

Audited Financial Statements of

**School District No. 73 (Kamloops-Thompson)**

And Independent Auditors' Report thereon

June 30, 2021

# School District No. 73 (Kamloops-Thompson)

June 30, 2021

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# School District No. 73 (Kamloops-Thompson)

## MANAGEMENT REPORT

Version: 9351-8605-6623

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 73 (Kamloops-Thompson) 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. 73 (Kamloops-Thompson) (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, BDO Canada 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. 73 (Kamloops-Thompson) 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. 73 (Kamloops-Thompson)

<u>Signature on file</u>	September 13, 2021
Signature of the Chairperson of the Board of Education	Date Signed

<u>Signature on file</u>	September 13, 2021
Signature of the Superintendent	Date Signed

<u>Signature on file</u>	September 13, 2021
Signature of the Secretary Treasurer	Date Signed

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## Independent Auditor's Report

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To the Board of Education of School District No. 73 (Kamloops-Thompson)

### Opinion

We have audited the financial statements of School District No. 73 (Kamloops-Thompson) (the District), which comprise the Statements of Financial Position as at June 30, 2021, Statements of Operations, Change in Net Financial Assets and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as at June 30, 2021, and its financial performance and cash flows for the year then ended in accordance with the accounting requirements 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

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

### Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the exhibits on pages 32 through 46 of School District No. 73 (Kamloops-Thompson)'s Financial Statements.

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

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

## **Chartered Professional Accountants**

Kamloops, British Columbia  
September 13, 2021

# School District No. 73 (Kamloops-Thompson)

Statement 1

## Statement of Financial Position

As at June 30, 2021

	2021 Actual	2020 Actual
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	38,825,948	33,070,654
Accounts Receivable		
Due from Province - Ministry of Education	2,121,391	3,058,424
Due from First Nations	890,222	1,100,250
Other (Note 3)	1,176,514	167,330
Investments in Government Business Enterprises (Note 6)	2,277,098	1,297,831
Portfolio Investments (Note 5)	27,139	27,139
<b>Total Financial Assets</b>	<b>45,318,312</b>	<b>38,721,628</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	20,742	
Other (Note 7)	17,138,925	13,695,243
Unearned Revenue (Note 8)	3,107,437	2,149,245
Deferred Revenue (Note 9)	5,227,813	5,473,352
Deferred Capital Revenue (Note 10)	62,147,691	48,553,883
Employee Future Benefits (Note 11)	5,728,968	5,424,977
Other Liabilities	293,818	217,076
<b>Total Liabilities</b>	<b>93,665,394</b>	<b>75,513,776</b>
<b>Net Debt</b>	<b>(48,347,082)</b>	<b>(36,792,148)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 4)	89,439,528	74,566,058
Restricted Assets (Endowments) (Note 22)	150,125	150,125
Prepaid Expenses	428,299	524,337
Supplies Inventory	583,196	381,006
<b>Total Non-Financial Assets</b>	<b>90,601,148</b>	<b>75,621,526</b>
<b>Accumulated Surplus (Deficit)</b>	<b>42,254,066</b>	<b>38,829,378</b>

Contractual Obligations (Note 18)

Contingent Liabilities (Note 20)

Approved by the Board

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

\_\_\_\_\_  
September 13, 2021  
Date Signed

\_\_\_\_\_  
Signature on file  
Signature of the Superintendent

\_\_\_\_\_  
September 13, 2021  
Date Signed

\_\_\_\_\_  
Signature on file  
Signature of the Secretary Treasurer

\_\_\_\_\_  
September 13, 2021  
Date Signed

# School District No. 73 (Kamloops-Thompson)

Statement of Operations  
Year Ended June 30, 2021

	2021 Budget (Note 19) \$	2021 Actual \$	2020 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	180,663,959	<b>180,602,638</b>	169,167,314
Other	55,040	<b>83,440</b>	55,440
Tuition	2,666,550	<b>2,182,567</b>	4,891,438
Other Revenue	8,953,859	<b>7,216,056</b>	8,786,404
Rentals and Leases	77,949	<b>164,958</b>	291,647
Investment Income	290,000	<b>256,057</b>	344,503
Income (Loss) from Investments in Government Business Enterprises	1,000,000	<b>979,267</b>	206,574
Gain (Loss) on Disposal of Tangible Capital Assets		<b>428,043</b>	
Amortization of Deferred Capital Revenue	3,043,213	<b>3,128,233</b>	2,996,498
<b>Total Revenue</b>	<u>196,750,570</u>	<u><b>195,041,259</b></u>	<u>186,739,818</u>
<b>Expenses</b>			
Instruction	152,804,455	<b>152,193,489</b>	143,666,146
District Administration	5,369,228	<b>5,645,978</b>	5,359,614
Operations and Maintenance	29,222,731	<b>28,376,869</b>	28,101,520
Transportation and Housing	5,692,076	<b>5,400,235</b>	5,150,814
Supplies	9,516,204		
<b>Total Expense</b>	<u>202,604,694</u>	<u><b>191,616,571</b></u>	<u>182,278,094</u>
<b>Surplus (Deficit) for the year</b>	<u>(5,854,124)</u>	<u><b>3,424,688</b></u>	<u>4,461,724</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>38,829,378</b>	34,367,654
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u><b>42,254,066</b></u>	<u>38,829,378</u>

# School District No. 73 (Kamloops-Thompson)

## Statement of Changes in Net Debt

Year Ended June 30, 2021

	2021 Budget (Note 19) \$	2021 Actual \$	2020 Actual \$
<b>Surplus (Deficit) for the year</b>	(5,854,124)	<b>3,424,688</b>	4,461,724
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(6,742,006)	<b>(20,437,309)</b>	(13,664,646)
Amortization of Tangible Capital Assets	5,160,693	<b>5,491,882</b>	5,103,870
Net carrying value of Tangible Capital Assets disposed of		<b>71,957</b>	
<b>Total Effect of change in Tangible Capital Assets</b>	(1,581,313)	<b>(14,873,470)</b>	(8,560,776)
Acquisition of Prepaid Expenses			(71,622)
Use of Prepaid Expenses		<b>96,038</b>	
Acquisition of Supplies Inventory		<b>(202,190)</b>	
Use of Supplies Inventory			122,025
<b>Total Effect of change in Other Non-Financial Assets</b>	-	<b>(106,152)</b>	50,403
<b>(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)</b>	<u>(7,435,437)</u>	<b>(11,554,934)</b>	(4,048,649)
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Debt</b>		<b>(11,554,934)</b>	(4,048,649)
<b>Net Debt, beginning of year</b>		<b>(36,792,148)</b>	(32,743,499)
<b>Net Debt, end of year</b>		<b>(48,347,082)</b>	(36,792,148)



# School District No. 73 (Kamloops-Thompson)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2021

	2021 Actual	2020 Actual
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	3,424,688	4,461,724
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	137,877	(1,720,001)
Supplies Inventories	(202,190)	122,025
Prepaid Expenses	96,038	(71,622)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	3,464,424	4,099,193
Unearned Revenue	958,192	(961,702)
Deferred Revenue	(245,539)	1,190,065
Employee Future Benefits	303,991	247,899
Other Liabilities	76,742	93,854
Loss (Gain) on Disposal of Tangible Capital Assets	(428,043)	
Amortization of Tangible Capital Assets	5,491,882	5,103,870
Amortization of Deferred Capital Revenue	(3,128,233)	(2,996,498)
Recognition of Deferred Capital Revenue Spent on Sites		(832,690)
Capital Grants Spent on Building Maintenance/Roofing Projects	(2,485,138)	(2,821,785)
Insurance Proceeds Netted With Expenditures		(769,546)
<b>Total Operating Transactions</b>	<b>7,464,691</b>	<b>5,144,786</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(8,403,467)	(10,059,497)
Tangible Capital Assets -WIP Purchased	(12,033,842)	(3,605,149)
District Portion of Proceeds on Disposal	500,000	
<b>Total Capital Transactions</b>	<b>(19,937,309)</b>	<b>(13,664,646)</b>
<b>Financing Transactions</b>		
Capital Revenue Received	19,207,179	13,662,548
<b>Total Financing Transactions</b>	<b>19,207,179</b>	<b>13,662,548</b>
<b>Investing Transactions</b>		
Decrease (Increase) in Investments in Government Business Enterprises	(979,267)	(206,574)
<b>Total Investing Transactions</b>	<b>(979,267)</b>	<b>(206,574)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>5,755,294</b>	<b>4,936,114</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>33,070,654</b>	<b>28,134,540</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>38,825,948</b>	<b>33,070,654</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	38,825,948	33,070,654
	<b>38,825,948</b>	<b>33,070,654</b>

# School District No. 73 (Kamloops-Thompson)

## Notes to the Financial Statements

June 30, 2021

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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. 73 (Kamloops-Thompson)", and operates as "School District No. 73 (Kamloops-Thompson)." 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 the schools in the District, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 73 (Kamloops-Thompson) is exempt from federal and provincial corporate income taxes.

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

### Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *a) Basis of Accounting*

These financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards without not-for-profit provisions except in regard to the accounting for government transfers as set out in Notes 2(g) and 2(m).

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

As noted in Notes 2(g) and 2(m), Section 23.1 of the Budget Transparency and Accountability Act and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue. The impact of this difference on the financial statements of the School District is as follows:

- Year-ended June 30, 2021 increase in annual surplus by \$1,006,590 (June 30, 2020 - increase by \$1,955,817).
- June 30, 2021 - increase in accumulated surplus and decrease in deferred contributions by \$62,147,692 (2020 - \$48,553,882).

# School District No. 73 (Kamloops-Thompson)

## Notes to the Financial Statements

June 30, 2021

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### ***b) Basis of Consolidation***

These financial statements reflect the assets, liabilities, revenue and expenses of this entity, which is comprised of School District No. 73 (Kamloops-Thompson). The investment in the School District No. 73 Business Company, a government business enterprise, is accounted for using the modified equity method. Under the modified equity method of accounting, only the School District's investment in the business enterprise and the enterprise's net income and other changes in equity are recorded (or proportionate share in the business partnership). No adjustment is made for accounting policies of the enterprise that are different from those of the School District. Other comprehensive income of the business enterprise is presented in the statement of remeasurement gains and losses.

Inter-organizational transactions and balances are not eliminated, except for any profit or loss on the sale between entities of assets that remain within the reporting entity.

Condensed supplementary financial information relative to government business enterprises is disclosed in Note 6.

### ***c) Cash and Cash Equivalents***

Cash and cash equivalents include cash 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) Accounts Receivable***

Accounts receivable are shown net of allowance for doubtful accounts

### ***e) Portfolio Investments***

The School District has investments in the BC Interior Community Foundation (BCICF). Portfolio investments in equity instruments that are quoted in an active market are recorded at fair value and the associated transaction costs are expensed upon initial recognition. The change in the fair value is recognized in the Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until the portfolio investments are realized on disposal. Upon disposal, any accumulated remeasurement gains or losses associated with the portfolio investments are reclassified to the Statement of Operations. As there are no remeasurement gains or losses to report, the statement of remeasurement gains and losses has not been prepared.

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

Detailed information regarding portfolio investments is disclosed in Note 5.

### ***f) Unearned Revenue***

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

# School District No. 73 (Kamloops-Thompson)

## Notes to the Financial Statements

June 30, 2021

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### **g) 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(m).

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished. See Note 2(a) for the impact of this policy on these financial statements.

### **h) 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 except as per the election described in Note 11.

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 excess of cumulative unrecognized actuarial gains (losses) over 10 percent of the accrued benefit obligation is amortized over the expected average remaining service lifetime (EARSL) of active employees covered under the plan. The EARSL for employees of the School District is 10.1 years.

The most recent valuation of the obligation was performed at March 31, 2019 and projected to March 31, 2020. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of October 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.

### ***j) 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. Transfers of capital assets from related parties are recorded at carrying 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. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- 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

### ***j) Prepaid Expenses***

Prepaid expenses consist of prepaid insurance, prepaid photocopier usage, prepaid capital expenditures and other miscellaneous prepaid expenses.

### ***k) Supplies Inventory***

Inventory includes fuel and stock or raw materials on hand and is recorded at the lower of cost and net realizable value.

### ***l) Funds and Reserves***

Certain amounts, as approved by the Board, are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 13 - Internally Restricted Surplus and Note 23 – Interfund Transfers).

***m) Revenue Recognition***

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

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

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

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

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

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished. See Note 2(a) for the impact of this policy on these financial statements.

Revenue related to fees or services received in advance of the fee being earned or the service 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 No. 73 (Kamloops-Thompson)

## Notes to the Financial Statements

June 30, 2021

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### ***n) Expenditures***

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

#### Categories of Salaries

- Principals, Vice-Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice-Principals.
- Superintendents, Assistant Superintendents, Secretary-Treasurers, Trustees and 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.

### ***o) Liability for Contaminated Sites***

The School District is required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized when an environmental standard exists, contamination exceeds the environmental standard, the School District has responsibility for remediation, future economic benefits will be given up and a reasonable estimate can be made. The School District has no such sites as of June 30, 2021.

### ***p) Endowment Contributions***

Endowment contributions are reported as revenue on the Statement of Operations when received. Investment income earned on endowment principal is recorded as deferred revenue if it meets the definition of a liability and is recognized as revenue in the year related expenses (disbursements) are incurred. If the investment income earned does not meet the definition of a liability, it is recognized as revenue in the year it is earned. Endowment assets are reported as restricted non-financial assets on the Statement of Financial Position.

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

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

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.

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

### **r) Measurement Uncertainty**

Preparation of financial statements in accordance with the basis of accounting described in Note 2(a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.



# School District No. 73 (Kamloops-Thompson)

## Notes to the Financial Statements

June 30, 2021

### (s) Future Changes in Accounting Policies

**PS 3280 Asset Retirement Obligations** issued August 2018 establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets and is effective for the School District's year ending June 30, 2023. A liability will be recognized when, as at the financial reporting date:

- (a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (b) the past transaction or event giving rise to the liability has occurred;
- (c) it is expected that future economic benefits will be given up; and
- (d) a reasonable estimate of the amount can be made.

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

A modified retroactive application has been recommended by Government. Management is in the process of assessing the impact of adopting this standard on the School District's financial results.

**PS 3400 Revenue** issued November 2018 establishes standards on how to account for and report on revenue and is effective for the School District's year ending June 30, 2024. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

Revenue from transactions with performance obligations should be recognized when (or as) the school district satisfies a performance obligation by providing the promised goods or services to a payor.

Revenue from transactions with no performance obligations should be recognized when a school district:

- (a) has the authority to claim or retain an inflow of economic resources; and
- (b) identifies a past transaction or event that gives rise to an asset.

This standard may be applied retroactively or prospectively. Management is in the process of assessing the impact of adopting this standard on the School District's financial results

### Note 3 ACCOUNTS RECEIVABLE - OTHER

	<u>2021</u>	<u>2020</u>
Other	\$1,184,977	\$175,867
Allowance for Doubtful Accounts	(8,463)	(8,537)
	<u>\$1,176,514</u>	<u>\$167,330</u>

Included in accounts receivable - other is \$nil from School District No. 73 Business Company (2020 - \$(841,004)).

# School District No. 73 (Kamloops-Thompson)

## Notes to the Financial Statements

June 30, 2021

**Note 4 TANGIBLE CAPITAL ASSETS**

Cost	Balance at June 30, 2020	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2021
Sites	\$11,177,819	\$-	\$71,957	\$-	<b>\$11,105,862</b>
Buildings	144,561,098	3,957,088	628,549	12,033,842	<b>159,923,479</b>
Furniture & Equipment	13,716,351	1,492,218	364,890	-	<b>14,843,679</b>
Vehicles	10,976,269	2,109,247	1,006,479	-	<b>12,079,037</b>
Software	351,780	70,908	25,967	-	<b>396,721</b>
Computer Hardware	3,184,420	774,006	1,080,084	-	<b>2,878,342</b>
<b>Total</b>	<b>\$183,967,737</b>	<b>\$8,403,467</b>	<b>\$3,177,926</b>	<b>\$12,033,842</b>	<b>\$201,227,120</b>

Amortization	Balance at June 30, 2020	Additions	Disposals	Balance at June 30, 2021
Sites	\$-	\$-	\$-	\$-
Buildings	98,183,078	2,315,380	628,549	<b>99,869,909</b>
Furniture & Equipment	4,543,871	1,371,635	364,890	<b>5,550,616</b>
Vehicles	5,226,921	1,097,627	1,006,479	<b>5,318,069</b>
Software	105,202	70,356	25,967	<b>149,591</b>
Computer Hardware	1,342,607	636,884	1,080,084	<b>899,407</b>
<b>Total</b>	<b>\$109,401,679</b>	<b>\$5,491,882</b>	<b>\$3,105,969</b>	<b>\$111,787,592</b>

Cost	Balance at July 1, 2019	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2020
Sites	\$10,345,129	\$832,690	\$-	\$-	<b>\$11,177,819</b>
Buildings	136,467,146	5,148,053	659,250	3,605,149	<b>144,561,098</b>
Furniture & Equipment	12,078,791	2,028,295	390,735	-	<b>13,716,351</b>
Vehicles	11,071,221	984,354	1,079,306	-	<b>10,976,269</b>
Software	311,740	83,745	43,705	-	<b>351,780</b>
Computer Hardware	2,518,131	982,364	316,075	-	<b>3,184,420</b>
<b>Total</b>	<b>\$172,792,158</b>	<b>\$10,059,501</b>	<b>\$2,489,071</b>	<b>\$3,605,149</b>	<b>\$183,967,737</b>

Amortization	Balance at July 1, 2019	Additions	Disposals	Balance at June 30, 2020
Buildings	96,619,433	2,222,895	659,250	<b>98,183,078</b>
Furniture & Equipment	3,739,371	1,195,235	390,735	<b>4,543,871</b>
Vehicles	5,186,461	1,119,766	1,079,306	<b>5,226,921</b>
Software	86,559	62,348	43,705	<b>105,202</b>
Computer Hardware	1,155,056	503,626	316,075	<b>1,342,607</b>
<b>Total</b>	<b>\$106,786,880</b>	<b>\$5,103,870</b>	<b>\$2,489,071</b>	<b>\$109,401,679</b>

	June 30, 2021	June 30, 2020
Sites	<b>\$11,105,862</b>	\$11,177,819
Buildings	<b>60,053,570</b>	46,378,020
Furniture & Equipment	<b>9,293,063</b>	9,172,480
Vehicles	<b>6,760,968</b>	5,749,348
Software	<b>247,130</b>	246,578
Computer Hardware	<b>1,978,935</b>	1,841,813
	<b>\$89,439,528</b>	\$74,566,058

# School District No. 73 (Kamloops-Thompson)

## Notes to the Financial Statements

June 30, 2021

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### Note 5 PORTFOLIO INVESTMENTS

	<b>June 30, 2021</b>	June 30, 2020
BC Interior Community Foundation	<u><b>\$27,139</b></u>	<u>\$27,139</u>
Total	<u><b>\$27,139</b></u>	<u>\$27,139</u>

The District has invested scholarship and bursary funds as an endowment with the BC Interior Community Foundation. The portfolio investment represents funds used to service on-going awards. (Note 22 - Endowment Funds).

# School District No. 73 (Kamloops-Thompson)

## Notes to the Financial Statements

June 30, 2021

### Note 6 INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES

Summary of the financial statements of School District No. 73 Business Company, for the year ended June 30, 2021, is as follows:

<b>Balance Sheet</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>
Current Assets	-	
Cash	2,333,282	432,108
Accounts receivable	76,587	111,642
Due from Shareholder	-	840,804
Due from Virtual School Society	2,000	2,000
	<u>2,411,869</u>	<u>1,386,554</u>
Property, plant and equipment	34,844	919
Total assets	<u>2,446,713</u>	<u>1,387,473</u>
Current Liabilities		
Accounts payable	97,403	84,667
Deferred revenue	1,270	4,900
Due to Shareholder	70,942	-
	<u>169,615</u>	<u>89,567</u>
Shareholder's Equity		
Share capital	1	1
Contributed surplus	370,101	370,101
Retained earnings	1,906,996	927,729
	<u>2,277,098</u>	<u>1,297,831</u>
Total Liabilities and Shareholder's Equity	<u>2,446,713</u>	<u>1,387,398</u>

<b>Statement of Operations</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>
Revenue	2,500,286	1,118,938
Expenses	1,479,019	912,289
Income (loss) from Operations	<u>1,021,267</u>	<u>206,649</u>
Retained earnings, beginning of the year	<u>927,729</u>	<u>721,155</u>
Net Income for Year	1,021,267	206,574
Dividends	(42,000)	-
	<u>979,267</u>	<u>206,574</u>
Retained earnings, end of the year	<u>1,906,996</u>	<u>927,729</u>

# School District No. 73 (Kamloops-Thompson)

## Notes to the Financial Statements

June 30, 2021

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### Note 6 INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES (Continued)

The School District No. 73 Business Company (SD73BC) was incorporated on February 14, 2006. The initial focus for the company was the sale of online educational programming to out of country, non-resident students. On August 1, 2013, SD73BC acquired the LearnNowBC (LNBC) contract from the Virtual School Society (VSS).

SD73BC operated LNBC between August 2013 and June 30, 2016 when under Ministry of Education direction, wound up LNBC. School District No. 73 provides management and operation expertise to SD73BC and for that services, they charge SD73BC 5% of gross revenues. The online educational programming division is referred to as Global Education and it continues to grow annually.

School District No. 73 Business Company was retained by British Columbia boards of education and independent school authorities to provide services, in the form of Distributed Learning courses that are part of British Columbia's educational curriculum, to Non-Resident Students outside British Columbia who wish to attend schools operated by those boards or authorities but who are unable or unwilling to travel to British Columbia for the start of the 2020-2021 school year due to the COVID-19 pandemic.

During the year ended June 30, 2021, the School District charged SD73BC a management fee of \$124,679 (2020 - \$55,947) in respect of administrative support provided to SD73BC.

### Note 7 ACCOUNTS PAYABLE - OTHER

	<u>2021</u>	<u>2020</u>
Trade payables	\$4,661,343	\$3,042,512
Salary and benefits payable	8,264,579	8,453,474
Accrued vacations payable	2,512,027	2,199,257
Due to SD73 Business Company	1,700,976	-
	<u>\$17,138,925</u>	<u>\$13,695,243</u>

Included in accounts payable - other (Note 7) is \$1,700,976 (2020 - \$nil) due to/(from) the SD73BC.

### Note 8 UNEARNED REVENUE

	<u>2021</u>	<u>2020</u>
Balance, beginning of the year	\$2,149,245	\$3,110,947
Changes for the year		
Increase:		
Tuition fees	3,140,759	2,117,261
Decrease:		
Tuition fees	2,182,567	3,078,963
Net change for the year	<u>958,192</u>	<u>961,702</u>
Balance, end of the year	<u>\$3,107,437</u>	<u>\$2,149,245</u>

# School District No. 73 (Kamloops-Thompson)

## Notes to the Financial Statements

June 30, 2021

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### **Note 9            DEFERRED REVENUE**

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the Restricted Contribution Regulation 198/2011 issued by Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled. Detailed information about the changes in deferred revenue is included in Schedule 3A.

### **Note 10           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 Contribution Regulation 198/2011 issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired. Detailed information about the changes in deferred capital revenue is included in Schedules 4C and 4D.

# School District No. 73 (Kamloops-Thompson)

## Notes to the Financial Statements

June 30, 2021

**Note 11      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.

	June 30, 2021	June 30, 2020
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation - April 1	5,490,048	5,147,764
Service Cost	477,192	450,943
Interest Cost	129,920	135,433
Benefit Payments - April 1 to March 31 - VESTED	(297,738)	(441,410)
Benefit Payments - April 1 to March 31 - NON-VESTED	(101,239)	(95,135)
Actuarial (Gain) Loss	(83,897)	292,453
Accrued Benefit Obligation - March 31	5,614,286	5,490,048
<b>Change in Plan Assets</b>		
Employer Contributions - April 1 to March 31	101,239	536,545
Benefit Payments - April 1 to March 31	(101,239)	(536,545)
	-	-
<b>Reconciliation of Funded Status as End of Fiscal Year</b>		
Accrued Benefit Obligation - March 31	(5,614,286)	(5,490,048)
Funded Status - Surplus (Deficit)	(5,614,286)	(5,490,048)
Employer Contributions After Measurement Date - April 1 to June 30 - Vested	66,378	29,964
Benefit Expense After Measurement Date - April 1 to June 30	(155,095)	(151,778)
Unamortized Net Actuarial (Gain)/Loss	(25,965)	186,882
Accrued Benefit (Liability) Asset - June 30	(5,728,968)	(5,424,980)
<b>Components of Net Benefit Expense</b>		
Service Cost - July 1 to March 31	357,894	338,207
Service Cost - April 1 to June 30	118,444	119,298
Interest Cost - July 1 to March 31	97,440	101,575
Interest Cost - April 1 to June 30	36,651	32,480
Amortization of Net Actuarial (Gain)/Loss	128,950	105,377
Net Benefit Expense (Income)	739,379	696,937
<b>Reconciliation of Change in Accrued Benefit Liability (Asset)</b>		
Accrued Benefit Liability (Asset) - July 1	5,424,980	5,177,078
Net Expense for Fiscal Year	739,379	696,937
Employer Contributions - July 1 to March 31	(369,013)	(419,072)
Employer Contributions - April 1 to June 30	(66,378)	(29,963)
Accrued Benefit Liability (Asset) - June 30	5,728,968	5,424,980

# School District No. 73 (Kamloops-Thompson)

## Notes to the Financial Statements

June 30, 2021

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### Note 11 EMPLOYEE FUTURE BENEFITS (Continued)

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

**Assumptions:**

Discount Rate - April 1	2.25%	2.50%
Discount Rate - March 31	2.50%	2.25%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	10.1	10.1

### Note 12 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The Board of Trustees for these plans representing plan members and employers and 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 provided are based on a formula. As at December 31, 2020, the Teachers' Pension Plan has about 49,000 active members and approximately 40,000 retired members. As of December 31, 2020, the Municipal Pension Plan has about 220,000 active members, including 28,000 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.

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

The School District No. 73 (Kamloops-Thompson) paid \$13,716,223 (2020 - \$ 11,997,858) for employer contributions to these plans in the year ended June 30, 2021.



# School District No. 73 (Kamloops-Thompson)

## Notes to the Financial Statements

June 30, 2021

**Note 13 OPERATING FUND BALANCE, END OF YEAR**

	Balance at June 30, 2020	Increases	Decreases	Balance at June 30, 2021
<b>Internally Restricted Future School Years</b>				
Utility Fuel Budget	700,000	-	(151,112)	548,888
Strategic Plan Refresh	147,500	-	(72,500)	75,000
Future of Schools Project	-	75,000	-	75,000
Department Carry Forward	557,956	-	(12,694)	545,262
School Supply Carry Forward	1,403,793	41,576	-	1,445,369
General Reserve - COVID-19	1,474,821	-	(450,562)	1,024,259
Ministry of Education Holdback	-	501,569	-	501,569
School Evacuation Plan	-	100,000	-	100,000
	4,284,070	718,145	(686,868)	4,315,347
<b>Internally Restricted Future Anticipated Expenses</b>				
Employee Benefits	328,755	(328,755)	-	-
<b>Total Restricted Operating Reserve</b>	<b>328,755</b>	<b>(328,755)</b>	-	-
<b>Internally Restricted - Funds with Constraints</b>				
SD73BC Management Fee	485,872	-	-	485,872
Aboriginal Education	937,393	553,833	-	1,491,226
International Student Program	817,567	-	(76,024)	741,543
AFG Other	65,003	-	(6,705)	58,298
Summer School	43,271	-	(39,489)	3,782
	2,349,106	553,833	(122,218)	2,780,721
<b>Total Operating Reserve Balances</b>	<b>6,961,931</b>	<b>943,223</b>	<b>(809,086)</b>	<b>7,096,068</b>

The School District has operating reserve funds separated into two categories: Internally restricted funds and unrestricted funds. Internally Restricted funds are held in reserve for future expenditures based on specific criteria. In early September and once the operating surplus/deficit has been determined, the Secretary-Treasurer, convenes a meeting of the District's Audit Committee to review the operating surplus/deficit as well as the various restricted and unrestricted reserves to ensure the School District optimizes the reserve balances in support of District operations. The audit committee also makes a recommendation with respect to any transfers to Local Capital.

The Audit Committee is composed of the Board Chair, Vice Chair, Chair of the Finance and Planning Committee, Superintendent, Secretary-Treasurer, Director of Finance and a member at large from the community with a financial background. Based on that review, the Secretary-Treasurer will bring forward the Audit Committee recommendations to the Board of Education for consideration and approval. At a Public Board meeting, the Board of Education will also have an opportunity to discuss the recommendations with the District's external auditors who attend and provide a detailed review of the audited financial statements for the year just completed.

# School District No. 73 (Kamloops-Thompson)

## Notes to the Financial Statements

June 30, 2021

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### Note 13 OPERATING FUND BALANCE (Continued)

#### *Operating Reserves:*

The School District budgets the utility, fuel and some specific operating accounts based on the average expenditures in previous years. Fluctuations due to price or volume changes in excess of operating budgets are covered off by the utility cost budget reserve. This process allows the School District to budget at average cost and the reserve is available if the budgets are exceeded.

Due to the COVID-19 outbreak and its impact on financial markets and social dislocating worldwide, with Board approval, the General Reserve - COVID-19 reserve was created to assist with providing funding against uncertain expenditures, enrollment and staffing pressures given the fluctuation of student enrollment. This reserve will be available to fund shortfalls should they occur.

Department and School Supply Reserve balances are an accumulation of operating under-expenditures the Board and Senior Administration allow departments and schools to carry forward for expenditures in future years. This annual practice eliminates staff spending to the full extent of the budget by June 30th thereby allowing educators and managers to improve the planning and expenditure of funds as they manage longer term projects. The Strategic Plan carry forward is to support the refresh of the multi-year strategic plan required by the Ministry of Education. The Future of Schools Project carry forward will support the Board of Education as it makes important school capital planning decisions over the next 10 years in alignment with the District's Strategic Plan and Long-Range Facilities Plan.

On occasion the Ministry of Education allocates holdback funds to be received by the District based on finalized enrolment numbers. In the 2020-2021 year the Board of Education will carry those funds forward to address students' learning loss, mental health and the unanticipated impact on students of the COVID-19 pandemic in the 2021-2022 school year.

Due to the ongoing threat of several wildfires within the Province of British Columbia severely impacting the Kamloops-Thompson and surrounding communities a plan is in place should a school, returning in September, be in a community that has been on evacuation alert then be required to evacuate. This reserve would cover estimated expenditures in September should they arise.

The Employee Benefit Reserve is an accumulation of benefit cost savings from previous operating years. This reserve is used to buffer the School District from significant benefit cost increases. As of June 30, 2021 the reserve was fully utilized by the District.

In 2017-2018, the School District created a reserve to isolate and manage the funds received from the School District Business Company (SD73BC) in support of student learning. The School District is the 100% owner of SD73BC. The day-to-day management of the SD73BC relies on expertise shared by the senior administration from the School District and for this expertise and their efforts, the SD73BC pays 5% of gross revenues to the School District as a management fee. The School District has collected the following fees over five years.

2016	199,487
2017	117,749
2018	111,947
2019	56,689
	<u>485,872</u>

The Aboriginal Education Reserve is an accumulation of targeted Aboriginal Education funding carried forward if not used in the year it is provided. The School District requires approval from the Minister of Education to carry these funds forward each year.

# School District No. 73 (Kamloops-Thompson)

## Notes to the Financial Statements

June 30, 2021

### Note 13 OPERATING FUND BALANCE (Continued)

The Annual Facility Grant (AFG) Other reserve is an accumulation of BC Hydro and Fortis BC rebates received in support of the School District installing energy efficient equipment upgrades within its facilities. These funds are used to purchase consulting services on future energy upgrades in the District to further our energy savings and sustainability.

Annually in July, the District offers summer school programming for students at both the elementary and secondary levels. As the number of students enrolled for funding purposes is generally not adequate to cover summer school staffing and expenses, with Board approval, the Summer School Reserve may be used to reduce the potential requirement for Operating Fund Budget top up when expenditures exceed funding.

### Note 14 SPECIAL PURPOSE FUND BALANCE, END OF THE YEAR

	Balance at June 30, 2020	Increases	Decreases	Balance at June 30, 2021
Ministry of Education	1,311,037	20,853,485	21,219,039	945,483
School Generated Funds	2,659,163	2,715,066	2,714,201	2,660,028
Other Special Purpose Funds	1,503,152	1,110,157	991,007	1,622,302
	5,473,352	24,678,708	24,924,247	5,227,813

Special Purpose Fund balances represent funding for specific programs. The majority of funding is from the Ministry of Education for programs such as the Annual Facility Grant, Classroom Enhancement Fund, Support Staff Learning Improvement Fund, Community Link, Early Learning programs, OLEP French, SET BC, Federal Safe Return to Class Fund and the Provincial Safe Return to School Grant. Revenues match expenditures for the specific program. Unspent funds are carried forward and utilized for the intended purpose in the subsequent year(s). Other Special Purpose funds include Scholarships, Vancouver Foundation, and Contributor Restricted funds.

### Note 15 LOCAL CAPITAL FUND BALANCE, END OF THE YEAR

	Balance at June 30, 2020	Increases	Decreases	Balance at June 30, 2021
Local Capital Reserve	\$2,763,024	4,527,761	(4,049,515)	\$3,241,270

The Local Capital Fund reserve represents a portion of accumulated operating surplus designated to fund the purchase of Tangible Capital Assets (TCA). The balance in Local Capital is increased through a decision recommended by the Audit Committee and approved by the Board of Education to transfer Operating Fund surplus into Local Capital, interest income or by sale of district owned land and property.

Funds may not be transferred from the Unrestricted Reserve Fund to Local Capital reserve if doing so would cause or increase a negative Unrestricted Reserve. Local Capital Reserves may be transferred back to Unrestricted Operating Reserve through special approval from the Board of Education.

# School District No. 73 (Kamloops-Thompson)

## Notes to the Financial Statements

June 30, 2021

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### Note 16 OTHER PROVINCIAL CAPITAL FUND BALANCE, END OF YEAR

	Balance at June 30, 2020	Increases	Decreases	Balance at June 30, 2021
Other Provincial Capital Reserve	\$1,187,555	-	(970,446)	<b>\$217,109</b>

Other Provincial Capital is a capital reserve fund representing a specific program created by the combined efforts of the Ministry of Jobs, Tourism and Skills Training (JTST) and the Industry Trades Authority (ITA). This joint venture called Youth Trades Capital Equipment Program (YTCEP) enables schools to purchase trades training equipment needed to support the delivery of one of the ITA's Youth Trades Programs. JTST requested the Ministry of Education (K-12 School Districts) assist by acting as the administrator of the YTCEP. Upon approval, funds were provided to school districts directly by the ITA.

Ministry of Children and Family Development has provided a capital fund to increase childcare spaces at a District owned facility. This joint venture will allow the operator to increase their spaces. During the year the District received \$nil (2020 - \$785,977).

### 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 generally considered to be in the normal course of operations and are recorded at the exchange amount.

### Note 18 CONTRACTUAL OBLIGATIONS

The School District has in place a long term supply arrangement with Super Save Enterprises Ltd. providing the School District with its propane delivery.

# School District No. 73 (Kamloops-Thompson)

## Notes to the Financial Statements

June 30, 2021

### Note 19 BUDGET FIGURES

The budget figures used in these financial statements are the amended budget approved by the Board of Education on February 22, 2021. This budget was amended from the original budget approved on April 27, 2020 due to it reflecting actual funding for final student enrolment, the related cost for changed enrolment, and other small changes. As PSAB requires the original budget to be presented, a reconciliation from the original to amended is below.

	Original	Adjustments	Amended
<b>Revenues</b>			
Provincial Grants	\$169,232,305	\$11,431,654	\$180,663,959
Other Grants	75,193	(20,153)	55,040
Tuition	3,517,500	(850,950)	2,666,550
Other Revenue	7,704,014	1,249,845	8,953,859
Rental and Lease	269,684	(191,735)	77,949
Investment Income	256,500	33,500	290,000
Income from Government Business Enterprise	400,000	600,000	1,000,000
Amortization of Deferred Capital Revenue	3,043,213	-	3,043,213
	<u>184,498,409</u>	<u>12,252,161</u>	<u>196,750,570</u>
<b>Expenses</b>			
Instruction	139,484,265	13,320,190	152,804,455
District Administration	5,550,865	(181,637)	5,369,228
Operation and Maintenance	29,072,208	150,523	29,222,731
Transportation and Housing	5,696,351	(4,275)	5,692,076
Supplies and Services	6,686,200	2,830,004	9,516,204
	<u>186,489,889</u>	<u>16,114,805</u>	<u>202,604,694</u>
<b>Net Revenue (Expenses)</b>	(1,991,480)	3,862,644	(5,854,124)
<b>Budget allocation (retirement) of surplus</b>	-	4,296,644	4,296,644
<b>Budgeted deficit for the year</b>	<u>\$(1,991,480)</u>	<u>\$8,159,288</u>	<u>\$(1,557,480)</u>

### Note 20 CONTINGENCIES

The nature of the School District's activities is such that there is usually litigation pending or in progress at any time. With respect to claims at June 30, 2021, management believes the School District has valid defences and appropriate insurance coverage is in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the School District's financial position.

# School District No. 73 (Kamloops-Thompson)

## Notes to the Financial Statements

June 30, 2021

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### Note 21 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 in accordance with PSA standards. This contemplates continuation of the School District as a "going concern".

### Note 22 ENDOWMENT FUNDS

On December 31, 2010 with approval from the original donors, the School District transferred \$173,757 of the Scholarship/Bursary funds to the BC Interior Community Foundation (BCICF) for investment. \$140,125 of the scholarship funds were endowment funds and \$33,632 of the funds were considered "Flow Thru" funds, which are utilized to service on-going awards. The Foundation invests all contributions to the Fund in accordance with the investment policy as established by the Foundation Board, and any provisions of legislation which regulates the activities of the Foundation. Income from the Fund shall be returned annually to the School District for distribution to the scholarship awardees. Disbursements will be at 5.00% of the endowment and this practise shall be reviewed with the Foundation at the end of the 10th year taking into account the actual and expected investment yields.

	<u>June 30, 2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2021</u>
<b>Endowments Held By:</b>				
BCICF	\$ 140,125	\$ 6,786	\$ (6,786)	\$ 140,125
School District	10,000	230	(230)	10,000
<b>Total Endowments</b>	<b>\$ 150,125</b>	<b>\$ 7,016</b>	<b>\$ (7,016)</b>	<b>\$ 150,125</b>

### Note 23 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds are reported on Schedule 2 – Schedule of Operations. For the year ended June 30, 2021 - \$4,014,342 was transferred from the Operating Fund to the Capital Fund (2020 - \$3,038,915).

# School District No. 73 (Kamloops-Thompson)

## Notes to the Financial Statements

June 30, 2021

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### Note 24 EXPENSE BY OBJECT

Expenses by object are the combined salaries, benefits, services, supplies and amortization expenses in the Operating, Special Purpose and Capital Funds.

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
<b>Expense:</b>		
Salaries and Benefits	<b>\$159,444,111</b>	\$149,518,168
Services and Supplies	<b>26,680,578</b>	27,656,056
Amortization	<b>5,491,882</b>	5,103,870
	<u><b>\$191,616,571</b></u>	<u>\$182,278,094</u>

### Note 25 RISK MANAGEMENT

#### **a) General Risk Management**

The School District's principal source of capital funding is received from the Province of British Columbia through the Ministry of Education. The School District defines capital to be fund balances.

School District No. 73 (Kamloops-Thompson) objectives when managing capital are:

- To safeguard the School District's ability to carry on as a going concern, so the School District can continue to provide its students and stakeholders with the following:
- The best possible learning environment based on the School District's Annual Facility Grant (AFG) plus additional funding, when available, from the local capital reserve.
- To ensure capital projects are implemented for the benefit of the students and staff and to make certain the Board mitigates any potential liability from safety concerns.

The management of the School District establishes an annual list of capital needs utilizing AFG funds which is presented to the Board for review and approval. AFG projects are prioritized to address the most pressing needs of the School District's physical plan.

A separate report is prepared based on the equipment needs of the District (ie: information technology, maintenance vehicles, classroom equipment, and other non-AFG projects). This report is presented to the Board on an annual basis with funding from the Local Capital Reserve. The Local Capital Reserve is funded from operating surpluses, when available.

The Board ensures there is adequate cash flow to complete the capital projects based on the priority list above. The Board manages the capital project structure and makes adjustments to it in light of changes in economic conditions and the availability of cash flows from operations.

#### **b) 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.

# School District No. 73 (Kamloops-Thompson)

## Notes to the Financial Statements

June 30, 2021

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

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions and the School District invests solely in guaranteed investment certificates.

### **c) 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. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in guaranteed investment certificates that have a maturity date of no more than five years. A 1% change in interest rates would cause interest income to increase or decrease by \$199,083.

### **d) Liquidity Risk**

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

The School District manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the School District's reputation.

## **Note 26 CREDIT FACILITY**

The School District holds a demand credit facility up to a maximum of \$5,000,000. When borrowed upon, the facility bears interest at prime rate less 0.750% per annum and is unsecured. As at June 30, 2021 and June 30, 2020, the facility was unused.



# School District No. 73 (Kamloops-Thompson)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund

Year Ended June 30, 2021

	Operating Fund	Special Purpose Fund	Capital Fund	2021 Actual	2020 Actual
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	6,961,931	1,447,956	30,419,491	<b>38,829,378</b>	34,367,654
<b>Changes for the year</b>					
Surplus (Deficit) for the year	4,148,479	1,198,396	(1,922,187)	<b>3,424,688</b>	4,461,724
Interfund Transfers					
Tangible Capital Assets Purchased		(219,129)	219,129	-	
Local Capital	(4,014,342)		4,014,342	-	
<b>Net Changes for the year</b>	<b>134,137</b>	<b>979,267</b>	<b>2,311,284</b>	<b>3,424,688</b>	<b>4,461,724</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>7,096,068</b>	<b>2,427,223</b>	<b>32,730,775</b>	<b>42,254,066</b>	38,829,378

# School District No. 73 (Kamloops-Thompson)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2021

	2021 Budget (Note 19) \$	2021 Actual \$	2020 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	156,230,000	<b>156,898,462</b>	152,132,456
Other	55,040	<b>83,440</b>	55,440
Tuition	2,666,550	<b>2,182,567</b>	4,891,438
Other Revenue	3,249,562	<b>3,511,251</b>	3,906,025
Rentals and Leases	77,949	<b>164,958</b>	291,647
Investment Income	250,000	<b>242,234</b>	253,241
<b>Total Revenue</b>	<b>162,529,101</b>	<b>163,082,912</b>	<b>161,530,247</b>
<b>Expenses</b>			
Instruction	135,292,873	<b>128,519,905</b>	126,035,886
District Administration	5,369,228	<b>5,645,978</b>	5,359,614
Operations and Maintenance	20,471,568	<b>19,664,348</b>	19,614,439
Transportation and Housing	5,692,076	<b>5,104,202</b>	5,150,814
<b>Total Expense</b>	<b>166,825,745</b>	<b>158,934,433</b>	<b>156,160,753</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>(4,296,644)</b>	<b>4,148,479</b>	<b>5,369,494</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>4,296,644</b>		
<b>Net Transfers (to) from other funds</b>			
Local Capital		<b>(4,014,342)</b>	(3,038,915)
<b>Total Net Transfers</b>	<b>-</b>	<b>(4,014,342)</b>	<b>(3,038,915)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>134,137</b>	<b>2,330,579</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>6,961,931</b>	<b>4,631,352</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>7,096,068</b>	<b>6,961,931</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		<b>7,096,068</b>	6,961,931
<b>Total Operating Surplus (Deficit), end of year</b>		<b>7,096,068</b>	<b>6,961,931</b>

# School District No. 73 (Kamloops-Thompson)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2021

	2021 Budget (Note 19) \$	2021 Actual \$	2020 Actual \$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	152,748,952	<b>153,451,964</b>	149,324,564
ISC/LEA Recovery	(2,587,454)	<b>(2,608,196)</b>	(2,587,454)
Other Ministry of Education Grants			
Pay Equity	575,959	<b>575,959</b>	575,959
Funding for Graduated Adults		<b>103,410</b>	87,111
Student Transportation Fund	666,817	<b>666,817</b>	666,817
Carbon Tax Grant			36,139
Employer Health Tax Grant			1,181,459
Support Staff Benefits Grant	131,810	<b>188,300</b>	126,543
Support Staff Wage Increase Funding			666,350
Teachers' Labour Settlement Funding	3,970,864	<b>3,970,864</b>	1,639,532
Early Career Mentorship Funding	310,000	<b>310,000</b>	
FSA Scorer Grant	20,194	<b>20,194</b>	15,694
Next Generation Network - Self Provisioned	215,000	<b>215,520</b>	251,244
Distributed Learning	174,228		140,868
Premier's Award			2,000
Other Ministry of Education Grants	3,630	<b>3,630</b>	5,630
<b>Total Provincial Grants - Ministry of Education</b>	<b>156,230,000</b>	<b>156,898,462</b>	152,132,456
<b>Provincial Grants - Other</b>	<b>55,040</b>	<b>83,440</b>	55,440
<b>Tuition</b>			
International and Out of Province Students	2,666,550	<b>2,182,567</b>	4,891,438
<b>Total Tuition</b>	<b>2,666,550</b>	<b>2,182,567</b>	4,891,438
<b>Other Revenues</b>			
Funding from First Nations	2,587,454	<b>2,608,196</b>	2,587,454
Miscellaneous			
Course Fees		<b>53,122</b>	47,030
Student Paid Meals		<b>131,054</b>	105,423
Trades and Transitions Program	249,660	<b>184,671</b>	224,528
Miscellaneous	412,448	<b>534,208</b>	281,590
City of Kamloops			660,000
<b>Total Other Revenue</b>	<b>3,249,562</b>	<b>3,511,251</b>	3,906,025
<b>Rentals and Leases</b>	<b>77,949</b>	<b>164,958</b>	291,647
<b>Investment Income</b>	<b>250,000</b>	<b>242,234</b>	253,241
<b>Total Operating Revenue</b>	<b>162,529,101</b>	<b>163,082,912</b>	161,530,247

# School District No. 73 (Kamloops-Thompson)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2021

	2021 Budget (Note 19) \$	2021 Actual \$	2020 Actual \$
<b>Salaries</b>			
Teachers	68,658,391	<b>67,714,693</b>	66,490,655
Principals and Vice Principals	10,087,011	<b>9,962,387</b>	9,545,743
Educational Assistants	9,783,283	<b>9,837,909</b>	9,381,920
Support Staff	18,689,355	<b>17,328,846</b>	17,525,236
Other Professionals	4,349,162	<b>4,481,111</b>	3,968,901
Substitutes	5,725,461	<b>6,393,432</b>	5,132,484
<b>Total Salaries</b>	<b>117,292,663</b>	<b>115,718,378</b>	112,044,939
<b>Employee Benefits</b>	26,274,070	<b>25,297,941</b>	25,027,879
<b>Total Salaries and Benefits</b>	<b>143,566,733</b>	<b>141,016,319</b>	137,072,818
<b>Services and Supplies</b>			
Services	4,299,808	<b>3,400,823</b>	3,889,158
Student Transportation	433,498	<b>269,570</b>	244,619
Professional Development and Travel	2,076,309	<b>1,201,432</b>	1,454,047
Dues and Fees	112,886	<b>114,074</b>	106,366
Insurance	512,224	<b>463,466</b>	542,467
Supplies	12,736,081	<b>9,412,647</b>	9,996,484
Utilities	3,088,206	<b>3,056,102</b>	2,854,794
<b>Total Services and Supplies</b>	<b>23,259,012</b>	<b>17,918,114</b>	19,087,935
<b>Total Operating Expense</b>	<b>166,825,745</b>	<b>158,934,433</b>	156,160,753

# School District No. 73 (Kamloops-Thompson)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2021

	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	53,649,233	1,442,145		978,778		4,330,557	60,400,713
1.03 Career Programs	290,882	124,530		-		24,427	439,839
1.07 Library Services	1,806,992	124,530		1,189,618		206,776	3,327,916
1.08 Counselling	1,762,919			508,619		167,474	2,439,012
1.10 Special Education	7,448,331	311,325	8,630,814	72,054		910,929	17,373,453
1.30 English Language Learning	264,438					21,234	285,672
1.31 Indigenous Education	482,517	114,478	1,207,095	23,926	618,663	7,415	2,454,094
1.41 School Administration		7,186,004		974,769		111,688	8,272,461
1.60 Summer School	86,918						86,918
1.61 Continuing Education	440,730	373,589		84,770		42,918	942,007
1.62 International and Out of Province Students	379,909	141,831		52,780		34,353	608,873
1.64 Other	1,101,824	143,955		54,503		92,322	1,392,604
<b>Total Function 1</b>	<b>67,714,693</b>	<b>9,962,387</b>	<b>9,837,909</b>	<b>3,939,817</b>	<b>618,663</b>	<b>5,950,093</b>	<b>98,023,562</b>
<b>4 District Administration</b>							
4.11 Educational Administration				300,808	1,302,262		1,603,070
4.40 School District Governance					212,622		212,622
4.41 Business Administration				763,523	1,318,514		2,082,037
<b>Total Function 4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,064,331</b>	<b>2,833,398</b>	<b>-</b>	<b>3,897,729</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				62,919	540,269		603,188
5.50 Maintenance Operations				8,526,731	294,701	279,304	9,100,736
5.52 Maintenance of Grounds				1,055,358		10,790	1,066,148
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,645,008</b>	<b>834,970</b>	<b>290,094</b>	<b>10,770,072</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration				139,052	194,080	-	333,132
7.70 Student Transportation				2,540,638	-	153,245	2,693,883
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,679,690</b>	<b>194,080</b>	<b>153,245</b>	<b>3,027,015</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>67,714,693</b>	<b>9,962,387</b>	<b>9,837,909</b>	<b>17,328,846</b>	<b>4,481,111</b>	<b>6,393,432</b>	<b>115,718,378</b>

# School District No. 73 (Kamloops-Thompson)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2021

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2021 Actual	2021 Budget (Note 19)	2020 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	60,400,713	13,626,776	74,027,489	3,578,660	77,606,149	81,747,090	74,791,567
1.03 Career Programs	439,839	93,522	533,361		533,361	536,913	540,795
1.07 Library Services	3,327,916	781,724	4,109,640	310,711	4,420,351	4,541,465	4,424,303
1.08 Counselling	2,439,012	564,815	3,003,827	436	3,004,263	3,079,249	2,990,472
1.10 Special Education	17,373,453	3,740,606	21,114,059	1,510,573	22,624,632	23,035,805	22,334,502
1.30 English Language Learning	285,672	64,188	349,860		349,860	353,631	338,878
1.31 Indigenous Education	2,454,094	548,594	3,002,688	577,479	3,580,167	5,035,168	3,518,901
1.41 School Administration	8,272,461	1,591,477	9,863,938	493,796	10,357,734	10,469,866	10,013,077
1.60 Summer School	86,918	15,854	102,772	1,904	104,676	118,312	145,165
1.61 Continuing Education	942,007	198,543	1,140,550	526,771	1,667,321	2,000,461	1,672,472
1.62 International and Out of Province Students	608,873	129,802	738,675	1,519,916	2,258,591	2,459,691	3,508,454
1.64 Other	1,392,604	305,034	1,697,638	315,162	2,012,800	1,915,222	1,757,300
<b>Total Function 1</b>	<b>98,023,562</b>	<b>21,660,935</b>	<b>119,684,497</b>	<b>8,835,408</b>	<b>128,519,905</b>	<b>135,292,873</b>	<b>126,035,886</b>
<b>4 District Administration</b>							
4.11 Educational Administration	1,603,070	202,955	1,806,025	177,366	1,983,391	1,856,577	1,914,200
4.40 School District Governance	212,622	17,784	230,406	105,038	335,444	403,825	355,959
4.41 Business Administration	2,082,037	434,436	2,516,473	810,670	3,327,143	3,108,826	3,089,455
<b>Total Function 4</b>	<b>3,897,729</b>	<b>655,175</b>	<b>4,552,904</b>	<b>1,093,074</b>	<b>5,645,978</b>	<b>5,369,228</b>	<b>5,359,614</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	603,188	116,746	719,934	348,115	1,068,049	1,322,071	1,073,134
5.50 Maintenance Operations	9,100,736	1,931,587	11,032,323	2,668,963	13,701,286	14,091,739	13,814,886
5.52 Maintenance of Grounds	1,066,148	242,504	1,308,652	530,259	1,838,911	1,969,552	1,875,970
5.56 Utilities	-	-	-	3,056,102	3,056,102	3,088,206	2,850,449
<b>Total Function 5</b>	<b>10,770,072</b>	<b>2,290,837</b>	<b>13,060,909</b>	<b>6,603,439</b>	<b>19,664,348</b>	<b>20,471,568</b>	<b>19,614,439</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	333,132	69,882	403,014	97,005	500,019	585,937	528,971
7.70 Student Transportation	2,693,883	621,112	3,314,995	1,289,188	4,604,183	5,106,139	4,621,843
<b>Total Function 7</b>	<b>3,027,015</b>	<b>690,994</b>	<b>3,718,009</b>	<b>1,386,193</b>	<b>5,104,202</b>	<b>5,692,076</b>	<b>5,150,814</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>115,718,378</b>	<b>25,297,941</b>	<b>141,016,319</b>	<b>17,918,114</b>	<b>158,934,433</b>	<b>166,825,745</b>	<b>156,160,753</b>

# School District No. 73 (Kamloops-Thompson)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2021

	2021 Budget (Note 19) \$	2021 Actual \$	2020 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	21,685,767	21,219,038	13,380,383
Other Revenue	5,184,297	3,704,805	4,810,801
Investment Income		404	502
Income (Loss) from Investments in Government Business Enterprises	1,000,000	979,267	206,574
<b>Total Revenue</b>	<u>27,870,064</u>	<u>25,903,514</u>	<u>18,398,260</u>
<b>Expenses</b>			
Instruction	17,511,582	23,673,584	17,630,260
Operations and Maintenance	842,278	735,501	561,426
Transportation and Housing		296,033	
Supplies	9,516,204		
<b>Total Expense</b>	<u>27,870,064</u>	<u>24,705,118</u>	<u>18,191,686</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>1,198,396</u>	<u>206,574</u>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased		(219,129)	
<b>Total Net Transfers</b>	<u>-</u>	<u>(219,129)</u>	<u>-</u>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>979,267</u>	<u>206,574</u>
<b>Special Purpose Surplus (Deficit), beginning of year</b>		1,447,956	1,241,382
<b>Special Purpose Surplus (Deficit), end of year</b>		<u>2,427,223</u>	<u>1,447,956</u>
<b>Special Purpose Surplus (Deficit), end of year</b>			
Related Entities		2,277,098	1,297,831
Endowment Contributions		150,125	150,125
<b>Total Special Purpose Surplus (Deficit), end of year</b>		<u>2,427,223</u>	<u>1,447,956</u>

# School District No. 73 (Kamloops-Thompson)

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2021

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	Special Education Technology	School Generated Funds	Related Entities	Strong Start	Ready, Set, Learn
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	140,426	-	681	86,218	-	2,659,163	-	-	19,649
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	701,852	555,368			131,445			224,000	83,981
Other				20,232		2,715,066			
Investment Income				404					
	701,852	555,368	-	20,636	131,445	2,715,066	-	224,000	83,981
<b>Less:</b> Allocated to Revenue Recovered	735,501	555,368	681	15,933	131,445	2,714,201		224,000	103,630
<b>Deferred Revenue, end of year</b>	<b>106,777</b>	<b>-</b>	<b>-</b>	<b>90,921</b>	<b>-</b>	<b>2,660,028</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenues</b>									
Provincial Grants - Ministry of Education	735,501	555,368	681		131,445			224,000	103,630
Other Revenue				15,529		2,714,201			
Investment Income				404					
Income (Loss) from Investments in Government Business Enterprises							979,267		
	735,501	555,368	681	15,933	131,445	2,714,201	979,267	224,000	103,630
<b>Expenses</b>									
Salaries									
Teachers					101,276				
Principals and Vice Principals									
Educational Assistants		452,752							
Support Staff								146,599	
Other Professionals									
Substitutes									6,460
	-	452,752	-	-	101,276	-	-	146,599	6,460
Employee Benefits		102,616			21,793			55,350	1,615
Services and Supplies	735,501		681	15,933	8,376	2,714,201		22,051	95,555
	735,501	555,368	681	15,933	131,445	2,714,201	-	224,000	103,630
<b>Net Revenue (Expense) before Interfund Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>979,267</b>	<b>-</b>	<b>-</b>
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased	-	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>979,267</b>	<b>-</b>	<b>-</b>



**School District No. 73 (Kamloops-Thompson)**

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2021

	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Safe Return to School Grant
<b>Deferred Revenue, beginning of year</b>	\$ 16,911	\$ 431,681	\$ 184,150	\$ 141,516	\$ -	\$ 338,214	\$ 487	\$ 4,725	\$ -
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	189,842	1,609,145	463,687	10,172,910	32,401	77,887	51,000	8,200	1,173,714
Other		-							
Investment Income									
	189,842	1,609,145	463,687	10,172,910	32,401	77,887	51,000	8,200	1,173,714
<b>Less:</b> Allocated to Revenue	206,753	1,391,530	463,687	10,172,910	19,629	296,033	6,748	8,639	1,173,714
Recovered			184,150	141,516					
<b>Deferred Revenue, end of year</b>	-	<b>649,296</b>	-	-	<b>12,772</b>	<b>120,068</b>	<b>44,739</b>	<b>4,286</b>	-
<b>Revenues</b>									
Provincial Grants - Ministry of Education	206,753	1,391,530	463,687	10,172,910	19,629	296,033	6,748	8,639	1,173,714
Other Revenue									
Investment Income									
Income (Loss) from Investments in Government Business Enterprises									
	206,753	1,391,530	463,687	10,172,910	19,629	296,033	6,748	8,639	1,173,714
<b>Expenses</b>									
Salaries									
Teachers	38,900	844,941		8,157,908					
Principals and Vice Principals			34,500						
Educational Assistants									
Support Staff		11,164	80,520						481,442
Other Professionals									
Substitutes		6,110	280,357		17,733		1,562	1,162	
	38,900	862,215	395,377	8,157,908	17,733	-	1,562	1,162	481,442
Employee Benefits	8,385	191,079	68,310	2,015,002	1,896		391	290	149,194
Services and Supplies	159,468	338,236				296,033	4,795	7,187	464,001
	206,753	1,391,530	463,687	10,172,910	19,629	296,033	6,748	8,639	1,094,637
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	-	79,077
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased									(79,077)
	-	-	-	-	-	-	-	-	(79,077)
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

# School District No. 73 (Kamloops-Thompson)

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2021

	Federal Safe Return to Class Fund	Literacy Innovation	BCLCA/ E-Learning	Contributor Restricted	Early Learning	TOTAL
	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>		26,437	2,900	1,416,934	3,260	5,473,352
<b>Add:</b> Restricted Grants						
Provincial Grants - Ministry of Education	5,686,169				17,550	21,179,151
Other				1,047,521		3,782,819
Investment Income				42,000		42,404
	5,686,169	-	-	1,089,521	17,550	25,004,374
<b>Less:</b> Allocated to Revenue	5,686,169	26,437	1,694	975,075	14,470	24,924,247
Recovered						325,666
<b>Deferred Revenue, end of year</b>	-	-	<b>1,206</b>	<b>1,531,380</b>	<b>6,340</b>	<b>5,227,813</b>
<b>Revenues</b>						
Provincial Grants - Ministry of Education	5,686,169	26,437	1,694		14,470	21,219,038
Other Revenue				975,075		3,704,805
Investment Income						404
Income (Loss) from Investments in Government Business Enterprises						979,267
	5,686,169	26,437	1,694	975,075	14,470	25,903,514
<b>Expenses</b>						
Salaries						
Teachers	2,059,744			66,035		11,268,804
Principals and Vice Principals	141,138					175,638
Educational Assistants						452,752
Support Staff	1,631,888			60,775		2,412,388
Other Professionals	40,629					40,629
Substitutes	501,301				386	815,071
	4,374,700	-	-	126,810	386	15,165,282
Employee Benefits	606,746			32,978	97	3,255,742
Services and Supplies	564,671	26,437	1,694	815,287	13,987	6,284,094
	5,546,117	26,437	1,694	975,075	14,470	24,705,118
<b>Net Revenue (Expense) before Interfund Transfers</b>	140,052	-	-	-	-	1,198,396
<b>Interfund Transfers</b>						
Tangible Capital Assets Purchased	(140,052)					(219,129)
	(140,052)	-	-	-	-	(219,129)
<b>Net Revenue (Expense)</b>	-	-	-	-	-	<b>979,267</b>

# School District No. 73 (Kamloops-Thompson)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2021

	2021	2021 Actual			2020
	Budget (Note 19)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education	2,748,192	2,485,138		2,485,138	3,654,475
Other Revenue	520,000			-	69,578
Investment Income	40,000		13,419	13,419	90,760
Gain (Loss) on Disposal of Tangible Capital Assets		428,043		428,043	
Amortization of Deferred Capital Revenue	3,043,213	3,128,233		3,128,233	2,996,498
<b>Total Revenue</b>	<b>6,351,405</b>	<b>6,041,414</b>	<b>13,419</b>	<b>6,054,833</b>	<b>6,811,311</b>
<b>Expenses</b>					
Operations and Maintenance	2,748,192	2,485,138		2,485,138	2,821,785
Amortization of Tangible Capital Assets					
Operations and Maintenance	5,160,693	5,491,882		5,491,882	5,103,870
<b>Total Expense</b>	<b>7,908,885</b>	<b>7,977,020</b>	<b>-</b>	<b>7,977,020</b>	<b>7,925,655</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>(1,557,480)</b>	<b>(1,935,606)</b>	<b>13,419</b>	<b>(1,922,187)</b>	<b>(1,114,344)</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased		219,129		219,129	
Local Capital			4,014,342	4,014,342	3,038,915
<b>Total Net Transfers</b>	<b>-</b>	<b>219,129</b>	<b>4,014,342</b>	<b>4,233,471</b>	<b>3,038,915</b>
<b>Other Adjustments to Fund Balances</b>					
District Portion of Proceeds on Disposal		(500,000)	500,000	-	
Tangible Capital Assets Purchased from Local Capital		4,049,515	(4,049,515)	-	
<b>Total Other Adjustments to Fund Balances</b>		<b>3,549,515</b>	<b>(3,549,515)</b>	<b>-</b>	
<b>Total Capital Surplus (Deficit) for the year</b>	<b>(1,557,480)</b>	<b>1,833,038</b>	<b>478,246</b>	<b>2,311,284</b>	<b>1,924,571</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>27,656,467</b>	<b>2,763,024</b>	<b>30,419,491</b>	<b>28,494,920</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>29,489,505</b>	<b>3,241,270</b>	<b>32,730,775</b>	<b>30,419,491</b>

# School District No. 73 (Kamloops-Thompson)

Schedule 4A (Unaudited)

Tangible Capital Assets  
Year Ended June 30, 2021

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost, beginning of year</b>	11,177,819	140,929,215	13,642,627	10,976,269	351,780	3,184,420	<b>180,262,130</b>
Prior Period Adjustments							
Prior Year Error In Reporting Disposal			73,724				<b>73,724</b>
<b>Cost, beginning of year, as restated</b>	11,177,819	140,929,215	13,716,351	10,976,269	351,780	3,184,420	<b>180,335,854</b>
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,346,566	250,237	1,564,791			<b>3,161,594</b>
Deferred Capital Revenue - Other		812,204	59,407	101,618			<b>973,229</b>
Special Purpose Funds			140,052			79,077	<b>219,129</b>
Local Capital		1,798,318	913,017	442,838	70,908	824,434	<b>4,049,515</b>
	-	3,957,088	1,362,713	2,109,247	70,908	903,511	<b>8,403,467</b>
Decrease:							
Disposed of	71,957	628,549					<b>700,506</b>
Deemed Disposals			364,890	1,006,479	25,967	1,080,084	<b>2,477,420</b>
	71,957	628,549	364,890	1,006,479	25,967	1,080,084	<b>3,177,926</b>
<b>Cost, end of year</b>	11,105,862	144,257,754	14,714,174	12,079,037	396,721	3,007,847	<b>185,561,395</b>
<b>Work in Progress, end of year</b>		15,665,725					<b>15,665,725</b>
<b>Cost and Work in Progress, end of year</b>	11,105,862	159,923,479	14,714,174	12,079,037	396,721	3,007,847	<b>201,227,120</b>
<b>Accumulated Amortization, beginning of year</b>		98,183,078	4,470,147	5,226,921	105,202	1,342,607	<b>109,327,955</b>
Prior Period Adjustments							
Prior Year Error In Reporting Disposal			73,724				<b>73,724</b>
<b>Accumulated Amortization, beginning of year, as restated</b>		98,183,078	4,543,871	5,226,921	105,202	1,342,607	<b>109,401,679</b>
<b>Changes for the Year</b>							
Increase: Amortization for the Year		2,315,380	1,371,635	1,097,627	70,356	636,884	<b>5,491,882</b>
Decrease:							
Disposed of		628,549					<b>628,549</b>
Deemed Disposals			364,890	1,006,479	25,967	1,080,084	<b>2,477,420</b>
		628,549	364,890	1,006,479	25,967	1,080,084	<b>3,105,969</b>
<b>Accumulated Amortization, end of year</b>		99,869,909	5,550,616	5,318,069	149,591	899,407	<b>111,787,592</b>
<b>Tangible Capital Assets - Net</b>	<b>11,105,862</b>	<b>60,053,570</b>	<b>9,163,558</b>	<b>6,760,968</b>	<b>247,130</b>	<b>2,108,440</b>	<b>89,439,528</b>

# School District No. 73 (Kamloops-Thompson)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2021

	<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>	3,631,883				<b>3,631,883</b>
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	12,033,842				<b>12,033,842</b>
	<u>12,033,842</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>12,033,842</b></u>
<b>Net Changes for the Year</b>	<u>12,033,842</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>12,033,842</b></u>
<b>Work in Progress, end of year</b>	<u><b>15,665,725</b></u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>15,665,725</b></u>

# School District No. 73 (Kamloops-Thompson)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2021

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	40,932,327	856,405	1,625,807	<b>43,414,539</b>
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	3,161,594	970,446	2,783	<b>4,134,823</b>
	<u>3,161,594</u>	<u>970,446</u>	<u>2,783</u>	<u><b>4,134,823</b></u>
Decrease:				
Amortization of Deferred Capital Revenue	2,983,941	91,196	53,096	<b>3,128,233</b>
	<u>2,983,941</u>	<u>91,196</u>	<u>53,096</u>	<u><b>3,128,233</b></u>
<b>Net Changes for the Year</b>	<u>177,653</u>	<u>879,250</u>	<u>(50,313)</u>	<u><b>1,006,590</b></u>
<b>Deferred Capital Revenue, end of year</b>	<u>41,109,980</u>	<u>1,735,655</u>	<u>1,575,494</u>	<u><b>44,421,129</b></u>
<b>Work in Progress, beginning of year</b>	3,631,883			<b>3,631,883</b>
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	12,033,842			<b>12,033,842</b>
	<u>12,033,842</u>	<u>-</u>	<u>-</u>	<u><b>12,033,842</b></u>
<b>Net Changes for the Year</b>	<u>12,033,842</u>	<u>-</u>	<u>-</u>	<u><b>12,033,842</b></u>
<b>Work in Progress, end of year</b>	<u>15,665,725</u>	<u>-</u>	<u>-</u>	<u><b>15,665,725</b></u>
<b>Total Deferred Capital Revenue, end of year</b>	<u><b>56,775,705</b></u>	<u><b>1,735,655</b></u>	<u><b>1,575,494</b></u>	<u><b>60,086,854</b></u>

# School District No. 73 (Kamloops-Thompson)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2021

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
<b>Balance, beginning of year</b>	\$ 48,709	\$ 160,667	\$ 1,187,555	\$ -	\$ 110,530	\$ 1,507,461
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	17,680,574					17,680,574
Other					9,011	9,011
Investment Income		9,653			7,941	17,594
MEd Restricted Portion of Proceeds on Disposal		1,500,000				1,500,000
	17,680,574	1,509,653	-	-	16,952	19,207,179
Decrease:						
Transferred to DCR - Capital Additions	3,161,594		970,446		2,783	4,134,823
Transferred to DCR - Work in Progress	12,033,842					12,033,842
AFG Spent on Non-Capital Items	2,485,138					2,485,138
	17,680,574	-	970,446	-	2,783	18,653,803
<b>Net Changes for the Year</b>	-	1,509,653	(970,446)	-	14,169	553,376
<b>Balance, end of year</b>	<b>48,709</b>	<b>1,670,320</b>	<b>217,109</b>	<b>-</b>	<b>124,699</b>	<b>2,060,837</b>