Audited Financial Statements of

School District No. 23 (Central Okanagan)

And Independent Auditors' Report thereon

June 30, 2023

School District No. 23 (Central Okanagan)
June 30, 2023

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School District No. 23 (Central Okanagan)

MANAGEMENT REPORT

Version: 2785-2040-9057

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	Sept. 27, 2023 Date Signed
Signature of the Superintendent	Sept. 28 2023 Date Signed
Signature of the Secretary Treasurer	Sept 28, 2023 Date Signed

Grant Thornton

Independent auditor's report

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

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, 2023, 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of School District No. 23 (Central Okanagan) as at June 30, 2023 and for the year then ended, are prepared in all material respects in accordance with the financial reporting provisions 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 in complying 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 22 to the financial statements, which explains that certain comparative information presented for the year ended June 30, 2022 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 financial reporting provisions 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.

Grant Thornton LLP

Kelowna, Canada
September 20, 2023

Chartered Professional Accountants

School District No. 23 (Central Okanagan)

Statement of Financial Position
As at June 30, 2023

	2023 Actual	2022 Actual (Restated - Note 21)
	$	$
Financial Assets		
Cash and Cash Equivalents (Note 3)	**52,651,744**	54,400,007
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	**11,606,346**	1,402,727
Other (Note 4)	**2,252,855**	4,024,393
Portfolio Investments	**13,789,994**	13,387,940
Total Financial Assets	**80,300,939**	73,215,067
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	**21,074,317**	17,496,998
Unearned Revenue (Note 7)	**4,247,673**	4,064,999
Deferred Revenue (Note 8)	**5,619,384**	4,463,390
Deferred Capital Revenue (Note 9)	**267,696,000**	252,296,283
Employee Future Benefits (Note 10)	**11,331,499**	10,725,549
Asset Retirement Obligation (Note 11)	**25,897,433**	25,897,433
Other Liabilities (Note 12)	**13,804,734**	13,413,823
Total Liabilities	**349,671,040**	328,358,475
Net Debt	**(269,370,101)**	(255,143,408)
Non-Financial Assets		
Tangible Capital Assets (Note 13)	**360,621,449**	344,930,402
Prepaid Expenses (Note 14)	**393,886**	635,259
Supplies Inventory	**278,065**	237,619
Total Non-Financial Assets	**361,293,400**	345,803,280
Accumulated Surplus (Deficit)	**91,923,299**	90,659,872
Accumulated Surplus (Deficit) is comprised of:		
Accumulated Surplus (Deficit) from Operations	**91,826,489**	90,708,175
Accumulated Remeasurement Gains (Losses)	**96,810**	(48,303)
	91,923,299	90,659,872

Contractual Obligations (Note 19)
Contingent Liabilities (Note 20)

Approved by the Board

Signature of the Chairperson of the Board of Education	Sept 27 2023 Date Signed
Signature of the Superintendent	Sept 28, 2023 Date Signed
Signature of the Secretary Treasurer	Sept 28, 2023 Date Signed

School District No. 23 (Central Okanagan)

Statement of Operations
Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 21)
	$	$	$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	265,499,259	**283,722,641**	263,995,865
Other	567,463	**523,066**	630,677
Municipal Grants Spent on Sites			5,076,108
Federal Grants	293,728	**889,653**	171,550
Tuition	6,235,000	**6,475,910**	6,341,761
Other Revenue	10,301,270	**12,326,185**	10,159,755
Rentals and Leases	603,750	**885,191**	602,622
Investment Income	625,000	**647,095**	627,868
Gain (Loss) on Disposal of Tangible Capital Assets		**5,346,000**	
Amortization of Deferred Capital Revenue	9,764,607	**10,830,067**	10,315,394
Gain (Loss) Unamortized Deferred Capital Revenue		**364,071**	
Total Revenue	293,890,077	**322,009,879**	297,921,600
Expenses (Note 17)			
Instruction	245,345,875	**264,403,620**	242,833,497
District Administration	7,824,737	**8,099,911**	7,478,002
Operations and Maintenance	39,822,079	**41,569,470**	40,467,698
Transportation and Housing	5,162,148	**5,822,284**	5,543,151
Write-off/down of Buildings and Sites		**996,280**	
Total Expense	298,154,839	**320,891,565**	296,322,348
Surplus (Deficit) for the year	(4,264,762)	**1,118,314**	1,599,252
Accumulated Surplus (Deficit) from Operations, beginning of year		**90,708,175**	89,108,923
Accumulated Surplus (Deficit) from Operations, end of year		**91,826,489**	90,708,175

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

School District No. 23 (Central Okanagan)

Statement of Remeasurement Gains and Losses
Year Ended June 30, 2023

	2023 Actual	2022 Actual (Restated - Note 21)
	$	$
Accumulated Remeasurement Gains (Losses) at beginning of year	**(48,303)**	1,496,093
Unrealized Gains (Losses) attributable to:		
Portfolio Investments	**260,739**	(1,119,914)
Amounts Reclassified to the Statement of Operations:		
Portfolio Investments	**(115,626)**	(424,482)
Net Remeasurement Gains (Losses) for the year	**145,113**	(1,544,396)
Accumulated Remeasurement Gains (Losses) at end of year	**96,810**	(48,303)

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

School District No. 23 (Central Okanagan)

Statement of Changes in Net Debt
Year Ended June 30, 2023

	2023 Budget	**2023 Actual**	2022 Actual (Restated - Note 21)
	$	**$**	$
Surplus (Deficit) for the year	(4,264,762)	**1,118,314**	1,599,252
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(30,508,923)	**(32,443,121)**	(22,037,905)
Amortization of Tangible Capital Assets	14,805,916	**15,755,794**	15,408,942
Net carrying value of Tangible Capital Assets disposed of	-	**996,280**	
Total Effect of change in Tangible Capital Assets	(15,703,007)	**(15,691,047)**	(6,628,963)
Acquisition of Prepaid Expenses	-	**(130,930)**	(250,335)
Use of Prepaid Expenses	-	**372,303**	2,500
Acquisition of Supplies Inventory	-	**(1,983,889)**	(1,230,723)
Use of Supplies Inventory	-	**1,943,443**	1,215,054
Total Effect of change in Other Non-Financial Assets	-	**200,927**	(263,504)
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	(19,967,769)	**(14,371,806)**	(5,293,215)
Net Remeasurement Gains (Losses)		**145,113**	(1,544,396)
(Increase) Decrease in Net Debt		**(14,226,693)**	(6,837,611)
Net Debt, beginning of year		**(255,143,408)**	(248,305,797)
Net Debt, end of year		**(269,370,101)**	(255,143,408)

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

School District No. 23 (Central Okanagan)

Statement of Cash Flows
Year Ended June 30, 2023

	2023 Actual	2022 Actual (Restated - Note 21)
	$	$
Operating Transactions		
Surplus (Deficit) for the year	**1,118,314**	1,599,252
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	**(8,432,081)**	(1,362,610)
Supplies Inventories	**(40,446)**	(15,669)
Prepaid Expenses	**241,373**	(247,835)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	**3,577,319**	(1,990,375)
Unearned Revenue	**182,674**	508,133
Deferred Revenue	**1,155,994**	683,362
Employee Future Benefits	**605,950**	182,998
Other Liabilities	**390,911**	1,816,175
Loss (Gain) on Disposal of Tangible Capital Assets	**(5,346,000)**	
Amortization of Tangible Capital Assets	**15,755,794**	15,408,942
Amortization of Deferred Capital Revenue	**(10,830,067)**	(10,315,394)
Recognition of Deferred Capital Revenue Spent on Sites	**(45,286)**	(7,073,733)
Write-Off/down of Buildings and Sites	**996,280**	
Gain on Unamortized Deferred Capital Revenue	**(364,071)**	
Total Operating Transactions	**(1,033,342)**	(806,754)
Capital Transactions		
Tangible Capital Assets Purchased	**(9,977,899)**	(19,066,850)
Tangible Capital Assets -WIP Purchased	**(22,465,222)**	(2,971,055)
District Portion of Proceeds on Disposal	**5,346,000**	
Total Capital Transactions	**(27,097,121)**	(22,037,905)
Financing Transactions		
Capital Revenue Received	**26,639,141**	17,248,306
Total Financing Transactions	**26,639,141**	17,248,306
Investing Transactions		
Investments in Portfolio Investments	**(402,054)**	1,133,265
Decrease in Remeasurement Gains (Losses)	**145,113**	(1,544,396)
Total Investing Transactions	**(256,941)**	(411,131)
Net Increase (Decrease) in Cash and Cash Equivalents	**(1,748,263)**	(6,007,484)
Cash and Cash Equivalents, beginning of year	**54,400,007**	60,407,491
Cash and Cash Equivalents, end of year	**52,651,744**	54,400,007
Cash and Cash Equivalents, end of year, is made up of:		
Cash	**33,472,855**	34,751,575
Cash Equivalents	**19,178,889**	19,648,432
	52,651,744	54,400,007

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 COVID-19 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. 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 School District is not practicable at this time

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, 2022 - increase in annual surplus by	$ (4,652,151)
June 30, 2022 - increase in accumulated surplus & decrease in deferred contributions by	$ 234,653,245
Year ended June 30, 2023 - decrease in annual surplus by	$ 17,496,210
June 30, 2023 - increase in accumulated surplus & decrease in deferred contributions by	$ 252,149,455

(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 acquisitoin, 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 (EARSL) 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

Legal liabilities exist for the removal and disposal of asbestos and other environmentally hazardous materials within some District owned buildings that will undergo major renovations or demolition in the future.

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 Statement of Operations.

A reasonable estimate of the fair value of the obligation has been recognized using the modified retroactive approach as at July 1, 2022 (see Note 21 – Prior Period Adjustment).

(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, liabilities for contaminated sites, asset retirement obligations, 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 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.

3. Cash and cash equivalents

Included in cash and cash equivalents are funds in the amount of $387,877 (2022 - $402,285), 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 $11,082,261 (2022 - $10,389,915), restricted and paid out to teachers who contribute and take part in the District's self-funded summer saving plan.

4. Accounts receivable - other

	2023	2022
GST rebate	$ 232,795	$ 315,291
Invoices receivable	887,631	482,270
Long term receivable	58,440	135,502
Other receivable	1,073,989	3,091,330
Total accounts receivable - other	**$ 2,252,855**	**$ 4,024,393**

5. Accounts payable and accrued liabilities - other

	2023	2022
Trade	$ 3,039,924	$ 2,335,532
International Education	2,350,893	2,205,139
Summer Savings program	11,082,261	10,389,965
Deferred Salary Leave program	387,877	402,719
Miscellaneous	4,213,362	2,163,643
Total accounts payable and accrued liabilities - other	**$ 21,074,317**	**$ 17,496,998**

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, 2023 the balance outstanding under this credit facility was $nil (2022 – $nil).

7. Unearned revenue

		2023		2022
Balance, beginning of year	$	4,064,999	$	3,556,866
Changes for the year:				
Increase:				
Tuition fees		6,017,121		6,380,480
Other		-		-
		6,017,121		6,380,480
Decrease:				
Tuition fees		(5,830,942)		(5,872,347)
Other		(3,505)		-
		(5,834,447)		(5,872,347)
Balance, end of year	**$**	**4,247,673**	**$**	**4,064,999**

		2023		2022
Unearned revenue comprised of:				
Tuition fees	$	4,247,637	$	4,061,458
Other		36		3,541
	$	**4,247,673**	**$**	**4,064,999**

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.

		2023		2022
Balance, beginning of year	$	4,463,390	$	3,780,028
Contributions received during the year		39,835,154		31,427,662
Revenue recognized from deferred contributions		(38,679,160)		(30,744,300)
		1,155,994		683,362
Balance, end of year	**$**	**5,619,384**	**$**	**4,463,390**

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.

	2023	2022
Balance, beginning of year	$ 252,296,283	$ 252,437,104
Contributions received during the year	25,780,119	17,037,599
Investment income	859,022	210,707
Revenue recognized from deferred contributions	(10,830,067)	(10,315,394)
Gain on unamortized deferred capital revenue	(364,071)	-
Site purchases	(45,286)	(7,073,733)
Balance, end of year	**$ 267,696,000**	**$ 252,296,283**

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.

10. Employee future benefits *(continued)*

		2023		2022
Reconciliation of accrued benefit obligation				
Accrued benefit obligation - April 1	$	9,701,328	$	9,543,963
Service cost		893,154		868,271
Interest cost		324,326		248,596
Benefit payments		(678,655)		(928,546)
Actuarial gain		(651,703)		(30,956)
Accrued benefit obligation - March 31	**$**	**9,588,450**	**$**	**9,701,328**
Reconciliation of funded status at end of fiscal year				
Accrued benefit obligation - March 31	$	(9,588,450)	$	(9,701,328)
Employer contributions after measurement date		150,524		257,076
Benefit expense after measurement date		(317,357)		(304,370)
Unamortized net actuarial (gain) loss		(1,576,216)		(976,927)
Accrued benefit obligation - June 30	**$**	**(11,331,499)**	**$**	**(10,725,549)**
Reconciliation of change in accrued benefit liability				
Accrued benefit liability - July 1	$	10,725,549	$	10,542,551
Net expense for fiscal year		1,094,395		1,051,920
Employer contributions		(488,445)		(868,922)
Accrued benefit liability - June 30	**$**	**11,331,499**	**$**	**10,725,549**
Components of net benefit expense				
Service cost	$	887,145	$	874,492
Interest cost		343,322		267,529
Amortization of net actuarial (gain) loss		(136,072)		(90,101)
Net benefit expense	**$**	**1,094,395**	**$**	**1,051,920**

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

	2023	2022
Discount rate - April 1	3.25%	2.50%
Discount rate - March 31	4.00%	3.25%
Long term salary growth - April 1	2.50% + seniority	2.50% + seniority
Long term salary growth - March 31	2.50% + seniority	2.50% + seniority
Expected avg. remaining service lifetime (EARSL) - March 31	10.9	10.9

The impact of changes in assumptions between the March 31, 2023 measurement date and June 30, 2023 reporting date have been considered and are not considered to be material.

11. Asset Retirement Obligation

Legal liabilities exist for the removal and disposal of asbestos and other environmentally hazardous materials within some district owned buildings that will undergo major renovations or demolition in the future. A reasonable estimate of the fair value of the obligation has been recognized using the modified retroactive approach as at July 1, 2022 (see Note 22 – Prior Period Adjustment – Change in Accounting Policy). The obligation has been measured at current cost as the timing of future cash flows cannot be reasonably determined. These costs have been capitalized as part of the assets' carrying value and are amortized over the assets' estimated useful lives.

	2023	2022
Asset Retirement Obligation, opening balance	$ (25,897,433)	$ (25,897,433)
Settlements during the year	-	-
Asset Retirement Obligation, closing balance	$ (25,897,433)	$ (25,897,433)

12. Other liabilities

	2023	2022
Accrued vacation payable	$ 1,740,134	$ 1,652,857
Benefits payable	9,919,519	10,091,654
Wages payable	1,508,601	1,247,360
Other payables	636,479	421,952
Total other liabilities	**$ 13,804,734**	**$ 13,413,823**

13. Tangible capital assets

		2023		2022
Net Book Value				
Sites	$	60,915,720	$	60,874,434
Buildings		256,022,801		261,220,495
Buildings - WIP		25,266,134		2,971,055
Computer hardware		6,006,735		6,671,074
Computer software		32,721		3,907
Furniture & equipment		7,561,594		8,274,529
Vehicles		4,815,744		4,914,908
Total	**$**	**360,621,449**	**$**	**344,930,402**

	Balance at July 1, 2022	Additions	Disposals	Net WIP Transfer	Balance at June 30, 2023
Cost					
Sites	$ 60,874,434	$ 45,286	$ (4,000)	$ -	$ 60,915,720
Buildings	496,301,257	6,348,572	(4,023,990)	170,143	498,795,982
Buildings - WIP	2,971,055	22,465,222	-	(170,143)	25,266,134
Computer hardware	14,910,998	2,071,002	(4,539,596)	-	12,442,404
Computer software	11,982	34,100	(5,206)	-	40,876
Furniture & equipment	13,584,397	645,191	(651,471)	-	13,578,117
Vehicles	9,195,185	833,748	(565,884)	-	9,463,049
Total	**$ 597,849,309**	**$ 32,443,121**	**$ (9,790,147)**	**$ -**	**$ 620,502,282**
Acc. Amortization					
Buildings	$ 235,080,762	$ 10,724,129	$ (3,031,710)	$ -	$ 242,773,181
Computer hardware	8,239,924	2,735,341	(4,539,596)	-	6,435,669
Computer software	8,075	5,286	(5,206)	-	8,155
Furniture & equipment	5,309,868	1,358,126	(651,471)	-	6,016,523
Vehicles	4,280,277	932,912	(565,884)	-	4,647,305
Total	**$ 252,918,906**	**$ 15,755,794**	**$ (8,793,867)**	**$ -**	**$ 259,880,833**

13. Tangible capital assets *(continued)*

	Balance at July 1, 2021	Prior Period Adjustment (Note 21)	Balance at July 1, 2021 Restated	Additions	Disposals	Net WIP Transfers	Balance at July 1, 2022
Cost							
Sites	$ 53,800,701	$ -	$ 53,800,701	$ 7,073,733	$ -	$ -	$ 60,874,434
Buildings	431,924,959	25,897,433	457,822,392	7,234,641	-	31,244,224	496,301,257
Buildings - WIP	31,244,224	-	31,244,224	2,971,055	-	(31,244,224)	2,971,055
Computer hardware	14,367,516	-	14,367,516	2,385,686	(1,842,204)	-	14,910,998
Computer software	26,411	-	26,411	-	(14,429)	-	11,982
Furniture & equipment	12,553,717	-	12,553,717	2,056,966	(1,026,286)	-	13,584,397
Vehicles	9,081,914	-	9,081,914	315,824	(202,553)	-	9,195,185
Total	**$ 552,999,442**	**$ 25,897,433**	**$ 578,896,875**	**$ 22,037,905**	**$ (3,085,472)**	**$ -**	**$ 597,849,308**
Acc. Amortization							
Buildings	$ 198,971,019	$ 25,875,254	$ 224,846,273	$ 10,234,489	$ 0	$ -	$ 235,080,762
Computer hardware	7,154,274	-	7,154,274	2,927,852	(1,842,204)	-	8,239,924
Computer software	18,664	-	18,664	3,840	(14,429)	-	8,075
Furniture & equipment	5,029,250	-	5,029,250	1,306,906	(1,026,286)	-	5,309,868
Vehicles	3,568,975	-	3,568,975	913,855	(202,553)	-	4,280,277
Total	**$ 214,742,182**	**$ 25,875,254**	**$ 240,617,436**	**$ 15,386,942**	**$ (3,085,472)**	**$ -**	**$ 252,918,906**

Buildings - WIP having a value of $25,266,134 (2022 - $2,971,055) has not been amortized. Amortization of these assets will commence when the assets are put in service.

14. Prepaid expenses

	2023	2022
Prepaid software licensing	**$ 393,886**	**$ 635,259**

15. Employee pension plans

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trusteed 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 51,000 active members from school districts and approximately 41,000 retired members. As at December 31, 2021, the Municipal Pension Plan has about 240,000 active members, including approximately 30,000 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 appropirate 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, 2021 indicated a $3,761 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, 2024 with results available in 2025.

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 $21,695,803 (2022 - $20,564,318) for employer contributions to these plans in the year ended June 30, 2023

16. Internally restricted surplus - operating fund

	2023	2022
Internally restricted (appropriated) by Board for:		
Appropriated for next year's budget	$ 418,629	$ 2,443,410
Net school surpluses	576,163	949,417
Targeted indigenous program	766,016	583,833
CUPE training funds	381,275	108,772
Jordan Principle funding	103,874	-
International student exchange	-	32,450
Program funds	-	17,386
WCB core audit funds	52,500	54,000
Trusee travel	26,203	32,055
Subtotal (internally restricted)	$ 2,324,660	$ 4,221,323
Unrestricted operating surplus	1,286,174	418,629
Total available for future operations	**$ 3,610,834**	**$ 4,639,952**

17. Expense by object

	2023	2022
Salaries and benefits	$ 265,003,501	$ 247,484,016
Services and supplies	39,135,988	33,429,390
Amortization on tangible capital assets	15,755,794	15,408,942
Total expenses by object	**$ 319,895,283**	**$ 296,322,348**

18. Interfund transfers

Inter-fund transfers between operating, special purpose and capital funds for the year ended June 30, 2023 were as follows:

- Transfers in the amount of $609,862 (2022 - $718,014) 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 $293,159 (2022 - $1,015,838) were made from the Operating Fund to the Capital Fund for capital asset purchases funded by the Operating Fund.
- Transfers in the amount of $1,299,577 (2022 - $1,556,822) were made from Local Capital within the Operating fund to the Capital Fund for capital asset purchases funded by Local Capital.

19. Related party transactions

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

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

20. 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 $24,020,056 at June 30, 2023 (2022 - $47,807,855). 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, 2023, $21,975,789 has been received (2022 - $11,580,838) and $17,722,137 (2022 - $2,148,079) has been spent.

21. Contingencies

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

The School District has five letters of credit with the Royal Bank of Canada in the amounts of $61,385, $33,156, and $238,397 payable to the City of Kelowna, $123,599 payable to the City of West Kelowna, and $15,000, payable to the Rutland Waterworks District. The City of Kelowna letters of credit for $61,385 and $33,156 were required in connection with the construction of an addition to École Dr. Knox Middle School at 121 Drysdale Boulevard. These letters of credit were issued on May 16, 2023 and March 24, 2023 respectively. The City of Kelowna letter of credit for $238,397, issued on June 3, 2022, is in connection with constuction of a childcare facility at Anne McClymont Elementary school at 4489 Lakeshore Road. The City of West Kelowna letter of credit is for construction of a childcare facility at Hudson Road Elementary at 1221 Hudson Road and was issued on April 3, 2023. 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.

22. Prior period adjustment

On July 1, 2022 the School District adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations. This new standard addresses the recognition, measurement, presentation and disclosure of legal oblications associated with the retirement of certain tangible capital assets such as asbestos removal in buildings that will undergo major renovation or demolition in the future. This standard was adopted using the modified retroactive approach.

On July 1, 2022 the School District recognized an asset retirement obligation relating to several owned buildings that contain asbestos and other hazardous materials. The liability has been measured at current cost as the timing and amounts of future cash flows cannot be estimated. The associated costs have been reported as an increase to the carrying value of the associated tangible capital assets. Accumulated amortization has been recorded from the later of, the date of acquisition of the related asset or April 1, 1988 (effective date of the *Hazadous Waste Regulation (April 1, 1988) - Part 6 - Management of Specific Hazardous Wastes*).

The impact of the prior period adjustment on the June 30, 2022 comparative amounts were increased (decreased) as follows:

Asset Retirement Obligation	$ 25,897,433
Tangible Capital Assets - cost	$ 25,897,433
Tangible Capital Assets - accumulated amortization)	$ (25,875,254)
Operations & Maintenance Expense - Asset Amortization	$ 22,000
Accumulated Surplus - Invested in Capital Assets	$ (25,853,254)

23. Risk management

The School District has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. The Board ensures that the School District has identified its risks and ensures that management monitors and controls them.

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

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

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

23. Risk management *(continued)*

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

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

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

Liquidity risk

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

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

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

24. Economic dependence

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

25. 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 22, 2022. 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 22, 2023. Significant changes between the original and amended budget are as follows:

	Amended Annual Budget	Annual Budget	Change
Revenue			
Provincial Grants	$ 285,123,027	$ 266,066,722	$ 19,056,305
Federal Grants	793,536	293,728	499,808
Tuition	6,235,000	6,235,000	-
Other Revenue	11,232,004	10,905,020	326,984
Investment Income	625,000	625,000	0
Amortization of Deferred Cap Revenue	10,791,761	9,764,607	1,027,154
Total Revenue	**$ 314,800,328**	**$ 293,890,077**	**$ 20,910,251**
Expense			
Instruction	$ 262,975,958	$ 245,345,875	$ 17,630,083
District Administration	8,280,654	7,824,737	455,917
Operations and Maintenance	39,569,630	39,822,079	(252,449)
Transportation and Housing	5,457,877	5,162,148	295,729
Total Expense	**$ 316,284,119**	**$ 298,154,839**	**$ 18,129,280**
Net Revenue (Expense)	**$ (1,483,791)**	**$ (4,264,762)**	**$ 2,780,971**
Budget Allocation of Surplus (Deficit)	4,221,323	4,807,376	(586,053)
Budget Surplus (Deficit), for the year	**$ 2,737,532**	**$ 542,614**	**$ 2,194,918**

School District No. 23 (Central Okanagan)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2023

	Operating Fund	Special Purpose Fund	Capital Fund	2023 Actual	2022 Actual (Restated - Note 21)
	$	$	$	$	$
Accumulated Surplus (Deficit), beginning of year	4,639,952		86,068,223	**90,708,175**	114,962,177
Prior Period Adjustments					(25,853,254)
Accumulated Surplus (Deficit), beginning of year, as restated	**4,639,952**	**-**	**86,068,223**	**90,708,175**	89,108,923
Changes for the year					
Surplus (Deficit) for the year	563,618	609,862	(55,166)	**1,118,314**	1,599,252
Interfund Transfers					
Tangible Capital Assets Purchased	(293,159)	(609,862)	903,021	**-**	
Local Capital	(1,299,577)		1,299,577	**-**	
Net Changes for the year	**(1,029,118)**	**-**	**2,147,432**	**1,118,314**	**1,599,252**
Accumulated Surplus (Deficit), end of year - Statement 2	**3,610,834**	**-**	**88,215,655**	**91,826,489**	90,708,175
Accumulated Remeasurement Gains (Losses) - Statement 3	96,810			**96,810**	(48,303)
	3,707,644	**-**	**88,215,655**	**91,923,299**	90,659,872

School District No. 23 (Central Okanagan)

Schedule of Operating Operations
Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 21)
	$	$	$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	240,898,857	**252,558,752**	236,823,630
Other	567,463	**523,066**	630,677
Federal Grants	293,728	**889,653**	171,550
Tuition	6,235,000	**6,475,910**	6,341,761
Other Revenue	4,273,700	**4,856,877**	4,598,581
Rentals and Leases	603,750	**885,191**	602,622
Investment Income	550,000	**503,445**	590,743
Total Revenue	253,422,498	**266,692,894**	249,759,564
Expenses			
Instruction	215,439,838	**226,460,256**	213,352,743
District Administration	7,824,737	**8,099,911**	7,446,025
Operations and Maintenance	25,016,163	**25,746,825**	24,550,705
Transportation and Housing	5,162,148	**5,822,284**	5,543,151
Total Expense	253,442,886	**266,129,276**	250,892,624
Operating Surplus (Deficit) for the year	(20,388)	**563,618**	(1,133,060)
Budgeted Appropriation (Retirement) of Surplus (Deficit)	4,807,376		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(1,988,235)	**(293,159)**	(1,015,838)
Local Capital	(2,798,753)	**(1,299,577)**	(1,556,822)
Total Net Transfers	(4,786,988)	**(1,592,736)**	(2,572,660)
Total Operating Surplus (Deficit), for the year	-	**(1,029,118)**	(3,705,720)
Operating Surplus (Deficit), beginning of year		**4,639,952**	8,345,672
Operating Surplus (Deficit), end of year		**3,610,834**	4,639,952
Operating Surplus (Deficit), end of year			
Internally Restricted		**2,324,660**	4,221,323
Unrestricted		**1,286,174**	418,629
Total Operating Surplus (Deficit), end of year		**3,610,834**	4,639,952

School District No. 23 (Central Okanagan)

Schedule of Operating Revenue by Source
Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 21)
	$	$	$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	240,199,234	**251,961,634**	236,032,631
ISC/LEA Recovery	(1,298,700)	**(1,336,165)**	(1,329,754)
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	**59,478**	73,878
Student Transportation Fund	600,000	**600,000**	600,000
Support Staff Benefits Grant		**-**	172,116
FSA Scorer Grant		**29,482**	31,792
Child Care Funding	60,000		
Early Learning Framework (ELF) Implementation		**-**	4,644
Other		**6,000**	
Total Provincial Grants - Ministry of Education and Child Care	240,898,857	**252,558,752**	236,823,630
Provincial Grants - Other	567,463	**523,066**	630,677
Federal Grants	293,728	**889,653**	171,550
Tuition			
International and Out of Province Students	6,235,000	**6,475,910**	6,341,761
Total Tuition	6,235,000	**6,475,910**	6,341,761
Other Revenues			
Other School District/Education Authorities	575,000	**655,733**	574,780
Funding from First Nations	1,298,700	**1,336,165**	1,329,754
Miscellaneous			
Transportation Fees	1,200,000	**1,457,726**	1,189,925
Wage Recoveries	450,000	**571,589**	765,851
Technology Fees	150,000	**31,677**	109,919
Other	600,000	**803,987**	628,352
Total Other Revenue	4,273,700	**4,856,877**	4,598,581
Rentals and Leases	603,750	**885,191**	602,622
Investment Income	550,000	**503,445**	590,743
Total Operating Revenue	253,422,498	**266,692,894**	249,759,564

School District No. 23 (Central Okanagan)
Schedule of Operating Expense by Object
Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 21)
	$	$	$
Salaries			
Teachers	111,272,009	**115,826,601**	111,492,419
Principals and Vice Principals	13,831,815	**14,626,904**	13,764,362
Educational Assistants	20,765,135	**20,962,805**	19,424,194
Support Staff	22,923,593	**24,076,576**	23,169,135
Other Professionals	4,103,886	**3,904,116**	3,934,448
Substitutes	8,494,661	**10,095,294**	8,776,794
Total Salaries	181,391,099	**189,492,296**	180,561,352
Employee Benefits	45,514,988	**48,715,485**	44,643,192
Total Salaries and Benefits	226,906,087	**238,207,781**	225,204,544
Services and Supplies			
Services	7,401,058	**6,977,161**	7,189,881
Student Transportation	386,800	**575,843**	365,125
Professional Development and Travel	2,173,164	**1,543,402**	1,388,444
Rentals and Leases	974,108	**880,433**	635,990
Dues and Fees	453,845	**602,497**	506,092
Insurance	714,600	**752,806**	659,687
Supplies	10,508,946	**12,069,625**	10,590,807
Utilities	3,924,278	**4,519,728**	4,352,054
Total Services and Supplies	26,536,799	**27,921,495**	25,688,080
Total Operating Expense	253,442,886	**266,129,276**	250,892,624

School District No. 23 (Central Okanagan)

Operating Expense by Function, Program and Object

Year Ended June 30, 2023

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	$	$	$	$	$	$	$
1 Instruction							
1.02 Regular Instruction	93,310,270	1,728,163	157,353	1,657,213		9,256,205	**106,109,204**
1.03 Career Programs	654,315	-	75,425	359,443		39,752	**1,128,935**
1.07 Library Services	2,257,597	267,371	-	1,324,703	139,176	28,963	**4,017,810**
1.08 Counselling	3,502,166	-	-	-		8,303	**3,510,469**
1.10 Special Education	13,166,998	435,495	18,270,175	1,089,750		474,618	**33,437,036**
1.30 English Language Learning	1,398,950	-	-	617		37,998	**1,437,565**
1.31 Indigenous Education	1,081,705	268,453	2,459,852	73,809		28,353	**3,912,172**
1.41 School Administration	-	10,644,817	-	3,986,943		86,809	**14,718,569**
1.62 International and Out of Province Students	454,600	199,615	-	173,151	336,093	10,980	**1,174,439**
Total Function 1	**115,826,601**	**13,543,914**	**20,962,805**	**8,665,629**	**475,269**	**9,971,981**	**169,446,199**
4 District Administration							
4.11 Educational Administration	-	381,378	-	130,926	758,407	79,279	**1,349,990**
4.40 School District Governance	-	-	-	-	161,329	-	**161,329**
4.41 Business Administration	-	701,612	-	1,044,223	1,489,343	44,034	**3,279,212**
Total Function 4	**-**	**1,082,990**	**-**	**1,175,149**	**2,409,079**	**123,313**	**4,790,531**
5 Operations and Maintenance							
5.20 Early Learning and Child Care	-	-	-	-	-	-	**-**
5.41 Operations and Maintenance Administration	-	-	-	201,486	494,905	-	**696,391**
5.50 Maintenance Operations	-	-	-	10,202,080	166,946	-	**10,369,026**
5.52 Maintenance of Grounds	-	-	-	961,264	-	-	**961,264**
5.56 Utilities	-	-	-	95,412	148,459	-	**243,871**
Total Function 5	**-**	**-**	**-**	**11,460,242**	**810,310**	**-**	**12,270,552**
7 Transportation and Housing							
7.41 Transportation and Housing Administration	-	-	-	173,415	209,458		**382,873**
7.70 Student Transportation	-	-	-	2,602,141			**2,602,141**
Total Function 7	**-**	**-**	**-**	**2,775,556**	**209,458**	**-**	**2,985,014**
9 Debt Services							
Total Function 9	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Functions 1 - 9	**115,826,601**	**14,626,904**	**20,962,805**	**24,076,576**	**3,904,116**	**10,095,294**	**189,492,296**

School District No. 23 (Central Okanagan)

Operating Expense by Function, Program and Object

Year Ended June 30, 2023

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2023 Actual	2023 Budget	2022 Actual (Restated - Note 21)
	$	$	$	$	$	$	$
1 Instruction							
1.02 Regular Instruction	106,109,204	26,763,995	132,873,199	9,309,160	142,182,359	132,765,855	135,227,038
1.03 Career Programs	1,128,935	294,623	1,423,558	360,462	1,784,020	1,925,789	1,820,875
1.07 Library Services	4,017,810	1,077,332	5,095,142	411,448	5,506,590	5,666,158	5,234,731
1.08 Counselling	3,510,469	868,534	4,379,003	17,942	4,396,945	4,394,099	4,161,424
1.10 Special Education	33,437,036	9,128,572	42,565,608	1,254,792	43,820,400	42,561,425	40,048,525
1.30 English Language Learning	1,437,565	344,766	1,782,331	36,366	1,818,697	1,754,138	1,715,345
1.31 Indigenous Education	3,912,172	1,052,493	4,964,665	412,060	5,376,725	5,785,612	4,850,776
1.41 School Administration	14,718,569	3,466,430	18,184,999	7,834	18,192,833	17,666,290	17,215,128
1.62 International and Out of Province Students	1,174,439	311,527	1,485,966	1,895,721	3,381,687	2,920,472	3,078,901
Total Function 1	169,446,199	43,308,272	212,754,471	13,705,785	226,460,256	215,439,838	213,352,743
4 District Administration							
4.11 Educational Administration	1,349,990	339,808	1,689,798	265,291	1,955,089	2,002,234	1,796,603
4.40 School District Governance	161,329	10,703	172,032	182,968	355,000	359,634	295,374
4.41 Business Administration	3,279,212	803,489	4,082,701	1,707,121	5,789,822	5,462,869	5,354,048
Total Function 4	4,790,531	1,154,000	5,944,531	2,155,380	8,099,911	7,824,737	7,446,025
5 Operations and Maintenance							
5.20 Early Learning and Child Care	-		-		-		
5.41 Operations and Maintenance Administration	696,391	172,957	869,348	563,527	1,432,875	1,557,361	1,486,980
5.50 Maintenance Operations	10,369,026	2,902,549	13,271,575	3,876,903	17,148,478	16,785,500	16,288,113
5.52 Maintenance of Grounds	961,264	220,674	1,181,938	541,154	1,723,092	1,514,100	1,567,780
5.56 Utilities	243,871	43,200	287,071	5,155,309	5,442,380	5,159,202	5,207,832
Total Function 5	12,270,552	3,339,380	15,609,932	10,136,893	25,746,825	25,016,163	24,550,705
7 Transportation and Housing							
7.41 Transportation and Housing Administration	382,873	97,157	480,030	68,918	548,948	494,268	522,821
7.70 Student Transportation	2,602,141	816,676	3,418,817	1,854,519	5,273,336	4,667,880	5,020,330
Total Function 7	2,985,014	913,833	3,898,847	1,923,437	5,822,284	5,162,148	5,543,151
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	189,492,296	48,715,485	238,207,781	27,921,495	266,129,276	253,442,886	250,892,624

School District No. 23 (Central Okanagan)

Schedule of Special Purpose Operations
Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 21)
	$	$	$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	24,600,402	**31,118,603**	25,174,610
Other Revenue	6,027,570	**7,469,308**	5,561,174
Investment Income	-	**32,166**	3,012
Total Revenue	30,627,972	**38,620,077**	30,738,796
Expenses			
Instruction	29,906,037	**37,943,364**	29,480,754
District Administration			31,977
Operations and Maintenance		**66,851**	508,051
Total Expense	29,906,037	**38,010,215**	30,020,782
Special Purpose Surplus (Deficit) for the year	721,935	**609,862**	718,014
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(721,935)	**(609,862)**	(718,014)
Total Net Transfers	(721,935)	**(609,862)**	(718,014)
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		-	-

School District No. 23 (Central Okanagan)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2023

	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	-	93,229	21,099	3,834,013	-	-	119,634	107,175	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	785,499	848,215			256,000	75,950	409,203	1,268,698	569,778
Other				8,269,003					
Investment Income		5,500	1,245				7,057	6,322	
	785,499	853,715	1,245	8,269,003	256,000	75,950	416,260	1,275,020	569,778
Less: Allocated to Revenue	659,843	869,729	-	7,469,308	256,000	75,950	363,322	1,382,195	569,778
Recovered									
Deferred Revenue, end of year	125,656	77,215	22,344	4,633,708	-	-	172,572	-	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	659,843	864,229			256,000	75,950	356,265	1,375,873	569,778
Other Revenue				7,469,308					
Investment Income		5,500					7,057	6,322	
	659,843	869,729	-	7,469,308	256,000	75,950	363,322	1,382,195	569,778
Expenses									
Salaries									
Teachers				78,234		41,740	128,055	28,915	
Principals and Vice Principals									
Educational Assistants		705,245			182,896				
Support Staff									
Substitutes		4,684					68,904	810	568,859
	-	709,929	-	78,234	182,896	41,740	196,959	29,725	568,859
Employee Benefits		159,800		20,051	47,299	9,209	29,099	7,164	
Services and Supplies	66,851			7,371,023	25,805	25,001	137,264	1,345,306	919
	66,851	869,729	-	7,469,308	256,000	75,950	363,322	1,382,195	569,778
Net Revenue (Expense) before Interfund Transfers	592,992	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(592,992)								
	(592,992)	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 23 (Central Okanagan)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2023

Schedule 3A (Unaudited)

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Seamless Day Kindergarten	Early Childhood Education Dual Credit Program	Student & Family Affordability	SEY2KT (Early Years to Kindergarten)
	$	$	$	$	$	$	$	$	$
Deferred Revenue, beginning of year	-	59,083	3,920	71,603	19,237	19,397	115,000	-	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	24,338,482	34,243	1,722	48,000	6,570	55,400	35,000	2,396,709	19,000
Other									
Investment Income				4,224	1,135	1,144	6,784		
	24,338,482	34,243	1,722	52,224	7,705	56,544	41,784	2,396,709	19,000
Less: Allocated to Revenue	24,338,482	26,094	-	119,367	2,511	49,538	20,000	2,036,168	5,968
Recovered		59,083							
Deferred Revenue, end of year	**-**	**8,149**	**5,642**	**4,460**	**24,431**	**26,403**	**136,784**	**360,541**	**13,032**
Revenues									
Provincial Grants - Ministry of Education and Child Care	24,338,482	26,094		115,143	1,376	48,394	13,216	2,036,168	5,968
Other Revenue									
Investment Income				4,224	1,135	1,144	6,784		
	24,338,482	26,094	-	119,367	2,511	49,538	20,000	2,036,168	5,968
Expenses									
Salaries									
Teachers	19,470,786								
Principals and Vice Principals									
Educational Assistants									
Support Staff						40,821			
Substitutes		26,094		1,823	1,525				2,638
	19,470,786	26,094	-	1,823	1,525	40,821	-	-	2,638
Employee Benefits	4,867,696					8,133			
Services and Supplies				117,544	986	584	20,000	2,019,298	3,330
	24,338,482	26,094	-	119,367	2,511	49,538	20,000	2,019,298	5,968
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	16,870	-
Interfund Transfers									
Tangible Capital Assets Purchased								(16,870)	
	-	-	-	-	-	-	-	(16,870)	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 23 (Central Okanagan)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2023

	ECL (Early Care & Learning)	Provincial Resource Program	TOTAL
	$	$	$
Deferred Revenue, beginning of year	-	-	4,463,390
Add: Restricted Grants			
Provincial Grants - Ministry of Education and Child Care	175,000	209,271	31,532,740
Other			8,269,003
Investment Income			33,411
	175,000	209,271	39,835,154
Less: Allocated to Revenue	175,000	200,824	38,620,077
Recovered			59,083
Deferred Revenue, end of year	-	8,447	5,619,384
Revenues			
Provincial Grants - Ministry of Education and Child Care	175,000	200,824	31,118,603
Other Revenue			7,469,308
Investment Income			32,166
	175,000	200,824	38,620,077
Expenses			
Salaries			
Teachers		101,347	19,849,077
Principals and Vice Principals	143,804		143,804
Educational Assistants			888,141
Support Staff			40,821
Substitutes		1,998	677,335
	143,804	103,345	21,599,178
Employee Benefits	31,196	25,031	5,204,678
Services and Supplies		72,448	11,206,359
	175,000	200,824	38,010,215
Net Revenue (Expense) before Interfund Transfers	-	-	609,862
Interfund Transfers			
Tangible Capital Assets Purchased			(609,862)
	-	-	(609,862)
Net Revenue (Expense)	-	-	-

School District No. 23 (Central Okanagan)

Schedule of Capital Operations
Year Ended June 30, 2023

	2023 Budget	2023 Actual: Invested in Tangible Capital Assets	2023 Actual: Local Capital	2023 Actual: Fund Balance	2022 Actual (Restated - Note 21)
	$	$	$	$	$
Revenues					
Provincial Grants					
Ministry of Education and Child Care		45,286		45,286	1,997,625
Other				-	-
Municipal Grants Spent on Sites				-	5,076,108
Investment Income	75,000		111,484	111,484	34,113
Gain (Loss) on Disposal of Tangible Capital Assets		5,346,000		5,346,000	
Amortization of Deferred Capital Revenue	9,764,607	10,830,067		10,830,067	10,315,394
Gain (Loss) Unamortized Deferred Capital Revenue		364,071		364,071	
Total Revenue	9,839,607	16,585,424	111,484	16,696,908	17,423,240
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	14,805,916	15,755,794		15,755,794	15,408,942
Write-off/down of Buildings and Sites		996,280		996,280	
Total Expense	14,805,916	16,752,074	-	16,752,074	15,408,942
Capital Surplus (Deficit) for the year	(4,966,309)	(166,650)	111,484	(55,166)	2,014,298
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	2,710,170	903,021		903,021	1,733,852
Local Capital	2,798,753		1,299,577	1,299,577	1,556,822
Total Net Transfers	5,508,923	903,021	1,299,577	2,202,598	3,290,674
Other Adjustments to Fund Balances					
District Portion of Proceeds on Disposal		(5,346,000)	5,346,000	-	
Tangible Capital Assets Purchased from Local Capital		2,649,036	(2,649,036)	-	
Tangible Capital Assets WIP Purchased from Local Capital		155,430	(155,430)	-	
Total Other Adjustments to Fund Balances		(2,541,534)	2,541,534	-	
Total Capital Surplus (Deficit) for the year	542,614	(1,805,163)	3,952,595	2,147,432	5,304,972
Capital Surplus (Deficit), beginning of year		84,178,358	1,889,865	86,068,223	106,616,505
Prior Period Adjustments					
To Recognize Asset Retirement Obligation					(25,853,254)
Capital Surplus (Deficit), beginning of year, as restated		84,178,358	1,889,865	86,068,223	80,763,251
Capital Surplus (Deficit), end of year		82,373,195	5,842,460	88,215,655	86,068,223

School District No. 23 (Central Okanagan)
Tangible Capital Assets
Year Ended June 30, 2023

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	$	$	$	$	$	$	$
Cost, beginning of year	60,874,434	470,403,824	13,584,397	9,195,185	11,982	14,910,998	**568,980,820**
Prior Period Adjustments							
To Recognize Asset Retirement Obligation		25,897,433					**25,897,433**
Cost, beginning of year, as restated	60,874,434	496,301,257	13,584,397	9,195,185	11,982	14,910,998	**594,878,253**
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	45,286	5,559,231	278,962	494,711	-	-	**6,378,190**
Deferred Capital Revenue - Other	-	-	47,652	-	-	-	**47,652**
Operating Fund	-	47,189	73,767	34,713	34,100	103,390	**293,159**
Special Purpose Funds	-	592,992	16,870	-	-	-	**609,862**
Local Capital	-	149,160	227,940	304,324	-	1,967,612	**2,649,036**
Transferred from Work in Progress		170,143					**170,143**
	45,286	6,518,715	645,191	833,748	34,100	2,071,002	**10,148,042**
Decrease:							
Disposed of	4,000	4,023,990					**4,027,990**
Deemed Disposals			651,471	565,884	5,206	4,539,596	**5,762,157**
	4,000	4,023,990	651,471	565,884	5,206	4,539,596	**9,790,147**
Cost, end of year	60,915,720	498,795,982	13,578,117	9,463,049	40,876	12,442,404	**595,236,148**
Work in Progress, end of year		25,266,134					**25,266,134**
Cost and Work in Progress, end of year	60,915,720	524,062,116	13,578,117	9,463,049	40,876	12,442,404	**620,502,282**
Accumulated Amortization, beginning of year		209,205,508	5,309,868	4,280,277	8,075	8,239,924	**227,043,652**
Prior Period Adjustments							
To Recognize Asset Retirement Obligation		25,875,254					**25,875,254**
Accumulated Amortization, beginning of year, as restated		235,080,762	5,309,868	4,280,277	8,075	8,239,924	**252,918,906**
Changes for the Year							
Increase: Amortization for the Year		10,724,129	1,358,126	932,912	5,286	2,735,341	**15,755,794**
Decrease:							
Disposed of		3,031,710					**3,031,710**
Deemed Disposals			651,471	565,884	5,206	4,539,596	**5,762,157**
		3,031,710	651,471	565,884	5,206	4,539,596	**8,793,867**
Accumulated Amortization, end of year		242,773,181	6,016,523	4,647,305	8,155	6,435,669	**259,880,833**
Tangible Capital Assets - Net	**60,915,720**	**281,288,935**	**7,561,594**	**4,815,744**	**32,721**	**6,006,735**	**360,621,449**

School District No. 23 (Central Okanagan)
Tangible Capital Assets - Work in Progress
Year Ended June 30, 2023

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	$	$	$	$	$
Work in Progress, beginning of year	2,971,055				**2,971,055**
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	6,735,734				**6,735,734**
Deferred Capital Revenue - Other	15,574,058				**15,574,058**
Local Capital	155,430				**155,430**
	22,465,222	-	-	-	**22,465,222**
Decrease:					
Transferred to Tangible Capital Assets	170,143				**170,143**
	170,143	-	-	-	**170,143**
Net Changes for the Year	22,295,079	-	-	-	**22,295,079**
Work in Progress, end of year	**25,266,134**	-	-	-	**25,266,134**

School District No. 23 (Central Okanagan)
Deferred Capital Revenue
Year Ended June 30, 2023

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	$	$	$	$
Deferred Capital Revenue, beginning of year	226,138,123	3,982,920	1,561,147	**231,682,190**
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	6,332,904		47,652	**6,380,556**
Transferred from Work in Progress	170,143			**170,143**
	6,503,047	-	47,652	**6,550,699**
Decrease:				
Amortization of Deferred Capital Revenue	10,461,629	165,516	202,922	**10,830,067**
Revenue Recognized on Write-off/down of Buildings	364,071			**364,071**
	10,825,700	165,516	202,922	**11,194,138**
Net Changes for the Year	(4,322,653)	(165,516)	(155,270)	**(4,643,439)**
Deferred Capital Revenue, end of year	221,815,470	3,817,404	1,405,877	**227,038,751**
Work in Progress, beginning of year	941,218	2,029,837		**2,971,055**
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	6,735,734	15,574,058		**22,309,792**
	6,735,734	15,574,058	-	**22,309,792**
Decrease				
Transferred to Deferred Capital Revenue	170,143			**170,143**
	170,143	-	-	**170,143**
Net Changes for the Year	6,565,591	15,574,058	-	**22,139,649**
Work in Progress, end of year	7,506,809	17,603,895	-	**25,110,704**
Total Deferred Capital Revenue, end of year	**229,322,279**	**21,421,299**	**1,405,877**	**252,149,455**

School District No. 23 (Central Okanagan)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2023

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	$	$	$	$	$	$
Balance, beginning of year	3,206,938	1,440,330	9,532,919	3,462,851	-	**17,643,038**
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	14,185,762					**14,185,762**
Provincial Grants - Other			10,394,951			**10,394,951**
Other					47,652	**47,652**
Investment Income		84,966	569,781	204,275		**859,022**
School Site Acquisition Charges				1,151,754		**1,151,754**
	14,185,762	84,966	10,964,732	1,356,029	47,652	**26,639,141**
Decrease:						
Transferred to DCR - Capital Additions	6,332,904				47,652	**6,380,556**
Transferred to DCR - Work in Progress	6,735,734		15,574,058			**22,309,792**
Transferred to Revenue - Site Purchases	45,286					**45,286**
	13,113,924	-	15,574,058	-	47,652	**28,735,634**
Net Changes for the Year	1,071,838	84,966	(4,609,326)	1,356,029	-	**(2,096,493)**
Balance, end of year	**4,278,776**	**1,525,296**	**4,923,593**	**4,818,880**	-	**15,546,545**