

Audited Financial Statements of

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

And Independent Auditors' Report thereon

June 30, 2022

# School District No. 23 (Central Okanagan)

June 30, 2022

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# School District No. 23 (Central Okanagan)

## MANAGEMENT REPORT

Version: 2329-1583-8600

### 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

*September 26, 2022*  
\_\_\_\_\_  
Date Signed

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

*September 26, 2022*  
\_\_\_\_\_  
Date Signed

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

*Sept 26/2022*  
\_\_\_\_\_  
Date Signed

# Independent auditor's report

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

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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, 2022, 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, 2022 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 – Basis of accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the District to comply with the financial reporting provisions of Section 23.1. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

## Emphasis of matter – Restated comparative information

We draw attention to Note 21 to the financial statements, which explains that certain comparative information presented for the year ended June 30, 2021 has been restated. Our opinion is not modified in respect of this matter.

## Other matter – Supplementary Information

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 not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

## Other information

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 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, handwritten-style script.

Kelowna, Canada  
September 21, 2022

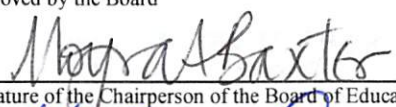
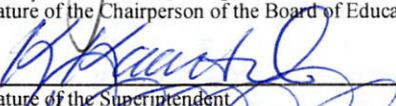
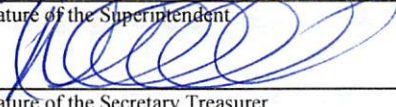
Chartered Professional Accountants

# School District No. 23 (Central Okanagan)

Statement 1

## Statement of Financial Position

As at June 30, 2022

	2022 Actual	2021 Actual (Restated - Note 21)
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents (Note 3)	54,400,007	60,407,491
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	1,402,727	2,542,993
Due from First Nations	-	329,203
Other (Note 4)	4,024,393	1,192,314
Portfolio Investments	13,387,940	14,521,205
<b>Total Financial Assets</b>	<b>73,215,067</b>	<b>78,993,206</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	17,496,998	19,487,373
Unearned Revenue (Note 7)	4,064,999	3,556,866
Deferred Revenue (Note 8)	4,463,390	3,780,028
Deferred Capital Revenue (Note 9)	252,296,283	252,437,104
Employee Future Benefits (Note 10)	10,725,549	10,542,551
Other Liabilities (Note 11)	13,413,823	11,597,648
<b>Total Liabilities</b>	<b>302,461,042</b>	<b>301,401,570</b>
<b>Net Debt</b>	<b>(229,245,975)</b>	<b>(222,408,364)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 12)	344,908,223	338,257,260
Prepaid Expenses (Note 13)	635,259	387,424
Supplies Inventory	237,619	221,950
<b>Total Non-Financial Assets</b>	<b>345,781,101</b>	<b>338,866,634</b>
<b>Accumulated Surplus (Deficit)</b>	<b>116,535,126</b>	<b>116,458,270</b>
<b>Accumulated Surplus (Deficit) is comprised of:</b>		
Accumulated Surplus (Deficit) from Operations	116,583,429	114,962,177
Accumulated Remeasurement Gains (Losses)	(48,303)	1,496,093
	<b>116,535,126</b>	<b>116,458,270</b>
Contractual Obligations (Note 19)		
Contingent Liabilities (Note 20)		
Approved by the Board		
	September 26, 2022	Date Signed
Signature of the Chairperson of the Board of Education		
	September 26, 2022	Date Signed
Signature of the Superintendent		
	Sept 26/2022	Date Signed
Signature of the Secretary Treasurer		

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

Statement 2

Statement of Operations

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 21)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	254,022,922	263,995,865	260,519,968
Other	760,288	630,677	589,043
Municipal Grants Spent on Sites		5,076,108	
Federal Grants	153,150	171,550	148,623
Tuition	5,220,000	6,341,761	3,726,557
Other Revenue	11,708,867	10,159,755	8,131,854
Rentals and Leases	575,000	602,622	446,356
Investment Income	425,000	627,868	611,606
Amortization of Deferred Capital Revenue	9,634,719	10,315,394	9,735,495
<b>Total Revenue</b>	<b>282,499,946</b>	<b>297,921,600</b>	<b>283,909,502</b>
<b>Expenses</b>			
Instruction	235,938,066	242,833,497	229,723,248
District Administration	7,691,454	7,478,002	6,850,083
Operations and Maintenance	38,952,910	40,445,698	40,997,139
Transportation and Housing	4,808,809	5,543,151	5,078,815
<b>Total Expense</b>	<b>287,391,239</b>	<b>296,300,348</b>	<b>282,649,285</b>
<b>Surplus (Deficit) for the year</b>	<b>(4,891,293)</b>	<b>1,621,252</b>	<b>1,260,217</b>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>114,962,177</b>	<b>113,701,960</b>
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<b>116,583,429</b>	<b>114,962,177</b>

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

Statement 3

## Statement of Remeasurement Gains and Losses

Year Ended June 30, 2022

	2022 Actual	2021 Actual (Restated - Note 21)
	\$	\$
Accumulated Remeasurement Gains (Losses) at beginning of year	1,496,093	1,683,341
Unrealized Gains (Losses) attributable to: Portfolio Investments	(1,119,914)	159,361
Amounts Reclassified to the Statement of Operations: Portfolio Investments	(424,482)	(346,609)
Net Remeasurement Gains (Losses) for the year	(1,544,396)	(187,248)
Accumulated Remeasurement Gains (Losses) at end of year	(48,303)	1,496,093



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

Statement 4

## Statement of Changes in Net Debt

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 21)
	\$	\$	\$
<b>Surplus (Deficit) for the year</b>	<b>(4,891,293)</b>	<b>1,621,252</b>	<b>1,260,217</b>
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(30,288,889)	(22,037,905)	(33,163,852)
Amortization of Tangible Capital Assets	14,452,303	15,386,942	14,627,928
<b>Total Effect of change in Tangible Capital Assets</b>	<b>(15,836,586)</b>	<b>(6,650,963)</b>	<b>(18,535,924)</b>
Acquisition of Prepaid Expenses		(250,335)	(222,219)
Use of Prepaid Expenses		2,500	275,436
Acquisition of Supplies Inventory		(1,230,723)	(1,329,631)
Use of Supplies Inventory		1,215,054	1,309,973
<b>Total Effect of change in Other Non-Financial Assets</b>	<b>-</b>	<b>(263,504)</b>	<b>33,559</b>
<b>(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)</b>	<b>(20,727,879)</b>	<b>(5,293,215)</b>	<b>(17,242,148)</b>
<b>Net Remeasurement Gains (Losses)</b>		<b>(1,544,396)</b>	<b>(187,248)</b>
<b>(Increase) Decrease in Net Debt</b>		<b>(6,837,611)</b>	<b>(17,429,396)</b>
<b>Net Debt, beginning of year</b>		<b>(222,408,364)</b>	<b>(204,978,968)</b>
<b>Net Debt, end of year</b>		<b>(229,245,975)</b>	<b>(222,408,364)</b>

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

Statement 5

## Statement of Cash Flows

Year Ended June 30, 2022

	2022 Actual	2021 Actual
	(Restated - Note 21)	
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	1,621,252	1,260,217
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(1,362,610)	(887,748)
Supplies Inventories	(15,669)	(19,658)
Prepaid Expenses	(247,835)	53,217
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(1,990,375)	4,683,661
Unearned Revenue	508,133	1,943,702
Deferred Revenue	683,362	(33,071)
Employee Future Benefits	182,998	388,500
Other Liabilities	1,816,175	2,300,878
Amortization of Tangible Capital Assets	15,386,942	14,627,928
Amortization of Deferred Capital Revenue	(10,315,394)	(9,735,495)
Recognition of Deferred Capital Revenue Spent on Sites	(7,073,733)	(13,166)
<b>Total Operating Transactions</b>	<b>(806,754)</b>	<b>14,568,965</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(19,066,850)	(12,545,988)
Tangible Capital Assets -WIP Purchased	(2,971,055)	(20,617,864)
<b>Total Capital Transactions</b>	<b>(22,037,905)</b>	<b>(33,163,852)</b>
<b>Financing Transactions</b>		
Capital Revenue Received	17,248,306	37,418,105
<b>Total Financing Transactions</b>	<b>17,248,306</b>	<b>37,418,105</b>
<b>Investing Transactions</b>		
Investments in Portfolio Investments	1,133,265	(280,562)
Decrease in remeasurement Gains (Losses)	(1,544,396)	(187,248)
<b>Total Investing Transactions</b>	<b>(411,131)</b>	<b>(467,810)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(6,007,484)</b>	<b>18,355,408</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>60,407,491</b>	<b>42,052,083</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>54,400,007</b>	<b>60,407,491</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	34,751,575	37,026,300
Cash Equivalents	19,648,432	23,381,191
	<b>54,400,007</b>	<b>60,407,491</b>

**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.

The COVID19 outbreak was declared a pandemic by the World Health Organization in March 2020 and has had a significant financial, market and social dislocating impact worldwide. Under direction of the Provincial Health Officer, all schools suspended in-class instruction in March 2020 and the District remained open to continue to support students and families in a variety of ways. Parents were given the choice to send their children back to school on a gradual and part-time basis beginning June 1, 2020 and full-time beginning Sept 1, 2020 with new health and safety guidelines. The ongoing impact of the pandemic presents uncertainty over future cash flows, may have a significant impact on future operations including decreases in revenue, impairment of receivables, reduction in investment income and delays in completing capital project work. As the situation is dynamic and the ultimate duration and magnitude of the impact are not known, an estimate of the future financial effect on the District is not practicable at this time.

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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 that:

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410; and
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

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

The impact of this difference on the financial statements of the School District is as follows:

Year ended June 30, 2021 - increase in annual surplus by	<u>\$ 17,353,465</u>
June 30, 2021 - increase in accumulated surplus & decrease in deferred contributions by	<u>\$ 234,149,585</u>
Year ended June 30, 2022 - decrease in annual surplus by	<u>\$ (4,652,151)</u>
June 30, 2022 - increase in accumulated surplus & decrease in deferred contributions by	<u>\$ 234,653,242</u>

**(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.

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

**(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 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



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

**(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.

**(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 (EARS<sub>L</sub>) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2022 and projected to March 31, 2025. The next valuation will be performed at March 31, 2025 for use at June 30, 2025. 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.

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

**(k) Asset retirement obligations**

PS3280 (for fiscal years beginning on or after April 1, 2022 – see Note 2 r)

(Prior to implementation of PS3280, refer to GAAP Hierarchy in PS 1150 for other sources of GAAP, which may include international financial reporting standards or Canadian accounting standards for private enterprise.)

A liability is recognized when, as at the financial reporting date:

- (a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (b) the past transaction or event giving rise to the liability has occurred;
- (c) it is expected that future economic benefits will be given up; and
- (d) a reasonable estimate of the amount can be made.

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 [Consolidated] 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.

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.

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

**(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).

**(r) Future Change in Accounting Policies**

*PS 3280 Asset Retirement Obligations* issued August 2018 establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets and is effective July 1, 2022. A liability will be recognized when, as at the financial reporting date:

- (a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (b) the past transaction or event giving rise to the liability has occurred;
- (c) it is expected that future economic benefits will be given up; and
- (d) a reasonable estimate of the amount can be made.

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.



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

**(r) Future Change in Accounting Policies (*continued*)**

A modified retroactive application has been recommended by Government. Management is in the process of assessing the impact of adopting this standard on the School District's financial results.

**PS 3400 Revenue** issued November 2018 establishes standards on how to account for and report on revenue and is effective July 1, 2023. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

Revenue from transactions with performance obligations should be recognized when (or as) the school district satisfies a performance obligation by providing the promised goods or services to a payor.

Revenue from transactions with no performance obligations should be recognized when a school district:

- (a) has the authority to claim or retain an inflow of economic resources; and
- (b) identifies a past transaction or event that gives rise to an asset.

This standard may be applied retroactively or prospectively. Management is in the process of assessing the impact of adopting this standard on the School District's financial results.

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**3. Cash and cash equivalents**

Included in cash and cash equivalents are funds in the amount of \$402,285 (2021 - \$371,457), 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 \$10,389,915 (2021 - \$9,999,124), 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**

	2022	2021
GST rebate	\$ 315,291	\$ 347,068
Invoices receivable	482,270	218,192
Long term receivable	135,502	225,567
Other receivable	<u>3,091,330</u>	<u>401,487</u>
<b>Total accounts receivable - other</b>	<b><u>\$ 4,024,393</u></b>	<b><u>\$ 1,192,314</u></b>

**School District No. 23 (Central Okanagan)**  
**Notes to the Financial Statements**  
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**5. Accounts payable and accrued liabilities - other**

	2022	2021
Trade	\$ 2,335,532	\$ 1,905,320
International Education	2,205,139	2,009,705
Summer Savings program	10,389,965	9,999,124
Deferred Salary Leave program	402,719	371,457
Miscellaneous	<u>2,163,643</u>	<u>5,201,767</u>
<b>Total accounts payable and accrued liabilities - other</b>	<b><u>\$ 17,496,998</u></b>	<b><u>\$ 19,487,373</u></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, 2020 the balance outstanding under this credit facility was \$nil (2021 – \$nil).

**7. Unearned revenue**

	2022	2021
Balance, beginning of year	\$ 3,556,866	\$ 1,613,164
Changes for the year:		
Increase:		
Tuition fees	6,380,480	4,990,215
Other	<u>-</u>	<u>3,541</u>
	<u>6,380,480</u>	<u>4,993,756</u>
Decrease:		
Tuition fees	(5,872,347)	(3,040,748)
Other	<u>-</u>	<u>(9,306)</u>
	<u>(5,872,347)</u>	<u>(3,050,054)</u>
<b>Balance, end of year</b>	<b><u>\$ 4,064,999</u></b>	<b><u>\$ 3,556,866</u></b>
	2022	2021
<b>Unearned revenue comprised of:</b>		
Tuition fees	\$ 4,061,458	\$ 3,553,325
Other	<u>3,541</u>	<u>3,541</u>
	<b><u>\$ 4,064,999</u></b>	<b><u>\$ 3,556,866</u></b>

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**School District No. 23 (Central Okanagan)**  
**Notes to the Financial Statements**  
**June 30, 2022**

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**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.

	2022	2021
Balance, beginning of year	\$ 3,780,028	\$ 3,813,099
Contributions received during the year	31,427,662	36,826,207
Revenue recognized from deferred contributions	(30,744,300)	(36,859,278)
	<u>683,362</u>	<u>(33,071)</u>
Balance, end of year	\$ <u>4,463,390</u>	\$ <u>3,780,028</u>

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**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.

	2022	2021
Balance, beginning of year	\$ 252,437,104	\$ 229,721,916
Prior Period Adjustment (Note 21)	-	(5,055,032)
Balance, beginning of year, restated	\$ 252,437,104	\$ 224,666,884
Contributions received during the year	17,037,599	37,301,773
Investment income	210,707	116,332
Revenue recognized from deferred contributions	(10,315,394)	(9,634,719)
Site purchases	(7,073,733)	(13,166)
Balance, end of year	\$ <u>252,296,283</u>	\$ <u>252,437,104</u>

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

	2022	2021
<b>Reconciliation of accrued benefit obligation</b>		
Accrued benefit obligation - April 1	\$ 9,543,963	\$ 9,555,777
Service cost	868,271	871,167
Interest cost	248,596	224,114
Benefit payments	(928,546)	(584,851)
Actuarial loss (gain)	(30,956)	(522,244)
<b>Accrued benefit obligation - March 31</b>	<b>\$ 9,701,328</b>	<b>\$ 9,543,963</b>
<b>Reconciliation of funded status at end of fiscal year</b>		
Accrued benefit obligation - March 31	\$ (9,701,328)	\$ (9,543,963)
Employer contributions after measurement date	257,076	316,701
Benefit expense after measurement date	(304,370)	(279,217)
Unamortized net actuarial (gain) loss	(976,927)	(1,036,072)
<b>Accrued benefit obligation - June 30</b>	<b>\$ (10,725,549)</b>	<b>\$ (10,542,551)</b>
<b>Reconciliation of change in accrued benefit liability</b>		
Accrued benefit liability - July 1	\$ 10,542,551	\$ 10,154,050
Net expense for fiscal year	1,051,920	1,050,962
Employer contributions	(868,922)	(662,461)
<b>Accrued benefit liability - June 30</b>	<b>\$ 10,725,549</b>	<b>\$ 10,542,551</b>
<b>Components of net benefit expense</b>		
Service cost	\$ 874,492	\$ 870,443
Interest cost	267,529	230,235
Amortization of net actuarial (gain) loss	(90,101)	(49,716)
<b>Net benefit expense</b>	<b>\$ 1,051,920</b>	<b>\$ 1,050,962</b>

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

	2022	2021
Discount rate - April 1	2.50%	2.25%
Discount rate - March 31	3.25%	2.50%
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	10.9	10.1

The impact of changes in assumptions between the March 31, 2022 measurement date and June 30, 2022 reporting date have been considered and are not considered to be material.

**School District No. 23 (Central Okanagan)**  
**Notes to the Financial Statements**  
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**11. Other liabilities**

	2022	2021
Accrued vacation payable	\$ 1,652,857	\$ 1,652,857
Benefits payable	10,091,654	8,206,523
Wages payable	1,247,360	1,377,154
Other payables	421,952	361,114
<b>Total other liabilities</b>	<b>\$ 13,413,823</b>	<b>\$ 11,597,648</b>

**12. Tangible capital assets**

	2022	2021
<b><u>Net Book Value</u></b>		
Sites	\$ 60,874,434	\$ 53,800,701
Buildings	261,198,316	232,953,940
Buildings - WIP	2,971,055	31,244,224
Computer hardware	6,671,074	7,213,242
Computer software	3,907	7,747
Furniture & equipment	8,274,529	7,524,467
Vehicles	4,914,908	5,512,939
<b>Total</b>	<b>\$ 344,908,223</b>	<b>\$ 338,257,260</b>

	Balance at July 1, 2021	Additions	Disposals	Net WIP Transfer	Balance at June 30, 2022
<b><u>Cost</u></b>					
Sites	\$ 53,800,701	\$ 7,073,733	\$ -	\$ -	\$ 60,874,434
Buildings	431,924,959	7,234,641	-	31,244,224	470,403,824
Buildings - WIP	31,244,224	2,971,055	-	(31,244,224)	2,971,055
Computer hardware	14,367,516	2,385,686	(1,842,204)	-	14,910,998
Computer software	26,411	-	(14,429)	-	11,982
Furniture & equipment	12,553,717	2,056,966	(1,026,286)	-	13,584,397
Vehicles	9,081,914	315,824	(202,553)	-	9,195,185
<b>Total</b>	<b>\$ 552,999,442</b>	<b>\$ 22,037,905</b>	<b>\$ (3,085,472)</b>	<b>\$ -</b>	<b>\$ 571,951,875</b>
<b><u>Acc. Amortization</u></b>					
Buildings	\$ 198,971,019	\$ 10,234,489	\$ -	\$ -	\$ 209,205,508
Computer hardware	7,154,276	2,927,852	(1,842,204)	-	8,239,924
Computer software	18,664	3,840	(14,429)	-	8,075
Furniture & equipment	5,029,248	1,306,906	(1,026,286)	-	5,309,868
Vehicles	3,568,975	913,855	(202,553)	-	4,280,277
<b>Total</b>	<b>\$ 214,742,182</b>	<b>\$ 15,386,942</b>	<b>\$ (3,085,472)</b>	<b>\$ -</b>	<b>\$ 227,043,652</b>



School District No. 23 (Central Okanagan)  
Notes to the Financial Statements  
June 30, 2022

12. Tangible capital assets (continued)

	Balance at July 1, 2020	Prior Period Adjustment (Note 21)	Balance at July 1, 2020 Restated	Additions	Disposals	Net WIP Transfers	Balance at July 1, 2021
<b>Cost</b>							
Sites	\$ 53,787,535	\$ -	\$ 53,787,535	\$ 13,166	\$ -	\$ -	\$ 53,800,701
Buildings	425,515,980	-	425,515,980	6,408,979	-	-	431,924,959
Buildings - WIP	10,626,360	-	10,626,360	20,617,864	-	-	31,244,224
Computer hardware	13,528,791	-	13,528,791	3,040,075	(2,201,350)	-	14,367,516
Computer software	26,411	-	26,411	-	-	-	26,411
Furniture & equipment	11,227,070	-	11,227,070	2,022,219	(695,572)	-	12,553,717
Vehicles	9,722,641	-	9,722,641	1,061,549	(1,702,276)	-	9,081,914
<b>Total</b>	<b>\$ 524,434,788</b>	<b>\$ -</b>	<b>\$ 524,434,788</b>	<b>\$ 33,163,852</b>	<b>\$ (4,599,198)</b>	<b>\$ -</b>	<b>\$ 552,999,442</b>
<b>Acc. Amortization</b>							
Buildings	\$ 184,465,889	\$ 4,858,840	\$ 189,324,729	\$ 9,646,290	\$ 0	\$ -	\$ 198,971,019
Computer hardware	5,213,112	1,436,753	6,649,865	2,705,759	(2,201,350)	-	7,154,274
Computer software	10,740	2,641	13,381	5,283	0	-	18,664
Furniture & equipment	3,974,430	627,685	4,602,115	1,122,707	(695,572)	-	5,029,250
Vehicles	3,844,888	454,099	4,298,987	972,264	(1,702,276)	-	3,568,975
<b>Total</b>	<b>\$ 197,509,059</b>	<b>\$ 7,380,018</b>	<b>\$ 204,889,077</b>	<b>\$ 14,452,303</b>	<b>\$ (4,599,198)</b>	<b>\$ -</b>	<b>\$ 214,742,182</b>

Buildings - WIP having a value of \$2,971,055 (2021 - \$31,244,224) has not been amortized. Amortization of these assets will commence when the assets are put in service.

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**School District No. 23 (Central Okanagan)**  
**Notes to the Financial Statements**  
**June 30, 2022**

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**13. Prepaid expenses**

	2022	2021
Prepaid software licensing	\$ 635,259	\$ 387,424

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**14. 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, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2021, the Teachers' Pension Plan has about 50,000 active members from school districts and approximately 40,000 retired members. As at December 31, 2021, the Municipal Pension Plan has about 227,000 active members, including approximately 29,000 from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and 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, 2020 indicated a \$1,584 million surplus for basic pension benefits on a going concern basis. The next valuation for the Teachers' Pension Plan will be as at December 31, 2023.

The most recent valuation for the Municipal Pension Plan as at December 31, 2018 indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis. The next valuation for the Municipal Pension Plan will be as at December 31, 2021 with results available in late 2022.

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 \$20,564,318 (2021 - \$19,894,350) for employer contributions to these plans in the year ended June 30, 2022.

**School District No. 23 (Central Okanagan)**  
**Notes to the Financial Statements**  
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**15. Internally restricted surplus - operating fund**

	2022	2021
Internally restricted (appropriated) by Board for:		
Appropriated for next year's budget	\$ 2,443,410	\$ 2,427,575
Net school surpluses	949,417	1,602,288
Operating holdback funds	-	721,327
Targeted indigenous program	583,833	456,806
CUPE training funds	108,772	97,871
Electric bus District contribution	-	313,266
International student exchange	32,450	32,450
Program funds	17,386	85,835
WCB core audit funds	54,000	30,000
Site renovations	-	79,424
Trustee travel	32,055	32,500
Professional development	-	22,920
Subtotal (internally restricted)	\$ 4,221,323	\$ 5,902,262
Unrestricted operating surplus	418,629	2,443,410
<b>Total available for future operations</b>	<b>\$ 4,639,952</b>	<b>\$ 8,345,672</b>

**16. Expense by object**

	2022	2021
Salaries and benefits	\$ 247,484,016	\$ 238,815,376
Services and supplies	33,429,390	29,205,981
Amortization on tangible capital assets	15,386,942	14,627,928
<b>Total expenses by object</b>	<b>\$ 296,300,348</b>	<b>\$ 282,649,285</b>

**17. Interfund transfers**

Inter-fund transfers between operating, special purpose and capital funds for the year ended June 30, 2022 were as follows:

- Transfers in the amount of \$718,014 (2021 - \$1,632,593) 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 \$1,015,838 (2021 - \$816,158) were made from the Operating Fund to the Capital Fund for capital asset purchases funded by the Operating Fund.
- Transfers in the amount of \$1,556,822 (2021 - \$3,573,907) were made from Local Capital within the Operating fund to the Capital Fund for capital asset purchases funded by Local Capital.

**18. 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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**19. Contractual obligations**

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

- Construction contracts, relating to various projects including, bus, playground, capital upgrades and Annual Facilities purchases, resulting in commitments of \$47,807,855 at June 30, 2022 (2021 - \$11,843,860). 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.
- In 2021, the District has entered into an agreement with the Minister of Children and Family Development to construct new child care spaces at seven district locations. The total commitment for this project is \$28,952,0950. At June 30, 2022, \$11,580,838 has been received (2021 - \$8,400,000) and \$2,148,079 (2021 - \$118,242) has been spent.

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**20. 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, 2022, 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 three letters of credit with the Royal Bank of Canada in the amounts of \$42,817 and \$238,397, payable to the City of Kelowna, and \$15,000, payable to the Rutland Waterworks District. The City of Kelowna letter of credit for \$42,817 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 originally issued on December 6, 2017. The second City of Kelowna letter of credit, issued on June 3, 2022, is in connection with construction of childcare space at Anne McClymont Elementary school at 4489 Lakeshore Road. The Rutland Waterworks District letter of credit was necessary to cover hydrant installation and geoexchange improvements for the new administration office and was issued on April 5, 2017.

**21. Prior period adjustment**

On May 28, 2021, the Office of the Comptroller General directed all school districts to apply the half-year rule method of amortization beginning in the fiscal year an asset is placed into service. This directive applies to both past and future purchases. Prior to this directive, the School District did not recognize amortization in the first partial service year. The School District has made a retroactive adjustment to recognize amortization of all assets and deferred capital contributions beginning in the first service year. The impact of the prior period adjustment on the June 30, 2021 comparative amounts were increased (decreased) as follows:

Tangible Capital Assets	<u>\$ (7,380,018)</u>
Deferred Capital Revenue	<u>\$ (5,055,032)</u>
Accumulated Surplus (Deficit)	<u>\$ (2,324,986)</u>
Amortization of Deferred Capital Revenue	<u>\$ 100,776</u>
Operations & Maintenance Expense - Asset Amortization	<u>\$ 175,625</u>
Accumulated Surplus - beginning of year July 1, 2020	<u>\$ (2,250,137)</u>

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**22. 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.

**22. Risk management (*continued*)**

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.

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**23. Economic dependence**

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

**24. 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 23, 2021. 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 9, 2022. Significant changes between the original and amended budget are as follows:

	<b>Amended Annual Budget</b>	<b>Annual Budget</b>	<b>Change</b>
<b>Revenue</b>			
Provincial Grants	\$ 262,766,421	\$ 254,783,210	\$ 7,983,211
Federal Grants	153,150	153,150	0
Tuition	5,800,000	5,220,000	580,000
Other Revenue	12,298,700	12,283,867	14,833
Investment Income	425,000	425,000	0
Amortization of Deferred Cap Revenue	9,764,607	9,634,719	129,888
<b>Total Revenue</b>	<b>\$ 291,207,878</b>	<b>\$ 282,499,946</b>	<b>\$ 8,707,932</b>
<b>Expense</b>			
Instruction	\$ 243,699,037	\$ 235,938,066	\$ 7,760,971
District Administration	7,842,813	7,691,454	151,359
Operations and Maintenance	39,627,012	38,952,910	674,102
Transportation and Housing	5,105,463	4,808,809	296,654
<b>Total Expense</b>	<b>\$ 296,274,325</b>	<b>\$ 287,391,239</b>	<b>\$ 8,883,086</b>
<b>Net Revenue (Expense)</b>	<b>\$ (5,066,447)</b>	<b>\$ (4,891,293)</b>	<b>\$ (175,154)</b>
Budget Allocation of Surplus (Deficit)	5,902,262	5,437,598	464,664
<b>Budget Surplus (Deficit), for the year</b>	<b>\$ 835,815</b>	<b>\$ 546,305</b>	<b>\$ 289,510</b>

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

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund  
Year Ended June 30, 2022

	Operating Fund	Special Purpose Fund	Capital Fund	2022 Actual	2021 Actual (Restated - Note 21)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	8,345,672		106,616,505	114,962,177	115,952,097
Prior Period Adjustments					(2,250,137)
Accumulated Surplus (Deficit), beginning of year, as restated	<u>8,345,672</u>	-	<u>106,616,505</u>	<u>114,962,177</u>	<u>113,701,960</u>
Changes for the year					
Surplus (Deficit) for the year	(1,133,060)	718,014	2,036,298	1,621,252	1,260,217
Interfund Transfers					
Tangible Capital Assets Purchased	(1,015,838)	(718,014)	1,733,852	-	-
Local Capital	(1,556,822)		1,556,822	-	-
Net Changes for the year	<u>(3,705,720)</u>	-	<u>5,326,972</u>	<u>1,621,252</u>	<u>1,260,217</u>
Accumulated Surplus (Deficit), end of year - Statement 2	<u>4,639,952</u>	-	<u>111,943,477</u>	<u>116,583,429</u>	<u>114,962,177</u>
Accumulated Remeasurement Gains (Losses) - Statement 3	(48,303)			(48,303)	1,496,093
	<u>4,591,649</u>	-	<u>111,943,477</u>	<u>116,535,126</u>	<u>116,458,270</u>



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

Schedule 2 (Unaudited)

## Schedule of Operating Operations

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 21)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	233,674,057	236,823,630	227,605,152
Other	760,288	630,677	574,664
Federal Grants	153,150	171,550	148,623
Tuition	5,220,000	6,341,761	3,726,557
Other Revenue	4,208,867	4,598,581	4,224,583
Rentals and Leases	575,000	602,622	446,356
Investment Income	350,000	590,743	563,180
<b>Total Revenue</b>	<b>244,941,362</b>	<b>249,759,564</b>	<b>237,289,115</b>
<b>Expenses</b>			
Instruction	208,836,057	213,352,743	198,386,098
District Administration	7,691,454	7,446,025	6,741,582
Operations and Maintenance	24,500,607	24,550,705	23,254,657
Transportation and Housing	4,808,809	5,543,151	4,461,182
<b>Total Expense</b>	<b>245,836,927</b>	<b>250,892,624</b>	<b>232,843,519</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>(895,565)</b>	<b>(1,133,060)</b>	<b>4,445,596</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>5,437,598</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(1,934,487)	(1,015,838)	(816,158)
Local Capital	(2,607,546)	(1,556,822)	(3,573,907)
<b>Total Net Transfers</b>	<b>(4,542,033)</b>	<b>(2,572,660)</b>	<b>(4,390,065)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>(3,705,720)</b>	<b>55,531</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>8,345,672</b>	<b>8,290,141</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>4,639,952</b>	<b>8,345,672</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted (Note 15)		<b>4,221,323</b>	<b>5,902,262</b>
Unrestricted		<b>418,629</b>	<b>2,443,410</b>
<b>Total Operating Surplus (Deficit), end of year</b>		<b>4,639,952</b>	<b>8,345,672</b>

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

Schedule 2A (Unaudited)

## Schedule of Operating Revenue by Source

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 21)
	\$	\$	\$
<b>Provincial Grants - Ministry of Education and Child Care</b>			
Operating Grant, Ministry of Education and Child Care	233,046,901	236,032,631	226,996,449
ISC/LEA Recovery	(1,311,167)	(1,329,754)	(1,356,397)
Other Ministry of Education and Child Care Grants			
Pay Equity	1,238,323	1,238,323	1,238,323
Funding for Graduated Adults	100,000	73,878	99,485
Student Transportation Fund	600,000	600,000	600,000
Support Staff Benefits Grant		172,116	-
Teachers' Labour Settlement Funding			-
FSA Scorer Grant		31,792	27,292
ELF Implementation		4,644	
<b>Total Provincial Grants - Ministry of Education and Child Care</b>	<b>233,674,057</b>	<b>236,823,630</b>	<b>227,605,152</b>
<b>Provincial Grants - Other</b>	<b>760,288</b>	<b>630,677</b>	<b>574,664</b>
<b>Federal Grants</b>	<b>153,150</b>	<b>171,550</b>	<b>148,623</b>
<b>Tuition</b>			
International and Out of Province Students	5,220,000	6,341,761	3,726,557
<b>Total Tuition</b>	<b>5,220,000</b>	<b>6,341,761</b>	<b>3,726,557</b>
<b>Other Revenues</b>			
Other School District/Education Authorities	575,000	574,780	525,580
Funding from First Nations	1,311,167	1,329,754	1,356,397
Miscellaneous			
Transportation Fees	1,200,000	1,189,925	986,718
Wage Recoveries	350,000	765,851	508,998
Technology Fees	300,000	109,919	363,601
Other	472,700	628,352	483,289
<b>Total Other Revenue</b>	<b>4,208,867</b>	<b>4,598,581</b>	<b>4,224,583</b>
<b>Rentals and Leases</b>	<b>575,000</b>	<b>602,622</b>	<b>446,356</b>
<b>Investment Income</b>	<b>350,000</b>	<b>590,743</b>	<b>563,180</b>
<b>Total Operating Revenue</b>	<b>244,941,362</b>	<b>249,759,564</b>	<b>237,289,115</b>

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

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 21)
	\$	\$	\$
<b>Salaries</b>			
Teachers	108,991,204	111,492,419	107,270,392
Principals and Vice Principals	13,516,812	13,764,362	12,785,722
Educational Assistants	19,662,226	19,424,194	17,970,816
Support Staff	22,448,569	23,169,135	22,352,568
Other Professionals	4,016,331	3,934,448	3,732,163
Substitutes	7,313,161	8,776,794	6,512,316
<b>Total Salaries</b>	<b>175,948,303</b>	<b>180,561,352</b>	<b>170,623,977</b>
<b>Employee Benefits</b>	<b>44,171,993</b>	<b>44,643,192</b>	<b>41,199,922</b>
<b>Total Salaries and Benefits</b>	<b>220,120,296</b>	<b>225,204,544</b>	<b>211,823,899</b>
<b>Services and Supplies</b>			
Services	7,332,148	7,189,881	5,470,404
Student Transportation	343,259	365,125	141,863
Professional Development and Travel	2,147,899	1,388,444	1,310,612
Rentals and Leases	490,000	635,990	504,754
Dues and Fees	433,845	506,092	360,144
Insurance	701,500	659,687	695,257
Supplies	10,295,612	10,590,807	8,922,195
Utilities	3,972,368	4,352,054	3,614,391
<b>Total Services and Supplies</b>	<b>25,716,631</b>	<b>25,688,080</b>	<b>21,019,620</b>
<b>Total Operating Expense</b>	<b>245,836,927</b>	<b>250,892,624</b>	<b>232,843,519</b>

# School District No. 23 (Central Okanagan)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2022

	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	91,986,353	1,836,473	123,074	1,382,316		7,851,567	103,179,783
1.03 Career Programs	661,605		64,238	348,084		29,093	1,103,020
1.07 Library Services	2,118,530	237,023		1,210,133	220,689	25,760	3,812,135
1.08 Counselling	3,312,159					8,303	3,320,462
1.10 Special Education	10,849,563	374,454	16,769,856	958,710		626,055	29,578,638
1.30 English Language Learning	1,252,854			72,568		4,018	1,329,440
1.31 Indigenous Education	856,310	134,922	2,467,026	63,301		25,249	3,546,808
1.41 School Administration		10,037,778		3,831,185		75,423	13,944,386
1.62 International and Out of Province Students	455,045	282,798		102,904	299,856	14,063	1,154,666
<b>Total Function 1</b>	<b>111,492,419</b>	<b>12,903,448</b>	<b>19,424,194</b>	<b>7,969,201</b>	<b>520,545</b>	<b>8,659,531</b>	<b>160,969,338</b>
<b>4 District Administration</b>							
4.11 Educational Administration		420,145		121,554	639,103	72,090	1,252,892
4.40 School District Governance					155,983		155,983
4.41 Business Administration		440,769		983,633	1,475,842	45,173	2,945,417
<b>Total Function 4</b>	<b>-</b>	<b>860,914</b>	<b>-</b>	<b>1,105,187</b>	<b>2,270,928</b>	<b>117,263</b>	<b>4,354,292</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				176,450	648,788		825,238
5.50 Maintenance Operations				10,147,660	184,290		10,331,950
5.52 Maintenance of Grounds				854,349			854,349
5.56 Utilities				82,431	111,138		193,569
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,260,890</b>	<b>944,216</b>	<b>-</b>	<b>12,205,106</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration				168,527	198,759		367,286
7.70 Student Transportation				2,665,330			2,665,330
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,833,857</b>	<b>198,759</b>	<b>-</b>	<b>3,032,616</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>111,492,419</b>	<b>13,764,362</b>	<b>19,424,194</b>	<b>23,169,135</b>	<b>3,934,448</b>	<b>8,776,794</b>	<b>180,561,352</b>

# School District No. 23 (Central Okanagan)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2022

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2022 Actual	2022 Budget	2021 Actual (Restated - Note 21)
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	103,179,783	24,943,748	128,123,531	8,570,400	136,693,931	131,847,013	128,056,369
1.03 Career Programs	1,103,020	286,333	1,389,353	431,522	1,820,875	1,886,080	1,650,691
1.07 Library Services	3,812,135	1,004,801	4,816,936	417,795	5,234,731	5,401,897	5,150,445
1.08 Counselling	3,320,462	828,040	4,148,502	12,922	4,161,424	3,880,514	3,637,860
1.10 Special Education	29,578,638	7,728,710	37,307,348	1,274,284	38,581,632	38,824,088	35,961,512
1.30 English Language Learning	1,329,440	328,557	1,657,997	57,348	1,715,345	1,539,498	1,615,234
1.31 Indigenous Education	3,546,808	925,455	4,472,263	378,513	4,850,776	5,556,436	4,640,416
1.41 School Administration	13,944,386	3,269,935	17,214,321	807	17,215,128	17,381,261	16,029,592
1.62 International and Out of Province Students	1,154,666	306,292	1,460,958	1,617,943	3,078,901	2,519,270	1,643,979
<b>Total Function 1</b>	<b>160,969,338</b>	<b>39,621,871</b>	<b>200,591,209</b>	<b>12,761,534</b>	<b>213,352,743</b>	<b>208,836,057</b>	<b>198,386,098</b>
<b>4 District Administration</b>							
4.11 Educational Administration	1,252,892	333,621	1,586,513	210,090	1,796,603	2,071,859	1,631,765
4.40 School District Governance	155,983	9,188	165,171	130,203	295,374	311,565	249,252
4.41 Business Administration	2,945,417	732,073	3,677,490	1,676,558	5,354,048	5,308,030	4,860,565
<b>Total Function 4</b>	<b>4,354,292</b>	<b>1,074,882</b>	<b>5,429,174</b>	<b>2,016,851</b>	<b>7,446,025</b>	<b>7,691,454</b>	<b>6,741,582</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	825,238	200,839	1,026,077	460,903	1,486,980	1,477,552	1,425,460
5.50 Maintenance Operations	10,331,950	2,739,027	13,070,977	3,217,136	16,288,113	16,359,890	15,710,725
5.52 Maintenance of Grounds	854,349	177,491	1,031,840	535,940	1,567,780	1,514,100	1,530,077
5.56 Utilities	193,569	43,077	236,646	4,971,186	5,207,832	5,149,065	4,588,395
<b>Total Function 5</b>	<b>12,205,106</b>	<b>3,160,434</b>	<b>15,365,540</b>	<b>9,185,165</b>	<b>24,550,705</b>	<b>24,500,607</b>	<b>23,254,657</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	367,286	93,767	461,053	61,768	522,821	465,458	446,421
7.70 Student Transportation	2,665,330	692,238	3,357,568	1,662,762	5,020,330	4,343,351	4,014,761
<b>Total Function 7</b>	<b>3,032,616</b>	<b>786,005</b>	<b>3,818,621</b>	<b>1,724,530</b>	<b>5,543,151</b>	<b>4,808,809</b>	<b>4,461,182</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>180,561,352</b>	<b>44,643,192</b>	<b>225,204,544</b>	<b>25,688,080</b>	<b>250,892,624</b>	<b>245,836,927</b>	<b>232,843,519</b>

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

Schedule 3 (Unaudited)

## Schedule of Special Purpose Operations

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 21)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	20,348,865	25,174,610	32,901,650
Other Revenue	7,500,000	5,561,174	3,907,271
Investment Income		3,012	1,510
<b>Total Revenue</b>	<b>27,848,865</b>	<b>30,738,796</b>	<b>36,810,431</b>
<b>Expenses</b>			
Instruction	27,102,009	29,480,754	31,337,150
District Administration		31,977	108,501
Operations and Maintenance		508,051	3,114,554
Transportation and Housing			617,633
<b>Total Expense</b>	<b>27,102,009</b>	<b>30,020,782</b>	<b>35,177,838</b>
<b>Special Purpose Surplus (Deficit) for the year</b>	<b>746,856</b>	<b>718,014</b>	<b>1,632,593</b>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(746,856)	(718,014)	(1,632,593)
<b>Total Net Transfers</b>	<b>(746,856)</b>	<b>(718,014)</b>	<b>(1,632,593)</b>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Special Purpose Surplus (Deficit), beginning of year</b>			
<b>Special Purpose Surplus (Deficit), end of year</b>		<b>-</b>	<b>-</b>

# School District No. 23 (Central Okanagan)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2022

Schedule 3A (Unaudited)

	Annual Facility Grant \$	Learning Improvement Fund \$	Special Education Equipment \$	School Generated Funds \$	Strong Start \$	Ready, Set, Learn \$	OLEP \$	CommunityLINK \$	Classroom Enhancement Fund - Overhead \$
Deferred Revenue, beginning of year	-	52,944	20,846	3,369,948	-	-	120,704	92,051	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	768,786	802,421			256,000	75,950	392,901	1,258,789	549,237
Other				6,025,239					
Investment Income		643	253				1,465	1,117	
	768,786	803,064	253	6,025,239	256,000	75,950	394,366	1,259,906	549,237
Less: Allocated to Revenue	768,786	762,779	-	5,561,174	256,000	75,950	395,436	1,244,782	549,237
Recovered									
Deferred Revenue, end of year	-	93,229	21,099	3,834,013	-	-	119,634	107,175	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	768,786	762,779			256,000	75,950	393,971	1,243,665	549,237
Other Revenue				5,561,174					
Investment Income							1,465	1,117	
	768,786	762,779	-	5,561,174	256,000	75,950	395,436	1,244,782	549,237
Expenses									
Salaries									
Teachers				61,044		58,871	148,074	47,996	
Educational Assistants		631,405			172,114				
Support Staff					12,000				
Other Professionals									
Substitutes							41,715	1,215	546,955
	-	631,405	-	61,044	184,114	58,871	189,789	49,211	546,955
Employee Benefits		131,374		20,348	57,477	16,279	31,871	12,256	
Services and Supplies	66,851			5,479,782	14,409	800	173,776	1,183,315	2,282
	66,851	762,779	-	5,561,174	256,000	75,950	395,436	1,244,782	549,237
Net Revenue (Expense) before Interfund Transfers	701,935	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(701,935)								
	(701,935)	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

# School District No. 23 (Central Okanagan)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2022

Schedule 3A (Unaudited)

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Safe Return to School / Restart: Health & Safety Grant	Federal Safe Return to Class / Ventilation Fund	Seamless Day Kindergarten	Early Childhood Education Dual Credit Program
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year		7,935	2,300	19,001	16,414	-	-	-	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	19,704,665	76,689	1,620	113,395	6,000	557,683	355,574	50,000	115,000
Other									
Investment Income				231	199				
	19,704,665	76,689	1,620	113,626	6,199	557,683	355,574	50,000	115,000
Less: Allocated to Revenue	19,704,665	17,606	-	61,024	3,376	557,683	355,574	30,603	-
Recovered		7,935							
Deferred Revenue, end of year	-	59,083	3,920	71,603	19,237	-	-	19,397	115,000
Revenues									
Provincial Grants - Ministry of Education and Child Care	19,704,665	17,606		60,793	3,177	557,683	355,574	30,603	
Other Revenue									
Investment Income				231	199				
	19,704,665	17,606	-	61,024	3,376	557,683	355,574	30,603	-
Expenses									
Salaries									
Teachers	16,098,863								
Educational Assistants									
Support Staff					342	96,886	36,450	25,405	
Other Professionals									
Substitutes		17,606		11,198	1,680	213,690			
	16,098,863	17,606	-	11,198	2,022	310,576	36,450	25,405	-
Employee Benefits	3,605,802				37	25,190		3,072	
Services and Supplies				49,826	1,317	221,917	319,124	506	
	19,704,665	17,606	-	61,024	3,376	557,683	355,574	28,983	-
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	1,620	-
Interfund Transfers									
Tangible Capital Assets Purchased								(1,620)	
	-	-	-	-	-	-	-	(1,620)	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-



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

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2022

Schedule 3A (Unaudited)

	Provincial Resource Program	COVID Rapid Response	TOTAL
	\$	\$	\$
Deferred Revenue, beginning of year	6,504	71,381	3,780,028
Add: Restricted Grants			
Provincial Grants - Ministry of Education and Child Care	197,740	124,000	25,406,450
Other			6,025,239
Investment Income			3,908
	197,740	124,000	31,435,597
Less: Allocated to Revenue	198,740	195,381	30,738,796
Recovered	5,504		13,439
Deferred Revenue, end of year	-	-	4,463,390
Revenues			
Provincial Grants - Ministry of Education and Child Care	198,740	195,381	25,174,610
Other Revenue			5,561,174
Investment Income			3,012
	198,740	195,381	30,738,796
Expenses			
Salaries			
Teachers	97,596		16,512,444
Educational Assistants			803,519
Support Staff			171,083
Other Professionals		25,998	25,998
Substitutes	2,228		836,287
	99,824	25,998	18,349,331
Employee Benefits	23,530	5,980	3,933,216
Services and Supplies	60,927	163,403	7,738,235
	184,281	195,381	30,020,782
Net Revenue (Expense) before Interfund Transfers	14,459	-	718,014
Interfund Transfers			
Tangible Capital Assets Purchased	(14,459)		(718,014)
	(14,459)	-	(718,014)
Net Revenue (Expense)	-	-	-

# School District No. 23 (Central Okanagan)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2022

	2022 Budget	2022 Actual			2021 Actual (Restated - Note 21)
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education and Child Care		1,997,625		1,997,625	13,166
Other				-	14,379
Municipal Grants Spent on Sites		5,076,108		5,076,108	
Investment Income	75,000		34,113	34,113	46,916
Amortization of Deferred Capital Revenue	9,634,719	10,315,394		10,315,394	9,735,495
<b>Total Revenue</b>	<b>9,709,719</b>	<b>17,389,127</b>	<b>34,113</b>	<b>17,423,240</b>	<b>9,809,956</b>
<b>Expenses</b>					
Amortization of Tangible Capital Assets					
Operations and Maintenance	14,452,303	15,386,942		15,386,942	14,627,928
<b>Total Expense</b>	<b>14,452,303</b>	<b>15,386,942</b>	<b>-</b>	<b>15,386,942</b>	<b>14,627,928</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>(4,742,584)</b>	<b>2,002,185</b>	<b>34,113</b>	<b>2,036,298</b>	<b>(4,817,972)</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	2,681,343	1,733,852		1,733,852	2,448,751
Local Capital	2,607,546		1,556,822	1,556,822	3,573,907
<b>Total Net Transfers</b>	<b>5,288,889</b>	<b>1,733,852</b>	<b>1,556,822</b>	<b>3,290,674</b>	<b>6,022,658</b>
<b>Other Adjustments to Fund Balances</b>					
Tangible Capital Assets Purchased from Local Capital		2,512,042	(2,512,042)	-	
<b>Total Other Adjustments to Fund Balances</b>		<b>2,512,042</b>	<b>(2,512,042)</b>	<b>-</b>	
<b>Total Capital Surplus (Deficit) for the year</b>	<b>546,305</b>	<b>6,248,079</b>	<b>(921,107)</b>	<b>5,326,972</b>	<b>1,204,686</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>103,805,533</b>	<b>2,810,972</b>	<b>106,616,505</b>	<b>107,661,956</b>
Prior Period Adjustments					(2,250,137)
Adjust to Half-Year Rule Amortization					
<b>Capital Surplus (Deficit), beginning of year, as restated</b>		<b>103,805,533</b>	<b>2,810,972</b>	<b>106,616,505</b>	<b>105,411,819</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>110,053,612</b>	<b>1,889,865</b>	<b>111,943,477</b>	<b>106,616,505</b>

# School District No. 23 (Central Okanagan)

Tangible Capital Assets  
Year Ended June 30, 2022

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	53,800,701	431,924,958	12,553,715	9,081,914	26,411	14,367,519	521,755,218
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	1,997,625	6,084,164	1,099,625	2,558			9,183,972
Deferred Capital Revenue - Other	5,076,108	-	560,876				5,636,984
Operating Fund		311,639	209,287	313,266		181,646	1,015,838
Special Purpose Funds		701,936	1,620			14,458	718,014
Local Capital		136,903	185,560			2,189,579	2,512,042
Transferred from Work in Progress		31,244,224					31,244,224
	7,073,733	38,478,866	2,056,968	315,824	-	2,385,683	50,311,074
Decrease:							
Deemed Disposals			1,026,286	202,553	14,429	1,842,204	3,085,472
	-	-	1,026,286	202,553	14,429	1,842,204	3,085,472
Cost, end of year	60,874,434	470,403,824	13,584,397	9,195,185	11,982	14,910,998	568,980,820
Work in Progress, end of year		2,971,055					2,971,055
Cost and Work in Progress, end of year	60,874,434	473,374,879	13,584,397	9,195,185	11,982	14,910,998	571,951,875
Accumulated Amortization, beginning of year		194,112,179	4,401,563	3,114,876	16,023	5,717,523	207,362,164
Prior Period Adjustments							
Prior Period Adjustments		4,858,840	627,685	454,099	2,641	1,436,753	7,380,018
Accumulated Amortization, beginning of year, as restated		198,971,019	5,029,248	3,568,975	18,664	7,154,276	214,742,182
Changes for the Year							
Increase: Amortization for the Year		10,234,489	1,306,906	913,855	3,840	2,927,852	15,386,942
Decrease:							
Deemed Disposals			1,026,286	202,553	14,429	1,842,204	3,085,472
		-	1,026,286	202,553	14,429	1,842,204	3,085,472
Accumulated Amortization, end of year		209,205,508	5,309,868	4,280,277	8,075	8,239,924	227,043,652
Tangible Capital Assets - Net	60,874,434	264,169,371	8,274,529	4,914,908	3,907	6,671,074	344,908,223

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

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2022

	<b>Buildings</b>	<b>Furniture and Equipment</b>	<b>Computer Software</b>	<b>Computer Hardware</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Work in Progress, beginning of year</b>	<b>31,244,224</b>				<b>31,244,224</b>
<b>Changes for the Year</b>					
<b>Increase:</b>					
Deferred Capital Revenue - Bylaw	941,218				941,218
Deferred Capital Revenue - Other	2,029,837				2,029,837
	<u>2,971,055</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,971,055</u>
<b>Decrease:</b>					
Transferred to Tangible Capital Assets	31,244,224				31,244,224
	<u>31,244,224</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,244,224</u>
<b>Net Changes for the Year</b>	<u>(28,273,169)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,273,169)</u>
<b>Work in Progress, end of year</b>	<u><b>2,971,055</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>2,971,055</b></u>

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

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2022

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	202,584,979	4,198,660	1,277,530	208,061,169
Prior Period Adjustments				
Prior Period Adjustments	(4,900,046)	(81,281)	(73,705)	(5,055,032)
<b>Deferred Capital Revenue, beginning of year, as restated</b>	197,684,933	4,117,379	1,203,825	203,006,137
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	7,186,347	29,578	531,298	7,747,223
Transferred from Work in Progress	31,244,225			31,244,225
	38,430,572	29,578	531,298	38,991,448
Decrease:				
Amortization of Deferred Capital Revenue	9,977,382	164,037	173,975	10,315,394
	9,977,382	164,037	173,975	10,315,394
<b>Net Changes for the Year</b>	28,453,190	(134,459)	357,323	28,676,054
<b>Deferred Capital Revenue, end of year</b>	226,138,123	3,982,920	1,561,148	231,682,191
<b>Work in Progress, beginning of year</b>	31,244,224	-	-	31,244,224
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	941,218	2,029,837		2,971,055
	941,218	2,029,837	-	2,971,055
Decrease				
Transferred to Deferred Capital Revenue	31,244,225			31,244,225
	31,244,225	-	-	31,244,225
<b>Net Changes for the Year</b>	(30,303,007)	2,029,837	-	(28,273,170)
<b>Work in Progress, end of year</b>	941,217	2,029,837	-	2,971,054
<b>Total Deferred Capital Revenue, end of year</b>	227,079,340	6,012,757	1,561,148	234,653,245

# School District No. 23 (Central Okanagan)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2022

Schedule 4D (Unaudited)

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	795,109	1,423,060	8,310,990	7,657,584	-	18,186,743
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education and Child Care	12,537,019					12,537,019
Provincial Grants - Other			3,180,838			3,180,838
Other				788,444	531,298	1,319,742
Investment Income		17,270	100,506	92,931		210,707
	12,537,019	17,270	3,281,344	881,375	531,298	17,248,306
Decrease:						
Transferred to DCR - Capital Additions	7,186,347		29,578		531,298	7,747,223
Transferred to DCR - Work in Progress	941,218		2,029,837			2,971,055
Transferred to Revenue - Site Purchases	1,997,625			5,076,108		7,073,733
	10,125,190	-	2,059,415	5,076,108	531,298	17,792,011
<b>Net Changes for the Year</b>	2,411,829	17,270	1,221,929	(4,194,733)	-	(543,705)
<b>Balance, end of year</b>	<b>3,206,938</b>	<b>1,440,330</b>	<b>9,532,919</b>	<b>3,462,851</b>	<b>-</b>	<b>17,643,038</b>