

Audited Financial Statements of

**School District No. 73 (Kamloops/Thompson)**

June 30, 2014

# School District No. 73 (Kamloops/Thompson)

June 30, 2014

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# School District No. 73 (Kamloops/Thompson)

## MANAGEMENT REPORT

Version: 3041-2295-9313

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 Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

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

signature on file	September 22, 2014
Signature of the Chairperson of the Board of Education	Date Signed
signature on file	September 22, 2014
Signature of the Superintendent	Date Signed
signature on file	September 22, 2014
Signature of the Secretary Treasurer	Date Signed



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300 - 272 Victoria Street  
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## Independent Auditor's Report

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To the Board of Education of School District No. 73 (Kamloops/Thompson)

We have audited the accompanying financial statements of School District No. 73 (Kamloops/Thompson), which comprise the Statements of Financial Position as at June 30, 2014, and the Statements of Operations, Change in Net Debt and Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the accounting requirements of 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the Statements of Financial Position as at June 30, 2014, and the Statements of Operations, Change in Net Debt and Cash Flows for the year then ended 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.



#### 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.

*BDO CANADA LLP*

Chartered Accountants  
Kamloops, British Columbia  
September 22, 2014

# School District No. 73 (Kamloops/Thompson)

## Statement of Financial Position

As at June 30, 2014

	2014 Actual	2013 Actual (Restated)
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents (Note 2c)	23,564,328	18,749,299
Accounts Receivable		
Due from Province - Ministry of Education	1,612,188	536,753
Due from LEA/Direct Funding	1,123,407	1,111,796
Other (Note 3)	1,175,471	1,187,542
Investments in Government Business Enterprises (Note 6)	696,709	747,154
Portfolio Investments (Note 5)	7,027,139	8,027,139
<b>Total Financial Assets</b>	<b>35,199,242</b>	<b>30,359,683</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education (Note 7)	2,903,891	
Other (Note 7)	8,162,606	8,176,588
Unearned Revenue (Note 8)	725,920	621,958
Deferred Revenue	3,519,981	3,583,691
Deferred Capital Revenue	46,715,524	44,718,781
Employee Future Benefits (Note 11)	3,670,173	3,371,274
Other Liabilities	187,843	209,314
<b>Total Liabilities</b>	<b>65,885,938</b>	<b>60,681,606</b>
<b>Net Financial Assets (Debt)</b>	<b>(30,686,696)</b>	<b>(30,321,923)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 4)	64,867,983	62,507,398
Restricted Assets (Endowments) (Note 2q)	150,125	150,125
Prepaid Expenses (Note 2l)	291,710	196,223
Supplies Inventory (Note 2m)	367,093	369,014
<b>Total Non-Financial Assets</b>	<b>65,676,911</b>	<b>63,222,760</b>
<b>Accumulated Surplus (Deficit)</b>	<b>34,990,215</b>	<b>32,900,837</b>

Contractual Obligations and Contingencies

Approved by the Board

signature on file	September 22, 2014
Signature of the Chairperson of the Board of Education	Date Signed
signature on file	September 22, 2014
Signature of the Superintendent	Date Signed
signature on file	September 22, 2014
Signature of the Secretary Treasurer	Date Signed

# School District No. 73 (Kamloops/Thompson)

Statement of Operations  
Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Restated)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	136,592,816	<b>129,241,104</b>	130,395,782
Other	75,193	<b>125,772</b>	438,572
Federal Grants	45,727	<b>40,472</b>	19,282
Tuition	1,411,495	<b>1,456,269</b>	1,487,385
Other Revenue	10,734,199	<b>7,560,428</b>	8,794,155
Rentals and Leases	263,684	<b>302,072</b>	348,878
Investment Income	292,966	<b>359,189</b>	323,652
Income (Loss) from Investments in Government Business Enterprises		<b>(50,445)</b>	731,400
Amortization of Deferred Capital Revenue	2,787,700	<b>2,787,700</b>	2,761,522
<b>Total Revenue</b>	<u>152,203,780</u>	<u><b>141,822,561</b></u>	<u>145,300,628</u>
<b>Expenses (Note 21)</b>			
Instruction	110,099,828	<b>103,185,776</b>	106,854,607
District Administration	3,667,198	<b>3,572,638</b>	3,459,637
Operations and Maintenance	23,456,286	<b>22,954,170</b>	22,769,438
Transportation and Housing	4,581,461	<b>4,298,252</b>	4,306,379
Supplies	8,537,090	<b>5,722,347</b>	6,918,434
<b>Total Expense</b>	<u>150,341,863</u>	<u><b>139,733,183</b></u>	<u>144,308,495</u>
<b>Surplus (Deficit) for the year</b>	<u>1,861,917</u>	<u><b>2,089,378</b></u>	<u>992,133</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>32,900,837</b>	31,908,704
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u><b>34,990,215</b></u>	<u>32,900,837</u>

# School District No. 73 (Kamloops/Thompson)

Statement of Remeasurement Gains and Losses  
Year Ended June 30, 2014

	<b>2014 Actual</b>	2013 Actual (Restated)
	\$	\$
<b>Net Remeasurement Gains (Losses) for the year</b>	-	-
<b>Accumulated Remeasurement Gains (Losses) at end of year</b>	-	-



# School District No. 73 (Kamloops/Thompson)

Statement 5

Statement of Cash Flows  
Year Ended June 30, 2014

	2014 Actual	2013 Actual (Restated)
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	2,089,378	992,133
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(1,074,975)	(416,643)
Supplies Inventories	1,921	(34,603)
Prepaid Expenses	(95,487)	50,161
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	2,889,909	239,279
Unearned Revenue	103,962	(23,006)
Deferred Revenue	(63,710)	579,973
Employee Future Benefits	298,898	63,658
Other Liabilities	(21,470)	37,487
Amortization of Tangible Capital Assets	4,153,666	3,972,625
Amortization of Deferred Capital Revenue	(2,787,700)	(2,761,522)
Building Maintenance/Roofing Projects	(2,536,957)	(2,458,988)
<b>Total Operating Transactions</b>	<u>2,957,435</u>	<u>240,554</u>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(6,514,251)	(2,987,466)
AFG Bylaw Not Reflected on Schedule 4 in Prior Year		124,836
<b>Total Capital Transactions</b>	<u>(6,514,251)</u>	<u>(2,862,630)</u>
<b>Financing Transactions</b>		
Capital Revenue Received	7,321,400	5,444,309
<b>Total Financing Transactions</b>	<u>7,321,400</u>	<u>5,444,309</u>
<b>Investing Transactions</b>		
Investments in Portfolio Investments	1,000,000	
Decrease (Increase) in Investments in Government Business Enterprises	50,445	(731,400)
Funds held in Trust		(8,557)
<b>Total Investing Transactions</b>	<u>1,050,445</u>	<u>(739,957)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>4,815,029</u>	<u>2,082,276</u>
<b>Cash and Cash Equivalents, beginning of year</b>	<u>18,749,299</u>	<u>16,667,023</u>
<b>Cash and Cash Equivalents, end of year</b>	<u><u>23,564,328</u></u>	<u><u>18,749,299</u></u>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	<u>23,564,328</u>	<u>18,749,299</u>
	<u><u>23,564,328</u></u>	<u><u>18,749,299</u></u>

**NOTE 1            AUTHORITY AND PURPOSE**

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

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

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

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

Year-ended June 30, 2013 – increase in annual surplus by \$1,140,925

June 30, 2013 - increase in accumulated surplus and decrease in deferred contributions by \$42,895,942

Year-ended June 30, 2014 – increase in annual surplus by \$1,666,601

June 30, 2014 – increase in accumulated surplus and decrease in deferred contributions by \$45,125,318

**b)            Basis of Consolidation**

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

**c) Cash and Cash Equivalents**

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

**d) Accounts Receivable**

Accounts receivable are shown net of allowance for doubtful accounts

**e) Portfolio Investments**

The School District has investments in both GIC's and the Kamloops Foundation. GICs have a maturity of greater than 3 months at the time of acquisition. These investments are reported at cost. 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.

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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**g) Deferred Revenue and Deferred Capital Revenue**

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

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

**h) Employee Future Benefits**

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

The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing except as per the election described in note 2.

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 9.8 years.

The most recent valuation of the obligation was performed at March 31, 2013 and projected to June 30, 2016. The next valuation will be performed at March 31, 2016 for use at June 30, 2016. 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.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**j) Asset Retirement Obligations**

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

**k) Tangible Capital Assets**

The following criteria apply:

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

Buildings	40 years
Furniture & Equipment	10 years
Vehicles	10 years
Computer Software	5 years
Computer Hardware	5 years

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**l) Prepaid Expenses**

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

**m) Supplies Inventory**

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

**n) Funds and Reserves**

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund

when approved (see notes 13 - Internally Restricted Surplus and note 21 – Interfund Transfers). Funds and reserves are disclosed on Schedules 2,3 and 4.

**o) Revenue Recognition**

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Contributions received or where eligibility criteria have been met are recognized as revenue except where the contribution meets the criteria for deferral as described below. Eligibility criteria are the criteria that the School District has to meet in order to receive the contributions including authorization by the transferring government.

For contributions subject to a legislative or contractual stipulation or restriction as to their use, revenue is recognized as follows:

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year related expenses are incurred,
- Contributions restricted for site acquisitions are recorded as revenue when the sites are purchased, and
- Contributions restricted for tangible capital assets acquisitions other than sites are recorded as deferred capital revenue and amortized over the useful life of the related assets.

Donated tangible capital assets other than sites are recorded at fair market value and amortized over the useful life of the assets. Donated sites are recorded as revenue at fair market value when received or receivable.

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

revenue over the period that the liability is extinguished. See note 2 (a) for the impact of this policy on these financial statements.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Investment income is reported in the period earned. When required by the funding party or related Act, investment income earned on deferred revenue is added to the deferred revenue balance.

**p) Expenditures**

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Categories of Salaries

- Principals, Vice-Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice-Principals.
- Superintendents, Assistant Superintendents, Secretary-Treasurers, Trustees and other employees excluded from union contracts are categorized as Other Professionals.

Allocation of Costs

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to related programs.
- Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

**q) 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.



**NOTE 2        SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 3 a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.



School District No. 73 (Kamloops/Thompson)

Notes to Financial Statements

June 30, 2014

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**NOTE 3      ACCOUNTS RECEIVABLE - OTHER**

	<u>2014</u>	<u>2013</u>
Due from Federal Government	\$ 159,462	\$ 104,798
Due from Other School Districts	34,479	25,167
Other	990,603	1,066,762
Allowance for Doubtful Accounts	(9,073)	(9,185)
	<u>\$ 1,175,471</u>	<u>\$ 1,187,542</u>

## School District No. 73 (Kamloops/Thompson)

### Notes to Financial Statements

June 30, 2014

#### NOTE 4 TANGIBLE CAPITAL ASSETS

June 30, 2014

Cost	Balance at July 1, 2013	Additions	Disposals	Transfers (WIP)	Balance at June 30 2014
Sites	\$ 10,345,129	\$ -	\$ -	\$ -	\$ 10,345,129
Buildings	124,914,058	3,579,132	-	-	128,493,190
Furniture & Equipment	5,948,731	1,178,598	269,395	-	6,854,934
Vehicles	8,733,890	1,266,177	517,000	-	9,483,067
Computer Software	581,851	18,483	-	-	600,334
Computer Hardware	2,121,591	471,861	609,826	-	1,983,626
<b>Total</b>	<b>\$ 152,642,250</b>	<b>\$ 6,514,251</b>	<b>\$ 1,396,221</b>	<b>-</b>	<b>\$ 157,760,280</b>

Accumulated Amortization	Balance at July 1, 2013	Additions	Disposals	Balance at June 30,2014
Buildings	\$ 83,449,025	\$ 2,145,016	\$ -	\$ 85,594,041
Furniture & Equipment	2,576,091	594,573	269,395	2,901,269
Vehicles	3,153,234	873,389	517,000	3,509,623
Computer Software	86,329	116,370	-	202,699
Computer Hardware	870,173	424,318	609,826	684,665
<b>Totals</b>	<b>\$ 90,134,852</b>	<b>\$ 4,153,666</b>	<b>\$ 1,396,221</b>	<b>\$ 92,892,297</b>

June 30, 2013

	Balance at July 1 2012	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2013
Sites	\$ 10,345,129	\$ -	\$ -	\$ -	\$ 10,345,129
Buildings	124,697,163	216,895	-	-	124,914,058
Furniture & Fixtures	5,165,899	779,832	-	-	5,945,731
Vehicles	7,518,957	1,339,731	124,798	-	8,733,890
Computer Software	431,645	150,206	-	-	581,851
Computer Hardware	2,210,001	500,802	589,212	-	2,121,591
<b>Totals</b>	<b>\$ 150,368,794</b>	<b>\$ 2,987,466</b>	<b>\$ 714,010</b>	<b>-</b>	<b>\$ 152,642,250</b>

Accumulated Amortization	Balance at July 1 2012	Additions	Disposals	Balance at June 30, 2013
Buildings	\$ 81,273,215	\$ 2,175,810	\$ -	\$ 83,449,025
Furniture & Equipment	2,059,501	516,590	-	2,576,091
Vehicles	2,526,136	751,896	124,798	3,153,234
Computer Software	-	86,329	-	86,329
Computer Hardware	1,017,385	442,000	589,212	870,173
<b>Total</b>	<b>\$ 86,876,237</b>	<b>\$ 3,972,625</b>	<b>\$ 714,010</b>	<b>\$ 90,134,852</b>

#### Net Book Value

	Net Book Value June 30, 2014	Net Book Value June 30, 2013
Sites	\$ 10,345,129	\$ 10,345,129
Buildings	42,899,149	41,465,033
Furniture & Equipment	3,953,665	3,369,640
Vehicles	5,973,444	5,580,656
Computer Software	397,635	495,522
Computer Hardware	1,298,961	1,251,418
<b>Total</b>	<b>\$ 64,867,983</b>	<b>\$ 62,507,398</b>

# School District No. 73 (Kamloops/Thompson)

## Notes to Financial Statements

June 30, 2014

### NOTE 5 PORTFOLIO INVESTMENTS

	Interest Rate	Maturity Date	2014	2013
GIC	2.10%	06/08/2014	\$ -	\$ 1,000,000
GIC	2.30%	12/29/2014	1,000,000	1,000,000
GIC	2.30%	06/08/2015	1,000,000	1,000,000
GIC	2.50%	12/29/2015	1,000,000	1,000,000
GIC	2.80%	12/29/2016	1,000,000	1,000,000
GIC	2.65%	06/12/2017	1,000,000	1,000,000
GIC	2.40%	06/11/2018	2,000,000	2,000,000
Total GIC			7,000,000	8,000,000
Kamloops Foundation			27,139	27,139
Total Portfolio Investments			\$ 7,027,139	\$ 8,027,139

Interest accrued under the amortized cost is \$ 190,793 (2013 - \$ 192,948) and is included in other accounts receivable.

## School District No. 73 (Kamloops/Thompson)

### Notes to Financial Statements

June 30, 2014

#### NOTE 6 INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISE

Summary of the financial statements of School District No. 73 Business Company, for the year ended March 31, 2014, is as follows:

<b>Balance Sheet</b>	2014	2013
<b>Current Assets</b>		
Cash and Bank	\$ 499,626	\$ 419,360
Accounts Receivable	208,124	182,067
Prepaid Expenses	1,461	11,415
Due from Virtual School Society	50,000	
	759,211	612,842
Property, plant and equipment	168,458	211,439
<b>Total Assets</b>	927,669	824,281
<b>Current Liabilities</b>		
Accounts Payable	185,850	180,237
Deferred Revenue	98,849	156,995
Due to Virtual School Society	-	6,727
Due to Shareholder	122,522	76,183
	407,221	420,143
<b>Shareholders' equity</b>		
Share Capital	1	1
Contributed surplus	370,101	313,374
Retained earnings	150,346	90,763
	520,448	404,138
<b>Total Liabilities and Shareholders' equity</b>	927,669	824,281
<b>Statement of Operations</b>		
Revenue	2,450,438	1,523,667
Expenses	2,390,856	1,448,657
<b>Income from Operations</b>	59,582	75,010
Net Income for Year	59,582	75,010
Retained Earnings, beginning of Year	90,764	15,754
<b>Retained Earnings, end of year</b>	\$ 150,346	\$ 90,764

On August 1, 2013, the School District 73 Business Company (SD73BC) acquired the LearnNowBC contract from the Virtual School Society (VSS). All assets, infrastructure and some working capital was transferred to SD73BC from the VSS. VSS was deemed to be a related entity as the Province of British Columbia effectively controlled the VSS by providing all of the grant funding necessary to operate LearnNowBC. As such, the transfer described above was done at carrying value, which resulted in contributed surplus of \$370,101 being generated in SD73BC. Under PSAB, this would be considered a capital transaction, and as such, the increase in the investment in SD73BC resulting from LearnNowBC

**NOTE 6 INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISE (continued)**

was recorded as an increase in the equity in the Government Business Enterprise. As the School District and SD73BC do not have concurrent year ends, in addition to the income from operations above, the equity earnings from SD73BC include \$ 546,364 in net income earned from April 1, 2014 to June 30, 2014, and excluded \$ 656,391 in net income earned from April 1, 2013 to June 30, 2013.

During the year, the school district charged the business company a management fee of \$ 122,522 (2013 - \$ 76,183) in respect of administrative support provided to the business company.

**NOTE 7 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2014	2013
Trade Payable	\$ 2,581,511	\$ 1,634,062
Salaries and Benefits Payable	3,708,553	4,749,342
Accrued Vacation Payable	1,872,542	1,793,184
	<u>\$ 8,162,606</u>	<u>\$ 8,176,588</u>

The amount of \$2,903,891 due to the Ministry of Education relates to the District's obligation to return 80% of the teacher strike savings from June 2014.

**NOTE 8 UNEARNED REVENUE**

	2014	2013
Balance, beginning of year	\$ 621,958	\$ 644,963
Changes for the year		
Increase:		
Tuition Fees	1,560,230	1,577,680
Rental/Lease of Facilities	96,000	96,000
Decrease:		
Tuition Fees	(1,456,268)	(1,600,685)
Rental/Lease of Facilities	(96,000)	(96,000)
Net changes for the year	103,962	(23,005)
Balance, end of year	<u>\$ 725,920</u>	<u>\$ 621,958</u>

**NOTE 9 DEFERRED REVENUE**

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

**NOTE 10 DEFERRED CAPITAL REVENUE**

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

**NOTE 11 EMPLOYEE FUTURE BENEFITS**

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. Funding is provided when the benefits are paid and accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits.

	2014	2013 (Restated)
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	\$ 4,605,313	\$ 3,373,934
Service Cost	310,769	239,458
Interest Cost	142,280	146,670
Benefit Payments – April 1 to March 31 - VESTED	(185,308)	(238,635)
Benefit Payments – April 1 to March 31 – NON-VESTED	(108,951)	(96,866)
	-	-
Actuarial (Gain) Loss	(150,736)	1,180,752
Accrued Benefit Obligation – March 31	4,613,367	4,605,313
<b>Change in Plan Assets</b>		
Market value of Plan Assets – April 1	-	-
Actual Return on Plan Assets	-	-
Employer Contributions – April 1 to March 31	294,259	335,501
Benefit Payments – April 1 to March 31	(294,259)	(335,501)
Market Value of Plan Assets - March 31	-	-
<b>Reconciliation of Funded Status as End of Fiscal Year</b>		
Accrued Benefit Obligation – March 31	4,613,367	4,605,313
Market Value of Plan Assets – March 31	-	-
Funded Status – Surplus (Deficit)	(4,613,367)	(4,605,313)
Employer Contributions After Measurement Date – April 1 to June 30 – Vested	60,914	64,282
Benefit Expense After Measurement Date April 1 to June 30	(116,061)	(113,262)
Unamortized Net Actuarial (Gain)/Loss	998,341	1,283,019
Accrued Benefit (Liability) Asset – June 30	(3,670,173)	(3,371,274)
<b>Components of Net Benefit Expense</b>		
Service Cost – July 1 to March 31	233,077	179,594
Service Cost – April 1 to June 30	77,414	77,682
Interest Cost – July 1 to March 31	106,710	110,003
Interest Cost – April 1 to June 30	38,647	35,570
Immediate Recognition of Plan Amendment	-	-
Amortization of Net Actuarial (Gain)/Loss	133,941	13,456
Net Benefit Expense (Income)	589,789	416,314
Accrued Benefit Liability (Asset) – July 1	3,371,274	3,211,084
Recognize Benefit Expense April 1 – June 30, 2012	-	96,532
Accrued Benefit Liability (Asset) – July 1 (restated)	3,371,274	3,307,616
Net Expense for Fiscal Year	589,789	416,314
Employer Contributions – July 1 to March 31	(229,977)	(288,373)
Employer Contributions – April 1 to June 30	(60,913)	(64,282)
Accrued Benefit Liability (Asset) – June 30	\$ 3,670,173	\$ 3,371,274

**NOTE 11 EMPLOYEE FUTURE BENEFITS (continued)**

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

<b>Assumptions</b>	2013	2012
Discount Rate – April 1	3.00%	4.25%
Discount Rate – March 31	3.25%	3.00%
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	9.8	9.8

**NOTE 12 EMPLOYEE PENSION PLANS**

The school district and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension Plans. The board of trustees for these plans represents plan members and employers and is responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are based on a formula. The Teachers' Pension Plan has about 45,000 active members from school districts, and approximately 32,000 retired members from school districts. The Municipal Pension Plan has about 179,000 active members, of which approximately 24,000 are from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2011 indicated an \$855 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2014 with results available in 2015. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. Defined contribution plan accounting is applied to the plan as the plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the plan.

The School District No. 73 (Kamloops/Thompson) paid \$ 12,213,604 (2013 - \$ 12,009,822) for employer contributions to these plans in the year ended June 30, 2014.

## School District No. 73 (Kamloops/Thompson)

### Notes to Financial Statements

June 30, 2014

#### NOTE 13 OPERATING FUND BALANCE, END OF YEAR

	June 30, 2013	Increases	Decreases	June 30, 2014
<b>Internally Restricted Funds</b>				
General Reserve	\$ 1,300,084	\$ -	\$ (113,262)	\$ 1,186,822
Utility/Fuel Reserve	500,000	-	-	500,000
Department Reserve	164,900	325,142	-	490,042
School Supply Reserve	1,461,928	-	(11,982)	1,449,946
Budget Reserve	1,200,000	91,215	-	1,291,215
Employee Benefit Reserve		1,780,804	-	1,780,804
First Nations Reserve	553,271	61,029	-	614,300
<b>Total Internally Restricted</b>	<b>5,180,183</b>	<b>2,258,190</b>	<b>(125,244)</b>	<b>7,313,129</b>
<b>Unrestricted Funds</b>				
April to June 2012 EFB				
Expense Restatement	(113,262)	113,262	-	-
EFB Reserve	62,671	-	(62,671)	-
AFG Other Reserve	80,916	47,365	-	128,281
<b>Total Unrestricted</b>	<b>30,325</b>	<b>160,627</b>	<b>(62,671)</b>	<b>128,281</b>
<b>Total Operating Fund</b>	<b>\$ 5,210,508</b>	<b>\$ 2,418,817</b>	<b>\$ (187,915)</b>	<b>\$ 7,441,410</b>

#### NOTE 14 RELATED PARTY TRANSACTIONS

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

#### NOTE 15 COMMITMENTS

The School District leases photo-copiers under operating leases which expire September 1, 2017. The School District is obligated to make the following minimum lease payments under its operating leases in each of the following fiscal years ending:

June 30, 2015	69,864
June 30, 2016	22,536
June 30, 2017	7,512

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



**NOTE 16 BUDGET FIGURES**

The budget figures these financial statements is the amended budget approved by the board of education on February 14, 2014. This budget was amended from the original budget approved on April 29, 2013 due to it reflecting actual funding for final student enrolment, the related cost for changed enrolment, and other small changes. As PSAB requires the original budget to be presented, a reconciliation from the original to amended is below.

	Original	Adjustment	Amended
Revenue			
Province grants	\$ 132,071,238	\$ 4,521,578	\$ 136,592,816
Other grants	135,193	(14,273)	120,920
Tuition	50,000	1,361,495	1,411,495
Other revenue	9,144,587	1,589,612	10,734,199
Rental & lease	263,684	-	263,684
Investment income	250,000	42,966	292,966
Amortization of deferred capital revenue	2,815,127	(27,427)	2,787,700
	<u>144,729,829</u>	<u>7,473,951</u>	<u>152,203,780</u>
Expenses:			
Instruction	105,757,171	4,342,657	110,099,828
District administrative	3,700,237	(33,039)	3,667,198
Operation & maintenance	28,027,811	(8,725,191)	19,302,620
Transportation & housing	4,565,040	16,421	4,581,461
Amortization of capital assets	4,142,109	11,557	4,153,666
Supplies and services		8,537,090	8,537,090
	<u>146,192,368</u>	<u>4,149,495</u>	<u>150,341,863</u>
Net revenue (expenses)	(1,462,539)	3,324,456	1,861,917
Budget allocation (retirement) of surplus (deficit)	300,557	1,599,168	1,899,725
Budgeted surplus (deficit) for the year	<u>\$ (1,161,982)</u>	<u>\$ 4,923,624</u>	<u>\$ 3,761,642</u>

**NOTE 17 CONTINGENCIES**

The nature of the School District's activities is such that there is usually litigation pending or in progress at any time. With respect to claims at June 30, 2014, management believes the School District has valid defences and appropriate insurance coverage is in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the School District's financial position.

**NOTE 18 ECONOMIC DEPENDENCE**

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

**NOTE 19 ENDOWMENT FUNDS**

On December 31, 2010 with approval from the original donors, School District No. 73 transferred \$173,757 of the Scholarship/Bursary funds to the BC Interior Community Foundation (formerly Kamloops Foundation) for investment. \$140,125 of the scholarship fund were endowment funds and \$33,632 of the funds were considered "Flow Thru" funds are utilized to service on-going awards. The Foundation invests all contributions to the Fund in accordance with the investment policy as established by the Foundation Board, and any provisions of legislation which regulates the activities of the Foundation. Income from the Fund shall be returned annually to the School District for distribution to the scholarship awardees. Disbursements will be at 5.00% of the endowment and this practise shall be reviewed with the Foundation at the end of the 10<sup>th</sup> year taking into account the actual and expected investment yields.

	June 30, 2013	Investment Income (Loss)	Increases	Decreases	June 30, 2014
Endowments held by:					
School District	\$ 10,000	\$ 139	\$ -	\$ (139)	\$ 10,000
Kamloops Foundation	140,125	5,546		(5,546)	140,125
<b>Total Endowments</b>	<b>\$ 150,125</b>	<b>\$ 5,685</b>	<b>\$ -</b>	<b>\$ (5,685)</b>	<b>\$ 150,125</b>

**NOTE 20 ASSET RETIREMENT OBLIGATION**

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

**NOTE 21 EXPENSE BY OBJECT**

Although expenses by object are detailed on Schedules 2B, 3A and 4 for operating, special purpose and capital funds respectively this note is required to tie total expense by object to the Audited Statement of Operations

	2014	2013
Salaries and benefits	\$ 112,891,931	\$ 116,524,364
Services and supplies	19,933,761	21,282,438
Interest		
Amortization	4,153,666	3,972,625
Utilities	2,753,825	2,529,068
	<b>\$ 139,733,183</b>	<b>\$ 144,308,495</b>

**NOTE 22 INTERFUND TRANSFERS**

Interfund transfers between the operating, special purpose and capital funds are reported on Schedule 2 – Schedule of Operations. For the year ended June 30, 2014 \$947,389 was transferred from the operating fund to the capital fund (2013 - \$ Nil).

**NOTE 23 RISK MANAGEMENT**

**A) GENERAL RISK MANAGEMENT**

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

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

- To safeguard the District's ability to carry on as a going concern, so the District can continue to provide its students and stakeholders with the following:
  - The best possible learning environment based on the 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 District establishes an annual list of capital needs for presentation to the Board following the approval of the annual operating budget. This list of projects to be completed annually with AFG funding is presented to the Board for review and approval. AFG projects are prioritized to address the most pressing needs of the District's physical plant.
- A separate report is prepared based on the equipment needs of the District (ie: information technology, maintenance vehicles, classroom equipment, and other non-AFG projects). This report is presented to the Board on an annual basis with funding from the Local Capital Reserve. The Local Capital Reserve is funded from operating surpluses, when available.

The Board ensures there is adequate cash flow to complete the capital projects based on the priority list above. The Board manages the capital project structure and makes adjustments to it in light of changes in economic conditions and the availability of cash flows from operations.

**B) CREDIT RISK**

Credit risk is the risk of financial loss to an institution if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held consisting of cash, amounts receivable and investments.

The School District is exposed to credit risk in the event of non-performance by a borrower. This risk is mitigated as most amounts receivable are due from the Province and are collectible.

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions and the School District invests solely in guaranteed investment certificates.

**NOTE 23 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's 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 \$70,000

**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 24 PRIOR PERIOD ADJUSTMENTS**

During the year there was a change in the estimate of the employee future benefits. These amounts have been corrected retroactively in these financial statements as follows:

Increase to Employee Future Benefits	\$113,262
Decrease to Accumulated Surplus	96,532
Increase to Instruction Expense	16,730

In addition, there was a transfer of AFG funds that occurred in 2012 that was not recorded. These amounts have been corrected retroactively in these financial statements as follows:

Decrease to Accounts Payable	\$124,836
Increase to Accumulated Surplus	124,836

Details of opening accumulated surplus and changes to accumulated surplus are found in schedules 2 and 4.

**NOTE 25      COMPARATIVE FIGURES**

Certain amounts of the comparative figures have been reclassified to conform with the presentation adopted in the current year.



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## Independent Auditor's Comments on Supplementary Information

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To the Board of Education of School District No. 73 (Kamloops/Thompson)

We have audited the financial statements of School District No. 73 (Kamloops/Thompson) as at June 30, 2014, and the Statements of Operations, Change in Net Debt and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have issued our report thereon dated September 22, 2014 which contained an unmodified opinion on the financial statements as a whole. The following supplementary financial information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves.

*BDO CANADA LLP*

Chartered Accountants  
Kamloops, British Columbia  
September 22, 2014

# School District No. 73 (Kamloops/Thompson)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund  
Year Ended June 30, 2014

	Operating Fund	Special Purpose Fund	Capital Fund	2014 Actual	2013 Actual (Restated)
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	5,210,508	897,279	26,793,050	<b>32,900,837</b>	31,880,400
Prior Period Adjustments					28,304
<b>Accumulated Surplus (Deficit), beginning of year, as restated</b>	<b>5,210,508</b>	<b>897,279</b>	<b>26,793,050</b>	<b>32,900,837</b>	31,908,704
<b>Changes for the year</b>					
Surplus (Deficit) for the year	3,178,291	(50,445)	(1,038,468)	<b>2,089,378</b>	992,133
Interfund Transfers					
Local Capital	(947,389)		947,389	-	
<b>Net Changes for the year</b>	<b>2,230,902</b>	<b>(50,445)</b>	<b>(91,079)</b>	<b>2,089,378</b>	<b>992,133</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>7,441,410</b>	<b>846,834</b>	<b>26,701,971</b>	<b>34,990,215</b>	32,900,837

# School District No. 73 (Kamloops/Thompson)

Schedule 2 (Unaudited)

## Schedule of Operating Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Restated)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	124,540,291	<b>121,730,430</b>	123,479,416
Other	75,193	<b>125,772</b>	269,824
Tuition	1,411,495	<b>1,456,269</b>	1,487,385
Other Revenue	3,078,875	<b>3,146,535</b>	3,047,069
Rentals and Leases	263,684	<b>302,072</b>	348,878
Investment Income	196,966	<b>239,228</b>	161,489
<b>Total Revenue</b>	<u>129,566,504</u>	<u><b>127,000,306</b></u>	<u>128,794,061</u>
<b>Expenses</b>			
Instruction	107,150,298	<b>100,340,251</b>	104,332,014
District Administration	3,667,198	<b>3,572,638</b>	3,459,637
Operations and Maintenance	16,067,272	<b>15,610,874</b>	15,555,106
Transportation and Housing	4,581,461	<b>4,298,252</b>	4,306,379
<b>Total Expense</b>	<u>131,466,229</u>	<u><b>123,822,015</b></u>	<u>127,653,136</u>
<b>Operating Surplus (Deficit) for the year</b>	<u>(1,899,725)</u>	<u><b>3,178,291</b></u>	<u>1,140,925</u>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<u>1,899,725</u>		
<b>Net Transfers (to) from other funds</b>			
Local Capital		<b>(947,389)</b>	
<b>Total Net Transfers</b>	<u>-</u>	<u><b>(947,389)</b></u>	<u>-</u>
<b>Total Operating Surplus (Deficit), for the year</b>	<u>-</u>	<u><b>2,230,902</b></u>	<u>1,140,925</u>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>5,210,508</b>	4,166,115
Prior Period Adjustments			
April - June 2012 EFB Expense Restatement			(96,532)
<b>Operating Surplus (Deficit), beginning of year, as restated</b>		<u><b>5,210,508</b></u>	<u>4,069,583</u>
<b>Operating Surplus (Deficit), end of year</b>		<u><b>7,441,410</b></u>	<u>5,210,508</u>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		<b>7,313,129</b>	5,066,921
Unrestricted		<b>128,281</b>	143,587
<b>Total Operating Surplus (Deficit), end of year</b>		<u><b>7,441,410</b></u>	<u>5,210,508</u>



# School District No. 73 (Kamloops/Thompson)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Restated)
	\$	\$	\$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	126,306,355	<b>123,230,218</b>	124,936,903
AANDC/LEA Recovery	(2,460,691)	<b>(2,384,626)</b>	(2,384,626)
Other Ministry of Education Grants			
Foundation Skills Assessment	18,668	<b>18,668</b>	18,668
Pay Equity	575,959	<b>575,959</b>	575,959
Carbon Tax Grant	100,000	<b>181,137</b>	166,784
Education Guarantee		<b>105,074</b>	165,728
K-9 Curriculum Redesign		<b>4,000</b>	
<b>Total Provincial Grants - Ministry of Education</b>	<u>124,540,291</u>	<u><b>121,730,430</b></u>	<u>123,479,416</u>
<b>Provincial Grants - Other</b>	<u>75,193</u>	<u><b>125,772</b></u>	<u>269,824</u>
<b>Tuition</b>			
Offshore Tuition Fees	1,411,495	<b>1,456,269</b>	1,487,385
<b>Total Tuition</b>	<u>1,411,495</u>	<u><b>1,456,269</b></u>	<u>1,487,385</u>
<b>Other Revenues</b>			
LEA/Direct Funding from First Nations	2,553,609	<b>2,388,588</b>	2,384,626
Miscellaneous			
City of Kamloops	95,000	<b>96,000</b>	96,000
Course Fees		<b>62,460</b>	10,500
Student Paid Meals		<b>94,298</b>	188,442
Miscellaneous Revenue	202,616	<b>247,728</b>	367,501
Trades and Transitions Program	227,650	<b>257,461</b>	
<b>Total Other Revenue</b>	<u>3,078,875</u>	<u><b>3,146,535</b></u>	<u>3,047,069</u>
<b>Rentals and Leases</b>	<u>263,684</u>	<u><b>302,072</b></u>	<u>348,878</u>
<b>Investment Income</b>	<u>196,966</u>	<u><b>239,228</b></u>	<u>161,489</u>
<b>Total Operating Revenue</b>	<u><u>129,566,504</u></u>	<u><u><b>127,000,306</b></u></u>	<u><u>128,794,061</u></u>

# School District No. 73 (Kamloops/Thompson)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Restated)
	\$	\$	\$
<b>Salaries</b>			
Teachers	56,994,919	<b>53,353,257</b>	57,042,840
Principals and Vice Principals	6,806,134	<b>7,052,440</b>	6,930,208
Educational Assistants	7,778,455	<b>8,105,113</b>	7,022,857
Support Staff	13,906,538	<b>14,184,672</b>	13,782,907
Other Professionals	2,515,531	<b>2,509,163</b>	3,332,620
Substitutes	4,670,285	<b>4,752,583</b>	4,873,456
<b>Total Salaries</b>	<b>92,671,862</b>	<b>89,957,228</b>	<b>92,984,888</b>
<b>Employee Benefits</b>	22,033,766	<b>20,089,178</b>	21,016,883
<b>Total Salaries and Benefits</b>	<b>114,705,628</b>	<b>110,046,406</b>	<b>114,001,771</b>
<b>Services and Supplies</b>			
Services	2,336,515	<b>2,095,860</b>	1,802,851
Student Transportation	374,643	<b>352,244</b>	418,373
Professional Development and Travel	1,694,827	<b>1,373,616</b>	1,168,802
Dues and Fees	95,356	<b>90,139</b>	81,740
Insurance	460,889	<b>448,630</b>	435,132
Supplies	9,004,561	<b>6,661,295</b>	7,215,399
Utilities	2,793,810	<b>2,753,825</b>	2,529,068
<b>Total Services and Supplies</b>	<b>16,760,601</b>	<b>13,775,609</b>	<b>13,651,365</b>
<b>Total Operating Expense</b>	<b>131,466,229</b>	<b>123,822,015</b>	<b>127,653,136</b>

# School District No. 73 (Kamloops/Thompson)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2014

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	42,114,457	792,267		1,040,758	126,060	3,169,583	47,243,125
1.03 Career Programs	186,899					14,049	200,948
1.07 Library Services	1,364,070	198,067		1,084,058		146,886	2,793,081
1.08 Counselling	1,361,824			507,419		122,648	1,991,891
1.10 Special Education	6,763,122	247,584	6,607,935	71,884		835,362	14,525,887
1.30 English Language Learning	113,733					8,549	122,282
1.31 Aboriginal Education	246,652	69,614	1,497,178		75,898	6,427	1,895,769
1.41 School Administration		5,091,110		813,562		59,579	5,964,251
1.60 Summer School	93,423					5,445	98,868
1.61 Continuing Education	239,781	329,674		84,570		22,426	676,451
1.62 Off Shore Students	217,324	112,258		30,022		23,819	383,423
1.64 Other	651,972	211,866		52,856		52,142	968,836
<b>Total Function 1</b>	<b>53,353,257</b>	<b>7,052,440</b>	<b>8,105,113</b>	<b>3,685,129</b>	<b>201,958</b>	<b>4,466,915</b>	<b>76,864,812</b>
<b>4 District Administration</b>							
4.11 Educational Administration				104,864	507,520		612,384
4.40 School District Governance					160,615		160,615
4.41 Business Administration				622,912	892,029		1,514,941
<b>Total Function 4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>727,776</b>	<b>1,560,164</b>	<b>-</b>	<b>2,287,940</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				65,454	384,889		450,343
5.50 Maintenance Operations				6,800,117	266,451	181,081	7,247,649
5.52 Maintenance of Grounds				770,030		6,171	776,201
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,635,601</b>	<b>651,340</b>	<b>187,252</b>	<b>8,474,193</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration				114,406	95,701		210,107
7.70 Student Transportation				2,021,760		98,416	2,120,176
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,136,166</b>	<b>95,701</b>	<b>98,416</b>	<b>2,330,283</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>53,353,257</b>	<b>7,052,440</b>	<b>8,105,113</b>	<b>14,184,672</b>	<b>2,509,163</b>	<b>4,752,583</b>	<b>89,957,228</b>

# School District No. 73 (Kamloops/Thompson)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2014

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2014 Actual	2014 Budget	2013 Actual (Restated)
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	47,243,125	10,622,303	57,865,428	3,116,268	60,981,696	65,886,703	64,343,645
1.03 Career Programs	200,948	45,423	246,371		246,371	265,665	260,938
1.07 Library Services	2,793,081	618,056	3,411,137	301,826	3,712,963	3,567,662	3,616,012
1.08 Counselling	1,991,891	444,763	2,436,654	183	2,436,837	2,467,032	2,452,374
1.10 Special Education	14,525,887	3,278,815	17,804,702	675,296	18,479,998	18,717,179	19,235,606
1.30 English Language Learning	122,282	27,641	149,923		149,923	105,388	152,435
1.31 Aboriginal Education	1,895,769	371,929	2,267,698	300,621	2,568,319	2,758,647	2,427,232
1.41 School Administration	5,964,251	1,333,463	7,297,714	423,976	7,721,690	9,159,892	8,118,507
1.60 Summer School	98,868	16,360	115,228	366	115,594	111,792	151,525
1.61 Continuing Education	676,451	146,565	823,016	417,824	1,240,840	969,945	820,029
1.62 Off Shore Students	383,423	122,575	505,998	872,184	1,378,182	1,294,334	1,301,093
1.64 Other	968,836	213,740	1,182,576	125,262	1,307,838	1,846,059	1,452,618
<b>Total Function 1</b>	<b>76,864,812</b>	<b>17,241,633</b>	<b>94,106,445</b>	<b>6,233,806</b>	<b>100,340,251</b>	107,150,298	104,332,014
<b>4 District Administration</b>							
4.11 Educational Administration	612,384	127,141	739,525	256,989	996,514	1,208,140	937,602
4.40 School District Governance	160,615	8,927	169,542	127,258	296,800	308,008	295,251
4.41 Business Administration	1,514,941	304,494	1,819,435	459,889	2,279,324	2,151,050	2,226,784
<b>Total Function 4</b>	<b>2,287,940</b>	<b>440,562</b>	<b>2,728,502</b>	<b>844,136</b>	<b>3,572,638</b>	3,667,198	3,459,637
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	450,343	80,868	531,211	403,814	935,025	1,005,921	895,211
5.50 Maintenance Operations	7,247,649	1,587,401	8,835,050	1,693,176	10,528,226	10,817,160	10,754,907
5.52 Maintenance of Grounds	776,201	183,348	959,549	428,209	1,387,758	1,450,381	1,375,920
5.56 Utilities	-	-	-	2,759,865	2,759,865	2,793,810	2,529,068
<b>Total Function 5</b>	<b>8,474,193</b>	<b>1,851,617</b>	<b>10,325,810</b>	<b>5,285,064</b>	<b>15,610,874</b>	16,067,272	15,555,106
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	210,107	43,738	253,845	118,741	372,586	364,148	351,328
7.70 Student Transportation	2,120,176	511,628	2,631,804	1,293,862	3,925,666	4,217,313	3,955,051
<b>Total Function 7</b>	<b>2,330,283</b>	<b>555,366</b>	<b>2,885,649</b>	<b>1,412,603</b>	<b>4,298,252</b>	4,581,461	4,306,379
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>89,957,228</b>	<b>20,089,178</b>	<b>110,046,406</b>	<b>13,775,609</b>	<b>123,822,015</b>	131,466,229	127,653,136

# School District No. 73 (Kamloops/Thompson)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Restated)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	4,675,114	<b>4,973,717</b>	4,457,378
Federal Grants	45,727	<b>40,472</b>	19,282
Other Revenue	7,479,470	<b>4,202,156</b>	5,747,086
Investment Income		<b>4,200</b>	
Income (Loss) from Investments in Government Business Enterprises		<b>(50,445)</b>	731,400
<b>Total Revenue</b>	<u>12,200,311</u>	<u><b>9,170,100</b></u>	<u>10,955,146</u>
<b>Expenses</b>			
Instruction	2,949,530	<b>2,845,525</b>	2,522,593
Operations and Maintenance	713,691	<b>652,673</b>	782,719
Supplies	8,537,090	<b>5,722,347</b>	6,918,434
<b>Total Expense</b>	<u>12,200,311</u>	<u><b>9,220,545</b></u>	<u>10,223,746</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u><b>(50,445)</b></u>	<u>731,400</u>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<u><u>-</u></u>	<u><u><b>(50,445)</b></u></u>	<u>731,400</u>
<b>Special Purpose Surplus (Deficit), beginning of year</b>		<b>897,279</b>	165,879
<b>Special Purpose Surplus (Deficit), end of year</b>		<u><u><b>846,834</b></u></u>	<u>897,279</u>
<b>Special Purpose Surplus (Deficit), end of year</b>			
Related Entities		<b>696,709</b>	747,154
Endowment Contributions		<b>150,125</b>	150,125
<b>Total Special Purpose Surplus (Deficit), end of year</b>		<u><u><b>846,834</b></u></u>	<u>897,279</u>

# School District No. 73 (Kamloops/Thompson)

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2014

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Related Entities	Strong Start	Ready, Set, Learn	OLEP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	418,093		30,141	47,502	2,014,888		13,469		
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	295,598	1,532,116	21,100				221,663	80,850	195,685
Federal Grants									
Other				950	4,256,573				
Investment Income	3,178			7,160					
	298,776	1,532,116	21,100	8,110	4,256,573	-	221,663	80,850	195,685
<b>Less:</b> Allocated to Revenue	652,673	1,512,013	24,740	5,150	4,201,206		232,508	75,950	195,146
<b>Deferred Revenue, end of year</b>	<b>64,196</b>	<b>20,103</b>	<b>26,501</b>	<b>50,462</b>	<b>2,070,255</b>	<b>-</b>	<b>2,624</b>	<b>4,900</b>	<b>539</b>
<b>Revenues</b>									
Provincial Grants - Ministry of Education	652,673	1,512,013	24,740				232,508	75,950	195,146
Federal Grants									
Other Revenue				950	4,201,206				
Investment Income				4,200					
Income (Loss) from Investments in Government Business Enterprises						(50,445)			
	652,673	1,512,013	24,740	5,150	4,201,206	(50,445)	232,508	75,950	195,146
<b>Expenses</b>									
Salaries									
Teachers		822,307							34,150
Support Staff		348,148					145,989		1,302
Substitutes		37,760							10,750
	-	1,208,215	-	-	-	-	145,989	-	46,202
Employee Benefits		289,982					50,828		7,029
Services and Supplies	652,673	13,816	24,740	5,150	4,201,206		35,691	75,950	141,915
	652,673	1,512,013	24,740	5,150	4,201,206	-	232,508	75,950	195,146
<b>Net Revenue (Expense) before Interfund Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(50,445)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Interfund Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Revenue (Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(50,445)</b>	<b>-</b>	<b>-</b>	<b>-</b>

# School District No. 73 (Kamloops/Thompson)

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2014

	Community- LINK	Early Learning	Literacy Innovation	BCLCA/ E-Learning	Gov't of Canada Environmental Program	Gov't of Canada Youth Program	Contributor Restricted	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	241,438	16,401	40,188	5,850	14,477	130,990	610,254	3,583,691
<b>Add:</b> Restricted Grants								
Provincial Grants - Ministry of Education	1,507,631			7,015				3,861,658
Federal Grants					31,250			31,250
Other							996,066	5,253,589
Investment Income								10,338
	1,507,631	-	-	7,015	31,250	-	996,066	9,156,835
<b>Less:</b> Allocated to Revenue	1,357,271	1,193	204	7,015	40,472	-	915,004	9,220,545
<b>Deferred Revenue, end of year</b>	<b>391,798</b>	<b>15,208</b>	<b>39,984</b>	<b>5,850</b>	<b>5,255</b>	<b>130,990</b>	<b>691,316</b>	<b>3,519,981</b>
<b>Revenues</b>								
Provincial Grants - Ministry of Education	1,357,271	1,193	204	7,015			915,004	4,973,717
Federal Grants					40,472			40,472
Other Revenue								4,202,156
Investment Income								4,200
Income (Loss) from Investments in Government Business Enterprises								(50,445)
	1,357,271	1,193	204	7,015	40,472	-	915,004	9,170,100
<b>Expenses</b>								
Salaries								
Teachers	739,672				23,792			1,619,921
Support Staff		142	132				155,203	650,916
Substitutes	16,755						2,792	68,057
	756,427	142	132	-	23,792	-	157,995	2,338,894
Employee Benefits	154,317				4,475			506,631
Services and Supplies	446,527	1,051	72	7,015	12,205		757,009	6,375,020
	1,357,271	1,193	204	7,015	40,472	-	915,004	9,220,545
<b>Net Revenue (Expense) before Interfund Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(50,445)</b>
<b>Interfund Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Revenue (Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(50,445)</b>

# School District No. 73 (Kamloops/Thompson)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2014

	2014	2014 Actual			2013
	Budget	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual (Restated)
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education	7,377,411	2,536,957		2,536,957	2,458,988
Other				-	168,748
Other Revenue	175,854		211,737	211,737	
Investment Income	96,000		115,761	115,761	162,163
Amortization of Deferred Capital Revenue	2,787,700	2,787,700		2,787,700	2,761,522
<b>Total Revenue</b>	<b>10,436,965</b>	<b>5,324,657</b>	<b>327,498</b>	<b>5,652,155</b>	<b>5,551,421</b>
<b>Expenses</b>					
Operations and Maintenance	2,521,657	2,536,957		2,536,957	2,458,988
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,153,666	4,153,666		4,153,666	3,972,625
<b>Total Expense</b>	<b>6,675,323</b>	<b>6,690,623</b>	<b>-</b>	<b>6,690,623</b>	<b>6,431,613</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>3,761,642</b>	<b>(1,365,966)</b>	<b>327,498</b>	<b>(1,038,468)</b>	<b>(880,192)</b>
<b>Net Transfers (to) from other funds</b>					
Local Capital			947,389	947,389	
<b>Total Net Transfers</b>	<b>-</b>	<b>-</b>	<b>947,389</b>	<b>947,389</b>	<b>-</b>
<b>Other Adjustments to Fund Balances</b>					
Tangible Capital Assets Purchased from Local Capital		1,622,010	(1,622,010)	-	
<b>Total Other Adjustments to Fund Balances</b>		<b>1,622,010</b>	<b>(1,622,010)</b>	<b>-</b>	
<b>Total Capital Surplus (Deficit) for the year</b>	<b>3,761,642</b>	<b>256,044</b>	<b>(347,123)</b>	<b>(91,079)</b>	<b>(880,192)</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>19,748,291</b>	<b>7,044,759</b>	<b>26,793,050</b>	<b>27,548,406</b>
Prior Period Adjustments					124,836
AFG Bylaw Not Reflected on Schedule 4 in Prior Year					124,836
<b>Capital Surplus (Deficit), beginning of year, as restated</b>		<b>19,748,291</b>	<b>7,044,759</b>	<b>26,793,050</b>	<b>27,673,242</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>20,004,335</b>	<b>6,697,636</b>	<b>26,701,971</b>	<b>26,793,050</b>



# School District No. 73 (Kamloops/Thompson)

Schedule 4A (Unaudited)

Tangible Capital Assets  
Year Ended June 30, 2014

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost, beginning of year</b>	10,345,129	124,914,058	5,945,731	8,733,890	581,851	2,121,591	<b>152,642,250</b>
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		3,579,132	258,746	1,025,963			<b>4,863,841</b>
Deferred Capital Revenue - Other			28,400				<b>28,400</b>
Local Capital			891,452	240,214	18,483	471,861	<b>1,622,010</b>
	-	3,579,132	1,178,598	1,266,177	18,483	471,861	<b>6,514,251</b>
Decrease:							
Deemed Disposals			269,395	517,000		609,826	<b>1,396,221</b>
	-	-	269,395	517,000	-	609,826	<b>1,396,221</b>
<b>Cost, end of year</b>	10,345,129	128,493,190	6,854,934	9,483,067	600,334	1,983,626	<b>157,760,280</b>
<b>Work in Progress, end of year</b>							<b>-</b>
<b>Cost and Work in Progress, end of year</b>	10,345,129	128,493,190	6,854,934	9,483,067	600,334	1,983,626	<b>157,760,280</b>
<b>Accumulated Amortization, beginning of year</b>		83,449,025	2,576,091	3,153,234	86,329	870,173	<b>90,134,852</b>
<b>Changes for the Year</b>							
Increase: Amortization for the Year		2,145,016	594,573	873,389	116,370	424,318	<b>4,153,666</b>
Decrease:							
Deemed Disposals			269,395	517,000		609,826	<b>1,396,221</b>
		-	269,395	517,000	-	609,826	<b>1,396,221</b>
<b>Accumulated Amortization, end of year</b>		85,594,041	2,901,269	3,509,623	202,699	684,665	<b>92,892,297</b>
<b>Tangible Capital Assets - Net</b>	<b>10,345,129</b>	<b>42,899,149</b>	<b>3,953,665</b>	<b>5,973,444</b>	<b>397,635</b>	<b>1,298,961</b>	<b>64,867,983</b>

# School District No. 73 (Kamloops/Thompson)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2014

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
<b>Deferred Capital Revenue, beginning of year</b>	\$ 42,287,606	\$ 88,786	\$ 519,550	\$ 42,895,942
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	4,863,841		28,400	4,892,241
	<u>4,863,841</u>	-	<u>28,400</u>	<u>4,892,241</u>
Decrease:				
Amortization of Deferred Capital Revenue	2,677,800	14,995	94,905	2,787,700
	<u>2,677,800</u>	<u>14,995</u>	<u>94,905</u>	<u>2,787,700</u>
<b>Net Changes for the Year</b>	<u>2,186,041</u>	<u>(14,995)</u>	<u>(66,505)</u>	<u>2,104,541</u>
<b>Deferred Capital Revenue, end of year</b>	<u>44,473,647</u>	<u>73,791</u>	<u>453,045</u>	<u>45,000,483</u>
<b>Work in Progress, beginning of year</b>				-
<b>Changes for the Year</b>				
<b>Net Changes for the Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Work in Progress, end of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Deferred Capital Revenue, end of year</b>	<u>44,473,647</u>	<u>73,791</u>	<u>453,045</u>	<u>45,000,483</u>

# School District No. 73 (Kamloops/Thompson)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2014

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
<b>Balance, beginning of year</b>	\$	\$ 67,421	\$	\$	\$ 1,755,418	\$ 1,822,839
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	7,281,144					7,281,144
Other					6,263	6,263
Investment Income		1,253			32,740	33,993
	7,281,144	1,253	-	-	39,003	7,321,400
Decrease:						
Transferred to DCR - Capital Additions	4,863,841				28,400	4,892,241
Building Repairs and Maintenance	2,536,957					2,536,957
	7,400,798	-	-	-	28,400	7,429,198
<b>Net Changes for the Year</b>	(119,654)	1,253	-	-	10,603	(107,798)
<b>Balance, end of year</b>	<b>(119,654)</b>	<b>68,674</b>	<b>-</b>	<b>-</b>	<b>1,766,021</b>	<b>1,715,041</b>