



## **School District No. 67 (Okanagan Skaha)**

### **MANAGEMENT**

### **DISCUSSION AND ANALYSIS**

**For the year ended June 30, 2020**

The following is a discussion and analysis of School District 67's financial performance for the fiscal year ended June 30, 2020. The report is a summary of the District's financial activities based on currently known facts and conditions. Results for the current year are discussed in comparison with the prior year and budget. The report should be read in conjunction with the Financial Statements for the same period.

### **OVERVIEW OF THE SCHOOL DISTRICT**

The District serves approximately 5790 FTE students in the communities of Penticton, Summerland, Kaleden and Naramata. There are 3 high schools, 3 middle schools and 11 elementary schools across the district providing education services that include late French Immersion, Distributed Learning, Alternative Programming, and an International Program.

Strategic Plan 2017-2020 guides the Board of Education and its employees and partners in delivering educational programs. The Strategic Plan is organized around the following themes for which detailed goals and objectives have been developed.

- Governance
- Education
- Technology
- Human Resources
- Facilities and Transportation
- Finance and Operations

### **UNDERSTANDING SCHOOL DISTRICT FINANCIAL STATEMENTS**

The financial statements of school districts are a consolidation of three separate funds (operating, special purpose and capital). Financial performance is best understood by reviewing each fund separately as each of these funds differ with respect to the methods of accounting used, and the legislative and other constraints on budgeting and financial results. Performance for each fund is reported in the supplementary schedules that follow the notes to the financial statements.

Annual surplus and accumulated surplus are key performance indicators. Annual surplus is the extent to which annual revenues exceed expenses. Accumulated surplus is the extent to which revenues from all previous years exceed expenses from all previous years. If an accumulated deficit occurs, it means future revenues are needed to pay for past expenditures.

Annual program revenues and expenditures are reported in the operating and special purpose funds.

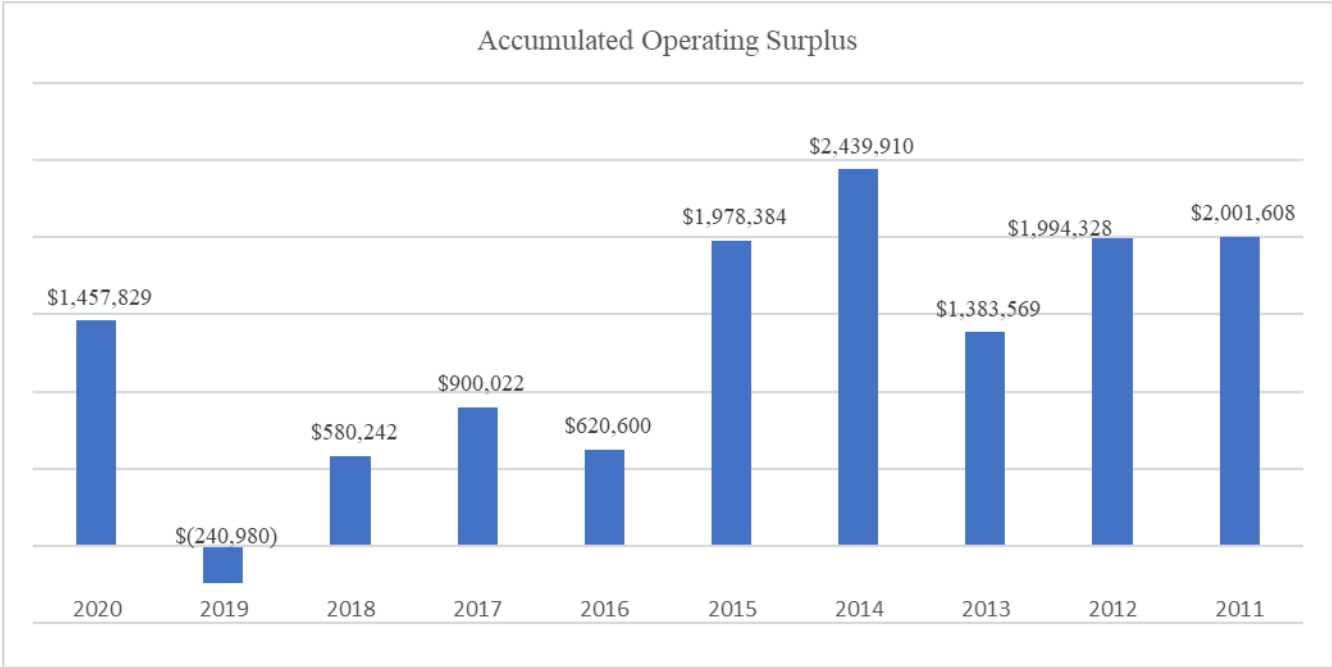
In the operating fund the annual surplus is carried forward and can be used in the future. A healthy annual surplus in the operating fund reduces the financial risk associated with unforeseen circumstances.

In the special purpose fund, annual and accumulated surplus is always zero because revenues are recognized only as the expenditure is incurred. If expenditures are less than the total funding received the unused amount can be carried forward as deferred revenue to be used in the same program in the following year. In some programs, the unused portion (deferred revenue) can be clawed back by the funder of the program.

The capital fund reports investment and financing activity related to capital assets. Funding from the Province is accounted for using the deferral method of accounting whereby capital revenues are recognized at the same time as the asset is amortized over its useful life. Capital revenues only offset amortization expense to the extent assets were funded by provincial capital grants. Since many capital investments are funded by operating dollars, which are recorded as transfers of accumulated operating surplus to the capital fund, the capital fund normally reports an annual deficit. Therefore, capital fund revenues, expenses and annual deficit/surplus are not a meaningful indicator of annual financial performance.

**FINANCIAL HIGHLIGHTS**

Depletion of accumulated operating surplus relative to historical levels has been the cause of increased budget pressures in the last five years. Accumulated operating surplus decreased from \$2 million in 2015 to a deficit of \$240,980 at the end of 2019. Accumulated Operating Surplus for the year ended June 30, 2020 is \$1.4 million. This positions the District to better be able to address future pressures associated with unexpected circumstances.



## FINANCIAL ANALYSIS

### Statement of Financial Position

The table below presents explanations for significant variances in the statement of financial position (Statement 1) relative to the prior year.

	2020	2019	Variance Amount	Analysis of Variance
Cash	\$17,504,809	\$ 4,389,115	\$13,115,694	Increase of \$11.2 Million is due to the sale of McNicoll Park School
Due from Province	\$ 1,424,175	\$ 3,073,451	\$(1,649,276)	Decrease of \$1.6Million in Capital Project Expenditures
Accounts Receivable	\$ 712,343	\$ 1,550,380	\$ (838,037)	Decrease of \$509,000 from International Students, \$50,000 decrease in rental revenue from Conseil Francophone, \$114,000 decrease in recoverables from Schools, \$71,000 decrease for accrued interest pay out.
Unearned revenue	\$ 71,645	\$ 850,170	\$ (778,525)	Decrease in International Student attendance in 20-21 due to Covid

## STATEMENT OF OPERATIONS BY FUND

### Operating Fund

In the operating fund (Schedule 2) the annual surplus of \$1,698,809 resulted in an increase to accumulated operating surplus from a deficit of \$240,980 at the beginning of the year, to \$1,457,829 at June 30, 2020.

	Operating Revenues				
	2020 Budget	2020 Actual	2019 Actual	Variance from Budget	Variance from 2019 Actual
Total Grants from Ministry	\$ 56,870,966	\$ 57,838,733	\$ 56,460,568	\$ 967,767	\$ 1,378,165
Total Other Revenues	3,689,057	3,544,581	3,602,850	(144,476)	(58,269)
	\$ 60,560,023	\$ 61,383,314	\$ 60,063,418	\$ 823,291	\$ 1,319,896

Total operating revenues are \$61.4 million, an overall increase of \$1.3 million from the prior year and \$823,291 higher than budgeted. Funding from the Ministry for Teacher, Support Staff and Employer Health Tax increases accounts for \$1.4 million of the variance compared to prior year and \$967,767 when compared to budget. These increases are offset by relatively small decreases in all Other revenues.

Expenses in the financial statements are presented by program (Function) on Schedule 2, category of expense (Object) on Schedule 2B and combined on Schedule 2C. Operating expenditures are presented below by Object in comparison to Budget and Prior Year.

Operating Expenditure by Object					
	2020 Budget	2020 Actual	2019 Actual	Variance from Budget	Variance from Prior Year
<b>Salaries</b>					
Teachers	\$ 25,588,566	\$ 25,490,091	\$ 25,212,739	\$ (98,475)	\$ 277,352
Principals and Vice Principals	3,632,116	3,608,240	3,598,267	(23,876)	9,973
Education Assistants	4,421,726	4,350,529	4,212,287	(71,197)	138,242
Support Staff	4,640,759	4,427,058	4,728,249	(213,701)	(301,191)
Other Professionals	2,054,691	2,116,913	2,066,458	62,222	50,455
Substitutes	2,158,287	1,912,912	2,405,799	(245,375)	(492,887)
<b>Total Salaries</b>	<b>42,496,145</b>	<b>41,905,743</b>	<b>42,223,799</b>	<b>(590,402)</b>	<b>(318,056)</b>
<b>Employee Benefits</b>	<b>\$ 10,167,217</b>	<b>\$ 10,697,980</b>	<b>\$ 10,603,135</b>	<b>\$ 530,763</b>	<b>\$ 94,845</b>
<b>Services and Supplies</b>					
Services	2,047,800	1,977,542	2,216,181	(70,258)	(238,639)
Student Transportation	498,000	368,795	581,638	(129,205)	(212,843)
Professional Development and Travel	474,151	148,102	535,119	(326,049)	(387,017)
Rentals and Leases	6,000	1,577	-	(4,423)	1,577
Dues and Fees	73,500	13,342	69,586	(60,158)	(56,244)
Insurance	195,892	131,129	135,143	(64,763)	(4,014)
Supplies	2,521,987	2,211,761	2,733,870	(310,226)	(522,109)
Utilities	1,769,904	1,609,621	1,786,169	(160,283)	(176,548)
	<b>7,587,234</b>	<b>6,461,869</b>	<b>8,057,706</b>	<b>(1,125,365)</b>	<b>(1,595,837)</b>
	<b>\$ 60,250,596</b>	<b>\$ 59,065,592</b>	<b>\$ 60,884,640</b>	<b>\$ (1,185,004)</b>	<b>\$ (1,819,048)</b>

Total Salaries decrease from Budget of \$590,402 is due to a one time transfer of \$250,000 to the capital fund for support-staff labour costs on a capital project, and a reduction of \$245,375 in substitute costs in the latter part of the year due to the Covid Pandemic. While actual results in the other salary categories are lower and higher, the impact of these variances nets to (\$95,027) and is considered within a normal range, at .02%, as a variance on a budget of \$43 million. The decrease in salaries of \$318,056 from the prior year, due to the same factors above for support staff and substitute costs is \$742,877, offset by the increase of \$424,831 in staff and teacher compensation.

Employee benefits include all employer paid payroll taxes, such as CPP, EI, Health Tax, MSP, pension contributions, retirement allowances as well as medical benefit plans. The increased spending over Budget of \$530,763 reflects an inadequate budget allocation to this line item.

Services and supplies overall decreased by \$1,125,365 from Budget and \$1,595,837 from the prior year as a direct result of having fewer people in buildings from mid-March to the end of June due to Covid. The switch to online learning for students and that of conducting business in the virtual

realm for the District as a whole, had a significant impact on such costs as travel for professional development, student transportation, utilities and supplies.

### Special Purpose Fund

Detailed information on the special purpose fund is presented in Schedules 3 and 3A following the notes to the financial statements. Schedule 3 presents the expenditures and matching revenues for the year. In 3A the change from one year to the next is presented for each grant. Below is a summary of Schedule 3A for the period ended June 30, 2020 in comparison to Budget and the Prior Year.

	Changes in Special Purpose Funds		
	2020 Budget	2020 Actual	2019 Actual
Funding carried forward from prior year	\$ 1,818,655	\$ 1,818,654	\$ 1,722,202
Current year Provincial Grants	5,569,646	5,574,166	5,424,595
Current year Other Grants	1,510,500	1,961,934	2,279,436
Total funding available to spend	8,898,801	9,354,754	9,426,233
Expenditures	(7,060,001)	(7,329,247)	(7,361,964)
Fund Transfers	(251,328)	(251,328)	(245,614)
Total Spent	(7,311,329)	(7,580,575)	(7,607,578)
Revenue recognition	7,311,329	7,580,575	7,607,578
Annual Surplus (Deficit)	-	-	-
Unspent (amount to carry forward to following year)	\$ 1,587,472	\$ 1,774,179	\$ 1,818,655

Receipts, revenues and expenses are consistent with budget and the prior year with only one notable variance in Other Grants for the current year. Receipts in schools decreased from \$2.3 million in 2019 to \$2 million in 2020 as many activities that would normally take place in the latter part of the school year, such as graduations and fieldtrips were changed, or altogether cancelled. Fees and fundraising for these events were either not collected or were refunded to students.

## Capital Fund

Detailed information on the capital fund is presented in Schedules 4 to 4D following the notes to the financial statements.

Schedule of Capital Operations			
	2020 Budget	2020 Actual	2019 Actual
Amortization of Deferred Capital Revenue	\$ 3,376,518	\$ 3,376,404	\$ 3,474,958
Gain on Sale of Capital Assets	2,793,500	2,793,520	-
Interest income	33,000	78,340	-
Amortization of Capital Assets	(4,656,962)	(4,656,959)	(4,467,974)
Fund Transfers (Capital Assets purchased by operating and special purpose funds)	319,775	870,241	245,614
Change in Accumulated Surplus	\$ 1,865,831	\$ 2,461,546	\$ (747,402)
Opening Accumulated Surplus	\$ 16,618,313	\$ 16,618,313	\$ 17,365,715
Closing Accumulated Surplus	\$ 18,484,144	\$ 19,079,859	\$ 16,618,313

Amortization of deferred capital revenue and amortization of capital assets are consistent with prior year and budget. This is expected as both the revenue and the expenses are amortized over the life of the asset.

The District sold the former McNicoll Park school site for total proceeds of \$11.2 million. The Ministry of Education's restricted portion of the proceeds, \$8.4 million (75%), has been included in deferred capital revenue (Schedule 4D) and the District's portion, \$2.8 million (25%) is included in the Local Capital account. The increase in interest income from budget and the prior year is due to the increase in cash generated by the sale.

Fund Transfers represent capital assets purchased with operating and special purpose funds. In the current year a total of \$618,913 is purchases in the operating fund and \$251,328 in the special purpose fund. The \$245,615 comparative in 2019 is for purchases from special purpose fund as no capital purchases were charged to the operating fund in the prior year. The budget amount of \$319,775 excludes \$500,000 of capital asset purchases from operating budgeted for under the services and supplies in the operating fund.

During the year the district spent \$1.4 million to complete several capital projects and another \$203,000 in projects underway but not finished by year end. The Ministry of Education fully funded these projects.

## Capital Fund Balances

Within the capital fund the Local Capital account and MOE restricted accounts balances are important as they represent funds available for future capital investments.

Capital Fund Balances		
	Local Capital	Ministry of Education Restricted
Balance July 1, 2019	\$ 71,166	\$ 692,474
Proceeds from sale of McNicoll	2,800,000	8,400,000
Capital investments	(850,000)	-
Balance June 30, 2020	2,021,166	9,092,474
Committed for future projects	-	-
Uncommitted balance at June 30, 2020	\$ 2,021,166	\$ 9,092,474

Local Capital increased by \$2.8 million from the sale of McNicoll and decreased by \$850,000 from a charge of capital asset investments. The net balance of \$2 million forms part of the accumulated surplus in the capital fund and represents funds available for investment in capital assets at the discretion of the Board.

Ministry Restricted Capital increased by \$8.4 million from the sale of McNicoll. This balance forms part of deferred capital revenue balance and represents funds available for investments in capital assets at the discretion of the Ministry of Education. These funds are generated primarily from proceeds on disposition of assets that are allocated to the Ministry pursuant to the School Act.

## CONTACTING MANAGEMENT

This financial report is designed to provide stakeholders with a general overview of the School District's finances and to demonstrate accountability for the funds it receives. If you have any questions about this report please contact the Office of the Secretary Treasurer at 250-770-7700.

Audited Financial Statements of

**School District No. 67 (Okanagan Skaha)**

And Independent Auditors' Report thereon

June 30, 2020



# School District No. 67 (Okanagan Skaha)

June 30, 2020

## Table of Contents

Management Report .....	1
Independent Auditors' Report .....	2-5
Statement of Financial Position - Statement 1 .....	6
Statement of Operations - Statement 2 .....	7
Statement of Changes in Net Debt - Statement 4 .....	8
Statement of Cash Flows - Statement 5 .....	9
Notes to the Financial Statements .....	10-27
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 (Unaudited) .....	28
Schedule of Operating Operations - Schedule 2 (Unaudited) .....	29
Schedule 2A - Schedule of Operating Revenue by Source (Unaudited) .....	30
Schedule 2B - Schedule of Operating Expense by Object (Unaudited) .....	31
Schedule 2C - Operating Expense by Function, Program and Object (Unaudited) .....	32
Schedule of Special Purpose Operations - Schedule 3 (Unaudited) .....	34
Schedule 3A - Changes in Special Purpose Funds and Expense by Object (Unaudited) .....	35
Schedule of Capital Operations - Schedule 4 (Unaudited) .....	38
Schedule 4A - Tangible Capital Assets (Unaudited) .....	39
Schedule 4B - Tangible Capital Assets - Work in Progress (Unaudited) .....	40
Schedule 4C - Deferred Capital Revenue (Unaudited) .....	41
Schedule 4D - Changes in Unspent Deferred Capital Revenue (Unaudited) .....	42

# School District No. 67 (Okanagan Skaha)

## MANAGEMENT REPORT

Version: 8644-7898-5916

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

The accompanying financial statements of School District No. 67 (Okanagan Skaha) 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. 67 (Okanagan Skaha) (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, KPMG 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. 67 (Okanagan Skaha) 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. 67 (Okanagan Skaha)

  
Signature of the Chairperson of the Board of Education

*29 September 2020*  
Date Signed

  
Signature of the Superintendent

*29 September 2020*  
Date Signed

  
Signature of the Secretary Treasurer

*29 September 2020*  
Date Signed



KPMG LLP  
200 - 3200 Richter Street  
Kelowna BC V1W 5K9  
Canada  
Telephone (250) 979-7150  
Fax (250) 763-0044

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Education of School District No. 67 (Okanagan Skaha), and  
To the Minister of Education, Province of British Columbia

### ***Opinion***

We have audited the accompanying financial statements of School District No. 67 (Okanagan Skaha) (the "School District"), which comprise:

- the statement of financial position as at June 30, 2020
- the statements of operations for the year then ended
- the statements of change in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the School District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

***Emphasis of Matter – Financial Reporting Framework***

We draw attention to note 2(a) to the financial statements which describes the applicable financial reporting framework and the significant differences between the financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.

***Other Information***

Management is responsible for the other information. Other information comprises information, other than the financial statements and the auditors' report thereon, included in the Management Discussion and Analysis document.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in the Management Discussion and Analysis document as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget and 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.

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School District ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the School District to cease to continue as a going concern.



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

A handwritten signature in black ink, appearing to read 'KPMG LLP'.

Chartered Professional Accountants

September 28, 2020  
Kelowna, Canada

# School District No. 67 (Okanagan Skaha)

## Statement of Financial Position

As at June 30, 2020

	2020 Actual	2019 Actual
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	17,504,809	4,389,115
Accounts Receivable		
Due from Province - Ministry of Education (Note 3)	1,424,175	3,073,451
Due from First Nations (Note 3)	265,854	266,291
Other (Note 3)	446,489	1,284,089
Portfolio Investments (Note 4)	2,500,000	2,495,000
<b>Total Financial Assets</b>	<b>22,141,327</b>	<b>11,507,946</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	4,220,351	4,315,193
Unearned Revenue (Note 6)	71,645	850,170
Deferred Revenue (Note 7)	1,774,179	1,818,654
Deferred Capital Revenue (Note 8)	81,727,000	76,937,182
Employee Future Benefits (Note 9)	3,483,871	3,396,929
<b>Total Liabilities</b>	<b>91,277,046</b>	<b>87,318,128</b>
<b>Net Debt</b>	<b>(69,135,719)</b>	<b>(75,810,182)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 10)	89,580,350	92,109,410
Restricted Assets (Endowments) (Note 11)	200,000	200,000
Prepaid Expenses	70,100	78,105
Supplies Inventory	22,957	
<b>Total Non-Financial Assets</b>	<b>89,873,407</b>	<b>92,387,515</b>
<b>Accumulated Surplus (Deficit) (Note 12)</b>	<b>20,737,688</b>	<b>16,577,333</b>

Contingent Liabilities (Note 13)

Approved by the Board



29 September 2020

Signature of the Chairperson of the Board of Education

Date Signed



Signature of the Superintendent

29 September 2020

Date Signed

Signature of the Secretary Treasurer

Assistant Secretary-Treasurer

29 September 2020

Date Signed

# School District No. 67 (Okanagan Skaha)

Statement 2

Statement of Operations  
Year Ended June 30, 2020

	2020 Budget (Note 15) \$	2020 Actual \$	2019 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	62,486,862	<b>63,311,204</b>	61,935,203
Other	150,975	<b>206,427</b>	125,112
Tuition	1,499,836	<b>1,542,117</b>	1,287,777
Other Revenue	3,258,679	<b>3,411,958</b>	3,616,114
Rentals and Leases	450,000	<b>421,601</b>	782,552
Investment Income	58,000	<b>148,922</b>	70,616
Gain (Loss) on Disposal of Tangible Capital Assets (Note 10)	2,793,500	<b>2,793,520</b>	92,625
Amortization of Deferred Capital Revenue	3,376,518	<b>3,376,404</b>	3,235,955
<b>Total Revenue</b>	<u>74,074,370</u>	<u><b>75,212,153</b></u>	<u>71,145,954</u>
<b>Expenses (Note 14)</b>			
Instruction	55,724,418	<b>55,058,144</b>	55,878,549
District Administration	2,335,946	<b>2,874,407</b>	2,440,901
Operations and Maintenance	13,119,193	<b>12,438,154</b>	13,489,302
Transportation and Housing	788,002	<b>681,093</b>	905,826
<b>Total Expense</b>	<u>71,967,559</u>	<u><b>71,051,798</b></u>	<u>72,714,578</u>
<b>Surplus (Deficit) for the year</b>	<u>2,106,811</u>	<u><b>4,160,355</b></u>	<u>(1,568,624)</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>16,577,333</b>	18,145,957
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u><u><b>20,737,688</b></u></u>	<u>16,577,333</u>



# School District No. 67 (Okanagan Skaha)

## Statement of Changes in Net Debt

Year Ended June 30, 2020

	2020 Budget (Note 15) \$	2020 Actual \$	2019 Actual \$
<b>Surplus (Deficit) for the year</b>	2,106,811	<b>4,160,355</b>	(1,568,624)
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(1,982,667)	<b>(3,747,575)</b>	(6,856,342)
Amortization of Tangible Capital Assets	4,656,962	<b>4,656,959</b>	4,321,596
Net carrying value of Tangible Capital Assets disposed of	1,619,696	<b>1,619,676</b>	1,125
<b>Total Effect of change in Tangible Capital Assets</b>	4,293,991	<b>2,529,060</b>	(2,533,621)
Acquisition of Prepaid Expenses		<b>(74,701)</b>	(131,589)
Use of Prepaid Expenses		<b>72,197</b>	443,959
Acquisition of Supplies Inventory		<b>(87,982)</b>	
Use of Supplies Inventory		<b>75,534</b>	
<b>Total Effect of change in Other Non-Financial Assets</b>	-	<b>(14,952)</b>	312,370
<b>(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)</b>	<u>6,400,802</u>	<b>6,674,463</b>	(3,789,875)
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Debt</b>		<b>6,674,463</b>	(3,789,875)
<b>Net Debt, beginning of year</b>		<b>(75,810,182)</b>	(72,020,307)
<b>Net Debt, end of year</b>		<b>(69,135,719)</b>	(75,810,182)

# School District No. 67 (Okanagan Skaha)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2020

	2020 Actual	2019 Actual
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	4,160,355	(1,568,624)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	2,487,313	(2,451,196)
Supplies Inventories	(22,957)	-
Prepaid Expenses	8,005	312,370
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(94,842)	78,275
Unearned Revenue	(778,525)	358,073
Deferred Revenue	(44,475)	96,453
Employee Future Benefits	86,942	78,138
Amortization of Tangible Capital Assets	4,656,959	4,321,596
Amortization of Deferred Capital Revenue	(3,376,404)	(3,235,955)
Amortization of Deferred Provincial Revenue	-	(151,984)
(Gain) Loss on Disposal of Tangible Capital Assets	(2,793,520)	(92,625)
<b>Total Operating Transactions</b>	<b>4,288,851</b>	<b>(2,255,479)</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(3,543,988)	(6,649,295)
Tangible Capital Assets -WIP Purchased	(203,587)	(207,047)
District Portion of Proceeds on Disposal	2,800,000	93,750
<b>Total Capital Transactions</b>	<b>(947,575)</b>	<b>(6,762,592)</b>
<b>Financing Transactions</b>		
Capital Revenue Received	9,779,418	6,007,651
<b>Total Financing Transactions</b>	<b>9,779,418</b>	<b>6,007,651</b>
<b>Investing Transactions</b>		
Redemption of Investments in Portfolio Investments	(5,000)	3,055,000
<b>Total Investing Transactions</b>	<b>(5,000)</b>	<b>3,055,000</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>13,115,694</b>	<b>44,580</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>4,389,115</b>	<b>4,344,535</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>17,504,809</b>	<b>4,389,115</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	17,504,809	4,389,115
	<b>17,504,809</b>	<b>4,389,115</b>

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

---

**NOTE 1      AUTHORITY AND PURPOSE**

The School District operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 67 (Okanagan Skaha)" and operates as "School District No. 67 (Okanagan Skaha)." A board of education (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. 67 (Okanagan Skaha) is exempt from federal and provincial corporate income taxes.

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020 and has had a significant financial, market and social dislocating impact worldwide. Under direction of the Provincial Health Officer, all schools suspended in-class instruction in March 2020 and the School District remained open to continue to support students and families in a variety of ways. Parents were given the choice to send their children back to school on a gradual and part-time basis beginning June 1 with new health and safety guidelines. The ongoing impact of the pandemic presents uncertainty over future cash flows, may have a significant impact on future operations including decreases in revenue, impairment of receivables, reduction in investment income and delays in completing capital project work. As the situation is dynamic and the ultimate duration and magnitude of the impact are not known, an estimate of the future financial effect on the School District is not practicable at this time.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the School District are as follows:

(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* supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. The *Budget Transparency and Accountability Act* requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections.

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.

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

---

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

(a) Basis of Accounting (continued)

Regulation 198/2011 requires that restricted contributions received or receivable for acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are to be deferred and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded.

For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which requires that:

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

As a result, revenue recognized in the statement of operations and certain related deferred capital revenue would be recorded differently under Canadian public sector accounting standards.

(b) Basis of Presentation

These financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is comprised of all controlled entities. Inter-departmental balances and organizational transactions have been eliminated.

The School District does not control any significant external entities and accordingly no entities have been consolidated with the financial statements.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash and guaranteed investments 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 at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

(d) Unearned Revenue

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

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

---

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

(e) 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 Note 2 (g).

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.

(f) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- 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.
- 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 sites and buildings are less than their net book value. Write-downs are accounted for as expenses in the Statement of Operations.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

Buildings	40 years
Furniture & Equipment	10 years
Vehicles	10 years
Computer Software	5 years
Computer Hardware	5 years

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

---

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)**

(g) 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.

Revenue related to fees or services received in advance of the fee being earned or the service is 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.

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

---

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

(h) 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 other employees excluded from union contracts 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 related programs.
- Actual salaries of personnel assigned to 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 and allowances 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.

(i) Supplies Inventory

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

(j) 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.

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities, and other liabilities. Except for 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

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

---

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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. For the year ended June 30, 2020 did not have any financial instruments where fair value differed significantly from its cost amount. Accordingly, a statement of remeasurement gains and losses has not been presented.

All financial assets except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

(k) 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-rated on service and using management's best estimate of expected salary escalation, termination rates, 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 of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2019 and projected to March 31, 2022. The next valuation will be performed at March 31, 2022 for use at June 30, 2022. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

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

(l) 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



SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

---

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

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

The School District has identified potential asset retirement obligations relating to facilities that the School District may incur upon major upgrades or demolition in the future. This potential obligation exists for the removal and disposal of environmentally hazardous building materials in some of the School District facilities. At this time, the School District has not recognized these asset retirement obligations, as there is an indeterminate settlement date of any potential future demolition or renovation of the facilities and, therefore, the fair value cannot be reasonably estimated as at June 30, 2020.

(m) 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.

(n) Measurement Uncertainty

The preparation of financial statements in accordance with the basis of accounting described in Note 2(a) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the potential impairment of assets, estimates for contingent liabilities, tangible capital asset amortization rates and employee future benefits. Actual results could differ from management's best estimates as additional information becomes available in the future.

(o) Restricted Assets

Restricted assets are comprised of endowment contributions which are externally restricted in their use. Endowment contributions are recorded as revenue in the period of acquisition. Use of these funds is limited to the terms of reference.

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 3      ACCOUNTS RECEIVABLE**

	2020	2019
Provincial Government - Ministry of Education	\$ 1,424,175	\$ 3,073,451
Due from First Nations	265,854	266,291
Other	446,489	1,284,089
	\$ 2,136,518	\$ 4,623,831

**NOTE 4      PORTFOLIO INVESTMENTS**

	2020	2019
Investment Funds	\$ 2,500,000	\$ 2,495,000

The fair value of investment funds as at June 30, 2020 is not significantly different than its cost amount. Accordingly, no gain or loss has been recorded in the School District's statement of remeasurement gains and losses.

**NOTE 5      ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2020	2019
Trade	\$ 959,814	\$ 1,534,322
Salaries and Benefits	3,069,433	2,575,036
Accrued Vacation	191,104	205,835
	\$ 4,220,351	\$ 4,315,193

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 6      UNEARNED REVENUE**

	2020	2019
Balance, beginning of year	\$ 850,170	\$ 492,097
Tuition Fees Received	416,093	1,331,449
Tuition Fees Earned	(1,194,618)	(973,376)
Balance, end of year	\$ 71,645	\$ 850,170

**NOTE 7      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.

	2020	2019
Balance, beginning of year	\$ 1,818,654	\$ 1,722,202
Provincial Grants - Ministry of Education	5,574,166	5,424,785
Other Ministry Grants	57,900	40,723
Other	1,904,033	2,238,523
	7,536,099	7,704,031
Allocation to revenue	7,580,574	7,607,579
Balance, end of year	\$ 1,774,179	\$ 1,818,654

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 8 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.

	2020	2019
<b>Deferred Capital Revenue (DCR)</b>		
Balance, beginning of year	\$ 75,355,218	\$ 72,912,749
Transferred from Deferred Revenue - Capital Additions	1,823,747	4,798,494
Transferred from Deferred Revenue - Work in Progress	207,047	879,930
Amortization of Deferred Capital Revenue	(3,376,404)	(3,235,955)
Revenue Recognized on disposal of buildings	(1,613,196)	-
Balance, end of year	\$ 72,396,412	\$ 75,355,218
<b>Work in Progress</b>		
Balance, beginning of year	\$ 207,047	\$ 879,929
Transferred from Deferred Revenue - Work in Progress	203,587	207,047
Transferred to DCR	(207,047)	(879,929)
Balance, end of year	\$ 203,587	\$ 207,047
<b>Unspent Deferred Capital Revenue (Bylaw Capital)</b>		
Balance, beginning of year	\$ 639,794	
Provincial Grants - Ministry of Education	1,379,418	5,645,335
Transferred to DCR - Capital Additions	(1,815,625)	(4,798,494)
Transferred to DCR - Work in Progress	(203,587)	(207,047)
Balance, end of year	\$ -	\$ 639,794
<b>Unspent Deferred Capital Revenue (MOE Restricted)</b>		
Balance, beginning of year	\$ 692,474	\$ 411,224
MOE Restricted Portion of Proceeds on Disposal	8,400,000	281,250
Balance, end of year	\$ 9,092,474	\$ 692,474
<b>Unspent Deferred Capital Other</b>		
Balance, beginning of year (Provincial)	\$ 42,649	\$ 113,567
Provincial Grant Contributions Received		75,460
Provincial Grant Equipment Purchases	(8,122)	(146,378)
Balance, end of year	\$ 34,527	\$ 42,649
Total Deferred Capital Revenue, end of year	\$ 81,727,000	\$ 76,937,182

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 9 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.

	2020	2019
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	\$ 3,246,913	\$ 3,229,467
Service Cost	285,050	257,720
Interest Cost	83,603	90,768
Benefit Payments	(245,737)	(310,814)
Actuarial (Gain) Loss	(75,850)	(20,228)
Accrued Benefit Obligation – March 31	\$ 3,293,979	\$ 3,246,913
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation - March 31	\$ 3,293,979	\$ 3,246,913
Market Value of Plan Assets - March 31	-	-
Funded Status - Surplus (Deficit)	(3,293,979)	(3,246,913)
Employer Contributions After Measurement Date	104,657	71,219
Benefits Expense After Measurement Date	(94,188)	(92,163)
Unamortized Net Actuarial (Gain) Loss	(200,361)	(129,072)
Accrued Benefit Asset (Liability) - June 30	\$ (3,483,871)	\$ (3,396,929)
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability - July 1	\$ 3,396,929	\$ 3,318,791
Net Expense for Fiscal Year	366,117	351,143
Employer Contributions	(279,175)	(273,005)
Accrued Benefit Liability - June 30	\$ 3,483,871	\$ 3,396,929
<b>Components of Net Benefit Expense</b>		
Service Cost	\$ 288,741	\$ 264,553
Interest Cost	81,937	88,976
Amortization of Net Actuarial (Gain)/Loss	(4,561)	(2,386)
Net Benefit Expense	\$ 366,117	\$ 351,143

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 9 EMPLOYEE FUTURE BENEFITS** *(continued)*

**Assumptions**

Discount Rate - April 1	2.50%	2.75%
Discount Rate - March 31	2.25%	2.50%
Long Term Salary Growth - April 1	2.50%+ seniority	2.50%+ seniority
Long Term Salary Growth - March 31	2.50%+ seniority	2.50%+ seniority
EARSL - March 31	9.3	9.3

**NOTE 10 TANGIBLE CAPITAL ASSETS**

<b>Cost</b>	Balance at June 30, 2019	Additions	Disposals/ Transfers	Balance at June 30, 2020
Sites	\$ 8,529,898		(6,500)	\$ 8,523,398
Buildings	143,754,277	1,582,437	(2,713,855)	142,622,859
Buildings - Work in Progress	207,047	203,587	(207,047)	203,587
Furniture and Equipment	4,524,439	189,943	(171)	4,714,211
Vehicles	1,515,243	691,563	(54,446)	2,152,360
Computer Software	775,287			775,287
Computer Hardware	3,483,145	1,287,092	(759,324)	4,010,913
<b>Total</b>	<b>\$ 162,789,336</b>	<b>\$ 3,954,622</b>	<b>\$ (3,741,343)</b>	<b>\$ 163,002,615</b>

<b>Accumulated Amortization</b>	Balance at June 30, 2019	Amortization	Disposals	Balance at June 30, 2020
Buildings	\$ 65,952,333	3,201,308	(1,100,679)	\$ 68,052,962
Furniture and Equipment	2,622,704	452,444	(171)	3,074,977
Vehicles	607,084	151,524	(54,446)	704,162
Computer Software	194,910	155,057		349,967
Computer Hardware	1,302,895	696,626	(759,324)	1,240,197
<b>Total</b>	<b>\$ 70,679,926</b>	<b>\$ 4,656,959</b>	<b>\$ (1,914,623)</b>	<b>\$ 73,422,265</b>

<b>Cost</b>	Balance at June 30, 2018	Additions	Disposals/ Transfers	Balance at June 30, 2019
Sites	\$ 8,531,023		(1,125)	\$ 8,529,898
Buildings	138,115,557	4,758,791	879,929	143,754,277
Buildings - Work in Progress	879,929	207,047	(879,929)	207,047
Furniture and Equipment	4,192,278	332,161		4,524,439
Vehicles	1,385,487	285,317	(155,561)	1,515,243
Computer Software	702,461	104,232	(31,406)	775,287
Computer Hardware	2,755,461	1,168,794	(441,110)	3,483,145
<b>Total</b>	<b>\$ 156,562,196</b>	<b>\$ 6,856,342</b>	<b>\$ (629,202)</b>	<b>\$ 162,789,336</b>

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 10 TANGIBLE CAPITAL ASSETS** *(continued)*

<b>Accumulated Amortization</b>	Balance at June 30, 2018	Amortization	Disposals	Balance at June 30, 2019
Buildings	\$ 62,880,098	3,072,235		\$ 65,952,333
Furniture and Equipment	2,203,476	419,228		2,622,704
Vehicles	624,096	138,549	(155,561)	607,084
Computer Software	85,824	140,492	(31,406)	194,910
Computer Hardware	1,192,913	551,092	(441,110)	1,302,895
<b>Total</b>	<b>\$ 66,986,407</b>	<b>\$ 4,321,596</b>	<b>\$ (628,077)</b>	<b>\$ 70,679,926</b>

<b>Net Book Value</b>	2020	2019
Sites	\$ 8,523,398	\$ 8,529,898
Buildings	74,773,484	78,008,991
Furniture and Equipment	1,639,234	1,901,735
Vehicles	1,448,198	908,159
Computer Software	425,320	580,377
Computer Hardware	2,770,716	2,180,250
	<b>\$ 89,580,350</b>	<b>\$ 92,109,410</b>

During the year ended June 30, 2020, the School District disposed of land and buildings comprising its former McNicoll Park school site for total proceeds of \$11.2 million. The British Columbia Ministry of Education's restricted portion of the proceeds, \$8.4 million, has been included in deferred capital revenue as at June 30, 2020 (Note 8). The School District recorded a gain on disposal of the property in its operating fund as follows:

School District portion of proceeds on disposal	\$2,800,000
Net book value of land and buildings	(1,619,676)
Deferred capital revenue recognized on disposal of buildings (Note 8)	<u>1,613,196</u>
Gain on disposal	<u>\$2,793,520</u>

The School District manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 11 RESTRICTED ASSETS - ENDOWMENT FUNDS**

Name of Endowment	2019	Contributions during the year	2020
Fudge Scholarship	\$ 200,000	\$ -	\$ 200,000

**NOTE 12 ACCUMULATED SURPLUS**

Accumulated surplus consists of individual fund surplus and reserves.

	2020	2019
Invested in Capital Assets	\$ 19,079,859	\$ 16,618,313
Special Purpose Funds	200,000	200,000
Operating Fund		
Restricted	283,990	
Unrestricted	1,173,839	(240,980)
Accumulated Surplus	<u>\$ 20,737,688</u>	<u>\$ 16,577,333</u>

**NOTE 13 CONTINGENCIES**

From time to time the School District may be brought forth as defendant in various lawsuits. The School District reviews its exposure to any potential litigation for which it would not be covered by insurance and assesses whether a successful claim against the School District would materially affect the financial statements. The School District is not currently aware of any claims brought against it that if not defended successfully would result in a material change in these financial statements.

**NOTE 14 EXPENSE BY OBJECT**

	2020	2019
Salaries and Benefits	\$ 57,325,381	\$ 57,214,534
Services and Supplies	9,069,458	11,178,448
Amortization	4,656,959	4,321,596
Total Expenses	<u>\$ 71,051,798</u>	<u>\$ 72,714,578</u>



SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 15 BUDGET FIGURES**

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget bylaw on March 9, 2020. The original annual budget was adopted on May 27, 2019. The original and amended budgets are presented below.

	Amended Budget	Annual Budget
<b>Revenues</b>		
Provincial Grants		
Ministry of Education	\$ 62,486,862	\$ 62,284,847
Other	150,975	50,000
Tuition	1,499,836	1,300,000
Other Revenue	3,258,679	2,742,655
Rentals and Leases	450,000	600,000
Investment Income	58,000	75,000
Gain (Loss) on Disposal of Capital Assets	2,793,500	-
Amortization of Deferred Capital Revenue	3,376,518	3,236,000
<b>Total Revenue</b>	<b>\$ 74,074,370</b>	<b>\$ 70,288,502</b>
<b>Expenses</b>		
Instruction	\$ 55,724,418	\$ 55,087,826
District Administration	2,335,946	2,380,894
Operations and Maintenance	13,119,193	13,405,827
Transportation and Housing	788,002	574,079
<b>Total Expense</b>	<b>\$ 71,967,559</b>	<b>\$ 71,448,626</b>
<b>Net Revenue (Expense)</b>	<b>2,106,811</b>	<b>(1,160,124)</b>
<b>Budgeted Allocation (Retirement) of Surplus (Deficit)</b>	<b>(240,980)</b>	<b>370,738</b>
<b>Budgeted Surplus (Deficit)</b>	<b>\$ 1,865,831</b>	<b>\$ (789,386)</b>

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

---

**NOTE 16      EMPLOYEE PENSION PLANS**

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2019, the Teachers' Pension Plan has about 48,000 active members and approximately 39,000 retired members. As of December 31, 2019, the Municipal Pension Plan has about 213,000 active members, including approximately 26,000 from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate is then adjusted to the extent there is amortization of any funding deficit.

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The next valuation for the Teachers' Pension Plan will be as at December 31, 2020, with results available in 2021. The next valuation for the Municipal Pension Plan will be as at December 31, 2021, with results available in 2022.

School District No. 67 paid \$4,445,601 (2019 -\$4,720,459) for employer contributions to these plans in the year ended June 30, 2020.

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

---

**NOTE 17 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 these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

**NOTE 18 ECONOMIC DEPENDENCE**

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.

**NOTE 19 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. Risk Management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance. There have been no significant changes in the following risk exposures from 2019.

a) 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, amounts receivable and investments. The School District is exposed to credit risk in the event of non-performance by a borrower. 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 in recognized British Columbia institutions and the School District invests solely in term deposits and guaranteed investment certificates.

b) 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 investments.

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

---

**NOTE 19    RISK MANAGEMENT** *(continued)*

c) 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.

**NOTE 20    COMPARATIVE INFORMATION**

Certain comparative figures have been reclassified to conform with the presentation adopted for the current year.

**School District No. 67 (Okanagan Skaha)**  
 Schedule of Changes in Accumulated Surplus (Deficit) by Fund  
 Year Ended June 30, 2020

Schedule 1 (Unaudited)

	<b>Operating Fund</b>	<b>Special Purpose Fund</b>	<b>Capital Fund</b>	<b>2020 Actual</b>	2019 Actual
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	(240,980)	200,000	16,618,313	<b>16,577,333</b>	18,145,957
<b>Changes for the year</b>					
Surplus (Deficit) for the year	2,317,722	251,328	1,591,305	<b>4,160,355</b>	(1,568,624)
Interfund Transfers					
Tangible Capital Assets Purchased	(618,913)	(251,328)	870,241	-	
<b>Net Changes for the year</b>	<b>1,698,809</b>	<b>-</b>	<b>2,461,546</b>	<b>4,160,355</b>	<b>(1,568,624)</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>1,457,829</b>	<b>200,000</b>	<b>19,079,859</b>	<b>20,737,688</b>	16,577,333

# School District No. 67 (Okanagan Skaha)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2020

	2020 Budget (Note 15) \$	2020 Actual \$	2019 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	56,870,966	<b>57,838,733</b>	56,460,568
Other	48,144	<b>48,144</b>	61,744
Tuition	1,499,836	<b>1,542,117</b>	1,287,777
Other Revenue	1,666,077	<b>1,462,473</b>	1,401,976
Rentals and Leases	450,000	<b>421,601</b>	782,552
Investment Income	25,000	<b>70,246</b>	68,801
<b>Total Revenue</b>	<u>60,560,023</u>	<u><b>61,383,314</b></u>	<u>60,063,418</u>
<b>Expenses</b>			
Instruction	48,695,030	<b>47,746,036</b>	48,539,438
District Administration	2,335,946	<b>2,874,407</b>	2,440,901
Operations and Maintenance	8,445,092	<b>7,764,056</b>	8,998,475
Transportation and Housing	774,528	<b>681,093</b>	905,826
<b>Total Expense</b>	<u>60,250,596</u>	<u><b>59,065,592</b></u>	<u>60,884,640</u>
<b>Operating Surplus (Deficit) for the year</b>	<u>309,427</u>	<u><b>2,317,722</b></u>	<u>(821,222)</u>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>		<u>(240,980)</u>	
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(68,447)	<b>(618,913)</b>	-
<b>Total Net Transfers</b>	<u>(68,447)</u>	<u><b>(618,913)</b></u>	<u>-</u>
<b>Total Operating Surplus (Deficit), for the year</b>	<u>-</u>	<u><b>1,698,809</b></u>	<u>(821,222)</u>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>(240,980)</b>	580,242
<b>Operating Surplus (Deficit), end of year</b>		<u><b>1,457,829</b></u>	<u>(240,980)</u>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted (Note 12)		<b>283,990</b>	
Unrestricted		<b>1,173,839</b>	(240,980)
<b>Total Operating Surplus (Deficit), end of year</b>		<u><b>1,457,829</b></u>	<u>(240,980)</u>

# School District No. 67 (Okanagan Skaha)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2020

	2020 Budget (Note 15)	2020 Actual	2019 Actual
	\$	\$	\$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	56,090,034	<b>56,364,119</b>	56,078,469
ISC/LEA Recovery	(943,282)	<b>(915,207)</b>	(943,282)
Other Ministry of Education Grants			
Pay Equity	441,194	<b>441,194</b>	441,194
Funding for Graduated Adults	4,000	<b>5,966</b>	5,871
Transportation Supplement	167,035	<b>167,035</b>	167,035
Economic Stability Dividend			66,772
Carbon Tax Grant	40,000	<b>51,342</b>	51,342
Employer Health Tax Grant	446,141	<b>446,141</b>	135,353
Strategic Priorities - Mental Health Grant			33,000
Support Staff Benefits Grant		<b>5,107</b>	
BCTEA - LEA Capacity Building Grant			6,850
Support Staff Wage Increase Funding	210,689	<b>210,689</b>	
Teachers' Labour Settlement Funding		<b>647,192</b>	
Shoulder Tappers			5,000
FSA Exam	12,964	<b>12,964</b>	12,964
Next Generation Contract	400,000	<b>400,000</b>	400,000
Early Learning Grant	2,191	<b>2,191</b>	
<b>Total Provincial Grants - Ministry of Education</b>	<b>56,870,966</b>	<b>57,838,733</b>	56,460,568
<b>Provincial Grants - Other</b>	<b>48,144</b>	<b>48,144</b>	61,744
<b>Tuition</b>			
International and Out of Province Students	1,499,836	<b>1,542,117</b>	1,287,777
<b>Total Tuition</b>	<b>1,499,836</b>	<b>1,542,117</b>	1,287,777
<b>Other Revenues</b>			
Other School District/Education Authorities	270,795	<b>270,795</b>	232,834
Funding from First Nations	943,282	<b>1,049,457</b>	809,033
Miscellaneous			
Other	152,000	<b>142,221</b>	360,109
Transportation and Technology Services	300,000		
<b>Total Other Revenue</b>	<b>1,666,077</b>	<b>1,462,473</b>	1,401,976
<b>Rentals and Leases</b>	<b>450,000</b>	<b>421,601</b>	782,552
<b>Investment Income</b>	<b>25,000</b>	<b>70,246</b>	68,801
<b>Total Operating Revenue</b>	<b>60,560,023</b>	<b>61,383,314</b>	60,063,418

**School District No. 67 (Okanagan Skaha)**

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2020

	2020 Budget (Note 15)	2020 Actual	2019 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	25,588,566	<b>25,490,091</b>	25,212,739
Principals and Vice Principals	3,632,116	<b>3,608,240</b>	3,598,267
Educational Assistants	4,421,726	<b>4,350,529</b>	4,212,287
Support Staff	4,640,759	<b>4,427,058</b>	4,728,249
Other Professionals	2,054,691	<b>2,116,913</b>	2,066,458
Substitutes	2,158,287	<b>1,912,912</b>	2,405,799
<b>Total Salaries</b>	<b>42,496,145</b>	<b>41,905,743</b>	<b>42,223,799</b>
<b>Employee Benefits</b>	10,167,217	<b>10,697,980</b>	10,603,135
<b>Total Salaries and Benefits</b>	<b>52,663,362</b>	<b>52,603,723</b>	<b>52,826,934</b>
<b>Services and Supplies</b>			
Services	2,047,800	<b>1,977,542</b>	2,216,181
Student Transportation	498,000	<b>368,795</b>	581,638
Professional Development and Travel	474,151	<b>148,102</b>	535,119
Rentals and Leases	6,000	<b>1,577</b>	
Dues and Fees	73,500	<b>13,342</b>	69,586
Insurance	195,892	<b>131,129</b>	135,143
Supplies	2,521,987	<b>2,211,761</b>	2,733,870
Utilities	1,769,904	<b>1,609,621</b>	1,786,169
<b>Total Services and Supplies</b>	<b>7,587,234</b>	<b>6,461,869</b>	<b>8,057,706</b>
<b>Total Operating Expense</b>	<b>60,250,596</b>	<b>59,065,592</b>	<b>60,884,640</b>



# School District No. 67 (Okanagan Skaha)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

	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	21,893,966	820,479	86,029	220,627		1,405,370	24,426,471
1.03 Career Programs	69,273		80,137			334	149,744
1.07 Library Services	509,717			137,114		1,907	648,738
1.08 Counselling	740,115						740,115
1.10 Special Education	1,921,073	14,915	3,703,968		457,507	332,031	6,429,494
1.30 English Language Learning	119,778	11,754				5,307	136,839
1.31 Indigenous Education	150,997	119,039	480,395	26,361	9,665	4,054	790,511
1.41 School Administration		2,337,580		711,924		86,784	3,136,288
1.60 Summer School						35,726	35,726
1.62 International and Out of Province Students	85,172	124,461			56,160	4,300	270,093
1.64 Other							-
<b>Total Function 1</b>	<b>25,490,091</b>	<b>3,428,228</b>	<b>4,350,529</b>	<b>1,096,026</b>	<b>523,332</b>	<b>1,875,813</b>	<b>36,764,019</b>
<b>4 District Administration</b>							
4.11 Educational Administration		180,012		52,465	379,806	14,019	626,302
4.40 School District Governance					80,428		80,428
4.41 Business Administration				281,938	660,842		942,780
<b>Total Function 4</b>	<b>-</b>	<b>180,012</b>	<b>-</b>	<b>334,403</b>	<b>1,121,076</b>	<b>14,019</b>	<b>1,649,510</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				56,691	465,646		522,337
5.50 Maintenance Operations				2,465,855		21,267	2,487,122
5.52 Maintenance of Grounds				347,990			347,990
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,870,536</b>	<b>465,646</b>	<b>21,267</b>	<b>3,357,449</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration					6,859		6,859
7.70 Student Transportation				126,093		1,813	127,906
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>126,093</b>	<b>6,859</b>	<b>1,813</b>	<b>134,765</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>25,490,091</b>	<b>3,608,240</b>	<b>4,350,529</b>	<b>4,427,058</b>	<b>2,116,913</b>	<b>1,912,912</b>	<b>41,905,743</b>

# School District No. 67 (Okanagan Skaha)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2020 Actual	2020 Budget (Note 15)	2019 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	24,426,471	5,875,308	30,301,779	1,163,483	31,465,262	30,234,497	30,354,784
1.03 Career Programs	149,744	41,969	191,713	28,054	219,767	319,424	480,323
1.07 Library Services	648,738	177,726	826,464	57,509	883,973	980,138	1,100,585
1.08 Counselling	740,115	179,824	919,939	4,123	924,062	1,189,059	1,234,222
1.10 Special Education	6,429,494	1,697,306	8,126,800	278,803	8,405,603	9,196,386	9,691,555
1.30 English Language Learning	136,839	32,508	169,347	21,006	190,353	228,365	169,061
1.31 Indigenous Education	790,511	214,365	1,004,876	163,877	1,168,753	1,235,400	1,139,900
1.41 School Administration	3,136,288	746,763	3,883,051	44,130	3,927,181	4,255,286	3,450,120
1.60 Summer School	35,726	12	35,738	592	36,330	38,503	32,026
1.62 International and Out of Province Students	270,093	64,841	334,934	189,818	524,752	1,017,972	704,616
1.64 Other	-	-	-	-	-	-	182,246
<b>Total Function 1</b>	<b>36,764,019</b>	<b>9,030,622</b>	<b>45,794,641</b>	<b>1,951,395</b>	<b>47,746,036</b>	48,695,030	48,539,438
<b>4 District Administration</b>							
4.11 Educational Administration	626,302	312,448	938,750	27,677	966,427	711,833	924,523
4.40 School District Governance	80,428	4,089	84,517	106,573	191,090	245,290	238,009
4.41 Business Administration	942,780	406,481	1,349,261	367,629	1,716,890	1,378,823	1,278,369
<b>Total Function 4</b>	<b>1,649,510</b>	<b>723,018</b>	<b>2,372,528</b>	<b>501,879</b>	<b>2,874,407</b>	2,335,946	2,440,901
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	522,337	124,001	646,338	103,382	749,720	815,952	745,937
5.50 Maintenance Operations	2,487,122	694,346	3,181,468	1,643,031	4,824,499	5,359,329	5,885,905
5.52 Maintenance of Grounds	347,990	86,809	434,799	145,418	580,217	499,907	595,833
5.56 Utilities	-	-	-	1,609,620	1,609,620	1,769,904	1,770,800
<b>Total Function 5</b>	<b>3,357,449</b>	<b>905,156</b>	<b>4,262,605</b>	<b>3,501,451</b>	<b>7,764,056</b>	8,445,092	8,998,475
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	6,859	-	6,859	-	6,859	500	20,528
7.70 Student Transportation	127,906	39,184	167,090	507,144	674,234	774,028	885,298
<b>Total Function 7</b>	<b>134,765</b>	<b>39,184</b>	<b>173,949</b>	<b>507,144</b>	<b>681,093</b>	774,528	905,826
<b>9 Debt Services</b>							
<b>Total Function 9</b>	-	-	-	-	-	-	-
<b>Total Functions 1 - 9</b>	<b>41,905,743</b>	<b>10,697,980</b>	<b>52,603,723</b>	<b>6,461,869</b>	<b>59,065,592</b>	60,250,596	60,884,640

# School District No. 67 (Okanagan Skaha)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2020

	2020 Budget (Note 15) \$	2020 Actual \$	2019 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	5,615,896	<b>5,472,471</b>	5,474,635
Other	102,831	<b>158,283</b>	63,368
Other Revenue	1,592,602	<b>1,949,485</b>	2,067,760
Investment Income		<b>336</b>	1,815
<b>Total Revenue</b>	<u>7,311,329</u>	<u><b>7,580,575</b></u>	<u>7,607,578</u>
<b>Expenses</b>			
Instruction	7,029,388	<b>7,312,108</b>	7,339,111
Operations and Maintenance	17,139	<b>17,139</b>	22,853
Transportation and Housing	13,474		
<b>Total Expense</b>	<u>7,060,001</u>	<u><b>7,329,247</b></u>	<u>7,361,964</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>251,328</u>	<u><b>251,328</b></u>	<u>245,614</u>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(251,328)	<b>(251,328)</b>	(245,614)
<b>Total Net Transfers</b>	<u>(251,328)</u>	<u><b>(251,328)</b></u>	<u>(245,614)</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>200,000</b>	200,000
<b>Special Purpose Surplus (Deficit), end of year</b>		<u><b>200,000</b></u>	<u>200,000</u>
<b>Special Purpose Surplus (Deficit), end of year</b>			
Endowment Contributions		<b>200,000</b>	200,000
<b>Total Special Purpose Surplus (Deficit), end of year</b>		<u><b>200,000</b></u>	<u>200,000</u>

**School District No. 67 (Okanagan Skaha)**

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2020

	Annual Facility Grant	Learning Improvement Fund	Aboriginal Education Technology	Special Education Equipment	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>			14,096	12,529	1,547,049	24,949	35,098		
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	268,467	212,319				128,632	27,339	145,442	385,179
Provincial Grants - Other									
Other					1,874,297				
	268,467	212,319	-	-	1,874,297	128,632	27,339	145,442	385,179
<b>Less:</b> Allocated to Revenue	268,467	212,319	14,096	-	1,904,566	141,722	16,621	104,121	341,450
<b>Deferred Revenue, end of year</b>	-	-	-	12,529	1,516,780	11,859	45,816	41,321	43,729
<b>Revenues</b>									
Provincial Grants - Ministry of Education	268,467	212,319	14,096			141,722	16,621	104,121	341,450
Provincial Grants - Other									
Other Revenue					1,904,566				
Investment Income									
	268,467	212,319	14,096	-	1,904,566	141,722	16,621	104,121	341,450
<b>Expenses</b>									
Salaries									
Teachers								12,902	
Principals and Vice Principals									
Educational Assistants									41,858
Support Staff		163,464				95,880			
Substitutes									
	-	163,464	-	-	-	95,880	-	12,902	41,858
Employee Benefits		48,855				30,891		4,176	11,607
Services and Supplies	17,139		14,096		1,904,566	14,951	16,621	87,043	287,985
	17,139	212,319	14,096	-	1,904,566	141,722	16,621	104,121	341,450
<b>Net Revenue (Expense) before Interfund Transfers</b>	251,328	-	-	-	-	-	-	-	-
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased	(251,328)								
	(251,328)	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

**School District No. 67 (Okanagan Skaha)**

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2020

	Rural Education Enhancement Fund	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Early Years Centre	Through a different lens
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>								44,536	26,743
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	810,595	238,831	2,888,195	416,954	13,474	28,500	10,239		
Provincial Grants - Other									
Other									
	810,595	238,831	2,888,195	416,954	13,474	28,500	10,239	-	-
<b>Less:</b> Allocated to Revenue	810,595	238,831	2,888,195	416,954	-	13,149	5,951	44,536	25,100
<b>Deferred Revenue, end of year</b>	-	-	-	-	<b>13,474</b>	<b>15,351</b>	<b>4,288</b>	-	<b>1,643</b>
<b>Revenues</b>									
Provincial Grants - Ministry of Education	810,595	238,831	2,888,195	416,954		13,149	5,951		
Provincial Grants - Other								44,536	
Other Revenue									25,100
Investment Income									
	810,595	238,831	2,888,195	416,954	-	13,149	5,951	44,536	25,100
<b>Expenses</b>									
Salaries									
Teachers	236,079		2,166,146			6,365	3,002		1,706
Principals and Vice Principals	173,893								
Educational Assistants		143,299							
Support Staff	176,550								
Substitutes				312,715					
	586,522	143,299	2,166,146	312,715	-	6,365	3,002	-	1,706
Employee Benefits	133,606	95,532	722,049	104,239		1,314	1,000		137
Services and Supplies	90,467					5,470	1,949	44,536	23,257
	810,595	238,831	2,888,195	416,954	-	13,149	5,951	44,536	25,100
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased	-	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

# School District No. 67 (Okanagan Skaha)

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2020

	After School Sports	Miscellaneous	TOTAL
	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	42,925	70,729	1,818,654
<b>Add:</b> Restricted Grants			
Provincial Grants - Ministry of Education			5,574,166
Provincial Grants - Other		57,900	57,900
Other		29,737	1,904,034
	-	87,637	7,536,100
<b>Less:</b> Allocated to Revenue	34,890	99,012	7,580,575
<b>Deferred Revenue, end of year</b>	<b>8,035</b>	<b>59,354</b>	<b>1,774,179</b>
<b>Revenues</b>			
Provincial Grants - Ministry of Education			5,472,471
Provincial Grants - Other	33,894	79,853	158,283
Other Revenue	660	19,159	1,949,485
Investment Income	336		336
	34,890	99,012	7,580,575
<b>Expenses</b>			
Salaries			
Teachers	1,140	27,272	2,454,612
Principals and Vice Principals			173,893
Educational Assistants			185,157
Support Staff			435,894
Substitutes			312,715
	1,140	27,272	3,562,271
Employee Benefits	380	5,611	1,159,397
Services and Supplies	33,370	66,129	2,607,579
	34,890	99,012	7,329,247
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	251,328
<b>Interfund Transfers</b>			
Tangible Capital Assets Purchased			(251,328)
	-	-	(251,328)
<b>Net Revenue (Expense)</b>	-	-	-

# School District No. 67 (Okanagan Skaha)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2020

	2020	2020 Actual			2019
	Budget (Note 15)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Other Revenue				-	146,378
Investment Income	33,000		78,340	78,340	
Gain (Loss) on Disposal of Tangible Capital Assets	2,793,500	2,793,520		2,793,520	92,625
Amortization of Deferred Capital Revenue	3,376,518	3,376,404		3,376,404	3,235,955
<b>Total Revenue</b>	<b>6,203,018</b>	<b>6,169,924</b>	<b>78,340</b>	<b>6,248,264</b>	<b>3,474,958</b>
<b>Expenses</b>					
Operations and Maintenance				-	146,378
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,656,962	4,656,959		4,656,959	4,321,596
<b>Total Expense</b>	<b>4,656,962</b>	<b>4,656,959</b>	<b>-</b>	<b>4,656,959</b>	<b>4,467,974</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>1,546,056</b>	<b>1,512,965</b>	<b>78,340</b>	<b>1,591,305</b>	<b>(993,016)</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	319,775	870,241		870,241	245,614
<b>Total Net Transfers</b>	<b>319,775</b>	<b>870,241</b>	<b>-</b>	<b>870,241</b>	<b>245,614</b>
<b>Other Adjustments to Fund Balances</b>					
District Portion of Proceeds on Disposal		(2,800,000)	2,800,000	-	
Tangible Capital Assets Purchased from Local Capital		850,000	(850,000)	-	
<b>Total Other Adjustments to Fund Balances</b>		<b>(1,950,000)</b>	<b>1,950,000</b>	<b>-</b>	
<b>Total Capital Surplus (Deficit) for the year</b>	<b>1,865,831</b>	<b>433,206</b>	<b>2,028,340</b>	<b>2,461,546</b>	<b>(747,402)</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>16,547,147</b>	<b>71,166</b>	<b>16,618,313</b>	<b>17,365,715</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>16,980,353</b>	<b>2,099,506</b>	<b>19,079,859</b>	<b>16,618,313</b>

# School District No. 67 (Okanagan Skaha)

Schedule 4A (Unaudited)

Tangible Capital Assets  
Year Ended June 30, 2020

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost, beginning of year</b>	8,529,898	143,754,277	4,524,439	1,515,243	775,287	3,483,145	<b>162,582,289</b>
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,124,062		691,563			<b>1,815,625</b>
Deferred Capital Revenue - Other			8,122				<b>8,122</b>
Operating Fund			181,821			437,092	<b>618,913</b>
Special Purpose Funds		251,328					<b>251,328</b>
Local Capital						850,000	<b>850,000</b>
Transferred from Work in Progress		207,047					<b>207,047</b>
	-	1,582,437	189,943	691,563	-	1,287,092	<b>3,751,035</b>
Decrease:							
Disposed of	6,500	2,713,855					<b>2,720,355</b>
Deemed Disposals			171	54,446		759,324	<b>813,941</b>
	6,500	2,713,855	171	54,446	-	759,324	<b>3,534,296</b>
<b>Cost, end of year</b>	8,523,398	142,622,859	4,714,211	2,152,360	775,287	4,010,913	<b>162,799,028</b>
<b>Work in Progress, end of year</b>		203,587					<b>203,587</b>
<b>Cost and Work in Progress, end of year</b>	8,523,398	142,826,446	4,714,211	2,152,360	775,287	4,010,913	<b>163,002,615</b>
<b>Accumulated Amortization, beginning of year</b>		65,952,333	2,622,704	607,084	194,910	1,302,895	<b>70,679,926</b>
<b>Changes for the Year</b>							
Increase: Amortization for the Year		3,201,308	452,444	151,524	155,057	696,626	<b>4,656,959</b>
Decrease:							
Disposed of		1,100,679					<b>1,100,679</b>
Deemed Disposals			171	54,446		759,324	<b>813,941</b>
		1,100,679	171	54,446	-	759,324	<b>1,914,620</b>
<b>Accumulated Amortization, end of year</b>		68,052,962	3,074,977	704,162	349,967	1,240,197	<b>73,422,265</b>
<b>Tangible Capital Assets - Net</b>	<b>8,523,398</b>	<b>74,773,484</b>	<b>1,639,234</b>	<b>1,448,198</b>	<b>425,320</b>	<b>2,770,716</b>	<b>89,580,350</b>



**School District No. 67 (Okanagan Skaha)**

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2020

	<b>Buildings</b>	<b>Furniture and Equipment</b>	<b>Computer Software</b>	<b>Computer Hardware</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Work in Progress, beginning of year</b>	207,047				<b>207,047</b>
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	203,587				<b>203,587</b>
	<u>203,587</u>	-	-	-	<u><b>203,587</b></u>
Decrease:					
Transferred to Tangible Capital Assets	207,047				<b>207,047</b>
	<u>207,047</u>	-	-	-	<u><b>207,047</b></u>
<b>Net Changes for the Year</b>	<u>(3,460)</u>	-	-	-	<u><b>(3,460)</b></u>
<b>Work in Progress, end of year</b>	<u><b>203,587</b></u>	-	-	-	<u><b>203,587</b></u>

# School District No. 67 (Okanagan Skaha)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2020

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	75,251,346	103,872		75,355,218
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,815,625	8,122		1,823,747
Transferred from Work in Progress	207,047			207,047
	<u>2,022,672</u>	<u>8,122</u>	<u>-</u>	<u>2,030,794</u>
Decrease:				
Amortization of Deferred Capital Revenue	3,373,741	2,663		3,376,404
Revenue Recognized on Disposal of Buildings	1,613,196			1,613,196
	<u>4,986,937</u>	<u>2,663</u>	<u>-</u>	<u>4,989,600</u>
<b>Net Changes for the Year</b>	<u>(2,964,265)</u>	<u>5,459</u>	<u>-</u>	<u>(2,958,806)</u>
<b>Deferred Capital Revenue, end of year</b>	<u>72,287,081</u>	<u>109,331</u>	<u>-</u>	<u>72,396,412</u>
<b>Work in Progress, beginning of year</b>	207,047			207,047
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	203,587			203,587
	<u>203,587</u>	<u>-</u>	<u>-</u>	<u>203,587</u>
Decrease				
Transferred to Deferred Capital Revenue	207,047			207,047
	<u>207,047</u>	<u>-</u>	<u>-</u>	<u>207,047</u>
<b>Net Changes for the Year</b>	<u>(3,460)</u>	<u>-</u>	<u>-</u>	<u>(3,460)</u>
<b>Work in Progress, end of year</b>	<u>203,587</u>	<u>-</u>	<u>-</u>	<u>203,587</u>
<b>Total Deferred Capital Revenue, end of year</b>	<u>72,490,668</u>	<u>109,331</u>	<u>-</u>	<u>72,599,999</u>

# School District No. 67 (Okanagan Skaha)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2020

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
<b>Balance, beginning of year</b>	\$ 639,794	\$ 692,474	\$ 42,649	\$ -	\$ -	\$ 1,374,917
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	1,379,418					1,379,418
MEd Restricted Portion of Proceeds on Disposal		8,400,000				8,400,000
	1,379,418	8,400,000	-	-	-	9,779,418
Decrease:						
Transferred to DCR - Capital Additions	1,815,625		8,122			1,823,747
Transferred to DCR - Work in Progress	203,587					203,587
	2,019,212	-	8,122	-	-	2,027,334
<b>Net Changes for the Year</b>	(639,794)	8,400,000	(8,122)	-	-	7,752,084
<b>Balance, end of year</b>	-	9,092,474	34,527	-	-	9,127,001