

Audited Financial Statements of

School District No. 73 (Kamloops-Thompson)

And Independent Auditors' Report thereon

June 30, 2022

School District No. 73 (Kamloops-Thompson)

June 30, 2022

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School District No. 73 (Kamloops-Thompson)

MANAGEMENT REPORT

Version: 1211-9465-7483

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)

<i>Signature on file.</i>	September 12, 2022
Signature of the Chairperson of the Board of Education	Date Signed
<i>Signature on file.</i>	September 12, 2022
Signature of the Superintendent	Date Signed
<i>Signature on file.</i>	September 12, 2022
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, 2022, 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, 2022, 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 31 through 45 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.

BDO Canada LLP

Chartered Professional Accountants

Kamloops, British Columbia
September 12, 2022

School District No. 73 (Kamloops-Thompson)

Statement 1

Statement of Financial Position

As at June 30, 2022

	2022 Actual	2021 Actual (Restated - Note 27)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	39,417,675	38,825,948
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	2,640,578	2,121,391
Due from Province - Other	345,756	
Due from First Nations	446,014	890,222
Other (Note 3)	1,161,659	1,176,514
Investments in Government Business Enterprises (Note 6)	2,194,250	2,277,098
Portfolio Investments (Note 5)	27,139	27,139
Total Financial Assets	46,233,071	45,318,312
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education and Child Care		20,742
Other (Note 7)	16,233,054	17,138,928
Unearned Revenue (Note 8)	3,559,879	3,107,437
Deferred Revenue (Note 9)	6,271,820	5,227,813
Deferred Capital Revenue (Note 10)	77,373,505	60,510,757
Employee Future Benefits (Note 11)	5,905,726	5,728,968
Other Liabilities	143,055	293,818
Total Liabilities	109,487,039	92,028,463
Net Debt	(63,253,968)	(46,710,151)
Non-Financial Assets		
Tangible Capital Assets (Note 4)	101,881,301	86,570,353
Restricted Assets (Endowments) (Note 22)	150,125	150,125
Prepaid Expenses	414,132	428,299
Supplies Inventory	582,188	583,196
Total Non-Financial Assets	103,027,746	87,731,973
Accumulated Surplus (Deficit)	39,773,778	41,021,822
Contractual Obligations (Note 18)		
Contingent Liabilities (Note 20)		
Approved by the Board		
<i>Signature on file.</i>	September 12, 2022	
Signature of the Chairperson of the Board of Education	Date Signed	
<i>Signature on file.</i>	September 12, 2022	
Signature of the Superintendent	Date Signed	
<i>Signature on file.</i>	September 12, 2022	
Signature of the Secretary Treasurer	Date Signed	

School District No. 73 (Kamloops-Thompson)

Statement of Operations
Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 27)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	184,512,983	183,670,917	180,602,638
Other	55,440	368,897	83,440
Tuition	4,922,940	5,005,065	2,182,567
Other Revenue	8,237,996	8,215,968	7,216,056
Rentals and Leases	69,684	129,017	164,958
Investment Income	275,500	284,764	256,057
Income (Loss) from Investments in Government Business Enterprises	350,000	(82,848)	979,267
Gain (Loss) on Disposal of Tangible Capital Assets			428,043
Amortization of Deferred Capital Revenue	3,273,533	3,623,811	3,201,339
Total Revenue	<u>201,698,076</u>	<u>201,215,591</u>	<u>195,114,365</u>
Expenses			
Instruction	164,340,684	158,715,173	152,193,489
District Administration	6,126,669	5,637,830	5,645,978
Operations and Maintenance	31,580,070	32,554,927	28,500,094
Transportation and Housing	6,024,784	5,555,705	5,400,235
Total Expense	<u>208,072,207</u>	<u>202,463,635</u>	<u>191,739,796</u>
Surplus (Deficit) for the year	<u>(6,374,131)</u>	<u>(1,248,044)</u>	<u>3,374,569</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		41,021,822	37,647,253
Accumulated Surplus (Deficit) from Operations, end of year		<u>39,773,778</u>	<u>41,021,822</u>

School District No. 73 (Kamloops-Thompson)

Statement of Changes in Net Debt

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 27)
	\$	\$	\$
Surplus (Deficit) for the year	(6,374,131)	(1,248,044)	3,374,569
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(16,119,050)	(21,457,202)	(20,437,309)
Amortization of Tangible Capital Assets	5,720,719	6,146,254	5,615,104
Net carrying value of Tangible Capital Assets disposed of			71,957
Total Effect of change in Tangible Capital Assets	(10,398,331)	(15,310,948)	(14,750,248)
Use of Prepaid Expenses		14,167	96,038
Acquisition of Supplies Inventory			(202,190)
Use of Supplies Inventory		1,008	
Total Effect of change in Other Non-Financial Assets	-	15,175	(106,152)
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	(16,772,462)	(16,543,817)	(11,481,831)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(16,543,817)	(11,481,831)
Net Debt, beginning of year		(46,710,151)	(35,228,320)
Net Debt, end of year		(63,253,968)	(46,710,151)

School District No. 73 (Kamloops-Thompson)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2022

	2022 Actual	2021 Actual
		(Restated - Note 27)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(1,248,044)	3,374,569
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(405,880)	137,877
Supplies Inventories	1,008	(202,190)
Prepaid Expenses	14,167	96,038
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(926,616)	3,464,427
Unearned Revenue	452,442	958,192
Deferred Revenue	1,044,007	(245,539)
Employee Future Benefits	176,758	303,991
Other Liabilities	(150,763)	76,742
Loss (Gain) on Disposal of Tangible Capital Assets		(428,043)
Amortization of Tangible Capital Assets	6,146,254	5,615,104
Amortization of Deferred Capital Revenue	(3,623,811)	(3,201,339)
Capital Grants Spent on Building Maintenance/Roofing Projects	(3,113,429)	(2,485,138)
Total Operating Transactions	(1,633,907)	7,464,691
Capital Transactions		
Tangible Capital Assets Purchased	(5,685,823)	(8,403,467)
Tangible Capital Assets -WIP Purchased	(15,771,379)	(12,033,842)
District Portion of Proceeds on Disposal		500,000
Total Capital Transactions	(21,457,202)	(19,937,309)
Financing Transactions		
Capital Revenue Received	23,599,988	19,207,179
Total Financing Transactions	23,599,988	19,207,179
Investing Transactions		
Decrease (Increase) in Investments in Government Business Enterprises	82,848	(979,267)
Total Investing Transactions	82,848	(979,267)
Net Increase (Decrease) in Cash and Cash Equivalents	591,727	5,755,294
Cash and Cash Equivalents, beginning of year	38,825,948	33,070,654
Cash and Cash Equivalents, end of year	39,417,675	38,825,948
Cash and Cash Equivalents, end of year, is made up of:		
Cash	39,417,675	38,825,948
	39,417,675	38,825,948

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2022

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 and Child Care. 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, 2022 increase in annual surplus by \$16,862,748 (June 30, 2021 - increase by \$11,956,874).
- June 30, 2022 - increase in accumulated surplus and decrease in deferred contributions by \$77,373,505 (2021 - \$60,510,757).

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2022

b) Basis of Consolidation

These financial statements reflect the assets, liabilities, revenue and expenses of this reporting 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, 2022

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 10.5 years.

The most recent valuation of the obligation was performed at March 31, 2022 and projected to March 31, 2025. The next valuation will be performed at March 31, 2025 for use at June 30, 2025. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

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

i) 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).

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2022

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, 2022

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, 2022.

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, 2022

(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>2022</u>	<u>2021</u>
Other	\$1,170,122	\$1,184,977
Allowance for Doubtful Accounts		<u>(8,463)</u>
	(8,463) <u>\$1,161,659</u>	<u>\$1,176,514</u>

Included in accounts receivable - other is \$nil from School District No. 73 Business Company (2021 - \$70,942).

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2022

Note 4 TANGIBLE CAPITAL ASSETS

Cost	Balance at June 30, 2021	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2022
Sites	\$11,105,862	\$-	\$-	\$-	\$11,105,862
Buildings	159,923,479	3,385,743	-	15,771,379	179,080,601
Furniture & Equipment	14,714,174	961,913	394,166	-	15,281,921
Vehicles	12,079,037	585,850	1,026,996	-	11,637,891
Software	396,721	110,838	20,566	-	486,993
Computer Hardware	3,007,847	641,479	459,067	-	3,190,259
Total	\$201,227,120	\$5,685,823	\$1,900,795	\$15,771,379	\$220,783,527

Amortization	Balance at June 30, 2021	Additions	Disposals	Balance at June 30, 2022
Sites	\$-	\$-	\$-	\$-
Buildings	101,058,953	2,752,420	-	103,811,373
Furniture & Equipment	6,286,325	1,499,805	394,166	7,391,964
Vehicles	5,922,024	1,185,846	1,026,996	6,080,874
Software	189,270	88,372	20,566	257,076
Computer Hardware	1,200,195	619,811	459,067	1,360,939
Total	\$114,656,767	\$6,146,254	\$1,900,795	\$118,902,226

Cost	Balance at June 30, 2020	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2021
Sites	\$11,177,819	\$-	\$71,957	\$-	\$11,105,862
Buildings	144,561,098	3,957,088	628,549	12,033,842	159,923,479
Furniture & Equipment	13,716,351	1,362,713	364,890	-	14,714,174
Vehicles	10,976,269	2,109,247	1,006,479	-	12,079,037
Software	351,780	70,908	25,967	-	396,721
Computer Hardware	3,184,420	903,511	1,080,084	-	3,007,847
Total	\$183,967,737	\$8,403,467	\$3,177,926	\$12,033,842	\$201,227,120

Amortization	Balance at June 30, 2020 (Restated - Note 27)	Additions	Disposals	Balance at June 30, 2021 (Restated - Note 27)
Buildings	99,340,767	2,346,735	628,549	101,058,953
Furniture & Equipment	5,229,689	1,421,526	364,890	6,286,325
Vehicles	5,775,738	1,152,765	1,006,479	5,922,024
Software	140,386	74,851	25,967	189,270
Computer Hardware	1,661,052	619,227	1,080,084	1,200,195
Total	\$112,147,632	\$5,615,104	\$3,105,969	\$114,656,767

	June 30, 2022	June 30, 2021 (Restated - Note 27)
Sites	\$11,105,862	\$11,105,862
Buildings	75,269,228	58,864,526
Furniture & Equipment	7,889,957	8,427,849
Vehicles	5,557,017	6,157,013
Software	229,917	207,451
Computer Hardware	1,829,320	1,807,652
	<u>\$101,881,301</u>	<u>\$86,570,353</u>

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2022

Note 5 **PORTFOLIO INVESTMENTS**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
BC Interior Community Foundation	<u>\$27,139</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, 2022

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, 2022, is as follows:

Balance Sheet	June 30, 2022	June 30, 2021
Current Assets		
Cash	2,076,688	2,333,282
Accounts receivable	240,539	76,587
Due from Virtual School Society	2,000	2,000
	<u>2,319,227</u>	<u>2,411,869</u>
Equipment	25,751	34,844
Total assets	<u>2,344,978</u>	<u>2,446,713</u>
Current Liabilities		
Accounts payable	37,274	97,403
Deferred revenue	40,783	1,270
Due to Shareholder	72,673	70,942
	<u>150,730</u>	<u>169,615</u>
Shareholder's Equity		
Share capital	1	1
Contributed surplus	370,101	370,101
Retained earnings	1,824,148	1,906,996
	<u>2,194,248</u>	<u>2,277,098</u>
Total Liabilities and Shareholder's Equity	<u>2,344,978</u>	<u>2,446,713</u>

Statement of Operations	June 30, 2022	June 30, 2021
Revenue	1,113,805	2,500,286
Expenses	991,653	1,479,019
Income (loss) from Operations	<u>122,152</u>	<u>1,021,267</u>
Retained earnings, beginning of the year	<u>1,906,996</u>	<u>927,729</u>
Net Income for Year	122,152	1,021,267
Dividends	(205,000)	(42,000)
	<u>(82,848)</u>	<u>979,267</u>
Retained earnings, end of the year	<u>1,824,148</u>	<u>1,906,996</u>

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2022

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 a management fee of 5% of gross revenues. The online educational programming division is referred to as Global Education and it continues to grow annually.

SD73BC 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, 2022, the School District charged SD73BC a management fee of \$56,855 (2021 - \$124,679) in respect of administrative support provided to SD73BC.

Note 7 ACCOUNTS PAYABLE - OTHER

	<u>2022</u>	<u>2021</u>
Trade payables	\$4,434,706	\$4,661,346
Salary and benefits payable	7,435,992	8,264,579
Accrued vacations payable	2,573,158	2,512,027
Due to SD73 Business Company	1,789,198	1,700,976
	<u>\$16,233,054</u>	<u>\$17,138,928</u>

Note 8 UNEARNED REVENUE

	<u>2022</u>	<u>2021</u>
Balance, beginning of the year	\$3,107,437	\$2,149,245
Changes for the year		
Increase:		
Tuition fees	3,837,866	3,140,759
Decrease:		
Tuition fees	3,385,424	2,182,567
Net change for the year	<u>452,442</u>	<u>(958,192)</u>
Balance, end of the year	<u>\$3,559,879</u>	<u>\$3,107,437</u>

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2022

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, 2022

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, 2022	June 30, 2021
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation - April 1	5,588,542	5,490,048
Service Cost	473,774	477,192
Interest Cost	146,604	129,920
Benefit Payments - April 1 to March 31 - VESTED	(428,127)	(297,738)
Benefit Payments - April 1 to March 31 - NON-VESTED	(103,927)	(101,239)
Actuarial (Gain) Loss	(603,784)	(109,641)
Accrued Benefit Obligation - March 31	5,073,082	5,588,542
Change in Plan Assets		
Employer Contributions - April 1 to March 31	532,054	101,239
Benefit Payments - April 1 to March 31	(532,054)	(101,239)
	-	-
Reconciliation of Funded Status as End of Fiscal Year		
Accrued Benefit Obligation - March 31	(5,073,082)	(5,588,542)
Funded Status - Surplus (Deficit)	(5,073,082)	(5,588,542)
Employer Contributions After Measurement Date - April 1 to June 30 - Vested	87,156	66,378
Benefit Expense After Measurement Date - April 1 to June 30	(154,285)	(155,095)
Unamortized Net Actuarial (Gain)/Loss	(765,515)	(25,965)
Accrued Benefit (Liability) Asset - June 30	(5,905,726)	(5,703,224)
Components of Net Benefit Expense		
Service Cost - July 1 to March 31	355,330	357,894
Service Cost - April 1 to June 30	110,986	118,444
Interest Cost - July 1 to March 31	109,953	97,440
Interest Cost - April 1 to June 30	43,299	36,651
Amortization of Net Actuarial (Gain)/Loss	110,022	128,950
Net Benefit Expense (Income)	729,590	739,379
Reconciliation of Change in Accrued Benefit Liability (Asset)		
Accrued Benefit Liability (Asset) - July 1	5,728,968	5,424,980
Net Expense for Fiscal Year	729,590	739,379
Employer Contributions - July 1 to March 31	(465,676)	(369,013)
Employer Contributions - April 1 to June 30	(87,156)	(66,378)
Accrued Benefit Liability (Asset) - June 30	5,905,726	5,728,968

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2022

Note 11 EMPLOYEE FUTURE BENEFITS (Continued)

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

Assumptions:	2022	2021
Discount Rate - April 1	2.50%	2.25%
Discount Rate - March 31	3.25%	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	10.5	10.1

The School District's Accrued Benefit Obligation (ABO) is calculated annually at March 31 (early measurement date) by the actuary and is used to determine the Employee Future Benefit Liability as at June 30 for Financial Statement reporting. There is a requirement for significant assumptions to be evaluated between the measurement date and reporting date to determine if there are changes that impact the valuation significantly. As a result of the current interest rate environment, the Ministry asked the actuary to estimate the impacts of a change in discount rates.

The actuary has calculated a discount rate based on the provincial government cost of borrowing for various duration as at June 30, 2022. The discount rate derived from these borrowing costs is 4.25%, an increase of 1.0% from the rate of 3.25% used at March 31, 2022. The actuary estimates that using this discount rate would produce a decrease in the ABO of between \$405,807 and \$507,308. The overall calculation of the ABO has not been updated in these financial statements and will be updated at March 31, 2023, the next early measurement date.

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, 2021, the Teachers' Pension Plan has about 50,000 active members and approximately 40,000 retired members. As of December 31, 2021, the Municipal Pension Plan has about 227,000 active members, including 29,000 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 may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2020, indicated a \$1,584 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 \$14,299,591 (2021 - \$ 13,716,223) for employer contributions to these plans in the year ended June 30, 2022.

The next valuation for the Teachers' Pension Plan will be as at December 31, 2023. The next valuation for the Municipal Pension Plan will be as at December 31, 2021, with results available in 2022.

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2022

Note 12 EMPLOYEE PENSION PLANS (Continued)

Employers participating in the plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plans records accrued liabilities and accrued assets for each plan in aggregate, resulting in no consistent and reliable basis for allocating obligation, assets and costs to individual employers participating in the plans.

Note 13 OPERATING FUND BALANCE, END OF YEAR

	Balance at June 30, 2021	Increases	Decreases	Balance at June 30, 2022
Internally Restricted Future School Years				
Utility Fuel Budget	548,888	-	(148,888)	400,000
Strategic Plan Refresh	75,000	-	(52,922)	22,078
Future of Schools Project	75,000	-	(8,100)	66,900
Department Carry Forward	545,262	-	(164,645)	380,617
School Supply Carry Forward	1,445,369	457,779	-	1,903,148
General Reserve - COVID-19	1,024,259	-	(1,024,259)	-
Ministry of Education Holdback	501,569	-	(501,569)	-
School Evacuation Plan	100,000	-	(100,000)	-
Parkcrest Elementary Rebuild - District Portion	-	300,000	-	300,000
Staffing Pressures and Relief Costs	-	1,414,128	-	1,414,128
	<u>4,315,347</u>	<u>2,171,907</u>	<u>(2,000,383)</u>	<u>4,486,871</u>
Internally Restricted - Funds with Constraints				
SD73BC Management Fee	485,872	-	-	485,872
Aboriginal Education	1,491,226	91,882	-	1,583,108
International Student Program	741,543	-	(741,543)	-
AFG Other	58,298	22,608	-	80,906
Summer School	3,782	-	(3,782)	-
	<u>2,780,721</u>	<u>114,490</u>	<u>(745,325)</u>	<u>2,149,886</u>
Total Operating Reserve Balances	<u>7,096,068</u>	<u>2,286,397</u>	<u>(2,745,708)</u>	<u>6,636,757</u>

Note 13 OPERATING FUND BALANCE (Continued)

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.

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.

The Strategic Plan Reserve is to support the refresh of the multi-year strategic plan required by the Ministry of Education. The reserve was established to assist with the costs of creating the 2022-2027 District Strategic Plan during the 2021-2022 school year and was not fully spent during the year. The balance remaining in this reserve is for the completion of the 2022-2027 District Strategic Plan.

The Capital Planning Reserve, formerly called the Future of Schools Project, will support the Board of Education as it makes important school capital planning decisions over the next 5-10 years in alignment with the District's Strategic Plan and Long-Range Facilities Plan.

Department and School Supply Reserve balances are an accumulation of operating under-expenditures the Board allows 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.

Due to the COVID-19 outbreak and its impact on financial markets and social dislocating worldwide, with Board approval, the General Reserve - COVID-19 was created to assist with providing funding against uncertain expenditures, enrollment and staffing pressures given the fluctuation of student enrollment. This reserve was fully utilized in the year due to higher than anticipated employee absenteeism and COVID-19 related costs.

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 carried 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. This reserve was fully utilized in the year.

In the Fall of 2021, due to the ongoing threat of natural disasters within the Province of British Columbia severely impacting the Kamloops-Thompson and surrounding communities a plan was put in place should a school be in a community that has been on evacuation alert then be required to evacuate. This reserve was transferred to address other areas of need.

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2022

Note 13 OPERATING FUND BALANCE (Continued)

The Parkcrest Elementary Rebuild Reserve is to meet the District's \$300,000 obligation for rebuilding Parkcrest Elementary with a larger capacity to meet rising student enrolment. The District, in its funding agreement with the Ministry of Education and Child Care, is required to contribute \$300,000 of its own financial resources to the project.

During the 2021-2022 school year the District experienced greater than anticipated employee absenteeism across most classifications. The Staffing Pressures and Relief Costs reserve was created to allow the District to partially offset these increased costs of replacing employees in the 2022-2023 school year.

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 collected these fees between 2017 - 2020, subsequent fees have been reported in the District's Special Purpose Fund.

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 and Child Care 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 for 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. For the 2021-2022 school year the expenses exceeded funding.

Note 14 SPECIAL PURPOSE FUND BALANCE, END OF THE YEAR

	Balance at June 30, 2021	Increases	Decreases	Balance at June 30, 2022
Ministry of Education	945,483	16,272,140	15,981,651	1,235,972
School Generated Funds	2,660,028	3,982,040	3,691,669	2,950,399
Other Special Purpose Funds	1,622,302	1,323,882	860,735	2,085,449
	5,227,813	21,578,062	20,534,055	6,271,820

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, Official Languages in Education Protocol (OLEP) French, Special Education Technology (SET) BC, Restart: Health & Safety Grant and the Ventilation Fund 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.

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2022

Note 15 LOCAL CAPITAL FUND BALANCE, END OF THE YEAR

	Balance at June 30, 2021	Increases	Decreases	Balance at June 30, 2022
Local Capital Reserve	\$3,241,270	1,816,558	(3,580,981)	\$1,476,847

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 June 30, 2021	Increases	Decreases	Balance at June 30, 2022
Other Provincial Capital Reserve	\$217,109	(2,782,256)	(309,429)	\$2,689,936

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 \$534,256 (2021 - \$nil).

Ministry of Education and Child Care has provided a capital fund to build new childcare spaces at two District owned properties. These buildings will then be used to increase childcare spaces for the community. During the year the District received \$2,248,000 (2021 - \$nil).

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, 2022

Note 19 BUDGET FIGURES

Budget figures used in these financial statements were approved by the Board through the adoption of an amended annual budget on February 07, 2022. As PSAB requires the original budget to be presented, a reconciliation from the original to amended is below.

	Original	Adjustments	Amended
Revenues			
Provincial Grants	\$176,165,640	\$8,347,343	\$184,512,983
Other Grants	55,040	400	55,440
Tuition	3,792,500	1,130,440	4,922,940
Other Revenue	8,531,214	(293,218)	8,237,996
Rental and Lease	69,684	-	69,684
Investment Income	290,000	(14,500)	275,500
Income from Government Business Enterprise	400,000	(50,000)	350,000
Amortization of Deferred Capital Revenue	3,244,874	28,659	3,273,533
	192,548,952	9,149,124	201,698,076
Expenses			
Instruction	146,853,859	17,486,825	164,340,684
District Administration	5,976,978	149,691	6,126,669
Operation and Maintenance	30,623,440	956,630	31,580,070
Transportation and Housing	5,840,777	184,007	6,024,784
Supplies and Services	6,373,123	(6,373,123)	-
	195,668,177	12,404,030	208,072,207
Net Revenue (Expenses)	(3,119,225)	3,254,906	(6,374,131)
Budget allocation (retirement) of surplus	-	3,951,945	3,951,945
Budgeted deficit for the year	\$(3,119,225)	\$7,206,851	\$(2,422,186)

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, 2022, 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, 2022

Note 21 ECONOMIC DEPENDENCE

The operations of the School District are dependent on continued funding from the Ministry of Education and Child Care and various governmental agencies to carry out its programs. These financial statements have been prepared on a going concern basis.

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.

	June 30, 2021	Additions	Disposals	June 30, 2022
Endowments Held By:				
BCICF	\$ 140,125	\$ 6,786	\$ (6,786)	\$ 140,125
School District	10,000	230	(230)	10,000
Total Endowments	\$ 150,125	\$ 7,016	\$ (7,016)	\$ 150,125

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, 2022 - \$1,804,562 was transferred from the Operating Fund to the Capital Fund (2021 - \$4,014,342).

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.

	June 30, 2022	June 30, 2021 (restated - Note 27)
Expense:		
Salaries and Benefits	\$166,252,381	\$159,444,111
Services and Supplies	30,068,151	26,680,581
Amortization	6,143,103	5,615,104
	\$202,463,635	\$191,739,796

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 and Child care. 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 Facility 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, 2022

rates would cause interest income to increase or decrease by \$223,979.

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, 2022 and June 30, 2021, the facility was unused.

Note 27 PRIOR PERIOD ADJUSTMENTS

On May 28, 2021, the Office of the Comptroller General directed all school districts to apply the half-year rule method of amortization beginning in the fiscal year an asset is placed into service. This directive applies to both past and future purchases. Prior to this directive, the district did not recognize amortization in the first partial service year. The School District has made a retroactive adjustment to recognize amortization of all assets and deferred capital contributions beginning in the first service year. The impact of the prior period adjustment on the June 30, 2021 comparative amounts is as follows:

Tangible Capital Assets	\$	1,189,044
Deferred Capital Revenue	\$	(1,637,245)
Accumulated Surplus (Deficit)	\$	(1,232,244)
Amortization of Deferred Capital Revenue	\$	73,106
Amortization Expense of Tangible Capital Asset	\$	123,222
Accumulated Surplus - beginning of the year July 1, 2020	\$	(1,182,125)

School District No. 73 (Kamloops-Thompson)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund

Year Ended June 30, 2022

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2022 Actual	2021 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	7,096,068	2,427,223	31,498,531	41,021,822	38,829,378
Prior Period Adjustments					(1,182,125)
Accumulated Surplus (Deficit), beginning of year, as restated	7,096,068	2,427,223	31,498,531	41,021,822	37,647,253
Changes for the year					
Surplus (Deficit) for the year	1,345,251	(82,848)	(2,510,447)	(1,248,044)	3,374,569
Interfund Transfers	(1,804,562)		1,804,562	-	
Local Capital	(459,311)	(82,848)	(705,885)	(1,248,044)	3,374,569
Net Changes for the year	6,636,757	2,344,375	30,792,646	39,773,778	41,021,822

Accumulated Surplus (Deficit), end of year - Statement 2

School District No. 73 (Kamloops-Thompson)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 27)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	165,067,531	164,575,837	156,898,462
Other	55,440	368,897	83,440
Tuition	4,922,940	5,005,065	2,182,567
Other Revenue	3,371,548	3,663,564	3,511,251
Rentals and Leases	69,684	129,017	164,958
Investment Income	250,000	272,768	242,234
Total Revenue	<u>173,737,143</u>	<u>174,015,148</u>	<u>163,082,912</u>
Expenses			
Instruction	143,675,413	139,289,242	128,519,905
District Administration	6,126,669	5,637,830	5,645,978
Operations and Maintenance	22,153,040	22,331,859	19,664,348
Transportation and Housing	5,733,966	5,410,966	5,104,202
Total Expense	<u>177,689,088</u>	<u>172,669,897</u>	<u>158,934,433</u>
Operating Surplus (Deficit) for the year	<u>(3,951,945)</u>	<u>1,345,251</u>	<u>4,148,479</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>3,951,945</u>		
Net Transfers (to) from other funds			
Local Capital		(1,804,562)	(4,014,342)
Total Net Transfers	-	<u>(1,804,562)</u>	<u>(4,014,342)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>(459,311)</u>	<u>134,137</u>
Operating Surplus (Deficit), beginning of year		7,096,068	6,961,931
Operating Surplus (Deficit), end of year		<u>6,636,757</u>	<u>7,096,068</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		6,636,757	7,096,068
Total Operating Surplus (Deficit), end of year		<u>6,636,757</u>	<u>7,096,068</u>

School District No. 73 (Kamloops-Thompson)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 27)
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	165,859,937	165,634,643	153,451,964
ISC/LEA Recovery	(2,608,196)	(2,824,922)	(2,608,196)
Other Ministry of Education and Child Care Grants			
Pay Equity	575,959	575,959	575,959
Funding for Graduated Adults	105,000	85,198	103,410
Student Transportation Fund	666,817	666,817	666,817
Support Staff Benefits Grant		190,965	188,300
Teachers' Labour Settlement Funding			3,970,864
Early Career Mentorship Funding			310,000
FSA Scorer Grant	20,194	20,194	20,194
Distributed Learning	229,190		
Early Learning Framework	3,630	3,630	3,630
Extreme Weather		7,833	
Next Generation Network - Self Provisioned	215,000	215,520	215,520
Total Provincial Grants - Ministry of Education and Child Care	165,067,531	164,575,837	156,898,462
Provincial Grants - Other	55,440	368,897	83,440
Tuition			
International and Out of Province Students	4,922,940	5,005,065	2,182,567
Total Tuition	4,922,940	5,005,065	2,182,567
Other Revenues			
Funding from First Nations	2,608,196	2,824,922	2,608,196
Miscellaneous			
Course Fees		33,850	53,122
Student Paid Meals		197,681	131,054
Trades and Transitions Program	249,660	62,128	184,671
Miscellaneous	513,692	544,983	534,208
Total Other Revenue	3,371,548	3,663,564	3,511,251
Rentals and Leases	69,684	129,017	164,958
Investment Income	250,000	272,768	242,234
Total Operating Revenue	173,737,143	174,015,148	163,082,912

School District No. 73 (Kamloops-Thompson)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 27)
	\$	\$	\$
Salaries			
Teachers	72,112,396	72,382,777	67,714,693
Principals and Vice Principals	10,861,667	10,627,516	9,962,387
Educational Assistants	10,303,692	9,774,281	9,837,909
Support Staff	20,181,333	19,746,897	17,328,846
Other Professionals	4,868,355	4,581,443	4,481,111
Substitutes	6,117,565	8,166,870	6,393,432
Total Salaries	124,445,008	125,279,784	115,718,378
Employee Benefits	27,177,556	26,966,306	25,297,941
Total Salaries and Benefits	151,622,564	152,246,090	141,016,319
Services and Supplies			
Services	5,887,841	5,168,621	3,400,823
Student Transportation	382,531	382,531	269,570
Professional Development and Travel	1,992,260	1,251,774	1,201,432
Dues and Fees	135,036	93,702	114,074
Insurance	608,237	396,758	463,466
Supplies	13,928,162	9,993,715	9,412,647
Utilities	3,132,457	3,136,706	3,056,102
Total Services and Supplies	26,066,524	20,423,807	17,918,114
Total Operating Expense	177,689,088	172,669,897	158,934,433

School District No. 73 (Kamloops-Thompson)

Operating Expense by Function, Program and Object

Year Ended June 30, 2022

Schedule 2C (Unaudited)

	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	56,257,005	1,429,792		1,155,615		5,519,770	64,362,182
1.03 Career Programs	302,360	134,525		30,762		30,762	467,647
1.07 Library Services	1,924,105	134,525		1,402,685		253,357	3,714,672
1.08 Counselling	1,832,481			599,758		206,586	2,638,825
1.10 Special Education	7,742,231	336,314	8,430,570	84,966		1,100,049	17,694,130
1.30 English Language Learning	274,872					79,315	354,187
1.31 Indigenous Education	878,997	117,253	1,343,711	24,561	710,286	45,440	3,120,248
1.41 School Administration		7,802,480		1,149,537		68,991	9,021,008
1.60 Summer School	92,755						92,755
1.61 Continuing Education	458,120	403,577		99,960		52,935	1,014,592
1.62 International and Out of Province Students	1,474,551	134,525		49,980		62,358	1,721,414
1.64 Other	1,145,300	134,525		78,563		116,792	1,475,180
Total Function 1	72,382,777	10,627,516	9,774,281	4,645,625	710,286	7,536,355	105,676,840
4 District Administration							
4.11 Educational Administration		338,123			1,313,798		1,651,921
4.40 School District Governance					220,818		220,818
4.41 Business Administration		664,789			1,317,146		1,981,935
Total Function 4	-	-	-	1,002,912	2,851,762	-	3,854,674
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				72,250	573,395		645,645
5.50 Maintenance Operations				10,069,612	315,804	460,425	10,845,841
5.52 Maintenance of Grounds				1,141,341		14,963	1,156,304
5.56 Utilities							-
Total Function 5	-	-	-	11,283,203	889,199	475,388	12,647,790
7 Transportation and Housing							
7.41 Transportation and Housing Administration				137,004	130,196		267,200
7.70 Student Transportation				2,678,153		155,127	2,833,280
Total Function 7	-	-	-	2,815,157	130,196	155,127	3,100,480
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	72,382,777	10,627,516	9,774,281	19,746,897	4,581,443	8,166,870	125,279,784

School District No. 73 (Kamloops-Thompson)

Operating Expense by Function, Program and Object

Year Ended June 30, 2022

Schedule 2C (Unaudited)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$	\$	\$	\$	(Restated - Note 27)
1 Instruction							
1.02 Regular Instruction	64,362,182	14,418,787	78,780,969	3,776,786	82,557,755	84,890,406	77,606,149
1.03 Career Programs	467,647	99,292	566,939		566,939	551,333	533,361
1.07 Library Services	3,714,672	815,162	4,529,834	368,420	4,898,254	4,802,117	4,420,351
1.08 Counselling	2,638,825	585,541	3,224,366	309	3,224,675	3,109,650	3,004,263
1.10 Special Education	17,694,130	3,943,794	21,637,924	1,602,308	23,240,232	23,419,127	22,624,632
1.30 English Language Learning	354,187	67,435	421,622		421,622	380,832	349,860
1.31 Indigenous Education	3,120,248	614,235	3,734,483	729,351	4,463,834	6,024,650	3,580,167
1.41 School Administration	9,021,008	1,717,162	10,738,170	483,236	11,221,406	11,442,038	10,357,734
1.60 Summer School	92,755	18,144	110,899	64	110,963	111,308	104,676
1.61 Continuing Education	1,014,592	210,393	1,224,985	765,803	1,990,788	2,112,387	1,667,321
1.62 International and Out of Province Students	1,721,414	184,159	1,905,573	2,706,111	4,611,684	4,642,940	2,258,591
1.64 Other	1,475,180	323,905	1,799,085	182,005	1,981,090	2,188,625	2,012,800
Total Function 1	105,676,840	22,998,009	128,674,849	10,614,393	139,289,242	143,675,413	128,519,905
4 District Administration							
4.11 Educational Administration	1,651,921	244,401	1,896,322	269,417	2,165,739	1,969,664	1,983,391
4.40 School District Governance	220,818	19,384	240,202	287,540	527,742	570,110	335,444
4.41 Business Administration	1,981,935	411,789	2,393,724	550,625	2,944,349	3,586,895	3,327,143
Total Function 4	3,854,674	675,574	4,530,248	1,107,582	5,637,830	6,126,669	5,645,978
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	645,645	126,211	771,856	393,819	1,165,675	1,321,918	1,068,049
5.50 Maintenance Operations	10,845,841	2,260,017	13,105,858	2,982,439	16,088,297	15,646,387	13,701,286
5.52 Maintenance of Grounds	1,156,304	256,222	1,412,526	535,762	1,948,288	2,052,278	1,838,911
5.56 Utilities	-	-	-	3,129,599	3,129,599	3,132,457	3,056,102
Total Function 5	12,647,790	2,642,450	15,290,240	7,041,619	22,331,859	22,153,040	19,664,348
7 Transportation and Housing							
7.41 Transportation and Housing Administration	267,200	58,720	325,920	122,886	448,806	597,120	500,019
7.70 Student Transportation	2,833,280	591,553	3,424,833	1,537,327	4,962,160	5,136,846	4,604,183
Total Function 7	3,100,480	650,273	3,750,753	1,660,213	5,410,966	5,733,966	5,104,202
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	125,279,784	26,966,306	152,246,090	20,423,807	172,669,897	177,689,088	158,934,433

School District No. 73 (Kamloops-Thompson)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated - Note 27)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	16,532,966	15,981,651	21,219,038
Other Revenue	4,866,448	4,552,404	3,704,805
Investment Income	500		404
Income (Loss) from Investments in Government Business Enterprises	350,000	(82,848)	979,267
Total Revenue	<u>21,749,914</u>	<u>20,451,207</u>	<u>25,903,514</u>
Expenses			
Instruction	20,665,271	19,425,931	23,673,584
Operations and Maintenance	793,825	963,385	735,501
Transportation and Housing	290,818	144,739	296,033
Total Expense	<u>21,749,914</u>	<u>20,534,055</u>	<u>24,705,118</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>(82,848)</u>	<u>1,198,396</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased			(219,129)
Total Net Transfers	<u>-</u>	<u>-</u>	<u>(219,129)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>(82,848)</u>	<u>979,267</u>
Special Purpose Surplus (Deficit), beginning of year		2,427,223	1,447,956
Special Purpose Surplus (Deficit), end of year		<u>2,344,375</u>	<u>2,427,223</u>
Special Purpose Surplus (Deficit), end of year			
Related Entities		2,194,250	2,277,098
Endowment Contributions		150,125	150,125
Total Special Purpose Surplus (Deficit), end of year		<u>2,344,375</u>	<u>2,427,223</u>

School District No. 73 (Kamloops-Thompson)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2022

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	Special Education Technology	School Generated Funds	Related Entities	Strong Start	Ready, Set, Learn	OLEP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	106,777		90,921		2,660,028				
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	687,048	560,618	33,964	134,518	3,982,040		224,000	102,200	216,269
Other Investment Income			374						
Less: Allocated to Revenue Recovered	687,048	560,618	34,338	134,518	3,982,040		224,000	102,200	216,269
	648,374	560,618	15,915	134,518	3,691,669		224,000	66,860	189,842
Deferred Revenue, end of year	145,451	-	109,344	-	2,950,399		-	35,340	26,427
Revenues									
Provincial Grants - Ministry of Education and Child Care	648,374	560,618	15,915	134,518	3,691,669		224,000	66,860	189,842
Other Revenue									
Investment Income									
Income (Loss) from Investments in Government Business Enterprises	648,374	560,618	15,915	134,518	3,691,669	(82,848)	224,000	66,860	189,842
Expenses									
Salaries									
Teachers									
Principals and Vice Principals		461,308		103,305			146,783	14,448	63,015
Educational Assistants									
Support Staff									
Substitutes		461,308		103,305			146,783	14,448	63,015
Employee Benefits	648,374	99,310	15,915	22,164	3,691,669		49,047	3,468	8,625
Services and Supplies	648,374	560,618	15,915	9,049	3,691,669		28,170	48,944	118,202
				134,518	3,691,669		224,000	66,860	189,842
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	(82,848)	-	-	-
Interfund Transfers	-	-	-	-	-	(82,848)	-	-	-
Net Revenue (Expense)	-	-	-	-	-	(82,848)	-	-	-

School District No. 73 (Kamloops-Thompson)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2022

	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 / Restart: Health & Safety Grant	Federal Safe Return to Class / Ventilation Fund
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	649,296			12,772	120,068	44,739	10,626		
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	1,619,927	463,687	11,085,018	75,005	170,750	140,482	25,750	389,629	315,011
Other Investment Income									
Less: Allocated to Revenue Recovered	1,619,927	463,687	11,085,018	75,005	170,750	140,482	25,750	389,629	315,011
	1,617,927	463,687	11,085,018	33,780	144,739	18,003	21,354	389,629	315,011
	12,772			12,772					
Deferred Revenue, end of year	651,296	-	-	41,225	146,079	167,218	15,022	-	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	1,617,927	463,687	11,085,018	33,780	144,739	18,003	21,354	389,629	315,011
Other Revenue									
Investment Income									
Income (Loss) from Investments in Government Business Enterprises	1,617,927	463,687	11,085,018	33,780	144,739	18,003	21,354	389,629	315,011
Expenses									
Salaries									
Teachers	927,995		9,073,161						
Principals and Vice Principals		34,500							
Educational Assistants									
Support Staff	13,756	80,520							
Substitutes	1,133	284,897		27,024		11,890	3,758		
Employee Benefits	942,884	399,917	9,073,161	27,024	-	11,890	3,758		
Services and Supplies	247,284	63,770	2,011,857	6,756		2,854	902		
	427,759				144,739	3,259	16,694	389,629	315,011
	1,617,927	463,687	11,085,018	33,780	144,739	18,003	21,354	389,629	315,011
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, 2022

	Seamless Day Kindergarten	Contributor Restricted	Just B4	BCLCA/ E-Learning	TOTAL
	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year		1,531,380		1,206	5,227,813
Add:					
Restricted Grants	50,000		25,000		16,284,912
Provincial Grants - Ministry of Education and Child Care		1,289,544			5,305,548
Other					374
Investment Income					
Less: Allocated to Revenue	50,000	1,289,544	25,000	-	21,590,834
Recovered	50,000	844,820	18,291	-	20,534,055
Deferred Revenue, end of year	-	1,976,104	6,709	1,206	6,271,820
Revenues					
Provincial Grants - Ministry of Education and Child Care	50,000		18,291		15,981,651
Other Revenue		844,820			4,552,404
Investment Income					-
Income (Loss) from Investments in Government Business Enterprises	50,000	844,820	18,291	-	(82,848)
Expenses					
Salaries					
Teachers		73,616			10,241,092
Principals and Vice Principals					34,500
Educational Assistants					461,308
Support Staff	34,993	55,236	10,212		341,500
Substitutes	1,374				344,524
Employee Benefits	36,367	128,852	10,212	-	11,422,924
Services and Supplies	7,103	29,413	2,960		2,555,513
	6,530	686,555	5,119		6,555,618
	50,000	844,820	18,291	-	20,534,055
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	(82,848)
Interfund Transfers					
	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	(82,848)

School District No. 73 (Kamloops-Thompson)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2022

	2022	2022 Actual			2021
	Budget	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual (Restated - Note 27)
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education and Child Care	2,912,486	3,113,429		3,113,429	2,485,138
Investment Income	25,000		11,996	11,996	13,419
Gain (Loss) on Disposal of Tangible Capital Assets				-	428,043
Amortization of Deferred Capital Revenue	3,273,533	3,623,811		3,623,811	3,201,339
Total Revenue	6,211,019	6,737,240	11,996	6,749,236	6,127,939
Expenses					
Operations and Maintenance	2,912,486	3,113,429		3,113,429	2,485,141
Amortization of Tangible Capital Assets					
Operations and Maintenance	5,720,719	6,146,254		6,146,254	5,615,104
Total Expense	8,633,205	9,259,683	-	9,259,683	8,100,245
Capital Surplus (Deficit) for the year	(2,422,186)	(2,522,443)	11,996	(2,510,447)	(1,972,306)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased				-	219,129
Local Capital			1,804,562	1,804,562	4,014,342
Total Net Transfers	-	-	1,804,562	1,804,562	4,233,471
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		3,580,981	(3,580,981)	-	
Total Other Adjustments to Fund Balances		3,580,981	(3,580,981)	-	
Total Capital Surplus (Deficit) for the year	(2,422,186)	1,058,538	(1,764,423)	(705,885)	2,261,165
Capital Surplus (Deficit), beginning of year		28,257,261	3,241,270	31,498,531	30,419,491
Prior Period Adjustments					
Adoption of Half-Year Rule for Amortization					(1,182,125)
Capital Surplus (Deficit), beginning of year, as restated		28,257,261	3,241,270	31,498,531	29,237,366
Capital Surplus (Deficit), end of year		29,315,799	1,476,847	30,792,646	31,498,531

School District No. 73 (Kamloops-Thompson)

Tangible Capital Assets

Year Ended June 30, 2022

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	11,105,862	144,257,754	14,714,174	12,079,037	396,721	3,007,847	185,561,395
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,360,082	164,796	316,379			1,841,257
Deferred Capital Revenue - Other		161,919	101,666				263,585
Local Capital		1,863,742	695,451	269,471	110,838	641,479	3,580,981
Transferred from Work in Progress		28,009,225					28,009,225
	-	31,394,968	961,913	585,850	110,838	641,479	33,695,048
Decrease:							
Deemed Disposals			394,166	1,026,996	20,566	459,067	1,900,795
	-	-	394,166	1,026,996	20,566	459,067	1,900,795
Cost, end of year	11,105,862	175,652,722	15,281,921	11,637,891	486,993	3,190,259	217,355,648
Work in Progress, end of year		3,427,879					3,427,879
Cost and Work in Progress, end of year	11,105,862	179,080,601	15,281,921	11,637,891	486,993	3,190,259	220,783,527
Accumulated Amortization, beginning of year							
Prior Period Adjustments			5,550,616	5,318,069	149,591	899,407	111,787,592
Adoption of Half-Year Rule for Amortization			735,709	603,955	39,679	300,788	2,869,175
Accumulated Amortization, beginning of year, as restated			6,286,325	5,922,024	189,270	1,200,195	114,656,767
Changes for the Year							
Increase: Amortization for the Year		2,752,420	1,499,805	1,185,846	88,372	619,811	6,146,254
Decrease:							
Deemed Disposals			394,166	1,026,996	20,566	459,067	1,900,795
		-	394,166	1,026,996	20,566	459,067	1,900,795
Accumulated Amortization, end of year		103,811,373	7,391,964	6,080,874	257,076	1,360,939	118,902,226
Tangible Capital Assets - Net	11,105,862	75,269,228	7,889,957	5,557,017	229,917	1,829,320	101,881,301

School District No. 73 (Kamloops-Thompson)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2022

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	15,665,725				15,665,725
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	15,677,135				15,677,135
Deferred Capital Revenue - Other	94,244				94,244
	<u>15,771,379</u>	-	-	-	<u>15,771,379</u>
Decrease:					
Transferred to Tangible Capital Assets	28,009,225				28,009,225
	<u>28,009,225</u>	-	-	-	<u>28,009,225</u>
Net Changes for the Year	<u>(12,237,846)</u>	-	-	-	<u>(12,237,846)</u>
Work in Progress, end of year	<u><u>3,427,879</u></u>	-	-	-	<u><u>3,427,879</u></u>

School District No. 73 (Kamloops-Thompson)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2022

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	41,109,980	1,735,655	1,575,494	44,421,129
Prior Period Adjustments				
Adoption of Half-Year Rule for Amortization	(1,546,673)	(63,661)	(26,600)	(1,636,934)
Deferred Capital Revenue, beginning of year, as restated	39,563,307	1,671,994	1,548,894	42,784,195
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,841,257	261,130	2,455	2,104,842
Transferred from Work in Progress	28,009,225			28,009,225
	29,850,482	261,130	2,455	30,114,067
Decrease:				
Amortization of Deferred Capital Revenue	3,436,944	134,310	52,557	3,623,811
	3,436,944	134,310	52,557	3,623,811
Net Changes for the Year	26,413,538	126,820	(50,102)	26,490,256
Deferred Capital Revenue, end of year	65,976,845	1,798,814	1,498,792	69,274,451
Work in Progress, beginning of year	15,665,725			15,665,725
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	15,677,135	94,244		15,771,379
	15,677,135	94,244	-	15,771,379
Decrease				
Transferred to Deferred Capital Revenue	28,009,225			28,009,225
	28,009,225	-	-	28,009,225
Net Changes for the Year	(12,332,090)	94,244	-	(12,237,846)
Work in Progress, end of year	3,333,635	94,244	-	3,427,879
Total Deferred Capital Revenue, end of year	69,310,480	1,893,058	1,498,792	72,702,330

School District No. 73 (Kamloops-Thompson)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2022

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	48,709	1,670,320	217,109		124,699	2,060,837
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	20,742,969		2,782,256	53,399	9,001	23,525,225
Other		8,469		37	3,857	62,400
Investment Income	20,742,969	8,469	2,782,256	53,436	12,858	12,363
Decrease:						
Transferred to DCR - Capital Additions	1,841,257		261,130		2,455	2,104,842
Transferred to DCR - Work in Progress	15,677,135	45,945	48,299			15,771,379
AFG Spent on Non-Capital Items	3,113,429					3,113,429
	20,631,821	45,945	309,429	-	2,455	20,989,650
Net Changes for the Year	111,148	(37,476)	2,472,827	53,436	10,403	2,610,338
Balance, end of year	159,857	1,632,844	2,689,936	53,436	135,102	4,671,175