

FINANCIAL STATEMENT DISCUSSION & ANALYSIS REPORTING | For the Year Ended June 30, 2023



SCHOOL DISTRICT NO. 73
(Kamloops - Thompson)

The following is a discussion and analysis of the School District's financial performance for the fiscal year which ended June 30, 2023. This section of the report is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. The results of the 2022-2023 year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this report.



Acknowledgement

We are grateful to be guests on the territory of seven Secwépemc First Nations: Sexqeltqin (Adams Lake Band), Simpcw, Sk'emtsin (Neskonlith Band), Skitseten (Skeetchestn Band), Skwl̓x̓ te Secwepemcúlcw, Stíłq̓w / Pelłtíq̓t (Whispering Pines / Clinton Band), and Tk'emlúps te Secwépemc.

District Context

The Board of Education is cwesét-kt (walking together) with the Aboriginal Education Council with representatives from the seven local First Nations, Métis Nation, and District. We work collaboratively with partners and elected officials to meet the needs of 12 rural-urban communities: Kamloops, Pinantan Lake, Heffley Creek, Sun Peaks, Barriere, Clearwater, Vavenby, Blue River, Logan Lake, Savona, Chase, and Westwold. Located in 27,000 square kilometers (the size of Vancouver Island), SD73 is the 13th largest district in BC. 16,500 students are in 48 schools, 13 alternate education and distance education programs, and French immersion, International Baccalaureate, sports academies, trades programs, a K-12 fine arts school, a K-6 elementary science and technology school, and Montessori.

Kamloops is growing rapidly (approx. 250 students/year) causing reconfiguration of 20% of our schools in 2024: two schools will become 8-12, six schools become K-7, 13 alternate programs will be in redesigned spaces or relocated. We are reopening a new K-7 school (Parkcrest) which was lost in a fire in 2019, reopening an existing K-7 school (George Hilliard), and preparing for a new K-7 school (Pineview Valley) due to space pressures. We are excited to be one of 16 Provincial Online Learning Schools, to open 144 childcare spaces, and to welcome Francophone students in Westsyde Secondary School.



District Strategic Plan

2022-2023 was the first year of living our [2022-2027 District Strategic Plan](#), which emerged from consultation that started and ended with cycles of ongoing review with the Aboriginal Education Council. We involved approximately 2,000 students, parents, staff, and partners and iteratively checked our understandings with the Aboriginal Education Council. We started with the Aboriginal Education Council because we sought to begin with an Aboriginal conception of the plan for improvement, not to “Indigenize” it afterwards. **Our four value commitments:** connections/relationships, wellbeing, equity, sustainability are achieved by enacting the Seven Grandfather Teachings.



Our 5 Priorities are: Intellectual Development ~ Human and Social Development ~ Cultural and Identity Development ~ Career Development ~ Systems Development. *To learn more, two videos share the consultation process and the development of the Seven Grandfather Teachings and Secwepemc art within the plan.*

Financial Highlights

The 2022-2023 school year was the first year of the District’s new, five-year strategic plan, which guides the District’s financial priorities.

The year began with the Ministry of Education and Child Care’s announcement of a \$60 million fund created for school districts to counter inflation, the Student and Family Affordability Fund. This special purpose fund was a direct recognition by the province of the impact global inflation was having on the costs of living and meant to address pressures facing families to afford school supplies, course fees, and food.

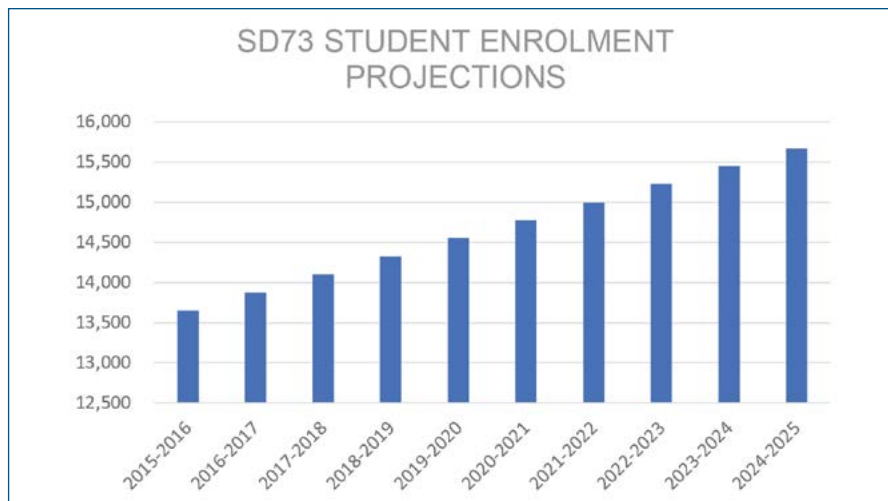
Through the District’s capital fund, work continued on the Parkcrest Elementary rebuild, development of childcare spaces at Ralph Bell Elementary and Happyvale Elementary, and work began on planning for a new elementary school in Pineview Valley.

In the operating fund, the District experienced increased student enrolment, the same inflationary pressures being experienced by students and families, the ratification of two collective agreements and continued to experience lasting impacts from COVID-19 with increased levels of employee absenteeism.

As a result of continued inflation, increased absenteeism and the increased cost of employee benefits, the District realized a small, operating deficit. The following pages provide specific reasons for the 2022-2023 Operating Fund Deficit.

Enrolment

In 2015-2016, District enrolment was 13,860 Full Time Equivalent (FTE) Kindergarten to Grade 12 (K-12) students and since then, the District has experienced steady enrolment growth with enrolment hitting 15,354 FTE students for the 2021-2022 school year and increasing to 15,583 FTE for the 2022-2023 school year. This is an increase of 1,723 FTE students since 2015-2016 or an average increase of 246 students per year over the past seven years. The District is continuing to project growth over the next few years as the Kamloops-Thompson region is one of the five fastest growing municipalities in British Columbia. In response to this unprecedented growth the District has purchased portables to adapt to limitations of space, with approximately 8% of our students in portables.



Ministry of Education and Child Care funding on a per FTE basis remained static in the current year at \$7,885/ FTE student and enrolment under the standard student category was up overall by 202.5 FTE students from 2021-2022. In-class instruction enrolment increased by 364 FTE with online learning decreasing by 154 FTE and home school enrolment decreasing by 8 FTE.

Total K-12 per FTE students 2021-2022 versus 2022-2023:

	Actual 2021-2022	Growth/(Decline)	Actual 2022-2023
Standard Schools	15,008.7500	364.4	15,373.1250
Distributed Learning	519.5625	(153.875)	365.6875
Home Schools	59.0000	(8.000)	51.0000
	15,587.3125	202.5	15,789.8125

Below is a table that compares the Regular and Distance Learning per student FTE funding rates for 2020-2021, 2021-2022 and 2022-2023 school year.

Block Funding Rate Per FTE Student	2020-2021 Per FTE Rate	Increase	2021-2022 Per FTE Rate	Increase	2022-2023 Per FTE Rate
Per Student Regular FTE Rate	\$7,560.00	\$325.00	\$7,885.00	\$0.00	\$7,885.00
Per Student DL FTE Rate	\$6,100.00	\$260.00	\$6,360.00	\$0.00	\$6,360.00

Financially, the shift in enrolment as indicated previously, back to in-class instruction from either Distributed Learning or Homeschool Learning options had the following effect on the District due to the difference in Ministry funding levels:

Education Delivery Model	Enrolment Change	Funding per FTE	Actual 2021-2022
Standard Schools	364.3750	7,885.00	2,873,096.88
Distributed Learning	(153.8750)	6,360.00	(978,645.00)
Net Change	210.5000		1,894,451.88
Homeschools	8.0000	7,885.00	63,080.00
	(8.0000)	250.00	(2,000.00)
Net Change	0.0000		61,080.00
Total Change in Revenue			1,955,531.88

Financial Analysis of the School District as a Whole

Below is a table summarizing the 2022-2023 versus the 2021-2022 operating results.

Summary Operating Results	2021-2022	Increase / (Decrease)	% Increase	2022-2023
Revenues	174,015,148	11,310,253	6.50%	185,325,401
Wages	125,279,784	7,730,759	6.17%	133,010,543
Benefits	26,966,306	3,667,617	13.60%	30,633,923
Expenses	20,423,807	2,333,067	11.42%	22,756,874
Surplus	1,345,251	(2,421,190)		(1,075,939)
	0.77%			-0.58%

K-12 public education remains a priority for Government which translated into additional funding in 2022- 2023. Operating Fund Revenues for the District increased \$11.310 million over 2021-2022 in the following areas:

- SD73 received an additional \$10.489 million from the Ministry of Education and Child Care for the following:
 - Increase in funding for Labour Settlement of \$6,562,809
 - Increase in funding for Unique Student Needs of \$1,027,291
 - Increase in funding for Unique Geographical Factors of \$678,417
 - Increased funding for both Aboriginal Education and English Language Learning due to increased enrolment

- The International Student Program returned to operate at pre-pandemic levels. Revenues increased to \$5,120,472 from \$5,005,065, or 2.30% as reported on June 30, 2022. The program supported 275 students (204.2 Full Time Equivalency) from 22 countries, attending seven secondary schools.
- The Next Generation Network (NGN) self-provision credit associated with the District’s investment in the Kamloops Fibre Network and our “dish-to-dish” network connecting elementary schools to our secondary schools provided a semi-annual rebate of \$107,760 for a total of \$215,520 each year. A portion of the rebate is transferred to Local Capital to enable the Information Technology Department to further invest in technology projects in support of our students.

Salaries by Employee Group

	2021-2022	2022-2023	Increase
Teachers	72,382,777	76,724,300	4,341,523
Support Staff	29,521,178	31,345,092	1,823,914
Principals/Vice Principals	10,627,516	11,381,490	753,974
Management Staff	4,581,443	5,091,019	509,576
Relief Costs	8,166,870	8,468,642	301,772
Totals	125,279,784	133,010,543	7,730,759

The District hired additional employees in all categories for the 2022-2023 school year, most significantly in teaching and school-based support staff positions corresponding with increased student enrolment. In addition, the District continued to experience higher than average employee absenteeism and relief costs across most employee classifications similar to the prior year.



Employee Benefits

Compared to the 2021-2022 school year, employee benefits increased by \$3,667,617 due to additional employees, enrolling more employees than expected in certain benefits in 2023, and the rising cost of benefit premiums. The following table is a detailed comparison of 2021-2022 versus 2022-2023 as well as a comparison to 2006-2007.

Since 2006-2007, salaries and wages have increased by 57.19%, or \$48.394 million, and benefits have increased over the same period by 82.33%, or \$13.832 million. The annual benefit cost increases SD73 experiences each year is one area of our financial performance we have very limited control over. However, we recognize that although we do not control annual benefit costs, we have learned that we need to reconcile more often to keep track of the impact of those changes and as well, the result of increasing the numbers of employees we hire and the cost of enrolling them in benefit packages. Annual increases in the per FTE funding from the Ministry of Education and Child Care are needed to keep pace with the ever-increasing cost of employee benefits and continued high levels of employee absenteeism.

Employee Benefits	2006-2007	2021-2022	2022-2023	Variance		Variance	
				2021-2022 to 2022-2023		2006-2007 to 2022-2023	
				\$	%	\$	%
FTE District Staff	1,418	1,665	1,722	57	3%	304	21%
Total Wages	84,616,240	125,279,784	133,010,545	7,730,761	6%	48,394,305	57%
Teacher Pension	7,053,965	10,259,666	11,198,669	939,003	9%	4,144,704	59%
Municipal Pension	1,550,539	2,868,059	2,946,505	78,446	3%	1,395,966	90%
Canada Pension Plan	2,945,406	5,229,358	5,770,093	540,735	10%	2,824,687	96%
Employment Insurance	1,429,075	1,653,213	1,903,518	250,305	15%	474,443	33%
WorkSafeBC	417,815	1,231,819	1,734,412	502,593	41%	1,316,597	315%
Medical (MSP/EHT)	1,201,267	2,657,073	2,845,663	188,590	7%	1,644,396	137%
Extended Health	879,595	1,623,486	2,059,288	435,802	27%	1,179,693	134%
Dental	1,059,522	1,165,632	1,919,083	753,451	65%	859,561	81%
Group Life Insurance	222,118	236,763	214,520	(22,243)	-9%	(7,598)	-3%
Employee Assistance	42,512	41,236	42,172	936	2%	(340)	-1%
	16,801,814	26,966,306	30,633,923	3,667,617	14%	13,832,109	82%

Services and Supplies

			Variance	
	2021-2022	2022-2023	2021-2022 to 2022-2023	
	\$	\$	\$	%
Services and Supplies	5,168,621	4,730,221	(438,400)	-8%
Student Transportation	382,531	363,836	(18,695)	-5%
Professional Development and Travel	1,251,774	1,486,061	234,287	19%
Dues and Fees	93,702	99,921	6,219	7%
Insurance	396,758	617,371	220,613	56%
Supplies	9,993,715	11,833,920	1,840,205	18%
Utilities	3,136,706	3,625,544	488,838	16%
	20,423,807	22,756,874	2,333,067	11%

For the 2022-2023 school year, services and supplies for the District totaled \$22.757 million compared to \$20.424 million in 2021-2022. The \$2.333 million increase was a result of continued cost escalations for classroom, custodial, maintenance and other supplies due to inflationary pressures and continued supply chain issues and product availability.

The greatest change in supply and services compared to the 2021-2022 school year was the increased expenses for Utilities (\$488,838), Facility Repairs and Maintenance (\$714,049), the Aboriginal Education Program (\$341,470) and International Student Program (\$226,118).

Reserves – Operating Fund

The District is maintaining reserve balances as per Board Policy 15 – ACCUMULATED OPERATING RESERVE FUNDS. The District's Operating Reserve Funds are separated into two categories: Internally Restricted Reserve Funds and Unrestricted Reserve Funds. Internally Restricted Reserve Funds are specifically intended for expenditures based on specific criteria.

The Internally Restricted Reserve balances represent an accumulation of operating surpluses. The Board and senior administration enable departments and schools to carry forward unused budgets for expenditures in a subsequent school year. The practice of carrying forward unspent budget dollars eliminates staff spending to the full extent of their budget by June 30th; which in turn, allows educators and managers to improve the efficient and effective use of funds as they proactively manage the District with a longer-term perspective.

Annually, in late August or early September, once the year-end operating results are known, the Audit Committee of the Board of Education reviews the Operating Reserve balances and makes recommendations on these Reserve Funds to ensure these funds are positioned to deliver on the District's Vision, Mission and Long-term Strategic Plan in support of our students. Based on that review, the Audit Committee makes a recommendation to the Board of Education for consideration and approval of the year-end balances in each of the operating reserves. These recommendations then come forward at a Public Board Meeting in September. At that meeting, the Board of Education has an opportunity to further discuss the reserve balance recommendations with the District's external auditors prior to finalizing and approving the reserve balances that will be included in the audited financial statements for the year just concluded.

Board approval is required to expend Unrestricted Operating Reserve funds. Once approval is granted, the funds move from the Unrestricted Reserve Fund to a Restricted Reserve Fund where the funds are held pending expenditure for their intended purpose.

At the conclusion of the 2022-2023 school year the District reported an Operating Fund Deficit of (\$1,075,939) which is down from the 2021-2022 surplus of \$1,345,251. The Board of Education approved a transfer of \$2,050,400 of Operating Surplus to Local Capital and an overall reduction of Internally Restricted Reserve Funds of \$3,126,339. This reduction included the use of the Utility and Fuel Reserve, the District's portion of the Parkcrest Elementary Rebuild, the Staffing Pressures and Relief Costs Reserve and a reduction to the Aboriginal Education Reserves and the School Supply Carry Forward.

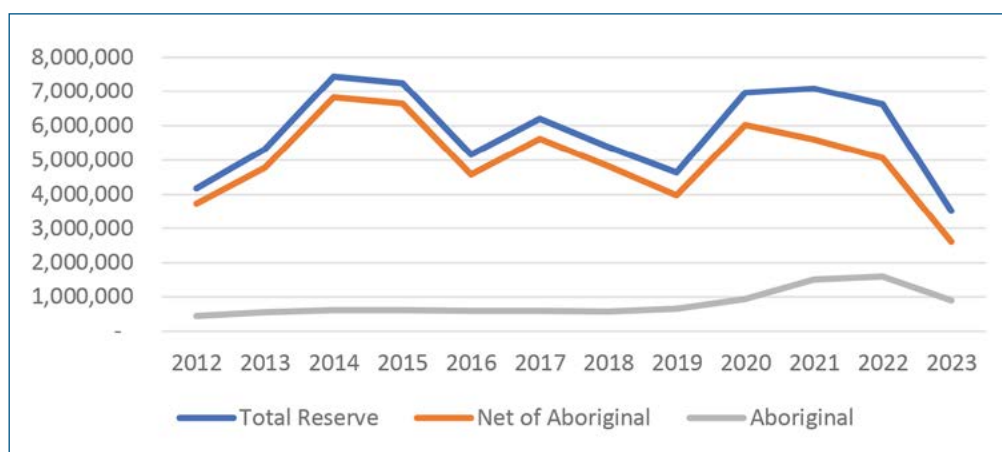
One additional reserve was created at the fiscal year end; the CUPE3500 Job Evaluation Reserve. This reserve was created because the District received funding from the BC Public Schools Employers' Association for the purpose of reviewing support staff job description evaluations. As of June 30, 2023 the evaluation process is still in progress and the funds have not been used for their intended purpose. Detailed explanations supporting the Operating Fund Reserve balances are contained in Note 13 of the Audited Financial Statements for the fiscal year ending June 30, 2023. .

Reserves – Operating Fund

OPERATING FUND	Balance at June 30, 2022	Increase / (Decrease)	Balance at June 30, 2023
INTERNALLY RESTRICTED FUTURE SCHOOL YEARS			
Utility/Fuel CEA Cost/Budget	400,000	(400,000)	-
Strategic Plan Refresh	22,078	(5,478)	16,600
Future of Schools Project	66,900	(400)	66,500
Department	380,617	28,597	409,214
School Supply	1,903,148	(467,719)	1,435,429
Parkcrest Elementary Rebuild - District Portion	300,000	(300,000)	-
Staffing Pressures and Relief Costs	1,414,128	(1,414,128)	-
CUPE3500 Job Evaluation	-	131,728	131,728
	4,486,871	(2,427,400)	2,059,471
INTERNALLY RESTRICTED - FUNDS WITH CONSTRAINTS			
SD73BC Management Fee (2013-2017)	485,872	-	485,872
Aboriginal Education	1,583,108	(681,827)	901,281
AFG Other	80,906	(17,112)	63,794
	2,149,886	(698,939)	1,450,947
Total Internally Restricted Operating Reserve:	6,636,757	(3,126,339)	3,510,418

Below is a graph that indicates the changes to the District's Operating Reserve Balances from 2011-2012 to 2022-2023.

SD73 Total Operating Reserve Balance & SD73 Operating Reserve (Net of Aboriginal Educational) Reserve



Reserves – Special Purpose Fund

Special Purpose Fund balances represent funding for specific programs. The majority of funding is provided by the Ministry of Education and Child Care for programs such as the Annual Facility Grant, Classroom Enhancement Fund (CEF), First Nations Student Transportation, Mental Health in Schools, Support Staff Learning Improvement Fund, CommunityLINK, Early Learning programs, Official Languages in Education Protocol (OLEP) and SetBC. New for the 2022-2023 school year were the Student & Family Affordability Fund and the Early Care & Learning Grant. The Student and Family Affordability grant was intended to be one-time funding from the Ministry of Education and Child Care, whereas funding for the Early Care & Learning is for three (3) years. The Student & Family Affordability Fund grant was targeted to address the increased cost of living for students and families, assisting with school supplies, activity fees and the costs of other necessities while the Early Care & Learning grant was created to support the expansion of child care in the District.

Within the Special Purpose Fund, revenues match expenditures for the specific program. Unspent funds are carried forward and utilized for the intended purpose in future school years. Other Special Purpose Funds include School Generated Funds, Scholarships, and Contributor Restricted funds. See Schedule 3A in the audited financial statements for details on the various Special Purpose Funds. Below is a table that summarizes the Special Purpose Funds by Ministry, School and Other.

	2021-2022	Funding Received	Funding Expended	2022-2023
Ministry of Education	1,251,039	19,050,575	(18,711,428)	1,590,186
School Generated Funds	2,950,399	4,856,245	(4,579,376)	3,227,268
Other Special Purpose Funds	2,070,382	882,247	(1,165,739)	1,786,890
	6,271,820	24,789,067	(24,456,543)	6,604,344

Reserves – Local Capital Reserve

The Local Capital Reserve Fund represents transfers of Accumulated Operating Fund Surpluses designated specifically to fund the purchase of Tangible Capital Assets (TCA). The Local Capital Reserve Fund is increased when the Board of Education approves by motion to transfer operating surpluses to Local Capital. In addition, the Local Capital Fund balance increases when the District invests the cash associated with the Local Capital Fund balance in the Provincial Central Deposit Program and if the District sells land and/or buildings.

The Operating Fund Reserve and the Local Capital Reserve Fund balances are reviewed annually by the District's Audit Committee who make recommendations to the Board of Education on the appropriate reserve balances for future operations and the anticipated funds required for the purchase of capital assets.

The Local Capital Reserve Fund is used to purchase portable classroom space, classroom furniture and equipment, maintenance equipment and vehicles, information technology equipment, custodial equipment or small capital expenditures for schools not specifically funded by the Ministry of Education and Child Care within the Operating Fund or the Annual Facilities Grant. A purchase is considered capital if it benefits the District more than one school year.

The Operating and Local Capital Reserve Funds experienced pressure in the 2022-2023 fiscal year as the continued growth in student enrolment required the District to purchase additional portables not funded by the Ministry. Those purchases coupled with the unchanged per student funding amount and rising costs required the District to transfer more operating reserves into the Local Capital Reserve Fund.

Below is a table providing the summary balances, revenues, transfers, and capital purchases for 2022-2023.

LOCAL CAPITAL RESERVE FUND	Balance at June 30, 2022	Revenues & Transfers 2022-2023	Capital Purchases 2022-2023	Balance at June 30, 2023
General Reserve	1,476,847			1,476,847
Interest Income		58,247		58,247
Transfer Re: Operating Surplus		2,089,446		2,089,446
Capital Purchases			(2,678,278)	(2,678,278)
Settlement of Asset Retirement Obligation			(99,339)	(99,339)
	1,476,847	2,147,693	(2,777,617)	846,923

Ministry of Education and Child Care – Bylaw Capital

Funding is provided by the Ministry of Education and Child Care for the purchase or replacement of capital assets upon the District's submission of a Five-Year Annual Capital Plan. The Capital Plan may include site acquisitions, school expansions, bus acquisitions/replacements, school enhancement plans, playgrounds, carbon neutral capital programs, or new school projects. Boards of Education are required to approve a Capital Bylaw when capital funding from the Ministry has been announced. The following table provides the details of the Bylaw Capital funding received along with the purchases of the capital assets with these funds.

MINISTRY OF EDUCATION AND CHILD CARE CAPITAL BYLAW FUND	2022-2023 Amount
Opening Balance, July 1, 2022	159,857
Revenue Received	
Annual Facilities Grant	3,004,000
Bus Acquisition Program	831,161
Carbon Neutral Program	303,227
Parkcrest Elementary School (Rebuild)	10,943,046
Playground Equipment Program	330,000
School Enhancement Program	385,404
Valleyview Secondary Expansion	2,484,799
Elementary School in Pineview Valley	258,074
Total Revenue Received	18,539,711
Purchase of Capital Assets	
Buildings	3,173,431
Buildings – Work in Progress	11,201,120
Furniture and Fixtures	315,704
Vehicles – Buses	845,456
AFG Repairs and Maintenance	3,004,000
Total Capital Assets Purchased	18,539,711
Total Bylaw Capital Reserve	159,857

Ministry of Education and Child Care Restricted Capital

In accordance with section 100 of the School Act, Boards of Education who receive proceeds from the disposition of a capital asset must allocate a portion of the funds to local capital with the remaining portion allocated to the Ministry Restricted Capital Fund. Proceeds from the sale of land and/or building may be apportioned according to the original contributions of the property made by the Province and the Board of Education, respectively. Based on historical records, the Board of Education must determine how the proceeds should be allocated. In situations where it is not clearly defined as to the funding agreement between the District and the Province, the proceeds of the sale may be apportioned as 25% to District Local Capital Reserve Fund and 75% as Ministry Restricted Capital. Districts need to receive approval from the Minister of Education and Child Care to use Ministry Restricted Capital funds for capital projects. During the 2022-2023 school year the District received permission from the Ministry of Education and Child Care to use Ministry Restricted Capital Funds for the purchase of small parcels of land adjacent to the land acquired through a Crown Grant for the new elementary school in Pineview Valley and for site works on property acquired from Sun Peaks Mountain Resort Municipality for a future school site in Sun Peaks.

MINISTRY RESTRICTED CAPITAL	2022-2023 Amount
Opening Balance, July 1, 2022	1,632,844
Revenue Received	
Interest Income	19,830
Proceeds of Disposition	
Total Revenue Received	19,830
Purchase of Capital Assets	
Buildings - Work in Progress	1,241,590
Site Purchases	275,000
Total Capital Assets Purchased	1,516,590
Total Ministry Restricted Capital Reserve	136,084

Other Provincial Capital Fund

Other Provincial Capital is a Capital Reserve Fund representing grants and contributions received for specific programs from provincial ministries. This fund includes funding from the Ministry of Jobs, Tourism, and Skills Training (JTST) and Skilled Trades BC (STBC) (previously the Industry Trades Authority (ITA)), Ministry of Children and Family Development (MCFD) and the Ministry of Education and Child Care (MECC).

The Ministry of Jobs, Tourism and Skills Training (JTST) and Skilled Trades BC combined efforts to create a joint venture called Youth Trades Capital Equipment Program (YTCEP) which enables school districts to purchase trades training equipment needed to support the delivery of the STBC's Youth Trades Programs. JTST requested the Ministry of Education and Child Care (K-12 School Districts) assist by acting as the administrator of the YTCEP. Upon approval, the funds were provided to school districts directly by STBC.

The Ministry of Children and Family Development has provided a capital fund under the ChildCareBC New Spaces Fund to increase childcare spaces at a District owned facility. This joint venture will allow the operator to increase their spaces.

The Ministry of Education and Child Care has provided a capital fund to build 144 new childcare spaces at two District owned properties. These buildings, once completed, will be operated by a third-party to provide childcare services to the community. Completion dates for these projects is scheduled for Fall 2023.

OTHER PROVINCIAL CAPITAL	2022-2023 Amount
Opening Balance, July 1, 2022	2,689,936
Revenue Received	
Ministry of Children and Family Development	340,213
Investment Income	38,150
Total Revenue Received	378,363
Purchase of Capital Assets	
Buildings	296,000
Furniture and Equipment	27,392
Buildings - Work in Progress	2,579,040
Total Capital Assets Purchased	2,902,432
Total Other Provincial Capital	165,867

Land Capital

Due to anticipated enrolment growth within the District, specifically in the southwest sector of the City of Kamloops, the Board of Education approved the implementation of a School Site Acquisition Charge (SSAC) on November 23, 2020. School Site Acquisition Charges assist in the partial payment of a new school site and are attached to new residential development as a charge to the project. These funds are collected by the City of Kamloops and forwarded to the District on a quarterly basis.

LAND CAPITAL	2022-2023 Amount
Opening Balance, July 1, 2022	53,436
Revenue Received	
School Site Acquisition Charge	159,661
Interest Income	5,917
Total Revenue Received	165,578
Total Capital Assets Purchased	
Total Land Capital Reserve	219,014

Other Capital Fund

The District's Other Capital Reserve Fund reports non-provincial funding received for capital purchases. Included in this reserve are funds received from the City of Kamloops and the District's print shop.

During the year the City of Kamloops contributed \$1.164 million towards a larger gymnasium at the new Parkcrest Elementary School as a part of the joint use agreement between the City and the District.

The District owns and operates an internal print shop whereby schools and district departments request graphic designs and print materials for their usage. The print shop operates on a cost-plus basis, saving a nominal amount for the purposes of replacing equipment when required.

OTHER CAPITAL	2022-2023 Amount
Opening Balance, July 1, 2022	135,102
Revenue Received	
Other Income	1,172,796
Interest Income	38,150
Total Revenue Received	1,210,946
Purchase of Capital Assets	
Furniture and Equipment	112,368
Buildings - Work in Progress	1,164,530
Total Capital Assets Purchased	1,276,898
Total Bylaw Capital Reserve	69,150



Capital Assets

The following schedule summarizes the changes in Tangible Capital Assets for the year ended June 30, 2023. (Note 4 of the Audited Financial Statements contains a more detailed analysis of implications relating to the addition and/or the deletion of the District's assets.) The District Capital Fund enabled the District to invest in capital to address aging facilities, new buildings and expansions, buses, District vehicles, playgrounds and planned equipment replacement.

Capital Assets in Millions of Dollars					
	Balance at June 30, 2022	Prior Period Adjustment	Additions	Disposals	Balance a June 30, 2023
Sites	11,106		275		11,381
Buildings	175,653	8,370	5,908		189,931
Buildings - Work in Progress	3,428		16,486	(1,287)	18,627
Furniture & Equipment	15,282		1,076	(780)	15,578
Vehicles	11,638		1,075	(1,340)	11,373
Computer Software	487		2	(139)	350
Computer Hardware	3,190		609	(352)	3,447
Total	220,784	8,370	25,431	(3,898)	250,687

District major capital expenditures totaled \$27.013 million in 2022-2023. The projects outlined below were funded by capital grants received from the Ministry of Education and Child Care Bylaw Capital, School Enhancement Program, Carbon Neutral Program, Bus Acquisition program, Playground Replacement Program and other Ministry capital programs along with funds from the District's Local Capital Reserve, and other Capital Reserve Funds.

CAPITAL ASSET	Amount
Valleyview Secondary School Expansion	2,714,024
Parkcrest Elementary School Rebuild	12,407,576
Elementary School in Pineview Valley	533,074
Buildings and Portable Classroom Space	308,524
District and Classroom Furniture and Equipment	560,730
District and Classroom Information Technology Equipment	609,093
School Bus Replacement and Equipment	845,456
District Vehicle Replacement	229,791
Annual Facilities Grant - School Improvements	3,004,000
School Enhancement Projects - Boilers/HVAC Systems	688,632
Playground Enhancement Program	315,704
Photocopiers	
Inclusive Education Equipment	29,849
Custodial Equipment	45,133
Youth Work in Trades Equipment	27,392
District Software Purchases	
Kamloops Child Development Centre - Daycare Spaces	296,000
Happyvale & Ralph Bell	2,489,930
Sun Peaks Portables	1,908,340
	27,013,248

Conclusion

The District is reporting a modest Operating Fund Deficit of (\$1,075,939) or 0.58% of total operating revenues.

Due to the ongoing effects of the global pandemic, the District has continued to experience increased absenteeism across all employee groups. This has caused increased replacement costs, negatively impacting financial results. Due to this absenteeism combined with increased benefits costs, the District's salaries and benefits costs exceeded budget.

Looking forward to the 2023-2024 school year, the District will continue to monitor its cost pressures in staffing and benefit costs while continuing to implement year two of the District Strategic Plan working towards supporting learning opportunities and environments which inspire students to thrive.

Contacting the School District's Financial Management

This financial report is designed to provide the District's stakeholders with a general overview of the School District's finances and to demonstrate the District's accountability for the Provincial funding it receives. If you have questions about this report or need additional financial information, contact the Secretary-Treasurer's Office.

