

Audited Financial Statements of

School District No. 73 (Kamloops-Thompson)

And Independent Auditors' Report thereon

June 30, 2023

School District No. 73 (Kamloops-Thompson)

June 30, 2023

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School District No. 73 (Kamloops-Thompson)

MANAGEMENT REPORT

Version: 3199-2454-9471

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 73 (Kamloops-Thompson) have been prepared by management in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and reliable financial information is produced.

The Board of Education of School District No. 73 (Kamloops-Thompson) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 73 (Kamloops-Thompson) and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 73 (Kamloops-Thompson)

Signature on file.

September 11, 2023

Signature of the Chairperson of the Board of Education

Date Signed

Signature on file.

September 11, 2023

Signature of the Superintendent

Date Signed

Signature on file.

September 11, 2023

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, 2023, Statements of Operations, Change in Net Debt and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as at June 30, 2023, 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 11, 2023

School District No. 73 (Kamloops-Thompson)

Statement of Financial Position

As at June 30, 2023

	2023 Actual	2022 Actual (Restated - Note 27)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	34,223,997	39,417,675
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	1,870,500	2,640,578
Due from Province - Other		345,756
Due from First Nations	1,231,095	446,014
Other (Note 3)	1,741,254	1,161,659
Investments in Government Business Enterprises (Note 6)	2,232,972	2,194,250
Portfolio Investments (Note 5)	27,139	27,139
Total Financial Assets	41,326,957	46,233,071
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education and Child Care	2,120	
Other (Note 7)	18,334,604	16,233,054
Unearned Revenue (Note 8)	3,740,004	3,559,879
Deferred Revenue (Note 9)	6,604,344	6,271,820
Deferred Capital Revenue (Note 10)	90,378,036	77,373,505
Employee Future Benefits (Note 11)	6,133,228	5,905,726
Asset Retirement Obligation (Note 26)	8,270,391	8,369,730
Other Liabilities	190,096	143,055
Total Liabilities	133,652,823	117,856,769
Net Debt	(92,325,866)	(71,623,698)
Non-Financial Assets		
Tangible Capital Assets (Note 4)	119,404,944	101,885,547
Restricted Assets (Endowments) (Note 22)	150,125	150,125
Prepaid Expenses	468,270	414,132
Supplies Inventory	686,282	582,188
Total Non-Financial Assets	120,709,621	103,031,992
Accumulated Surplus (Deficit)	28,383,755	31,408,294

Contingent Liabilities (Note 19)

Approved by the Board

Signature on file.

September 11, 2023

Signature of the Chairperson of the Board of Education

Date Signed

Signature on file.

September 11, 2023

Signature of the Superintendent

Date Signed

Signature on file.

September 11, 2023

Signature of the Secretary Treasurer

Date Signed

School District No. 73 (Kamloops-Thompson)

Statement of Operations
Year Ended June 30, 2023

	2023 Budget (Note 18) \$	2023 Actual \$	2022 Actual (Restated - Note 27) \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	196,262,053	197,006,366	183,670,917
Other	55,440	248,194	368,897
Tuition	4,956,850	5,120,472	5,005,065
Other Revenue	9,746,829	9,464,898	8,215,968
Rentals and Leases	53,365	154,263	129,017
Investment Income	610,500	1,076,247	284,764
Income (Loss) from Investments in Government Business Enterprises	121,875	38,722	(82,848)
Amortization of Deferred Capital Revenue	4,074,617	4,030,897	3,623,811
Total Revenue	<u>215,881,529</u>	<u>217,140,059</u>	<u>201,215,591</u>
Expenses (Note 23)			
Instruction	175,607,253	172,391,047	158,715,173
District Administration	6,354,853	6,397,803	5,637,830
Operations and Maintenance	33,585,163	35,241,155	32,557,315
Transportation and Housing	6,496,120	6,134,593	5,555,705
Total Expense	<u>222,043,389</u>	<u>220,164,598</u>	<u>202,466,023</u>
Surplus (Deficit) for the year	<u>(6,161,860)</u>	<u>(3,024,539)</u>	<u>(1,250,432)</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		31,408,294	32,658,726
Accumulated Surplus (Deficit) from Operations, end of year		<u>28,383,755</u>	<u>31,408,294</u>

School District No. 73 (Kamloops-Thompson)

Statement of Changes in Net Debt

Year Ended June 30, 2023

	2023 Budget (Note 18) \$	2023 Actual \$	2022 Actual (Restated - Note 27) \$
Surplus (Deficit) for the year	(6,161,860)	(3,024,539)	(1,250,432)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(26,815,962)	(24,144,995)	(21,457,202)
Amortization of Tangible Capital Assets	6,652,125	6,625,598	6,148,642
Total Effect of change in Tangible Capital Assets	(20,163,837)	(17,519,397)	(15,308,560)
Acquisition of Prepaid Expenses		(54,138)	
Use of Prepaid Expenses			14,167
Acquisition of Supplies Inventory		(104,094)	
Use of Supplies Inventory			1,008
Total Effect of change in Other Non-Financial Assets	-	(158,232)	15,175
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(26,325,697)</u>	(20,702,168)	(16,543,817)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(20,702,168)	(16,543,817)
Net Debt, beginning of year		(71,623,698)	(55,079,881)
Net Debt, end of year		<u>(92,325,866)</u>	<u>(71,623,698)</u>

School District No. 73 (Kamloops-Thompson)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2023

	2023 Actual	2022 Actual
		(Restated - Note 27)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(3,024,539)	(1,250,432)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(248,842)	(405,880)
Supplies Inventories	(104,094)	1,008
Prepaid Expenses	(54,138)	14,167
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	2,103,670	(926,616)
Unearned Revenue	180,125	452,442
Deferred Revenue	332,524	1,044,007
Employee Future Benefits	227,502	176,758
Other Liabilities	47,041	(150,763)
Amortization of Tangible Capital Assets	6,625,598	6,148,642
Amortization of Deferred Capital Revenue	(4,030,897)	(3,623,811)
Recognition of Deferred Capital Revenue Spent on Sites	(275,000)	
Capital Grants Spent on Building Maintenance/Roofing Projects	(3,004,000)	(3,113,429)
Decrease in Asset Retirement Obligation	(99,339)	
Total Operating Transactions	<u>(1,324,389)</u>	<u>(1,633,907)</u>
Capital Transactions		
Tangible Capital Assets Purchased	(7,658,715)	(5,685,823)
Tangible Capital Assets -WIP Purchased	(16,486,280)	(15,771,379)
Total Capital Transactions	<u>(24,144,995)</u>	<u>(21,457,202)</u>
Financing Transactions		
Capital Revenue Received	20,314,428	23,599,988
Total Financing Transactions	<u>20,314,428</u>	<u>23,599,988</u>
Investing Transactions		
Decrease (Increase) in Investments in Government Business Enterprises	(38,722)	82,848
Total Investing Transactions	<u>(38,722)</u>	<u>82,848</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(5,193,678)</u>	591,727
Cash and Cash Equivalents, beginning of year	<u>39,417,675</u>	<u>38,825,948</u>
Cash and Cash Equivalents, end of year	<u>34,223,997</u>	<u>39,417,675</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	34,223,997	39,417,675
	<u>34,223,997</u>	<u>39,417,675</u>

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2023

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.

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(n).

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(n), 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, 2023 increase in annual surplus by \$13,004,531 (June 30, 2022 - increase by \$16,862,748).
- June 30, 2023 - increase in accumulated surplus and decrease in deferred contributions by \$90,378,035 (2022 - \$77,373,505).

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2023

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.

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, 2023

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(n).

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.

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2023

i) Asset Retirement Obligations

Liabilities are 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.

The liability for the removal of asbestos and other hazardous material in several of the buildings owned by the School District has been initially recognized using the modified retroactive method. The liability has been measured at current cost as the timing and amounts of future cash flows cannot be estimated. The resulting costs have been capitalized into the carrying amount of tangible capital assets and are being amortized on the same basis as the related tangible capital asset (see Note 2)). Assumptions used in the calculations are reviewed annually.

j) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

Buildings	40 years
Furniture & equipment	10 years
Vehicles	10 years
Computer software	5 years
Computer hardware	5 years

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2023

k) Prepaid Expenses

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

l) Supplies Inventory

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

m) Funds and Reserves

Certain amounts, as approved by the Board, are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 13 - Internally Restricted Surplus and Note 22 – Interfund Transfers).

n) 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, 2023

o) 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.

p) 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, 2023.

q) Endowment Contributions

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

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2023

r) 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.

s) 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.

t) Asset Retirement Obligations

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

Note 3 ACCOUNTS RECEIVABLE - OTHER

	<u>2023</u>	<u>2022</u>
Other	\$1,755,488	\$1,170,122
Allowance for Doubtful Accounts	(14,234)	(8,463)
	<u>\$1,741,254</u>	<u>\$1,161,659</u>

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2023

Note 4 TANGIBLE CAPITAL ASSETS

Cost	Balance at June 30, 2022	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2023
Sites	\$11,105,862	\$275,000	\$-	\$-	\$11,380,862
Buildings	187,450,331	5,908,377	-	15,198,745	208,557,453
Furniture & Equipment	15,281,921	1,076,338	779,832	-	15,578,427
Vehicles	11,637,891	1,075,247	1,339,731	-	11,373,407
Software	486,993	2,195	138,964	-	350,224
Computer Hardware	3,190,259	609,093	352,597	-	3,446,755
Total	\$229,153,257	\$8,946,250	\$2,611,124	\$15,198,745	\$250,687,128

Amortization	Balance at June 30, 2022	Additions	Disposals	Balance at June 30, 2023
Sites	\$-	\$-	\$-	\$-
Buildings	112,176,857	3,184,593	-	115,361,450
Furniture & Equipment	7,391,964	1,543,017	779,832	8,155,149
Vehicles	6,080,874	1,150,565	1,339,731	5,891,708
Software	257,076	83,722	138,964	201,834
Computer Hardware	1,360,939	663,701	352,597	1,672,043
Total	\$127,267,710	\$6,625,598	\$2,611,124	\$131,282,184

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	11,755,473	-	15,771,379	187,450,331
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	\$14,055,553	\$1,900,795	\$15,771,379	\$229,153,257

Amortization	Balance at June 30, 2021 (Restated - Note 27)	Additions	Disposals	Balance at June 30, 2022 (Restated - Note 27)
Buildings	101,058,953	11,117,904	-	112,176,857
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	\$14,511,738	\$1,900,795	\$127,267,710

	June 30, 2023	June 30, 2022 (Restated - Note 27)
Sites	\$11,380,862	\$11,105,862
Buildings	93,196,003	75,273,474
Furniture & Equipment	7,423,278	7,889,957
Vehicles	5,481,699	5,557,017
Software	148,390	229,917
Computer Hardware	1,774,712	1,829,320
Total	\$119,404,944	\$101,885,547

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2023

Note 5 **PORTFOLIO INVESTMENTS**

	<u>June 30, 2023</u>	<u>June 30, 2022</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 21 - Endowment Funds).

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2023

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, 2023, is as follows:

Balance Sheet	June 30, 2023	June 30, 2022
Current Assets		
Cash	2,467,727	2,076,688
Accounts receivable	115,098	240,539
Due from Virtual School Society	2,000	2,000
	<u>2,584,825</u>	<u>2,319,227</u>
Equipment	18,368	25,751
Total assets	<u>2,603,193</u>	<u>2,344,978</u>
Current Liabilities		
Accounts payable	70,522	37,271
Deferred revenue	253,845	40,783
Due to Shareholder	45,851	72,673
	<u>370,218</u>	<u>150,727</u>
Shareholder's Equity		
Share capital	1	1
Contributed surplus	370,101	370,101
Retained earnings	1,862,870	1,824,148
	<u>2,232,972</u>	<u>2,194,250</u>
Total Liabilities and Shareholder's Equity	<u>2,603,190</u>	<u>2,344,977</u>

Statement of Operations	June 30, 2023	June 30, 2022
Revenue	640,063	1,113,806
Expenses	601,341	991,654
Income (loss) from Operations	<u>38,722</u>	<u>122,152</u>
Retained earnings, beginning of the year	<u>1,824,148</u>	<u>1,906,996</u>
Net Income for Year	38,722	122,152
Dividends	-	(205,000)
	<u>38,722</u>	<u>(82,848)</u>
Retained earnings, end of the year	<u>1,862,870</u>	<u>1,824,148</u>

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2023

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, 2023, the School District charged SD73BC a management fee of \$32,003 (2022 - \$56,855) in respect of administrative support provided to SD73BC.

Note 7 ACCOUNTS PAYABLE - OTHER

	<u>2023</u>	<u>2022</u>
Trade payables	\$4,223,961	\$4,434,706
Salary and benefits payable	9,615,026	7,435,992
Accrued vacations payable	2,653,251	2,573,158
Due to SD73BC	1,842,366	1,789,198
	<u>\$18,334,604</u>	<u>\$16,233,054</u>

Note 8 UNEARNED REVENUE

	<u>2023</u>	<u>2022</u>
Balance, beginning of the year	\$3,559,879	\$3,107,437
Changes for the year		
Increase:		
Tuition fees	5,300,597	3,837,866
Decrease:		
Tuition fees	5,120,472	3,385,424
Net change for the year	<u>180,125</u>	<u>452,442</u>
Balance, end of the year	<u>\$3,740,004</u>	<u>\$3,559,879</u>

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2023

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, 2023

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, 2023	June 30, 2022
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation - April 1	5,073,082	5,588,542
Service Cost	443,944	473,774
Interest Cost	173,197	146,604
Benefit Payments - April 1 to March 31 - VESTED	(341,919)	(428,127)
Benefit Payments - April 1 to March 31 - NON-VESTED	(84,864)	(103,927)
Actuarial (Gain) Loss	(62,040)	(603,784)
Accrued Benefit Obligation - March 31	5,201,400	5,073,082
Change in Plan Assets		
Employer Contributions - April 1 to March 31	426,783	532,054
Benefit Payments - April 1 to March 31	(426,783)	(532,054)
	-	-
Reconciliation of Funded Status as End of Fiscal Year		
Accrued Benefit Obligation - March 31	(5,201,400)	(5,073,082)
Funded Status - Surplus (Deficit)	(5,201,400)	(5,073,082)
Employer Contributions After Measurement Date - April 1 to June 30 - Vested	85,570	87,156
Benefit Expense After Measurement Date - April 1 to June 30	(161,422)	(154,285)
Unamortized Net Actuarial (Gain)/Loss	(855,976)	(765,515)
Accrued Benefit (Liability) Asset - June 30	(6,133,228)	(5,905,726)
Components of Net Benefit Expense		
Service Cost - July 1 to March 31	332,958	355,330
Service Cost - April 1 to June 30	106,814	110,986
Interest Cost - July 1 to March 31	129,898	109,953
Interest Cost - April 1 to June 30	54,608	43,299
Amortization of Net Actuarial (Gain)/Loss	28,421	110,022
Net Benefit Expense (Income)	652,699	729,590
Reconciliation of Change in Accrued Benefit Liability (Asset)		
Accrued Benefit Liability (Asset) - July 1	5,905,726	5,728,968
Net Expense for Fiscal Year	652,699	729,590
Employer Contributions - July 1 to March 31	(339,627)	(465,676)
Employer Contributions - April 1 to June 30	(85,570)	(87,156)
Accrued Benefit Liability (Asset) - June 30	6,133,228	5,905,726

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2023

Note 11 EMPLOYEE FUTURE BENEFITS (Continued)

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

Assumptions:	2023	2022
Discount Rate - April 1	3.25%	2.50%
Discount Rate - March 31	4.00%	3.25%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	3.50% + seniority	2.50% + seniority
EARSL - March 31	10.5	10.5

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 are based on a formula. As at December 31, 2022, the Teachers' Pension Plan has about 51,000 active members and approximately 41,000 retired members. As of December 31, 2022, the Municipal Pension Plan has about 240,000 active members, including 30,000 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, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The School District No. 73 (Kamloops-Thompson) paid \$15,265,346 (2022 - \$ 14,299,591) for employer contributions to these plans in the year ended June 30, 2023.

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, 2024, with results available in 2025.

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2023

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, 2022	Increases	Decreases	Balance at June 30, 2023
Internally Restricted Future School Years				
Utility Fuel Budget	400,000	-	(400,000)	-
Strategic Plan Refresh	22,078	-	(5,478)	16,600
Future of Schools Project	66,900	-	(400)	66,500
Department Carry Forward	380,617	-	28,597	409,214
School Supply Carry Forward	1,903,148	-	(467,719)	1,435,429
General Reserve - COVID-19	-	-	-	-
Ministry of Education Holdback	-	-	-	-
School Evacuation Plan	-	-	-	-
Parkcrest Elementary Rebuild - District Portion	300,000	-	(300,000)	-
Staffing Pressures and Relief Costs	1,414,128	-	(1,414,128)	-
CUPE3500 - Job Evaluation	-	131,728	-	131,728
	4,486,871	131,728	(2,559,128)	2,059,471
Internally Restricted - Funds with Constraints				
SD73BC Management Fee	485,872	-	-	485,872
Aboriginal Education	1,583,108	-	(681,827)	901,281
AFG Other	80,906	-	(17,112)	63,794
	2,149,886	-	(698,939)	1,450,947
Total Operating Reserve Balances	6,636,757	131,728	(3,258,067)	3,510,418

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 utility/fuel reserve previously allowed the District to budget for an average year as it relates to the consumption of utilities and fuel. The annual budget is set at the average price of a specific product or service. In years where volume or price exceed historical averages, over expenditures may be covered by utilizing this operating reserve. This reserve was fully utilized in the year as the District incurred greater than expected expenditures in all utilities due to the 2022-2023 winter being colder than the past several years, an unseasonably hot spring, and utility rate increases.

The BC Ministry of Education and Child Care require school boards to have multi-year district strategic plans. The District Strategic Plan 2022-2027 has been rewritten under the leadership of the Superintendent and was approved by the Board of Education on June 27, 2022. The balance remaining in this reserve is for the completion of this work.

The Capital Planning Reserve, formerly called the Future of Schools Project, while started in the 2021-2022 school year is directly related to the multi-year District Strategic Plan process to meet requirements of the Ministry of Education and Child Care and to ensure synergy between financial, capital, facilities and learning plans.

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.

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2023

Note 13 OPERATING FUND BALANCE (Continued)

The Parkcrest Elementary Rebuild Reserve was set up to meet the District's \$300,000 obligation to the Ministry of Education and Childcare for rebuilding Parkcrest Elementary with a larger capacity to meet rising student enrolment. The District has fulfilled this obligation to the Ministry.

The Staffing Pressures and Relief Costs reserve was set up during the 2021-2022 school year when the District experienced greater than anticipated employee absenteeism across most classifications. The high levels of absenteeism continued to be seen in the 2022-2023 school year and the reserve was fully utilized in this school year.

During the year, the District received funds from BCPSEA for the purpose of reviewing Support Staff job description evaluations. As of June 30, the evaluation process is still in progress and the funds have not been used for their intended purpose.

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.

Note 14 SPECIAL PURPOSE FUND BALANCE, END OF THE YEAR

	Balance at June 30, 2022	Increases	Decreases	Balance at June 30, 2023
Ministry of Education	1,235,972	19,051,275	18,712,128	1,575,119
School Generated Funds	2,950,399	4,856,245	4,579,376	3,227,268
Other Special Purpose Funds	2,085,449	882,247	1,165,739	1,801,957
	6,271,820	24,789,767	24,457,243	6,604,344

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, Student and Family Affordability Fund, Official Languages in Education Protocol (OLEP) French, Special Education Technology (SET) BC, Mental Health in Schools and the First Nation Student Transportation 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 School Generated Funds, Scholarships, Vancouver Foundation, and Contributor Restricted funds.

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2023

Note 15 LOCAL CAPITAL FUND BALANCE, END OF THE YEAR

	Balance at June 30, 2022	Increases	Decreases	Balance at June 30, 2023
Local Capital Reserve	\$1,476,847	2,147,693	(2,777,617)	\$846,923

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, 2022	Increases	Decreases	Balance at June 30, 2023
Other Provincial Capital Reserve	\$2,689,936	(378,363)	(2,902,432)	\$165,867

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

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

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 \$120,308 (2022 - \$534,256).

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 \$219,905 (2022 - \$nil).

Note 17 RELATED PARTY TRANSACTIONS

The School District, as a Government Reporting Entity, is related 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.

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2023

Note 18 BUDGET FIGURES

Budget figures used in these financial statements were approved by the Board through the adoption of an amended annual budget on February 27, 2023. As PSAB requires the original budget to be presented, a reconciliation from the original to amended is below.

	Original	Adjustments	Amended
Revenues			
Provincial Grants	\$183,822,670	\$12,439,383	\$196,262,053
Other Grants	55,440	-	55,440
Tuition	4,407,500	549,350	4,956,850
Other Revenue	8,322,667	1,424,162	9,746,829
Rental and Lease	50,000	3,365	53,365
Investment Income	275,500	335,000	610,500
Income from Government Business Enterprise	250,000	(128,125)	121,875
Amortization of Deferred Capital Revenue	3,763,415	311,202	4,074,617
	200,947,192	14,934,337	215,881,529
Expenses			
Instruction	158,654,278	16,952,975	175,607,253
District Administration	6,306,968	47,885	6,354,853
Operation and Maintenance	32,239,145	1,346,018	33,585,163
Transportation and Housing	6,187,181	308,939	6,496,120
	203,387,572	18,655,817	222,043,389
Net Revenue (Expenses)	(2,440,380)	3,721,480	(6,161,860)
Budget allocation (retirement) of surplus	-	3,716,227	3,716,227
Budgeted deficit for the year	\$(2,440,380)	\$7,437,707	\$(2,445,633)

Note 19 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, 2023, 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, 2023

Note 20 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 21 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, 2022	Additions	Disposals	June 30, 2023
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 22 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, 2023 - \$2,050,400 was transferred from the Operating Fund to the Capital Fund (2022 - \$1,804,562).

Note 23 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, 2023	June 30, 2022 (restated - Note 27)
Expense:		
Salaries and Benefits	\$179,965,640	\$166,224,527
Services and Supplies	33,573,360	30,092,854
Amortization	6,625,598	6,148,642
	\$220,164,598	\$202,466,023

Note 24 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, 2023

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 25 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, 2023 and June 30, 2022, the facility was unused.

Note 26 ASSET RETIREMENT OBLIGATION

Legal liabilities exist for the removal and disposal of asbestos and other environmentally hazardous materials within some district owned buildings that will undergo major renovations or demolition in the future. A reasonable estimate of the fair value of the obligation has been recognized using the modified retroactive approach as at July 1, 2022 (see Note 27 - Prior Period Adjustment - Change in Accounting Policy). The obligation has been measured at current cost as the timing of future cash flows cannot be reasonably determined. These costs have been capitalized as part of the assets' carrying value and are amortized over the assets' estimated useful lives.

	<u>2023</u>
Balance, beginning of the year	<u>\$8,369,730</u>
Changes for the year	
Settlements during the year	<u>(99,339)</u>
Balance, end of the year	<u>\$8,270,391</u>

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2023

Note 27 PRIOR PERIOD ADJUSTMENT - CHANGE IN ACCOUNTING POLICY

On July 1, 2022 the School District adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations. This new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of certain tangible capital assets such as asbestos removal in buildings that will undergo major renovation or demolition in the future (see Note 26). This standard was adopted using the modified retroactive approach.

On July 1, 2022 the School District recognized an asset retirement obligation relating to several owned buildings that contain asbestos and other hazardous materials. The liability has been measured at current cost as the timing and amounts of future cash flows cannot be estimated. The associated costs have been reported as an increase to the carrying value of the associated tangible capital assets. Accumulated amortization has been recorded from the later of, the date of acquisition of the related asset or April 1, 1988 (effective date of the *Hazardous Waste Regulation (April 1, 1988) - Part 6 - Management of Specific Hazardous Wastes*).

The impact of the prior period adjustment on the June 30, 2022 comparative amounts is as follows:

	Increase / (Decrease)
Asset Retirement Obligation (liability)	\$ 8,369,730
Tangible Capital Assets - Cost	\$ 8,369,730
Tangible Capital Assets - Accumulated Amortization	\$ 8,369,730
Amortization Expense of Tangible Capital Asset	\$ 2,388
Accumulated Surplus - Invested in Capital Assets	\$ (8,363,096)

School District No. 73 (Kamloops-Thompson)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund

Year Ended June 30, 2023

	Operating Fund	Special Purpose Fund	Capital Fund
	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	6,636,757	2,344,375	22,427,162
Prior Period Adjustments			
Accumulated Surplus (Deficit), beginning of year, as restated	6,636,757	2,344,375	22,427,162
Changes for the year			
Surplus (Deficit) for the year	(1,075,939)	312,854	(2,261,454)
Interfund Transfers			
Tangible Capital Assets Purchased		(235,086)	235,086
Local Capital	(1,990,107)		1,990,107
Other	(60,293)	(39,046)	99,339
Net Changes for the year	(3,126,339)	38,722	63,078
Accumulated Surplus (Deficit), end of year - Statement 2	3,510,418	2,383,097	22,490,240

School District No. 73 (Kamloops-Thompson)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2023

	2023 Budget (Note 18)	2023 Actual	2022 Actual (Restated - Note 27)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	173,133,015	175,064,689	164,575,837
Other	55,440	248,194	368,897
Tuition	4,956,850	5,120,472	5,005,065
Other Revenue	3,821,287	3,719,783	3,663,564
Rentals and Leases	53,365	154,263	129,017
Investment Income	600,000	1,018,000	272,768
Total Revenue	<u>182,619,957</u>	<u>185,325,401</u>	<u>174,015,148</u>
Expenses			
Instruction	150,625,543	149,123,118	139,289,242
District Administration	6,354,853	6,397,803	5,637,830
Operations and Maintenance	23,188,053	24,885,753	22,331,859
Transportation and Housing	6,167,735	5,994,666	5,410,966
Total Expense	<u>186,336,184</u>	<u>186,401,340</u>	<u>172,669,897</u>
Operating Surplus (Deficit) for the year	<u>(3,716,227)</u>	<u>(1,075,939)</u>	<u>1,345,251</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>3,716,227</u>		
Net Transfers (to) from other funds			
Local Capital		(1,990,107)	(1,804,562)
Other		(60,293)	
Total Net Transfers	<u>-</u>	<u>(2,050,400)</u>	<u>(1,804,562)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>(3,126,339)</u>	<u>(459,311)</u>
Operating Surplus (Deficit), beginning of year		6,636,757	7,096,068
Operating Surplus (Deficit), end of year		<u>3,510,418</u>	<u>6,636,757</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		<u>3,510,418</u>	<u>6,636,757</u>
Total Operating Surplus (Deficit), end of year		<u>3,510,418</u>	<u>6,636,757</u>

School District No. 73 (Kamloops-Thompson)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2023

	2023 Budget (Note 18)	2023 Actual	2022 Actual (Restated - Note 27)
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	169,632,769	169,439,366	165,634,643
ISC/LEA Recovery	(2,824,922)	(2,686,998)	(2,824,922)
Other Ministry of Education and Child Care Grants			
Pay Equity	575,959	575,959	575,959
Funding for Graduated Adults	105,000	76,707	85,198
Student Transportation Fund	666,817	666,817	666,817
Support Staff Benefits Grant	190,000	194,272	190,965
FSA Scorer Grant	17,944	17,944	20,194
Early Learning Framework (ELF) Implementation	2,293	2,293	3,630
Labour Settlement Funding	4,552,155	6,562,809	
Extreme Weather			7,833
Next Generation Network - Self Provisioned	215,000	215,520	215,520
Total Provincial Grants - Ministry of Education and Child Care	173,133,015	175,064,689	164,575,837
Provincial Grants - Other	55,440	248,194	368,897
Tuition			
International and Out of Province Students	4,956,850	5,120,472	5,005,065
Total Tuition	4,956,850	5,120,472	5,005,065
Other Revenues			
Funding from First Nations	2,824,922	2,686,998	2,824,922
Miscellaneous			
Course Fees		29,350	33,850
Student Paid Meals		129,054	197,681
Career Development Program	188,750	143,417	62,128
Miscellaneous	807,615	730,964	544,983
Total Other Revenue	3,821,287	3,719,783	3,663,564
Rentals and Leases	53,365	154,263	129,017
Investment Income	600,000	1,018,000	272,768
Total Operating Revenue	182,619,957	185,325,401	174,015,148

School District No. 73 (Kamloops-Thompson)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2023

	2023 Budget (Note 18)	2023 Actual	2022 Actual (Restated - Note 27)
	\$	\$	\$
Salaries			
Teachers	77,777,767	76,724,300	72,382,777
Principals and Vice Principals	11,666,276	11,381,490	10,627,516
Educational Assistants	9,849,561	10,346,210	9,774,281
Support Staff	20,474,811	20,998,882	19,746,897
Other Professionals	5,291,272	5,091,019	4,581,443
Substitutes	6,423,919	8,468,642	8,166,870
Total Salaries	131,483,606	133,010,543	125,279,784
Employee Benefits	28,968,246	30,633,923	26,966,306
Total Salaries and Benefits	160,451,852	163,644,466	152,246,090
Services and Supplies			
Services	5,525,425	4,730,221	5,168,621
Student Transportation	611,753	363,836	382,531
Professional Development and Travel	1,945,601	1,486,061	1,251,774
Dues and Fees	133,036	99,921	93,702
Insurance	547,049	617,371	396,758
Supplies	13,947,511	11,833,920	9,993,715
Utilities	3,173,957	3,625,544	3,136,706
Total Services and Supplies	25,884,332	22,756,874	20,423,807
Total Operating Expense	186,336,184	186,401,340	172,669,897

School District No. 73 (Kamloops-Thompson)

Operating Expense by Function, Program and Object

Year Ended June 30, 2023

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Subs Sal
	\$	\$	\$	\$	\$	
1 Instruction						
1.02 Regular Instruction	60,025,855	1,647,577		1,384,705		5
1.03 Career Programs	318,462	137,298				
1.07 Library Services	2,026,575	137,298		1,295,769		
1.08 Counselling	1,930,071			555,329		
1.10 Special Education	8,154,553	411,894	9,079,447	92,555		1
1.30 English Language Learning	289,511					
1.31 Indigenous Education	1,185,545	123,051	1,266,763	26,128	836,278	
1.41 School Administration		8,237,882		1,110,659		
1.60 Summer School	115,265					
1.61 Continuing Education	302,822	411,894		92,555		
1.62 International and Out of Province Students	1,169,347	137,298		26,443		
1.64 Other	1,206,294	137,298		138,832		
Total Function 1	76,724,300	11,381,490	10,346,210	4,722,975	836,278	7
4 District Administration						
4.11 Educational Administration				393,233	1,312,680	
4.40 School District Governance					230,282	
4.41 Business Administration				765,014	1,537,621	
Total Function 4	-	-	-	1,158,247	3,080,583	
5 Operations and Maintenance						
5.41 Operations and Maintenance Administration				80,276	667,824	
5.50 Maintenance Operations				10,873,797	295,706	
5.52 Maintenance of Grounds				1,096,976		
5.56 Utilities						
Total Function 5	-	-	-	12,051,049	963,530	
7 Transportation and Housing						
7.41 Transportation and Housing Administration				135,818	210,628	
7.70 Student Transportation				2,930,793		
Total Function 7	-	-	-	3,066,611	210,628	
9 Debt Services						
Total Function 9	-	-	-	-	-	
Total Functions 1 - 9	76,724,300	11,381,490	10,346,210	20,998,882	5,091,019	8

School District No. 73 (Kamloops-Thompson)

Operating Expense by Function, Program and Object

Year Ended June 30, 2023

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2023 Actual	2022 Actual
	\$	\$	\$	\$	\$	\$
1 Instruction						
1.02 Regular Instruction	68,894,542	16,229,403	85,123,945	4,067,236	89,191,181	90,191,181
1.03 Career Programs	488,562	109,664	598,226		598,226	598,226
1.07 Library Services	3,722,721	883,530	4,606,251	345,529	4,951,780	4,951,780
1.08 Counselling	2,698,508	643,820	3,342,328		3,342,328	3,342,328
1.10 Special Education	18,816,264	4,462,247	23,278,511	1,405,408	24,683,919	23,278,511
1.30 English Language Learning	317,161	75,436	392,597		392,597	392,597
1.31 Indigenous Education	3,518,798	799,736	4,318,534	1,070,813	5,389,347	6,459,347
1.41 School Administration	9,549,298	1,882,836	11,432,134	489,329	11,921,463	12,921,463
1.60 Summer School	115,265	55,070	170,335		170,335	170,335
1.61 Continuing Education	819,227	161,464	980,691	707,075	1,687,766	2,387,766
1.62 International and Out of Province Students	1,336,845	365,757	1,702,602	2,934,848	4,637,450	4,637,450
1.64 Other	1,607,214	376,231	1,983,445	173,281	2,156,726	2,156,726
Total Function 1	111,884,405	26,045,194	137,929,599	11,193,519	149,123,118	150,123,118
4 District Administration						
4.11 Educational Administration	1,705,913	211,080	1,916,993	346,431	2,263,424	2,263,424
4.40 School District Governance	230,282	23,028	253,310	127,458	380,768	380,768
4.41 Business Administration	2,302,635	552,390	2,855,025	898,586	3,753,611	3,753,611
Total Function 4	4,238,830	786,498	5,025,328	1,372,475	6,397,803	6,397,803
5 Operations and Maintenance						
5.41 Operations and Maintenance Administration	748,100	159,110	907,210	464,661	1,371,871	1,371,871
5.50 Maintenance Operations	11,605,903	2,604,766	14,210,669	3,688,969	17,899,638	16,899,638
5.52 Maintenance of Grounds	1,136,458	254,367	1,390,825	597,055	1,987,880	2,987,880
5.56 Utilities	-	-	-	3,626,364	3,626,364	3,626,364
Total Function 5	13,490,461	3,018,243	16,508,704	8,377,049	24,885,753	23,885,753
7 Transportation and Housing						
7.41 Transportation and Housing Administration	346,446	77,519	423,965	125,818	549,783	549,783
7.70 Student Transportation	3,050,401	706,469	3,756,870	1,688,013	5,444,883	5,444,883
Total Function 7	3,396,847	783,988	4,180,835	1,813,831	5,994,666	5,994,666
9 Debt Services						
Total Function 9	-	-	-	-	-	-
Total Functions 1 - 9	133,010,543	30,633,923	163,644,466	22,756,874	186,401,340	186,401,340

School District No. 73 (Kamloops-Thompson)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2023

	2023 Budget (Note 18) \$	2023 Actual \$	2022 Actual (Restated - Note 27) \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	20,231,488	18,662,677	15,981,651
Other Revenue	5,925,542	5,745,115	4,552,404
Investment Income	500		
Income (Loss) from Investments in Government Business Enterprises	121,875	38,722	(82,848)
Total Revenue	26,279,405	24,446,514	20,451,207
Expenses			
Instruction	24,981,710	23,267,929	19,425,931
Operations and Maintenance	847,435	725,804	963,385
Transportation and Housing	328,385	139,927	144,739
Total Expense	26,157,530	24,133,660	20,534,055
Special Purpose Surplus (Deficit) for the year	121,875	312,854	(82,848)
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(235,086)	
Other		(39,046)	
Total Net Transfers	-	(274,132)	-
Total Special Purpose Surplus (Deficit) for the year	121,875	38,722	(82,848)
Special Purpose Surplus (Deficit), beginning of year		2,344,375	2,427,223
Special Purpose Surplus (Deficit), end of year		2,383,097	2,344,375
Special Purpose Surplus (Deficit), end of year			
Related Entities		2,232,972	2,194,250
Endowment Contributions		150,125	150,125
Total Special Purpose Surplus (Deficit), end of year		2,383,097	2,344,375

School District No. 73 (Kamloops-Thompson)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2023

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	Special Education Technology	School Generated Funds	Related Entities	Str Sta
	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	145,451		109,344		2,950,399		
Add: Restricted Grants							
Provincial Grants - Ministry of Education and Child Care	701,984	587,432		143,543			
Other			14,532		4,856,245		
Investment Income			2,180				
	701,984	587,432	16,712	143,543	4,856,245	-	
Less: Allocated to Revenue	764,850	587,432	10,750	143,543	4,579,376		
Recovered							
Deferred Revenue, end of year	82,585	-	115,306	-	3,227,268	-	
Revenues							
Provincial Grants - Ministry of Education and Child Care	764,850	587,432		143,543			
Other Revenue			10,750		4,579,376		
Income (Loss) from Investments in Government Business Enterprises						38,722	
	764,850	587,432	10,750	143,543	4,579,376	38,722	
Expenses							
Salaries							
Teachers				107,099			
Principals and Vice Principals							
Educational Assistants		481,700					
Support Staff							
Substitutes							
	-	481,700	-	107,099	-	-	
Employee Benefits		105,732		23,241			
Services and Supplies	725,804		10,750	13,203	4,579,376		
	725,804	587,432	10,750	143,543	4,579,376	-	
Net Revenue (Expense) before Interfund Transfers	39,046	-	-	-	-	38,722	
Interfund Transfers							
Tangible Capital Assets Purchased	(39,046)						
Other	(39,046)	-	-	-	-	-	
Net Revenue (Expense)	-	-	-	-	-	38,722	

School District No. 73 (Kamloops-Thompson)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2023

	CommunityLINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Cha Resu Young
	\$	\$	\$	\$	\$	\$	
Deferred Revenue, beginning of year	651,296			41,225	146,079	167,218	
Add: Restricted Grants							
Provincial Grants - Ministry of Education and Child Care	1,640,492	481,029	12,758,306	61,627	182,306	51,000	
Other							
Investment Income							
	1,640,492	481,029	12,758,306	61,627	182,306	51,000	
Less: Allocated to Revenue	2,027,871	481,029	12,758,306	39,876	139,927	94,376	
Recovered				49,451			
Deferred Revenue, end of year	263,917	-	-	13,525	188,458	123,842	
Revenues							
Provincial Grants - Ministry of Education and Child Care	2,027,871	481,029	12,758,306	39,876	139,927	94,376	
Other Revenue							
Income (Loss) from Investments in Government Business Enterprises							
	2,027,871	481,029	12,758,306	39,876	139,927	94,376	
Expenses							
Salaries							
Teachers	1,166,480		10,680,051				
Principals and Vice Principals		34,500					
Educational Assistants							
Support Staff	17,071	50,891					
Substitutes	2,269	290,000		31,901		48,895	
	1,185,820	375,391	10,680,051	31,901	-	48,895	
Employee Benefits	285,172	105,638	2,078,255	7,975		12,224	
Services and Supplies	556,879				139,927	33,257	
	2,027,871	481,029	12,758,306	39,876	139,927	94,376	
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	
Interfund Transfers							
Tangible Capital Assets Purchased							
Other							
	-	-	-	-	-	-	
Net Revenue (Expense)	-	-	-	-	-	-	

School District No. 73 (Kamloops-Thompson)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2023

	JUST B4	SEY2KT (Early Years to Kindergarten)	ECL (Early Care & Learning)	Contributor Restricted	BCLCA/ E-Learning	TOTAL
	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	6,709	6,746		1,976,104	1,206	6,271,820
Add: Restricted Grants						
Provincial Grants - Ministry of Education and Child Care	25,000	19,000	175,000			19,051,275
Other				865,535		5,736,312
Investment Income						2,180
	25,000	19,000	175,000	865,535	-	24,789,767
Less: Allocated to Revenue	31,709	23,939	175,000	1,153,783	1,206	24,407,792
Recovered						49,451
Deferred Revenue, end of year	-	1,807	-	1,687,856	-	6,604,344
Revenues						
Provincial Grants - Ministry of Education and Child Care	31,709	23,939	175,000			18,662,677
Other Revenue				1,153,783	1,206	5,745,115
Income (Loss) from Investments in Government Business Enterprises						38,722
	31,709	23,939	175,000	1,153,783	1,206	24,446,514
Expenses						
Salaries						
Teachers				99,172		12,115,817
Principals and Vice Principals			119,420			153,920
Educational Assistants						481,700
Support Staff	20,000			58,905		322,541
Substitutes		19,151	463	46,537		470,463
	20,000	19,151	119,883	204,614	-	13,544,441
Employee Benefits	11,709	4,788	22,930	26,964		2,776,733
Services and Supplies			32,187	687,119	1,206	7,812,486
	31,709	23,939	175,000	918,697	1,206	24,133,660
Net Revenue (Expense) before Interfund Transfers	-	-	-	235,086	-	312,854
Interfund Transfers						
Tangible Capital Assets Purchased				(235,086)		(235,086)
Other						(39,046)
	-	-	-	(235,086)	-	(274,132)
Net Revenue (Expense)	-	-	-	-	-	38,722

School District No. 73 (Kamloops-Thompson)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2023

	2023	2023 Actual			2022
	Budget (Note 18)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual (Restated - Note 27)
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education and Child Care	2,897,550	3,279,000		3,279,000	3,113,429
Investment Income	10,000		58,247	58,247	11,996
Amortization of Deferred Capital Revenue	4,074,617	4,030,897		4,030,897	3,623,811
Total Revenue	6,982,167	7,309,897	58,247	7,368,144	6,749,236
Expenses					
Operations and Maintenance	2,897,550	3,004,000		3,004,000	3,113,429
Amortization of Tangible Capital Assets					
Operations and Maintenance	6,652,125	6,625,598		6,625,598	6,148,642
Total Expense	9,549,675	9,629,598	-	9,629,598	9,262,071
Capital Surplus (Deficit) for the year	(2,567,508)	(2,319,701)	58,247	(2,261,454)	(2,512,835)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased		235,086		235,086	
Local Capital			1,990,107	1,990,107	1,804,562
Settlement of Asset Retirement Obligation			99,339	99,339	
Total Net Transfers	-	235,086	2,089,446	2,324,532	1,804,562
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		2,378,278	(2,378,278)	-	
Tangible Capital Assets WIP Purchased from Local Capital		300,000	(300,000)	-	
Settlement of Asset Retirement Obligation		99,339	(99,339)	-	
Total Other Adjustments to Fund Balances		2,777,617	(2,777,617)	-	
Total Capital Surplus (Deficit) for the year	(2,567,508)	693,002	(629,924)	63,078	(708,273)
Capital Surplus (Deficit), beginning of year		20,950,315	1,476,847	22,427,162	31,498,531
Prior Period Adjustments					
To Recognize Asset Retirement Obligation					(8,363,096)
Capital Surplus (Deficit), beginning of year, as restated		20,950,315	1,476,847	22,427,162	23,135,435
Capital Surplus (Deficit), end of year		21,643,317	846,923	22,490,240	22,427,162

School District No. 73 (Kamloops-Thompson)

Tangible Capital Assets

Year Ended June 30, 2023

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Comp Hard
	\$	\$	\$	\$	\$	\$
Cost, beginning of year	11,105,862	175,652,722	15,281,921	11,637,891	486,993	3,
Prior Period Adjustments						
To Recognize Asset Retirement Obligation		8,369,730				
Cost, beginning of year, as restated	11,105,862	184,022,452	15,281,921	11,637,891	486,993	3,
Changes for the Year						
Increase:						
Purchases from:						
Deferred Capital Revenue - Bylaw		3,173,431	315,704	845,456		
Deferred Capital Revenue - Other	275,000	296,000	139,760			
Special Purpose Funds		235,086				
Local Capital		916,325	620,874	229,791	2,195	
Transferred from Work in Progress		1,287,535				
	275,000	5,908,377	1,076,338	1,075,247	2,195	
Decrease:						
Deemed Disposals			779,832	1,339,731	138,964	
	-	-	779,832	1,339,731	138,964	
Cost, end of year	11,380,862	189,930,829	15,578,427	11,373,407	350,224	3,
Work in Progress, end of year		18,626,624				
Cost and Work in Progress, end of year	11,380,862	208,557,453	15,578,427	11,373,407	350,224	3,
Accumulated Amortization, beginning of year		103,811,373	7,391,964	6,080,874	257,076	1,
Prior Period Adjustments						
To Recognize Asset Retirement Obligation		8,365,484				
Accumulated Amortization, beginning of year, as restated		112,176,857	7,391,964	6,080,874	257,076	1,
Changes for the Year						
Increase: Amortization for the Year		3,184,593	1,543,017	1,150,565	83,722	
Decrease:						
Deemed Disposals			779,832	1,339,731	138,964	
			-	779,832	1,339,731	138,964
Accumulated Amortization, end of year		115,361,450	8,155,149	5,891,708	201,834	1,
Tangible Capital Assets - Net	11,380,862	93,196,003	7,423,278	5,481,699	148,390	1,

School District No. 73 (Kamloops-Thompson)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2023

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	3,427,879				3,427,879
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	11,201,120				11,201,120
Deferred Capital Revenue - Other	4,985,160				4,985,160
Local Capital	300,000				300,000
	<u>16,486,280</u>	-	-	-	<u>16,486,280</u>
Decrease:					
Transferred to Tangible Capital Assets	1,287,535				1,287,535
	<u>1,287,535</u>	-	-	-	<u>1,287,535</u>
Net Changes for the Year	<u>15,198,745</u>	-	-	-	<u>15,198,745</u>
Work in Progress, end of year	<u>18,626,624</u>	-	-	-	<u>18,626,624</u>

School District No. 73 (Kamloops-Thompson)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2023

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	65,976,845	1,798,814	1,498,792	69,274,451
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	4,334,591	323,392	112,368	4,770,351
Transferred from Work in Progress		1,287,535		1,287,535
	4,334,591	1,610,927	112,368	6,057,886
Decrease:				
Amortization of Deferred Capital Revenue	3,810,793	162,458	57,646	4,030,897
	3,810,793	162,458	57,646	4,030,897
Net Changes for the Year	523,798	1,448,469	54,722	2,026,989
Deferred Capital Revenue, end of year	66,500,643	3,247,283	1,553,514	71,301,440
Work in Progress, beginning of year	3,333,635	94,244		3,427,879
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	11,201,120	3,820,630	1,164,530	16,186,280
	11,201,120	3,820,630	1,164,530	16,186,280
Decrease				
Transferred to Deferred Capital Revenue		1,287,535		1,287,535
	-	1,287,535	-	1,287,535
Net Changes for the Year	11,201,120	2,533,095	1,164,530	14,898,745
Work in Progress, end of year	14,534,755	2,627,339	1,164,530	18,326,624
Total Deferred Capital Revenue, end of year	81,035,398	5,874,622	2,718,044	89,628,064

School District No. 73 (Kamloops-Thompson)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2023

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital
	\$	\$	\$	\$
Balance, beginning of year	159,857	1,632,844	2,689,936	53,436
Changes for the Year				
Increase:				
Provincial Grants - Ministry of Education and Child Care	18,539,711			
Provincial Grants - Other			340,213	
Other				159,661
Investment Income		19,830	38,150	5,917
	18,539,711	19,830	378,363	165,578
Decrease:				
Transferred to DCR - Capital Additions	4,334,591		323,392	
Transferred to DCR - Work in Progress	11,201,120	1,241,590	2,579,040	
Transferred to Revenue - Site Purchases		275,000		
AFG Spent on Non-Capital Items	3,004,000			
	18,539,711	1,516,590	2,902,432	-
Net Changes for the Year	-	(1,496,760)	(2,524,069)	165,578
Balance, end of year	159,857	136,084	165,867	219,014