

Audited Financial Statements of

# **School District No. 23 (Central Okanagan)**

June 30, 2019

# School District No. 23 (Central Okanagan)

June 30, 2019

## Table of Contents

Management Report .....	1
Independent Auditors' Report .....	2-3
Statement of Financial Position - Statement 1 .....	4
Statement of Operations - Statement 2 .....	5
Statement of Remeasurement Gains and Losses - Statement 3 .....	6
Statement of Changes in Net Financial Assets (Debt) - Statement 4 .....	7
Statement of Cash Flows - Statement 5 .....	8
Notes to the Financial Statements .....	9-25
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 (Unaudited) .....	26
Schedule of Operating Operations - Schedule 2 (Unaudited) .....	27
Schedule 2A - Schedule of Operating Revenue by Source (Unaudited) .....	28
Schedule 2B - Schedule of Operating Expense by Object (Unaudited) .....	29
Schedule 2C - Operating Expense by Function, Program and Object (Unaudited) .....	30
Schedule of Special Purpose Operations - Schedule 3 (Unaudited) .....	32
Schedule 3A - Changes in Special Purpose Funds and Expense by Object (Unaudited) .....	33
Schedule of Capital Operations - Schedule 4 (Unaudited) .....	35
Schedule 4A - Tangible Capital Assets (Unaudited) .....	36
Schedule 4B - Tangible Capital Assets - Work in Progress (Unaudited) .....	37
Schedule 4C - Deferred Capital Revenue (Unaudited) .....	38
Schedule 4D - Changes in Unspent Deferred Capital Revenue (Unaudited) .....	39

# School District No. 23 (Central Okanagan)

## MANAGEMENT REPORT

Version: 5219-4473-2491

### 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.

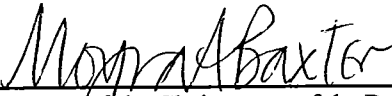
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

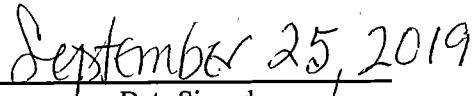
Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and reliable financial information is produced.

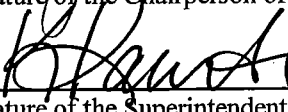
The Board of Education of School District No. 23 (Central Okanagan) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial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

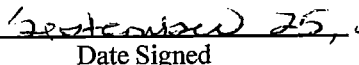
The external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 23 (Central 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)

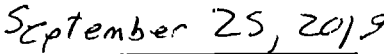
  
\_\_\_\_\_  
Signature of the Chairperson of the Board of Education

  
\_\_\_\_\_  
Date Signed

  
\_\_\_\_\_  
Signature of the Superintendent

  
\_\_\_\_\_  
Date Signed

  
\_\_\_\_\_  
Signature of the Secretary Treasurer

  
\_\_\_\_\_  
Date Signed

## Independent auditor's report

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

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Grant Thornton LLP  
200-1633 Ellis Street  
Kelowna, BC  
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### Opinion

We have audited the financial statements of School District No. 23 (Central Okanagan) ("the District"), which comprise the statement of financial position as at June 30, 2019, 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.

In our opinion, the accompanying financial statements of School District No. 23 (Central Okanagan) as at June 30, 2019 and for the year then ended, 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 ("Section 23.1").

### Basis for Opinion

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

### Emphasis of matter

Without modifying our opinion, we draw attention to Note 2 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 Schedule 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.

### Other information

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The supplementary Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Financial Statement Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Financial Statement Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting requirements of Section 23.1, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

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

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

Kelowna, Canada  
September 18, 2019

*Grant Thornton LLP*

Chartered Professional Accountants

# School District No. 23 (Central Okanagan)

Statement 1


Statement of Financial Position  
As at June 30, 2019

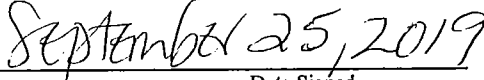
	2019 Actual \$	2018 Actual \$
<b>Financial Assets</b>		
Cash and Cash Equivalents (Note 3)	40,422,485	34,086,861
Accounts Receivable		
Due from Province - Ministry of Education	4,250,920	3,299,399
Other (Note 4)	1,213,684	1,599,698
Portfolio Investments	13,618,451	12,851,508
<b>Total Financial Assets</b>	<b>59,505,540</b>	<b>51,837,466</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Other	18,388,099	13,894,386
Unearned Revenue (Note 7)	2,723,262	2,468,063
Deferred Revenue (Note 8)	4,022,848	3,950,547
Deferred Capital Revenue (Note 9)	218,349,557	186,474,275
Employee Future Benefits (Note 10)	9,901,753	9,584,436
Other Liabilities (Note 11)	9,997,237	9,454,077
<b>Total Liabilities</b>	<b>263,382,756</b>	<b>225,825,784</b>
<b>Net Financial Assets (Debt)</b>	<b>(203,877,216)</b>	<b>(173,988,318)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 12)	317,748,173	288,668,213
Prepaid Expenses (Note 13)	264,966	161,627
Supplies Inventory	210,589	245,331
<b>Total Non-Financial Assets</b>	<b>318,223,728</b>	<b>289,075,171</b>
<b>Accumulated Surplus (Deficit)</b>	<b>114,346,512</b>	<b>115,086,853</b>
<b>Accumulated Surplus (Deficit) is comprised of:</b>		
Accumulated Surplus (Deficit) from Operations	113,033,343	114,335,875
Accumulated Remeasurement Gains (Losses)	1,313,169	750,978
	<b>114,346,512</b>	<b>115,086,853</b>

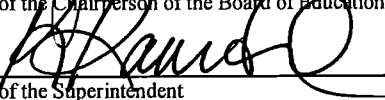
Contractual Obligations (Note 20)


Contingent Liabilities (Note 21)

Approved by the Board

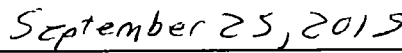
  
Signature of the Chairperson of the Board of Education

  
Date Signed

  
Signature of the Superintendent

  
Date Signed

  
Signature of the Secretary Treasurer

  
Date Signed

**School District No. 23 (Central Okanagan)**

Statement 2

Statement of Operations

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	221,220,349	225,231,798	215,504,211
Other	604,928	748,352	695,250
Tuition	5,600,000	5,423,538	5,886,182
Other Revenue	10,432,995	11,260,953	11,154,669
Rentals and Leases	575,000	693,048	613,124
Investment Income	890,500	599,749	950,891
Gain (Loss) on Disposal of Tangible Capital Assets (Note 14)		209,745	4,398,712
Amortization of Deferred Capital Revenue	8,192,707	8,340,880	8,192,707
<b>Total Revenue</b>	<b>247,516,479</b>	<b>252,508,063</b>	<b>247,395,746</b>
<b>Expenses</b>			
Instruction	204,622,137	207,362,866	198,957,506
District Administration	6,173,486	6,271,205	5,737,562
Operations and Maintenance	36,637,336	35,654,688	33,357,128
Transportation and Housing	4,043,149	4,521,836	4,178,802
<b>Total Expense</b>	<b>251,476,108</b>	<b>253,810,595</b>	<b>242,230,998</b>
<b>Surplus (Deficit) for the year</b>	<b>(3,959,629)</b>	<b>(1,302,532)</b>	<b>5,164,748</b>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>114,335,875</b>	<b>109,171,127</b>
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<b>113,033,343</b>	<b>114,335,875</b>

**School District No. 23 (Central Okanagan)**

Statement 3

## Statement of Remeasurement Gains and Losses

Year Ended June 30, 2019

	<b>2019</b>	<b>2018</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
<b>Accumulated Remeasurement Gains (Losses) at beginning of year</b>	<b>750,978</b>	<b>1,188,726</b>
<b>Unrealized Gains (Losses) attributable to:</b>		
Portfolio Investments	<b>658,752</b>	<b>31,425</b>
<b>Amounts Reclassified to the Statement of Operations:</b>		
Portfolio Investments	<b>(96,561)</b>	<b>(469,173)</b>
<b>Net Remeasurement Gains (Losses) for the year</b>	<b>562,191</b>	<b>(437,748)</b>
<b>Accumulated Remeasurement Gains (Losses) at end of year</b>	<b>1,313,169</b>	<b>750,978</b>



**School District No. 23 (Central Okanagan)**

Statement 4

## Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
<b>Surplus (Deficit) for the year</b>	<u>(3,959,629)</u>	<u>(1,302,532)</u>	<u>5,164,748</u>
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(29,589,692)	(42,518,456)	(24,575,113)
Amortization of Tangible Capital Assets	12,593,000	13,195,051	12,593,566
Net carrying value of Tangible Capital Assets disposed of		243,445	1,301,288
<b>Total Effect of change in Tangible Capital Assets</b>	<u>(16,996,692)</u>	<u>(29,079,960)</u>	<u>(10,680,259)</u>
Acquisition of Prepaid Expenses		(131,886)	(64,747)
Use of Prepaid Expenses		28,546	256,291
Acquisition of Supplies Inventory		(1,109,240)	(1,264,882)
Use of Supplies Inventory		1,143,983	1,215,810
<b>Total Effect of change in Other Non-Financial Assets</b>	<u>-</u>	<u>(68,597)</u>	<u>142,472</u>
<b>(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)</b>	<u>(20,956,321)</u>	<u>(30,451,089)</u>	<u>(5,373,039)</u>
<b>Net Remeasurement Gains (Losses)</b>		<u>562,191</u>	<u>(437,748)</u>
<b>(Increase) Decrease in Net Financial Assets (Debt)</b>		<u>(29,888,898)</u>	<u>(5,810,787)</u>
<b>Net Financial Assets (Debt), beginning of year</b>		<u>(173,988,318)</u>	<u>(168,177,531)</u>
<b>Net Financial Assets (Debt), end of year</b>		<u>(203,877,216)</u>	<u>(173,988,318)</u>

**School District No. 23 (Central Okanagan)**

Statement 5

Statement of Cash Flows

Year Ended June 30, 2019

	2019 Actual \$	2018 Actual \$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	(1,302,532)	5,164,748
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(565,507)	(2,764,948)
Supplies Inventories	34,742	(49,072)
Prepaid Expenses	(103,339)	191,544
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	4,493,713	(520,861)
Unearned Revenue	255,199	77,887
Deferred Revenue	72,301	200,799
Employee Future Benefits	317,317	148,308
Other Liabilities	543,160	301,254
Loss (Gain) on Disposal of Tangible Capital Assets	(209,745)	(4,398,712)
Amortization of Tangible Capital Assets	13,195,051	12,593,566
Amortization of Deferred Capital Revenue	(8,340,880)	(8,192,707)
Recognition of Deferred Capital Revenue Spent on Sites	(79,181)	(27,241)
<b>Total Operating Transactions</b>	<b>8,310,299</b>	<b>2,724,565</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(12,503,942)	(19,589,077)
Tangible Capital Assets -WIP Purchased	(30,014,514)	(4,986,036)
District Portion of Proceeds on Disposal	453,190	5,700,000
<b>Total Capital Transactions</b>	<b>(42,065,266)</b>	<b>(18,875,113)</b>
<b>Financing Transactions</b>		
Capital Revenue Received	40,295,343	14,372,005
<b>Total Financing Transactions</b>	<b>40,295,343</b>	<b>14,372,005</b>
<b>Investing Transactions</b>		
Increase (Decrease) in Remeasurement Gains (Losses)	562,191	(437,748)
Investment in Portfolio Investments	(766,943)	(1,448,661)
<b>Total Investing Transactions</b>	<b>(204,752)</b>	<b>(1,886,409)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>6,335,624</b>	<b>(3,664,952)</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>34,086,861</b>	<b>37,751,813</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>40,422,485</b>	<b>34,086,861</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	26,393,949	19,317,179
Cash Equivalents	14,028,536	14,769,682
	<b>40,422,485</b>	<b>34,086,861</b>

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**School District No. 23 (Central Okanagan)**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**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.

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**2. 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, 2018 - increase in annual surplus by	<u>\$ 4,833,032</u>
June 30, 2018 - increase in accumulated surplus & decrease in deferred contributions by	<u>\$ 183,960,583</u>
Year ended June 30, 2019 - increase in annual surplus by	<u>\$ 29,056,283</u>
June 30, 2019 - increase in accumulated surplus & decrease in deferred contributions by	<u>\$ 213,016,866</u>

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

**(b) Cash and cash equivalents**

Cash and cash equivalents include cash balances, term deposits 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 provincial, municipal and corporate 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.

Portfolio 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 portfolio investments are realized on disposal. Upon disposal, any accumulated remeasurement gains or losses associated with the portfolio 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 receivable**

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

**(e) Prepaid expenses**

Prepaid expenses include licenses, deposits 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.

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

**(g) Tangible capital assets (*continued*)**

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Costs also include overhead directly attributable to construction.
- 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.
- Work in progress is recorded as an acquisition to the applicable asset class at substantial completion.
- 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. Disposals sites or buildings are recorded and gains/losses calculated.
- 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

**(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.

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

**(j) Employee future benefits**

The School District provides certain post-employment benefits including vested and non-vested benefits 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 (EARSLS) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2019 and projected to March 31, 2022. The next valuation will be performed at March 31, 2022 for use at June 30, 2022. 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) Liability for contaminated sites**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the School District:
  - is directly responsible; or
  - accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

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

**(l) Liability for contaminated sites (*continued*)**

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

**(m) 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.

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.

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

**(n) 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.
- 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.

**(o) 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.



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

**(o) Financial instruments (*continued*)**

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.

**(p) 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.

**(q) 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).

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**3. Cash and cash equivalents**

Included in cash and cash equivalents are funds in the amount of \$240,419 (2018 - \$266,244), restricted and paid out to staff who contribute and take part in the District's self-funded deferred salary leave plan.

Also included in cash and cash equivalents are funds in the amount of \$8,569,902 (2018 - \$7,909,361), restricted and paid out to teachers who contribute and take part in the District's self-funded summer saving plan.

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**4. Accounts receivable - other**

	2019	2018
GST rebate	\$ 399,394	\$ 301,727
Invoices receivable	373,999	326,570
Long term receivable	19,877	71,908
Other receivable	420,414	899,493
<b>Total accounts receivable - other</b>	<b>\$ 1,213,684</b>	<b>\$ 1,599,698</b>

**School District No. 23 (Central Okanagan)**  
**Notes to the Financial Statements**  
**June 30, 2019**

**5. Accounts payable and accrued liabilities - other**

	2019	2018
Trade	\$ 4,840,573	\$ 3,701,154
International Education	1,380,555	1,406,212
Summer Savings program	8,585,148	7,909,361
Deferred Salary Leave program	241,200	266,244
Miscellaneous	3,340,623	611,415
<b>Total accounts payable and accrued liabilities - other</b>	<b>\$ 18,388,099</b>	<b>\$ 13,894,386</b>

**6. 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, 2019 the balance outstanding under this credit facility was \$nil (2018 – \$nil).

**7. Unearned revenue**

	2019	2018
Balance, beginning of year	\$ 2,468,063	\$ 2,390,176
Changes for the year;		
Increase:		
Transportation fees	59,735	57,290
Tuition fees	3,901,890	4,527,283
Other	13,724	14,833
	<u>3,975,349</u>	<u>4,599,406</u>
Decrease:		
Transportation fees	(57,290)	(140,551)
Tuition fees	(3,648,027)	(4,369,070)
Other	(14,833)	(11,898)
	<u>(3,720,150)</u>	<u>(4,521,519)</u>
<b>Balance, end of year</b>	<b>\$ 2,723,262</b>	<b>\$ 2,468,063</b>

	2019	2018
<b>Unearned revenue comprised of:</b>		
Transportation fees	\$ 59,735	\$ 57,290
Tuition fees	2,649,803	2,395,940
Other	13,724	14,833
	<u>\$ 2,723,262</u>	<u>\$ 2,468,063</u>

**8. 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.

	2019	2018
Balance, beginning of year	\$ 3,950,547	\$ 3,749,748
Contributions received during the year	25,241,179	24,881,699
Revenue recognized from deferred contributions	(25,168,878)	(24,680,900)
	<u>72,301</u>	<u>200,799</u>
Balance, end of year	\$ <u>4,022,848</u>	\$ <u>3,950,547</u>

**9. 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.

	2019	2018
Balance, beginning of year	\$ 186,474,275	\$ 180,322,218
Contributions received during the year	40,199,080	14,337,644
Investment income	96,263	34,361
Revenue recognized from deferred contributions	(8,340,880)	(8,192,707)
Site purchases	(79,181)	(27,241)
Balance, end of year	\$ <u>218,349,557</u>	\$ <u>186,474,275</u>

**10. 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, 2019**

**10. Employee future benefits (continued)**

	2019	2018
<b>Reconciliation of accrued benefit obligation</b>		
Accrued benefit obligation - April 1	\$ 8,645,417	\$ 8,653,674
Service cost	729,177	708,445
Interest cost	245,741	244,205
Benefit payments	(548,159)	(911,443)
Actuarial loss (gain)	351,384	(49,464)
<b>Accrued benefit obligation - March 31</b>	<b>\$ 9,423,560</b>	<b>\$ 8,645,417</b>
<b>Reconciliation of funded status at end of fiscal year</b>		
Accrued benefit obligation - March 31	\$ (9,423,560)	\$ (8,645,417)
Employer contributions after measurement date	291,124	235,269
Benefit expense after measurement date	(267,211)	(243,730)
Unamortized net actuarial (gain) loss	(502,106)	(930,558)
<b>Accrued benefit obligation - June 30</b>	<b>\$ (9,901,753)</b>	<b>\$ (9,584,436)</b>
<b>Reconciliation of change in accrued benefit liability</b>		
Accrued benefit liability - July 1	\$ 9,584,436	\$ 9,436,128
Net expense for fiscal year	921,331	886,248
Employer contributions	(604,014)	(737,940)
<b>Accrued benefit liability - June 30</b>	<b>\$ 9,901,753</b>	<b>\$ 9,584,436</b>
<b>Components of net benefit expense</b>		
Service cost	\$ 753,490	\$ 713,628
Interest cost	244,909	244,589
Amortization of net actuarial (gain) loss	(77,068)	(71,969)
<b>Net benefit expense</b>	<b>\$ 921,331</b>	<b>\$ 886,248</b>

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

	2019	2018
Discount rate - April 1	2.75%	2.75%
Discount rate - March 31	2.50%	2.75%
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	10.1	9.7

School District No. 23 (Central Okanagan)  
Notes to the Financial Statements  
June 30, 2019

11. Other liabilities

	2019	2018
Accrued vacation payable	\$ 1,324,988	\$ 1,302,705
Benefits payable	7,625,135	6,976,235
Wages payable	742,750	694,713
Other payables	304,364	480,424
<b>Total other liabilities</b>	<b>\$ 9,997,237</b>	<b>\$ 9,454,077</b>

12. Tangible capital assets

	2019	2018
<b>Net Book Value</b>		
Sites	\$ 53,654,361	\$ 53,782,634
Buildings	208,475,874	210,494,440
Buildings - WIP	35,000,550	4,986,036
Computer hardware	8,919,863	9,132,134
Computer software	15,462	22,031
Furniture & equipment	5,899,680	5,837,869
Vehicles	5,782,383	4,413,069
<b>Total</b>	<b>\$ 317,748,173</b>	<b>\$ 288,668,213</b>

	Balance at July 1, 2018	Additions	Disposals	Net WIP Transfer	Balance at June 30, 2019
<b>Cost</b>					
Sites	\$ 53,782,634	\$ 79,181	\$ (207,454)	\$ -	\$ 53,654,361
Buildings	378,013,175	6,531,527	(249,075)	-	384,295,627
Buildings - WIP	4,986,036	30,014,514	-	-	35,000,550
Computer hardware	14,333,217	2,654,372	(2,510,304)	-	14,477,285
Computer software	32,841	-	-	-	32,841
Furniture & equipment	10,828,123	1,144,624	(1,713,692)	-	10,259,055
Vehicles	7,249,237	2,094,238	(457,100)	-	8,886,375
<b>Total</b>	<b>\$ 469,225,263</b>	<b>\$ 42,518,456</b>	<b>\$ (5,137,625)</b>	<b>\$ -</b>	<b>\$ 506,606,094</b>
<b>Acc. Amortization</b>					
Buildings	\$ 167,518,735	\$ 8,514,102	\$ (213,084)	\$ -	\$ 175,819,753
Computer hardware	5,201,083	2,866,643	(2,510,304)	-	5,557,422
Computer software	10,810	6,569	-	-	17,379
Furniture & equipment	4,990,254	1,082,813	(1,713,692)	-	4,359,375
Vehicles	2,836,168	724,924	(457,100)	-	3,103,992
<b>Total</b>	<b>\$ 180,557,050</b>	<b>\$ 13,195,051</b>	<b>\$ (4,894,180)</b>	<b>\$ -</b>	<b>\$ 188,857,921</b>

School District No. 23 (Central Okanagan)  
Notes to the Financial Statements  
June 30, 2019

12. Tangible capital assets (*continued*)

	Balance at July 1, 2017	Additions	Disposals	Net WIP Transfer	Balance at June 30, 2018
<b>Cost</b>					
Sites	\$ 54,631,250	\$ 82,963	\$ (931,579)	\$ -	\$ 53,782,634
Buildings	362,718,161	12,528,032	(660,385)	3,427,367	378,013,175
Buildings - WIP	3,427,367	4,986,036	-	(3,427,367)	4,986,036
Computer hardware	13,099,980	4,539,596	(3,306,359)	-	14,333,217
Computer software	46,718	5,206	(19,083)	-	32,841
Furniture & equipment	10,458,463	1,803,684	(1,434,024)	-	10,828,123
Vehicles	7,635,653	629,596	(1,016,012)	-	7,249,237
<b>Total</b>	<b>\$ 452,017,592</b>	<b>\$ 24,575,113</b>	<b>\$ (7,367,442)</b>	<b>\$ -</b>	<b>\$ 469,225,263</b>
<b>Acc. Amortization</b>					
Buildings	\$ 159,654,597	\$ 8,154,814	\$ (290,676)	\$ -	\$ 167,518,735
Computer hardware	5,887,446	2,619,996	(3,306,359)	-	5,201,083
Computer software	20,549	9,344	(19,083)	-	10,810
Furniture & equipment	5,378,431	1,045,847	(1,434,024)	-	4,990,254
Vehicles	3,088,615	763,565	(1,016,012)	-	2,836,168
<b>Total</b>	<b>\$ 174,029,638</b>	<b>\$ 12,593,566</b>	<b>\$ (6,066,154)</b>	<b>\$ -</b>	<b>\$ 180,557,050</b>

Buildings - WIP having a value of \$35,000,550 (2018 - \$4,986,036) has not been amortized. Amortization of these assets will commence when the assets are put in service.

13. Prepaid expenses

	2019	2018
Prepaid software licensing	\$ 264,966	\$ 161,627

**14. Disposal of site**

During the year, the School District disposed of property located on Berry Road in the District of Lake Country, BC. The land and building was funded by both the District and Ministry of Education so the corresponding gain on disposal will be recorded in both Ministry of Education restricted capital (75%) and local capital (25%). Details of the recording of the disposition is as follows:

Net proceeds	\$	1,812,756
Net book value		(243,445)
Ministry of Education restricted capital		<u>(1,359,566)</u>
Gain on sale of property	\$	<u>209,745</u>

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**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, 2017, the Teachers' Pension Plan has about 46,000 active members from school districts and approximately 38,000 retired members from school districts. As at December 31, 2017, the Municipal Plan has about 197,000 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 actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry age normal cost method, which produces the long term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation of the Teachers' Pension Plan as at December 31, 2017 indicated a \$1,656 million surplus for basic pension benefits on a going concern basis. As a result of the 2017 basic account actuarial valuation surplus, plan enhancements and contribution rate adjustments were made; the remaining \$644 million surplus was transferred to the rate stabilization account. The next valuation for the Teachers' Pension Plan will be as at December 31, 2020, with results available in 2021.

The most recent valuation for the Municipal Pension Plan as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rate remained unchanged. The next valuation will be as at December 31, 2018 with results available in 2019.

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 \$18,457,877 (2018 - \$19,220,290) for employer contributions to these plans in the year ended June 30, 2019.

**School District No. 23 (Central Okanagan)**  
**Notes to the Financial Statements**  
**June 30, 2019**

**16. Internally restricted surplus - operating fund**

	2019	2018
Internally restricted (appropriated) by Board for:		
Appropriated for next year's budget	\$ 2,642,193	\$ 2,917,346
Net school surpluses	727,309	1,080,305
Targeted aboriginal program	274,503	402,302
CUPE training funds	121,161	164,119
Comprehensive privacy and security foundation	-	100,000
Energy manager shared service program	150,370	82,205
Trades grant	-	27,075
WCB core audit funds	49,000	39,000
Trustee travel	21,528	33,928
Apprenticeship program	37,430	-
International field trip	-	23,400
Subtotal (internally restricted)	4,023,494	4,869,680
Unrestricted operating surplus	1,866,565	2,519,656
<b>Total available for future operations</b>	<b>\$ 5,890,059</b>	<b>\$ 7,389,336</b>

**17. Expense by object**

	2019	2018
Salaries and benefits	\$ 208,149,821	\$ 197,519,797
Services and supplies	32,465,723	32,117,633
Amortization on tangible capital assets	13,195,051	12,593,564
<b>Total expenses by object</b>	<b>\$ 253,810,595</b>	<b>\$ 242,230,994</b>

**18. Interfund transfers**

Inter-fund transfers between operating, special purpose and capital funds are for the year ended June 30, 2019 were as follows:

- Transfers in the amount of \$703,672 (2018 - \$567,351) 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 \$732,842 (2018 - \$1,050,069) were made from the Operating Fund to the Capital Fund for capital asset purchases funded by the Operating Fund.
- Transfers in the amount of \$3,178,413 (2018 - \$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.

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**20. Contractual obligations**

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

- Construction contracts, relating to new middle schools in both the Upper Mission and Lake Country, as well, bus and Annual Facilities purchases, resulting in commitments of \$34,135,768 at June 30, 2019 (2018 - \$61,687,838).
- 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.

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**21. 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.

Legal liabilities may exist for the removal or disposal of asbestos in schools that will undergo major renovations or demolition. As at June 30, 2019, 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.

The School District has two letters of credit with the Royal Bank of Canada in the amounts of \$428,172, payable to the City of Kelowna, and \$35,000, payable to the Rutland Waterworks District. The City of Kelowna letter of credit was required in connection with the completion of works and services relating to the new administration office located at 1040 Hollywood Road. This letter of credit was issued on December 6, 2017. The Rutland Waterworks District letter of credit was necessary to cover hydrant installation and geoeexchange improvements for the new administration office and was issued on April 5, 2017. This letter of credit was reduced to \$15,000 on June 13, 2019

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**22. Subsequent event**

Subsequent to June 30, 2019, the School District disposed of its interest in a 6 acre parcel of land located in the Kettle Valley neighbourhood of Kelowna, BC for \$650,000. This interest was originally transferred to the School District as satisfaction in full for the balance of school site acquisition charges owed to the School District for the development of this land.

### 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.

#### **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.

**School District No. 23 (Central Okanagan)**  
**Notes to the Financial Statements**  
**June 30, 2019**

**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 27, 2018. 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 13, 2019. Significant changes between the original and amended budget are as follows:

	Amended Annual Budget	Annual Budget	Change
<b>Revenue</b>			
Provincial Grants	\$ 225,605,899	\$ 221,825,277	\$ 3,780,622
Tuition	5,600,000	5,600,000	-
Other Revenue	11,074,130	11,007,995	66,135
Investment Income	650,000	890,500	(240,500)
Amortization of Deferred Cap Revenue	8,340,880	8,192,707	148,173
<b>Total Revenue</b>	<b>\$ 251,270,909</b>	<b>\$ 247,516,479</b>	<b>\$ 3,754,430</b>
<b>Expense</b>			
Instruction	\$ 208,084,419	\$ 204,622,137	\$ 3,462,282
District Administration	6,270,721	6,173,486	97,235
Operations and Maintenance	36,546,004	36,637,336	(91,332)
Transportation and Housing	4,044,253	4,043,149	1,104
<b>Total Expense</b>	<b>\$ 254,945,397</b>	<b>\$ 251,476,108</b>	<b>\$ 3,469,289</b>
<b>Net Revenue (Expense)</b>	<b>\$ (3,674,488)</b>	<b>\$ (3,959,629)</b>	<b>\$ 285,141</b>
Budget Allocation of Surplus (Deficit)	4,869,680	4,239,028	630,652
<b>Budget Surplus (Deficit), for the year</b>	<b>\$ 1,195,192</b>	<b>\$ 279,399</b>	<b>\$ 915,793</b>

**School District No. 23 (Central Okanagan)**

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund  
Year Ended June 30, 2019

	Operating Fund	Special Purpose Fund	Capital Fund	2019 Actual	2018 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	7,389,336		106,946,539	114,335,875	109,171,127
Changes for the year					
Surplus (Deficit) for the year	2,411,978	703,672	(4,418,182)	(1,302,532)	5,164,748
Interfund Transfers					
Tangible Capital Assets Purchased	(732,842)	(703,672)	1,436,514	-	
Local Capital	(3,178,413)		3,178,413	-	
Net Changes for the year	(1,499,277)	-	196,745	(1,302,532)	5,164,748
Accumulated Surplus (Deficit), end of year - Statement 2	5,890,059	-	107,143,284	113,033,343	114,335,875
Accumulated Remeasurement Gains (Losses) - Statement 3	1,313,169			1,313,169	750,978
	7,203,228	-	107,143,284	114,346,512	115,086,853

**School District No. 23 (Central Okanagan)**

Schedule 2 (Unaudited)

## Schedule of Operating Operations

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	204,244,457	207,911,121	198,814,251
Other	604,928	748,352	695,250
Tuition	5,600,000	5,423,538	5,886,182
Other Revenue	3,132,995	3,334,550	3,049,887
Rentals and Leases	575,000	693,048	613,124
Investment Income	800,000	486,612	859,731
<b>Total Revenue</b>	<b>214,957,380</b>	<b>218,597,221</b>	<b>209,918,425</b>
<b>Expenses</b>			
Instruction	181,161,096	182,934,768	174,843,957
District Administration	6,173,486	6,271,205	5,737,562
Operations and Maintenance	24,044,336	22,457,434	20,617,258
Transportation and Housing	4,043,149	4,521,836	4,178,802
<b>Total Expense</b>	<b>215,422,067</b>	<b>216,185,243</b>	<b>205,377,579</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>(464,687)</b>	<b>2,411,978</b>	<b>4,540,846</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>4,239,028</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(1,395,928)	(732,842)	(1,050,069)
Local Capital	(2,378,413)	(3,178,413)	(4,000,000)
<b>Total Net Transfers</b>	<b>(3,774,341)</b>	<b>(3,911,255)</b>	<b>(5,050,069)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>(1,499,277)</b>	<b>(509,223)</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>7,389,336</b>	<b>7,898,559</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>5,890,059</b>	<b>7,389,336</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted (Note 16)		<b>4,023,494</b>	<b>4,869,680</b>
Unrestricted		<b>1,866,565</b>	<b>2,519,656</b>
<b>Total Operating Surplus (Deficit), end of year</b>		<b>5,890,059</b>	<b>7,389,336</b>

# School District No. 23 (Central Okanagan)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2019

	2019 Budget \$	2019 Actual \$	2018 Actual \$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	203,079,126	205,949,625	196,417,663
ISC/LEA Recovery	(1,057,995)	(1,094,811)	(1,034,101)
Other Ministry of Education Grants			
Pay Equity	1,238,323	1,238,323	1,238,323
Funding for Graduated Adults	15,000	108,890	
Transportation Supplement	600,000	600,000	600,000
Economic Stability Dividend		259,954	134,530
Return of Administrative Savings			967,983
Carbon Tax Grant	120,003	165,522	164,666
Employer Health Tax Grant		517,658	
Strategic Priorities - Mental Health Grant		30,300	
Support Staff Benefits Grant		10,816	
BCTEA - LEA Capacity Building Grant		6,850	
FSA & Exam		27,292	27,292
Other		5,000	27,895
Salary Differential		85,702	
Shared Energy Manager	250,000		200,000
Cohesive Data			70,000
<b>Total Provincial Grants - Ministry of Education</b>	<b>204,244,457</b>	<b>207,911,121</b>	<b>198,814,251</b>
<b>Provincial Grants - Other</b>	<b>604,928</b>	<b>748,352</b>	<b>695,250</b>
<b>Tuition</b>			
International and Out of Province Students	5,600,000	5,423,538	5,886,182
<b>Total Tuition</b>	<b>5,600,000</b>	<b>5,423,538</b>	<b>5,886,182</b>
<b>Other Revenues</b>			
Other School District/Education Authorities	525,000	591,650	715,022
LEA Funding from First Nations	1,057,995	1,094,811	1,034,101
Miscellaneous			
Transportation Fees	900,000	819,103	486,964
Wage Recoveries	300,000	353,162	339,943
City of Kelowna	40,000	40,000	40,000
District of Lake Country	70,000	70,000	71,981
Other	240,000	365,824	361,876
<b>Total Other Revenue</b>	<b>3,132,995</b>	<b>3,334,550</b>	<b>3,049,887</b>
<b>Rentals and Leases</b>	<b>575,000</b>	<b>693,048</b>	<b>613,124</b>
<b>Investment Income</b>	<b>800,000</b>	<b>486,612</b>	<b>859,731</b>
<b>Total Operating Revenue</b>	<b>214,957,380</b>	<b>218,597,221</b>	<b>209,918,425</b>

**School District No. 23 (Central Okanagan)**

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	97,405,418	97,553,838	92,711,135
Principals and Vice Principals	11,302,073	11,532,441	10,950,478
Educational Assistants	14,479,605	15,181,643	14,107,613
Support Staff	20,838,024	20,718,076	19,073,882
Other Professionals	3,042,586	3,129,848	2,984,128
Substitutes	6,665,887	6,663,623	6,664,739
<b>Total Salaries</b>	<b>153,733,593</b>	<b>154,779,469</b>	<b>146,491,975</b>
<b>Employee Benefits</b>	<b>38,521,514</b>	<b>38,367,891</b>	<b>36,509,487</b>
<b>Total Salaries and Benefits</b>	<b>192,255,107</b>	<b>193,147,360</b>	<b>183,001,462</b>
<b>Services and Supplies</b>			
Services	5,289,439	5,351,555	5,323,378
Student Transportation	391,335	377,037	354,938
Professional Development and Travel	1,992,673	2,004,203	1,912,494
Rentals and Leases	1,317,000	131,203	136,573
Dues and Fees	396,500	428,871	421,885
Insurance	610,000	711,916	590,220
Supplies	9,468,674	10,363,854	9,993,256
Utilities	3,701,339	3,669,244	3,643,373
<b>Total Services and Supplies</b>	<b>23,166,960</b>	<b>23,037,883</b>	<b>22,376,117</b>
<b>Total Operating Expense</b>	<b>215,422,067</b>	<b>216,185,243</b>	<b>205,377,579</b>

# School District No. 23 (Central Okanagan)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

Schedule 2C (Unaudited)

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	80,726,204	831,672	319,088	1,243,924		5,840,035	88,960,923
1.03 Career Programs	751,814		63,330	323,527		32,101	1,170,772
1.07 Library Services	1,810,650	223,476		1,207,269	94,910	5,477	3,341,782
1.08 Counselling	2,472,880					19,110	2,491,990
1.10 Special Education	10,303,262	753,489	12,869,921	828,029		506,230	25,260,931
1.30 English Language Learning	788,479			66,339		3,315	858,133
1.31 Aboriginal Education	579,050	127,301	1,929,304	41,724		28,455	2,705,834
1.41 School Administration		8,850,324		3,358,489		56,414	12,265,227
1.62 International and Out of Province Students	121,499	147,906		47,649	260,971	8,553	586,578
<b>Total Function 1</b>	<b>97,553,838</b>	<b>10,934,168</b>	<b>15,181,643</b>	<b>7,116,950</b>	<b>355,881</b>	<b>6,499,690</b>	<b>137,642,170</b>
<b>4 District Administration</b>							
4.11 Educational Administration		327,935		189,360	564,328	130,127	1,211,750
4.40 School District Governance					141,531		141,531
4.41 Business Administration		270,338		947,026	1,167,616	33,806	2,418,786
<b>Total Function 4</b>	<b>-</b>	<b>598,273</b>	<b>-</b>	<b>1,136,386</b>	<b>1,873,475</b>	<b>163,933</b>	<b>3,772,067</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				195,621	539,172		734,793
5.50 Maintenance Operations				8,990,442	88,685		9,079,127
5.52 Maintenance of Grounds				838,726			838,726
5.56 Utilities				118,952	172,809		291,761
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,143,741</b>	<b>800,666</b>	<b>-</b>	<b>10,944,407</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration				163,108	99,826		262,934
7.70 Student Transportation				2,157,891			2,157,891
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,320,999</b>	<b>99,826</b>	<b>-</b>	<b>2,420,825</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>97,553,838</b>	<b>11,532,441</b>	<b>15,181,643</b>	<b>20,718,076</b>	<b>3,129,848</b>	<b>6,663,623</b>	<b>154,779,469</b>



# School District No. 23 (Central Okanagan)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

	Total Salaries \$	Employee Benefits \$	Total Salaries and Benefits \$	Services and Supplies \$	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>1 Instruction</b>							
1.02 Regular Instruction	88,960,923	21,515,059	110,475,982	8,042,365	118,518,347	118,240,666	112,770,291
1.03 Career Programs	1,170,772	314,336	1,485,108	100,021	1,585,129	1,642,294	1,544,227
1.07 Library Services	3,341,782	884,854	4,226,636	501,016	4,727,652	4,985,265	4,939,506
1.08 Counselling	2,491,990	607,415	3,099,405	3,589	3,102,994	3,626,153	3,163,733
1.10 Special Education	25,260,931	6,797,828	32,058,759	1,089,183	33,147,942	31,393,977	31,526,875
1.30 English Language Learning	858,133	206,490	1,064,623	35,918	1,100,541	998,192	917,201
1.31 Aboriginal Education	2,705,834	706,815	3,412,649	284,818	3,697,467	3,630,120	3,141,905
1.41 School Administration	12,265,227	2,746,141	15,011,368	67,456	15,078,824	14,363,199	14,743,024
1.62 International and Out of Province Students	586,578	130,871	717,449	1,258,423	1,975,872	2,281,230	2,097,195
<b>Total Function 1</b>	<b>137,642,170</b>	<b>33,909,809</b>	<b>171,551,979</b>	<b>11,382,789</b>	<b>182,934,768</b>	<b>181,161,096</b>	<b>174,843,957</b>
<b>4 District Administration</b>							
4.11 Educational Administration	1,211,750	282,452	1,494,202	334,433	1,828,635	1,784,485	1,767,981
4.40 School District Governance	141,531	3,429	144,960	162,895	307,855	309,007	262,879
4.41 Business Administration	2,418,786	568,426	2,987,212	1,147,503	4,134,715	4,079,994	3,706,702
<b>Total Function 4</b>	<b>3,772,067</b>	<b>854,307</b>	<b>4,626,374</b>	<b>1,644,831</b>	<b>6,271,205</b>	<b>6,173,486</b>	<b>5,737,562</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	734,793	170,461	905,254	598,221	1,503,475	1,440,173	1,351,213
5.50 Maintenance Operations	9,079,127	2,517,615	11,596,742	3,125,977	14,722,719	16,191,490	13,357,768
5.52 Maintenance of Grounds	838,726	167,481	1,006,207	449,581	1,455,788	1,410,262	1,281,699
5.56 Utilities	291,761	60,129	351,890	4,423,562	4,775,452	5,002,411	4,626,578
<b>Total Function 5</b>	<b>10,944,407</b>	<b>2,915,686</b>	<b>13,860,093</b>	<b>8,597,341</b>	<b>22,457,434</b>	<b>24,044,336</b>	<b>20,617,258</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	262,934	54,750	317,684	2,358	320,042	325,578	309,200
7.70 Student Transportation	2,157,891	633,339	2,791,230	1,410,564	4,201,794	3,717,571	3,869,602
<b>Total Function 7</b>	<b>2,420,825</b>	<b>688,089</b>	<b>3,108,914</b>	<b>1,412,922</b>	<b>4,521,836</b>	<b>4,043,149</b>	<b>4,178,802</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	-	-	-	-	-	-	-
<b>Total Functions 1 - 9</b>	<b>154,779,469</b>	<b>38,367,891</b>	<b>193,147,360</b>	<b>23,037,883</b>	<b>216,185,243</b>	<b>215,422,067</b>	<b>205,377,579</b>

**School District No. 23 (Central Okanagan)**

Schedule 3 (Unaudited)

## Schedule of Special Purpose Operations

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	16,975,892	17,241,496	16,662,719
Other Revenue	7,300,000	7,873,043	8,017,283
Investment Income	500	17,231	898
<b>Total Revenue</b>	<u>24,276,392</u>	<u>25,131,770</u>	<u>24,680,900</u>
<b>Expenses</b>			
Instruction	23,461,041	24,428,098	24,113,549
<b>Total Expense</b>	<u>23,461,041</u>	<u>24,428,098</u>	<u>24,113,549</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>815,351</u>	<u>703,672</u>	<u>567,351</u>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(815,351)	(703,672)	(567,351)
<b>Total Net Transfers</b>	<u>(815,351)</u>	<u>(703,672)</u>	<u>(567,351)</u>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Special Purpose Surplus (Deficit), beginning of year</b>			
<b>Special Purpose Surplus (Deficit), end of year</b>		<u>-</u>	<u>-</u>

# School District No. 23 (Central Okanagan)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2019

Schedule 3A (Unaudited)

	Coding and Curriculum Implementation	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	Provincial Resource Program	TOTAL
	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	23,164	-	-	37,108	4,706	3,950,547
Add: Restricted Grants						
Provincial Grants - Ministry of Education		616,135	12,916,104	10,650	177,423	17,232,999
Other				1,458		7,990,949
Investment Income						17,231
	-	616,135	12,916,104	12,108	177,423	25,241,179
Less: Allocated to Revenue	23,164	616,135	12,916,104	12,108	175,734	25,131,770
Recovered				37,108		37,108
Deferred Revenue, end of year	-	-	-	-	6,395	4,022,848
Revenues						
Provincial Grants - Ministry of Education	23,164	616,135	12,916,104	10,650	175,734	17,241,496
Other Revenue				1,458		7,873,043
Investment Income						17,231
	23,164	616,135	12,916,104	12,108	175,734	25,131,770
Expenses						
Salaries						
Teachers			10,374,199	12,108	89,839	10,711,233
Educational Assistants						601,774
Support Staff		96,250				288,876
Other Professionals						28,991
Substitutes		473,510			390	557,331
	-	569,760	10,374,199	12,108	90,229	12,188,205
Employee Benefits		18,907	2,541,905		21,374	2,801,653
Services and Supplies	23,164	27,468			64,131	9,438,240
	23,164	616,135	12,916,104	12,108	175,734	24,428,098
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	703,672
Interfund Transfers						
Tangible Capital Assets Purchased						(703,672)
	-	-	-	-	-	(703,672)
Net Revenue (Expense)	-	-	-	-	-	-

# School District No. 23 (Central Okanagan)

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2019

Schedule 3A (Unaudited)

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	361,094	-	30,187	91,684	3,362,383	-	-	-	40,221
Add: Restricted Grants									
Provincial Grants - Ministry of Education	785,351	786,857				256,000	75,950	366,595	1,241,934
Other					7,990,949				
Investment Income	14,192								1,581
	799,543	786,857	-	-	7,990,949	256,000	75,950	366,595	1,243,515
Less: Allocated to Revenue	759,402	711,638	8,122	91,684	7,873,043	256,000	75,950	343,695	1,268,991
Recovered									
Deferred Revenue, end of year	401,235	75,219	22,065	-	3,480,289	-	-	22,900	14,745
Revenues									
Provincial Grants - Ministry of Education	745,210	711,638	8,122	91,684		256,000	75,950	343,695	1,267,410
Other Revenue					7,873,043				
Investment Income	14,192								1,581
	759,402	711,638	8,122	91,684	7,873,043	256,000	75,950	343,695	1,268,991
Expenses									
Salaries									
Teachers					55,894		46,950	78,250	53,993
Educational Assistants		601,774							
Support Staff						192,626			
Other Professionals				28,991					
Substitutes		1,085						82,346	
	-	602,859	-	28,991	55,894	192,626	46,950	160,596	53,993
Employee Benefits		108,779		6,028	13,750	46,827	11,550	19,250	13,283
Services and Supplies	66,851			56,665	7,803,399	16,547	17,450	160,850	1,201,715
	66,851	711,638	-	91,684	7,873,043	256,000	75,950	340,696	1,268,991
Net Revenue (Expense) before Interfund Transfers	692,551	-	8,122	-	-	-	-	2,999	-
Interfund Transfers									
Tangible Capital Assets Purchased	(692,551)		(8,122)					(2,999)	
	(692,551)	-	(8,122)	-	-	-	-	(2,999)	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

# School District No. 23 (Central Okanagan)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2019

	2019 Budget	2019 Actual			2018 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education		79,181		79,181	27,241
Other Revenue			53,360	53,360	87,499
Investment Income	90,000		95,906	95,906	90,262
Gain (Loss) on Disposal of Tangible Capital Assets		209,745		209,745	4,398,712
Amortization of Deferred Capital Revenue	8,192,707	8,340,880		8,340,880	8,192,707
<b>Total Revenue</b>	<b>8,282,707</b>	<b>8,629,806</b>	<b>149,266</b>	<b>8,779,072</b>	<b>12,796,421</b>
<b>Expenses</b>					
Operations and Maintenance			2,203	2,203	146,304
Amortization of Tangible Capital Assets					
Operations and Maintenance	12,593,000	13,195,051		13,195,051	12,593,566
<b>Total Expense</b>	<b>12,593,000</b>	<b>13,195,051</b>	<b>2,203</b>	<b>13,197,254</b>	<b>12,739,870</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>(4,310,293)</b>	<b>(4,565,245)</b>	<b>147,063</b>	<b>(4,418,182)</b>	<b>56,551</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	2,211,279	1,436,514		1,436,514	1,617,420
Local Capital	2,378,413		3,178,413	3,178,413	4,000,000
<b>Total Net Transfers</b>	<b>4,589,692</b>	<b>1,436,514</b>	<b>3,178,413</b>	<b>4,614,927</b>	<b>5,617,420</b>
<b>Other Adjustments to Fund Balances</b>					
District Portion of Proceeds on Disposal		(453,190)	453,190	-	
Tangible Capital Assets Purchased from Local Capital		3,605,598	(3,605,598)	-	
<b>Total Other Adjustments to Fund Balances</b>		<b>3,152,408</b>	<b>(3,152,408)</b>	<b>-</b>	
<b>Total Capital Surplus (Deficit) for the year</b>	<b>279,399</b>	<b>23,677</b>	<b>173,068</b>	<b>196,745</b>	<b>5,673,971</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>104,506,262</b>	<b>2,440,277</b>	<b>106,946,539</b>	<b>101,272,568</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>104,529,939</b>	<b>2,613,345</b>	<b>107,143,284</b>	<b>106,946,539</b>

# School District No. 23 (Central Okanagan)

Tangible Capital Assets  
Year Ended June 30, 2019

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	53,782,634	378,013,175	10,828,123	7,249,237	32,841	14,333,217	464,239,227
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	79,181	4,767,750	363,668	2,022,550			7,233,149
Deferred Capital Revenue - Other			228,681				228,681
Operating Fund		230,276	308,763			193,803	732,842
Special Purpose Funds		692,551	8,122			2,999	703,672
Local Capital		840,950	235,390	71,688		2,457,570	3,605,598
	79,181	6,531,527	1,144,624	2,094,238	-	2,654,372	12,503,942
Decrease:							
Disposed of	207,454	249,075					456,529
Deemed Disposals			1,713,692	457,100		2,510,304	4,681,096
	207,454	249,075	1,713,692	457,100	-	2,510,304	5,137,625
Cost, end of year	53,654,361	384,295,627	10,259,055	8,886,375	32,841	14,477,285	471,605,544
Work in Progress, end of year		35,000,550					35,000,550
Cost and Work in Progress, end of year	53,654,361	419,296,177	10,259,055	8,886,375	32,841	14,477,285	506,606,094
Accumulated Amortization, beginning of year		167,518,735	4,990,254	2,836,168	10,810	5,201,083	180,557,050
Changes for the Year							
Increase: Amortization for the Year		8,514,102	1,082,813	724,924	6,569	2,866,643	13,195,051
Decrease:							
Disposed of		213,084					213,084
Deemed Disposals			1,713,692	457,100		2,510,304	4,681,096
		213,084	1,713,692	457,100	-	2,510,304	4,894,180
Accumulated Amortization, end of year		175,819,753	4,359,375	3,103,992	17,379	5,557,422	188,857,921
Tangible Capital Assets - Net	53,654,361	243,476,424	5,899,680	5,782,383	15,462	8,919,863	317,748,173

**School District No. 23 (Central Okanagan)**

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2019

	<b>Buildings</b>	<b>Furniture and Equipment</b>	<b>Computer Software</b>	<b>Computer Hardware</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Work in Progress, beginning of year</b>	4,986,036				4,986,036
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	30,014,514				30,014,514
	30,014,514	-	-	-	30,014,514
<b>Net Changes for the Year</b>	30,014,514	-	-	-	30,014,514
<b>Work in Progress, end of year</b>	35,000,550	-	-	-	35,000,550

**School District No. 23 (Central Okanagan)**

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2019

	<b>Bylaw Capital \$</b>	<b>Other Provincial \$</b>	<b>Other Capital \$</b>	<b>Total Capital \$</b>
<b>Deferred Capital Revenue, beginning of year</b>	179,143,340	4,530,237	287,006	183,960,583
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	7,153,968	25,944	202,737	7,382,649
	7,153,968	25,944	202,737	7,382,649
Decrease:				
Amortization of Deferred Capital Revenue	8,101,396	156,973	82,511	8,340,880
	8,101,396	156,973	82,511	8,340,880
<b>Net Changes for the Year</b>	(947,428)	(131,029)	120,226	(958,231)
<b>Deferred Capital Revenue, end of year</b>	178,195,912	4,399,208	407,232	183,002,352
<b>Work in Progress, beginning of year</b>				-
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	30,014,514			30,014,514
	30,014,514	-	-	30,014,514
<b>Net Changes for the Year</b>	30,014,514	-	-	30,014,514
<b>Work in Progress, end of year</b>	30,014,514	-	-	30,014,514
<b>Total Deferred Capital Revenue, end of year</b>	208,210,426	4,399,208	407,232	213,016,866



# School District No. 23 (Central Okanagan)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2019

Schedule 4D (Unaudited)

	Bylaw Capital \$	MEd Restricted Capital \$	Other Provincial Capital \$	Land Capital \$	Other Capital \$	Total \$
Balance, beginning of year	21,185	-	43,150	2,449,357		2,513,692
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	37,316,038					37,316,038
Provincial Grants - Other			12,372			12,372
Other					202,737	202,737
Investment Income				96,263		96,263
MEd Restricted Portion of Proceeds on Disposal		1,359,566				1,359,566
School Site Acquisition Charges				1,308,367		1,308,367
	37,316,038	1,359,566	12,372	1,404,630	202,737	40,295,343
Decrease:						
Transferred to DCR - Capital Additions	7,153,968		25,944		202,737	7,382,649
Transferred to DCR - Work in Progress	30,014,514					30,014,514
Transferred to Revenue - Site Purchases	79,181					79,181
	37,247,663	-	25,944	-	202,737	37,476,344
Net Changes for the Year	68,375	1,359,566	(13,572)	1,404,630	-	2,818,999
Balance, end of year	89,560	1,359,566	29,578	3,853,987	-	5,332,691

