

Audited Financial Statements of

School District No. 73 (Kamloops-Thompson)

June 30, 2019

School District No. 73 (Kamloops-Thompson)

June 30, 2019

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School District No. 73 (Kamloops-Thompson)

MANAGEMENT REPORT

Version: 8555-7809-5827

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 23, 2019
Signature of the Chairperson of the Board of Education	Date Signed

Signature on file	September 23, 2019
Signature of the Superintendent	Date Signed

Signature on file	September 23, 2019
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, 2019, Statements of Operations, Change in Net Financial Assets (Debt) and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as at June 30, 2019, 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.

Chartered Professional Accountants

Kamloops, British Columbia
September 23, 2019

School District No. 73 (Kamloops-Thompson)

Statement of Financial Position

As at June 30, 2019

	2019 Actual \$	2018 Actual \$
Financial Assets		
Cash and Cash Equivalents	28,134,540	28,755,822
Accounts Receivable		
Due from Province - Ministry of Education	267,666	259,808
Due from LEA Funding	983,565	583,357
Other (Note 3)	1,354,768	775,919
Investments in Government Business Enterprises (Note 6)	1,091,257	877,819
Portfolio Investments (Note 5)	27,139	27,139
Total Financial Assets	31,858,935	31,279,864
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 7)	9,596,046	8,779,755
Unearned Revenue (Note 8)	3,110,947	2,761,079
Deferred Revenue (Note 9)	4,283,287	4,100,465
Deferred Capital Revenue (Note 10)	42,311,854	43,464,074
Employee Future Benefits (Note 11)	5,177,078	4,719,037
Other Liabilities	123,222	202,528
Total Liabilities	64,602,434	64,026,938
Net Financial Assets (Debt)	(32,743,499)	(32,747,074)
Non-Financial Assets		
Tangible Capital Assets (Note 4)	66,005,278	65,996,775
Restricted Assets (Endowments) (Note 19)	150,125	150,125
Prepaid Expenses	452,719	458,333
Supplies Inventory	503,031	391,644
Total Non-Financial Assets	67,111,153	66,996,877
Accumulated Surplus (Deficit)	34,367,654	34,249,803

Contractual Obligations (Note 15)

Approved by the Board

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

September 23, 2019
Date Signed

Signature on file
Signature of the Superintendent

September 23, 2019
Date Signed

Signature on file
Signature of the Secretary Treasurer

September 23, 2019
Date Signed

School District No. 73 (Kamloops-Thompson)

Statement 2

Statement of Operations

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	159,671,286	159,793,572	152,692,548
Other	75,193	55,440	56,440
Federal Grants	146,218	146,218	
Tuition	4,080,496	4,426,697	3,152,489
Other Revenue	8,265,716	8,873,376	8,316,295
Rentals and Leases	269,684	243,874	277,712
Investment Income	267,000	484,674	370,118
Income (Loss) from Investments in Government Business Enterprises	400,000	213,438	201,622
Amortization of Deferred Capital Revenue	2,957,136	2,957,283	2,990,286
Total Revenue	<u>176,132,729</u>	<u>177,194,572</u>	<u>168,057,510</u>
Expenses			
Instruction	135,919,058	134,784,897	127,030,921
District Administration	5,663,504	4,757,651	4,154,230
Operations and Maintenance	33,210,330	32,537,752	30,842,820
Transportation and Housing	5,171,057	4,996,421	4,929,068
Total Expense	<u>179,963,949</u>	<u>177,076,721</u>	<u>166,957,039</u>
Surplus (Deficit) for the year	<u>(3,831,220)</u>	<u>117,851</u>	<u>1,100,471</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		34,249,803	33,149,332
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>34,367,654</u></u>	<u>34,249,803</u>

School District No. 73 (Kamloops-Thompson)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(3,831,220)	117,851	1,100,471
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(4,081,826)	(4,975,379)	(5,525,454)
Amortization of Tangible Capital Assets	4,966,878	4,966,876	4,997,948
Total Effect of change in Tangible Capital Assets	885,052	(8,503)	(527,506)
Acquisition of Prepaid Expenses		5,614	
Use of Prepaid Expenses			225,337
Acquisition of Supplies Inventory		(111,387)	(59,557)
Total Effect of change in Other Non-Financial Assets	-	(105,773)	165,780
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(2,946,168)</u>	3,575	738,745
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		3,575	738,745
Net Financial Assets (Debt), beginning of year		(32,747,074)	(33,485,819)
Net Financial Assets (Debt), end of year		(32,743,499)	(32,747,074)

School District No. 73 (Kamloops-Thompson)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	117,851	1,100,471
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(986,915)	322,665
Supplies Inventories	(111,387)	(59,557)
Prepaid Expenses	5,614	225,337
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	816,291	72,049
Unearned Revenue	349,868	740,633
Deferred Revenue	182,822	298,554
Employee Future Benefits	458,041	372,441
Other Liabilities	(79,306)	77,654
Amortization of Tangible Capital Assets	4,966,876	4,997,948
Amortization of Deferred Capital Revenue	(2,957,283)	(2,990,286)
Capital Grants Spent on Building Maintenance/Roofing Projects	(2,817,501)	(2,628,609)
Total Operating Transactions	<u>(55,029)</u>	<u>2,529,300</u>
Capital Transactions		
Tangible Capital Assets Purchased	(4,948,645)	(5,525,454)
Tangible Capital Assets -WIP Purchased	(26,734)	
Total Capital Transactions	<u>(4,975,379)</u>	<u>(5,525,454)</u>
Financing Transactions		
Capital Revenue Received	4,622,564	6,245,141
Total Financing Transactions	<u>4,622,564</u>	<u>6,245,141</u>
Investing Transactions		
Investments in Portfolio Investments		2,000,000
Decrease (Increase) in Investments in Government Business Enterprises	(213,438)	(201,622)
Total Investing Transactions	<u>(213,438)</u>	<u>1,798,378</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(621,282)</u>	<u>5,047,365</u>
Cash and Cash Equivalents, beginning of year	<u>28,755,822</u>	<u>23,708,457</u>
Cash and Cash Equivalents, end of year	<u>28,134,540</u>	<u>28,755,822</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	<u>28,134,540</u>	<u>28,755,822</u>
	<u>28,134,540</u>	<u>28,755,822</u>

NOTE 1 AUTHORITY AND PURPOSE

The School District operates under authority of the School Act of British Columbia as a corporation under the name of "The Board of Education of School District No. 73 (Kamloops-Thompson)", and operates as "School District No. 73 (Kamloops-Thompson)." A board of education (Board) elected for a four year term governs the School District. The School District provides educational programs to students enrolled in the schools in the District, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 73 (Kamloops-Thompson) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a) Basis of Accounting**

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

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

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

Year-ended June 30, 2018 – increase in annual surplus by \$992,041

June 30, 2018 – increase in accumulated surplus and decrease in deferred contributions by \$43,464,074

Year-ended June 30, 2019 – decrease in annual surplus by \$1,345,769

June 30, 2019 - increase in accumulated surplus and decrease in deferred contributions by \$42,311,854

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Basis of Consolidation

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

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

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

c) Cash and Cash Equivalents

Cash and cash equivalents include cash that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

d) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts

e) Portfolio Investments

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

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

Detailed information regarding portfolio investments is disclosed in Note 5.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

g) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 2(o).

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

h) Employee Future Benefits

The School District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing except as per the election described in Note 11.

The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARSL) of active employees covered under the plan.

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

The most recent valuation of the obligation was performed at March 31, 2019 and projected to March 31, 2020. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of October 31 was adopted for all periods subsequent to July 1, 2004.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

j) 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.

k) 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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Prepaid Expenses

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

m) Supplies Inventory

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

n) Funds and Reserves

Certain amounts, as approved by the Board, are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 13 - Internally Restricted Surplus and Note 21 – Interfund Transfers).

o) 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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Revenue Recognition - continued

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.

p) 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.

q) 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, 2018.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r) 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.

s) 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t) 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.

NOTE 3 ACCOUNTS RECEIVABLE - OTHER

	2019	2018
Due from Federal Government	\$ 116,734	\$ 101,068
Due from Other School Districts	-	1,050
Other	1,247,113	682,880
Allowance for Doubtful Accounts	(9,079)	(9,079)
	<u>\$ 1,354,768</u>	<u>\$ 775,919</u>

School District No. 73 (Kamloops-Thompson)

Notes to Financial Statements

June 30, 2019

NOTE 4 TANGIBLE CAPITAL ASSETS

June 30, 2019

Cost	Balance at				Balance at
	July 1, 2018	Additions	Disposals	Transfers (WIP)	June 30, 2019
Sites	\$ 10,345,129	\$ -			\$ 10,345,129
Buildings	134,938,119	1,502,292		26,734	136,467,145
Furniture & Equipment	11,025,364	1,874,938	821,510		12,078,792
Vehicles	10,573,138	1,178,567	680,483		11,071,222
Computer Software	247,683	82,540	18,484		311,739
Computer Hardware	2,679,682	310,308	471,860		2,518,130
Total	\$ 169,809,115	\$ 4,948,645	\$ 1,992,337	\$ 26,734	\$ 172,792,157

Accumulated Amortization	Balance at			Balance at
	July 1, 2018	Additions	Disposals	June 20, 2019
Buildings	\$ 94,397,879	\$ 2,221,552		\$ 96,619,431
Furniture & Equipment	3,445,705	1,115,180	821,510	3,739,375
Vehicles	4,822,272	1,044,672	680,483	5,186,461
Computer Software	55,505	49,536	18,484	86,557
Computer Hardware	1,090,979	535,936	471,860	1,155,055
Totals	\$ 103,812,340	\$ 4,966,876	\$ 1,992,337	\$ 106,786,879

June 30, 2018

Cost	Balance at				Balance at
	July 1, 2017	Additions	Disposals	Transfers (WIP)	June 30, 2018
Sites	\$ 10,345,129.00				\$ 10,345,129.00
Buildings	132,248,462	2,689,657			134,938,119
Furniture & Fixtures	10,067,425	1,659,788	701,849		11,025,364
Vehicles	11,833,140	684,448	1,944,450		10,573,138
Computer Software	258,925	138,964	150,206		247,683
Computer Hardware	2,827,887	352,597	500,802		2,679,682
Totals	\$ 167,580,968	\$ 5,525,454	\$ 3,297,307	\$ -	\$ 169,809,115

Accumulated Amortization	Balance at			Balance at June
	July 1, 2017	Additions	Disposals	30 2018
Buildings	\$ 92,207,351	\$ 2,190,528		\$ 94,397,879
Furniture & Equipment	3,140,811	1,006,743	701,849	3,445,705
Vehicles	5,583,408	1,183,314	1,944,450	4,822,272
Computer Software	153,926	51,785	150,206	55,505
Computer Hardware	1,026,203	565,578	500,802	1,090,979
Total	\$ 102,111,699	\$ 4,997,948	\$ 3,297,307	\$ 103,812,340

	Net Book Value	
	June 30, 2019	June 30, 2018
Sites	\$ 10,345,129	\$ 10,345,129
Buildings	39,847,714	40,540,240
Furniture & Equipment	8,339,417	7,579,659
Vehicles	5,884,761	5,750,866
Computer Software	225,182	192,178
Computer Hardware	1,363,075	1,588,703
Total	\$ 66,005,278	\$ 65,996,775

NOTE 5 PORTFOLIO INVESTMENTS

	2019	2018
BCICF	\$ 27,139	\$ 27,139
Total Portfolio Investments	\$ 27,139	\$ 27,139

Interest accrued under the amortized cost is \$ NIL (2018 - NIL), and was included in other accounts receivable.

School District No. 73 (Kamloops-Thompson)

Notes to Financial Statements

June 30, 2019

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, 2019, is as follows:

Balance Sheet	2019	2018
Current Assets		
Cash and Bank	\$ 1,319,915	\$ 1,262,802
Accounts Receivable	90,387	74,223
Prepaid Expenses	43,420	40,342
Due from Virtual School Society	2,000	2,000
	<u>1,455,722</u>	<u>1,379,367</u>
Property, Plant and Equipment	512	1,024
Total Assets	<u>1,456,234</u>	<u>1,380,391</u>
Current Liabilities		
Accounts Payable	106,502	73,864
Deferred Revenue	138,765	119,012
Due to Shareholder	119,710	76,100
	<u>364,977</u>	<u>268,976</u>
Shareholder's Equity		
Share Capital	1	1
Contributed Surplus	370,101	370,101
Retained Earnings	721,155	741,313
	<u>1,091,257</u>	<u>1,111,415</u>
Total Liabilities and Shareholder's Equity	<u>1,456,234</u>	<u>1,380,391</u>
Statement of Operations		
Revenue	1,097,968	1,148,815
Expenses	1,018,126	875,536
Loss on write-off of property, plant and equipment		(71,656)
Income (loss) from Operations	<u>79,842</u>	<u>201,623</u>
Net Income (loss) for Year	79,842	201,623
Retained Earnings, beginning of year	741,313	539,690
Dividends	(100,000)	
Retained Earnings, end of year	<u>\$ 721,155</u>	<u>\$ 741,313</u>

NOTE 6 INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES (continued)

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

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

During 2018-2019, the School District charged SD73BC a management fee of \$ 55,745 (2017-2018 - \$ 56,852) in respect of administrative support provided to SD73BC.

Included in accounts receivable - other (Note 3) is \$119,710 (2018 - \$19,518) due from the SD73BC.

NOTE 7 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2019	2018
Trade Payable	\$ 1,432,974	\$ 616,883
Salaries and Benefits Payable	5,819,882	5,994,619
Accrued Vacation Payable	2,343,190	2,168,253
	<u>\$ 9,596,046</u>	<u>\$ 8,779,755</u>

NOTE 8 UNEARNED REVENUE

	2019	2018
Balance, beginning of year	<u>\$ 2,761,079</u>	<u>\$ 2,020,445</u>
Changes for the year		
Increase:		
Tuition Fees	3,210,326	2,844,765
Rental/Lease of Facilities		24,000
Dash BC Grant		75,000
Decrease:		
Tuition Fees	(2,771,458)	(2,163,530)
Rental/Lease of Facilities	(24,000)	(39,601)
Dash BC Grant	(75,000)	
Net changes for the year	<u>339,868</u>	<u>740,634</u>
Balance, end of year	<u>\$ 3,100,947</u>	<u>\$ 2,761,079</u>

NOTE 9 DEFERRED REVENUE

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

NOTE 10 DEFERRED CAPITAL REVENUE

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the Restricted Contribution Regulation 198/2011 issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired.

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.

	2019	2018
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 5,687,217	\$ 5,459,493
Service Cost	458,335	441,063
Interest Cost	163,833	157,088
Benefit Payments – April 1 to March 31 - VESTED	(295,214)	(269,991)
Benefit Payments – April 1 to March 31 – NON-VESTED	(73,102)	(73,201)
Actuarial (Gain) Loss	(793,305)	(27,235)
Accrued Benefit Obligation – March 31	5,147,764	5,687,217
Change in Plan Assets		
Employer Contributions – April 1 to March 31	368,316	343,192
Benefit Payments – April 1 to March 31	(368,316)	(343,192)
Market Value of Plan Assets - March 31	-	-
Reconciliation of Funded Status as End of Fiscal Year		
Accrued Benefit Obligation – March 31	(5,147,764)	5,687,217
Funded Status – Surplus (Deficit)	(5,147,764)	(5,687,217)
Employer Contributions After Measurement Date – April 1 to June 30 – Vested	117,473	146,680
Benefit Expense After Measurement Date April 1 to June 30	(146,594)	(155,542)
Unamortized Net Actuarial (Gain)/Loss	(193)	977,042
Accrued Benefit (Liability) Asset – June 30	(5,177,078)	(4,719,037)

NOTE 11 EMPLOYEE FUTURE BENEFITS (continued)

Components of Net Benefit Expense

Service Cost – July 1 to March 31	343,751	330,797
Service Cost – April 1 to June 30	112,736	114,584
Interest Cost – July 1 to March 31	122,875	117,816
Interest Cost – April 1 to June 30	33,858	40,958
Amortization of Net Actuarial (Gain)/Loss	183,923	186,674
Net Benefit Expense (Income)	<u>797,143</u>	<u>790,829</u>

Reconciliation of Change in Accrued Benefit Liability (Asset)

Accrued Benefit Liability (Asset) – July 1	4,719,037	4,346,595
Net Expense for Fiscal Year	797,143	790,830
Employer Contributions – July 1 to March 31	(221,629)	(271,708)
Employer Contributions – April 1 to June 30	(117,473)	(146,680)
Accrued Benefit Liability (Asset) – June 30	<u>\$ 5,177,078</u>	<u>\$ 4,719,037</u>

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

Assumptions

Discount Rate – April 1	2.75%	2.75%
Discount Rate – March 31	2.50%	2.75%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	10.1	9.9

NOTE 12 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The Board of Trustees for these plans representing plan members and employers and are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2015, the Teachers' Pension Plan has about 46,455 active members and approximately 37,570 retired members. As of December 31, 2015, the Municipal Pension Plan has about 197,279 active members, including 24,000 from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate is then adjusted to the extent there is amortization of any funding deficit.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2017, indicated a \$644 million surplus for basic pension benefits on a going concern basis.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2.2 billion funding surplus for basic pension benefits on a going concern basis.

The School District No. 73 (Kamloops-Thompson) paid \$ 13,049,131 (2018 - \$ 13,388,375) for employer contributions to these plans in the year ended June 30, 2019.

NOTE 13a OPERATING FUND BALANCE, END OF YEAR

Internally Restricted Future School Years:	June 30 2018	Increases	Decreases	June 30 2019
Utility Fuel Budget	\$ 700,000			\$ 700,000
Strategic Plan - Year 3	546,500	50,000	(208,000)	388,500
Department	508,126		(53,135)	454,991
School Supply	1,074,717	160,292		1,235,009
	<u>2,829,343</u>	<u>210,292</u>	<u>-261,135</u>	<u>2,778,500</u>
Internally Restricted - Anticipated Unusual Expenses - Future School Years				
Employee Benefits	986,632		(328,877)	657,755
Employer Health Tax	425,000		(425,000)	-
Total Restricted Operating Reserve	<u>1,411,632</u>	<u>-</u>	<u>(753,877)</u>	<u>657,755</u>
Internally Restricted - Funds with Constraints				
SD73BC Management Fee	485,872			485,872
Aboriginal Education	561,767	91,289		653,056
AFG Other	93,428		(37,260)	56,168
	<u>1,141,067</u>	<u>91,289</u>	<u>(37,260)</u>	<u>1,195,096</u>
Total Internally Restricted - Operating Reserve	5,382,042	301,581	(1,052,272)	4,631,351
Unrestricted - Operating Surplus	237,390		(237,390)	-
Total Operating Reserve Balances	<u>\$ 5,619,432</u>	<u>\$ 301,581</u>	<u>(1,289,662)</u>	<u>\$ 4,631,351</u>

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

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

NOTE 13a OPERATING FUND BALANCE, END OF YEAR (continued)

Operating Reserves:

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

Department and School Supply Reserve balances are an accumulation of operating under-expenditures the Board and Senior Administration allow departments and schools to carry forward for expenditures in future years. This annual practice eliminates staff spending to the full extent of the budget by June 30th thereby allowing educators and managers to improve the planning and expenditure of funds as they manage longer term projects. The Strategic Plan carry forward is for specific projects identified for implementation (or continuation) in year three.

The Employee Benefit Reserve is an accumulation of benefit cost savings from previous operating years. This reserve is used to buffer the School District from significant benefit cost increases.

In 2017-2018, a restricted operating reserve was set up to carry forward the savings from the elimination of the Medical Services Plan premiums (January 1, 2018). These funds have been utilized in this school year.

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

2012-2013	\$ 76,183
2013-2014	\$122,522
2014-2015	\$117,749
2015-2016	\$111,947
2016-2017	<u>\$ 56,689</u>
Total	<u>\$ 485,872</u>

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

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 in SD73. These funds are used to purchase consulting services on future energy upgrades in the district to further our energy savings and sustainability.

NOTE 13b SPECIAL PURPOSE FUND BALANCE, END OF YEAR

	June 30 2018	Increases	Decreases	June 30 2019
Ministry of Education	\$ 520,137	\$12,954,738	(13,169,520)	\$ 305,355
School Generated Funds	2,530,504	4,496,203	(4,315,046)	2,711,661
Other Special Purpose Funds	1,049,824	1,117,448	(901,001)	1,266,271
	<u>\$ 4,100,465</u>	<u>\$18,568,389</u>	<u>-\$18,385,567</u>	<u>\$ 4,283,287</u>

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

NOTE 13c LOCAL CAPITAL FUND BALANCE, END OF YEAR

	June 30 2018	Increases	Decreases	June 30 2019
Local Capital Reserve	<u>\$ 4,273,306</u>	<u>\$ 2,902,087</u>	<u>-\$ 3,337,131</u>	<u>\$ 3,838,262</u>

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 13d OTHER PROVINCIAL CAPITAL FUND BALANCE, END OF YEAR

	June 30 2018	Increases	Decreases	June 30 2019
Other Provincial Capital	<u>\$ 349,123</u>	<u>\$ 242,615</u>	<u>\$ 82,500</u>	<u>\$ 674,238</u>

Other Provincial Capital is a capital reserve fund representing a specific program created by the combined efforts of the Ministry of Jobs, Tourism and Skills Training (JTST) and the Industry Trades Authority (ITA). This joint venture called Youth Trades Capital Equipment Program (YTCEP) enables schools to purchase

trades training equipment needed to support the delivery of one of the ITA's *Youth Trades Programs*. JTST requested the Ministry of Education (K-12 School Districts) assist by acting as the administrator of the YTCEP. Upon approval, funds were provided to school districts directly by the ITA.

YTCEP is a three year program with a Provincial budget of \$15 million, with a minimum investment target of \$7.5 million in fiscal 2016/17. Specific details of the program were announced on November 2, 2016 Ref: 191337. In year two of the program, SD73 received \$ 234,415 (2018 \$736,424) in YTCEP grant funding.

NOTE 14 RELATED PARTY TRANSACTIONS

The School District is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities and crown corporations. Transactions with these entities, unless disclosed separately, are generally considered to be in the normal course of operations and are recorded at the exchange amount.

NOTE 15 CONTRACTUAL OBLIGATIONS

The School District leases photo-copiers under operating leases which expire June 30, 2018 and July 31, 2020. The School District is obligated to make the following minimum lease payments under its operating leases in each of the following fiscal years ending:

June 30, 2020	\$ 81,000
June 30, 2021	20,196
June 30, 2022	<u>20,196</u>
	<u>\$121,392</u>

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

NOTE 16 BUDGET FIGURES

The budget figures used in these financial statements are the amended budget approved by the Board of Education on February 11, 2019. This budget was amended from the original budget approved on April 23, 2018 due to it reflecting actual funding for final student enrolment, the related cost for changed enrolment, and other small changes. As PSAB requires the original budget to be presented, a reconciliation from the original to amended is below.

	Original	Adjustment	Amended
Revenue			
Provincial Grants	\$ 152,906,551	\$ 6,764,735	\$ 159,671,286
Other Grants	75,193	-	75,193
Federal Grants	-	146,218	146,218
Tuition	3,165,750	914,746	4,080,496
Other Revenue	9,528,510	(1,262,794)	8,265,716
Rental & Lease	269,684	-	269,684
Investment Income	267,000	-	267,000
Income (Loss) from Investments in Government Business Enterprises	-	400,000	400,000
Amortization of Deferred Capital Revenue	3,184,029	(226,893)	2,957,136
	<u>169,396,717</u>	<u>6,736,012</u>	<u>176,132,729</u>
Expenses			
Instruction	128,171,846	7,747,212	135,919,058
District Administration	4,720,813	942,691	5,663,504
Operation & Maintenance	21,399,697	323,245	21,722,942
Transportation & Housing	5,014,121	156,936	5,171,057
Amorization of Capital Assets	5,112,755	(145,877)	4,966,878
Supplies and Services	7,306,711	(786,201)	6,520,510
	<u>171,725,943</u>	<u>8,238,006</u>	<u>179,963,949</u>
Net Revenue (Expenses)	(2,329,226)	(1,501,994)	(3,831,220)
Budget allocation (retirement) of surplus	546,500		1,957,478
Budgeted surplus (deficit) for the year	<u>(\$1,782,726)</u>	<u>(\$1,501,994)</u>	<u>(\$1,873,742)</u>

NOTE 17 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, 2017, 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.

NOTE 18 ECONOMIC DEPENDENCE

Operations of the School District are dependent on continued funding from the Ministry of Education and various governmental agencies to carry out its programs. These financial statements have been prepared in accordance with PSA standards. This contemplates continuation of the School District as a "going concern".

NOTE 19 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.

	Investment				June 30, 2019
	June 30, 2018	Income (Loss)	Increases	Decreases	
Endowments held by:					
School District	\$ 10,000		\$ 230	-\$ 230	\$ 10,000
BCICF	140,125		6,786	- 6,786	140,125
Total Endowments	\$ 150,125		\$ 7,016	-\$ 7,016	\$ 150,125

NOTE 20 ASSET RETIREMENT OBLIGATION

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

NOTE 21 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, 2019 \$ 2,548,388 was transferred from the operating fund to the capital fund (2018 - \$ 3,373,384).

NOTE 22 RISK MANAGEMENT

A) GENERAL RISK MANAGEMENT

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

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

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

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

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

D) LIQUIDITY RISK

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

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

NOTE 23 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, 2019 and June 30, 2018, the facility was unused.

NOTE 24 SUBSEQUENT EVENT

Subsequent to the year-end, one of the District owned school properties was destroyed by a fire. The District has reassigned the students attending this property to another District owned facility. The District is currently working with the Province of British Columbia to determine how to rebuild this school and is reviewing the insurance proceeds available in regards to this event.

School District No. 73 (Kamloops-Thompson)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund

Year Ended June 30, 2019

	Operating Fund	Special Purpose Fund	Capital Fund	2019 Actual	2018 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	5,619,433	1,027,944	27,602,426	34,249,803	33,149,332
Changes for the year					
Surplus (Deficit) for the year	1,560,307	213,438	(1,655,894)	117,851	1,100,471
Interfund Transfers					
Local Capital	(2,548,388)		2,548,388	-	
Net Changes for the year	(988,081)	213,438	892,494	117,851	1,100,471
Accumulated Surplus (Deficit), end of year - Statement 2	4,631,352	1,241,382	28,494,920	34,367,654	34,249,803

School District No. 73 (Kamloops-Thompson)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	143,612,344	143,806,551	138,107,326
Other	75,193	55,440	56,440
Tuition	4,080,496	4,426,697	3,152,489
Other Revenue	3,174,716	3,536,002	3,271,198
Rentals and Leases	269,684	243,874	277,712
Investment Income	216,000	398,520	348,310
Total Revenue	151,428,433	152,467,084	145,213,475
Expenses			
Instruction	124,222,742	122,833,942	116,481,444
District Administration	5,663,504	4,757,651	4,154,230
Operations and Maintenance	18,328,608	18,318,763	16,851,633
Transportation and Housing	5,171,057	4,996,421	4,929,068
Total Expense	153,385,911	150,906,777	142,416,375
Operating Surplus (Deficit) for the year	(1,957,478)	1,560,307	2,797,100
Budgeted Appropriation (Retirement) of Surplus (Deficit)	1,957,478		
Net Transfers (to) from other funds			
Local Capital		(2,548,388)	(3,373,384)
Total Net Transfers	-	(2,548,388)	(3,373,384)
Total Operating Surplus (Deficit), for the year	-	(988,081)	(576,284)
Operating Surplus (Deficit), beginning of year		5,619,433	6,195,717
Operating Surplus (Deficit), end of year		4,631,352	5,619,433
Operating Surplus (Deficit), end of year			
Internally Restricted		4,575,184	5,382,043
Unrestricted		56,168	237,390
Total Operating Surplus (Deficit), end of year		4,631,352	5,619,433

School District No. 73 (Kamloops-Thompson)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	144,536,612	143,842,883	138,113,870
ISC/LEA Recovery	(2,591,981)	(2,591,981)	(2,591,981)
Other Ministry of Education Grants			
Pay Equity	575,959	575,959	575,959
Funding for Graduated Adults		86,877	45,892
Transportation Supplement	666,817	666,817	666,817
Economic Stability Dividend		167,249	87,156
Return of Administrative Savings			673,698
Carbon Tax Grant	100,000	229,073	137,775
Employer Health Tax Grant		359,022	-
Strategic Priorities - Mental Health Grant	31,000	31,000	
Support Staff Benefits Grant		99,624	99,624
BCTEA - LEA Capacity Building Grant		41,090	
Foundation Skills Assessment	22,693	22,694	20,193
Next Generation Network - Self Provisioned Allocation	251,244	251,244	251,244
Secwepemc Language			10,000
Shoulder Tappers			17,079
Other Ministry of Education Grants	20,000	25,000	
Total Provincial Grants - Ministry of Education	143,612,344	143,806,551	138,107,326
Provincial Grants - Other	75,193	55,440	56,440
Tuition			
International and Out of Province Students	4,080,496	4,426,697	3,152,489
Total Tuition	4,080,496	4,426,697	3,152,489
Other Revenues			
LEA Funding from First Nations	2,591,891	2,728,575	2,527,368
Miscellaneous			
Course Fees		72,092	93,414
Student Paid Meals		176,820	170,670
Trades and Transitions Program	249,660	302,427	319,869
Miscellaneous Revenue	333,165	256,088	159,877
Total Other Revenue	3,174,716	3,536,002	3,271,198
Rentals and Leases	269,684	243,874	277,712
Investment Income	216,000	398,520	348,310
Total Operating Revenue	151,428,433	152,467,084	145,213,475

School District No. 73 (Kamloops-Thompson)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Salaries			
Teachers	62,425,308	61,924,625	60,137,569
Principals and Vice Principals	9,550,200	9,320,407	8,760,395
Educational Assistants	8,937,909	9,656,058	8,853,232
Support Staff	16,515,682	16,552,845	15,617,307
Other Professionals	3,959,453	3,940,093	3,335,399
Substitutes	5,734,675	6,441,370	5,561,544
Total Salaries	107,123,227	107,835,398	102,265,446
Employee Benefits	24,923,282	24,201,852	23,085,353
Total Salaries and Benefits	132,046,509	132,037,250	125,350,799
Services and Supplies			
Services	4,422,835	4,382,121	3,088,045
Student Transportation	373,178	412,835	402,662
Professional Development and Travel	2,110,634	1,648,647	1,587,148
Dues and Fees	101,536	101,998	84,746
Insurance	540,524	483,402	429,129
Supplies	10,765,528	8,865,443	8,746,876
Utilities	3,025,167	2,975,081	2,726,970
Total Services and Supplies	21,339,402	18,869,527	17,065,576
Total Operating Expense	153,385,911	150,906,777	142,416,375

School District No. 73 (Kamloops-Thompson)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	48,913,728	1,418,922		1,071,609	463,800	4,160,492	56,028,551
1.03 Career Programs	266,789	129,722				22,613	419,124
1.07 Library Services	1,657,326	113,514		1,264,878		179,643	3,215,361
1.08 Counselling	1,616,903			540,796		152,864	2,310,563
1.10 Special Education	6,790,993	283,784	8,445,296	76,612		1,151,709	16,748,394
1.30 English Language Learning	242,535					20,557	263,092
1.31 Aboriginal Education	520,003	125,794	1,210,762		394,421	31,429	2,282,409
1.41 School Administration		6,648,687		1,066,180		159,423	7,874,290
1.60 Summer School	97,332						97,332
1.61 Continuing Education	404,226	340,541		90,133		43,418	878,318
1.62 International and Out of Province Students	404,226	129,721		50,494		38,130	622,571
1.64 Other	1,010,564	129,722		57,951		89,522	1,287,759
Total Function 1	61,924,625	9,320,407	9,656,058	4,218,653	858,221	6,049,800	92,027,764
4 District Administration							
4.11 Educational Administration				151,000	706,262		857,262
4.40 School District Governance					192,733		192,733
4.41 Business Administration				720,317	1,252,041		1,972,358
Total Function 4	-	-	-	871,317	2,151,036	-	3,022,353
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				76,174	441,205		517,379
5.50 Maintenance Operations				7,858,182	318,125	210,982	8,387,289
5.52 Maintenance of Grounds				1,029,457		15,989	1,045,446
5.56 Utilities							-
Total Function 5	-	-	-	8,963,813	759,330	226,971	9,950,114
7 Transportation and Housing							
7.41 Transportation and Housing Administration				109,233	171,506		280,739
7.70 Student Transportation				2,389,829		164,599	2,554,428
Total Function 7	-	-	-	2,499,062	171,506	164,599	2,835,167
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	61,924,625	9,320,407	9,656,058	16,552,845	3,940,093	6,441,370	107,835,398

School District No. 73 (Kamloops-Thompson)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	56,028,551	12,935,993	68,964,544	4,265,238	73,229,782	73,928,417	70,751,506
1.03 Career Programs	419,124	88,388	507,512	40,144	547,656	575,485	351,029
1.07 Library Services	3,215,361	745,895	3,961,256	276,971	4,238,227	4,361,501	4,097,997
1.08 Counselling	2,310,563	538,637	2,849,200	326	2,849,526	2,909,358	2,827,461
1.10 Special Education	16,748,394	3,800,954	20,549,348	1,410,563	21,959,911	21,318,361	19,834,574
1.30 English Language Learning	263,092	61,091	324,183	-	324,183	328,259	159,558
1.31 Aboriginal Education	2,282,409	461,355	2,743,764	393,787	3,137,551	3,518,753	3,121,170
1.41 School Administration	7,874,290	1,509,101	9,383,391	458,451	9,841,842	9,777,462	9,250,375
1.60 Summer School	97,332		97,332	1,070	98,402	132,304	135,764
1.61 Continuing Education	878,318	187,277	1,065,595	640,568	1,706,163	2,089,537	1,848,296
1.62 International and Out of Province Students	622,571	137,083	759,654	2,428,484	3,188,138	3,476,826	2,450,508
1.64 Other	1,287,759	289,810	1,577,569	134,992	1,712,561	1,806,479	1,653,206
Total Function 1	92,027,764	20,755,584	112,783,348	10,050,594	122,833,942	124,222,742	116,481,444
4 District Administration							
4.11 Educational Administration	857,262	159,045	1,016,307	267,732	1,284,039	1,458,961	1,217,159
4.40 School District Governance	192,733	13,657	206,390	200,431	406,821	380,705	336,231
4.41 Business Administration	1,972,358	401,403	2,373,761	693,030	3,066,791	3,823,838	2,600,840
Total Function 4	3,022,353	574,105	3,596,458	1,161,193	4,757,651	5,663,504	4,154,230
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	517,379	95,750	613,129	355,648	968,777	1,083,350	897,100
5.50 Maintenance Operations	8,387,289	1,855,571	10,242,860	2,393,155	12,636,015	12,464,797	11,602,920
5.52 Maintenance of Grounds	1,045,446	243,464	1,288,910	453,864	1,742,774	1,755,294	1,624,643
5.56 Utilities	-	-	-	2,971,197	2,971,197	3,025,167	2,726,970
Total Function 5	9,950,114	2,194,785	12,144,899	6,173,864	18,318,763	18,328,608	16,851,633
7 Transportation and Housing							
7.41 Transportation and Housing Administration	280,739	57,540	338,279	142,732	481,011	559,019	434,840
7.70 Student Transportation	2,554,428	619,838	3,174,266	1,341,144	4,515,410	4,612,038	4,494,228
Total Function 7	2,835,167	677,378	3,512,545	1,483,876	4,996,421	5,171,057	4,929,068
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	107,835,398	24,201,852	132,037,250	18,869,527	150,906,777	153,385,911	142,416,375

School District No. 73 (Kamloops-Thompson)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	13,385,750	13,169,520	11,956,613
Federal Grants	146,218	146,218	
Other Revenue	5,005,000	5,069,829	4,957,251
Investment Income	1,000		243
Income (Loss) from Investments in Government Business Enterprises	400,000	213,438	201,622
Total Revenue	<u>18,937,968</u>	<u>18,599,005</u>	<u>17,115,729</u>
Expenses			
Instruction	11,696,316	11,950,955	10,549,477
Operations and Maintenance	7,241,652	6,434,612	6,364,630
Total Expense	<u>18,937,968</u>	<u>18,385,567</u>	<u>16,914,107</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>213,438</u>	<u>201,622</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>213,438</u>	<u>201,622</u>
Special Purpose Surplus (Deficit), beginning of year		1,027,944	826,322
Special Purpose Surplus (Deficit), end of year		<u>1,241,382</u>	<u>1,027,944</u>
Special Purpose Surplus (Deficit), end of year			
Related Entities		1,091,257	877,819
Endowment Contributions		150,125	150,125
Total Special Purpose Surplus (Deficit), end of year		<u>1,241,382</u>	<u>1,027,944</u>

School District No. 73 (Kamloops-Thompson)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2019

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Related Entities	Strong Start	Ready, Set, Learn	OLEP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	19,290		681	78,747	2,530,504				
Add: Restricted Grants									
Provincial Grants - Ministry of Education	701,852	550,015					224,000	78,400	196,963
Other				17,482	4,496,203				
Investment Income				460					
	701,852	550,015	-	17,942	4,496,203	-	224,000	78,400	196,963
Less: Allocated to Revenue	721,142	550,015	-	8,283	4,315,046		224,000	78,400	196,963
Deferred Revenue, end of year	-	-	681	88,406	2,711,661	-	-	-	-
Revenues									
Provincial Grants - Ministry of Education	721,142	550,015					224,000	78,400	196,963
Federal Grants									
Other Revenue				8,283	4,315,046				
Income (Loss) from Investments in Government Business Enterprises						213,438			
	721,142	550,015	-	8,283	4,315,046	213,438	224,000	78,400	196,963
Expenses									
Salaries									
Teachers									79,008
Principals and Vice Principals									
Educational Assistants		332,592					146,376		
Support Staff									
Substitutes									2,357
	-	332,592	-	-	-	-	146,376	-	81,365
Employee Benefits		217,423					51,661		23,412
Services and Supplies	721,142			8,283	4,315,046		25,963	78,400	92,186
	721,142	550,015	-	8,283	4,315,046	-	224,000	78,400	196,963
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	213,438	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	213,438	-	-	-

School District No. 73 (Kamloops-Thompson)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2019

	CommunityLINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	SET BC	Early Learning	Literacy Innovation	BCLCA/ E-Learning	Gov't of Canada Environmental Program
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	301,226		149,308			8,895	39,984	8,567	15,228
Add: Restricted Grants									
Provincial Grants - Ministry of Education	1,582,336	533,847	8,915,961	16,380	124,984	30,000			
Other									
Investment Income									
	1,582,336	533,847	8,915,961	16,380	124,984	30,000	-	-	-
Less: Allocated to Revenue	1,615,478	520,165	9,065,269	14,995	124,984	38,895	13,547	5,667	15,228
Deferred Revenue, end of year	268,084	13,682	-	1,385	-	-	26,437	2,900	-
Revenues									
Provincial Grants - Ministry of Education	1,615,478	520,165	9,065,269	14,995	124,984	38,895	13,547	5,667	
Federal Grants									15,228
Other Revenue									
Income (Loss) from Investments in Government Business Enterprises									
	1,615,478	520,165	9,065,269	14,995	124,984	38,895	13,547	5,667	15,228
Expenses									
Salaries									
Teachers	982,029		7,273,719		94,722	8,647			
Principals and Vice Principals									
Educational Assistants	11,137						7,617		
Support Staff		90,180							
Substitutes		322,491		13,039		7,208			
	993,166	412,671	7,273,719	13,039	94,722	15,855	7,617	-	-
Employee Benefits	215,468	69,114	1,791,550	1,956	21,851		1,896		
Services and Supplies	406,844	38,380			8,411	23,040	4,034	5,667	15,228
	1,615,478	520,165	9,065,269	14,995	124,984	38,895	13,547	5,667	15,228
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 73 (Kamloops-Thompson)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2019

	Gov't of Canada Youth Program	Contributor Restricted	TOTAL
	\$	\$	\$
Deferred Revenue, beginning of year	130,990	817,045	4,100,465
Add: Restricted Grants			
Provincial Grants - Ministry of Education			12,954,738
Other		1,099,506	5,613,191
Investment Income			460
	-	1,099,506	18,568,389
Less: Allocated to Revenue	130,990	746,500	18,385,567
Deferred Revenue, end of year	-	1,170,051	4,283,287
Revenues			
Provincial Grants - Ministry of Education			13,169,520
Federal Grants	130,990		146,218
Other Revenue		746,500	5,069,829
Income (Loss) from Investments in Government Business Enterprises			213,438
	130,990	746,500	18,599,005
Expenses			
Salaries			
Teachers		49,050	8,487,175
Principals and Vice Principals		106,124	106,124
Educational Assistants			497,722
Support Staff			90,180
Substitutes		1,056	346,151
	-	156,230	9,527,352
Employee Benefits		29,272	2,423,603
Services and Supplies	130,990	560,998	6,434,612
	130,990	746,500	18,385,567
Net Revenue (Expense) before Interfund Transfers	-	-	213,438
Interfund Transfers	-	-	-
Net Revenue (Expense)	-	-	213,438

School District No. 73 (Kamloops-Thompson)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2019

	2019 Budget	2019 Actual			2018 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	2,673,192	2,817,501		2,817,501	2,628,609
Other Revenue	86,000		267,545	267,545	87,846
Investment Income	50,000		86,154	86,154	21,565
Amortization of Deferred Capital Revenue	2,957,136	2,957,283		2,957,283	2,990,286
Total Revenue	5,766,328	5,774,784	353,699	6,128,483	5,728,306
Expenses					
Operations and Maintenance	2,673,192	2,817,501		2,817,501	2,628,609
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,966,878	4,966,876		4,966,876	4,997,948
Total Expense	7,640,070	7,784,377	-	7,784,377	7,626,557
Capital Surplus (Deficit) for the year	(1,873,742)	(2,009,593)	353,699	(1,655,894)	(1,898,251)
Net Transfers (to) from other funds					
Local Capital			2,548,388	2,548,388	3,373,384
Total Net Transfers	-	-	2,548,388	2,548,388	3,373,384
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		3,337,131	(3,337,131)	-	
Total Other Adjustments to Fund Balances		3,337,131	(3,337,131)	-	
Total Capital Surplus (Deficit) for the year	(1,873,742)	1,327,538	(435,044)	892,494	1,475,133
Capital Surplus (Deficit), beginning of year		23,329,119	4,273,307	27,602,426	26,127,293
Capital Surplus (Deficit), end of year		24,656,657	3,838,263	28,494,920	27,602,426

School District No. 73 (Kamloops-Thompson)

Tangible Capital Assets
Year Ended June 30, 2019

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	10,345,129	134,938,119	11,025,364	10,573,138	247,683	2,679,682	169,809,115
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		792,000	90,000	632,514			1,514,514
Deferred Capital Revenue - Other		13,208	83,792				97,000
Local Capital		697,084	1,701,146	546,053	82,540	310,308	3,337,131
	-	1,502,292	1,874,938	1,178,567	82,540	310,308	4,948,645
Decrease:							
Deemed Disposals			821,510	680,483	18,484	471,860	1,992,337
	-	-	821,510	680,483	18,484	471,860	1,992,337
Cost, end of year	10,345,129	136,440,411	12,078,792	11,071,222	311,739	2,518,130	172,765,423
Work in Progress, end of year		26,734					26,734
Cost and Work in Progress, end of year	10,345,129	136,467,145	12,078,792	11,071,222	311,739	2,518,130	172,792,157
Accumulated Amortization, beginning of year		94,397,879	3,445,705	4,822,272	55,505	1,090,979	103,812,340
Changes for the Year							
Increase: Amortization for the Year		2,221,552	1,115,180	1,044,672	49,536	535,936	4,966,876
Decrease:							
Deemed Disposals			821,510	680,483	18,484	471,860	1,992,337
			821,510	680,483	18,484	471,860	1,992,337
Accumulated Amortization, end of year		96,619,431	3,739,375	5,186,461	86,557	1,155,055	106,786,879
Tangible Capital Assets - Net	10,345,129	39,847,714	8,339,417	5,884,761	225,182	1,363,075	66,005,278

School District No. 73 (Kamloops-Thompson)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2019

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

School District No. 73 (Kamloops-Thompson)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2019

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	40,284,937	787,298	1,732,256	42,804,491
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,514,514	95,708	1,292	1,611,514
	<u>1,514,514</u>	<u>95,708</u>	<u>1,292</u>	<u>1,611,514</u>
Decrease:				
Amortization of Deferred Capital Revenue	2,828,231	72,103	56,949	2,957,283
	<u>2,828,231</u>	<u>72,103</u>	<u>56,949</u>	<u>2,957,283</u>
Net Changes for the Year	<u>(1,313,717)</u>	<u>23,605</u>	<u>(55,657)</u>	<u>(1,345,769)</u>
Deferred Capital Revenue, end of year	<u>38,971,220</u>	<u>810,903</u>	<u>1,676,599</u>	<u>41,458,722</u>
Work in Progress, beginning of year				-
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	26,734			26,734
	<u>26,734</u>	<u>-</u>	<u>-</u>	<u>26,734</u>
Net Changes for the Year	<u>26,734</u>	<u>-</u>	<u>-</u>	<u>26,734</u>
Work in Progress, end of year	<u>26,734</u>	<u>-</u>	<u>-</u>	<u>26,734</u>
Total Deferred Capital Revenue, end of year	<u>38,997,954</u>	<u>810,903</u>	<u>1,676,599</u>	<u>41,485,456</u>

School District No. 73 (Kamloops-Thompson)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2019

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ 44,778	\$ 169,358	\$ 349,123	\$	\$ 96,324	\$ 659,583
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	4,362,680					4,362,680
Provincial Grants - Other			234,415			234,415
Other					9,841	9,841
Investment Income		5,115	8,200		2,313	15,628
	4,362,680	5,115	242,615	-	12,154	4,622,564
Decrease:						
Transferred to DCR - Capital Additions	1,514,514	13,208	82,500		1,292	1,611,514
Transferred to DCR - Work in Progress	26,734					26,734
Building Repairs and Maintenance	2,817,501					2,817,501
	4,358,749	13,208	82,500	-	1,292	4,455,749
Net Changes for the Year	3,931	(8,093)	160,115	-	10,862	166,815
Balance, end of year	48,709	161,265	509,238	-	107,186	826,398