

Audited Financial Statements of

School District No. 73 (Kamloops/Thompson)

June 30, 2016

School District No. 73 (Kamloops/Thompson)

June 30, 2016

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School District No. 73 (Kamloops/Thompson)

MANAGEMENT REPORT

Version: 5464-4719-2736

Management's Responsibility for the Financial Statements.

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

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

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

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

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

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

Signature on file	September 12, 2016
Signature of the Chairperson of the Board of Education	Date Signed

Signature on file	September 12, 2016
Signature of the Superintendent	Date Signed

Signature on file	September 12, 2016
Signature of the Secretary Treasurer	Date Signed

Independent Auditor's Report

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, 2016, and the Statements of Operations, Change in Net Financial Assets (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 audit. 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, 2016, and the Statements of Operations, Change in Net Financial Assets (Debt), remeasurment gains and losses, 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.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the exhibits on pages 28 through 42 of School District No. 73 (Kamloops/Thompson)'s Financial Statements.

Chartered Professional Accountants

Kamloops, British Columbia
September 12, 2016

School District No. 73 (Kamloops/Thompson)

Statement 1

Statement of Financial Position

As at June 30, 2016

	2016 Actual \$	2015 Actual \$
Financial Assets		
Cash and Cash Equivalents	19,665,505	23,280,409
Accounts Receivable		
Due from Province - Ministry of Education	579,151	257,534
Due from LEA/Direct Funding	760,760	708,416
Other (Note 3 and 6)	841,192	1,090,228
Investments in Government Business Enterprises (Note 6)	177,648	
Portfolio Investments (Note 5)	4,027,139	5,027,139
Total Financial Assets	26,051,395	30,363,726
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 7)	8,304,080	8,667,315
Unearned Revenue (Note 8)	1,540,306	1,268,444
Deferred Revenue (Note 9)	3,920,555	3,764,722
Deferred Capital Revenue (Note 10)	43,772,664	45,556,535
Employee Future Benefits (Note 11)	3,906,102	3,828,797
Other Liabilities	45,677	84,375
Total Liabilities	61,489,384	63,170,188
Net Financial Assets (Debt)	(35,437,989)	(32,806,462)
Non-Financial Assets		
Tangible Capital Assets (Note 4)	66,471,126	66,768,914
Restricted Assets (Endowments) (Note 19)	150,125	150,125
Prepaid Expenses (Note 2l)	161,084	404,265
Supplies Inventory (Note 2m)	431,932	384,173
Total Non-Financial Assets	67,214,267	67,707,477
Accumulated Surplus (Deficit)	31,776,278	34,901,015

Contractual Obligations and Contingencies

Approved by the Board

Signature on file	September 12, 2016
Signature of the Chairperson of the Board of Education	Date Signed
Signature on file	September 12, 2016
Signature of the Superintendent	Date Signed
Signature on file	September 12, 2016
Signature of the Secretary Treasurer	Date Signed

School District No. 73 (Kamloops/Thompson)

Statement 2

Statement of Operations
Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	139,949,136	138,206,199	132,819,238
Other	75,193	127,047	798,316
Federal Grants	15,228		27
Tuition	2,509,628	2,476,159	2,061,150
Other Revenue	10,956,013	8,652,323	8,149,013
Rentals and Leases	269,684	296,842	310,863
Investment Income	312,000	323,327	453,727
Income (Loss) from Investments in Government Business Enterprises		177,648	(696,709)
Amortization of Deferred Capital Revenue	3,056,684	3,056,680	2,920,572
Total Revenue	157,143,566	153,316,225	146,816,197
Expenses			
Instruction	117,416,080	117,280,362	108,839,967
District Administration	4,183,612	3,899,951	3,954,676
Operations and Maintenance	26,509,038	25,130,763	24,077,889
Transportation and Housing	4,725,523	4,458,002	4,417,561
Supplies	8,361,047	5,671,884	5,615,304
Total Expense	161,195,300	156,440,962	146,905,397
Surplus (Deficit) for the year	(4,051,734)	(3,124,737)	(89,200)
Accumulated Surplus (Deficit) from Operations, beginning of year		34,901,015	34,990,215
Accumulated Surplus (Deficit) from Operations, end of year		31,776,278	34,901,015

School District No. 73 (Kamloops/Thompson)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(4,051,734)	(3,124,737)	(89,200)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(4,486,585)	(4,383,661)	(6,249,801)
Amortization of Tangible Capital Assets	4,681,452	4,681,449	4,348,870
Total Effect of change in Tangible Capital Assets	194,867	297,788	(1,900,931)
Acquisition of Prepaid Expenses			(112,555)
Use of Prepaid Expenses		243,181	
Acquisition of Supplies Inventory		(47,759)	(17,080)
Total Effect of change in Other Non-Financial Assets	-	195,422	(129,635)
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(3,856,867)</u>	(2,631,527)	(2,119,766)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		(2,631,527)	(2,119,766)
Net Financial Assets (Debt), beginning of year		(32,806,462)	(30,686,696)
Net Financial Assets (Debt), end of year		<u>(35,437,989)</u>	<u>(32,806,462)</u>

School District No. 73 (Kamloops/Thompson)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2016

	2016 Actual \$	2015 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	(3,124,737)	(89,200)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(124,926)	1,854,888
Supplies Inventories	(47,759)	(17,080)
Prepaid Expenses	243,181	(112,555)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(363,234)	(2,399,180)
Unearned Revenue	271,862	542,526
Deferred Revenue	155,833	244,741
Employee Future Benefits	77,305	158,626
Other Liabilities	(38,698)	(103,474)
Amortization of Tangible Capital Assets	4,681,449	4,348,870
Amortization of Deferred Capital Revenue	(3,056,680)	(2,920,572)
Building Maintenance/Roofing Projects	(2,884,059)	(2,920,522)
Total Operating Transactions	<u>(4,210,463)</u>	<u>(1,412,932)</u>
Capital Transactions		
Tangible Capital Assets Purchased	(4,383,661)	(6,249,801)
Total Capital Transactions	<u>(4,383,661)</u>	<u>(6,249,801)</u>
Financing Transactions		
Capital Revenue Received	4,156,868	4,682,105
Total Financing Transactions	<u>4,156,868</u>	<u>4,682,105</u>
Investing Transactions		
Investments in Portfolio Investments	1,000,000	2,000,000
Decrease (Increase) in Investments in Government Business Enterprises	(177,648)	696,709
Total Investing Transactions	<u>822,352</u>	<u>2,696,709</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(3,614,904)	(283,919)
Cash and Cash Equivalents, beginning of year	23,280,409	23,564,328
Cash and Cash Equivalents, end of year	<u>19,665,505</u>	<u>23,280,409</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	<u>19,665,505</u>	<u>23,280,409</u>
	<u>19,665,505</u>	<u>23,280,409</u>

NOTE 1 AUTHORITY AND PURPOSE

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

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

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

In September 2010, the Province of British Columbia Treasury Board ("Treasury Board") provided directive through Government Organization Accounting Standards Regulation 257/2010 requiring all taxpayer supported organizations in the Schools, Universities, Colleges and Hospitals sector to adopt PSA standards of the Chartered Professional Accountants of Canada ("CPA Canada") without not-for-profit provisions from their first fiscal year commencing after January 1, 2012. In March 2011, Public Sector Accounting Board (PSAB) released a new Section PS 3410 "Government Transfers". 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. The Treasury Board direction on the accounting treatment of restricted contributions is as described 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, 2015 – increase in annual surplus by \$355,155

June 30, 2015 - increase in accumulated surplus and decrease in deferred contributions by \$45,355,638

Year-ended June 30, 2016 – decrease in annual surplus by \$1,867,591

June 30, 2016 – increase in accumulated surplus and decrease in deferred contributions by \$43,488,047

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Basis of Consolidation

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

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

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

c) Cash and Cash Equivalents

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

d) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts

e) Portfolio Investments

The School District has investments in both GIC's and the BC Interior Community Foundation (BCICF). 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Unearned Revenue

Unearned revenue includes tuition fees received for courses to be delivered in future periods and receipt of proceeds for services or products to be delivered in a future period. Revenue will be recognized in that future period when the courses, services, or products are provided.

g) Deferred Revenue and Deferred Capital Revenue

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

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

h) Employee Future Benefits

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

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

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

The excess of cumulative unrecognized actuarial gains (losses) over 10 percent of the accrued benefit obligation is amortized over the expected average remaining service lifetime (EARSL) of active employees covered under the plan. The EARSL for employees of the School District is 9.9 years.

The most recent valuation of the obligation was performed at March 31, 2016 and projected to June 30, 2016. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of October 31 was adopted for all periods subsequent to July 1, 2004.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

j) Asset Retirement Obligations

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

k) Tangible Capital Assets

The following criteria apply:

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Prepaid Expenses

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

m) Supplies Inventory

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

n) Funds and Reserves

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

o) Revenue Recognition

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

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

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

p) Expenditures

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

Categories of Salaries

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

Allocation of Costs

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

q) Liability for Contaminated Sites

The School District is required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized when an environmental standard exists, contamination exceeds the environmental standard, the School District has responsibility for remediation, future economic benefits will be given up and a reasonable estimate can be made. The School District has no such sites as of June 30, 2016.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r) Endowment Contributions

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

s) Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The School District recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities, and other liabilities.

Except for portfolio investments in equity instruments quoted in an active market that are recorded at fair value, all financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

All financial assets except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in Note 2(a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

NOTE 3 ACCOUNTS RECEIVABLE - OTHER

	2016	2015
Due from Federal Government	\$ 80,369	\$ 172,187
Due from Other School Districts	22,793	27,797
Other	747,109	899,290
Allowance for Doubtful Accounts	(9,079)	(9,046)
	\$ 841,192	\$ 1,090,228

School District No. 73 (Kamloops/Thompson)

Notes to Financial Statements

June 30, 2016

NOTE 4 TANGIBLE CAPITAL ASSETS

June 30, 2016

Cost	Balance at July 1, 2015	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2016
Sites	\$ 10,345,129	\$ -	\$ -	\$ -	\$ 10,345,129
Buildings	130,897,739	275,909	-	-	131,173,648
Furniture & Equipment	7,701,165	2,646,591	274,898	-	10,072,858
Vehicles	11,602,220	355,109	910,312	-	11,047,017
Computer Software	644,039	25,968	-	-	670,007
Computer Hardware	2,000,629	1,080,084	302,457	-	2,778,256
Total	\$ 163,190,921	\$ 4,383,661	\$ 1,487,667	\$ -	\$ 166,086,915

Accumulated Amortization	Balance at July 1, 2015	Additions	Disposals	Balance at June 30, 2016
Buildings	\$ 87,792,319	\$ 2,222,176	\$ -	\$ 90,014,495
Furniture & Equipment	3,271,830	770,117	274,898	3,767,049
Vehicles	4,252,774	1,160,222	910,312	4,502,684
Computer Software	322,766	128,808	-	451,574
Computer Hardware	782,318	400,126	302,457	879,987
Totals	\$ 96,422,007	\$ 4,681,449	\$ 1,487,667	\$ 99,615,789

June 30, 2015

Cost	Balance at July 1, 2014	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2015
Sites	\$ 10,345,129	\$ -	\$ -	\$ -	\$ 10,345,129
Buildings	128,493,190	2,404,549	-	-	130,897,739
Furniture & Fixtures	6,854,934	1,161,163	314,932	-	7,701,165
Vehicles	9,483,067	2,324,309	205,156	-	11,602,220
Computer Software	600,334	43,705	-	-	644,039
Computer Hardware	1,983,626	316,075	299,072	-	2,000,629
Totals	\$ 157,760,280	\$ 6,249,801	\$ 819,160	\$ -	\$ 163,190,921

Accumulated Amortization	Balance at July 1, 2014	Additions	Disposals	Balance at June 30, 2015
Buildings	\$ 85,594,041	\$ 2,198,278	\$ -	\$ 87,792,319
Furniture & Equipment	2,901,269	685,493	314,932	3,271,830
Vehicles	3,509,623	948,307	205,156	4,252,774
Computer Software	202,699	120,067	-	322,766
Computer Hardware	684,665	396,725	299,072	782,318
Total	\$ 92,892,297	\$ 4,348,870	\$ 819,160	\$ 96,422,007

Net Book Value

	Net Book Value June 30, 2016	Net Book Value June 30, 2015
Sites	\$ 10,345,129	\$ 10,345,129
Buildings	41,159,153	43,105,420
Furniture & Equipment	6,305,809	4,429,335
Vehicles	6,544,333	7,349,446
Computer Software	218,433	321,273
Computer Hardware	1,898,269	1,218,311
Total	\$ 66,471,126	\$ 66,768,914

School District No. 73 (Kamloops/Thompson)

Notes to Financial Statements

June 30, 2016

NOTE 5 PORTFOLIO INVESTMENTS

	Interest Rate	Maturity Date	2016	2015
GIC	2.50%	12/29/2015	\$ -	\$ 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			4,000,000	5,000,000
BCICF			27,139	27,139
Total Portfolio Investments			\$ 4,027,139	\$ 5,027,139

Interest accrued under the amortized cost is \$ 93,244 (2015 - \$ 105,778) and is included in other accounts receivable.

School District No. 73 (Kamloops/Thompson)

Notes to Financial Statements

June 30, 2016

NOTE 6 INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES

Summary of the financial statements of School District No. 73 Business Company, for the year ended March 31, 2016, is as follows:

Balance Sheet	2016	2015
Current Assets		
Cash and Bank	\$ 528,601	\$ 506,121
Accounts Receivable	366,274	326,869
Prepaid Expenses	1,662	1,546
Due from Virtual School Society	2,000	2,000
	<u>898,537</u>	<u>836,536</u>
Property, Plant and Equipment	109,486	135,767
Total Assets	<u>1,008,023</u>	<u>972,303</u>
Current Liabilities		
Accounts Payable	62,024	130,832
Deferred Revenue	11,000	97,270
Due to Shareholder	112,021	117,744
	<u>185,045</u>	<u>345,846</u>
Shareholder's Equity		
Share Capital	1	1
Contributed Surplus	370,101	370,101
Retained Earnings	452,876	246,355
	<u>822,978</u>	<u>616,457</u>
Total Liabilities and Shareholder's Equity	<u>1,008,023</u>	<u>972,303</u>
Statement of Operations		
Revenue	2,238,941	2,354,973
Expenses	2,032,420	2,258,964
Income from Operations	<u>206,521</u>	<u>96,009</u>
Net Income for Year	206,521	96,009
Retained Earnings, beginning of year	246,355	150,346
Retained Earnings, end of year	<u>\$ 452,876</u>	<u>\$ 246,355</u>

NOTE 6 INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES (continued)

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 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 \$ (275,227) in net loss earned from April 1, 2016 to June 30, 2016 and excludes \$ (267,393) in net loss from April 1, 2015 to June 30, 2015. The majority of this loss is due to the timing of the LearnNowBC operating grants received from the Ministry of Education.

During the year, the School District charged SD73BC a management fee of \$ 107,598 (2015 - \$ 117,670) in respect of administrative support provided to SD73BC.

Included in accounts receivable - other (Note 3) is \$112,021 (2015 - \$117,744) due from the SD73BC.

NOTE 7 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2016	2015
Trade Payable	\$ 1,624,974	\$ 1,648,392
Salaries and Benefits Payable	4,696,819	5,221,107
Accrued Vacation Payable	1,982,287	1,797,816
	<u>\$ 8,304,080</u>	<u>\$ 8,667,315</u>

NOTE 8 UNEARNED REVENUE

	2016	2015
Balance, beginning of year	\$ 1,268,444	\$ 725,920
Changes for the year		
Increase:		
Tuition Fees	1,524,705	1,251,850
Rental/Lease of Facilities	96,000	96,000
Decrease:		
Tuition Fees	(1,252,843)	(707,226)
Rental/Lease of Facilities	(96,000)	(98,100)
Net changes for the year	<u>271,862</u>	<u>542,524</u>
Balance, end of year	<u>\$ 1,540,306</u>	<u>\$ 1,268,444</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.

	2016	2015
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 5,161,180	\$ 4,613,367
Service Cost	355,787	309,657
Interest Cost	120,293	154,587
Benefit Payments – April 1 to March 31 - VESTED	(271,274)	(326,890)
Benefit Payments – April 1 to March 31 – NON-VESTED	(100,517)	(104,621)
Actuarial (Gain) Loss	155,127	515,080
Accrued Benefit Obligation – March 31	5,420,596	5,161,180
Change in Plan Assets		
Employer Contributions – April 1 to March 31	371,791	431,511
Benefit Payments – April 1 to March 31	(371,791)	(431,511)
Market Value of Plan Assets - March 31	-	-
Reconciliation of Funded Status as End of Fiscal Year		
Accrued Benefit Obligation – March 31	5,420,596	5,161,180
Funded Status – Surplus (Deficit)	(5,420,596)	(5,161,180)
Employer Contributions After Measurement Date – April 1 to June 30 – Vested	281,883	56,541
Benefit Expense After Measurement Date April 1 to June 30	(146,259)	(119,020)
Unamortized Net Actuarial (Gain)/Loss	1,378,870	1,394,862
Accrued Benefit (Liability) Asset – June 30	(3,906,102)	(3,828,797)

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

Components of Net Benefit Expense

Service Cost – July 1 to March 31	266,840	232,243
Service Cost – April 1 to June 30	110,943	88,947
Interest Cost – July 1 to March 31	90,220	115,940
Interest Cost – April 1 to June 30	35,316	30,073
Amortization of Net Actuarial (Gain)/Loss	171,119	118,560
Net Benefit Expense (Income)	<u>674,438</u>	<u>585,763</u>

**Reconciliation of Change in Accrued Benefit Liability
(Asset)**

Accrued Benefit Liability (Asset) – July 1	3,828,797	3,670,172
Net Expense for Fiscal Year	674,438	585,763
Employer Contributions – July 1 to March 31	(315,250)	(370,597)
Employer Contributions – April 1 to June 30	(281,883)	(56,541)
Accrued Benefit Liability (Asset) – June 30	<u>\$ 3,906,102</u>	<u>\$ 3,828,797</u>

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

Assumptions	<u>2016</u>	<u>2015</u>
Discount Rate – April 1	2.25%	3.25%
Discount Rate – March 31	2.50%	2.25%
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	9.9	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 representing plan members and employers and are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2014, the Teachers' Pension Plan has about 45,000 active members and approximately 35,000 retired members. As of December 31, 2014, the Municipal Pension Plan has about 185,000 active members, including 24,000 from school districts.

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

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2014, indicated a \$449 million surplus for basic pension benefits on a going concern basis.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2012, indicated a \$1,370 million funding deficit for basic pension benefits on a going concern basis.

The School District No. 73 (Kamloops/Thompson) paid \$ 13,715,708 (2015 - \$ 12,909,038) for employer contributions to these plans in the year ended June 30, 2016.

NOTE 13a OPERATING FUND BALANCE, END OF YEAR

	June 30 2015	Increases	Decreases	June 30 , 2016
Internally Restricted Funds				
2015-2016 Budget Reserve	\$ 822,746	\$ -	\$ (822,746)	\$ -
Utility/Fuel Reserve	500,000	-	-	500,000
Department Reserve	521,259	-	(188,776)	332,483
School Supply Reserve	1,296,829	-	(176,218)	1,120,611
Employee Benefit Reserve	1,479,948	-	(493,316)	986,632
Aboriginal Education Reserve	610,848	-	(29,653)	581,195
Total Internally Restricted	5,231,630	-	(1,710,709)	3,520,921
Unrestricted Funds				
AFG Other Reserve	97,740	-	(37,132)	60,608
General Reserve	1,927,254	-	(344,962)	1,582,292
Total Unrestricted	2,024,994	-	(382,094)	1,642,900
Total Operating Fund	\$ 7,256,624	\$ -	\$ (2,092,803)	\$ 5,163,821

The district has Operating Reserve Funds separated into two categories: Internally restricted funds and unrestricted funds. Internally Restricted funds are earmarked for expenditures based on specific criteria. For example, the 2015-2016 Budget Reserve includes a budget reserve set aside to balance the 2015-2016 operating budget totalling \$450,000. In addition, \$372,746 was required for the Next Generation Network (NGN). Initially, the Operating Expense for the NGN was to be paid from the annual hold-back of Ministry funds however with the K-12 Provincial enrolment increase, it was not known until December 2015 that hold-back was not available for this purpose. (Hold-back is a portion of Ministry of Education's operating grant block that is not allocated and is held in contingency by the Ministry until the revised final enrolment figures for the school year are determined.) The district decided to use budget reserve funds versus mid-year budget reductions to cover the NGN expense for 2015-2016.

Department and School Supply Reserve balances are an accumulation of operating under-expenditures that the board and senior administration allow the departments and the schools to carry forward for expenditure in future years. This practice eliminates the year end madness to fully expend budgets by June 30th each year allowing Department Heads and Principals to better manage longer term projects. For example, the implementation and training for MyEducationBC is better managed when the implementation and training is actively planned over a multi-year period and that funding for this purpose is not clawed back and utilized for other purposes.

The Employee Benefit Reserve is an accumulation of benefit cost savings from previous operating years and this reserve is used to buffer the district from benefit cost increases. The Aboriginal Education Reserve is an accumulation of targeted Aboriginal Education funding that carries forward if not used in the year it is provided. The district requires approval from the Minister of Education to carry these Aboriginal Education funds forward each year.

Unrestricted Funds are available for AFG and General Operations. Board approval is required to expend these funds. Once approval is granted, the funds move from Unrestricted Fund to the Restricted Fund. Over expenditure or under expenditure will reduce or increase the General Reserve balance. Operating Surpluses will generally increase and deficits will generally reduce the Unrestricted Reserve Fund.

NOTE 13b SPECIAL PURPOSE FUND BALANCE, END OF YEAR

	June 30 2015	Increases	Decreases	June 30 , 2016
Ministry of Education	\$ 852,860	\$ 5,705,769	\$ (6,002,618)	\$ 556,011
School Generated Funds	2,084,382	4,518,962	(4,109,014)	2,494,330
Other Special Purpose Funds	827,480	845,452	(802,718)	870,214
	\$ 3,764,722	\$ 11,070,183	\$ (10,914,350)	\$ 3,920,555

Special Purpose Fund balances represent funding for specific programs. The majority of funding is from the Ministry of Education for programs such as the Annual Facility Grant, Learning Improvement Fund, Community Link, Early Learning programs, OLEP French, Specialized Equipment Grant and SetBC. Revenues match expenditures for the specific program. Unspent funds are carried forward and utilized for the intended purpose in the subsequent year(s). Other Special Purpose funds include Government of Canada funding for youth and environmental programs, scholarships and contributor restricted funds.

NOTE 13c LOCAL CAPITAL FUND BALANCE, END OF YEAR

	June 30 2015	Increases	Decreases	June 30 , 2016
Local Capital Reserve	\$ 5,944,155	\$ 415,187	\$ (3,194,572)	\$ 3,164,770

Local Capital fund reserves represent a portion of accumulated operating surplus designated to fund the purchase of Tangible Capital Assets (TCA). The balance in local capital is increased through a decision by the board and management to target funds for the purchase of capital assets or through proceeds of the sale of board owned and funded capital assets.

Funds may not be transferred from unrestricted reserve to Local Capital Reserve if doing so would cause or increase a negative unrestricted reserve. However, the proceeds on the disposal of board funded TCA MUST BE credited to Local Capital Reserve. Local Capital Reserves may be transferred back to Unrestricted Operating Reserve through special approval from the Board of Education.

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 October 31, 2017 and July 31, 2020. The School District is obligated to make the following minimum lease payments under its operating leases in each of the following fiscal years ending:

June 30, 2017	\$ 83,340
June 30, 2018	68,316
June 30, 2019	60,804
June 30, 2020	\$ 60,804

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

NOTE 16 BUDGET FIGURES

The budget figures used in these financial statements are the amended budget approved by the Board of Education on February 15, 2016. This budget was amended from the original budget approved on May 11, 2015 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	\$ 135,169,987	\$ 4,779,149	\$ 139,949,136
Other grants	75,193	-	75,193
Federal grants	-	15,228	15,228
Tuition	2,000,382	509,246	2,509,628
Other revenue	10,792,518	163,495	10,956,013
Rental & lease	269,684	-	269,684
Investment income	311,000	1,000	312,000
Amortization of deferred capital revenue	3,033,670	23,014	3,056,684
	<u>151,652,434</u>	<u>5,491,132</u>	<u>157,143,566</u>
Expenses			
Instruction	111,680,560	5,735,520	117,416,080
District administrative	3,787,112	396,500	4,183,612
Operation & maintenance	20,423,394	1,404,162	21,827,556
Transportation & housing	4,536,247	189,276	4,725,523
Amortization of capital assets	4,575,648	105,834	4,681,482
Supplies and services	8,527,317	(166,270)	8,361,047
	<u>153,530,278</u>	<u>7,665,022</u>	<u>161,195,300</u>
Net revenue (expenses)	(1,877,844)	(2,173,890)	(4,051,734)
Budget allocation (retirement) of surplus (deficit)	508,970	2,291,250	2,800,220
Budgeted surplus (deficit) for the year	<u>\$ (1,368,874)</u>	<u>\$ 177,360</u>	<u>\$ (1,251,514)</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, 2016, 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 (BCICF) for investment. \$140,125 of the scholarship funds were endowment funds and \$33,632 of the funds were considered "Flow Thru" funds, which are utilized to service on-going awards. The Foundation invests all contributions to the Fund in accordance with the investment policy as established by the Foundation Board, and any provisions of legislation which regulates the activities of the Foundation. Income from the Fund shall be returned annually to the School District for distribution to the scholarship awardees. Disbursements will be at 5.00% of the endowment and this practise shall be reviewed with the Foundation at the end of the 10th year taking into account the actual and expected investment yields.

	June 30, 2015	Investment Income (Loss)	Increases	Decreases	June 30, 2016
Endowments held by:					
School District	\$ 10,000	\$ 10	\$ -	\$ (10)	\$ 10,000
BCICF	140,125	7,006		(7,006)	140,125
Total Endowments	\$ 150,125	\$ 7,016	\$ -	\$ (7,016)	\$ 150,125

NOTE 20 ASSET RETIREMENT OBLIGATION

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

NOTE 21 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds are reported on Schedule 2 – Schedule of Operations. For the year ended June 30, 2016 \$ NIL was transferred from the operating fund to the capital fund (2015 - \$ 1,425,648).

NOTE 22 RISK MANAGEMENT

A) GENERAL RISK MANAGEMENT

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

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

- To safeguard the 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.

NOTE 22 RISK MANAGEMENT (continued)

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

C) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the School District is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It'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 \$80,000.

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.

School District No. 73 (Kamloops/Thompson)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund

Year Ended June 30, 2016

	Operating Fund	Special Purpose Fund	Capital Fund	2016 Actual	2015 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	7,256,624	150,125	27,494,266	34,901,015	34,990,215
Changes for the year					
Surplus (Deficit) for the year	(2,092,803)	177,648	(1,209,582)	(3,124,737)	(89,200)
Net Changes for the year	(2,092,803)	177,648	(1,209,582)	(3,124,737)	(89,200)
Accumulated Surplus (Deficit), end of year - Statement 2	5,163,821	327,773	26,284,684	31,776,278	34,901,015

School District No. 73 (Kamloops/Thompson)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	129,632,870	129,319,522	124,615,087
Other	75,193	127,047	125,772
Tuition	2,509,628	2,476,159	2,061,150
Other Revenue	3,497,759	3,422,413	3,101,419
Rentals and Leases	269,684	296,842	310,863
Investment Income	216,000	226,318	331,326
Total Revenue	<u>136,201,134</u>	<u>135,868,301</u>	<u>130,545,617</u>
Expenses			
Instruction	113,115,762	112,810,635	104,844,760
District Administration	4,183,612	3,899,951	3,954,676
Operations and Maintenance	16,976,457	16,792,516	16,087,758
Transportation and Housing	4,725,523	4,458,002	4,417,561
Total Expense	<u>139,001,354</u>	<u>137,961,104</u>	<u>129,304,755</u>
Operating Surplus (Deficit) for the year	<u>(2,800,220)</u>	<u>(2,092,803)</u>	<u>1,240,862</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>2,800,220</u>		
Net Transfers (to) from other funds			
Local Capital			(1,425,648)
Total Net Transfers	<u>-</u>	<u>-</u>	<u>(1,425,648)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>(2,092,803)</u>	<u>(184,786)</u>
Operating Surplus (Deficit), beginning of year		7,256,624	7,441,410
Operating Surplus (Deficit), end of year		<u>5,163,821</u>	<u>7,256,624</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		5,103,213	7,158,884
Unrestricted		60,608	97,740
Total Operating Surplus (Deficit), end of year		<u>5,163,821</u>	<u>7,256,624</u>

School District No. 73 (Kamloops/Thompson)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	131,287,381	130,954,506	127,687,792
AANDC/LEA Recovery	(2,451,810)	(2,613,929)	(2,379,615)
Strike Savings Recovery			(4,342,873)
Other Ministry of Education Grants			
Labour Settlement Funding			2,656,131
Pay Equity	575,959	575,959	575,959
Funding for Graduated Adults		15,981	102,306
Economic Stability Dividend	77,922	105,845	
Foundation Skills Assessment	18,668	18,668	18,668
Carbon Tax Grant	100,000	160,886	156,731
BCPSEA Extended Health Standardization			114,988
PL Assessment		14,046	15,000
BC Case Focus Group			10,000
Curriculum Implementation	24,750	24,750	
Next Generation Network Self Provisioned Allocation		62,810	
Total Provincial Grants - Ministry of Education	<u>129,632,870</u>	<u>129,319,522</u>	<u>124,615,087</u>
Provincial Grants - Other	<u>75,193</u>	<u>127,047</u>	<u>125,772</u>
Tuition			
Offshore Tuition Fees	2,509,628	2,476,159	2,061,150
Total Tuition	<u>2,509,628</u>	<u>2,476,159</u>	<u>2,061,150</u>
Other Revenues			
LEA/Direct Funding from First Nations	2,500,071	2,562,393	2,292,311
Miscellaneous			
City of Kamloops	95,000	96,000	96,000
Course Fees		107,138	93,916
Student Paid Meals		159,128	142,838
Trades and Transitions Program	511,125	249,196	264,135
Miscellaneous Revenue	391,563	248,558	212,219
Total Other Revenue	<u>3,497,759</u>	<u>3,422,413</u>	<u>3,101,419</u>
Rentals and Leases	<u>269,684</u>	<u>296,842</u>	<u>310,863</u>
Investment Income	<u>216,000</u>	<u>226,318</u>	<u>331,326</u>
Total Operating Revenue	<u><u>136,201,134</u></u>	<u><u>135,868,301</u></u>	<u><u>130,545,617</u></u>

School District No. 73 (Kamloops/Thompson)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Salaries			
Teachers	58,374,098	58,821,670	54,494,422
Principals and Vice Principals	7,998,022	7,701,307	7,575,703
Educational Assistants	7,890,738	8,162,367	8,124,569
Support Staff	14,892,176	15,314,401	14,683,223
Other Professionals	2,978,412	3,182,710	2,688,266
Substitutes	5,613,665	5,344,362	4,564,275
Total Salaries	97,747,111	98,526,817	92,130,458
Employee Benefits	21,972,167	24,026,892	22,568,086
Total Salaries and Benefits	119,719,278	122,553,709	114,698,544
Services and Supplies			
Services	3,006,291	2,784,721	2,393,063
Student Transportation	376,783	367,795	355,518
Professional Development and Travel	1,776,567	1,459,553	1,728,712
Dues and Fees	95,536	81,910	84,620
Insurance	527,724	490,921	469,532
Supplies	10,497,353	7,537,051	7,068,964
Utilities	3,001,822	2,685,444	2,505,802
Total Services and Supplies	19,282,076	15,407,395	14,606,211
Total Operating Expense	139,001,354	137,961,104	129,304,755

School District No. 73 (Kamloops/Thompson)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2016

	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	45,127,796	946,972		1,121,792	380,203	3,072,782	50,649,545
1.03 Career Programs	208,230					14,051	222,281
1.07 Library Services	1,519,753	210,438		1,137,112		160,583	3,027,886
1.08 Counselling	1,436,542			532,252		122,696	2,091,490
1.10 Special Education	8,055,580	315,658	6,909,179	75,402		1,050,550	16,406,369
1.30 English Language Learning	126,714					8,550	135,264
1.31 Aboriginal Education	410,111	89,811	1,253,188		312,908	75,529	2,141,547
1.41 School Administration		5,787,052		853,378		123,698	6,764,128
1.60 Summer School	106,621	13,628				7,540	127,789
1.61 Continuing Education	282,482	232,528		88,709		65,910	669,629
1.62 Offshore Students	431,878			31,492	85,292	31,474	580,136
1.64 Other	1,115,963	105,220		69,698		152,576	1,443,457
Total Function 1	58,821,670	7,701,307	8,162,367	3,909,835	778,403	4,885,939	84,259,521
4 District Administration							
4.11 Educational Administration				144,964	520,429		665,393
4.40 School District Governance					172,343		172,343
4.41 Business Administration				654,937	917,466		1,572,403
Total Function 4	-	-	-	799,901	1,610,238	-	2,410,139
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				73,049	392,963		466,012
5.50 Maintenance Operations				7,392,104	286,666	292,724	7,971,494
5.52 Maintenance of Grounds				854,800			854,800
5.56 Utilities							-
Total Function 5	-	-	-	8,319,953	679,629	292,724	9,292,306
7 Transportation and Housing							
7.41 Transportation and Housing Administration				119,529	114,440		233,969
7.70 Student Transportation				2,165,183		165,699	2,330,882
Total Function 7	-	-	-	2,284,712	114,440	165,699	2,564,851
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	58,821,670	7,701,307	8,162,367	15,314,401	3,182,710	5,344,362	98,526,817

School District No. 73 (Kamloops/Thompson)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2016

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2016 Actual	2016 Budget	2015 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	50,649,545	12,679,602	63,329,147	3,744,186	67,073,333	67,567,626	63,991,004
1.03 Career Programs	222,281	56,029	278,310		278,310	269,194	255,717
1.07 Library Services	3,027,886	738,325	3,766,211	283,667	4,049,878	3,921,949	3,849,930
1.08 Counselling	2,091,490	517,573	2,609,063	22	2,609,085	2,514,529	2,536,907
1.10 Special Education	16,406,369	4,095,604	20,501,973	731,195	21,233,168	20,499,207	18,843,952
1.30 English Language Learning	135,264	34,095	169,359		169,359	163,811	155,612
1.31 Aboriginal Education	2,141,547	429,059	2,570,606	324,730	2,895,336	3,039,405	2,582,360
1.41 School Administration	6,764,128	1,569,929	8,334,057	467,731	8,801,788	8,761,895	8,352,829
1.60 Summer School	127,789	24,490	152,279	1,540	153,819	146,347	16,079
1.61 Continuing Education	669,629	97,848	767,477	678,695	1,446,172	2,241,334	1,317,292
1.62 Offshore Students	580,136	143,488	723,624	1,476,760	2,200,384	2,163,225	1,716,054
1.64 Other	1,443,457	335,058	1,778,515	121,488	1,900,003	1,827,240	1,227,024
Total Function 1	84,259,521	20,721,100	104,980,621	7,830,014	112,810,635	113,115,762	104,844,760
4 District Administration							
4.11 Educational Administration	665,393	144,608	810,001	263,633	1,073,634	1,246,081	1,143,837
4.40 School District Governance	172,343	12,142	184,485	116,180	300,665	322,920	303,678
4.41 Business Administration	1,572,403	342,379	1,914,782	610,870	2,525,652	2,614,611	2,507,161
Total Function 4	2,410,139	499,129	2,909,268	990,683	3,899,951	4,183,612	3,954,676
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	466,012	92,613	558,625	321,890	880,515	952,056	859,877
5.50 Maintenance Operations	7,971,494	1,854,329	9,825,823	1,873,053	11,698,876	11,553,988	11,287,707
5.52 Maintenance of Grounds	854,800	219,268	1,074,068	453,613	1,527,681	1,468,591	1,434,372
5.56 Utilities	-	-	-	2,685,444	2,685,444	3,001,822	2,505,802
Total Function 5	9,292,306	2,166,210	11,458,516	5,334,000	16,792,516	16,976,457	16,087,758
7 Transportation and Housing							
7.41 Transportation and Housing Administration	233,969	51,155	285,124	112,550	397,674	398,116	380,232
7.70 Student Transportation	2,330,882	589,298	2,920,180	1,140,148	4,060,328	4,327,407	4,037,329
Total Function 7	2,564,851	640,453	3,205,304	1,252,698	4,458,002	4,725,523	4,417,561
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	98,526,817	24,026,892	122,553,709	15,407,395	137,961,104	139,001,354	129,304,755

School District No. 73 (Kamloops/Thompson)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	6,332,773	6,002,618	5,283,629
Federal Grants	15,228		27
Other Revenue	7,180,000	4,911,732	5,047,594
Investment Income	1,000		
Income (Loss) from Investments in Government Business Enterprises		177,648	(696,709)
Total Revenue	<u>13,529,001</u>	<u>11,091,998</u>	<u>9,634,541</u>
Expenses			
Instruction	4,300,318	4,469,727	3,995,207
Operations and Maintenance	867,636	772,739	720,739
Supplies	8,361,047	5,671,884	5,615,304
Total Expense	<u>13,529,001</u>	<u>10,914,350</u>	<u>10,331,250</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>177,648</u>	<u>(696,709)</u>
Total Special Purpose Surplus (Deficit) for the year	<u><u>-</u></u>	<u><u>177,648</u></u>	<u><u>(696,709)</u></u>
Special Purpose Surplus (Deficit), beginning of year		150,125	846,834
Special Purpose Surplus (Deficit), end of year		<u><u>327,773</u></u>	<u><u>150,125</u></u>
Special Purpose Surplus (Deficit), end of year			
Related Entities		177,648	
Endowment Contributions		150,125	150,125
Total Special Purpose Surplus (Deficit), end of year		<u><u>327,773</u></u>	<u><u>150,125</u></u>

School District No. 73 (Kamloops/Thompson)

Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2016

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Related Entities	Strong Start	Ready, Set, Learn	OLEP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	106,040		54,281	64,323	2,084,382				
Add: Restricted Grants									
Provincial Grants - Ministry of Education	761,596	2,712,825	6,887				224,000	80,850	229,541
Other				12,650	4,518,963				
Investment Income				228					
	761,596	2,712,825	6,887	12,878	4,518,963	-	224,000	80,850	229,541
Less: Allocated to Revenue	772,739	2,712,825	24,666	11,400	4,109,014		224,000	80,850	229,541
Deferred Revenue, end of year	94,897	-	36,502	65,801	2,494,331	-	-	-	-
Revenues									
Provincial Grants - Ministry of Education	772,739	2,712,825	24,666				224,000	80,850	229,541
Other Revenue				11,400	4,109,014				
Income (Loss) from Investments in Government Business Enterprises						177,648			
	772,739	2,712,825	24,666	11,400	4,109,014	177,648	224,000	80,850	229,541
Expenses									
Salaries									
Teachers		1,842,338							32,000
Educational Assistants							147,096		
Support Staff		436,972							
Other Professionals									
Substitutes							102		7,966
	-	2,279,310	-	-	-	-	147,198	-	39,966
Employee Benefits		433,515					42,456		8,004
Services and Supplies			24,666	11,400	4,109,014		34,346	80,850	181,571
Building Repairs and Maintenance	772,739								
	772,739	2,712,825	24,666	11,400	4,109,014	-	224,000	80,850	229,541
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	177,648	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	177,648	-	-	-

School District No. 73 (Kamloops/Thompson)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2016

	Community- LINK	Service Delivery Transformation	Early Learning	Literacy Innovation	BCLCA/ E-Learning	Gov't of Canada Environmental Program	Gov't of Canada Youth Program	Contributor Restricted	SetBC
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	538,446	90,125	15,000	39,984	8,985	15,228	130,990	616,938	
Add: Restricted Grants									
Provincial Grants - Ministry of Education	1,568,055								122,015
Other								832,573	
Investment Income									
	1,568,055	-	-	-	-	-	-	832,573	122,015
Less: Allocated to Revenue	1,745,765	90,125	92	-	-	-	-	791,318	122,015
Deferred Revenue, end of year	360,736	-	14,908	39,984	8,985	15,228	130,990	658,193	-
Revenues									
Provincial Grants - Ministry of Education	1,745,765	90,125	92						122,015
Other Revenue								791,318	
Income (Loss) from Investments in Government Business Enterprises									
	1,745,765	90,125	92	-	-	-	-	791,318	122,015
Expenses									
Salaries									
Teachers	965,095							7,301	90,608
Educational Assistants	1,290								
Support Staff								81,785	
Other Professionals		71,871							
Substitutes	1,612							384	
	967,997	71,871	-	-	-	-	-	89,470	90,608
Employee Benefits	240,238	17,226						19,058	22,810
Services and Supplies	537,530	1,028	92					682,790	8,597
Building Repairs and Maintenance									
	1,745,765	90,125	92	-	-	-	-	791,318	122,015
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 73 (Kamloops/Thompson)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2016

	<u>TOTAL</u>
	\$
Deferred Revenue, beginning of year	3,764,722
Add: Restricted Grants	
Provincial Grants - Ministry of Education	5,705,769
Other	5,364,186
Investment Income	228
	<u>11,070,183</u>
Less: Allocated to Revenue	<u>10,914,350</u>
Deferred Revenue, end of year	<u><u>3,920,555</u></u>
Revenues	
Provincial Grants - Ministry of Education	6,002,618
Other Revenue	4,911,732
Income (Loss) from Investments in Government Business Enterprises	177,648
	<u>11,091,998</u>
Expenses	
Salaries	
Teachers	2,937,342
Educational Assistants	148,386
Support Staff	518,757
Other Professionals	71,871
Substitutes	10,064
	<u>3,686,420</u>
Employee Benefits	783,307
Services and Supplies	5,671,884
Building Repairs and Maintenance	772,739
	<u>10,914,350</u>
Net Revenue (Expense) before Interfund Transfers	<u>177,648</u>
Interfund Transfers	<u>-</u>
Net Revenue (Expense)	<u><u>177,648</u></u>

School District No. 73 (Kamloops/Thompson)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2016

	2016 Budget	2016 Actual			2015 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	3,983,493	2,884,059		2,884,059	2,920,522
Other				-	672,544
Other Revenue	278,254		318,178	318,178	
Investment Income	95,000		97,009	97,009	122,401
Amortization of Deferred Capital Revenue	3,056,684	3,056,680		3,056,680	2,920,572
Total Revenue	7,413,431	5,940,739	415,187	6,355,926	6,636,039
Expenses					
Operations and Maintenance	3,983,493	2,884,059		2,884,059	2,920,522
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,681,452	4,681,449		4,681,449	4,348,870
Total Expense	8,664,945	7,565,508	-	7,565,508	7,269,392
Capital Surplus (Deficit) for the year	(1,251,514)	(1,624,769)	415,187	(1,209,582)	(633,353)
Net Transfers (to) from other funds					
Local Capital				-	1,425,648
Total Net Transfers	-	-	-	-	1,425,648
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		3,194,572	(3,194,572)	-	
Total Other Adjustments to Fund Balances		3,194,572	(3,194,572)	-	
Total Capital Surplus (Deficit) for the year	(1,251,514)	1,569,803	(2,779,385)	(1,209,582)	792,295
Capital Surplus (Deficit), beginning of year		21,550,111	5,944,155	27,494,266	26,701,971
Capital Surplus (Deficit), end of year		23,119,914	3,164,770	26,284,684	27,494,266

School District No. 73 (Kamloops/Thompson)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2016

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	10,345,129	130,897,739	7,701,165	11,602,220	644,039	2,000,629	163,190,921
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw			1,185,764				1,185,764
Deferred Capital Revenue - Other			3,325				3,325
Local Capital		275,909	1,457,502	355,109	25,968	1,080,084	3,194,572
	-	275,909	2,646,591	355,109	25,968	1,080,084	4,383,661
Decrease:							
Deemed Disposals			274,898	910,312		302,457	1,487,667
	-	-	274,898	910,312	-	302,457	1,487,667
Cost, end of year	10,345,129	131,173,648	10,072,858	11,047,017	670,007	2,778,256	166,086,915
Work in Progress, end of year							-
Cost and Work in Progress, end of year	10,345,129	131,173,648	10,072,858	11,047,017	670,007	2,778,256	166,086,915
Accumulated Amortization, beginning of year		87,792,319	3,271,830	4,252,774	322,766	782,318	96,422,007
Changes for the Year							
Increase: Amortization for the Year		2,222,176	770,117	1,160,222	128,808	400,126	4,681,449
Decrease:							
Deemed Disposals			274,898	910,312		302,457	1,487,667
			274,898	910,312		302,457	1,487,667
Accumulated Amortization, end of year		90,014,495	3,767,049	4,502,684	451,574	879,987	99,615,789
Tangible Capital Assets - Net	10,345,129	41,159,153	6,305,809	6,544,333	218,433	1,898,269	66,471,126

School District No. 73 (Kamloops/Thompson)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2016

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
Deferred Capital Revenue, beginning of year	\$ 43,229,297	\$ 58,796	\$ 2,067,545	\$ 45,355,638
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,185,764		3,325	1,189,089
	<u>1,185,764</u>	<u>-</u>	<u>3,325</u>	<u>1,189,089</u>
Decrease:				
Amortization of Deferred Capital Revenue	2,900,215	14,995	141,470	3,056,680
	<u>2,900,215</u>	<u>14,995</u>	<u>141,470</u>	<u>3,056,680</u>
Net Changes for the Year	<u>(1,714,451)</u>	<u>(14,995)</u>	<u>(138,145)</u>	<u>(1,867,591)</u>
Deferred Capital Revenue, end of year	<u>41,514,846</u>	<u>43,801</u>	<u>1,929,400</u>	<u>43,488,047</u>
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Work in Progress, end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Capital Revenue, end of year	<u>41,514,846</u>	<u>43,801</u>	<u>1,929,400</u>	<u>43,488,047</u>

School District No. 73 (Kamloops/Thompson)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2016

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ 59,550	\$ 69,569	\$ -	\$ -	\$ 71,778	\$ 200,897
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	4,146,650					4,146,650
Other					8,777	8,777
Investment Income		699			742	1,441
Transfer project surplus to MEd Restricted (from) Bylaw	(136,377)	136,377				-
	4,010,273	137,076	-	-	9,519	4,156,868
Decrease:						
Transferred to DCR - Capital Additions	1,185,764				3,325	1,189,089
Building Repairs and Maintenance	2,884,059					2,884,059
	4,069,823	-	-	-	3,325	4,073,148
Net Changes for the Year	(59,550)	137,076	-	-	6,194	83,720
Balance, end of year	-	206,645	-	-	77,972	284,617