	162,409,079	19,388,920	181,797,999	186,802,100	176,335,458

School District No. 23 (Central Okanagan)

Schedule 3

Schedule of Special Purpose Operations

Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	5,730,616	6,605,101	4,694,240
Other Revenue	8,000,000	7,108,042	7,376,096
Investment Income	-	558	336
Total Revenue	<u>13,730,616</u>	<u>13,713,701</u>	<u>12,070,672</u>
Expenses			
Instruction	12,839,471	13,128,180	11,676,661
Total Expense	<u>12,839,471</u>	<u>13,128,180</u>	<u>11,676,661</u>
Special Purpose Surplus (Deficit) for the year	<u>891,145</u>	<u>585,521</u>	<u>394,011</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(891,145)	(585,521)	(394,011)
Total Net Transfers	<u>(891,145)</u>	<u>(585,521)</u>	<u>(394,011)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 23 (Central Okanagan)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2015

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	Community- LINK	Service Delivery Transformation
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	152,044	28,960	3,509,107	144,322	39,402	139,845	17,878	-
Add: Restricted Grants	852,202	2,866,262	46,388	-	256,000	75,950	308,871	1,231,816	137,973
Provincial Grants - Ministry of Education	-	-	-	7,065,338	-	-	-	-	-
Other	-	-	-	-	-	-	-	558	-
Investment Income	-	-	-	-	-	-	-	-	-
Less: Allocated to Revenue	852,202	2,866,262	46,388	7,065,338	256,000	75,950	308,871	1,232,374	137,973
Recovered	852,202	2,995,080	27,491	7,108,042	282,917	39,561	248,987	1,155,870	-
Deferred Revenue, end of year	-	23,226	47,857	3,466,403	117,405	75,791	199,729	94,382	137,973
Revenues	852,202	2,995,080	27,491	-	282,917	39,561	248,987	1,155,312	-
Provincial Grants - Ministry of Education	-	-	-	7,108,042	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	558	-
Investment Income	852,202	2,995,080	27,491	7,108,042	282,917	39,561	248,987	1,155,870	-
Expenses	-	2,325,730	-	-	-	-	39,867	23,970	-
Salaries	-	-	-	-	192,670	-	62,182	-	-
Teachers	-	-	-	-	-	-	-	20,500	-
Support Staff	-	-	-	-	-	-	-	-	-
Substitutes	-	2,325,730	-	-	192,670	-	102,049	44,470	-
Employee Benefits	-	575,609	-	-	55,445	-	10,417	6,489	-
Services and Supplies	304,172	93,741	-	7,108,042	34,802	39,561	126,521	1,104,911	-
	304,172	2,995,080	-	7,108,042	282,917	39,561	238,987	1,155,870	-
Net Revenue (Expense) before Interfund Transfers	548,030	-	27,491	-	-	-	10,000	-	-
Interfund Transfers	(548,030)	-	(27,491)	-	-	-	(10,000)	-	-
Tangible Capital Assets Purchased	(548,030)	-	(27,491)	-	-	-	(10,000)	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 23 (Central Okanagan)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2015

	LIF Support	PRP	TOTAL
	\$	\$	\$
Deferred Revenue, beginning of year	127,490	5,446	4,164,494
Add: Restricted Grants	716,565	169,551	6,661,578
Provincial Grants - Ministry of Education	-	-	7,065,338
Other	-	-	558
Investment Income	716,565	169,551	13,727,474
Less: Allocated to Revenue	844,055	159,496	13,713,701
Recovered	-	5,446	5,446
Deferred Revenue, end of year	-	10,055	4,172,821
Revenues	844,055	159,496	6,605,101
Provincial Grants - Ministry of Education	-	-	7,108,042
Other Revenue	-	-	558
Investment Income	844,055	159,496	13,713,701
Expenses			
Salaries	-	79,949	2,469,516
Teachers	704,014	-	958,866
Support Staff	-	-	20,500
Substitutes	704,014	79,949	3,448,882
Employee Benefits	140,041	20,970	808,971
Services and Supplies	-	58,577	8,870,327
	844,055	159,496	13,128,180
Net Revenue (Expense) before Interfund Transfers	-	-	585,521
Interfund Transfers	-	-	(585,521)
Tangible Capital Assets Purchased	-	-	(585,521)
Net Revenue (Expense)	-	-	-

School District No. 23 (Central Okanagan)

Schedule of Capital Operations

Year Ended June 30, 2015

	2015 Budget	2015 Actual			2014 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants	-	57,334		57,334	1,581,754
Ministry of Education	25,000	-	564,905	564,905	235,021
Other Revenue				-	67,039
Rentals and Leases	25,000		29,181	29,181	-
Investment Income	6,750,000	7,127,939		7,127,939	7,166,315
Amortization of Deferred Capital Revenue	6,800,000	7,185,273	594,086	7,779,359	9,050,129
Total Revenue					
Expenses					
Operations and Maintenance	-	-	-	-	33,525
Amortization of Tangible Capital Assets					
Operations and Maintenance	11,900,000	11,616,906		11,616,906	11,932,682
Total Expense	11,900,000	11,616,906	-	11,616,906	11,966,207
Capital Surplus (Deficit) for the year	(5,100,000)	(4,431,633)	594,086	(3,837,547)	(2,916,078)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	2,115,231	1,403,379		1,403,379	2,217,407
Local Capital	3,250,000		4,000,000	4,000,000	4,000,000
Total Net Transfers	5,365,231	1,403,379	4,000,000	5,403,379	6,217,407
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		3,340,866	(3,340,866)	-	
Total Other Adjustments to Fund Balances		3,340,866	(3,340,866)	-	
Total Capital Surplus (Deficit) for the year	265,231	312,612	1,253,220	1,565,832	3,301,329
Capital Surplus (Deficit), beginning of year		96,746,799	935,660	97,682,459	94,381,130
Capital Surplus (Deficit), end of year		97,059,411	2,188,880	99,248,291	97,682,459

School District No. 23 (Central Okanagan)

Tangible Capital Assets

Year Ended June 30, 2015

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	54,648,515	320,875,122	10,963,287	5,526,195	132,096	13,708,679	405,853,894
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	57,334	6,932,646	1,071,119	557,067	-	-	8,618,166
Operating Fund	-	501,451	158,524	-	13,208	144,675	817,858
Special Purpose Funds	-	548,030	37,491	-	-	-	585,521
Local Capital	-	-	214,291	31,485	-	3,095,090	3,340,866
Transferred from Work in Progress		20,222,708					20,222,708
	57,334	28,204,835	1,481,425	588,552	13,208	3,239,765	33,585,119
Decrease:							
Deemed Disposals			1,201,324	380,426	7,019	2,495,432	4,084,201
	-	-	1,201,324	380,426	7,019	2,495,432	4,084,201
Cost, end of year	54,705,849	349,079,957	11,243,388	5,734,321	138,285	14,453,012	435,354,812
Work in Progress, end of year	54,705,849	349,079,957	11,243,388	5,734,321	138,285	14,453,012	435,354,812
Cost and Work in Progress, end of year							
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year							
Decrease:							
Deemed Disposals			1,201,324	380,426	7,019	2,495,432	4,084,201
			1,201,324	380,426	7,019	2,495,432	4,084,201
Accumulated Amortization, end of year			5,478,762	2,506,644	80,360	5,562,810	157,364,185
		143,735,609					
Tangible Capital Assets - Net	54,705,849	205,344,348	5,764,626	3,227,677	57,925	8,890,202	277,990,627

School District No. 23 (Central Okanagan)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2015

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	20,222,708	-	-	-	20,222,708
Changes for the Year					
Decrease:					
Transferred to Tangible Capital Assets	20,222,708				20,222,708
	20,222,708	-	-	-	20,222,708
Net Changes for the Year	(20,222,708)	-	-	-	(20,222,708)
Work in Progress, end of year	-	-	-	-	-

School District No. 23 (Central Okanagan)

Deferred Capital Revenue

Year Ended June 30, 2015

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	153,341,879	4,986,869	445,612	158,774,360
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	8,560,832	-	-	8,560,832
Transferred from Work in Progress	20,222,708			20,222,708
	28,783,540	-	-	28,783,540
Decrease:				
Amortization of Deferred Capital Revenue	6,891,500	144,659	91,780	7,127,939
	6,891,500	144,659	91,780	7,127,939
Net Changes for the Year	21,892,040	(144,659)	(91,780)	21,655,601
Deferred Capital Revenue, end of year	175,233,919	4,842,210	353,832	180,429,961
Work in Progress, beginning of year	20,222,708	-	-	20,222,708
Changes for the Year				
Decrease				
Transferred to Deferred Capital Revenue	20,222,708	-	-	20,222,708
	20,222,708	-	-	20,222,708
Net Changes for the Year	(20,222,708)	-	-	(20,222,708)
Work in Progress, end of year	-	-	-	-
Total Deferred Capital Revenue, end of year	175,233,919	4,842,210	353,832	180,429,961

School District No. 23 (Central Okanagan)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2015

	Bylaw Capital \$	MEd Restricted Capital \$	Other Provincial Capital \$	Land Capital \$	Other Capital \$	Total \$
Balance, beginning of year	(1,199,866)	-	-	-	-	(1,199,866)
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	9,665,788	-	-	3,574	-	9,665,788
Other	9,665,788	-	-	3,574	-	3,574
Decrease:						
Transferred to DCR - Capital Additions	8,560,832	-	-	-	-	8,560,832
Transferred to Revenue - Site Purchases	57,334	-	-	-	-	57,334
	8,618,166	-	-	-	-	8,618,166
Net Changes for the Year	1,047,622	-	-	3,574	-	1,051,196
Balance, end of year	(152,244)	-	-	3,574	-	(148,670)