

Audited Financial Statements of

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

June 30, 2018

# School District No. 23 (Central Okanagan)

June 30, 2018

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# School District No. 23 (Central Okanagan)

## MANAGEMENT REPORT

Version: 8290-7544-5561

### Management's Responsibility for the Financial Statements.

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

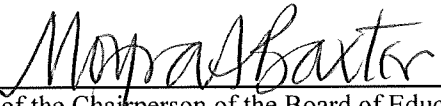
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

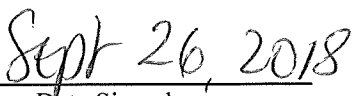
Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and reliable financial information is produced.

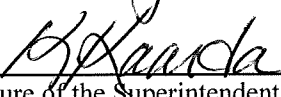
The Board of Education of School District No. 23 (Central Okanagan) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial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

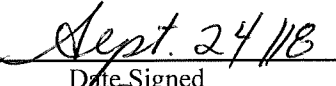
The external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 23 (Central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

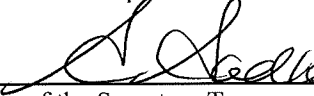
On behalf of School District No. 23 (Central Okanagan)

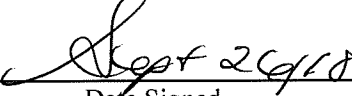
  
\_\_\_\_\_  
Signature of the Chairperson of the Board of Education

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

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

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

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

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

## Independent auditor's report

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

We have audited the accompanying financial statements of School District No. 23 (Central Okanagan), which comprise the statement of financial position as at June 30, 2018 and the statement of operations, statement of remeasurement gains and losses, statement of changes in net financial assets (debt) and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

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

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements of School District No. 23 (Central Okanagan) for the year ended June 30, 2018 are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

**Emphasis of matter**

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards.

**Other matters**

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

Kelowna, Canada  
September 19, 2018

*Grant Thornton LLP*

Chartered Professional Accountants

# School District No. 23 (Central Okanagan)


Statement of Financial Position  
As at June 30, 2018

|   | 2018<br>Actual<br>\$ | 2017<br>Actual<br>\$ |
|---|----------------------|----------------------|
| <b>Financial Assets</b>                               |                      |                      |
| Cash and Cash Equivalents (Note 3)                    | 34,086,861           | 37,751,813           |
| Accounts Receivable                                   |                      |                      |
| Due from Province - Ministry of Education             | 3,299,399            | 1,057,249            |
| Other (Note 4)  | 1,599,698            | 1,076,900            |
| Portfolio Investments                                 | 12,851,508           | 11,402,847           |
| <b>Total Financial Assets</b>                         | <b>51,837,466</b>    | <b>51,288,809</b>    |
| <b>Liabilities</b>                                    |                      |                      |
| Accounts Payable and Accrued Liabilities              |                      |                      |
| Other (Note 5)  | 13,894,386           | 14,415,247           |
| Unearned Revenue (Note 7)                             | 2,468,063            | 2,390,176            |
| Deferred Revenue (Note 8)                             | 3,950,547            | 3,749,748            |
| Deferred Capital Revenue (Note 9)                     | 186,474,275          | 180,322,218          |
| Employee Future Benefits (Note 10)                    | 9,584,436            | 9,436,128            |
| Other Liabilities (Note 11)                           | 9,454,077            | 9,152,823            |
| <b>Total Liabilities</b>                              | <b>225,825,784</b>   | <b>219,466,340</b>   |
| <b>Net Financial Assets (Debt)</b>                    | <b>(173,988,318)</b> | <b>(168,177,531)</b> |
| <b>Non-Financial Assets</b>                           |                      |                      |
| Tangible Capital Assets (Note 12)                     | 288,668,213          | 277,987,954          |
| Prepaid Expenses (Note 13)                            | 161,627              | 353,171              |
| Supplies Inventory                                    | 245,331              | 196,259              |
| <b>Total Non-Financial Assets</b>                     | <b>289,075,171</b>   | <b>278,537,384</b>   |
| <b>Accumulated Surplus (Deficit)</b>                  | <b>115,086,853</b>   | <b>110,359,853</b>   |
| <b>Accumulated Surplus (Deficit) is comprised of:</b> |                      |                      |
| Accumulated Surplus (Deficit) from Operations         | 114,335,875          | 109,171,127          |
| Accumulated Remeasurement Gains (Losses)              | 750,978              | 1,188,726            |
|   | <b>115,086,853</b>   | <b>110,359,853</b>   |

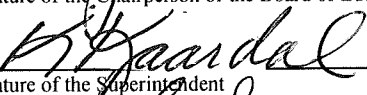
Contractual Obligations (Note 20)

Contingent Liabilities (Note 21)

Approved by the Board

  
Signature of the Chairperson of the Board of Education

Sept 26, 2018  
Date Signed

  
Signature of the Superintendent

Sept 24/18  
Date Signed

  
Signature of the Secretary Treasurer

Sept 26/18  
Date Signed

# School District No. 23 (Central Okanagan)

Statement 2

Statement of Operations  
Year Ended June 30, 2018

|   | 2018<br>Budget     | 2018<br>Actual     | 2017<br>Actual     |
|---|--------------------|--------------------|--------------------|
|   | \$                 | \$                 | \$                 |
| <b>Revenues</b>   |                    |                    |                    |
| Provincial Grants   |                    |                    |                    |
| Ministry of Education   | 219,249,702        | 215,504,211        | 205,338,458        |
| Other   | 604,928            | 695,250            | 698,577            |
| Tuition   | 5,600,000          | 5,886,182          | 5,168,270          |
| Other Revenue   | 9,716,281          | 11,154,669         | 10,253,268         |
| Rentals and Leases  | 575,000            | 613,124            | 629,784            |
| Investment Income   | 575,000            | 950,891            | 863,335            |
| Gain (Loss) on Disposal of Tangible Capital Assets (Note 14)            |                    | 4,398,712          | 1,400,113          |
| Amortization of Deferred Capital Revenue                                | 7,794,000          | 8,192,707          | 7,956,135          |
| <b>Total Revenue</b>  | <u>244,114,911</u> | <u>247,395,746</u> | <u>232,307,940</u> |
| <b>Expenses</b>   |                    |                    |                    |
| Instruction   | 204,267,913        | 198,957,506        | 185,766,959        |
| District Administration   | 5,950,004          | 5,737,562          | 5,344,439          |
| Operations and Maintenance  | 35,051,246         | 33,357,128         | 33,756,108         |
| Transportation and Housing  | 3,905,910          | 4,178,802          | 3,900,421          |
| <b>Total Expense</b>  | <u>249,175,073</u> | <u>242,230,998</u> | <u>228,767,927</u> |
| <b>Surplus (Deficit) for the year</b>                                   | <u>(5,060,162)</u> | <u>5,164,748</u>   | <u>3,540,013</u>   |
| <b>Accumulated Surplus (Deficit) from Operations, beginning of year</b> |                    | 109,171,127        | 105,631,114        |
| <b>Accumulated Surplus (Deficit) from Operations, end of year</b>       |                    | <u>114,335,875</u> | <u>109,171,127</u> |

# School District No. 23 (Central Okanagan)

Statement 3

Statement of Remeasurement Gains and Losses

Year Ended June 30, 2018

|  | 2018<br>Actual   | 2017<br>Actual   |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>Accumulated Remeasurement Gains (Losses) at beginning of year</b> | <b>1,188,726</b> | <b>1,601,685</b> |
| <b>Unrealized Gains (Losses) attributable to:</b>                    |                  |                  |
| Portfolio Investments  | 31,425           | 138,450          |
| <b>Amounts Reclassified to the Statement of Operations:</b>          |                  |                  |
| Portfolio Investments  | (469,173)        | (551,409)        |
| <b>Net Remeasurement Gains (Losses) for the year</b>                 | <b>(437,748)</b> | <b>(412,959)</b> |
| <b>Accumulated Remeasurement Gains (Losses) at end of year</b>       | <b>750,978</b>   | <b>1,188,726</b> |



# School District No. 23 (Central Okanagan)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2018

|  | 2018<br>Budget     | 2018<br>Actual       | 2017<br>Actual       |
|--|--------------------|----------------------|----------------------|
|  | \$                 | \$                   | \$                   |
| <b>Surplus (Deficit) for the year</b>  | <u>(5,060,162)</u> | <u>5,164,748</u>     | <u>3,540,013</u>     |
| <b>Effect of change in Tangible Capital Assets</b>   |                    |                      |                      |
| Acquisition of Tangible Capital Assets   | (14,435,062)       | (24,575,113)         | (13,199,812)         |
| Amortization of Tangible Capital Assets  | 12,400,000         | 12,593,566           | 12,589,228           |
| Net carrying value of Tangible Capital Assets disposed of  |                    | 1,301,288            | 299,887              |
| <b>Total Effect of change in Tangible Capital Assets</b>   | <u>(2,035,062)</u> | <u>(10,680,259)</u>  | <u>(310,697)</u>     |
| Acquisition of Prepaid Expenses  |                    | (64,747)             | (332,608)            |
| Use of Prepaid Expenses  |                    | 256,291              | 64,068               |
| Acquisition of Supplies Inventory  |                    | (1,264,882)          | (1,181,121)          |
| Use of Supplies Inventory  |                    | 1,215,810            | 1,221,282            |
| <b>Total Effect of change in Other Non-Financial Assets</b>  | <u>-</u>           | <u>142,472</u>       | <u>(228,379)</u>     |
| <b>(Increase) Decrease in Net Financial Assets (Debt),<br/>before Net Remeasurement Gains (Losses)</b> | <u>(7,095,224)</u> | <u>(5,373,039)</u>   | <u>3,000,937</u>     |
| <b>Net Remeasurement Gains (Losses)</b>  |                    | <u>(437,748)</u>     | <u>(412,959)</u>     |
| <b>(Increase) Decrease in Net Financial Assets (Debt)</b>  |                    | <u>(5,810,787)</u>   | <u>2,587,978</u>     |
| <b>Net Financial Assets (Debt), beginning of year</b>  |                    | <u>(168,177,531)</u> | <u>(170,765,509)</u> |
| <b>Net Financial Assets (Debt), end of year</b>  |                    | <u>(173,988,318)</u> | <u>(168,177,531)</u> |

# School District No. 23 (Central Okanagan)

Statement 5

Statement of Cash Flows  
Year Ended June 30, 2018

|   | 2018<br>Actual<br>\$ | 2017<br>Actual<br>\$ |
|---|----------------------|----------------------|
| <b>Operating Transactions</b>                                 |                      |                      |
| Surplus (Deficit) for the year                                | 5,164,748            | 3,540,013            |
| Changes in Non-Cash Working Capital                           |                      |                      |
| Decrease (Increase)   |                      |                      |
| Accounts Receivable   | (2,764,948)          | (432,694)            |
| Supplies Inventories  | (49,072)             | 40,161               |
| Prepaid Expenses  | 191,544              | (268,540)            |
| Increase (Decrease)   |                      |                      |
| Accounts Payable and Accrued Liabilities                      | (520,861)            | 3,408,721            |
| Unearned Revenue  | 77,887               | 245,588              |
| Deferred Revenue  | 200,799              | 93,922               |
| Employee Future Benefits                                      | 148,308              | 196,879              |
| Other Liabilities   | 301,254              | 474,911              |
| Loss (Gain) on Disposal of Tangible Capital Assets            | (4,398,712)          | (1,400,113)          |
| Amortization of Tangible Capital Assets                       | 12,593,566           | 12,589,228           |
| Amortization of Deferred Capital Revenue                      | (8,192,707)          | (7,956,135)          |
| Recognition of Deferred Capital Revenue Spent on Sites        | (27,241)             |                      |
| <b>Total Operating Transactions</b>                           | <u>2,724,565</u>     | <u>10,531,941</u>    |
| <b>Capital Transactions</b>                                   |                      |                      |
| Tangible Capital Assets Purchased                             | (19,589,077)         | (9,772,445)          |
| Tangible Capital Assets -WIP Purchased                        | (4,986,036)          | (3,427,367)          |
| District Portion of Proceeds on Disposal                      | 5,700,000            | 1,700,000            |
| <b>Total Capital Transactions</b>                             | <u>(18,875,113)</u>  | <u>(11,499,812)</u>  |
| <b>Financing Transactions</b>                                 |                      |                      |
| Capital Revenue Received                                      | 14,372,005           | 7,456,313            |
| <b>Total Financing Transactions</b>                           | <u>14,372,005</u>    | <u>7,456,313</u>     |
| <b>Investing Transactions</b>                                 |                      |                      |
| Decrease in Remeasurement Gains (Losses)                      | (437,748)            | (412,959)            |
| (Investment in) Proceeds on Disposal of Portfolio Investments | (1,448,661)          | 707,691              |
| <b>Total Investing Transactions</b>                           | <u>(1,886,409)</u>   | <u>294,732</u>       |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>   | <u>(3,664,952)</u>   | <u>6,783,174</u>     |
| <b>Cash and Cash Equivalents, beginning of year</b>           | <u>37,751,813</u>    | <u>30,968,639</u>    |
| <b>Cash and Cash Equivalents, end of year</b>                 | <u>34,086,861</u>    | <u>37,751,813</u>    |
| <b>Cash and Cash Equivalents, end of year, is made up of:</b> |                      |                      |
| Cash  | 19,317,179           | 26,366,375           |
| Cash Equivalents  | 14,769,682           | 11,385,438           |
|   | <u>34,086,861</u>    | <u>37,751,813</u>    |

**1. Authority and purpose**

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

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**2. Summary of significant accounting policies**

(a) Basis of accounting

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

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

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

|   |                       |
|---|-----------------------|
| Year ended June 30, 2017 - decrease in annual surplus by                                | <u>\$ (1,611,712)</u> |
| June 30, 2017 - increase in accumulated surplus & decrease in deferred contributions by | <u>\$ 179,127,551</u> |
| Year ended June 30, 2018 - increase in annual surplus by                                | <u>\$ 4,833,032</u>   |
| June 30, 2018 - increase in accumulated surplus & decrease in deferred contributions by | <u>\$ 183,960,583</u> |

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

(b) Cash and cash equivalents

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

(c) Portfolio investments

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

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

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

(d) Accounts receivable

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

(e) Prepaid expenses

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

(f) Supplies inventory

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

(g) Tangible capital assets

The following criteria apply:

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

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

(g) Tangible capital assets (*continued*)

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Costs also include overhead directly attributable to construction.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value.
- Work in progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Transfers of capital assets from related parties are recorded at carrying value.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written off. Disposals sites or buildings are recorded and gains/losses calculated.
- Amortization is recorded on a straight-line basis over the estimated useful life of the tangible capital asset. It is management's responsibility to determine the appropriate useful lives for capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful lives are as follows:

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

(h) Unearned revenue

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

(i) Deferred revenue and deferred capital revenue

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

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

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

(j) Employee future benefits

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

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

The most recent valuation of the obligation was performed at March 31, 2016 and projected to March 31, 2019. The next valuation will be performed at March 31, 2019 for use at June 30, 2019. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

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

(k) Asset retirement obligations

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

(l) Liability for contaminated sites

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

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

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

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

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

(m) Revenue recognition

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

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

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

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

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

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

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

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

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

(n) Expenditures

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

- Categories of salaries
  - Principals, Vice Principals and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice-Principals.
  - Superintendents, Assistant Superintendents, Secretary Treasurers, Trustees and any other employees excluded from union contract are categorized as Other Professionals.
- Allocation of costs
  - Operating expenses are reported by function, program and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs such as special and aboriginal education are allocated to these programs. All other costs are allocated to regular programs.
  - Actual salaries of personnel assigned by two or more functions or programs are allocated based on the time spent in each function and program. School based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
  - Employee benefits are allocated to the same programs, and in the same proportions, as the individual's salary.
  - Supplies and services are allocated based on actual program identification.

(o) Financial instruments

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

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

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

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



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

(o) Financial instruments (continued)

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

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

(p) Measurement uncertainty

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

(q) Funds and reserves

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

**3. Cash and cash equivalents**

Included in cash and cash equivalents are funds in the amount of \$266,244 (2017 - \$126,873), 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 \$7,909,361 (2017 - \$7,241,200), restricted and paid out to teachers who contribute and take part in the District's self-funded summer saving plan.

**4. Accounts receivable - other**

|  | 2018                | 2017                |
|--|---------------------|---------------------|
| GST rebate                               | \$ 301,727          | \$ 244,447          |
| Invoices receivable                      | 326,570             | 328,821             |
| Long term receivable                     | 71,908              | 86,302              |
| Other receivable                         | 899,493             | 417,330             |
| <b>Total accounts receivable - other</b> | <b>\$ 1,599,698</b> | <b>\$ 1,076,900</b> |

**School District No. 23 (Central Okanagan)**  
**Notes to the Financial Statements**  
**June 30, 2018**

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

|   | 2018                 | 2017                 |
|---|----------------------|----------------------|
| Trade   | \$ 3,701,154         | \$ 2,196,570         |
| International Education                                       | 1,406,212            | 1,137,576            |
| Summer Savings program  | 7,909,361            | 7,241,200            |
| Deferred Salary Leave program                                 | 266,244              | 126,873              |
| Due to administration building contractor                     | -                    | 2,482,016            |
| Ministry of Education enrolment audit recovery                | -                    | 374,434              |
| Miscellaneous   | 611,415              | 856,578              |
| <b>Total accounts payable and accrued liabilities - other</b> | <b>\$ 13,894,386</b> | <b>\$ 14,415,247</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, 2018 the balance outstanding under this credit facility was \$nil (2017 – \$nil).

**7. Unearned revenue**

|                                       | 2018                | 2017                |
|---------------------------------------|---------------------|---------------------|
| Balance, beginning of year            | \$ 2,390,176        | \$ 2,144,588        |
| Changes for the year;                 |                     |                     |
| Increase:                             |                     |                     |
| Transportation fees                   | 57,290              | 140,551             |
| Tuition fees                          | 4,527,283           | 4,277,085           |
| Other                                 | 14,833              | 11,898              |
|                                       | <u>4,599,406</u>    | <u>4,429,534</u>    |
| Decrease:                             |                     |                     |
| Transportation fees                   | (140,551)           | (287,709)           |
| Tuition fees                          | (4,369,070)         | (3,881,216)         |
| Other                                 | (11,898)            | (15,021)            |
|                                       | <u>(4,521,519)</u>  | <u>(4,183,946)</u>  |
| <b>Balance, end of year</b>           | <b>\$ 2,468,063</b> | <b>\$ 2,390,176</b> |
|                                       | 2018                | 2017                |
| <b>Unearned revenue comprised of:</b> |                     |                     |
| Transportation fees                   | \$ 57,290           | \$ 140,550          |
| Tuition fees                          | 2,395,940           | 2,237,728           |
| Other                                 | 14,833              | 11,898              |
|                                       | <u>\$ 2,468,063</u> | <u>\$ 2,390,176</u> |

**School District No. 23 (Central Okanagan)**  
**Notes to the Financial Statements**  
**June 30, 2018**

**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.

|  | <u>2018</u>                | <u>2017</u>                |
|--|----------------------------|----------------------------|
| Balance, beginning of year                     | \$ 3,749,748               | \$ 3,655,826               |
| Contributions received during the year         | 24,881,699                 | 16,311,778                 |
| Revenue recognized from deferred contributions | <u>(24,680,900)</u>        | <u>(16,217,856)</u>        |
|  | <u>200,799</u>             | <u>93,922</u>              |
| <b>Balance, end of year</b>                    | <b><u>\$ 3,950,547</u></b> | <b><u>\$ 3,749,748</u></b> |

**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.

|  | <u>2018</u>                  | <u>2017</u>                  |
|--|------------------------------|------------------------------|
| Balance, beginning of year                     | \$ 180,322,218               | \$ 180,822,040               |
| Contributions received during the year         | 14,337,644                   | 7,456,222                    |
| Investment income                              | 34,361                       | 91                           |
| Revenue recognized from deferred contributions | (8,192,707)                  | (7,956,135)                  |
| Site purchases                                 | <u>(27,241)</u>              | <u>-</u>                     |
| <b>Balance, end of year</b>                    | <b><u>\$ 186,474,275</u></b> | <b><u>\$ 180,322,218</u></b> |

**10. Employee future benefits**

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

**School District No. 23 (Central Okanagan)**  
**Notes to the Financial Statements**  
**June 30, 2018**

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

|  | 2018                       | 2017                       |
|--|----------------------------|----------------------------|
| <b>Reconciliation of accrued benefit obligation</b>          |                            |                            |
| Accrued benefit obligation - April 1                         | \$ 8,653,674               | \$ 9,007,221               |
| Service cost   | 708,445                    | 709,320                    |
| Interest cost  | 244,205                    | 228,617                    |
| Benefit payments   |                            |                            |
| April 1 to March 31 - vested                                 | (850,906)                  | (378,031)                  |
| April 1 to March 31 - non vested                             | (60,537)                   | (71,836)                   |
| Actuarial (gain) loss  | (49,464)                   | (841,617)                  |
| Accrued benefit obligation - March 31                        | <u>\$ 8,645,417</u>        | <u>\$ 8,653,674</u>        |
| <b>Reconciliation of funded status at end of fiscal year</b> |                            |                            |
| Accrued benefit obligation - March 31                        | \$ (8,645,417)             | \$ (8,653,674)             |
| Employer contributions after measurement date                | 235,269                    | 408,772                    |
| Benefit expense after measurement date - April to June 30    | (243,730)                  | (238,163)                  |
| Unamortized net actuarial (gain)/loss                        | (930,558)                  | (953,063)                  |
| Accrued benefit obligation - June 30                         | <u>\$ (9,584,436)</u>      | <u>\$ (9,436,128)</u>      |
| <b>Reconciliation of change in accrued benefit liability</b> |                            |                            |
| Accrued benefit liability - July 1                           | \$ 9,436,128               | \$ 9,239,249               |
| Net expense for fiscal year                                  | 886,248                    | 956,411                    |
| Employer contributions                                       |                            |                            |
| July 1 to March 31   | (502,671)                  | (350,760)                  |
| April 1 to June 30   | (235,269)                  | (408,772)                  |
| <b>Accrued benefit liability - June 30</b>                   | <u><b>\$ 9,584,436</b></u> | <u><b>\$ 9,436,128</b></u> |
| <b>Components of net benefit expense</b>                     |                            |                            |
| Service cost - July 1 to March 31                            | 531,334                    | 531,990                    |
| Service cost - April 1 to June 30                            | 182,294                    | 177,112                    |
| Interest cost - July 1 to March 31                           | 183,154                    | 171,462                    |
| Interest cost - April 1 to June 30                           | 61,435                     | 61,051                     |
| Amortization of net actuarial (gain)/loss                    | (71,969)                   | 14,796                     |
| <b>Net benefit expense</b>                                   | <u><b>\$ 886,248</b></u>   | <u><b>\$ 956,411</b></u>   |

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

|   | 2018              | 2017              |
|---|-------------------|-------------------|
| Discount rate - April 1                                     | 2.75%             | 2.50%             |
| Discount rate - March 31                                    | 2.75%             | 2.75%             |
| Long term salary growth - April 1                           | 2.50% + seniority | 2.50% + seniority |
| Long term salary growth - March 31                          | 2.50% + seniority | 2.50% + seniority |
| Expected avg. remaining service lifetime (EARSL) - March 31 | 9.7               | 9.7               |

**School District No. 23 (Central Okanagan)**  
**Notes to the Financial Statements**  
**June 30, 2018**

**11. Other liabilities**

|                                | 2018                | 2017                |
|--------------------------------|---------------------|---------------------|
| Accrued vacation payable       | \$ 1,302,705        | \$ 1,233,945        |
| Benefits payable               | 6,976,235           | 6,818,662           |
| Wages payable                  | 694,713             | 681,496             |
| Other payables                 | 480,424             | 418,720             |
| <b>Total other liabilities</b> | <b>\$ 9,454,077</b> | <b>\$ 9,152,823</b> |

**12. Tangible capital assets**

|                       | 2018                  | 2017                  |
|-----------------------|-----------------------|-----------------------|
| <b>Net Book Value</b> |                       |                       |
| Sites                 | \$ 53,782,634         | \$ 54,631,250         |
| Buildings             | 210,494,440           | 203,063,564           |
| Buildings - WIP       | 4,986,036             | 3,427,367             |
| Computer hardware     | 9,132,134             | 7,212,534             |
| Computer software     | 22,031                | 26,170                |
| Furniture & equipment | 5,837,869             | 5,080,032             |
| Vehicles              | 4,413,069             | 4,547,037             |
| <b>Total</b>          | <b>\$ 288,668,213</b> | <b>\$ 277,987,954</b> |

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

**School District No. 23 (Central Okanagan)**  
**Notes to the Financial Statements**  
**June 30, 2018**

**12. Tangible capital assets (continued)**

|                          | Balance at<br>July 1, 2016 | Additions            | Disposals             | Balance at<br>June 30, 2017 |
|--------------------------|----------------------------|----------------------|-----------------------|-----------------------------|
| <b>Cost</b>              |                            |                      |                       |                             |
| Sites                    | \$ 54,787,848              | \$ 143,289           | \$ (299,887)          | \$ 54,631,250               |
| Buildings                | 357,088,249                | 5,629,912            | -                     | 362,718,161                 |
| Buildings - WIP          | -                          | 3,427,367            | -                     | 3,427,367                   |
| Computer hardware        | 14,153,101                 | 1,842,204            | (2,895,325)           | 13,099,980                  |
| Computer software        | 92,633                     | 14,429               | (60,344)              | 46,718                      |
| Furniture & equipment    | 10,733,039                 | 690,310              | (964,886)             | 10,458,463                  |
| Vehicles                 | 6,223,568                  | 1,452,301            | (40,216)              | 7,635,653                   |
| <b>Total</b>             | <b>\$ 443,078,438</b>      | <b>\$ 13,199,812</b> | <b>\$ (4,260,658)</b> | <b>\$ 452,017,592</b>       |
| <b>Acc. Amortization</b> |                            |                      |                       |                             |
| Buildings                | \$ 151,610,177             | \$ 8,044,420         | \$ -                  | \$ 159,654,597              |
| Computer hardware        | 5,952,151                  | 2,830,620            | (2,895,325)           | 5,887,446                   |
| Computer software        | 62,365                     | 18,527               | (60,344)              | 20,548                      |
| Furniture & equipment    | 5,270,013                  | 1,073,304            | (964,886)             | 5,378,431                   |
| Vehicles                 | 2,506,475                  | 622,357              | (40,216)              | 3,088,616                   |
| <b>Total</b>             | <b>\$ 165,401,181</b>      | <b>\$ 12,589,228</b> | <b>\$ (3,960,771)</b> | <b>\$ 174,029,638</b>       |

Buildings - WIP having a value of \$4,986,036 (2017 - \$3,427,267) has not been amortized. Amortization of these assets will commence when the assets are put in service.

During the year, the District substantially completed building the new school board office which was funded by the sale of the existing board office, Annual Facilities funding, local capital and future land sales.

**13. Prepaid expenses**

|   | 2018              | 2017              |
|---|-------------------|-------------------|
| <b>Prepaid software licensing, deposits and classroom equipment</b> | <b>\$ 161,627</b> | <b>\$ 353,171</b> |

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**School District No. 23 (Central Okanagan)****Notes to the Financial Statements****June 30, 2018**

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**14. Disposal of site**

During the year, the School District disposed of one piece of property located on Underhill Street in Kelowna, BC. This property was owned by the independent Kelowna School District and transferred to the District upon incorporation in 1946. As such, the purchase was fully funded by the District and the corresponding gain on disposal has been recorded in local capital. Details of the recording of the disposition is as follows:

|                                 |           |                         |
|---------------------------------|-----------|-------------------------|
| Proceeds                        | \$        | 5,700,000               |
| Net book value                  |           | <u>(1,301,288)</u>      |
| <b>Gain on sale of property</b> | <b>\$</b> | <b><u>4,398,712</u></b> |

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**15. Employee pension plans**

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The boards of trustees for these plans represent plan members and employers, and are responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer defined benefit pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2016, the Teachers' Pension Plan has about 45,000 active members from school districts and approximately 37,000 retired members from school districts. As at December 31, 2016, the Municipal Plan has about 193,000 active contributors, of which approximately 24,000 are from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry age normal cost method, which produces the long term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability. The most recent valuation of the Teachers' Pension Plan as at December 31, 2014 indicated a \$449 million surplus for basic pension benefits on a going concern basis. As a result of the 2014 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, the employer basic contribution rate decreased. The next valuation for the Teachers' Pension Plan will be as at December 31, 2017, with results available in 2018.

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

Employers participating in the plan record their pension expense as the amount of employer contributions made during the year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan. The School District paid \$19,220,290 (2017 - \$17,788,215) for employer contributions to these plans in the year ended June 30, 2018.

**School District No. 23 (Central Okanagan)**  
**Notes to the Financial Statements**  
**June 30, 2018**

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

|  | 2018                       | 2017                       |
|--|----------------------------|----------------------------|
| Internally restricted (appropriated) by Board for: |                            |                            |
| Appropriated for next year's budget                | \$ 2,917,346               | \$ 2,610,224               |
| Net school surpluses                               | 1,080,305                  | 1,471,330                  |
| Student learning grant                             | -                          | 745,060                    |
| Targeted aboriginal program                        | 402,302                    | 252,237                    |
| CUPE training funds                                | 164,119                    | 177,563                    |
| Comprehensive privacy and security foundation      | 100,000                    | -                          |
| Energy manager shared service program              | 82,205                     | 161,269                    |
| Trades grant                                       | 27,075                     | 142,532                    |
| WCB core audit funds                               | 39,000                     | 54,000                     |
| Trustee travel                                     | 33,928                     | 30,200                     |
| Active kids grant                                  | -                          | 20,699                     |
| International field trip                           | 23,400                     | -                          |
| Subtotal (internally restricted)                   | <u>4,869,680</u>           | <u>5,665,114</u>           |
| Unrestricted operating surplus                     | <u>2,519,656</u>           | <u>2,233,445</u>           |
| <b>Total available for future operations</b>       | <b><u>\$ 7,389,336</u></b> | <b><u>\$ 7,898,559</u></b> |

**17. Expense by object**

|   | 2018                         | 2017                         |
|---|------------------------------|------------------------------|
| Salaries and benefits                   | \$ 197,519,799               | \$ 185,583,184               |
| Services and supplies                   | 32,117,633                   | 30,595,517                   |
| Amortization on tangible capital assets | <u>12,593,566</u>            | <u>12,589,226</u>            |
| <b>Total expenses by object</b>         | <b><u>\$ 242,230,998</u></b> | <b><u>\$ 228,767,927</u></b> |

**18. Interfund transfers**

Inter-fund transfers between operating, special purpose and capital funds are for the year ended June 30, 2018 were as follows:

- Transfers in the amount of \$567,351 (2017 - \$663,684) 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 \$1,050,069 (2017 - \$1,166,901) were made from the Operating Fund to the Capital Fund for capital asset purchases funded by the Operating Fund.
- Transfers in the amount of \$4,000,000 (2017 - \$2,627,415) were made from Local Capital within the Operating fund to the Capital Fund for capital asset purchases funded by Local Capital.



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**School District No. 23 (Central Okanagan)****Notes to the Financial Statements****June 30, 2018**

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**19. Related party transactions**

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

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

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**20. Contractual obligations**

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

- Construction contracts, relating to new middle schools in both the upper Mission and Lake Country, as well, bus and Annual Facilities purchases, resulting in commitments of \$61,687,838 at June 30, 2018 (2017 - \$45,033,744).
- These commitments will be funded by bylaw capital through the Province of British Columbia and will become liabilities in the future when the terms of the contracts are met.

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**21. Contingencies**

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

Legal liabilities may exist for the removal or disposal of asbestos in schools that will undergo major renovations or demolition. As at June 30, 2018, 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 \$17,550 and \$428,172, both payable to the City of Kelowna, and \$35,000, payable to the Rutland Waterworks District. The City of Kelowna letter of credits are required in connection with the completion of works and service as well as landscaping relating to the new administration office located at 1040 Hollywood Road. These letter of credits were issued on July 29, 2016 and December 6, 2017 respectively. The \$17,550 letter of credit was reduced to \$1,000 on June 11, 2018. The Rutland Waterworks District letter of credit was necessary to cover hydrant installation and geoexchange improvements for the new administration office as well and was issued on April 5, 2017.

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**22. Subsequent event**

Subsequent to June 30, 2018, the School District disposed of property located on Berry Road in the District of Lake Country for \$1,875,000. The land and building was funded by both the District and Ministry of Education so the corresponding gain on disposal will be recorded in both Ministry of Education restricted capital (75%) and local capital (25%).

### 23. Risk management

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

#### **Credit risk**

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

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

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

#### **Market risk**

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

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

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

#### **Liquidity risk**

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

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

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

**School District No. 23 (Central Okanagan)**  
**Notes to the Financial Statements**  
**June 30, 2018**

**24. Economic dependence**

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

**25. Comparative figures**

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

**26. Budget figures**

Budget figures included in the financial statements are the original planned budget approved by the Board through the adoption of an annual budget on June 28, 2017. 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 14, 2018. Significant changes between the original and amended budget are as follows:

|   | <b>Amended<br/>Annual<br/>Budget</b> | <b>Annual<br/>Budget</b>     | <b>Change</b>              |
|---|--------------------------------------|------------------------------|----------------------------|
| <b>Revenue</b>                                |                                      |                              |                            |
| Provincial Grants                             | \$ 215,583,258                       | \$ 219,854,630               | \$ 4,271,372               |
| Tuition                                       | 5,600,000                            | 5,600,000                    | -                          |
| Other Revenue                                 | 10,484,131                           | 10,291,281                   | (192,850)                  |
| Investment Income                             | 675,000                              | 575,000                      | (100,000)                  |
| Amortization of Deferred Cap Revenue          | 7,794,000                            | 7,794,000                    | -                          |
| <b>Total Revenue</b>                          | <b><u>\$ 240,136,389</u></b>         | <b><u>\$ 244,114,911</u></b> | <b><u>\$ 3,978,522</u></b> |
| <b>Expense</b>                                |                                      |                              |                            |
| Instruction                                   | \$ 199,908,824                       | \$ 204,267,913               | \$ 4,359,089               |
| District Administration                       | 6,019,335                            | 5,950,004                    | (69,331)                   |
| Operations and Maintenance                    | 35,483,725                           | 35,051,246                   | (432,479)                  |
| Transportation and Housing                    | 3,941,432                            | 3,905,910                    | (35,522)                   |
| <b>Total Expense</b>                          | <b><u>\$ 245,353,316</u></b>         | <b><u>\$ 249,175,073</u></b> | <b><u>\$ 3,821,757</u></b> |
| <b>Net Revenue (Expense)</b>                  | <b><u>\$ (5,216,927)</u></b>         | <b><u>\$ (5,060,162)</u></b> | <b><u>\$ 156,765</u></b>   |
| Budget Allocation of Surplus (Deficit)        | <u>5,665,114</u>                     | <u>5,214,224</u>             | <u>(450,890)</u>           |
| <b>Budget Surplus (Deficit), for the year</b> | <b><u>\$ 448,187</u></b>             | <b><u>\$ 154,062</u></b>     | <b><u>\$ (294,125)</u></b> |

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

Schedule of Changes in Accumulated Surplus (Deficit) by Fund  
Year Ended June 30, 2018

|   | Operating Fund   | Special Purpose Fund | Capital Fund       | 2018 Actual        | 2017 Actual        |
|---|------------------|----------------------|--------------------|--------------------|--------------------|
|   | \$               | \$                   | \$                 | \$                 | \$                 |
| <b>Accumulated Surplus (Deficit), beginning of year</b>         | 7,898,559        |                      | 101,272,568        | 109,171,127        | 105,631,114        |
| <b>Changes for the year</b>                                     |                  |                      |                    |                    |                    |
| Surplus (Deficit) for the year                                  | 4,540,846        | 567,351              | 56,551             | 5,164,748          | 3,540,013          |
| Interfund Transfers   | (1,050,069)      | (567,351)            | 1,617,420          | -                  | -                  |
| Tangible Capital Assets Purchased                               | (4,000,000)      |                      | 4,000,000          | -                  | -                  |
| Local Capital   | (509,223)        | -                    | 5,673,971          | 5,164,748          | 3,540,013          |
| <b>Net Changes for the year</b>                                 | <b>7,389,336</b> | <b>-</b>             | <b>106,946,539</b> | <b>114,335,875</b> | <b>109,171,127</b> |
| <b>Accumulated Surplus (Deficit), end of year - Statement 2</b> | <b>750,978</b>   |                      |                    | <b>750,978</b>     | <b>1,188,726</b>   |
| <b>Accumulated Remeasurement Gains (Losses) - Statement 3</b>   | <b>8,140,314</b> |                      | <b>106,946,539</b> | <b>115,086,853</b> | <b>110,359,853</b> |

# School District No. 23 (Central Okanagan)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2018

|   | 2018<br>Budget     | 2018<br>Actual     | 2017<br>Actual     |
|---|--------------------|--------------------|--------------------|
|   | \$                 | \$                 | \$                 |
| <b>Revenues</b>   |                    |                    |                    |
| Provincial Grants   |                    |                    |                    |
| Ministry of Education   | 201,610,204        | 198,814,251        | 196,335,998        |
| Other   | 604,928            | 695,250            | 698,577            |
| Tuition   | 5,600,000          | 5,886,182          | 5,168,270          |
| Other Revenue   | 2,416,281          | 3,049,887          | 3,011,687          |
| Rentals and Leases  | 575,000            | 613,124            | 629,784            |
| Investment Income   | 550,000            | 859,731            | 771,678            |
| <b>Total Revenue</b>  | <b>211,356,413</b> | <b>209,918,425</b> | <b>206,615,994</b> |
| <b>Expenses</b>   |                    |                    |                    |
| Instruction   | 180,465,617        | 174,843,957        | 170,219,569        |
| District Administration   | 5,950,004          | 5,737,562          | 5,344,439          |
| Operations and Maintenance                                      | 22,651,246         | 20,617,258         | 21,022,149         |
| Transportation and Housing                                      | 3,905,910          | 4,178,802          | 3,900,421          |
| <b>Total Expense</b>  | <b>212,972,777</b> | <b>205,377,579</b> | <b>200,486,578</b> |
| <b>Operating Surplus (Deficit) for the year</b>                 | <b>(1,616,364)</b> | <b>4,540,846</b>   | <b>6,129,416</b>   |
| <b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b> | <b>5,214,224</b>   |                    |                    |
| <b>Net Transfers (to) from other funds</b>                      |                    |                    |                    |
| Tangible Capital Assets Purchased                               | (1,019,447)        | (1,050,069)        | (1,166,901)        |
| Local Capital   | (2,578,413)        | (4,000,000)        | (2,627,415)        |
| <b>Total Net Transfers</b>                                      | <b>(3,597,860)</b> | <b>(5,050,069)</b> | <b>(3,794,316)</b> |
| <b>Total Operating Surplus (Deficit), for the year</b>          | <b>-</b>           | <b>(509,223)</b>   | <b>2,335,100</b>   |
| <b>Operating Surplus (Deficit), beginning of year</b>           |                    | <b>7,898,559</b>   | <b>5,563,459</b>   |
| <b>Operating Surplus (Deficit), end of year</b>                 |                    | <b>7,389,336</b>   | <b>7,898,559</b>   |
| <b>Operating Surplus (Deficit), end of year</b>                 |                    |                    |                    |
| Internally Restricted (Note 16)                                 |                    | <b>4,869,680</b>   | <b>5,665,114</b>   |
| Unrestricted  |                    | <b>2,519,656</b>   | <b>2,233,445</b>   |
| <b>Total Operating Surplus (Deficit), end of year</b>           |                    | <b>7,389,336</b>   | <b>7,898,559</b>   |

# School District No. 23 (Central Okanagan)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2018

|  | 2018<br>Budget     | 2018<br>Actual     | 2017<br>Actual     |
|--|--------------------|--------------------|--------------------|
|  | \$                 | \$                 | \$                 |
| <b>Provincial Grants - Ministry of Education</b>       |                    |                    |                    |
| Operating Grant, Ministry of Education                 | 199,560,179        | 196,542,196        | 192,838,092        |
| DISC/LEA Recovery                                      | (891,281)          | (1,034,101)        | (1,057,995)        |
| Other Ministry of Education Grants                     |                    |                    |                    |
| Pay Equity   | 1,238,323          | 1,238,323          | 1,238,323          |
| Funding for Graduated Adults                           | 15,000             |                    | 18,549             |
| Transportation Supplement                              | 600,000            | 600,000            | 600,000            |
| Economic Stability Dividend                            |                    | 134,530            | 118,642            |
| Return of Administrative Savings                       | 967,983            | 967,983            | 967,983            |
| Carbon Tax Grant                                       | 120,000            | 164,666            | 262,217            |
| Student Learning Grant                                 |                    |                    | 1,114,394          |
| Audit Recoveries                                       |                    | (124,533)          |                    |
| Shared Energy Manager Funding                          |                    | 200,000            | 200,000            |
| Cohesive Data Funding                                  |                    | 70,000             |                    |
| FSA & Exam   |                    | 27,292             | 27,293             |
| Other  |                    | 27,895             | 8,500              |
| <b>Total Provincial Grants - Ministry of Education</b> | <b>201,610,204</b> | <b>198,814,251</b> | <b>196,335,998</b> |
| <b>Provincial Grants - Other</b>                       | <b>604,928</b>     | <b>695,250</b>     | <b>698,577</b>     |
| <b>Federal Grants</b>                                  | <b>-</b>           | <b>-</b>           | <b>-</b>           |
| <b>Tuition</b>   |                    |                    |                    |
| International and Out of Province Students             | 5,600,000          | 5,886,182          | 5,168,270          |
| <b>Total Tuition</b>                                   | <b>5,600,000</b>   | <b>5,886,182</b>   | <b>5,168,270</b>   |
| <b>Other Revenues</b>                                  |                    |                    |                    |
| Other School District/Education Authorities            | 525,000            | 715,022            | 668,248            |
| LEA/Direct Funding from First Nations                  | 891,281            | 1,034,101          | 1,057,995          |
| Miscellaneous  |                    |                    |                    |
| Transportation fees                                    | 400,000            | 486,964            | 473,201            |
| Wage Recoveries  | 360,000            | 339,943            | 316,818            |
| City of Kelowna  | 40,000             | 40,000             | 40,000             |
| District of Lake Country                               | 70,000             | 71,981             | 71,981             |
| Other  | 130,000            | 361,876            | 383,444            |
| <b>Total Other Revenue</b>                             | <b>2,416,281</b>   | <b>3,049,887</b>   | <b>3,011,687</b>   |
| <b>Rentals and Leases</b>                              | <b>575,000</b>     | <b>613,124</b>     | <b>629,784</b>     |
| <b>Investment Income</b>                               | <b>550,000</b>     | <b>859,731</b>     | <b>771,678</b>     |
| <b>Total Operating Revenue</b>                         | <b>211,356,413</b> | <b>209,918,425</b> | <b>206,615,994</b> |

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

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2018

|                                     | 2018<br>Budget     | 2018<br>Actual     | 2017<br>Actual     |
|-------------------------------------|--------------------|--------------------|--------------------|
|                                     | \$                 | \$                 | \$                 |
| <b>Salaries</b>                     |                    |                    |                    |
| Teachers                            | 97,438,257         | 92,711,135         | 90,899,615         |
| Principals and Vice Principals      | 10,889,462         | 10,950,478         | 10,549,981         |
| Educational Assistants              | 13,883,717         | 14,107,613         | 13,105,811         |
| Support Staff                       | 20,299,570         | 19,073,882         | 18,782,589         |
| Other Professionals                 | 3,014,779          | 2,984,128          | 2,647,034          |
| Substitutes                         | 6,465,851          | 6,664,739          | 6,953,750          |
| <b>Total Salaries</b>               | <b>151,991,636</b> | <b>146,491,975</b> | <b>142,938,780</b> |
| <b>Employee Benefits</b>            | <b>37,585,048</b>  | <b>36,509,487</b>  | <b>35,874,540</b>  |
| <b>Total Salaries and Benefits</b>  | <b>189,576,684</b> | <b>183,001,462</b> | <b>178,813,320</b> |
| <b>Services and Supplies</b>        |                    |                    |                    |
| Services                            | 4,887,978          | 5,323,378          | 5,256,577          |
| Student Transportation              | 347,949            | 354,938            | 365,740            |
| Professional Development and Travel | 1,902,548          | 1,912,494          | 1,746,867          |
| Rentals and Leases                  | 302,500            | 136,573            | 214,167            |
| Dues and Fees                       | 355,500            | 421,885            | 374,581            |
| Insurance                           | 503,000            | 590,220            | 628,737            |
| Interest                            | -                  | -                  | -                  |
| Supplies                            | 11,245,278         | 9,993,256          | 9,478,503          |
| Utilities                           | 3,851,340          | 3,643,373          | 3,608,086          |
| <b>Total Services and Supplies</b>  | <b>23,396,093</b>  | <b>22,376,117</b>  | <b>21,673,258</b>  |
| <b>Total Operating Expense</b>      | <b>212,972,777</b> | <b>205,377,579</b> | <b>200,486,578</b> |

# School District No. 23 (Central Okanagan)

Operating Expense by Function, Program and Object

Year Ended June 30, 2018

Schedule 2C (Unaudited)

|   | Teachers Salaries | Principals and Vice Principals Salaries | Educational Assistants Salaries | Support Staff Salaries | Other Professionals Salaries | Substitutes Salaries | Total Salaries     |
|---|-------------------|---|---------------------------------|------------------------|------------------------------|----------------------|--------------------|
|   | \$                | \$                                      | \$                              | \$                     | \$                           | \$                   | \$                 |
| <b>1 Instruction</b>                            |                   |   |                                 |                        |                              |                      |                    |
| 1.02 Regular Instruction                        | 75,842,535        | 1,385,152                               | 264,823                         | 1,075,215              |                              | 5,832,131            | 84,399,856         |
| 1.03 Career Programs                            | 726,471           |   | 54,350                          | 321,415                |                              | 14,111               | 1,116,347          |
| 1.07 Library Services                           | 1,933,915         | 223,676                                 |                                 | 1,318,772              | 90,150                       | 9,830                | 3,576,343          |
| 1.08 Counselling                                | 2,536,373         |   |                                 |                        |                              | 9,240                | 2,545,613          |
| 1.10 Special Education                          | 10,411,426        | 224,329                                 | 12,128,029                      | 746,238                |                              | 538,428              | 24,048,450         |
| 1.30 English Language Learning                  | 650,681           |   |                                 | 67,694                 |                              | 5,005                | 723,380            |
| 1.31 Aboriginal Education                       | 507,864           | 82,351                                  | 1,660,411                       | 32,787                 |                              | 20,020               | 2,303,433          |
| 1.41 School Administration                      |                   | 8,471,789                               |                                 | 3,369,176              |                              | 57,835               | 11,898,800         |
| 1.62 International and Out of Province Students | 101,870           | 122,338                                 |                                 | 61,921                 | 265,127                      | 12,570               | 563,826            |
| <b>Total Function 1</b>                         | <b>92,711,135</b> | <b>10,509,635</b>                       | <b>14,107,613</b>               | <b>6,993,218</b>       | <b>355,277</b>               | <b>6,499,170</b>     | <b>131,176,048</b> |
| <b>4 District Administration</b>                |                   |   |                                 |                        |                              |                      |                    |
| 4.11 Educational Administration                 |                   | 310,976                                 |                                 | 187,665                | 598,017                      | 123,117              | 1,219,775          |
| 4.40 School District Governance                 |                   |   |                                 |                        | 133,326                      |                      | 133,326            |
| 4.41 Business Administration                    |                   | 129,867                                 |                                 | 871,646                | 1,072,314                    | 42,452               | 2,116,279          |
| <b>Total Function 4</b>                         | <b>-</b>          | <b>440,843</b>                          | <b>-</b>                        | <b>1,059,311</b>       | <b>1,803,657</b>             | <b>165,569</b>       | <b>3,469,380</b>   |
| <b>5 Operations and Maintenance</b>             |                   |   |                                 |                        |                              |                      |                    |
| 5.41 Operations and Maintenance Administration  |                   |   |                                 | 178,793                | 497,920                      |                      | 676,713            |
| 5.50 Maintenance Operations                     |                   |   |                                 | 7,890,950              | 85,594                       |                      | 7,976,544          |
| 5.52 Maintenance of Grounds                     |                   |   |                                 | 686,030                |                              |                      | 686,030            |
| 5.56 Utilities                                  |                   |   |                                 | 131,941                | 179,469                      |                      | 311,410            |
| <b>Total Function 5</b>                         | <b>-</b>          | <b>-</b>                                | <b>-</b>                        | <b>8,887,714</b>       | <b>762,983</b>               | <b>-</b>             | <b>9,650,697</b>   |
| <b>7 Transportation and Housing</b>             |                   |   |                                 |                        |                              |                      |                    |
| 7.41 Transportation and Housing Administration  |                   |   |                                 | 163,194                | 62,211                       |                      | 225,405            |
| 7.70 Student Transportation                     |                   |   |                                 | 1,970,445              |                              |                      | 1,970,445          |
| <b>Total Function 7</b>                         | <b>-</b>          | <b>-</b>                                | <b>-</b>                        | <b>2,133,639</b>       | <b>62,211</b>                | <b>-</b>             | <b>2,195,850</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>92,711,135</b> | <b>10,950,478</b>                       | <b>14,107,613</b>               | <b>19,073,882</b>      | <b>2,984,128</b>             | <b>6,664,739</b>     | <b>146,491,975</b> |



# School District No. 23 (Central Okanagan)

Operating Expense by Function, Program and Object

Year Ended June 30, 2018

Schedule 2C (Unaudited)

|   | Total Salaries     | Employee Benefits | Total Salaries and Benefits | Services and Supplies | 2018 Actual        | 2018 Budget        | 2017 Actual        |
|---|--------------------|-------------------|-----------------------------|-----------------------|--------------------|--------------------|--------------------|
|   | \$                 | \$                | \$                          | \$                    | \$                 | \$                 | \$                 |
| <b>1 Instruction</b>                            |                    |                   |                             |                       |                    |                    |                    |
| 1.02 Regular Instruction                        | 84,399,856         | 20,341,094        | 104,740,950                 | 8,029,341             | 112,770,291        | 118,974,400        | 112,316,111        |
| 1.03 Career Programs                            | 1,116,347          | 303,645           | 1,419,992                   | 124,235               | 1,544,227          | 1,463,047          | 1,490,409          |
| 1.07 Library Services                           | 3,576,343          | 912,623           | 4,488,966                   | 450,540               | 4,939,506          | 5,132,133          | 4,967,375          |
| 1.08 Counselling                                | 2,545,613          | 613,029           | 3,158,642                   | 5,091                 | 3,163,733          | 3,294,443          | 2,966,638          |
| 1.10 Special Education                          | 24,048,450         | 6,411,963         | 30,460,413                  | 1,066,462             | 31,526,875         | 31,444,704         | 29,267,341         |
| 1.30 English Language Learning                  | 723,380            | 168,664           | 892,044                     | 25,157                | 917,201            | 654,908            | 445,269            |
| 1.31 Aboriginal Education                       | 2,303,433          | 618,178           | 2,921,611                   | 220,294               | 3,141,905          | 3,501,536          | 3,048,377          |
| 1.41 School Administration                      | 11,898,800         | 2,791,994         | 14,690,794                  | 52,230                | 14,743,024         | 13,975,227         | 13,733,980         |
| 1.62 International and Out of Province Students | 563,826            | 114,783           | 678,609                     | 1,418,586             | 2,097,195          | 2,025,219          | 1,984,069          |
| <b>Total Function 1</b>                         | <b>131,176,048</b> | <b>32,275,973</b> | <b>163,452,021</b>          | <b>11,391,936</b>     | <b>174,843,957</b> | <b>180,465,617</b> | <b>170,219,569</b> |
| <b>4 District Administration</b>                |                    |                   |                             |                       |                    |                    |                    |
| 4.11 Educational Administration                 | 1,219,775          | 286,785           | 1,506,560                   | 261,421               | 1,767,981          | 1,635,596          | 1,560,149          |
| 4.40 School District Governance                 | 133,326            | 2,214             | 135,540                     | 127,339               | 262,879            | 276,246            | 244,735            |
| 4.41 Business Administration                    | 2,116,279          | 493,355           | 2,611,634                   | 1,095,068             | 3,706,702          | 4,038,162          | 3,539,555          |
| <b>Total Function 4</b>                         | <b>3,469,380</b>   | <b>784,354</b>    | <b>4,253,734</b>            | <b>1,483,828</b>      | <b>5,737,562</b>   | <b>5,950,004</b>   | <b>5,344,439</b>   |
| <b>5 Operations and Maintenance</b>             |                    |                   |                             |                       |                    |                    |                    |
| 5.41 Operations and Maintenance Administration  | 676,713            | 154,778           | 831,491                     | 519,722               | 1,351,213          | 1,366,775          | 1,341,021          |
| 5.50 Maintenance Operations                     | 7,976,544          | 2,411,580         | 10,388,124                  | 2,969,644             | 13,357,768         | 14,918,580         | 13,738,237         |
| 5.52 Maintenance of Grounds                     | 686,030            | 155,162           | 841,192                     | 440,507               | 1,281,699          | 1,414,931          | 1,122,348          |
| 5.56 Utilities                                  | 311,410            | 58,512            | 369,922                     | 4,256,656             | 4,626,578          | 4,950,960          | 4,820,543          |
| <b>Total Function 5</b>                         | <b>9,650,697</b>   | <b>2,780,032</b>  | <b>12,430,729</b>           | <b>8,186,529</b>      | <b>20,617,258</b>  | <b>22,651,246</b>  | <b>21,022,149</b>  |
| <b>7 Transportation and Housing</b>             |                    |                   |                             |                       |                    |                    |                    |
| 7.41 Transportation and Housing Administration  | 225,405            | 52,707            | 278,112                     | 31,088                | 309,200            | 325,253            | 294,330            |
| 7.70 Student Transportation                     | 1,970,445          | 616,421           | 2,586,866                   | 1,282,736             | 3,869,602          | 3,580,657          | 3,606,091          |
| <b>Total Function 7</b>                         | <b>2,195,850</b>   | <b>669,128</b>    | <b>2,864,978</b>            | <b>1,313,824</b>      | <b>4,178,802</b>   | <b>3,905,910</b>   | <b>3,900,421</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>146,491,975</b> | <b>36,509,487</b> | <b>183,001,462</b>          | <b>22,376,117</b>     | <b>205,377,579</b> | <b>212,972,777</b> | <b>200,486,578</b> |

# School District No. 23 (Central Okanagan)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2018

|   | 2018<br>Budget     | 2018<br>Actual    | 2017<br>Actual    |
|---|--------------------|-------------------|-------------------|
|   | \$                 | \$                | \$                |
| <b>Revenues</b>   |                    |                   |                   |
| Provincial Grants   |                    |                   |                   |
| Ministry of Education                                       | 17,639,498         | 16,662,719        | 9,002,460         |
| Other Revenue   | 7,300,000          | 8,017,283         | 7,208,174         |
| Investment Income   |                    | 898               | 440               |
| <b>Total Revenue</b>  | <u>24,939,498</u>  | <u>24,680,900</u> | <u>16,211,074</u> |
| <b>Expenses</b>   |                    |                   |                   |
| Instruction   | 23,802,296         | 24,113,549        | 15,547,390        |
| <b>Total Expense</b>  | <u>23,802,296</u>  | <u>24,113,549</u> | <u>15,547,390</u> |
| <b>Special Purpose Surplus (Deficit) for the year</b>       | <u>1,137,202</u>   | <u>567,351</u>    | <u>663,684</u>    |
| <b>Net Transfers (to) from other funds</b>                  |                    |                   |                   |
| Tangible Capital Assets Purchased                           | (1,137,202)        | (567,351)         | (663,684)         |
| <b>Total Net Transfers</b>                                  | <u>(1,137,202)</u> | <u>(567,351)</u>  | <u>(663,684)</u>  |
| <b>Total Special Purpose Surplus (Deficit) for the year</b> | <u>-</u>           | <u>-</u>          | <u>-</u>          |
| <b>Special Purpose Surplus (Deficit), beginning of year</b> |                    |                   |                   |
| <b>Special Purpose Surplus (Deficit), end of year</b>       |                    | <u>-</u>          | <u>-</u>          |

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

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2018

|   | Annual Facility Grant | Learning Improvement Fund | Special Education Equipment | Service Delivery Transformation | School Generated Funds | Strong Start | Ready, Set, Learn | OLEP     | Community/LINK |
|---|-----------------------|---------------------------|-----------------------------|---------------------------------|------------------------|--------------|-------------------|----------|----------------|
|   | \$                    | \$                        | \$                          | \$                              | \$                     | \$           | \$                | \$       | \$             |
| <b>Deferred Revenue, beginning of year</b>              |                       | 22,399                    | 39,052                      | 115,027                         | 3,400,683              | 11,442       |                   |          | 25,988         |
| <b>Add:</b> Restricted Grants                           |                       |                           |                             |                                 |                        |              |                   |          |                |
| Provincial Grants - Ministry of Education               | 785,351               | 799,851                   |                             |                                 | 7,978,983              | 256,000      | 75,950            | 308,871  | 1,239,231      |
| Other   |                       |                           |                             |                                 |                        |              |                   |          |                |
| Investment Income                                       |                       |                           |                             |                                 |                        |              |                   |          | 898            |
| <b>Less: Allocated to Revenue</b>                       |                       |                           |                             |                                 |                        |              |                   |          |                |
| <b>Deferred Revenue, end of year</b>                    | 785,351               | 799,851                   | 30,187                      | 91,684                          | 3,362,383              | 267,442      | 75,950            | 308,871  | 1,225,896      |
|   |                       |                           |                             |                                 |                        |              |                   |          | <b>40,221</b>  |
| <b>Revenues</b>   | 424,257               | 822,250                   | 8,865                       | 23,343                          | 8,017,283              | 267,442      | 75,950            | 308,871  | 1,224,998      |
| Provincial Grants - Ministry of Education               |                       |                           |                             |                                 |                        |              |                   |          |                |
| Other Revenue   |                       |                           |                             |                                 | 8,017,283              |              |                   |          |                |
| Investment Income                                       |                       |                           |                             |                                 |                        |              |                   |          | 898            |
| <b>Expenses</b>   | 424,257               | 822,250                   | 8,865                       | 23,343                          | 8,017,283              | 267,442      | 75,950            | 308,871  | 1,225,896      |
| Salaries  |                       |                           |                             |                                 |                        |              |                   |          |                |
| Teachers  |                       |                           |                             |                                 |                        |              |                   |          |                |
| Educational Assistants                                  |                       | 693,681                   |                             |                                 | 68,319                 | 209,450      | 43,035            | 79,710   | 51,812         |
| Support Staff   |                       |                           |                             |                                 |                        |              |                   |          |                |
| Other Professionals                                     |                       |                           |                             | 5,510                           |                        |              |                   |          |                |
| Substitutes   |                       |                           |                             |                                 |                        |              |                   |          |                |
| Employee Benefits                                       |                       | 693,681                   |                             | 5,510                           | 68,319                 | 2,033        | 43,035            | 25,818   | 7,508          |
| Services and Supplies                                   | 66,851                | 128,569                   | 8,865                       | 1,134                           | 16,533                 | 48,217       | 9,682             | 19,290   | 12,538         |
|   | 66,851                | 822,250                   |                             | 16,699                          | 7,932,431              | 7,742        | 23,233            | 145,338  | 1,154,038      |
|   |                       |                           |                             | 23,343                          | 8,017,283              | 267,442      | 75,950            | 270,156  | 1,225,896      |
| <b>Net Revenue (Expense) before Interfund Transfers</b> | 357,406               | -                         | 8,865                       | -                               | -                      | -            | -                 | 38,715   | -              |
| <b>Interfund Transfers</b>                              | (357,406)             |                           | (8,865)                     |                                 |                        |              |                   | (38,715) |                |
| Tangible Capital Assets Purchased                       | (357,406)             |                           | (8,865)                     |                                 |                        |              |                   | (38,715) |                |
| <b>Net Revenue (Expense)</b>                            | -                     | -                         | -                           | -                               | -                      | -            | -                 | -        | -              |

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

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2018

|   | Coding and Curriculum Implementation | Classroom Enhancement Fund - Overhead | Classroom Enhancement Fund - Staffing | Provincial Resource Prg. | TOTAL            |
|---|--------------------------------------|---------------------------------------|---------------------------------------|--------------------------|------------------|
|   | \$                                   | \$                                    | \$                                    | \$                       | \$               |
| <b>Deferred Revenue, beginning of year</b>              | 134,362                              |                                       |                                       | 795                      | 3,749,748        |
| <b>Add:</b>   |                                      |                                       |                                       |                          |                  |
| Restricted Grants                                       |                                      | 781,920                               | 12,480,742                            | 173,902                  | 16,901,818       |
| Provincial Grants - Ministry of Education               |                                      |                                       |                                       |                          | 7,978,983        |
| Other   |                                      |                                       |                                       |                          | 898              |
| Investment Income                                       |                                      |                                       |                                       |                          |                  |
|   | -                                    | 781,920                               | 12,480,742                            | 173,902                  | 24,881,699       |
| <b>Less: Allocated to Revenue</b>                       | 111,198                              | 781,920                               | 12,443,634                            | 169,991                  | 24,680,900       |
| <b>Deferred Revenue, end of year</b>                    | <u>23,164</u>                        | <u>-</u>                              | <u>37,108</u>                         | <u>4,706</u>             | <u>3,950,547</u> |
| <b>Revenues</b>   |                                      |                                       |                                       |                          |                  |
| Provincial Grants - Ministry of Education               | 111,198                              | 781,920                               | 12,443,634                            | 169,991                  | 16,662,719       |
| Other Revenue   |                                      |                                       |                                       |                          | 8,017,283        |
| Investment Income                                       |                                      |                                       |                                       |                          | 898              |
| <b>Expenses</b>   |                                      |                                       |                                       |                          |                  |
| Salaries  |                                      |                                       |                                       |                          |                  |
| Teachers  |                                      |                                       | 9,929,665                             | 87,685                   | 10,260,226       |
| Educational Assistants                                  |                                      |                                       |                                       |                          | 693,681          |
| Support Staff   | 114,874                              |                                       |                                       |                          | 324,324          |
| Other Professionals                                     |                                      |                                       |                                       |                          | 5,510            |
| Substitutes   | 428,174                              |                                       |                                       |                          | 463,533          |
| Employee Benefits                                       | -                                    | 543,048                               | 9,929,665                             | 87,685                   | 11,747,274       |
| Services and Supplies                                   | 111,198                              | 76,507                                | 2,513,969                             | 21,129                   | 2,771,061        |
|   | 111,198                              | 619,555                               | 12,443,634                            | 169,991                  | 24,113,549       |
| <b>Net Revenue (Expense) before Interfund Transfers</b> | <u>-</u>                             | <u>162,365</u>                        | <u>-</u>                              | <u>-</u>                 | <u>567,351</u>   |
| <b>Interfund Transfers</b>                              |                                      |                                       |                                       |                          |                  |
| Tangible Capital Assets Purchased                       | (162,365)                            |                                       |                                       |                          | (567,351)        |
|   | -                                    | (162,365)                             | -                                     | -                        | (567,351)        |
| <b>Net Revenue (Expense)</b>                            | <u>-</u>                             | <u>-</u>                              | <u>-</u>                              | <u>-</u>                 | <u>-</u>         |

# School District No. 23 (Central Okanagan)

Schedule 4 (Unaudited)

Schedule of Capital Operations  
Year Ended June 30, 2018

|  | 2018<br>Budget     | 2018 Actual                            |                    |                    | 2017<br>Actual     |
|--|--------------------|--|--------------------|--------------------|--------------------|
|  |                    | Invested in Tangible<br>Capital Assets | Local<br>Capital   | Fund<br>Balance    |                    |
|  | \$                 | \$                                     | \$                 | \$                 | \$                 |
| <b>Revenues</b>  |                    |  |                    |                    |                    |
| Provincial Grants  |                    |  |                    |                    |                    |
| Ministry of Education                                    |                    | 27,241                                 |                    | 27,241             |                    |
| Other Revenue  |                    |  | 87,499             | 87,499             | 33,407             |
| Investment Income  | 25,000             |  | 90,262             | 90,262             | 91,217             |
| Gain (Loss) on Disposal of Tangible Capital Assets       |                    | 4,398,712                              |                    | 4,398,712          | 1,400,113          |
| Amortization of Deferred Capital Revenue                 | 7,794,000          | 8,192,707                              |                    | 8,192,707          | 7,956,135          |
| <b>Total Revenue</b>                                     | <b>7,819,000</b>   | <b>12,618,660</b>                      | <b>177,761</b>     | <b>12,796,421</b>  | <b>9,480,872</b>   |
| <b>Expenses</b>  |                    |  |                    |                    |                    |
| Operations and Maintenance                               |                    |  | 146,304            | 146,304            | 144,731            |
| Amortization of Tangible Capital Assets                  |                    |  |                    |                    |                    |
| Operations and Maintenance                               | 12,400,000         | 12,593,566                             |                    | 12,593,566         | 12,589,228         |
| <b>Total Expense</b>                                     | <b>12,400,000</b>  | <b>12,593,566</b>                      | <b>146,304</b>     | <b>12,739,870</b>  | <b>12,733,959</b>  |
| <b>Capital Surplus (Deficit) for the year</b>            | <b>(4,581,000)</b> | <b>25,094</b>                          | <b>31,457</b>      | <b>56,551</b>      | <b>(3,253,087)</b> |
| <b>Net Transfers (to) from other funds</b>               |                    |  |                    |                    |                    |
| Tangible Capital Assets Purchased                        | 2,156,649          | 1,617,420                              |                    | 1,617,420          | 1,830,585          |
| Local Capital  | 2,578,413          |  | 4,000,000          | 4,000,000          | 2,627,415          |
| <b>Total Net Transfers</b>                               | <b>4,735,062</b>   | <b>1,617,420</b>                       | <b>4,000,000</b>   | <b>5,617,420</b>   | <b>4,458,000</b>   |
| <b>Other Adjustments to Fund Balances</b>                |                    |  |                    |                    |                    |
| District Portion of Proceeds on Disposal                 |                    | (5,700,000)                            | 5,700,000          | -                  |                    |
| Tangible Capital Assets Purchased from Local Capital     |                    | 9,904,713                              | (9,904,713)        | -                  |                    |
| Tangible Capital Assets WIP Purchased from Local Capital |                    |  | -                  | -                  |                    |
| <b>Total Other Adjustments to Fund Balances</b>          |                    | <b>4,204,713</b>                       | <b>(4,204,713)</b> | <b>-</b>           |                    |
| <b>Total Capital Surplus (Deficit) for the year</b>      | <b>154,062</b>     | <b>5,847,227</b>                       | <b>(173,256)</b>   | <b>5,673,971</b>   | <b>1,204,913</b>   |
| <b>Capital Surplus (Deficit), beginning of year</b>      |                    | <b>98,659,035</b>                      | <b>2,613,533</b>   | <b>101,272,568</b> | <b>100,067,655</b> |
| <b>Capital Surplus (Deficit), end of year</b>            |                    | <b>104,506,262</b>                     | <b>2,440,277</b>   | <b>106,946,539</b> | <b>101,272,568</b> |

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

Tangible Capital Assets  
Year Ended June 30, 2018

|   | Sites      | Buildings   | Furniture and Equipment | Vehicles  | Computer Software | Computer Hardware | Total       |
|---|------------|-------------|-------------------------|-----------|-------------------|-------------------|-------------|
|   | \$         | \$          | \$                      | \$        | \$                | \$                | \$          |
| Cost, beginning of year                     | 54,631,250 | 362,718,161 | 10,458,463              | 7,635,653 | 46,718            | 13,099,980        | 448,590,225 |
| Changes for the Year                        |            |             |                         |           |                   |                   |             |
| Increase:                                   |            |             |                         |           |                   |                   |             |
| Purchases from:                             |            |             |                         |           |                   |                   |             |
| Deferred Capital Revenue - Bylaw            | 27,241     | 6,587,388   | 408,056                 | 629,596   |                   | 282,802           | 7,935,083   |
| Deferred Capital Revenue - Other            |            |             | 131,861                 |           |                   |                   | 131,861     |
| Operating Fund                              |            | 85,766      | 465,818                 |           | 5,206             | 493,279           | 1,050,069   |
| Special Purpose Funds                       | 55,722     | 357,406     | 44,862                  |           |                   | 165,083           | 567,351     |
| Local Capital                               |            | 5,497,472   | 753,087                 |           |                   | 3,598,432         | 9,904,713   |
| Transferred from Work in Progress           |            | 3,427,367   |                         |           |                   |                   | 3,427,367   |
|   | 82,963     | 15,955,399  | 1,803,684               | 629,596   | 5,206             | 4,539,596         | 23,016,444  |
| Decrease:                                   |            |             |                         |           |                   |                   |             |
| Disposed of                                 | 931,579    | 660,385     |                         |           |                   |                   | 1,591,964   |
| Deemed Disposals                            |            |             | 1,434,024               | 1,016,012 | 19,083            | 3,306,359         | 5,775,478   |
|   | 931,579    | 660,385     | 1,434,024               | 1,016,012 | 19,083            | 3,306,359         | 7,367,442   |
| Cost, end of year                           | 53,782,634 | 378,013,175 | 10,828,123              | 7,249,237 | 32,841            | 14,333,217        | 464,239,227 |
| Work in Progress, end of year               |            | 4,986,036   |                         |           |                   |                   | 4,986,036   |
| Cost and Work in Progress, end of year      | 53,782,634 | 382,999,211 | 10,828,123              | 7,249,237 | 32,841            | 14,333,217        | 469,225,263 |
| Accumulated Amortization, beginning of year |            |             |                         |           |                   |                   |             |
| Changes for the Year                        |            |             |                         |           |                   |                   |             |
| Increase: Amortization for the Year         |            | 159,654,597 | 5,378,431               | 3,088,615 | 20,549            | 5,887,446         | 174,029,638 |
| Decrease:                                   |            |             |                         |           |                   |                   |             |
| Disposed of                                 |            | 8,154,814   | 1,045,847               | 763,565   | 9,344             | 2,619,996         | 12,593,566  |
| Deemed Disposals                            |            | 290,676     |                         |           |                   |                   | 290,676     |
|   |            | 290,676     | 1,434,024               | 1,016,012 | 19,083            | 3,306,359         | 5,775,478   |
| Accumulated Amortization, end of year       |            | 167,518,735 | 4,990,254               | 2,836,168 | 10,810            | 5,201,083         | 180,557,050 |
| Tangible Capital Assets - Net               | 53,782,634 | 215,480,476 | 5,837,869               | 4,413,069 | 22,031            | 9,132,134         | 288,668,213 |

# School District No. 23 (Central Okanagan)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2018

|  | <b>Buildings</b> | <b>Furniture and<br/>Equipment</b> | <b>Computer<br/>Software</b> | <b>Computer<br/>Hardware</b> | <b>Total</b> |
|--|------------------|------------------------------------|------------------------------|------------------------------|--------------|
|  | \$               | \$                                 | \$                           | \$                           | \$           |
| <b>Work in Progress, beginning of year</b> | 3,427,367        |                                    |                              |                              | 3,427,367    |
| <b>Changes for the Year</b>                |                  |                                    |                              |                              |              |
| Increase:                                  |                  |                                    |                              |                              |              |
| Deferred Capital Revenue - Bylaw           | 4,986,036        |                                    |                              |                              | 4,986,036    |
|  | 4,986,036        | -                                  | -                            | -                            | 4,986,036    |
| Decrease:                                  |                  |                                    |                              |                              |              |
| Transferred to Tangible Capital Assets     | 3,427,367        |                                    |                              |                              | 3,427,367    |
|  | 3,427,367        | -                                  | -                            | -                            | 3,427,367    |
| <b>Net Changes for the Year</b>            | 1,558,669        | -                                  | -                            | -                            | 1,558,669    |
| <b>Work in Progress, end of year</b>       | 4,986,036        | -                                  | -                            | -                            | 4,986,036    |

# School District No. 23 (Central Okanagan)

Schedule 4C (Unaudited)

Deferred Capital Revenue  
Year Ended June 30, 2018

|   | Bylaw<br>Capital   | Other<br>Provincial | Other<br>Capital | Total<br>Capital   |
|---|--------------------|---------------------|------------------|--------------------|
|   | \$                 | \$                  | \$               | \$                 |
| <b>Deferred Capital Revenue, beginning of year</b>    | 174,180,870        | 4,564,281           | 382,400          | 179,127,551        |
| <b>Changes for the Year</b>                           |                    |                     |                  |                    |
| Increase:   |                    |                     |                  |                    |
| Transferred from Deferred Revenue - Capital Additions | 7,907,842          | 111,754             | 20,107           | 8,039,703          |
|   | <u>7,907,842</u>   | <u>111,754</u>      | <u>20,107</u>    | <u>8,039,703</u>   |
| Decrease:   |                    |                     |                  |                    |
| Amortization of Deferred Capital Revenue              | 7,931,408          | 145,798             | 115,501          | 8,192,707          |
|   | <u>7,931,408</u>   | <u>145,798</u>      | <u>115,501</u>   | <u>8,192,707</u>   |
| <b>Net Changes for the Year</b>                       | <u>(23,566)</u>    | <u>(34,044)</u>     | <u>(95,394)</u>  | <u>(153,004)</u>   |
| <b>Deferred Capital Revenue, end of year</b>          | <u>174,157,304</u> | <u>4,530,237</u>    | <u>287,006</u>   | <u>178,974,547</u> |
| <b>Work in Progress, beginning of year</b>            |                    |                     |                  | -                  |
| <b>Changes for the Year</b>                           |                    |                     |                  |                    |
| Increase  |                    |                     |                  |                    |
| Transferred from Deferred Revenue - Work in Progress  | 4,986,036          |                     |                  | 4,986,036          |
|   | <u>4,986,036</u>   | <u>-</u>            | <u>-</u>         | <u>4,986,036</u>   |
| <b>Net Changes for the Year</b>                       | <u>4,986,036</u>   | <u>-</u>            | <u>-</u>         | <u>4,986,036</u>   |
| <b>Work in Progress, end of year</b>                  | <u>4,986,036</u>   | <u>-</u>            | <u>-</u>         | <u>4,986,036</u>   |
| <b>Total Deferred Capital Revenue, end of year</b>    | <u>179,143,340</u> | <u>4,530,237</u>    | <u>287,006</u>   | <u>183,960,583</u> |



# School District No. 23 (Central Okanagan)

Changes in Unspent Deferred Capital Revenue  
Year Ended June 30, 2018

Schedule 4D (Unaudited)

|   | Bylaw<br>Capital | MED<br>Restricted<br>Capital | Other<br>Provincial<br>Capital | Land<br>Capital  | Other<br>Capital | Total            |
|---|------------------|------------------------------|--------------------------------|------------------|------------------|------------------|
|   | \$               | \$                           | \$                             | \$               | \$               | \$               |
| <b>Balance, beginning of year</b>         | 57,199           |                              | 142,532                        | 994,936          |                  | 1,194,667        |
| <b>Changes for the Year</b>               |                  |                              |                                |                  |                  |                  |
| Increase:                                 |                  |                              |                                |                  |                  |                  |
| Provincial Grants - Ministry of Education | 12,885,105       |                              | 12,372                         |                  |                  | 12,885,105       |
| Provincial Grants - Other                 |                  |                              |                                |                  | 20,107           | 20,107           |
| Other                                     |                  |                              |                                | 34,361           |                  | 34,361           |
| Investment Income                         |                  |                              |                                | 1,420,060        |                  | 1,420,060        |
| School Site Acquisition Charges           | 12,885,105       | -                            | 12,372                         | 1,454,421        | 20,107           | 14,372,005       |
| Decrease:                                 |                  |                              |                                |                  |                  |                  |
| Transferred to DCR - Capital Additions    | 7,907,842        |                              | 111,754                        |                  | 20,107           | 8,039,703        |
| Transferred to DCR - Work in Progress     | 4,986,036        |                              |                                |                  |                  | 4,986,036        |
| Transferred to Revenue - Site Purchases   | 27,241           |                              |                                |                  |                  | 27,241           |
|   | 12,921,119       | -                            | 111,754                        | -                | 20,107           | 13,052,980       |
| <b>Net Changes for the Year</b>           | (36,014)         | -                            | (99,382)                       | 1,454,421        | -                | 1,319,025        |
| <b>Balance, end of year</b>               | <b>21,185</b>    | <b>-</b>                     | <b>43,150</b>                  | <b>2,449,357</b> | <b>-</b>         | <b>2,513,692</b> |