

Audited Financial Statements of

School District No. 73 (Kamloops-Thompson)

And Independent Auditors' Report thereon

June 30, 2026

School District No. 73 (Kamloops-Thompson)

June 30, 2026

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School District No. 73 (Kamloops-Thompson)

MANAGEMENT REPORT

Version: 1573-9828-7845

Management's Responsibility for the Financial Statements.

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

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

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

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

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

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

<i>Signature on file.</i>	<i>September 21, 2026</i>
Signature of the Chairperson of the Board of Education	Date Signed
<i>Signature on file.</i>	<i>September 21, 2026</i>
Signature of the Superintendent	Date Signed
<i>Signature on file.</i>	<i>September 21, 2026</i>
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, 2026, Statements of Operations, Changes 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 of the School District as at and for the year ended June 30, 2026 are prepared, in all material respects, 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 schedules on pages 32 through 47 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 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 21, 2026

School District No. 73 (Kamloops-Thompson)

Statement 1

Statement of Financial Position

As at June 30, 2026

	2026 Actual	2025 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	62,338,529	44,342,612
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	1,693,051	7,185,124
Due from First Nations	1,599,940	1,510,417
Other (Note 3)	3,437,957	1,279,976
Investments in Government Business Enterprises (Note 4)	1,905,683	1,894,578
Portfolio Investments (Note 5)	27,139	27,139
Total Financial Assets	71,002,299	56,239,846
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 6)	24,445,549	26,122,875
Unearned Revenue (Note 7)	4,972,911	4,245,766
Deferred Revenue (Note 8)	8,723,427	7,542,023
Deferred Capital Revenue (Note 9)	152,389,039	133,751,833
Employee Future Benefits (Note 10)	6,494,420	6,366,407
Asset Retirement Obligation (Note 11)	8,114,069	8,690,115
Other Liabilities	140,395	218,607
Total Liabilities	205,279,810	186,937,626
Net Debt	(134,277,511)	(130,697,780)
Non-Financial Assets		
Tangible Capital Assets (Note 12)	184,100,747	164,871,064
Restricted Assets (Endowments) (Note 13)	150,125	150,125
Prepaid Expenses	455,085	653,591
Supplies Inventory	395,259	616,985
Total Non-Financial Assets	185,101,216	166,291,765
Accumulated Surplus (Deficit)	50,823,705	35,593,985
Contingent Liabilities (Note 14)		
Approved by the Board		
<i>Signature on file.</i>	<i>September 21, 2026</i>	
Signature of the Chairperson of the Board of Education	Date Signed	
<i>Signature on file.</i>	<i>September 21, 2026</i>	
Signature of the Superintendent	Date Signed	
<i>Signature on file.</i>	<i>September 21, 2026</i>	
Signature of the Secretary Treasurer	Date Signed	

School District No. 73 (Kamloops-Thompson)

Statement 2

Statement of Operations
Year Ended June 30, 2026

	2026 Budget (Note 19) \$	2026 Actual \$	2025 Actual \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	234,175,480	238,570,246	235,436,935
Other	85,440	279,204	277,183
Municipal Grants Spent on Sites			258,534
Tuition	5,770,000	6,157,350	5,262,180
Other Revenue	11,727,425	12,551,923	11,389,259
Rentals and Leases	225,000	212,213	217,998
Investment Income	758,000	845,365	788,469
Income (Loss) from Investments in Government Business Enterprises	90,000	11,105	(668,263)
Gain (Loss) on Disposal of Tangible Capital Assets		1,323,040	
Amortization of Deferred Capital Revenue	4,793,190	4,827,092	4,434,207
Total Revenue	257,624,535	264,777,538	257,396,502
Expenses (Note 20)			
Instruction	203,112,609	199,393,490	196,760,988
District Administration	8,087,923	6,698,576	6,998,913
Operations and Maintenance	39,988,456	36,928,944	37,282,907
Transportation and Housing	7,296,135	6,526,808	6,751,074
Total Expense	258,485,123	249,547,818	247,793,882
Surplus (Deficit) for the year	(860,588)	15,229,720	9,602,620
Accumulated Surplus (Deficit) from Operations, beginning of year		35,593,985	25,991,365
Accumulated Surplus (Deficit) from Operations, end of year		50,823,705	35,593,985

School District No. 73 (Kamloops-Thompson)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2026

	2026 Budget (Note 19) \$	2026 Actual \$	2025 Actual \$
Surplus (Deficit) for the year	<u>(860,588)</u>	<u>15,229,720</u>	<u>9,602,620</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(23,720,592)	(26,296,884)	(34,781,496)
Amortization of Tangible Capital Assets	6,959,104	7,067,197	6,940,600
Net carrying value of Tangible Capital Assets disposed of		3	
Total Effect of change in Tangible Capital Assets	<u>(16,761,488)</u>	<u>(19,229,684)</u>	<u>(27,840,896)</u>
Use of Prepaid Expenses		198,506	
Acquisition of Supplies Inventory			38,720
Use of Supplies Inventory		221,727	
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>420,233</u>	<u>38,720</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(17,622,076)</u>	<u>(3,579,731)</u>	<u>(18,199,556)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		<u>(3,579,731)</u>	<u>(18,199,556)</u>
Net Debt, beginning of year		<u>(130,697,780)</u>	<u>(112,498,224)</u>
Net Debt, end of year		<u>(134,277,511)</u>	<u>(130,697,780)</u>

School District No. 73 (Kamloops-Thompson)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2026

	2026 Actual	2025 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	15,229,720	9,602,620
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	3,244,569	1,825,267
Supplies Inventories	221,726	188,824
Prepaid Expenses	198,506	(150,104)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(1,677,326)	3,922,836
Unearned Revenue	727,145	343,474
Deferred Revenue	1,181,404	809,696
Employee Future Benefits	128,013	(67,154)
Asset Retirement Obligations	(576,046)	524,418
Other Liabilities	(78,212)	(87,278)
Amortization of Tangible Capital Assets	7,067,197	6,940,600
Amortization of Deferred Capital Revenue	(4,827,092)	(4,434,207)
Recognition of Deferred Capital Revenue Spent on Sites		(7,616,682)
Capital Grants Spent on Building Maintenance Projects	(3,731,020)	(3,614,920)
Total Operating Transactions	17,108,584	8,187,390
Capital Transactions		
Tangible Capital Assets Purchased	(5,585,157)	(11,372,494)
Tangible Capital Assets -WIP Purchased	(20,711,727)	(23,409,002)
Total Capital Transactions	(26,296,884)	(34,781,496)
Financing Transactions		
Capital Revenue Received	27,195,322	40,538,099
Total Financing Transactions	27,195,322	40,538,099
Investing Transactions		
Decrease (Increase) in Investments in Government Business Enterprises	(11,105)	668,263
Total Investing Transactions	(11,105)	668,263
Net Increase (Decrease) in Cash and Cash Equivalents	17,995,917	14,612,256
Cash and Cash Equivalents, beginning of year	44,342,612	29,730,356
Cash and Cash Equivalents, end of year	62,338,529	44,342,612
Cash and Cash Equivalents, end of year, is made up of:		
Cash	62,338,529	44,342,612
	62,338,529	44,342,612

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2026

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, 2026 increase in annual surplus by \$20,389,319 (June 30, 2025 - increase by \$22,164,710).
- June 30, 2026 - increase in accumulated surplus and decrease in deferred contributions by \$152,386,717 (2025 - \$133,728,462).

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2026

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 4.

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.

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.

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, 2025 and projected to March 31, 2028. The next valuation will be performed at March 31, 2028 for use at June 30, 2028. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

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

i) 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 was initially recognized as an asset retirement obligation as of July 1, 2022. 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.

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, 2026

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 16 - Internally Restricted Surplus and Note 21 – 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, 2026

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, 2026.

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, 2026

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 asset retirement obligations, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

Note 3 ACCOUNTS RECEIVABLE - OTHER

	2026	2025
Other	\$3,614,494	\$1,456,513
Allowance for Doubtful Accounts	(176,537)	(176,537)
	\$3,437,957	\$1,279,976

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2026

Note 4 INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES

Summary of the financial statements of School District No. 73 Business Company, for the year ended June 30, 2026, is as follows:

Balance Sheet	June 30, 2026	June 30, 2025
Current Assets		
Cash	568,727	396,969
Accounts Receivable	42,165	98,591
Prepaid Expenses	11,091	9,595
Due from Shareholder	1,759,169	2,057,450
	<u>2,381,152</u>	<u>2,562,605</u>
Equipment	-	6,002
Total Assets	<u>2,381,152</u>	<u>2,568,607</u>
Current Liabilities		
Accounts Payable	50,665	39,286
Deferred Revenue	385,738	275,546
Due to Shareholder	39,064	359,195
	<u>475,467</u>	<u>674,027</u>
Shareholder's Equity		
Share capital	1	1
Contributed surplus	370,101	370,101
Retained earnings	1,535,583	1,524,478
	<u>1,905,685</u>	<u>1,894,580</u>
Total Liabilities and Shareholder's Equity	<u>2,381,152</u>	<u>2,568,607</u>

Statement of Operations	June 30, 2026	June 30, 2025
Revenue	948,201	1,020,285
Expenses	896,596	817,688
Income (loss) from Operations	<u>51,605</u>	<u>202,597</u>
Retained earnings, beginning of the year	<u>1,524,478</u>	<u>2,192,740</u>
Net Income for Year	51,605	202,597
Dividends	(40,500)	(870,859)
	<u>11,105</u>	<u>(668,262)</u>
Retained earnings, end of the year	<u>1,535,583</u>	<u>1,524,478</u>

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2026

Note 4 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 and Child Care direction, SD73BC wound up LNBC. School District No. 73 provides management and operation expertise to SD73BC and for those services, they charge SD73BC a management fee of 15% of gross revenues. The online educational programming division is referred to as Global Education.

During the year ended June 30, 2026, the School District charged SD73BC a management fee of \$213,230 (2025 - \$217,343) in respect of administrative support provided to SD73BC.

Note 5 PORTFOLIO INVESTMENTS

	June 30, 2026	June 30, 2025
BC Interior Community Foundation	\$27,139	\$27,139

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 13 - Endowment Funds).

Note 6 ACCOUNTS PAYABLE - OTHER

	2026	2025
Trade payables	\$8,394,821	\$9,936,677
Salary and benefits payable	11,623,487	11,392,845
Accrued vacations payable	2,678,166	2,863,146
Due to SD73BC	1,749,075	1,980,207
	<u>\$24,445,549</u>	<u>\$26,122,875</u>

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2026

Note 7 UNEARNED REVENUE

	2026	2025
Balance, beginning of the year	\$4,245,766	\$3,902,292
Changes for the year		
Increase:		
Tuition fees	7,016,668	3,635,662
Decrease:		
Tuition fees	6,289,523	3,292,188
Net change for the year	727,145	343,474
Balance, end of the year	\$4,972,911	\$4,245,766

Note 8 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, Schedule of Changes in Special Purpose Funds and Expense by Object.

The Special Purpose Fund balances below represent funding restricted for specific programs. The majority of funding is from the Ministry of Education and Child Care for programs such as the Annual Facility Grant, Classroom Enhancement Fund, Support Staff Learning Improvement Fund, Community Link, Early Learning programs, Official Languages in Education Protocol (OLEP) French, Special Education Technology (SET) BC, Mental Health in Schools, the First Nation Student Transportation Grant and the Feeding Futures 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, and Contributor Restricted funds.

	Balance at June 30, 2025	Increases	Decreases	Balance at June 30, 2026
Ministry of Education and Child Care	1,594,518	28,721,653	(28,099,625)	2,216,546
School Generated Funds	4,198,089	5,993,589	(5,694,094)	4,497,584
Other Special Purpose Funds	1,749,416	1,062,241	(802,360)	2,009,297
	7,542,023	35,777,483	(34,596,079)	8,723,427

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2026

Note 9 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.

	Unspent Capital	Deferred Capital	Total Deferred Capital Revenue 2026	Total Deferred Capital Revenue 2025
Balance, beginning of year	\$ 4,440,550	\$129,311,283	\$133,751,833	\$108,879,543
Changes for the year:				
Increase:				
Transfer from Unspent - Capital Additions	-	4,504,684	4,504,684	3,213,286
Transfer from Unspent - Capital WIP	-	20,711,727	20,711,727	23,409,002
Provincial Grants Ministry of Education	25,766,904	-	25,766,904	40,308,578
Proceeds on Disposition of Property	1,323,040	-	1,323,040	-
Other Income	105,378	-	105,378	229,521
	\$ 27,195,322	\$ 25,216,411	\$ 52,411,733	\$ 67,160,387
Decrease:				
Amortization of Deferred Capital	\$ -	\$ 4,827,092	\$ 4,827,092	\$ 4,434,207
Additions - Transfer to Deferred Capital	\$ 4,504,684	\$ -	\$ 4,504,684	\$ 10,829,968
Additions - Transfer to Deferred WIP	\$ 20,711,727	\$ -	\$ 20,711,727	\$ 23,409,002
Non-Capital Items	\$ 3,731,024	\$ -	\$ 3,731,024	\$ 3,614,920
	\$ 28,947,435	\$ 4,827,092	\$ 33,774,527	\$ 42,288,097
Net Changes for the year	\$ (1,752,113)	\$ 20,389,319	\$ 18,637,206	\$ 24,872,290
Balance, end of year	\$ 2,688,437	\$149,700,602	\$152,389,039	\$133,751,833

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2026

Note 10 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, 2026	June 30, 2025
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation - April 1	5,685,965	5,402,346
Service Cost	655,202	418,896
Interest Cost	241,237	238,971
Benefit Payments - April 1 to March 31 - VESTED	(695,758)	(404,773)
Benefit Payments - April 1 to March 31 - NON-VESTED	(102,203)	(89,607)
Increase in obligation due to plan amendment	-	333,594
Actuarial (Gain) Loss	(41,353)	(213,462)
Accrued Benefit Obligation - March 31	5,743,090	5,685,965
Change in Plan Assets		
Employer Contributions - April 1 to March 31	797,961	494,380
Benefit Payments - April 1 to March 31	(797,961)	(494,380)
	-	-
Reconciliation of Funded Status as End of Fiscal Year		
Accrued Benefit Obligation - March 31	(5,743,090)	(5,685,965)
Funded Status - Surplus (Deficit)	(5,743,090)	(5,685,965)
Employer Contributions After Measurement Date - April 1 to June 30 - Vested	162,611	273,568
Benefit Expense After Measurement Date - April 1 to June 30	(225,404)	(224,110)
Unamortized Net Actuarial (Gain)/Loss	(688,537)	(729,900)
Accrued Benefit (Liability) Asset - June 30	(6,494,420)	(6,366,407)
Components of Net Benefit Expense		
Service Cost - July 1 to March 31	491,400	314,172
Service Cost - April 1 to June 30	156,363	163,801
Interest Cost - July 1 to March 31	180,928	179,228
Interest Cost - April 1 to June 30	69,042	60,309
Immediate Recognition of Plan Amendment	-	333,594
Amortization of Net Actuarial (Gain)/Loss	(82,716)	(398,372)
Net Benefit Expense (Income)	815,017	652,732
Reconciliation of Change in Accrued Benefit Liability (Asset)		
Accrued Benefit Liability (Asset) - July 1	6,366,407	6,433,561
Net Expense for Fiscal Year	815,017	652,732
Employer Contributions - July 1 to March 31	(524,393)	(446,318)
Employer Contributions - April 1 to June 30	(162,611)	(273,568)
Accrued Benefit Liability (Asset) - June 30	6,494,420	6,366,407

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2026

Note 10 EMPLOYEE FUTURE BENEFITS (Continued)

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

Assumptions:	2026	2025
Discount Rate - April 1	4.00%	4.00%
Discount Rate - March 31	4.50%	4.25%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	11.9	11.9

Note 11 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. 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.

	2026	2025
Balance, beginning of the year	\$8,690,115	\$8,165,697
Changes for the year		
Settlements during the year	(22,734)	(23,995)
Accretion expense (recovery)	(553,312)	548,413
Balance, end of the year	\$8,114,069	\$8,690,115

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2026

Note 12 TANGIBLE CAPITAL ASSETS

Cost	Balance at June 30, 2025	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2026
Sites	\$18,997,544	\$-	\$3	\$-	\$18,997,541
Buildings	256,883,535	22,807,820	100,000	-	279,591,355
Furniture & Equipment	14,510,463	838,895	2,646,591	-	12,702,767
Vehicles	8,707,259	2,107,413	355,109	-	10,459,563
Software	204,920	45,380	70,908	-	179,392
Computer Hardware	3,135,949	497,375	903,511	-	2,729,813
Total	\$302,439,670	\$26,296,883	\$4,076,122	\$-	\$324,660,431

Amortization	Balance at June 30, 2025	Additions	Disposals	Balance at June 30, 2026
Sites	\$-	\$-	\$-	\$-
Buildings	122,449,373	4,123,187	100,000	126,472,560
Furniture & Equipment	8,848,313	1,360,662	2,646,591	7,562,384
Vehicles	4,330,812	958,341	355,109	4,934,044
Software	148,797	38,431	70,908	116,320
Computer Hardware	1,791,311	586,576	903,511	1,474,376
Total	\$137,568,606	\$7,067,197	\$4,076,119	\$140,559,684

Cost	Balance at June 30, 2024	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2025
Sites	\$11,380,862	\$7,616,682	\$-	\$-	\$18,997,544
Buildings	231,231,507	29,688,166	-	(4,036,138)	256,883,535
Furniture & Equipment	15,284,808	386,818	1,161,163	-	14,510,463
Vehicles	10,255,564	776,004	2,324,309	-	8,707,259
Software	288,665	-	83,745	-	204,920
Computer Hardware	3,768,349	349,964	982,364	-	3,135,949
Total	\$272,209,755	\$38,817,634	\$4,551,581	\$(4,036,138)	\$302,439,670

Amortization	Balance at June 30, 2024	Additions	Disposals	Balance at June 30, 2025
Buildings	118,686,466	3,762,907	-	122,449,373
Furniture & Equipment	8,519,713	1,489,763	1,161,163	8,848,313
Vehicles	5,706,980	948,141	2,324,309	4,330,812
Software	183,183	49,359	83,745	148,797
Computer Hardware	2,083,245	690,430	982,364	1,791,311
Total	\$135,179,587	\$6,940,600	\$4,551,581	\$137,568,606

	June 30, 2026	June 30, 2025
Sites	\$18,997,541	\$18,997,544
Buildings	153,118,795	134,434,162
Furniture & Equipment	5,140,383	5,662,150
Vehicles	5,525,519	4,376,447
Software	63,072	56,123
Computer Hardware	1,255,437	1,344,638
	<u>\$184,100,747</u>	<u>\$164,871,064</u>

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2026

Note 13 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.

	June 30, 2025	Additions	Disposals	June 30, 2026
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 14 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, 2026, 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 15 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, 2025, the Teachers' Pension Plan has about 52,000 active members and approximately 43,000 retired members. As of December 31, 2025, the Municipal Pension Plan has about 286,000 active members, including 33,000 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, 2023, indicated a \$4,572 million surplus for basic pension benefits on a going concern basis.

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2026

Note 15 EMPLOYEE PENSION PLANS (continued)

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2024, indicated a \$2,675 million funding surplus for basic pension benefits on a going concern basis.

School District No. 73 (Kamloops-Thompson) paid \$17,249,165 (2025 - \$ 15,265,346) for employer contributions to these plans in the year ended June 30, 2026.

The next valuation for the Teachers' Pension Plan will be as at December 31, 2026. The next valuation for the Municipal Pension Plan will be as at December 31, 2027.

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.

September 21, 2026

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2026

Note 16 OPERATING FUND BALANCE, END OF YEAR

	Balance at June 30, 2025	Increases	Decreases	Balance at June 30, 2026
Internally Restricted Future School Years				
Capital Planning and Community Engagement	66,500	30,000		96,500
Department Carry Forward	461,901	1,191,776	(51,455)	1,602,222
District Strategic Plan Refresh		100,000		100,000
Energy Efficiency Rebates	31,623		(9,280)	22,343
Enterprise Resource Planning (ERP) Software		2,500,000		2,500,000
Records Management, Governance and Workflow		500,000		500,000
School and District Technology Replacements		500,000		500,000
School Supply Carry Forward	1,317,936	116,370		1,434,306
SD73 Business Co. Management Fee (2013-18)	485,872			485,872
Staffing Contingency	253,710	762,290		1,016,000
Student Learning Initiatives		3,000,000		3,000,000
Student Financial Assistance		500,000		500,000
	2,617,542	9,200,436	(60,735)	11,757,243
Externally Restricted - Funds with Constraints				
CUPE 3500 - Job Evaluation	495,467	205,590	-	701,057
Indigenous Education Targeted Funds	1,117,676	250,477	-	1,368,153
Indigenous Education Council Admin Grant	75,407	84,286	-	159,693
	1,688,550	540,353	-	2,228,903
Unrestricted Operating Surplus				
Operating Surplus Contingency	2,282,948	4,091,590	-	6,374,538
Unrestricted Operating Surplus	-	699,580	-	699,580
	2,282,948	4,791,170	-	7,074,118
Total Operating Reserve Balances	6,589,040	14,531,959	(60,735)	21,060,264

Note 16 OPERATING FUND BALANCE (Continued)

The School District has operating reserve funds separated into three categories: Internally restricted funds, externally 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 Operations 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.

Capital Planning and Community Engagement: The Capital Planning and Community Engagement Reserve, are funds set aside for the Board of Education to make important school capital planning decisions over the next 10 years that will impact how students, staff, families, and neighbourhoods interact with their schools; and the Board of Education will review how best to engage with communities, build relationships, and leverage discussions with respect to the outcomes of the Long-range Facilities Plan. Capital Planning and Engagement, 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 Carry Forward: The Department Carry Forward balances are an accumulation of operating under-expenditures the Board allows departments 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 and address timing issues between order and receipt of goods and services.

District Strategic Plan Refresh: The fund was established in the 2025-2026 year-end to support the refresh of the District's strategic plan expiring June 2027.

Energy Efficiency Rebates: The Energy Efficiency Rebates 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 the District's energy savings and sustainability.

Enterprise Resource Planning (ERP) Software: The surplus was reserve in the 2025-2026 year-end to fund the replacement of the District's ERP software which integrates the human resources, payroll, purchasing and finance functions of the District.

Records Management, Governance and Work Flow Management: The fund was established in the 2025-2026 year-end to fund a comprehensive records management program development project to implement a sustainable records management framework, digitize records and automate workflow.

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2026

Note 16 OPERATING FUND BALANCE (Continued)

School and District Technology Replacements: The surplus was reserved in the 2025-2026 year-end to fund multiple years of technology replacement in schools and District departments.

School Supply Carry Forward: School principals are allocated annual operating budget dollars to operate their schools. Elementary school budgets cover school learning resources and replacement items, and staffing funds. Allowing schools to carry-forward unspent school budgets assist schools in spending their budget dollars wisely by eliminating the need to spend budget surpluses before year end based on a "use it, or lose it," mentality.

SD73 Business Company Management Fee: 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 15% 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.

Staffing Contingency: The Staffing Contingency was established in the 2024-2025 year-end to allow District staff flexibility to address any unexpected staffing needs arising in the Fall of 2025.

Student Learning Initiatives: The District Strategic Plan 2022-2027 guides the work of District staff. The student learning initiatives fund has been established to support student learning initiatives tied directly to the Strategic Plan.

Student Financial Assistance: The surplus was reserved in the 2025-2026 year-end to fund multiple years of student financial assistance.

CUPE 3500 Job Evaluation: During the year, the District received the second year of funding from BCPSEA within the per student funding allocation 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.

Indigenous Education Targeted Funds: The Indigenous Education Reserve is an accumulation of targeted Indigenous 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.

Indigenous Education Council Admin Grant: The Indigenous Education Council Admin Grant was a new grant introduced in 2024-2025 to support the administration of Indigenous Education Councils. Unspent funds have been carried forward to be used in future school years.

Operating Surplus Contingency: Under Board Policy 15 - Accumulated Operating Reserve Funds, the Board is responsible for ensuring the District is protected financially from extraordinary circumstances which would negatively impact school district operations and the education of students. To discharge this responsibility, the Board has used current year operating surplus to replenish the contingency reserve, which will be used to mitigate any negative impact such circumstances might cause. The Board shall continue to maintain this contingency annually with available operating surpluses ensuring it continues to meet the required 3% of operating expenditures.

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2026

Note 17 LOCAL CAPITAL FUND BALANCE, END OF THE YEAR

	Balance at June 30, 2025	Increases	Decreases	Balance at June 30, 2026
Local Capital Reserve	\$5,704	1,335,996	(5,019)	\$1,336,681

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 interest income, the sale of district owned land and property or by a decision recommended by the Audit Committee and approved by the Board of Education to transfer Operating Fund surplus into Local Capital.

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

Note 18 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, 2026

Note 19 BUDGET FIGURES

Budget figures used in these financial statements were approved by the Board through the adoption of an amended annual budget on February 23, 2026. As PSAB requires the original budget to be presented, a reconciliation from the original to amended is below.

	Original	Adjustments	Amended
Revenues			
Provincial Grants	\$227,361,866	\$6,813,614	\$234,175,480
Other Grants	85,440	-	85,440
Tuition	5,072,000	698,000	5,770,000
Other Revenue	10,284,073	1,443,352	11,727,425
Rental and Lease	200,000	25,000	225,000
Investment Income	647,100	110,900	758,000
Income from Government Business Enterprise	100,000	(10,000)	90,000
Amortization of Deferred Capital Revenue	4,656,588	136,602	4,793,190
	<u>248,407,067</u>	<u>9,217,468</u>	<u>257,624,535</u>
Expenses			
Instruction	197,179,581	5,933,028	203,112,609
District Administration	7,928,913	159,010	8,087,923
Operation and Maintenance	37,368,238	2,620,218	39,988,456
Transportation and Housing	7,484,778	(188,643)	7,296,135
	<u>249,961,510</u>	<u>8,523,613</u>	<u>258,485,123</u>
Net Revenue (Expenses)	<u>(1,554,443)</u>	<u>693,855</u>	<u>(860,588)</u>
Budget allocation (retirement) of surplus	<u>-</u>	<u>-</u>	<u>-</u>
Budgeted deficit for the year	<u>\$(1,554,443)</u>	<u>\$693,855</u>	<u>\$(860,588)</u>

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2026

Note 20 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, 2026	June 30, 2025
Expense:		
Salaries and Benefits	\$205,889,361	\$205,993,204
Services and Supplies	36,591,260	34,860,078
Amortization	7,067,197	6,940,600
	<u>\$249,547,818</u>	<u>\$247,793,882</u>

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, 2026 - \$970,275 was transferred from the Operating Fund to the Capital Fund (2025 - \$566,521) and \$127,913 was transferred from the Special Purpose Fund to the Capital Fund (2025 - \$nil).

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 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.

School District No. 73 (Kamloops-Thompson)

Notes to the Financial Statements

June 30, 2026

Note 22 RISK MANAGEMENT (Continued)

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 \$533,406.

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, 2026 and June 30, 2025, the facility was unused.

School District No. 73 (Kamloops-Thompson)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund

Year Ended June 30, 2026

	Operating Fund	Special Purpose Fund	Capital Fund	2026 Actual	2025 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	6,589,040	2,044,703	26,960,242	35,593,985	25,991,365
Changes for the year					
Surplus (Deficit) for the year	15,441,499	139,018	(350,797)	15,229,720	9,602,620
Interfund Transfers					
Tangible Capital Assets Purchased	(947,541)	(127,913)	1,075,454	-	
Other	(22,734)		22,734	-	
Net Changes for the year	14,471,224	11,105	747,391	15,229,720	9,602,620
Accumulated Surplus (Deficit), end of year - Statement 2	21,060,264	2,055,808	27,707,633	50,823,705	35,593,985

School District No. 73 (Kamloops-Thompson)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2026

	2026 Budget (Note 19)	2026 Actual	2025 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	201,156,839	206,739,597	200,647,430
Other	85,440	279,204	277,183
Tuition	5,770,000	6,157,350	5,262,180
Other Revenue	5,704,647	6,053,026	4,913,935
Rentals and Leases	225,000	212,213	217,998
Investment Income	750,000	834,852	788,469
Total Revenue	<u>213,691,926</u>	<u>220,276,242</u>	<u>212,107,195</u>
Expenses			
Instruction	169,328,700	165,403,455	166,980,540
District Administration	7,239,400	6,328,200	6,584,148
Operations and Maintenance	28,805,500	26,684,035	26,178,974
Transportation and Housing	7,111,000	6,419,053	6,660,230
Total Expense	<u>212,484,600</u>	<u>204,834,743</u>	<u>206,403,892</u>
Operating Surplus (Deficit) for the year	<u>1,207,326</u>	<u>15,441,499</u>	<u>5,703,303</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(947,541)	(542,526)
Other		(22,734)	(23,995)
Total Net Transfers	<u>-</u>	<u>(970,275)</u>	<u>(566,521)</u>
Total Operating Surplus (Deficit), for the year	<u>1,207,326</u>	<u>14,471,224</u>	<u>5,136,782</u>
Operating Surplus (Deficit), beginning of year		6,589,040	1,452,258
Operating Surplus (Deficit), end of year		<u>21,060,264</u>	<u>6,589,040</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		13,986,146	4,306,092
Unrestricted		7,074,118	2,282,948
Total Operating Surplus (Deficit), end of year		<u>21,060,264</u>	<u>6,589,040</u>

School District No. 73 (Kamloops-Thompson)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2026

	2026 Budget (Note 19)	2026 Actual	2025 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	202,530,716	203,871,764	199,548,772
ISC/LEA Recovery	(3,204,647)	(2,842,938)	(2,962,161)
Other Ministry of Education and Child Care Grants			
Pay Equity	575,959	575,959	575,959
Funding for Graduated Adults	105,000	224,020	137,271
Student Transportation Fund	666,817	666,817	666,817
Support Staff Benefits Grant			194,272
Foundation Skills Assessment (FSA) Scorer Grant	17,994	15,694	15,694
Child Care Funding	250,000	252,227	253,788
Labour Settlement Funding		3,618,810	1,873,747
Indigenous Education Councils (IEC) Funding		131,022	117,049
NGN Self-Provisioned Site Grants	215,000	226,222	226,222
Total Provincial Grants - Ministry of Education and Child Care	201,156,839	206,739,597	200,647,430
Provincial Grants - Other	85,440	279,204	277,183
Tuition			
International and Out of Province Students	5,770,000	6,157,350	5,262,180
Total Tuition	5,770,000	6,157,350	5,262,180
Other Revenues			
Funding from First Nations	3,204,647	2,842,938	2,962,161
Miscellaneous			
Career Development Program	270,000	156,798	88,979
Miscellaneous	675,000	572,633	578,524
Parent Paid Child Care	225,000	209,267	188,532
Proceeds on Insurance Claim	1,200,000	1,788,967	
Student Paid Meals	30,000	260,296	193,711
SD73 Business Company Management Fee	100,000	222,127	102,028
SD73 Business Company Dividend			800,000
Total Other Revenue	5,704,647	6,053,026	4,913,935
Rentals and Leases	225,000	212,213	217,998
Investment Income	750,000	834,852	788,469
Total Operating Revenue	213,691,926	220,276,242	212,107,195

School District No. 73 (Kamloops-Thompson)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2026

	2026 Budget (Note 19)	2026 Actual	2025 Actual
	\$	\$	\$
Salaries			
Teachers	81,477,000	82,311,960	83,892,011
Principals and Vice Principals	13,025,000	13,002,017	12,797,911
Educational Assistants	12,300,000	11,537,941	11,288,811
Support Staff	22,363,100	21,250,859	24,229,006
Other Professionals	5,940,000	5,580,238	5,601,107
Substitutes	12,800,000	11,573,848	11,249,829
Total Salaries	147,905,100	145,256,863	149,058,675
Employee Benefits	36,300,000	35,790,417	36,134,199
Total Salaries and Benefits	184,205,100	181,047,280	185,192,874
Services and Supplies			
Services	5,725,800	7,292,486	5,018,426
Student Transportation	393,100	339,002	404,824
Professional Development and Travel	1,398,900	1,185,426	1,111,637
Dues and Fees	107,750	133,239	131,819
Insurance	695,000	635,777	762,999
Supplies	15,848,950	10,594,424	10,099,625
Utilities	4,110,000	3,607,109	3,681,688
Total Services and Supplies	28,279,500	23,787,463	21,211,018
Total Operating Expense	212,484,600	204,834,743	206,403,892

School District No. 73 (Kamloops-Thompson)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2026

	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	65,107,505	2,221,684		1,620,362	367,600	7,908,351	77,225,502
1.03 Career Programs	253,263	158,596				36,243	448,102
1.07 Library Services	2,101,776	158,596		180,013		264,964	2,705,349
1.08 Counselling	1,842,899			720,051		255,775	2,818,725
1.10 Special Education	9,957,278	475,788	9,945,065	120,008		1,700,953	22,199,092
1.20 Early Learning and Child Care				274,449			274,449
1.30 English Language Learning	98,477					11,693	110,170
1.31 Indigenous Education	789,917	291,157	1,592,876	30,714	1,056,183	47,041	3,807,888
1.41 School Administration		8,881,375		1,440,102		419,556	10,741,033
1.60 Summer School	98,477					11,693	110,170
1.61 Continuing Education	344,670	324,369		120,008		58,641	847,688
1.62 International and Out of Province Students	240,543	173,260		34,286	195,641	42,617	686,347
1.64 Other	1,477,155	317,192		180,013		196,973	2,171,333
Total Function 1	82,311,960	13,002,017	11,537,941	4,720,006	1,619,424	10,954,500	124,145,848
4 District Administration							
4.11 Educational Administration				358,620	761,545		1,120,165
4.20 Early Learning and Child Care				60,776			60,776
4.40 School District Governance					272,818		272,818
4.41 Business Administration				982,120	1,558,091		2,540,211
Total Function 4	-	-	-	1,401,516	2,592,454	-	3,993,970
5 Operations and Maintenance							
5.20 Early Learning and Child Care							-
5.41 Operations and Maintenance Administration				83,380	768,072		851,452
5.50 Maintenance Operations				10,618,743	367,966	459,887	11,446,596
5.52 Maintenance of Grounds				1,109,666		12,115	1,121,781
5.56 Utilities							-
Total Function 5	-	-	-	11,811,789	1,136,038	472,002	13,419,829
7 Transportation and Housing							
7.41 Transportation and Housing Administration				146,352	232,322		378,674
7.70 Student Transportation				3,171,196		147,346	3,318,542
7.73 Housing							-
Total Function 7	-	-	-	3,317,548	232,322	147,346	3,697,216
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	82,311,960	13,002,017	11,537,941	21,250,859	5,580,238	11,573,848	145,256,863

School District No. 73 (Kamloops-Thompson)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2026

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2026 Actual	2026 Budget (Note 19)	2025 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	77,225,502	19,033,112	96,258,614	3,200,238	99,458,852	101,993,420	101,634,333
1.03 Career Programs	448,102	110,782	558,884	1,022	559,906	538,375	650,304
1.07 Library Services	2,705,349	668,827	3,374,176	245,009	3,619,185	3,815,650	5,410,288
1.08 Counselling	2,818,725	696,856	3,515,581		3,515,581	3,581,750	3,662,824
1.10 Special Education	22,199,092	5,488,144	27,687,236	1,510,813	29,198,049	30,375,750	28,179,414
1.20 Early Learning and Child Care	274,449	67,851	342,300	13,204	355,504	474,500	403,744
1.30 English Language Learning	110,170	27,237	137,407		137,407	177,175	416,842
1.31 Indigenous Education	3,807,888	880,022	4,687,910	746,849	5,434,759	5,770,480	4,921,178
1.41 School Administration	10,741,033	2,655,439	13,396,472	406,137	13,802,609	13,427,675	13,002,838
1.60 Summer School	110,170	27,237	137,407	7,048	144,455	254,300	127,842
1.61 Continuing Education	847,688	209,569	1,057,257	845,681	1,902,938	1,852,000	1,987,250
1.62 International and Out of Province Students	686,347	169,682	856,029	3,578,684	4,434,713	4,181,625	4,110,429
1.64 Other	2,171,333	536,806	2,708,139	131,358	2,839,497	2,886,000	2,473,254
Total Function 1	124,145,848	30,571,564	154,717,412	10,686,043	165,403,455	169,328,700	166,980,540
4 District Administration							
4.11 Educational Administration	1,120,165	276,932	1,397,097	358,478	1,755,575	2,249,400	1,956,207
4.20 Early Learning and Child Care	60,776	18,300	79,076	2,321	81,397	50,000	6,294
4.40 School District Governance	272,818	27,876	300,694	228,277	528,971	458,000	431,911
4.41 Business Administration	2,540,211	664,299	3,204,510	757,747	3,962,257	4,482,000	4,189,736
Total Function 4	3,993,970	987,407	4,981,377	1,346,823	6,328,200	7,239,400	6,584,148
5 Operations and Maintenance							
5.20 Early Learning and Child Care	-		-	1,167	1,167		
5.41 Operations and Maintenance Administration	851,452	210,500	1,061,952	2,696,684	3,758,636	2,075,500	1,621,276
5.50 Maintenance Operations	11,446,596	2,829,573	14,276,169	3,113,378	17,389,547	20,135,500	18,831,754
5.52 Maintenance of Grounds	1,121,781	277,331	1,399,112	528,738	1,927,850	2,484,500	2,049,827
5.56 Utilities	-		-	3,606,835	3,606,835	4,110,000	3,676,117
Total Function 5	13,419,829	3,317,404	16,737,233	9,946,802	26,684,035	28,805,500	26,178,974
7 Transportation and Housing							
7.41 Transportation and Housing Administration	378,674	93,618	472,292	142,209	614,501	609,000	576,392
7.70 Student Transportation	3,318,542	820,424	4,138,966	1,665,586	5,804,552	6,502,000	6,083,838
7.73 Housing	-	-	-		-		
Total Function 7	3,697,216	914,042	4,611,258	1,807,795	6,419,053	7,111,000	6,660,230
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	145,256,863	35,790,417	181,047,280	23,787,463	204,834,743	212,484,600	206,403,892

School District No. 73 (Kamloops-Thompson)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2026

	2026 Budget (Note 19)	2026 Actual	2025 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	28,794,789	28,099,625	23,816,437
Other Revenue	6,022,778	6,496,454	6,469,620
Income (Loss) from Investments in Government Business Enterprises	90,000	11,105	(668,263)
Total Revenue	<u>34,907,567</u>	<u>34,607,184</u>	<u>29,617,794</u>
Expenses			
Instruction	33,783,909	33,990,035	29,780,448
District Administration	848,523	370,376	414,765
Transportation and Housing	185,135	107,755	90,844
Total Expense	<u>34,817,567</u>	<u>34,468,166</u>	<u>30,286,057</u>
Special Purpose Surplus (Deficit) for the year	<u>90,000</u>	<u>139,018</u>	<u>(668,263)</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(127,913)	
Total Net Transfers	<u>-</u>	<u>(127,913)</u>	<u>-</u>
Total Special Purpose Surplus (Deficit) for the year	<u>90,000</u>	<u>11,105</u>	<u>(668,263)</u>
Special Purpose Surplus (Deficit), beginning of year		2,044,703	2,712,966
Special Purpose Surplus (Deficit), end of year		<u>2,055,808</u>	<u>2,044,703</u>
Special Purpose Surplus (Deficit), end of year			
Related Entities		1,905,683	1,894,578
Endowment Contributions		150,125	150,125
Total Special Purpose Surplus (Deficit), end of year		<u>2,055,808</u>	<u>2,044,703</u>

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	Special Education Technology	School Generated Funds	Related Entities	Strong Start	Ready, Set, Learn	OLEP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	146,539		128,172		4,198,089				
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	701,984	698,897		155,099			238,000	88,200	253,924
Other			20,332		5,993,589				
Investment Income			1,543						
	701,984	698,897	21,875	155,099	5,993,589	-	238,000	88,200	253,924
Less: Allocated to Revenue	685,737	698,897	14,763	155,099	5,694,094		238,000	88,200	253,924
Deferred Revenue, end of year	162,786	-	135,284	-	4,497,584	-	-	-	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	685,737	698,897		155,099			238,000	88,200	253,924
Other Revenue			14,763		5,694,094				
Income (Loss) from Investments in Government Business Enterprises						11,105			
	685,737	698,897	14,763	155,099	5,694,094	11,105	238,000	88,200	253,924
Expenses									
Salaries									
Teachers				121,562					61,169
Principals and Vice Principals									
Educational Assistants		560,147					187,303		
Support Staff									
Other Professionals									
Substitutes								18,238	3,030
	-	560,147	-	121,562	-	-	187,303	18,238	64,199
Employee Benefits		138,750		25,950			28,109		13,347
Services and Supplies	685,737		14,763	7,587	5,694,094		22,588	69,962	176,378
	685,737	698,897	14,763	155,099	5,694,094	-	238,000	88,200	253,924
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	11,105	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	11,105	-	-	-

	CommunityLINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children (CR4YC)	Seamless Day Kindergarten	Early Childhood Education (ECE) Dual Credit Program
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	111,111				141,887		2,245		
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	1,697,265	544,770	20,905,671	281,179	43,248	51,000		129,000	5,000
Other									
Investment Income									
	1,697,265	544,770	20,905,671	281,179	43,248	51,000	-	129,000	5,000
Less: Allocated to Revenue	1,573,150	544,770	20,905,671	281,179	107,755	3,243	-	56,070	1,701
Deferred Revenue, end of year	235,226	-	-	-	77,380	47,757	2,245	72,930	3,299
Revenues									
Provincial Grants - Ministry of Education and Child Care	1,573,150	544,770	20,905,671	281,179	107,755	3,243	-	56,070	1,701
Other Revenue									
Income (Loss) from Investments in Government Business Enterprises									
	1,573,150	544,770	20,905,671	281,179	107,755	3,243	-	56,070	1,701
Expenses									
Salaries									
Teachers	1,120,210		16,719,649						
Principals and Vice Principals		51,613							
Educational Assistants								47,080	
Support Staff	9,042								
Other Professionals									
Substitutes	2,863	417,277		100,087					
	1,132,115	468,890	16,719,649	100,087	-	-	-	47,080	-
Employee Benefits	267,753	75,880	4,186,022	21,399				8,990	
Services and Supplies	173,282			159,693	107,755	3,243			1,701
	1,573,150	544,770	20,905,671	281,179	107,755	3,243	-	56,070	1,701
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

	Student & Family Affordability (SFAF)	JUST B4	Strengthening Early Years to Kindergarten (SEY2KT)	Early Care & Learning (ECL)	Feeding Futures Fund	Health Career Grants	Professional Learning Grant	National School Food Program	Project Penny
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	28,073		6,785		463,822	11,898	221,496	302,584	158,078
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care		25,000		525,000	1,924,536			453,880	
Other									
Investment Income									
	-	25,000	-	525,000	1,924,536	-	-	453,880	-
Less: Allocated to Revenue	28,073	25,000	-	175,000	1,928,001	-	52,814	262,549	34,792
Deferred Revenue, end of year	-	-	6,785	350,000	460,357	11,898	168,682	493,915	123,286
Revenues									
Provincial Grants - Ministry of Education and Child Care	28,073	25,000	-	175,000	1,928,001	-	52,814	262,549	34,792
Other Revenue									
Income (Loss) from Investments in Government Business Enterprises									
	28,073	25,000	-	175,000	1,928,001	-	52,814	262,549	34,792
Expenses									
Salaries									
Teachers									
Principals and Vice Principals					173,260				
Educational Assistants		18,520							
Support Staff					114,186			6,509	
Other Professionals				145,503					
Substitutes							43,318	2,985	
	-	18,520	-	145,503	287,446	-	43,318	9,494	-
Employee Benefits		6,480		29,497	36,420				
Services and Supplies	28,073				1,591,315		9,496	137,962	34,792
	28,073	25,000	-	175,000	1,915,181	-	52,814	147,456	34,792
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	12,820	-	-	115,093	-
Interfund Transfers									
Tangible Capital Assets Purchased					(12,820)			(115,093)	
	-	-	-	-	(12,820)	-	-	(115,093)	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 73 (Kamloops-Thompson)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2026

	Contributor Restricted	TOTAL
	\$	\$
Deferred Revenue, beginning of year	1,621,244	7,542,023
Add: Restricted Grants		
Provincial Grants - Ministry of Education and Child Care		28,721,653
Other	1,040,366	7,054,287
Investment Income		1,543
	1,040,366	35,777,483
Less: Allocated to Revenue	787,597	34,596,079
Deferred Revenue, end of year	1,874,013	8,723,427
Revenues		
Provincial Grants - Ministry of Education and Child Care		28,099,625
Other Revenue	787,597	6,496,454
Income (Loss) from Investments in Government Business Enterprises		11,105
	787,597	34,607,184
Expenses		
Salaries		
Teachers	69,000	18,091,590
Principals and Vice Principals		224,873
Educational Assistants		813,050
Support Staff	9,374	139,111
Other Professionals		145,503
Substitutes	1,559	589,357
	79,933	20,003,484
Employee Benefits		4,838,597
Services and Supplies	707,664	9,626,085
	787,597	34,468,166
Net Revenue (Expense) before Interfund Transfers	-	139,018
Interfund Transfers		
Tangible Capital Assets Purchased		(127,913)
	-	(127,913)
Net Revenue (Expense)	-	11,105

School District No. 73 (Kamloops-Thompson)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2026

	2026 Budget (Note 19)	2026 Actual			2025 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education and Child Care	4,223,852	3,731,024		3,731,024	10,973,068
Municipal Grants Spent on Sites				-	258,534
Other Revenue			2,443	2,443	5,704
Investment Income	8,000		10,513	10,513	
Gain (Loss) on Disposal of Tangible Capital Assets		1,323,040		1,323,040	
Amortization of Deferred Capital Revenue	4,793,190	4,827,092		4,827,092	4,434,207
Total Revenue	<u>9,025,042</u>	<u>9,881,156</u>	<u>12,956</u>	<u>9,894,112</u>	<u>15,671,513</u>
Expenses					
Operations and Maintenance	4,223,852	3,177,712		3,177,712	4,163,333
Amortization of Tangible Capital Assets					
Operations and Maintenance	6,959,104	7,067,197		7,067,197	6,940,600
Total Expense	<u>11,182,956</u>	<u>10,244,909</u>	<u>-</u>	<u>10,244,909</u>	<u>11,103,933</u>
Capital Surplus (Deficit) for the year	<u>(2,157,914)</u>	<u>(363,753)</u>	<u>12,956</u>	<u>(350,797)</u>	<u>4,567,580</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased		1,075,454		1,075,454	542,526
Settlement of Asset Retirement Obligation		22,734		22,734	23,995
Total Net Transfers	<u>-</u>	<u>1,098,188</u>	<u>-</u>	<u>1,098,188</u>	<u>566,521</u>
Other Adjustments to Fund Balances					
District Portion of Proceeds on Disposal		(1,323,040)	1,323,040	-	
Tangible Capital Assets Purchased from Local Capital		5,019	(5,019)	-	
Total Other Adjustments to Fund Balances		<u>(1,318,021)</u>	<u>1,318,021</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>(2,157,914)</u>	<u>(583,586)</u>	<u>1,330,977</u>	<u>747,391</u>	<u>5,134,101</u>
Capital Surplus (Deficit), beginning of year		<u>26,954,538</u>	<u>5,704</u>	<u>26,960,242</u>	<u>21,826,141</u>
Capital Surplus (Deficit), end of year		<u>26,370,952</u>	<u>1,336,681</u>	<u>27,707,633</u>	<u>26,960,242</u>

School District No. 73 (Kamloops-Thompson)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2026

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	18,997,544	227,902,168	14,510,463	8,707,259	204,920	3,135,949	273,458,303
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		2,096,094	100,000	2,046,268			4,242,362
Deferred Capital Revenue - Other			262,322				262,322
Operating Fund			343,641	61,145	45,380	497,375	947,541
Special Purpose Funds			127,913				127,913
Local Capital			5,019				5,019
	-	2,096,094	838,895	2,107,413	45,380	497,375	5,585,157
Decrease:							
Disposed of	3	100,000					100,003
Deemed Disposals			2,646,591	355,109	70,908	903,511	3,976,119
	3	100,000	2,646,591	355,109	70,908	903,511	4,076,122
Cost, end of year	18,997,541	229,898,262	12,702,767	10,459,563	179,392	2,729,813	274,967,338
Work in Progress, end of year		49,693,093					49,693,093
Cost and Work in Progress, end of year	18,997,541	279,591,355	12,702,767	10,459,563	179,392	2,729,813	324,660,431
Accumulated Amortization, beginning of year		122,449,373	8,848,313	4,330,812	148,797	1,791,311	137,568,606
Changes for the Year							
Amortization for the Year		4,123,187	1,360,662	958,341	38,431	586,576	7,067,197
		4,123,187	1,360,662	958,341	38,431	586,576	7,067,197
Disposed of		100,000					100,000
Deemed Disposals			2,646,591	355,109	70,908	903,511	3,976,119
Written-off During Year							-
District Entered							-
		100,000	2,646,591	355,109	70,908	903,511	4,076,119
Accumulated Amortization, end of year		126,472,560	7,562,384	4,934,044	116,320	1,474,376	140,559,684
Tangible Capital Assets - Net	18,997,541	153,118,795	5,140,383	5,525,519	63,072	1,255,437	184,100,747

School District No. 73 (Kamloops-Thompson)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress
Year Ended June 30, 2026

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	28,981,366				28,981,366
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	20,711,727				20,711,727
	20,711,727	-	-	-	20,711,727
Net Changes for the Year	20,711,727	-	-	-	20,711,727
Work in Progress, end of year	49,693,093	-	-	-	49,693,093

School District No. 73 (Kamloops-Thompson)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2026

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	88,521,237	8,258,439	3,550,241	100,329,917
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	4,242,362	262,322		4,504,684
	4,242,362	262,322	-	4,504,684
Decrease:				
Amortization of Deferred Capital Revenue	4,353,855	360,568	112,669	4,827,092
	4,353,855	360,568	112,669	4,827,092
Net Changes for the Year	(111,493)	(98,246)	(112,669)	(322,408)
Deferred Capital Revenue, end of year	88,409,744	8,160,193	3,437,572	100,007,509
Work in Progress, beginning of year	28,981,366			28,981,366
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	20,711,727			20,711,727
	20,711,727	-	-	20,711,727
Net Changes for the Year	20,711,727	-	-	20,711,727
Work in Progress, end of year	49,693,093	-	-	49,693,093
Total Deferred Capital Revenue, end of year	138,102,837	8,160,193	3,437,572	149,700,602

School District No. 73 (Kamloops-Thompson)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2026

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	550,647		3,579,045	223,921	86,937	4,440,550
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	29,106,901		(3,339,997)			25,766,904
Other				33,115	10,858	43,973
Investment Income		31,122	23,274	5,886	1,123	61,405
MECC Restricted Portion of Proceeds on Disposal		1,323,040				1,323,040
	29,106,901	1,354,162	(3,316,723)	39,001	11,981	27,195,322
Decrease:						
Transferred to DCR - Capital Additions	4,242,362		262,322			4,504,684
Transferred to DCR - Work in Progress	20,711,727					20,711,727
AFG Expenses	3,731,024					3,731,024
	28,685,113	-	262,322	-	-	28,947,435
Net Changes for the Year	421,788	1,354,162	(3,579,045)	39,001	11,981	(1,752,113)
Balance, end of year	972,435	1,354,162	-	262,922	98,918	2,688,437