



# School District No. 67 (Okanagan Skaha)

## MANAGEMENT DISCUSSION AND ANALYSIS

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*Year ended June 30, 2019*

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### Introduction

This is a discussion and analysis of the financial performance of School District 67 (Okanagan Skaha) (the 'District') for the fiscal year ended June 30, 2019. It is based on currently known facts, decisions, and conditions. This report should be read in conjunction with the District's consolidated financial statements for the same period.

The preparation of this financial statement discussion and analysis is management's responsibility. All dollar amounts are reported to the nearest thousand.

Located in the South Okanagan, the District serves the communities of Summerland, Naramata, Kaleden, and Penticton. The district provides educational services to approximately 5,900 students. These services include: an international program, late French immersion, distributed learning, and alternative programming.

The statements illustrate in financial terms, how resources have been allocated and consumed during the fiscal year.

## Composition of the Financial Statements

The two key audited statements are:

- The **statement of financial position**, which summarizes the districts assets and liabilities at June 30, 2019. This provides an indication of the financial health of the school district.
- The **statement of operations**, which summarizes the revenues received and expenses incurred between July 1, 2018 and June 30, 2019. This statement provides an indication of the funding received by the school district and how that funding was spent.

The **Statement of Changes in Net Financial Assets** (Debt), the **Statement of Cash Flows** and the notes to the financial statements are also audited and provide further analysis of the District's finances. The District manages its financial activities in three distinct areas;

- The Operating fund (Schedule 2);
- Special Purpose Funds (Schedule 3); and the
- Capital Fund (Schedule 4).

These schedules are included at the end of the financial statements and are in a format prescribed by the Ministry of Education. These schedules provide additional details specific to each of these areas. The balances reported in the *schedules*, when combined together, are consistent with the balances reported in the *statements*.

Schedule 1 illustrates the sum of the funds in all three of these areas.

Schedule 2 provides detail on the **Operating Fund**.

The Operating Fund accounts for the District's operating grants and other operating revenues. Legislation requires that the District present a balanced budget for the Operating Fund, whereby budgeted expenditure does not exceed the total of budgeted revenue and any surplus in the operating fund is carried forward from previous years.

Schedule 3 provides detail on the **Special Purpose Funds**.

The Special Purpose Funds account for grants and contributions that are directed towards specific activities. As these are targeted grants, any unspent funding is typically accounted for as deferred revenue, not as accumulated surplus.

Schedule 4 provides detail on the **Capital Fund**.

The capital fund accounts for the capital assets of the District including land, buildings, furniture, computers and equipment.

### Statement of Financial Position

#### Financial Assets

Financial assets are assets available to discharge existing liabilities or finance future operations. Overall, there was no significant changes from the prior year's overall balances.

In Thousands	2019	2018	Change
Cash	\$ 4,389	\$ 4,345	\$ 44
Accounts Receivable	\$ 1,550	\$ 1,382	\$ 168
Due from Ministry of Education	\$ 3,074	\$ 791	\$ 2,283
Investments	\$ 2,495	\$ 5,550	\$(3,055)
<b>Total</b>	<b>\$11,508</b>	<b>\$12,068</b>	<b>\$ (560)</b>

Cash and cash equivalents decreased by \$.6 Million during the year. Accounts receivable and due from Ministry of Education increased by \$2.4 Million reflecting timing of year-end funding on capital projects. Portfolio investments which include the Board's long-term working capital and investments underlying endowment funds decreased by \$3.1 Million. As the investments matured, they were retained for working capital and to improve cash flow management.

#### Liabilities

Liabilities represent obligations that have been incurred by the district. Total liabilities increased from the prior year by \$3.2 Million.

In Thousands	2019	2018	Change
AP and Accrued Liabilities	\$ 4,315	\$ 4,237	\$ 78
Employee Future Benefits	\$ 3,397	\$ 3,319	\$ 78
Unearned Tuition Benefits	\$ 850	\$ 492	\$ 358
Deferred Revenue	\$ 1,819	\$ 1,722	\$ 97
Deferred Capital Revenue	\$76,937	\$74,317	\$2,620
<b>Total</b>	<b>\$87,318</b>	<b>\$84,087</b>	<b>\$3,231</b>

Accounts Payable and Accrued Liabilities is mainly comprised of trade payables, employee remittances for payroll deductions, donations to be distributed to schools, accumulated employee vacation and accrued wages.

Employee future benefits represents liabilities for employee pension plans, vested sick leave, accumulating non-vested sick leave, early retirement, severance, vacation, overtime and death benefits.

Unearned tuition revenue are payments received from international students in advance of attendance in the following year. The increase of \$.3 Million reflects the timing of payments received by year end; it does not represent an increase in international student enrollment.

Deferred revenue is externally restricted revenue for specific programs such as Community Link, Strong Start, Ready Set Learn, After School Sports and Arts, and includes School Funds. Deferred revenue is not recognized until related expenses are incurred.

Deferred capital revenue is revenue to be amortized over the life of the related capital assets. During the year, deferred capital contributions increased by \$2.6 Million.

#### Non-financial Assets

Non-financial assets increased by \$2.2 Million.

In Thousands	2019	2018	Change
Capital Assets	\$92,109	\$89,576	\$ 2,533
Restricted Assets	\$ 200	\$ 200	0
Prepays	\$ 78	\$ 390	\$ (312)
<b>Total</b>	<b>\$92,387</b>	<b>\$90,166</b>	<b>\$ 2,221</b>

Capital assets include land, buildings, construction projects in progress, furniture, vehicles and computer hardware and software. The increase of \$2.5 Million is the result of new additions of \$7.5 Million less amortization expense and deemed disposals of \$5.0 Million. The largest capital asset addition is related to the Summerland Secondary enhancement project. Restricted assets represent the principal portion of the endowment fund received for scholarships. They are considered non-financial assets because they cannot be used to meet the liabilities of the District as they become due.

**Accumulated surplus**

Accumulated surplus decreased by \$1.5 Million.

In Thousands	2019	2018	Change
Special Purpose	\$200	\$200	0
Capital	\$16,618	\$17,366	\$ (748)
Operating	(241)	\$580	\$ (821)
<b>Total</b>	<b>\$16,577</b>	<b>\$18,146</b>	<b>\$(1,569)</b>

Accumulated surplus represents the Board's residual interest in its assets after deducting liabilities. Most of this balance is unavailable to fund operations as it is either restricted or has already been used to invest in buildings, equipment and other capital assets.

**Statement of Operations**

The statement of operations is a consolidation of revenues and expenditures in the operating, capital, and special purpose funds. Each of these funds is discussed separately below.

Consolidated revenues from all sources increased from \$67.9 Million to \$71.1 Million in 2019. 87% of total revenue is from the Ministry of Education and the other 13% comes from several different sources such as tuition from international students and hockey school program, rentals, leases of property, investment returns and amortization of deferred capital revenue.

In Thousands	2019		2018	
Ministry Grants	\$61,935	87%	\$58,845	87%
Grants from Other Ministries	\$ 125	0%	\$ 117	0%
Tuition	\$ 1,288	2%	\$ 1,310	2%
Rentals and Leases	\$ 3,616	5%	\$ 3,533	5%
Other Revenue	\$ 782	1%	\$ 772	1%
Investment Income	\$ 71	0%	\$ 169	0%
Gain on disposal of Capital Assets	\$ 93	0%	-	0%
Amortization of Deferred Capital Revenue	\$ 3,236	5%	\$ 3,187	5%
<b>Total</b>	<b>\$71,146</b>	<b>100%</b>	<b>\$67,933</b>	<b>100%</b>

Operating fund revenue

The District received \$56.4 Million from the Ministry of Education in the form of the operating grant which is based on student enrollment and other student and geographical factors. Tuition from international students, hockey school program, other school districts and the Penticton Indian Band totaled \$3.6 Million.

In Thousands	2019	2018	Amended Budget	Variance from Prior Year	Variance from Budget
Ministry of Education	\$56,460	\$54,099	\$56,252	\$2,361	\$208
Other Ministries	\$ 62	\$ 46	\$ 48	\$ 16	\$ 14
Tuition	\$ 1,288	\$ 1,310	\$ 1,285	\$ (22)	\$ 3
Other Revenue	\$ 1,402	\$ 1,200	\$ 1,111	\$ 202	\$291
Rentals and Leases	\$ 783	\$ 772	\$ 500	\$ 11	\$283
Investment	\$ 68	\$ 127	\$ 50	\$ (59)	\$ 18
<b>Total</b>	<b>\$60,063</b>	<b>\$57,554</b>	<b>\$59,246</b>	<b>\$2,509</b>	<b>\$817</b>

Revenues increased by \$2.5 Million from the prior year and \$.8 Million from budget. Approximately \$1.2 Million of this is due to an increase in student enrollment, from 5,749 in 2018 to 5825 in 2019 and a \$1.1 Million increase in the supplement for students with unique needs. Lease and other revenues increased by \$.4 Million mainly as a result of a longer than expected lease term with School District 93 for the rental of McNicoll Park Middle School.

Operating fund expenditure

Expenditure in the operating fund increased by \$3.5 Million.

In Thousands	2019	2018	Amended Budget	Variance from Prior Year	Variance from Budget
Teachers	\$25,213	\$24,160	\$24,429	\$1,053	\$ 784
Principals/Vice Principals	\$ 3,598	\$ 3,292	\$ 3,682	\$ 306	\$ (84)
Education Assistants	\$ 4,213	\$ 3,845	\$ 3,642	\$ 368	\$ 571
Support Staff	\$ 4,728	\$ 4,943	\$ 4,863	\$ (215)	\$ (135)
Excluded Staff	\$ 2,066	\$ 1,935	\$ 1,979	\$ 131	\$ 87
Substitutes	\$ 2,406	\$ 1,752	\$ 1,606	\$ 654	\$ 800
	\$42,224	\$39,927	\$40,201	\$2,297	\$2,023
Employee Benefits	\$10,603	\$ 9,501	\$ 9,240	\$1,102	\$1,363
Service and Supplies	\$ 8,057	\$ 7,915	\$ 8,887	\$ 142	\$ (830)
<b>Total Expenditures</b>	<b>\$60,884</b>	<b>\$57,343</b>	<b>\$58,328</b>	<b>\$3,541</b>	<b>\$2,556</b>

Salaries increased by \$2.3 Million from prior year and \$2.0 Million from budget. The main contributors to the increase are:

- Additional Teachers were hired to address increased enrollment and identified student needs.
- additional Education Assistants were hired to address the increase in students with special needs
- a shift from supplies spending by Principals to release time for teachers leading to the increase in substitute costs and a corresponding decrease in supplies spending in school's budgets

Benefits increased by \$1.1 Million from the prior year and \$1.4 Million from budget due to additional staff being hired, and the overlap of MSP and employer health tax costs during the year.

Services and supplies represent 13% of operating expenditure. Compared to prior year, there is a slight increase of \$0.1 Million and a decrease of \$0.8 Million when compared to budget.

Special Purpose Fund

Special purpose revenues are restricted grants designated for specific purposes or programs.

Overall revenues increased to \$7.6 Million from \$7.0 Million in the prior year with the majority coming from the Ministry of Education. The balance is revenue generated by schools for fees, fieldtrips, and other designated grants or fundraising.

In Thousands	2019	2018	Amended Budget	Variance from Prior Year	Variance from Budget
Ministry of Education	\$5,475	\$4,746	\$5,381	\$ 729	\$ 94
Other Ministries	\$ 63	\$ 71	\$ 56	\$ (8)	\$ 7
Other Revenue	\$2,068	\$2,206	\$2,042	\$(138)	\$ 26
Investment	\$ 2	\$ 14	\$ 25	\$ (12)	\$ (23)
<b>Total Revenues</b>	<b>\$7,608</b>	<b>\$7,037</b>	<b>\$7,504</b>	<b>\$ 571</b>	<b>\$ 322</b>

Revenue from the Ministry of Education increased by \$0.7 Million from prior year due to increased funding provided to districts as a result of the Supreme Court case decision to restore language in the teachers' collective agreement. This increase was offset by a decrease from prior year in Other revenues of \$0.1 Million resulting in an overall increase in restricted revenue of \$0.6 Million.

Compared to budget, there is an increase of \$0.1 Million in revenue as a result of increases in School Funds.

In Thousands	2019	2018	Amended Budget	Variance from Prior Year	Variance from Budget
Instruction	\$7,339	\$6,769	\$7,235	\$ 570	\$ 104
Operations	\$ 23	\$ 23	\$ 23	\$ 0	\$ 0
<b>Total Expenditures</b>	<b>\$7,362</b>	<b>\$6,792</b>	<b>\$7,258</b>	<b>\$ 570</b>	<b>\$ 104</b>

Virtually all expenditures in this fund (99%) are spent on instruction. Expenditures increased to \$7.4 Million from \$6.8 Million from the prior. When compared to budget, there is an increase of \$0.1 Million. Increases in special purpose funding expenditure are typically proportional to increases in revenue. Variances from actual and from budget are due to the same factors that led to the variances for revenues explained above.



Capital Fund

During the year, the District spent \$4.8 Million to complete several capital projects, and another \$0.2 Million in projects underway but not finished by year end. The Ministry of Education fully funded these projects.

Capital fund balances at year end are as follows:

In Thousands	2019	2018	Change
Restricted Capital Balance	\$ 692	\$ 411	\$ 281
Other Provincial Capital	\$ 43	\$ 119	\$ (76)
Bylaw Capital	\$ 640	\$ 0	\$ 640
Local Capital	\$ 72	\$1,582	\$(1,510)
<b>Total</b>	<b>\$1,447</b>	<b>\$2,112</b>	<b>\$ (665)</b>

Restricted capital represents the Ministry of Education's portion (75%) of the proceeds on disposal of land and buildings. During the year, the District sold a strip of land valued at \$375,000.

Other provincial capital is funds received from the Ministry of Skills Training for the purchase of equipment in support of the Youth Trades program. During the year, the District received \$0.07 Million in revenue and purchased \$0.15 Million in new equipment resulting in a net decrease of \$0.07 Million to the fund.

Bylaw capital is funding approved and available for capital projects to the end of March 2020. The increase from prior year is a timing difference of when funds were transferred from the Ministry to the District.

Local capital is funds restricted by the Board for the purchase of capital assets. During the year, \$1.5 Million was invested in software and computer equipment.

## Summary and Other Significant Matters

The District submitted a balanced budget to the Ministry of Education for the 19/20 school year that will continue to deliver the mix of programs and services currently offered to students in our schools. Moving into 2021 and beyond, there are several factors that may impact the District's operations and financial position.

### Significant changes to funding may occur in the 2020/21 school year

- Over 10% of our teachers are funded through the classroom enhancement fund. This funding is tied to the collective agreement, which expired at the end of June 2019. Any changes to the collective agreement would require corresponding changes to the funding provided, for the District to maintain the current class size and composition ratios.
- The Provincial Government is undertaking a review of the funding formula used to calculate funding. The full results of that review are expected to be available prior to the annual ministry funding announcement in March 2020. This may result in substantial changes to the District's funding for the 2020/21 school year and beyond.
- The District currently receives supplemental funding from the Rural Education Enhancement Fund of 0.8 Million. No announcements have been made by the ministry regarding how this fund will be treated in the funding review.

### Potential sale of McNicoll property

- District Staff continue to explore a potential sale of the McNicoll site to the Francophone School District (SD93). If a sale occurs, it will represent both an opportunity and a challenge for the district. Revenue from a sale will allow the board to move forward with capital projects that are currently unfunded, but the loss of rental revenue will impact the operating accounts.

### Increased enrollment and identified student need

- Although the District's overall performance was within an acceptable variance of 1 to 2% the district saw significant variances from budget in staffing costs. While several factors played into these escalating costs, the largest single impact was a significant increase both in student enrollment and identified student need.

- The district received additional funding of \$2.3 Million to address the above-mentioned identified needs. However staffing costs to address these additional demands on the system exceeded budget by \$3.3 Million.
- Management has put in place several processes to improve planning for and tracking of staffing requirements that arise during the school year. These include weekly review with all senior staff of staffing requirements, monthly reporting to the board on current staffing levels to budgeted levels, and a review of all current staffing needs.

*The accumulated operating surplus is not sufficient to mitigate the risk of unforeseen expenditures*

- As a result of the staffing pressures identified above the District's contingency reserves were depleted during the year. This has resulted in an accumulated operating deficit of \$0.2 Million. This deficit represents 0.3% of the district annual budget and is anticipated to be retired in the current year.
- In order to return operating surplus to a range sufficient to mitigate the risk of unforeseen expenditures, the district will be reviewing all planned expenditures as part of the annual revised budget process.
- At this time the District is proceeding with the annual budget approved by the Board in the Spring. The budget fully reflects the identified increases in student need that occurred last year and the staffing to address those needs.

*Provincial Bargaining between British Columbia Public School Employers' Association (BCPSEA) and the British Columbia Teachers' Federation (BCTF)*

- While an agreement on local matters has been reached by the district and the Okanagan Skaha Teachers Union, bargaining continues at the provincial table with the help of a mediator. Until an agreement is reached, potential job action by the BCTF is a possibility and could have a significant impact on operations.

## **Contacting Management**

This financial report is designed to provide a general overview of the School District's finances and to demonstrate accountability for the public funds received by the school district

If you have questions about the financial report, please contact the Office of the Secretary Treasurer at 250-770-7700

You can also find additional information on the district and its strategic vision on our web site: [www.SD67.bc.ca](http://www.SD67.bc.ca)

Audited Financial Statements of

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

June 30, 2019

# School District No. 67 (Okanagan Skaha)

June 30, 2019

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# School District No. 67 (Okanagan Skaha)

## MANAGEMENT REPORT

Version: 1733-9987-8005

### 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

Date Signed

  
Signature of the Superintendent

Date Signed

  
Signature of the Secretary Treasurer

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, 2019
- the statements of operations for the year then ended
- the statements of change in net financial assets (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 Financial Statement 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 Financial Statement 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 30, 2019  
Kelowna, Canada

# School District No. 67 (Okanagan Skaha)

## Statement of Financial Position

As at June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	4,389,115	4,344,535
Accounts Receivable		
Due from Province - Ministry of Education (Note 3)	3,073,451	790,565
Other (Note 3)	1,550,380	1,382,070
Portfolio Investments (Note 4)	2,495,000	5,550,000
<b>Total Financial Assets</b>	<b>11,507,946</b>	<b>12,067,170</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	4,315,193	4,236,918
Unearned Revenue (Note 6)	850,170	492,097
Deferred Revenue (Note 7)	1,818,655	1,722,202
Deferred Capital Revenue (Note 8)	76,937,181	74,317,469
Employee Future Benefits (Note 9)	3,396,929	3,318,791
<b>Total Liabilities</b>	<b>87,318,128</b>	<b>84,087,477</b>
<b>Net Financial Assets (Debt)</b>	<b>(75,810,182)</b>	<b>(72,020,307)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 10)	92,109,410	89,575,789
Restricted Assets (Endowments) (Note 11)	200,000	200,000
Prepaid Expenses	78,105	390,475
<b>Total Non-Financial Assets</b>	<b>92,387,515</b>	<b>90,166,264</b>
<b>Accumulated Surplus (Deficit) (Note 12)</b>	<b>16,577,333</b>	<b>18,145,957</b>

Contingent Liabilities (Note 13)

Approved by the Board

Signature of the Chairperson of the Board of Education

Date Signed

Signature of the Superintendent

Date Signed

Signature of the Secretary Treasurer

Date Signed

# School District No. 67 (Okanagan Skaha)

Statement 2

Statement of Operations  
Year Ended June 30, 2019

	2019 Budget (Note 14) \$	2019 Actual \$	2018 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	61,633,305	<b>61,935,203</b>	58,844,667
Other	104,370	<b>125,112</b>	116,806
Tuition	1,285,445	<b>1,287,777</b>	1,310,130
Other Revenue	3,152,147	<b>3,616,114</b>	3,533,694
Rentals and Leases	500,000	<b>782,552</b>	772,277
Investment Income	74,665	<b>70,616</b>	169,069
Gain (Loss) on Disposal of Tangible Capital Assets		<b>92,625</b>	
Amortization of Deferred Capital Revenue	3,235,955	<b>3,235,955</b>	3,187,256
<b>Total Revenue</b>	<u>69,985,887</u>	<u><b>71,145,954</b></u>	<u>67,933,899</u>
<b>Expenses (Note 15)</b>			
Instruction	53,243,359	<b>55,878,549</b>	52,135,025
District Administration	2,381,846	<b>2,440,901</b>	2,420,762
Operations and Maintenance	13,469,231	<b>13,489,302</b>	13,044,254
Transportation and Housing	812,907	<b>905,826</b>	867,254
<b>Total Expense</b>	<u>69,907,343</u>	<u><b>72,714,578</b></u>	<u>68,467,295</u>
<b>Surplus (Deficit) for the year</b>	<u>78,544</u>	<u><b>(1,568,624)</b></u>	<u>(533,396)</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>18,145,957</b>	18,679,353
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u><b>16,577,333</b></u>	<u>18,145,957</u>

# School District No. 67 (Okanagan Skaha)

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

Year Ended June 30, 2019

	2019 Budget (Note 14) \$	2019 Actual \$	2018 Actual \$
<b>Surplus (Deficit) for the year</b>	78,544	<b>(1,568,624)</b>	(533,396)
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(4,682,212)	<b>(6,856,342)</b>	(4,002,151)
Amortization of Tangible Capital Assets	4,321,596	<b>4,321,596</b>	4,106,123
Net carrying value of Tangible Capital Assets disposed of	-	<b>1,125</b>	-
<b>Total Effect of change in Tangible Capital Assets</b>	(360,616)	<b>(2,533,621)</b>	103,972
Acquisition of Prepaid Expenses		<b>(131,589)</b>	(390,476)
Use of Prepaid Expenses		<b>443,959</b>	453,804
<b>Total Effect of change in Other Non-Financial Assets</b>	-	<b>312,370</b>	63,328
<b>(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)</b>	<u>(282,072)</u>	<b>(3,789,875)</b>	(366,096)
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Financial Assets (Debt)</b>		<b>(3,789,875)</b>	(366,096)
<b>Net Financial Assets (Debt), beginning of year</b>		<b>(72,020,307)</b>	(71,654,211)
<b>Net Financial Assets (Debt), end of year</b>		<b>(75,810,182)</b>	(72,020,307)

# School District No. 67 (Okanagan Skaha)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	(1,568,624)	(533,396)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(2,451,196)	(1,174,344)
Prepaid Expenses	312,370	63,328
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	78,275	757,128
Unearned Revenue	358,073	129,817
Deferred Revenue	96,453	(5,527)
Employee Future Benefits	78,138	(13,824)
Amortization of Tangible Capital Assets	4,321,596	4,106,123
Amortization of Deferred Capital Revenue	(3,235,955)	(3,187,256)
Amortization of Deferred Provincial Revenue	(151,984)	(96,276)
(Gain) Loss on Disposal of Tangible Capital Assets	(92,625)	-
<b>Total Operating Transactions</b>	<u>(2,255,479)</u>	<u>45,773</u>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(6,649,295)	(3,122,222)
Tangible Capital Assets -WIP Purchased	(207,047)	(879,929)
District Portion of Proceeds on Disposal	93,750	
<b>Total Capital Transactions</b>	<u>(6,762,592)</u>	<u>(4,002,151)</u>
<b>Financing Transactions</b>		
Capital Revenue Received	6,007,651	2,781,936
<b>Total Financing Transactions</b>	<u>6,007,651</u>	<u>2,781,936</u>
<b>Investing Transactions</b>		
Investments in Portfolio Investments	-	(200,000)
Redemption of Investments in Portfolio Investments	3,055,000	-
<b>Total Investing Transactions</b>	<u>3,055,000</u>	<u>(200,000)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>44,580</b>	<b>(1,374,442)</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<u>4,344,535</u>	<u>5,718,977</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>4,389,115</u>	<u>4,344,535</u>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	<u>4,389,115</u>	<u>4,344,535</u>
	<u>4,389,115</u>	<u>4,344,535</u>

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

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**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.

**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.

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.



SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

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

(a) Basis of Accounting (continued)

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.

(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).

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

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

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, 2019

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**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, 2019

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**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) 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 incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

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

(j) Financial Instruments (continued)

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, 2019 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 (EARSL) of active employees covered under the plan.

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

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

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

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

(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 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, 2019.

(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, 2019

**NOTE 3      ACCOUNTS RECEIVABLE**

	2019	2018
Provincial Government - Ministry of Education	\$ 3,073,451	\$ 790,565
Schools and Other School Districts	114,460	52,758
Other	1,435,920	1,329,312
	\$ 4,623,831	\$ 2,172,635

**NOTE 4      PORTFOLIO INVESTMENTS**

	2019	2018
Investment Funds	\$ 2,495,000	\$ 2,500,000
Term deposits, interest at 2.4%	-	2,050,000
Guaranteed investment certificates, interest at 2.3%	-	1,000,000
	\$ 2,495,000	\$ 5,550,000

The fair value of investment funds as at June 30, 2019 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**

	2019	2018
Trade	\$ 1,273,000	\$ 999,612
Salaries and Benefits	2,575,036	2,609,522
Accrued Vacation	205,835	147,001
Other	261,322	480,783
	\$ 4,315,193	\$ 4,236,918

**NOTE 6      UNEARNED REVENUE**

	2019	2018
Balance, beginning of year	\$ 492,097	\$ 362,280
Tuition Fees Received	1,331,449	1,254,503
Tuition Fees Earned	(973,376)	(1,124,686)
Balance, end of year	\$ 850,170	\$ 492,097

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

**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.

	2019	2018
Balance, beginning of year	\$ 1,722,202	\$ 1,727,729
Provincial Grants - Ministry of Education	5,424,785	4,609,085
Other Ministry Grants	40,723	167,889
Other	2,236,734	2,235,786
Investment Income	1,789	18,904
	7,704,031	7,031,664
Allocation to revenue	7,607,578	7,037,191
Balance, end of year	\$ 1,818,655	\$ 1,722,202



SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

**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.

	2019	2018
<b>Deferred Capital Revenue (DCR)</b>		
Balance, beginning of year	\$ 72,912,749	\$ 73,676,238
Transferred from Deferred Revenue - Capital Additions	4,798,494	1,794,758
Transferred from Deferred Revenue - Work in Progress	879,930	629,009
Amortization of Deferred Capital Revenue	(3,235,955)	(3,187,256)
Balance, end of year	\$ 75,355,218	\$ 72,912,749
<b>Work in Progress</b>		
Balance, beginning of year	\$ 879,929	\$ 629,009
Transferred from Deferred Revenue - Work in Progress	207,047	879,929
Transferred to DCR	(879,929)	(629,009)
Balance, end of year	\$ 207,047	\$ 879,929
<b>Unspent Deferred Capital Revenue (Bylaw Capital)</b>		
Balance, beginning of year		\$ -
Provincial Grants - Ministry of Education	5,645,335	2,674,687
Transferred to DCR - Capital Additions	(4,798,494)	(1,794,758)
Transferred to DCR - Work in Progress	(207,047)	(879,929)
Balance, end of year	\$ 639,794	\$ -
<b>Unspent Deferred Capital Revenue (MOE Restricted)</b>		
Balance, beginning of year	\$ 411,224	\$ 411,224
MOE Restricted Portion of Proceeds on Disposal	281,250	-
Balance, end of year	\$ 692,474	\$ 411,224
<b>Unspent Deferred Capital Other</b>		
Balance, beginning of year (Provincial)	\$ 113,567	\$ 108,200
Balance, beginning of year (Other)	(5,607)	(5,607)
Reclass adjustment	5,607	-
Provincial Grant Contributions Received	75,459	107,249
Provincial Grant Equipment Purchases	(146,378)	(96,275)
Balance, end of year	\$ 42,648	\$ 113,567
<b>Total Deferred Capital Revenue, end of year</b>	<b>\$ 76,937,181</b>	<b>\$ 74,317,469</b>

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

**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.

	2019	2018
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	\$ 3,229,467	\$ 3,274,567
Service Cost	257,720	249,903
Interest Cost	90,768	91,586
Benefit Payments	(310,814)	(321,446)
Actuarial (Gain) Loss	(20,228)	(65,143)
Accrued Benefit Obligation – March 31	\$ 3,246,913	\$ 3,229,467
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation - March 31	\$ 3,246,913	\$ 3,229,467
Market Value of Plan Assets - March 31	-	-
Funded Status - Surplus (Deficit)	(3,246,913)	(3,229,467)
Employer Contributions After Measurement Date	71,219	109,028
Benefits Expense After Measurement Date	(92,163)	(87,122)
Unamortized Net Actuarial (Gain) Loss	(129,072)	(111,230)
Accrued Benefit Asset (Liability) - June 30	\$ (3,396,929)	\$ (3,318,791)
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability - July 1	\$ 3,318,791	\$ 3,332,616
Net Expense for Fiscal Year	351,143	348,428
Employer Contributions	(273,005)	(362,253)
Accrued Benefit Liability - June 30	\$ 3,396,929	\$ 3,318,791
<b>Components of Net Benefit Expense</b>		
Service Cost	\$ 264,553	\$ 251,857
Interest Cost	88,976	91,382
Amortization of Net Actuarial (Gain)/Loss	(2,386)	5,189
Net Benefit Expense	\$ 351,143	\$ 348,428
<b>Assumptions</b>		
Discount Rate - April 1	2.75%	2.75%
Discount Rate - March 31	2.50%	2.75%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	9.3	8.6

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

**NOTE 10 TANGIBLE CAPITAL ASSETS**

<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>

<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>Cost</b>	Balance at June 30, 2017	Additions	Disposals/ Transfers	Balance at June 30, 2018
Sites	\$ 8,531,023	-	-	\$ 8,531,023
Buildings	135,446,176	2,040,372	629,009	138,115,557
Buildings - Work in Progress	629,009	879,929	(629,009)	879,929
Furniture and Equipment	3,705,483	486,795	-	4,192,278
Vehicles	1,366,045	45,000	(25,558)	1,385,487
Computer Software	302,899	399,562	-	702,461
Computer Hardware	2,604,968	150,493	-	2,755,461
<b>Total</b>	<b>\$ 152,585,603</b>	<b>\$ 4,002,151</b>	<b>\$ (25,558)</b>	<b>\$ 156,562,196</b>

<b>Accumulated Amortization</b>	Balance at June 30, 2017	Amortization	Disposals	Balance at June 30, 2018
Buildings	\$ 59,862,702	3,017,396	-	\$ 62,880,098
Furniture and Equipment	1,832,928	370,548	-	2,203,476
Vehicles	513,049	136,605	(25,558)	624,096
Computer Software	25,244	60,580	-	85,824
Computer Hardware	671,919	520,994	-	1,192,913
<b>Total</b>	<b>\$ 62,905,842</b>	<b>\$ 4,106,123</b>	<b>\$ (25,558)</b>	<b>\$ 66,986,407</b>

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

Net Book Value	2019	2018
Sites	\$ 8,529,898	\$ 8,531,023
Buildings	78,008,991	76,115,388
Furniture and Equipment	1,901,735	1,988,802
Vehicles	908,159	761,391
Computer Software	580,377	616,637
Computer Hardware	2,180,250	1,562,548
	<u>\$ 92,109,410</u>	<u>\$ 89,575,789</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.

**NOTE 11 RESTRICTED ASSETS - ENDOWMENT FUNDS**

Name of Endowment	2018	Contributions during the year	2019
Fudge Scholarship	\$ 200,000	\$ -	\$ 200,000

**NOTE 12 ACCUMULATED SURPLUS**

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2019	2018
Invested in Capital Assets	\$ 16,618,313	\$ 17,365,715
Special Purpose Funds	200,000	200,000
Operating Fund	(240,980)	580,242
Accumulated Surplus	<u>\$ 16,577,333</u>	<u>\$ 18,145,957</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.

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

**NOTE 14 BUDGET FIGURES**

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget bylaw on 25 February, 2019. The original annual budget was adopted on 25 June, 2018. The original and amended budgets are presented below.

	Amended Budget	Annual Budget
<b>Revenues</b>		
Provincial Grants		
Ministry of Education	\$ 61,633,305	\$ 58,157,186
Other	104,370	108,081
Tuition	1,285,445	1,285,445
Other Revenue	3,152,147	2,965,626
Rentals and Leases	500,000	200,000
Investment Income	74,665	176,450
Amortization of Deferred Capital Revenue	3,235,955	3,225,903
<b>Total Revenue</b>	<b>\$ 69,985,887</b>	<b>\$ 66,118,691</b>
<b>Expenses</b>		
Instruction	\$ 53,243,359	\$ 50,279,774
District Administration	2,381,846	2,336,853
Operations and Maintenance	13,469,231	12,931,288
Transportation and Housing	812,907	772,909
<b>Total Expense</b>	<b>\$ 69,907,343</b>	<b>\$ 66,320,824</b>
<b>Surplus (Deficit) for the year</b>	<b>\$ 78,544</b>	<b>\$ (202,133)</b>

**NOTE 15 EXPENSE BY OBJECT**

	2019	2018
Salaries and Benefits	\$ 57,214,534	\$ 53,200,507
Services and Supplies	11,178,448	11,160,665
Amortization	4,321,596	4,106,123
<b>Total Expenses</b>	<b>\$ 72,714,578</b>	<b>\$ 68,467,295</b>

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

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**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, 2018, the Teachers' Pension Plan has about 48,000 active members and approximately 38,000 retired members. As of December 31, 2018, the Municipal Pension Plan has about 205,000 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, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

School District No. 67 paid \$4,720,459 (2018 - \$5,261,809) for employer contributions to these plans in the year ended June 30, 2019.

**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.

SCHOOL DISTRICT 67 (OKANAGAN SKAHA)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

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**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.

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.

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.

# School District No. 67 (Okanagan Skaha)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2019 Actual	2018 Actual
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	580,242	200,000	17,365,715	<b>18,145,957</b>	18,679,353
<b>Changes for the year</b>					
Surplus (Deficit) for the year	(821,222)	245,614	(993,016)	<b>(1,568,624)</b>	(533,396)
Interfund Transfers					
Tangible Capital Assets Purchased		(245,614)	245,614	-	
<b>Net Changes for the year</b>	<b>(821,222)</b>	<b>-</b>	<b>(747,402)</b>	<b>(1,568,624)</b>	<b>(533,396)</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>(240,980)</b>	<b>200,000</b>	<b>16,618,313</b>	<b>16,577,333</b>	18,145,957



# School District No. 67 (Okanagan Skaha)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2019

	2019 Budget (Note 14) \$	2019 Actual \$	2018 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	56,252,315	<b>56,460,568</b>	54,098,689
Other	48,144	<b>61,744</b>	45,644
Tuition	1,285,445	<b>1,287,777</b>	1,310,130
Other Revenue	1,110,396	<b>1,401,976</b>	1,200,084
Rentals and Leases	500,000	<b>782,552</b>	772,277
Investment Income	50,000	<b>68,801</b>	127,195
<b>Total Revenue</b>	<u>59,246,300</u>	<u><b>60,063,418</b></u>	<u>57,554,019</u>
<b>Expenses</b>			
Instruction	46,008,194	<b>48,539,438</b>	45,366,301
District Administration	2,381,846	<b>2,440,901</b>	2,420,762
Operations and Maintenance	9,124,782	<b>8,998,475</b>	8,687,687
Transportation and Housing	812,907	<b>905,826</b>	867,254
<b>Total Expense</b>	<u>58,327,729</u>	<u><b>60,884,640</b></u>	<u>57,342,004</u>
<b>Operating Surplus (Deficit) for the year</b>	<u>918,571</u>	<u><b>(821,222)</b></u>	<u>212,015</u>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(750,000)		(531,795)
<b>Total Net Transfers</b>	<u>(750,000)</u>	<u>-</u>	<u>(531,795)</u>
<b>Total Operating Surplus (Deficit), for the year</b>	<u>168,571</u>	<u><b>(821,222)</b></u>	<u>(319,780)</u>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>580,242</b>	900,022
<b>Operating Surplus (Deficit), end of year</b>		<u><b>(240,980)</b></u>	<u>580,242</u>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted			580,242
Unrestricted		<b>(240,980)</b>	
<b>Total Operating Surplus (Deficit), end of year</b>		<u><b>(240,980)</b></u>	<u>580,242</u>

# School District No. 67 (Okanagan Skaha)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2019

	2019 Budget (Note 14)	2019 Actual	2018 Actual
	\$	\$	\$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	55,924,995	<b>56,078,469</b>	53,473,608
ISC/LEA Recovery	(775,396)	<b>(943,282)</b>	(775,396)
Other Ministry of Education Grants			
Pay Equity	441,194	<b>441,194</b>	441,194
Funding for Graduated Adults	3,523	<b>5,871</b>	2,886
Transportation Supplement	167,035	<b>167,035</b>	167,035
Economic Stability Dividend		<b>66,772</b>	34,912
Return of Administrative Savings			266,527
Carbon Tax Grant	40,000	<b>51,342</b>	52,880
Employer Health Tax Grant		<b>135,353</b>	
Strategic Priorities - Mental Health Grant	33,000	<b>33,000</b>	-
BCTEA - LEA Capacity Building Grant	-	<b>6,850</b>	-
Shoulder Tappers (Access grant)	5,000	<b>5,000</b>	22,079
FSA Exam	12,964	<b>12,964</b>	12,964
Next Generation Contract	400,000	<b>400,000</b>	400,000
<b>Total Provincial Grants - Ministry of Education</b>	<b>56,252,315</b>	<b>56,460,568</b>	54,098,689
<b>Provincial Grants - Other</b>	<b>48,144</b>	<b>61,744</b>	45,644
<b>Tuition</b>			
International and Out of Province Students	1,100,000	<b>973,377</b>	1,124,686
Okanagan Hockey School	185,445	<b>314,400</b>	185,444
<b>Total Tuition</b>	<b>1,285,445</b>	<b>1,287,777</b>	1,310,130
<b>Other Revenues</b>			
Other School District/Education Authorities	260,000	<b>232,834</b>	263,137
LEA Funding from First Nations	775,396	<b>809,033</b>	775,396
Miscellaneous			
Other	75,000	<b>360,109</b>	161,551
<b>Total Other Revenue</b>	<b>1,110,396</b>	<b>1,401,976</b>	1,200,084
<b>Rentals and Leases</b>	<b>500,000</b>	<b>782,552</b>	772,277
<b>Investment Income</b>	<b>50,000</b>	<b>68,801</b>	127,195
<b>Total Operating Revenue</b>	<b>59,246,300</b>	<b>60,063,418</b>	57,554,019

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

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2019

	2019 Budget (Note 14)	2019 Actual	2018 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	24,428,737	<b>25,212,739</b>	24,160,190
Principals and Vice Principals	3,681,997	<b>3,598,267</b>	3,291,531
Educational Assistants	3,642,074	<b>4,212,287</b>	3,844,569
Support Staff	4,862,828	<b>4,728,249</b>	4,942,539
Other Professionals	1,978,599	<b>2,066,458</b>	1,935,491
Substitutes	1,606,449	<b>2,405,799</b>	1,752,020
<b>Total Salaries</b>	<b>40,200,684</b>	<b>42,223,799</b>	<b>39,926,340</b>
<b>Employee Benefits</b>	9,239,582	<b>10,603,135</b>	9,500,793
<b>Total Salaries and Benefits</b>	<b>49,440,266</b>	<b>52,826,934</b>	<b>49,427,133</b>
<b>Services and Supplies</b>			
Services	2,351,821	<b>2,216,181</b>	2,225,883
Student Transportation	498,000	<b>581,638</b>	581,096
Professional Development and Travel	478,501	<b>535,119</b>	520,806
Rentals and Leases	6,000		
Dues and Fees	72,500	<b>69,586</b>	81,033
Insurance	203,173	<b>135,143</b>	195,133
Supplies	3,602,564	<b>2,733,870</b>	2,477,688
Utilities	1,674,904	<b>1,786,169</b>	1,833,232
<b>Total Services and Supplies</b>	<b>8,887,463</b>	<b>8,057,706</b>	<b>7,914,871</b>
<b>Total Operating Expense</b>	<b>58,327,729</b>	<b>60,884,640</b>	<b>57,342,004</b>

# School District No. 67 (Okanagan Skaha)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

	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	20,074,334	523,828	106,227	603,869		1,824,446	23,132,704
1.03 Career Programs	179,070	7,674	79,074			4,485	270,303
1.07 Library Services	662,296			120,371			782,667
1.08 Counselling	966,708	108					966,816
1.10 Special Education	2,909,244	132,253	3,666,638		360,726	396,158	7,465,019
1.30 English Language Learning	125,624	8,376				398	134,398
1.31 Aboriginal Education	202,620	171,902	360,348	24,731	338	5,582	765,521
1.41 School Administration		2,373,487		283,419		130,324	2,787,230
1.60 Summer School						31,203	31,203
1.62 International and Out of Province Students	84,933	121,760			60,123	1,667	268,483
1.64 Other	7,910	9,689			82,081	8,113	107,793
<b>Total Function 1</b>	<b>25,212,739</b>	<b>3,349,077</b>	<b>4,212,287</b>	<b>1,032,390</b>	<b>503,268</b>	<b>2,402,376</b>	<b>36,712,137</b>
<b>4 District Administration</b>							
4.11 Educational Administration		249,190		43,022	426,316		718,528
4.40 School District Governance					82,919		82,919
4.41 Business Administration				273,899	571,825		845,724
<b>Total Function 4</b>	<b>-</b>	<b>249,190</b>	<b>-</b>	<b>316,921</b>	<b>1,081,060</b>	<b>-</b>	<b>1,647,171</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				49,247	465,467		514,714
5.50 Maintenance Operations				2,860,651			2,860,651
5.52 Maintenance of Grounds				309,446			309,446
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,219,344</b>	<b>465,467</b>	<b>-</b>	<b>3,684,811</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration					16,663		16,663
7.70 Student Transportation				159,594		3,423	163,017
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159,594</b>	<b>16,663</b>	<b>3,423</b>	<b>179,680</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>25,212,739</b>	<b>3,598,267</b>	<b>4,212,287</b>	<b>4,728,249</b>	<b>2,066,458</b>	<b>2,405,799</b>	<b>42,223,799</b>

# School District No. 67 (Okanagan Skaha)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2019 Actual	2019 Budget (Note 14)	2018 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	23,132,704	5,861,559	28,994,263	1,360,521	30,354,784	29,814,110	28,382,916
1.03 Career Programs	270,303	66,702	337,005	143,318	480,323	524,761	446,950
1.07 Library Services	782,667	240,989	1,023,656	76,929	1,100,585	699,824	1,121,007
1.08 Counselling	966,816	263,530	1,230,346	3,876	1,234,222	1,113,172	1,069,240
1.10 Special Education	7,465,019	1,979,862	9,444,881	246,674	9,691,555	8,468,480	8,694,998
1.30 English Language Learning	134,398	33,913	168,311	750	169,061	170,143	131,002
1.31 Aboriginal Education	765,521	199,037	964,558	175,342	1,139,900	1,074,474	1,009,751
1.41 School Administration	2,787,230	596,274	3,383,504	66,616	3,450,120	3,185,407	3,468,131
1.60 Summer School	31,203		31,203	823	32,026	37,899	33,830
1.62 International and Out of Province Students	268,483	63,039	331,522	373,094	704,616	764,869	759,094
1.64 Other	107,793	27,639	135,432	46,814	182,246	155,055	249,382
<b>Total Function 1</b>	<b>36,712,137</b>	<b>9,332,544</b>	<b>46,044,681</b>	<b>2,494,757</b>	<b>48,539,438</b>	46,008,194	45,366,301
<b>4 District Administration</b>							
4.11 Educational Administration	718,528	167,811	886,339	38,184	924,523	984,978	930,699
4.40 School District Governance	82,919	2,979	85,898	152,111	238,009	245,401	371,386
4.41 Business Administration	845,724	188,830	1,034,554	243,815	1,278,369	1,151,467	1,118,677
<b>Total Function 4</b>	<b>1,647,171</b>	<b>359,620</b>	<b>2,006,791</b>	<b>434,110</b>	<b>2,440,901</b>	2,381,846	2,420,762
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	514,714	117,732	632,446	113,491	745,937	763,294	693,530
5.50 Maintenance Operations	2,860,651	679,666	3,540,317	2,345,588	5,885,905	6,239,923	5,664,397
5.52 Maintenance of Grounds	309,446	70,694	380,140	215,693	595,833	446,661	496,527
5.56 Utilities	-	-	-	1,770,800	1,770,800	1,674,904	1,833,233
<b>Total Function 5</b>	<b>3,684,811</b>	<b>868,092</b>	<b>4,552,903</b>	<b>4,445,572</b>	<b>8,998,475</b>	9,124,782	8,687,687
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	16,663	3,507	20,170	358	20,528	20,661	21,693
7.70 Student Transportation	163,017	39,372	202,389	682,909	885,298	792,246	845,561
<b>Total Function 7</b>	<b>179,680</b>	<b>42,879</b>	<b>222,559</b>	<b>683,267</b>	<b>905,826</b>	812,907	867,254
<b>9 Debt Services</b>							
<b>Total Function 9</b>	-	-	-	-	-	-	-
<b>Total Functions 1 - 9</b>	<b>42,223,799</b>	<b>10,603,135</b>	<b>52,826,934</b>	<b>8,057,706</b>	<b>60,884,640</b>	58,327,729	57,342,004

# School District No. 67 (Okanagan Skaha)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2019

	2019 Budget (Note 14) \$	2019 Actual \$	2018 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	5,380,990	<b>5,474,635</b>	4,745,978
Other	56,226	<b>63,368</b>	71,162
Other Revenue	2,041,751	<b>2,067,760</b>	2,205,777
Investment Income	24,665	<b>1,815</b>	14,274
<b>Total Revenue</b>	<u>7,503,632</u>	<u><b>7,607,578</b></u>	<u>7,037,191</u>
<b>Expenses</b>			
Instruction	7,235,165	<b>7,339,111</b>	6,768,724
Operations and Maintenance	22,853	<b>22,853</b>	22,853
<b>Total Expense</b>	<u>7,258,018</u>	<u><b>7,361,964</b></u>	<u>6,791,577</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>245,614</u>	<u><b>245,614</b></u>	<u>245,614</u>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(245,614)	<b>(245,614)</b>	(245,614)
<b>Total Net Transfers</b>	<u>(245,614)</u>	<u><b>(245,614)</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, 2019

	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>			19,425	26,774	1,405,596	39,639	48,716	2,150	
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	268,467	210,574				128,000	26,950	143,676	384,155
Provincial Grants - Other					2,160,722				
Other									
Investment Income		231				576	96	96	563
	268,467	210,805	-	-	2,160,722	128,576	27,046	143,772	384,718
<b>Less:</b> Allocated to Revenue	268,467	210,805	5,329	14,245	2,019,268	143,266	40,664	145,922	384,718
<b>Deferred Revenue, end of year</b>	-	-	<b>14,096</b>	<b>12,529</b>	<b>1,547,050</b>	<b>24,949</b>	<b>35,098</b>	-	-
<b>Revenues</b>									
Provincial Grants - Ministry of Education	268,467	210,764	5,274	14,117		142,690	40,568	145,827	384,155
Provincial Grants - Other									
Other Revenue					2,019,268				
Investment Income		41	55	128		576	96	95	563
	268,467	210,805	5,329	14,245	2,019,268	143,266	40,664	145,922	384,718
<b>Expenses</b>									
Salaries									
Teachers								18,344	
Principals and Vice Principals									
Educational Assistants		178,422							36,138
Support Staff						93,771			
Substitutes						557			
	-	178,422	-	-	-	94,328	-	18,344	36,138
Employee Benefits		32,383				28,614		3,412	7,809
Services and Supplies	22,853		5,329	14,245	2,019,268	20,324	40,664	124,166	340,771
	22,853	210,805	5,329	14,245	2,019,268	143,266	40,664	145,922	384,718
<b>Net Revenue (Expense) before Interfund Transfers</b>	245,614	-	-	-	-	-	-	-	-
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased	(245,614)								
	(245,614)	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

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

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

	Rural Education Enhancement Fund	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	Read Now	Early Years Centre	Through a Different Lens	After School Sports & Arts	Miscellaneous
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>					4,453	39,926	44,847	70,372	20,304
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	786,637	238,821	2,705,672	531,643					
Provincial Grants - Other						40,723			
Other									76,012
Investment Income					417				
	786,637	238,821	2,705,672	531,643	417	40,723	-	-	76,012
<b>Less:</b> Allocated to Revenue	786,637	238,821	2,705,672	531,643	-	36,113	18,104	27,447	30,457
<b>Deferred Revenue, end of year</b>	-	-	-	-	<b>4,870</b>	<b>44,536</b>	<b>26,743</b>	<b>42,925</b>	<b>65,859</b>
<b>Revenues</b>									
Provincial Grants - Ministry of Education	786,637	238,821	2,705,672	531,643					
Provincial Grants - Other						35,921		27,447	
Other Revenue							18,104		30,388
Investment Income						192			69
	786,637	238,821	2,705,672	531,643	-	36,113	18,104	27,447	30,457
<b>Expenses</b>									
Salaries									
Teachers	234,043		2,029,254					774	1,902
Principals and Vice Principals	165,264								
Educational Assistants									
Support Staff	129,545								
Substitutes				414,681			4,187		6,485
	528,852	-	2,029,254	414,681	-	-	4,187	774	8,387
Employee Benefits	169,280		676,418	116,962			832		351
Services and Supplies	88,505	238,821				36,113	13,085	26,673	21,719
	786,637	238,821	2,705,672	531,643	-	36,113	18,104	27,447	30,457
<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, 2019

	<u>TOTAL</u>
	\$
<b>Deferred Revenue, beginning of year</b>	1,722,202
<b>Add:</b> Restricted Grants	
Provincial Grants - Ministry of Education	5,424,595
Provincial Grants - Other	40,723
Other	2,236,734
Investment Income	1,979
	<u>7,704,031</u>
<b>Less:</b> Allocated to Revenue	<u>7,607,578</u>
<b>Deferred Revenue, end of year</b>	<b><u>1,818,655</u></b>
<b>Revenues</b>	
Provincial Grants - Ministry of Education	5,474,635
Provincial Grants - Other	63,368
Other Revenue	2,067,760
Investment Income	1,815
	<u>7,607,578</u>
<b>Expenses</b>	
Salaries	
Teachers	2,284,317
Principals and Vice Principals	165,264
Educational Assistants	214,560
Support Staff	223,316
Substitutes	425,910
	<u>3,313,367</u>
Employee Benefits	1,036,061
Services and Supplies	3,012,536
	<u>7,361,964</u>
<b>Net Revenue (Expense) before Interfund Transfers</b>	<u>245,614</u>
<b>Interfund Transfers</b>	
Tangible Capital Assets Purchased	<u>(245,614)</u>
	(245,614)
<b>Net Revenue (Expense)</b>	<b><u>-</u></b>

# School District No. 67 (Okanagan Skaha)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2019

	2019	2019 Actual			2018
	Budget (Note 14)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Other Revenue		146,378		146,378	127,833
Investment Income				-	27,600
Gain (Loss) on Disposal of Tangible Capital Assets	-	92,625		92,625	-
Amortization of Deferred Capital Revenue	3,235,955	3,235,955		3,235,955	3,187,256
<b>Total Revenue</b>	<u>3,235,955</u>	<u>3,474,958</u>	-	<u>3,474,958</u>	<u>3,342,689</u>
<b>Expenses</b>					
Operations and Maintenance		146,378		146,378	227,591
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,321,596	4,321,596		4,321,596	4,106,123
<b>Total Expense</b>	<u>4,321,596</u>	<u>4,467,974</u>	-	<u>4,467,974</u>	<u>4,333,714</u>
<b>Capital Surplus (Deficit) for the year</b>	<u>(1,085,641)</u>	<u>(993,016)</u>	-	<u>(993,016)</u>	<u>(991,025)</u>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	995,614	245,614		245,614	777,409
<b>Total Net Transfers</b>	<u>995,614</u>	<u>245,614</u>	-	<u>245,614</u>	<u>777,409</u>
<b>Other Adjustments to Fund Balances</b>					
District Portion of Proceeds on Disposal		(93,750)	93,750	-	
Tangible Capital Assets Purchased from Local Capital		1,605,187	(1,605,187)	-	
<b>Total Other Adjustments to Fund Balances</b>		<u>1,511,437</u>	<u>(1,511,437)</u>	-	
<b>Total Capital Surplus (Deficit) for the year</b>	<u>(90,027)</u>	<u>764,035</u>	<u>(1,511,437)</u>	<u>(747,402)</u>	<u>(213,616)</u>
<b>Capital Surplus (Deficit), beginning of year</b>		15,783,112	1,582,603	17,365,715	17,579,331
<b>Capital Surplus (Deficit), end of year</b>		<u>16,547,147</u>	<u>71,166</u>	<u>16,618,313</u>	<u>17,365,715</u>

# School District No. 67 (Okanagan Skaha)

Schedule 4A (Unaudited)

Tangible Capital Assets  
Year Ended June 30, 2019

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost, beginning of year</b>	8,531,023	138,115,557	4,192,278	1,385,487	702,461	2,755,461	<b>155,682,267</b>
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		4,513,177		285,317			<b>4,798,494</b>
Special Purpose Funds		245,614					<b>245,614</b>
Local Capital			332,161		104,232	1,168,794	<b>1,605,187</b>
Transferred from Work in Progress		879,929					<b>879,929</b>
	-	5,638,720	332,161	285,317	104,232	1,168,794	<b>7,529,224</b>
Decrease:							
Disposed of	1,125						<b>1,125</b>
Deemed Disposals				155,561	31,406	441,110	<b>628,077</b>
	1,125	-	-	155,561	31,406	441,110	<b>629,202</b>
<b>Cost, end 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>Work in Progress, end of year</b>		207,047					<b>207,047</b>
<b>Cost and Work in Progress, end of year</b>	8,529,898	143,961,324	4,524,439	1,515,243	775,287	3,483,145	<b>162,789,336</b>
<b>Accumulated Amortization, beginning of year</b>		62,880,098	2,203,476	624,096	85,824	1,192,913	<b>66,986,407</b>
<b>Changes for the Year</b>							
Increase: Amortization for the Year		3,072,235	419,228	138,549	140,492	551,092	<b>4,321,596</b>
Decrease:							
Deemed Disposals				155,561	31,406	441,110	<b>628,077</b>
				155,561	31,406	441,110	<b>628,077</b>
<b>Accumulated Amortization, end of year</b>		65,952,333	2,622,704	607,084	194,910	1,302,895	<b>70,679,926</b>
<b>Tangible Capital Assets - Net</b>	<b>8,529,898</b>	<b>78,008,991</b>	<b>1,901,735</b>	<b>908,159</b>	<b>580,377</b>	<b>2,180,250</b>	<b>92,109,410</b>

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

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2019

	<b>Buildings</b>	<b>Furniture and Equipment</b>	<b>Computer Software</b>	<b>Computer Hardware</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Work in Progress, beginning of year</b>	879,929				<b>879,929</b>
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	207,047				<b>207,047</b>
	<u>207,047</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>207,047</b></u>
Decrease:					
Transferred to Tangible Capital Assets	879,929				<b>879,929</b>
	<u>879,929</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>879,929</b></u>
<b>Net Changes for the Year</b>	<u>(672,882)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>(672,882)</b></u>
<b>Work in Progress, end of year</b>	<u><b>207,047</b></u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>207,047</b></u>

# School District No. 67 (Okanagan Skaha)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2019

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
<b>Deferred Capital Revenue, beginning of year</b>	\$ 72,806,214	\$	\$ 106,535	\$ 72,912,749
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	4,798,494			4,798,494
Transferred from Work in Progress	879,930			879,930
Reclassification adjustment		106,535		106,535
	5,678,424	106,535	-	5,784,959
Decrease:				
Amortization of Deferred Capital Revenue	3,233,292	2,663		3,235,955
Reclassification adjustment			106,535	106,535
	3,233,292	2,663	106,535	3,342,490
<b>Net Changes for the Year</b>	2,445,132	103,872	(106,535)	2,442,469
<b>Deferred Capital Revenue, end of year</b>	75,251,346	103,872	-	75,355,218
<b>Work in Progress, beginning of year</b>	879,929			879,929
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	207,047			207,047
	207,047	-	-	207,047
Decrease				
Transferred to Deferred Capital Revenue	879,930			879,930
	879,930	-	-	879,930
<b>Net Changes for the Year</b>	(672,883)	-	-	(672,883)
<b>Work in Progress, end of year</b>	207,046	-	-	207,046
<b>Total Deferred Capital Revenue, end of year</b>	75,458,392	103,872	-	75,562,264

# School District No. 67 (Okanagan Skaha)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2019

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
<b>Balance, beginning of year</b>	\$	\$ 411,224	\$ 119,174	\$	\$ (5,607)	\$ 524,791
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	5,645,335					5,645,335
Provincial Grants - Other			75,459			75,459
MEd Restricted Portion of Proceeds on Disposal		281,250				281,250
Reclassification adjustment					5,607	5,607
	5,645,335	281,250	75,459	-	5,607	6,007,651
Decrease:						
Transferred to DCR - Capital Additions	4,798,494					4,798,494
Transferred to DCR - Work in Progress	207,047					207,047
Reclassification adjustment			5,607			5,607
ITA Grant equipment purchases			146,377			146,377
	5,005,541	-	151,984	-	-	5,157,525
<b>Net Changes for the Year</b>	639,794	281,250	(76,525)	-	5,607	850,126
<b>Balance, end of year</b>	<b>639,794</b>	<b>692,474</b>	<b>42,649</b>	<b>-</b>	<b>-</b>	<b>1,374,917</b>