

Audited Financial Statements of

School District No. 73 (Kamloops-Thompson)

And Independent Auditors' Report thereon

June 30, 2020

School District No. 73 (Kamloops-Thompson)

June 30, 2020

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School District No. 73 (Kamloops-Thompson)

MANAGEMENT REPORT

Version: 2042-1297-8314

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)

Signature on file	September 17, 2020
Signature of the Chairperson of the Board of Education	Date Signed

Signature on file	September 22, 2020
Signature of the Superintendent	Date Signed

Signature on file	September 15, 2020
Signature of the Secretary Treasurer	Date Signed

Independent Auditor's Report

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, 2020, Statements of Operations, Change in Net Financial Assets (Debt) 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, 2020, 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 30 through 44 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 14, 2020

School District No. 73 (Kamloops-Thompson)

Statement 1

Statement of Financial Position

As at June 30, 2020

	2020 Actual \$	2019 Actual \$
Financial Assets		
Cash and Cash Equivalents	33,070,654	28,134,540
Accounts Receivable		
Due from Province - Ministry of Education	3,058,424	267,666
Due from First Nations	1,100,250	983,565
Other (Note 3)	167,330	1,354,768
Investments in Government Business Enterprises (Note 6)	1,297,831	1,091,257
Portfolio Investments (Note 5)	27,139	27,139
Total Financial Assets	38,721,628	31,858,935
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 7)	13,695,243	9,596,046
Unearned Revenue (Note 8)	2,149,245	3,110,947
Deferred Revenue (Note 9)	5,473,352	4,283,287
Deferred Capital Revenue (Note 10)	48,553,883	42,311,854
Employee Future Benefits (Note 11)	5,424,977	5,177,078
Other Liabilities	217,076	123,222
Total Liabilities	75,513,776	64,602,434
Net Debt	(36,792,148)	(32,743,499)
Non-Financial Assets		
Tangible Capital Assets (Note 4)	74,566,058	66,005,278
Restricted Assets (Endowments)	150,125	150,125
Prepaid Expenses	524,337	452,719
Supplies Inventory	381,006	503,031
Total Non-Financial Assets	75,621,526	67,111,153
Accumulated Surplus (Deficit)	38,829,378	34,367,654

Approved by the Board

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

September 17, 2020
Date Signed

Signature on file
Signature of the Superintendent

September 22, 2020
Date Signed

Signature on file
Signature of the Secretary Treasurer

September 15, 2020
Date Signed

School District No. 73 (Kamloops-Thompson)

Statement of Operations
Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	167,590,282	169,167,314	159,793,572
Other	75,193	55,440	55,440
Federal Grants			146,218
Tuition	4,102,500	4,891,438	4,426,697
Other Revenue	8,757,723	8,786,404	8,873,376
Rentals and Leases	269,684	291,647	243,874
Investment Income	256,500	344,503	484,674
Income (Loss) from Investments in Government Business Enterprises	400,000	206,574	213,438
Amortization of Deferred Capital Revenue	2,996,102	2,996,498	2,957,283
Total Revenue	<u>184,447,984</u>	<u>186,739,818</u>	<u>177,194,572</u>
Expenses			
Instruction	148,389,621	143,666,146	140,498,367
District Administration	5,804,610	5,359,614	4,757,651
Operations and Maintenance	27,707,643	28,101,520	26,824,282
Transportation and Housing	5,542,906	5,150,814	4,996,421
Total Expense	<u>187,444,780</u>	<u>182,278,094</u>	<u>177,076,721</u>
Surplus (Deficit) for the year	<u>(2,996,796)</u>	<u>4,461,724</u>	<u>117,851</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		34,367,654	34,249,803
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>38,829,378</u></u>	<u><u>34,367,654</u></u>

School District No. 73 (Kamloops-Thompson)

Statement of Changes in Net Debt

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(2,996,796)	4,461,724	117,851
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(5,397,875)	(13,664,646)	(4,975,379)
Amortization of Tangible Capital Assets	5,103,870	5,103,870	4,966,876
Total Effect of change in Tangible Capital Assets	(294,005)	(8,560,776)	(8,503)
Acquisition of Prepaid Expenses		(71,622)	
Use of Prepaid Expenses			5,614
Acquisition of Supplies Inventory			(111,387)
Use of Supplies Inventory		122,025	
Total Effect of change in Other Non-Financial Assets	-	50,403	(105,773)
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(3,290,801)</u>	(4,048,649)	3,575
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(4,048,649)	3,575
Net Debt, beginning of year		(32,743,499)	(32,747,074)
Net Debt, end of year		(36,792,148)	(32,743,499)

School District No. 73 (Kamloops-Thompson)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2020

	2020 Actual \$	2019 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	4,461,724	117,851
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(1,720,001)	(986,915)
Supplies Inventories	122,025	(111,387)
Prepaid Expenses	(71,622)	5,614
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	4,099,193	816,291
Unearned Revenue	(961,702)	349,868
Deferred Revenue	1,190,065	182,822
Employee Future Benefits	247,899	458,041
Other Liabilities	93,854	(79,306)
Amortization of Tangible Capital Assets	5,103,870	4,966,876
Amortization of Deferred Capital Revenue	(2,996,498)	(2,957,283)
Recognition of Deferred Capital Revenue Spent on Sites	(832,690)	
Capital Grants Spent on Building Maintenance/Roofing Projects	(2,821,785)	(2,817,501)
Insurance Proceeds Netted With Expenditures	(769,546)	
Total Operating Transactions	5,144,786	(55,029)
Capital Transactions		
Tangible Capital Assets Purchased	(10,059,497)	(4,948,645)
Tangible Capital Assets -WIP Purchased	(3,605,149)	(26,734)
Total Capital Transactions	(13,664,646)	(4,975,379)
Financing Transactions		
Capital Revenue Received	13,662,548	4,622,564
Total Financing Transactions	13,662,548	4,622,564
Investing Transactions		
Decrease (Increase) in Investments in Government Business Enterprises	(206,574)	(213,438)
Total Investing Transactions	(206,574)	(213,438)
Net Increase (Decrease) in Cash and Cash Equivalents	4,936,114	(621,282)
Cash and Cash Equivalents, beginning of year	28,134,540	28,755,822
Cash and Cash Equivalents, end of year	33,070,654	28,134,540
Cash and Cash Equivalents, end of year, is made up of:		
Cash	33,070,654	28,134,540
	33,070,654	28,134,540

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2020

Note 1 AUTHORITY AND PURPOSE

The School District operates under authority of the School Act of British Columbia as a corporation under the name of "The Board of Education of School District No. 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 COVID19 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 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(o).

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(o), 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, 2020 increase in annual surplus by \$4,108,848 (June 30, 2019 - decrease by \$13,475,769).
- June 30, 2020 - increase in accumulated surplus and decrease in deferred contributions by \$48,554,276 (2019 - \$42,312,014).

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2020

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, 2020

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(o).

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.

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2020

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 21 – Interfund Transfers).

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2020

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, 2020

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, 2020.

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.

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2020

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, 2020

Note 3 ACCOUNTS RECEIVABLE - OTHER

	2020	2019
Due from Federal Government	\$-	\$116,734
Due from Other School Districts	-	-
Other	1,833,935	1,247,113
Allowance for Doubtful Accounts	(8,537)	(9,080)
	<u>\$1,825,398</u>	<u>\$1,354,767</u>

Included in accounts receivable - other is \$nil from School District No. 73 Business Company (2019 - \$119,710).

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2020

Note 4 TANGIBLE CAPITAL ASSETS

Cost	Balance at July 1, 2019	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2020
Sites	\$10,345,129	\$832,690	\$-	\$-	\$11,177,819
Buildings	136,467,145	5,148,053	(659,250)	3,605,149	144,561,097
Furniture & Equipment	12,078,792	2,028,295	(390,735)	-	13,716,352
Vehicles	11,071,222	984,354	(1,079,306)	-	10,976,270
Software	311,739	83,745	(43,705)	-	351,779
Computer Hardware	2,518,130	982,364	(316,075)	-	3,184,419
Total	\$172,792,157	\$10,059,501	\$(2,489,071)	\$3,605,149	\$183,967,736

Amortization	Balance at July 1, 2019	Additions	Disposals	Balance at June 30, 2020
Sites	\$-	\$-	\$-	\$-
Buildings	96,619,431	2,222,895	659,250	98,183,076
Furniture & Equipment	3,739,375	1,207,879	390,735	4,556,519
Vehicles	5,186,461	1,107,122	1,079,306	5,214,277
Software	86,557	62,348	43,705	105,200
Computer Hardware	1,155,055	503,626	316,075	1,342,606
Total	\$106,786,879	\$5,103,870	\$2,489,071	\$109,401,678

Cost	Balance at July 1, 2018	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2019
Sites	\$10,345,129	\$-	\$-	\$-	\$10,345,129
Buildings	134,938,117	1,502,292	-	26,734	136,467,143
Furniture & Equipment	11,025,366	1,874,938	(821,510)	-	12,078,794
Vehicles	10,573,138	1,178,567	(680,483)	-	11,071,222
Software	247,683	82,540	(18,484)	-	311,739
Computer Hardware	2,679,682	310,308	(471,860)	-	2,518,130
Total	\$169,809,115	\$4,948,645	\$(1,992,337)	\$26,734	\$172,792,157

Amortization	Balance at July 1, 2018	Additions	Disposals	Balance at June 30, 2019
Sites	\$-	\$-	\$-	\$-
Buildings	94,397,879	2,221,552	-	96,619,431
Furniture & Equipment	3,445,705	1,115,180	821,510	3,739,375
Vehicles	4,822,272	1,044,672	680,483	5,186,461
Software	55,505	49,536	18,484	86,557
Computer Hardware	1,090,979	535,936	471,860	1,155,055
Total	\$103,812,340	\$4,966,876	\$1,992,337	\$106,786,879

	June 30, 2020	June 30, 2019
Sites	\$11,177,819	\$10,345,129
Buildings	46,378,021	39,847,712
Furniture & Equipment	9,159,833	8,339,419
Vehicles	5,761,993	5,884,761
Software	246,579	225,182
Computer Hardware	1,841,813	1,363,075
	\$74,566,058	\$66,005,278

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2020

Note 5 **PORTFOLIO INVESTMENTS**

	June 30, 2020	June 30, 2019
BC Interior Community Foundation	<u>\$27,139</u>	<u>\$27,139</u>
Total	<u>\$27,139</u>	<u>\$27,139</u>

Interest accrued under the amortized cost is \$NIL (2019 - \$NIL), and was included in other accounts receivable.

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2020

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, 2020, is as follows:

Balance Sheet	June 30, 2020	June 30, 2019
Current Assets	-	
Cash	432,108	1,319,915
Accounts receivable	111,642	90,387
Prepaid expenses	-	43,420
Due from Shareholder	840,804	-
Due from Virtual School Society	2,000	2,000
	1,386,554	1,455,722
Property, plant and equipment	919	512
Total assets	1,387,473	1,456,234
Current Liabilities		
Accounts payable	84,742	106,502
Deferred revenue	4,900	138,765
Due to Shareholder	-	119,710
	89,642	364,977
Shareholder's Equity		
Share capital	1	1
Contributed surplus	370,101	370,101
Retained earnings	927,729	721,155
	1,297,831	1,091,257
Total Liabilities and Shareholder's Equity	1,387,473	1,456,234
Statement of Operations	-	
Revenue	1,118,938	1,097,968
Expenses	912,364	1,018,126
Loss on write-off of PP&E	-	-
Income (loss) from Operations	206,574	79,842
Retained earnings, beginning of the year	721,155	741,313
Net Income for Year	206,574	79,842
Dividends	-	(100,000)
Total	927,729	721,155

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.

During the year ended June 30, 2020, the School District charged SD73BC a management fee of \$55,947 (2019 - \$55,745) in respect of administrative support provided to SD73BC.

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2020

Note 7 ACCOUNTS PAYABLE - OTHER

	<u>2020</u>	<u>2019</u>
Trade payables	\$3,042,558	\$1,433,973
Salary and benefits payable	12,837,454	10,486,698
Accrued vacations payable	2,184,769	2,324,625
Due to SD73 Business Company	841,004	-
	<u>\$12,854,239</u>	<u>\$9,596,046</u>

Included in accounts payable - other (Note 7) is \$841,004 (2019 - \$nil) due to/(from) the SD73BC.

Note 8 UNEARNED REVENUE

	<u>2020</u>	<u>2019</u>
Balance, beginning of the year	\$3,110,947	\$2,783,579
Changes for the year		
Increase:		
Tuition fees	2,117,261	3,210,326
Decrease:		
Tuition fees	3,078,963	2,783,958
Rental/Lease of Facilities	-	24,000
Dash BC Grant	-	75,000
Net change for the year	<u>(961,702)</u>	<u>(327,368)</u>
Balance, end of the year	<u>\$2,149,245</u>	<u>\$3,110,947</u>

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.

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.

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2020

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, 2020	July 01, 2019
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation - April 1	5,147,764	5,687,217
Service Cost	450,943	458,335
Interest Cost	135,433	163,833
Benefit Payments - April 1 to March 31 - VESTED	(441,410)	(295,214)
Benefit Payments - April 1 to March 31 - NON-VESTED	(95,135)	(73,102)
Actuarial (Gain) Loss	292,453	(793,305)
Accrued Benefit Obligation - March 31	5,490,048	5,147,764

Change in Plan Assets

Employer Contributions - April 1 to March 31	536,545	368,316
Benefit Payments - April 1 to March 31	(536,545)	(368,316)
	-	-

Reconciliation of Funded Status as End of Fiscal Year

Accrued Benefit Obligation - March 31	(5,490,048)	(5,147,764)
Funded Status - Surplus (Deficit)	(5,490,048)	(5,147,764)
Employer Contributions After Measurement Date - April 1 to June 30 - Vested	29,964	117,473
Benefit Expense After Measurement Date - April 1 to June 30	(151,778)	(146,594)
Unamortized Net Actuarial (Gain)/Loss	186,882	(193)
Accrued Benefit (Liability) Asset - June 30	(5,424,980)	(5,177,078)

Components of Net Benefit Expense

Service Cost - July 1 to March 31	338,207	343,751
Service Cost - April 1 to June 30	119,298	112,736
Interest Cost - July 1 to March 31	101,575	122,875
Interest Cost - April 1 to June 30	32,480	33,858
Amortization of Net Actuarial (Gain)/Loss	105,377	183,923
Net Benefit Expense (Income)	696,937	797,143

Reconciliation of Change in Accrued Benefit Liability (Asset)

Accrued Benefit Liability (Asset) - July 1	5,177,078	4,719,037
Net Expense for Fiscal Year	696,937	797,143
Employer Contributions - July 1 to March 31	(419,072)	(221,629)
Employer Contributions - April 1 to June 30	(29,963)	(117,473)
Accrued Benefit Liability (Asset) - June 30	5,424,980	5,177,078

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

Assumptions:

Discount Rate - April 1	2.50%	2.75%
Discount Rate - March 31	2.25%	2.50%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	10.1	10.1

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2020

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, 2019, the Teachers' Pension Plan has about 49,000 active members and approximately 39,000 retired members. As of December 31, 2019, the Municipal Pension Plan has about 213,000 active members, including 27,000 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 \$644 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 billion funding surplus for basic pension benefits on a going concern basis.

The School District No. 73 (Kamloops-Thompson) paid \$11,997,858 (2019 - \$ 13,049,131) for employer contributions to these plans in the year ended June 30, 2020.

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2020

Note 13 OPERATING FUND BALANCE, END OF YEAR

	Balance at July 1, 2019	Increases	Decreases	Balance at June 30, 2020
Internally Restricted Future School Years				
Utility Fuel Budget	700,000	-	-	700,000
Strategic Plan - Year 3	388,500	-	(241,000)	147,500
Department	454,991	102,965	-	557,956
School Supply	1,235,009	168,784	-	1,403,793
General Reserve - COVID-19	-	1,474,821	-	1,474,821
	2,778,500	1,746,570	(241,000)	4,284,070
Internally Restricted Future Anticipated Expenses				
Employee Benefits	657,755	-	(329,000)	328,755
Total Restricted Operating Reserve	657,755	-	(329,000)	328,755
Internally Restricted - Funds with Constraints				
SD73BC Management Fee	485,872	-	-	485,872
Aboriginal Education	653,056	284,337	-	937,393
International Student Program	-	817,567	-	817,567
AFG Other	56,168	8,835	-	65,003
Summer School	-	43,271	-	43,271
	1,195,096	1,154,010	-	2,349,106
Total Internally Restricted Operating Reserve	4,631,351	2,900,580	(570,000)	6,961,931
Total Unrestricted Operating Surplus	-	-	-	-
Total Operating Reserve Balances	4,631,351	2,900,580	(570,000)	6,961,931

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 districts external auditors who attend and provide a detailed review of the audited financial statements for the year just completed.

Operating Reserves:

The School District budgets the utility, fuel and some specific operating accounts based on the average

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2020

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 enrollment and staffing pressures given the uncertainty of student enrollment. In addition, the District is implementing its Ministry approved SD 73 Re-Start Plan with enhanced Health and Safety protocols for the safe return of all staff and students. This reserve will be available to fund the plan's funding 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 for specific projects identified for implementation (or continuation) in year five.

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.

In 2017-2018, the School District set up 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	198,705
2017	117,749
2018	111,947
2019	56,689
	<u>485,090</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.

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.

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2020

Note 14 SPECIAL PURPOSE FUND BALANCE, END OF THE YEAR

	Balance at July 1, 2019	Increases	Decreases	Balance at June 30, 2020
Ministry of Education	305,355	14,393,319	(13,395,449)	1,303,225
School Generated Funds	2,711,661	3,806,325	(3,858,823)	2,659,163
Other Special Purpose Funds	1,266,271	1,197,174	(952,480)	1,510,965
	4,283,287	19,396,818	(18,206,752)	5,473,353

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 and SET BC. 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 July 1, 2019	Increases	Decreases	Balance at June 30, 2020
Local Capital Reserve	\$3,838,263	3,199,253	(4,274,492)	\$2,763,024

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.

Note 16 OTHER PROVINCIAL CAPITAL FUND BALANCE, END OF YEAR

	Balance at July 1, 2019	Increases	Decreases	Balance at June 30, 2020
Other Provincial Capital Reserve	\$509,238	800,973	122,656	\$1,187,555

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

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2020

were provided to school districts directly by the ITA.

YTCEP is a three year program with a Provincial budget of \$15 million, with a minimum investment target of \$7.5 million in fiscal 2016-2017. Specific details of the program were announced on November 2, 2016 Ref: 191337. In year two of the program, the District received \$ 234,415 (2018 \$736,424) in YTCEP grant funding.

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 \$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 leases photo-copiers under operating leases which expire July 31, 2022. The District is obligated to make the following minimum lease payments under its operating leases in each of the following fiscal years ending:

2021	16,260
2022	16,260
	<u>32,520</u>

In addition, 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, 2020

Note 19 BUDGET FIGURES

The budget figures used in these financial statements are the amended budget approved by the Board of Education on February 24, 2020. This budget was amended from the original budget approved on April 23, 2019 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
Revenues			
Provincial Grants	\$161,842,140	\$5,748,142	\$167,590,282
Other Grants	75,193	-	75,193
Tuition	3,517,500	585,000	4,102,500
Other Revenue	8,368,862	388,861	8,757,723
Rental and Lease	269,684	-	269,684
Investment Income	267,000	(10,500)	256,500
Income from GBE	300,000	100,000	400,000
Amortization of Deferred Capital Revenue	2,861,842	134,260	2,996,102
	<u>177,502,221</u>	<u>6,945,763</u>	<u>184,447,984</u>
Expenses			
Instruction	131,061,044	10,851,500	141,912,544
District Administration	5,330,389	474,221	5,804,610
Operation and Maintenance	27,254,522	(4,650,749)	22,603,773
Transportation and Housing	5,294,509	248,397	5,542,906
Amortization of Capital Assets	5,103,870	-	5,103,870
Supplies and Services	5,886,028	591,049	6,477,077
	<u>179,930,362</u>	<u>7,514,418</u>	<u>187,444,780</u>
Net Revenue (Expenses)	<u>(2,428,141)</u>	<u>568,655</u>	<u>(2,996,796)</u>
Budget allocation (retirement) of surplus	<u>338,500</u>	<u>1,681,670</u>	<u>2,020,170</u>
Budgeted deficit for the year	<u>\$(2,089,641)</u>	<u>\$2,250,325</u>	<u>\$(976,626)</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, 2020, 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, 2020

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.

	July 1, 2019	Additions	Disposals	June 30, 2020
Endowments Held By:				
BCICF	\$ 140,125	\$ 6,852	\$ (6,852)	\$ 140,125
School District	10,000	480	(480)	10,000
Total Endowments	\$ 150,125	\$ 7,332	\$ (7,332)	\$ 150,125

Note 23 ASSET RETIREMENT OBLIGATION

The School District is required to recognize any liabilities that may occur as a result of the removal and disposal, or abatement of asbestos in any schools within the School District that may undergo major renovations or be subject to demolition. A reasonable estimate of fair value of the potential liability related to the disposal cannot be reasonably determined as the amount and distribution of asbestos and a method of resolving the issue has not yet been determined. As such no liability has been included on the Statement of Financial Position.

Note 24 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, 2020 - \$3,038,915 was transferred from the Operating Fund to the Capital Fund (2019 - \$2,548,388).

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2020

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.

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

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2020

rates would cause interest income to increase or decrease by \$271.

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, 2020 and June 30, 2019, the facility was unused.

Note 27 SUBSEQUENT EVENTS

Subsequent to the year-end, one of the School District owned school properties was sold to School District No. 93, with the approval of the Ministry of Education, to be used in providing French education. The School District received \$2,000,000 for this property on July 31, 2020.

School District No. 73 (Kamloops-Thompson)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
 Year Ended June 30, 2020

	Operating Fund	Special Purpose Fund	Capital Fund	2020 Actual	2019 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	4,631,352	1,241,382	28,494,920	34,367,654	34,249,803
Changes for the year					
Surplus (Deficit) for the year	5,369,494	206,574	(1,114,344)	4,461,724	117,851
Interfund Transfers					
Local Capital	(3,038,915)		3,038,915	-	
Net Changes for the year	2,330,579	206,574	1,924,571	4,461,724	117,851
Accumulated Surplus (Deficit), end of year - Statement 2	6,961,931	1,447,956	30,419,491	38,829,378	34,367,654

School District No. 73 (Kamloops-Thompson)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	150,540,113	152,132,456	143,806,551
Other	75,193	55,440	55,440
Tuition	4,102,500	4,891,438	4,426,697
Other Revenue	3,414,023	3,906,025	3,536,002
Rentals and Leases	269,684	291,647	243,874
Investment Income	216,000	253,241	398,520
Total Revenue	<u>158,617,513</u>	<u>161,530,247</u>	<u>152,467,084</u>
Expenses			
Instruction	129,310,631	126,035,886	122,833,942
District Administration	5,804,610	5,359,614	4,757,651
Operations and Maintenance	19,198,536	19,614,439	18,318,763
Transportation and Housing	5,542,906	5,150,814	4,996,421
Total Expense	<u>159,856,683</u>	<u>156,160,753</u>	<u>150,906,777</u>
Operating Surplus (Deficit) for the year	<u>(1,239,170)</u>	<u>5,369,494</u>	<u>1,560,307</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>2,020,170</u>		
Net Transfers (to) from other funds			
Local Capital	(781,000)	(3,038,915)	(2,548,388)
Total Net Transfers	<u>(781,000)</u>	<u>(3,038,915)</u>	<u>(2,548,388)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>2,330,579</u>	<u>(988,081)</u>
Operating Surplus (Deficit), beginning of year		4,631,352	5,619,433
Operating Surplus (Deficit), end of year		<u>6,961,931</u>	<u>4,631,352</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		6,961,931	4,575,184
Unrestricted			56,168
Total Operating Surplus (Deficit), end of year		<u>6,961,931</u>	<u>4,631,352</u>

School District No. 73 (Kamloops-Thompson)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	149,621,601	149,324,564	143,842,883
ISC/LEA Recovery	(2,785,133)	(2,587,454)	(2,591,981)
Other Ministry of Education Grants			
Pay Equity	575,959	575,959	575,959
Funding for Graduated Adults		87,111	86,877
Transportation Supplement	666,817	666,817	666,817
Economic Stability Dividend			167,249
Carbon Tax Grant	100,000	36,139	229,073
Employer Health Tax Grant	1,181,459	1,181,459	359,022
Strategic Priorities - Mental Health Grant			31,000
Support Staff Benefits Grant	99,624	126,543	99,624
BCTEA - LEA Capacity Building Grant			41,090
Support Staff Wage Increase Funding	666,350	666,350	
Teachers' Labour Settlement Funding		1,639,532	
Foundation Skills Assessment	15,694	15,694	22,694
Next Generation Network - Self Provisioned	251,244	251,244	251,244
Distributed Learning	140,868	140,868	
Premier's Award	2,000	2,000	
Other Ministry of Education Grants	3,630	5,630	25,000
Total Provincial Grants - Ministry of Education	150,540,113	152,132,456	143,806,551
Provincial Grants - Other	75,193	55,440	55,440
Tuition			
International and Out of Province Students	4,102,500	4,891,438	4,426,697
Total Tuition	4,102,500	4,891,438	4,426,697
Other Revenues			
Funding from First Nations	2,785,133	2,587,454	2,728,575
Miscellaneous			
Course Fees		47,030	72,092
Student Paid Meals		105,423	176,820
Trades and Transitions Program	255,610	224,528	302,427
Miscellaneous	373,280	281,590	256,088
City of Kamloops		660,000	
Total Other Revenue	3,414,023	3,906,025	3,536,002
Rentals and Leases	269,684	291,647	243,874
Investment Income	216,000	253,241	398,520
Total Operating Revenue	158,617,513	161,530,247	152,467,084

School District No. 73 (Kamloops-Thompson)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Salaries			
Teachers	64,631,671	66,490,655	61,924,625
Principals and Vice Principals	9,949,433	9,545,743	9,320,407
Educational Assistants	9,336,272	9,381,920	9,656,058
Support Staff	17,605,702	17,525,236	16,552,845
Other Professionals	4,336,306	3,968,901	3,940,093
Substitutes	5,878,123	5,132,484	6,441,370
Total Salaries	111,737,507	112,044,939	107,835,398
Employee Benefits	25,468,842	25,027,879	24,201,852
Total Salaries and Benefits	137,206,349	137,072,818	132,037,250
Services and Supplies			
Services	3,964,349	3,889,158	4,382,121
Student Transportation	382,531	244,619	412,835
Professional Development and Travel	2,285,294	1,454,047	1,648,647
Dues and Fees	110,436	106,366	101,998
Insurance	421,724	542,467	483,402
Supplies	12,508,793	9,996,484	8,865,443
Utilities	2,977,207	2,854,794	2,975,081
Total Services and Supplies	22,650,334	19,087,935	18,869,527
Total Operating Expense	159,856,683	156,160,753	150,906,777

School District No. 73 (Kamloops-Thompson)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	52,455,008	1,491,522		1,118,692		3,313,472	58,378,694
1.03 Career Programs	286,397	119,322				18,749	424,468
1.07 Library Services	1,779,132	119,322		1,341,485		161,778	3,401,717
1.08 Counselling	1,735,739			573,550		130,067	2,439,356
1.10 Special Education	7,333,495	298,304	8,098,774	81,253		921,824	16,733,650
1.30 English Language Learning	260,361					16,349	276,710
1.31 Indigenous Education	578,122	112,367	1,283,146	26,265	428,910		2,428,810
1.41 School Administration		6,780,793		1,099,208		84,814	7,964,815
1.60 Summer School	109,694			9,910			119,604
1.61 Continuing Education	433,935	357,965		95,592		33,058	920,550
1.62 International and Out of Province Students	433,935	133,074		61,461		30,272	658,742
1.64 Other	1,084,837	133,074		61,461		71,144	1,350,516
Total Function 1	66,490,655	9,545,743	9,381,920	4,468,877	428,910	4,781,527	95,097,632
4 District Administration							
4.11 Educational Administration				248,246	1,269,235		1,517,481
4.40 School District Governance				-	208,487		208,487
4.41 Business Administration				739,398	1,079,314		1,818,712
Total Function 4	-	-	-	987,644	2,557,036	-	3,544,680
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				76,184	469,837		546,021
5.50 Maintenance Operations				8,355,053	317,207	225,652	8,897,912
5.52 Maintenance of Grounds				1,024,910		17,382	1,042,292
5.56 Utilities							-
Total Function 5	-	-	-	9,456,147	787,044	243,034	10,486,225
7 Transportation and Housing							
7.41 Transportation and Housing Administration				127,049	195,911		322,960
7.70 Student Transportation				2,485,519		107,923	2,593,442
Total Function 7	-	-	-	2,612,568	195,911	107,923	2,916,402
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	66,490,655	9,545,743	9,381,920	17,525,236	3,968,901	5,132,484	112,044,939

School District No. 73 (Kamloops-Thompson)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	58,378,694	13,159,808	71,538,502	3,253,065	74,791,567	76,965,932	73,229,782
1.03 Career Programs	424,468	90,490	514,958	25,837	540,795	547,915	547,656
1.07 Library Services	3,401,717	766,503	4,168,220	256,083	4,424,303	4,395,454	4,238,227
1.08 Counselling	2,439,356	551,090	2,990,446	26	2,990,472	2,954,301	2,849,526
1.10 Special Education	16,733,650	3,987,204	20,720,854	1,613,648	22,334,502	22,595,084	21,959,911
1.30 English Language Learning	276,710	62,168	338,878		338,878	336,867	324,183
1.31 Indigenous Education	2,428,810	553,972	2,982,782	536,119	3,518,901	3,861,350	3,137,551
1.41 School Administration	7,964,815	1,543,993	9,508,808	504,269	10,013,077	10,337,301	9,841,842
1.60 Summer School	119,604	23,815	143,419	1,746	145,165	136,880	98,402
1.61 Continuing Education	920,550	192,703	1,113,253	559,219	1,672,472	1,858,179	1,706,163
1.62 International and Out of Province Students	658,742	140,360	799,102	2,709,352	3,508,454	3,491,025	3,188,138
1.64 Other	1,350,516	295,780	1,646,296	111,004	1,757,300	1,830,343	1,712,561
Total Function 1	95,097,632	21,367,886	116,465,518	9,570,368	126,035,886	129,310,631	122,833,942
4 District Administration							
4.11 Educational Administration	1,517,481	221,786	1,739,267	174,933	1,914,200	1,472,691	1,284,039
4.40 School District Governance	208,487	17,375	225,862	130,097	355,959	385,782	406,821
4.41 Business Administration	1,818,712	382,048	2,200,760	888,695	3,089,455	3,946,137	3,066,791
Total Function 4	3,544,680	621,209	4,165,889	1,193,725	5,359,614	5,804,610	4,757,651
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	546,021	106,418	652,439	420,695	1,073,134	1,241,250	968,777
5.50 Maintenance Operations	8,897,912	2,025,969	10,923,881	2,891,005	13,814,886	13,183,293	12,636,015
5.52 Maintenance of Grounds	1,042,292	247,564	1,289,856	586,114	1,875,970	1,796,786	1,742,774
5.56 Utilities	-	-	-	2,850,449	2,850,449	2,977,207	2,971,197
Total Function 5	10,486,225	2,379,951	12,866,176	6,748,263	19,614,439	19,198,536	18,318,763
7 Transportation and Housing							
7.41 Transportation and Housing Administration	322,960	66,923	389,883	139,088	528,971	564,451	481,011
7.70 Student Transportation	2,593,442	591,910	3,185,352	1,436,491	4,621,843	4,978,455	4,515,410
Total Function 7	2,916,402	658,833	3,575,235	1,575,579	5,150,814	5,542,906	4,996,421
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	112,044,939	25,027,879	137,072,818	19,087,935	156,160,753	159,856,683	150,906,777

School District No. 73 (Kamloops-Thompson)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	14,301,977	13,380,383	13,169,520
Federal Grants			146,218
Other Revenue	5,257,700	4,810,801	5,069,829
Investment Income	500	502	
Income (Loss) from Investments in Government Business Enterprises	400,000	206,574	213,438
Total Revenue	<u>19,960,177</u>	<u>18,398,260</u>	<u>18,599,005</u>
Expenses			
Instruction	19,078,990	17,630,260	17,664,425
Operations and Maintenance	657,045	561,426	721,142
Total Expense	<u>19,736,035</u>	<u>18,191,686</u>	<u>18,385,567</u>
Special Purpose Surplus (Deficit) for the year	<u>224,142</u>	<u>206,574</u>	<u>213,438</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(224,142)		
Total Net Transfers	<u>(224,142)</u>	<u>-</u>	<u>-</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>206,574</u>	<u>213,438</u>
Special Purpose Surplus (Deficit), beginning of year		<u>1,241,382</u>	<u>1,027,944</u>
Special Purpose Surplus (Deficit), end of year		<u>1,447,956</u>	<u>1,241,382</u>
Special Purpose Surplus (Deficit), end of year			
Related Entities		<u>1,297,831</u>	<u>1,091,257</u>
Endowment Contributions		<u>150,125</u>	<u>150,125</u>
Total Special Purpose Surplus (Deficit), end of year		<u>1,447,956</u>	<u>1,241,382</u>

School District No. 73 (Kamloops-Thompson)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2020

	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
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	681	88,406	-	2,711,661	-	-	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education	701,852	546,341						225,106	83,300
Other				7,210		3,806,325			
Investment Income				502					
	701,852	546,341	-	7,712	-	3,806,325	-	225,106	83,300
Less: Allocated to Revenue	561,426	546,341	-	9,900	-	3,858,823	-	225,106	63,651
Recovered									
Deferred Revenue, end of year	140,426	-	681	86,218	-	2,659,163	-	-	19,649
Revenues									
Provincial Grants - Ministry of Education	561,426	546,341						225,106	63,651
Other Revenue				9,398		3,858,823			
Investment Income				502					
Income (Loss) from Investments in Government Business Enterprises							206,574		
	561,426	546,341	-	9,900	-	3,858,823	206,574	225,106	63,651
Expenses									
Salaries									
Teachers									
Principals and Vice Principals									
Educational Assistants		444,518						151,559	
Support Staff									
Other Professionals									
Substitutes									
	-	444,518	-	-	-	-	-	151,559	-
Employee Benefits		101,823						50,883	
Services and Supplies	561,426			9,900		3,858,823		22,664	63,651
	561,426	546,341	-	9,900	-	3,858,823	-	225,106	63,651
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	206,574	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	206,574	-	-

School District No. 73 (Kamloops-Thompson)

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

	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	Literacy Innovation
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	268,084	13,681	-	1,385	-	-	-	26,437
Add: Restricted Grants									
Provincial Grants - Ministry of Education	197,951	1,588,211	520,165	9,973,396	20,494	338,214	26,500	12,856	
Other									
Investment Income									
	197,951	1,588,211	520,165	9,973,396	20,494	338,214	26,500	12,856	-
Less: Allocated to Revenue	181,040	1,424,614	336,014	9,831,880	20,494	-	26,013	8,131	-
Recovered			13,682		1,385				
Deferred Revenue, end of year	16,911	431,681	184,150	141,516	-	338,214	487	4,725	26,437
Revenues									
Provincial Grants - Ministry of Education	181,040	1,424,614	336,014	9,831,880	20,494		26,013	8,131	
Other Revenue									
Investment Income									
Income (Loss) from Investments in Government Business Enterprises									
	181,040	1,424,614	336,014	9,831,880	20,494	-	26,013	8,131	-
Expenses									
Salaries									
Teachers	30,296	813,688	10,272	7,795,284					
Principals and Vice Principals			32,562						
Educational Assistants		10,954						1,920	
Support Staff			76,164		1,830				
Other Professionals								4,557	
Substitutes	15,387	11,899	141,516		18,207				
	45,683	836,541	260,514	7,795,284	20,037	-	-	6,477	-
Employee Benefits	8,628	201,563	75,500	2,036,596	457			1,619	
Services and Supplies	126,729	386,510					26,013	35	
	181,040	1,424,614	336,014	9,831,880	20,494	-	26,013	8,131	-
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 73 (Kamloops-Thompson)

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

	BCLCA/ E-Learning	Contributor Restricted	SET BC	Early Learning	TOTAL
	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	2,900	1,170,052			4,283,287
Add: Restricted Grants					
Provincial Grants - Ministry of Education			128,933	30,000	14,393,319
Other		1,189,462			5,002,997
Investment Income					502
	-	1,189,462	128,933	30,000	19,396,818
Less: Allocated to Revenue	-	942,580	128,933	26,740	18,191,686
Recovered					15,067
Deferred Revenue, end of year	2,900	1,416,934	-	3,260	5,473,352
Revenues					
Provincial Grants - Ministry of Education			128,933	26,740	13,380,383
Other Revenue		942,580			4,810,801
Investment Income					502
Income (Loss) from Investments in Government Business Enterprises					206,574
	-	942,580	128,933	26,740	18,398,260
Expenses					
Salaries					
Teachers		44,176	97,996	4,385	8,796,097
Principals and Vice Principals		-			32,562
Educational Assistants		-			608,951
Support Staff		110,196			188,190
Other Professionals		55,784			60,341
Substitutes					187,009
	-	210,156	97,996	4,385	9,873,150
Employee Benefits		33,951	21,419		2,532,439
Services and Supplies		698,473	9,518	22,355	5,786,097
	-	942,580	128,933	26,740	18,191,686
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	206,574
Interfund Transfers					
	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	206,574

School District No. 73 (Kamloops-Thompson)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual			2019 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	2,748,192	3,654,475		3,654,475	2,817,501
Other Revenue	86,000		69,578	69,578	267,545
Investment Income	40,000		90,760	90,760	86,154
Amortization of Deferred Capital Revenue	2,996,102	2,996,498		2,996,498	2,957,283
Total Revenue	5,870,294	6,650,973	160,338	6,811,311	6,128,483
Expenses					
Operations and Maintenance	2,748,192	2,821,785		2,821,785	2,817,501
Amortization of Tangible Capital Assets					
Operations and Maintenance	5,103,870	5,103,870		5,103,870	4,966,876
Total Expense	7,852,062	7,925,655	-	7,925,655	7,784,377
Capital Surplus (Deficit) for the year	(1,981,768)	(1,274,682)	160,338	(1,114,344)	(1,655,894)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	224,142			-	
Local Capital	781,000		3,038,915	3,038,915	2,548,388
Total Net Transfers	1,005,142	-	3,038,915	3,038,915	2,548,388
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		4,274,492	(4,274,492)	-	
Total Other Adjustments to Fund Balances		4,274,492	(4,274,492)	-	
Total Capital Surplus (Deficit) for the year	(976,626)	2,999,810	(1,075,239)	1,924,571	892,494
Capital Surplus (Deficit), beginning of year		24,656,657	3,838,263	28,494,920	27,602,426
Capital Surplus (Deficit), end of year		27,656,467	2,763,024	30,419,491	28,494,920

School District No. 73 (Kamloops-Thompson)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2020

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	10,345,129	136,440,411	12,078,796	11,071,221	311,740	2,518,131	172,765,428
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	832,690	2,875,408	1,230,048	717,493			5,655,639
Deferred Capital Revenue - Other		28,064	101,302				129,366
Local Capital		2,244,582	696,940	266,861	83,745	982,364	4,274,492
	832,690	5,148,054	2,028,290	984,354	83,745	982,364	10,059,497
Decrease:							
Deemed Disposals			390,735	1,079,306	43,705	316,075	1,829,821
Written-off/down During Year		659,250	73,724				732,974
	-	659,250	464,459	1,079,306	43,705	316,075	2,562,795
Cost, end of year	11,177,819	140,929,215	13,642,627	10,976,269	351,780	3,184,420	180,262,130
Work in Progress, end of year		3,631,883					3,631,883
Cost and Work in Progress, end of year	11,177,819	144,561,098	13,642,627	10,976,269	351,780	3,184,420	183,894,013
Accumulated Amortization, beginning of year		96,619,433	3,739,371	5,186,461	86,559	1,155,056	106,786,880
Changes for the Year							
Increase: Amortization for the Year		2,222,895	1,195,235	1,119,766	62,348	503,626	5,103,870
Decrease:							
Deemed Disposals			390,735	1,079,306	43,705	316,075	1,829,821
Written-off During Year		659,250	73,724				732,974
		659,250	464,459	1,079,306	43,705	316,075	2,562,795
Accumulated Amortization, end of year		98,183,078	4,470,147	5,226,921	105,202	1,342,607	109,327,955
Tangible Capital Assets - Net	11,177,819	46,378,020	9,172,480	5,749,348	246,578	1,841,813	74,566,058

School District No. 73 (Kamloops-Thompson)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2020

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	26,734				26,734
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	3,605,149				3,605,149
	<u>3,605,149</u>	-	-	-	<u>3,605,149</u>
Net Changes for the Year	<u>3,605,149</u>	-	-	-	<u>3,605,149</u>
Work in Progress, end of year	<u><u>3,631,883</u></u>	-	-	-	<u><u>3,631,883</u></u>

School District No. 73 (Kamloops-Thompson)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2020

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
Deferred Capital Revenue, beginning of year	\$ 38,971,220	\$ 810,903	\$ 1,676,599	\$ 41,458,722
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	4,822,949	126,186	3,180	4,952,315
	<u>4,822,949</u>	<u>126,186</u>	<u>3,180</u>	<u>4,952,315</u>
Decrease:				
Amortization of Deferred Capital Revenue	2,861,842	80,684	53,972	2,996,498
	<u>2,861,842</u>	<u>80,684</u>	<u>53,972</u>	<u>2,996,498</u>
Net Changes for the Year	<u>1,961,107</u>	<u>45,502</u>	<u>(50,792)</u>	<u>1,955,817</u>
Deferred Capital Revenue, end of year	<u>40,932,327</u>	<u>856,405</u>	<u>1,625,807</u>	<u>43,414,539</u>
Work in Progress, beginning of year	26,734			26,734
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	3,605,149			3,605,149
	<u>3,605,149</u>	<u>-</u>	<u>-</u>	<u>3,605,149</u>
Net Changes for the Year	<u>3,605,149</u>	<u>-</u>	<u>-</u>	<u>3,605,149</u>
Work in Progress, end of year	<u>3,631,883</u>	<u>-</u>	<u>-</u>	<u>3,631,883</u>
Total Deferred Capital Revenue, end of year	<u>44,564,210</u>	<u>856,405</u>	<u>1,625,807</u>	<u>47,046,422</u>

School District No. 73 (Kamloops-Thompson)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2020

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ 48,709	\$ 161,265	\$ 509,238	\$	\$ 107,186	\$ 826,398
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	12,852,119					12,852,119
Provincial Grants - Other			785,977			785,977
Other					6,524	6,524
Investment Income		2,932	14,996			17,928
	12,852,119	2,932	800,973	-	6,524	13,662,548
Decrease:						
Transferred to DCR - Capital Additions	4,822,949	3,530	122,656		3,180	4,952,315
Transferred to DCR - Work in Progress	3,605,149					3,605,149
Transferred to Revenue - Site Purchases	832,690					832,690
AFG Spent on Non-Capital Items	2,821,785					2,821,785
Insurance proceeds netted with expenditures	769,546					769,546
	12,852,119	3,530	122,656	-	3,180	12,981,485
Net Changes for the Year	-	(598)	678,317	-	3,344	681,063
Balance, end of year	48,709	160,667	1,187,555	-	110,530	1,507,461