

Audited Financial Statements of

School District No. 73 (Kamloops/Thompson)

June 30, 2015

School District No. 73 (Kamloops/Thompson)

June 30, 2015

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School District No. 73 (Kamloops/Thompson)

MANAGEMENT REPORT

Version: 3873-3127-1145

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 14,2015
Signature of the Chairperson of the Board of Education	Date Signed
Signature on file	September 14,2015
Signature of the Superintendent	Date Signed
Signature on file	September 14,2015
Signature of the Secretary Treasurer	Date Signed



Tel: 250 372 9505
Fax: 250 374 6323
www.bdo.ca

BDO Canada LLP
300 - 272 Victoria Street
Kamloops BC V2C 1Z6

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, 2015, 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, 2015, and the Statements of Operations, Change in Net Financial Assets (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.



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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 Professional Accountants

Kamloops, British Columbia
September 14, 2015

School District No. 73 (Kamloops/Thompson)

Statement 1

Statement of Financial Position

As at June 30, 2015

	2015 Actual	2014 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents (Note 2c)	23,280,409	23,564,328
Accounts Receivable		
Due from Province - Ministry of Education	257,534	1,612,188
Due from LEA/Direct Funding	708,416	1,123,407
Other (Note 3)	1,090,228	1,175,471
Investments in Government Business Enterprises (Note 6)	-	696,709
Portfolio Investments (Note 5)	5,027,139	7,027,139
Total Financial Assets	30,363,726	35,199,242
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education (Note 7)		2,903,891
Other (Note 7)	8,667,315	8,162,606
Unearned Revenue (Note 8)	1,268,444	725,920
Deferred Revenue (Note 9)	3,764,722	3,519,981
Deferred Capital Revenue (Note 10)	45,556,535	46,715,524
Employee Future Benefits (Note 11)	3,828,797	3,670,173
Other Liabilities	84,375	187,843
Total Liabilities	63,170,188	65,885,938
Net Financial Assets (Debt)	(32,806,462)	(30,686,696)
Non-Financial Assets		
Tangible Capital Assets (Note 4)	66,768,914	64,867,983
Restricted Assets (Endowments) (Note 19)	150,125	150,125
Prepaid Expenses (Note 2l)	404,265	291,710
Supplies Inventory (Note 2m)	384,173	367,093
Total Non-Financial Assets	67,707,477	65,676,911
Accumulated Surplus (Deficit)	34,901,015	34,990,215

Contractual Obligations and Contingencies

Approved by the Board

Signature on file

September 14, 2015

Signature of the Chairperson of the Board of Education

Date Signed

Signature on file

September 14, 2015

Signature of the Superintendent

Date Signed

Signature on file

September 14, 2015

Signature of the Secretary Treasurer

Date Signed

School District No. 73 (Kamloops/Thompson)

Statement 2

Statement of Operations
Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	134,744,244	132,819,238	129,241,104
Other	75,193	125,772	125,772
Federal Grants		27	40,472
Tuition	1,950,382	2,061,150	1,456,269
Other Revenue	11,023,729	8,821,557	7,560,428
Rentals and Leases	263,685	310,863	302,072
Investment Income	337,000	453,727	359,189
Income (Loss) from Investments in Government Business Enterprises		(696,709)	(50,445)
Amortization of Deferred Capital Revenue	2,920,572	2,920,572	2,787,700
Total Revenue	151,314,805	146,816,197	141,822,561
Expenses (Note 21)			
Instruction	110,313,387	108,839,967	103,185,776
District Administration	4,008,776	3,954,676	3,572,638
Operations and Maintenance	24,596,477	24,077,889	22,954,170
Transportation and Housing	4,597,788	4,417,561	4,298,252
Supplies	8,656,385	5,615,304	5,722,347
Total Expense	152,172,813	146,905,397	139,733,183
Surplus (Deficit) for the year	(858,008)	(89,200)	2,089,378
Accumulated Surplus (Deficit) from Operations, beginning of year		34,990,215	32,900,837
Accumulated Surplus (Deficit) from Operations, end of year		34,901,015	34,990,215

School District No. 73 (Kamloops/Thompson)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(858,008)	(89,200)	2,089,378
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(7,494,707)	(6,249,801)	(6,514,251)
Amortization of Tangible Capital Assets	4,348,870	4,348,870	4,153,666
Total Effect of change in Tangible Capital Assets	(3,145,837)	(1,900,931)	(2,360,585)
Acquisition of Prepaid Expenses		(112,555)	(95,487)
Acquisition of Supplies Inventory		(17,080)	
Use of Supplies Inventory			1,921
Total Effect of change in Other Non-Financial Assets	-	(129,635)	(93,566)
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	(4,003,845)	(2,119,766)	(364,773)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		(2,119,766)	(364,773)
Net Financial Assets (Debt), beginning of year		(30,686,696)	(30,321,923)
Net Financial Assets (Debt), end of year		(32,806,462)	(30,686,696)

School District No. 73 (Kamloops/Thompson)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2015

	2015 Actual	2014 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(89,200)	2,089,378
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	1,854,888	(1,074,975)
Supplies Inventories	(17,080)	1,921
Prepaid Expenses	(112,555)	(95,487)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(2,399,180)	2,889,909
Unearned Revenue	542,526	103,962
Deferred Revenue	244,741	(63,710)
Employee Future Benefits	158,626	298,898
Other Liabilities	(103,474)	(21,470)
Amortization of Tangible Capital Assets	4,348,870	4,153,666
Amortization of Deferred Capital Revenue	(2,920,572)	(2,787,700)
Building Maintenance/Roofing Projects	(2,920,522)	(2,536,957)
Total Operating Transactions	(1,412,932)	2,957,435
Capital Transactions		
Tangible Capital Assets Purchased	(6,249,801)	(6,514,251)
Total Capital Transactions	(6,249,801)	(6,514,251)
Financing Transactions		
Capital Revenue Received	4,682,105	7,321,400
Total Financing Transactions	4,682,105	7,321,400
Investing Transactions		
Investments in Portfolio Investments	2,000,000	1,000,000
Decrease (Increase) in Investments in Government Business Enterprises	696,709	50,445
Total Investing Transactions	2,696,709	1,050,445
Net Increase (Decrease) in Cash and Cash Equivalents	(283,919)	4,815,029
Cash and Cash Equivalents, beginning of year	23,564,328	18,749,299
Cash and Cash Equivalents, end of year	23,280,409	23,564,328
Cash and Cash Equivalents, end of year, is made up of:		
Cash	23,280,409	23,564,328
	23,280,409	23,564,328

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 Canadian Institute of Chartered Accountants ("CICA") 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, 2014 – increase in annual surplus by \$2,104,541

June 30, 2014 - increase in accumulated surplus and decrease in deferred contributions by \$45,000,483

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

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," formerly 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.

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 9.8 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 October 31, 2015 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 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) 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

s) Measurement Uncertainty

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

NOTE 3 ACCOUNTS RECEIVABLE - OTHER

	<u>2015</u>	<u>2014</u>
Due from Federal Government	\$ 172,187	\$ 159,462
Due from Other School Districts	27,797	34,479
Other	899,290	990,603
Allowance for Doubtful Accounts	(9,046)	(9,073)
	<u>\$ 1,090,228</u>	<u>\$ 1,175,471</u>

School District No. 73 (Kamloops/Thompson)

Notes to Financial Statements

June 30, 2015

NOTE 4 TANGIBLE CAPITAL ASSETS

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	128,439,190	2,404,549	-	-	130,897,739
Furniture & Equipment	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	600,337	43,705	-	-	644,039
Computer Hardware	1,983,626	316,075	299,072	-	2,000,629
Total	\$ 157,760,280	\$ 2,974,074	\$ 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
Totals	\$ 92,892,297	\$ 4,348,870	\$ 819,160	\$ 96,422,007

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 & Fixtures	5,945,731	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
Totals	\$ 152,642,250	\$ 6,514,251	\$ 1,396,221	-	\$ 157,760,280

Accumulated Amortization	Balance at July 1, 2013	Additions	Disposals	Balance at June 30, 2014
Buildings	\$ 83,449,025	\$ 2,175,810	\$ -	\$ 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
Total	\$ 90,134,852	\$ 4,153,666	\$ 1,396,221	\$ 92,892,297

Net Book Value

	Net Book Value June 30, 2015	Net Book Value June 30, 2014
Sites	\$ 10,345,129	\$ 10,345,129
Buildings	43,105,420	42,899,149
Furniture & Equipment	4,429,335	3,953,665
Vehicles	7,349,446	5,973,444
Computer Software	321,273	397,635
Computer Hardware	1,218,311	1,298,961
Total	\$ 66,768,914	\$ 64,867,983

School District No. 73 (Kamloops/Thompson)

Notes to Financial Statements

June 30, 2015

NOTE 5 PORTFOLIO INVESTMENTS

	Interest Rate	Maturity Date	2015	2014
GIC	2.30%	12/29/2014	\$ -	\$1,000,000
GIC	2.30%	06/08/2015	-	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			5,000,000	7,000,000
BCICF			27,139	27,139
Total Portfolio Investments			\$ 5,027,139	\$ 7,027,139

Interest accrued under the amortized cost is \$ 105,778 (2014 - \$ 190,793) and is included in other accounts receivable.

School District No. 73 (Kamloops/Thompson)

Notes to Financial Statements

June 30, 2015

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, 2015, is as follows:

Balance Sheet	2015	2014
Current Assets		
Cash and Bank	\$ 506,121	\$ 499,266
Accounts Receivable	326,869	208,124
Prepaid Expenses	1,546	1,461
Due from Virtual School Society	2,000	50,000
	<u>836,536</u>	<u>759,211</u>
Property, plant and equipment	135,767	168,458
Total Assets	<u>972,303</u>	<u>927,669</u>
Current Liabilities		
Accounts Payable	130,832	185,850
Deferred Revenue	97,270	98,949
Due to Shareholder	127,665	122,522
	<u>357,343</u>	<u>407,221</u>
Shareholders' equity		
Share Capital	1	1
Contributed surplus	370,101	307,101
Retained earnings	244,857	150,346
	<u>614,959</u>	<u>520,448</u>
Total Liabilities and Shareholders' equity	<u>972,302</u>	<u>927,669</u>
Statement of Operations		
Revenue	2,354,973	2,450,438
Expenses	2,258,964	2,390,856
Income from Operations	<u>96,009</u>	<u>59,582</u>
Net Income for Year	96,009	59,582
Retained Earnings, beginning of Year	150,346	90,764
Retained Earnings, end of year	<u>\$ 246,355</u>	<u>\$ 150,346</u>

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 INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES (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 \$ (267,393) in net loss earned from April 1, 2015 to June 30, 2015 and excludes \$546,364 in net income earned from April 1, 2014 to June 30, 2014. 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 \$ 117,670 (2014 - \$ 122,522) in respect of administrative support provided to SD73BC.

NOTE 7 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2015	2014
Trade Payable	\$ 1,648,392	\$ 2,581,511
Salaries and Benefits Payable	5,221,107	3,708,553
Accrued Vacation Payable	1,797,816	1,872,542
	<u>\$ 8,667,315</u>	<u>\$ 8,162,606</u>

NOTE 8 UNEARNED REVENUE

	2015	2014
Balance, beginning of year	\$ 725,920	\$ 621,958
Changes for the year		
Increase:		
Tuition Fees	1,251,850	1,560,230
Rental/Lease of Facilities	96,000	96,000
Decrease:		
Tuition Fees	(707,226)	(1,456,268)
Rental/Lease of Facilities	(98,100)	(96,000)
Net changes for the year	<u>542,496</u>	<u>103,962</u>
Balance, end of year	<u>\$ 1,268,444</u>	<u>\$ 725,920</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.

	2015	2014
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 4,613,367	\$ 4,605,313
Service Cost	309,657	310,769
Interest Cost	154,587	142,280
Benefit Payments – April 1 to March 31 - VESTED	(326,890)	(185,308)
Benefit Payments – April 1 to March 31 – NON-VESTED	(104,621)	(108,951)
Actuarial (Gain) Loss	515,080	(150,736)
Accrued Benefit Obligation – March 31	5,161,180	4,613,367
Change in Plan Assets		
Employer Contributions – April 1 to March 31	431,511	294,259
Benefit Payments – April 1 to March 31	(431,511)	(294,259)
Market Value of Plan Assets - March 31	-	-
Reconciliation of Funded Status as End of Fiscal Year		
Accrued Benefit Obligation – March 31	5,161,180	4,613,367
Funded Status – Surplus (Deficit)	(5,160,180)	(4,613,367)
Employer Contributions After Measurement Date – April 1 to June 30 – Vested	56,541	60,914
Benefit Expense After Measurement Date April 1 to June 30	(119,020)	(116,061)
Unamortized Net Actuarial (Gain)/Loss	1,394,862	998,341
Accrued Benefit (Liability) Asset – June 30	(3,828,797)	(3,670,172)
Components of Net Benefit Expense		
Service Cost – July 1 to March 31	232,243	233,077
Service Cost – April 1 to June 30	88,947	77,414
Interest Cost – July 1 to March 31	115,940	106,710
Interest Cost – April 1 to June 30	30,073	38,647
Amortization of Net Actuarial (Gain)/Loss	118,560	133,941
Net Benefit Expense (Income)	585,763	589,789

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

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

Accrued Benefit Liability (Asset) – July 1	3,670,172	3,371,274
Net Expense for Fiscal Year	585,763	589,789
Employer Contributions – July 1 to March 31	(370,597)	(229,977)
Employer Contributions – April 1 to June 30	(56,541)	(60,913)
Accrued Benefit Liability (Asset) – June 30	<u>\$ 3,828,797</u>	<u>\$ 3,670,173</u>

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

Assumptions	2015	2014
Discount Rate – April 1	3.25%	3.00%
Discount Rate – March 31	2.25%	3.25%
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	9.8	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 late 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 \$ 12,909,038 (2014 - \$ 12,213,604) for employer contributions to these plans in the year ended June 30, 2015.

NOTE 13 OPERATING FUND BALANCE, END OF YEAR

	June 30 2014	Increases	Decreases	June 30 , 2015
Internally Restricted Funds				
General Reserve	\$ 1,186,822	\$ 113,178	\$ -	\$ 1,300,000
Utility/Fuel Reserve	500,000	-	-	500,000
Operating Budget Reserve	1,291,215	158,785		1,450,000
Department Reserve	490,042	31,217	-	521,259
School Supply Reserve	1,449,946		(153,117)	1,296,829
Employee Benefit Reserve	1,780,804		(300,856)	1,479,948
First Nations Reserve	614,300		(3,452)	610,848
Total Internally Restricted	<u>7,313,129</u>	<u>303,180</u>	<u>(457,425)</u>	<u>7,158,884</u>
Unrestricted Funds				
AFG Other Reserve	128,281		(30,541)	97,740
Total Unrestricted	<u>128,281</u>		<u>(30,541)</u>	<u>97,740</u>
Total Operating Fund	<u>\$ 7,441,410</u>	<u>\$ 303,180</u>	<u>\$ (487,966)</u>	<u>\$ 7,256,624</u>

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, 2016	74,386
June 30, 2017	59,362
June 30, 2018	51,850
June 30, 2019	51,850
June 30, 2018	51,850

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 16, 2015. This budget was amended from the original budget approved on April 28, 2014 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	\$ 130,041,869	\$ 4,702,375	\$ 134,744,244
Other grants	106,443	(31,250)	75,193
Tuition	1,446,495	503,887	1,950,382
Other revenue	10,594,463	429,267	11,023,729
Rental & lease	263,684	-	263,684
Investment income	336,000	1,000	337,000
Amortization of deferred capital revenue	2,878,845	41,727	2,920,572
	<u>145,667,799</u>	<u>5,647,006</u>	<u>151,314,805</u>
Expenses:			
Instruction	106,835,764	3,477,623	110,313,387
District administrative	3,655,501	353,275	4,008,776
Operation & maintenance	19,999,410	248,197	20,247,607
Transportation & housing	4,558,245	39,543	4,597,788
Amortization of capital assets	4,323,748	25,122	4,348,870
Supplies and services	8,678,217		8,656,385
		(21,832)	
	<u>146,192,368</u>	<u>4,121,928</u>	<u>152,172,813</u>
Net revenue (expenses)	(2,383,086)	1,525,078	858,008
Budget allocation (retirement) of surplus (deficit)	1,254,037	521,125	1,775,162
Budgeted surplus (deficit) for the year	<u>\$ (1,129,049)</u>	<u>\$ 2,046,203</u>	<u>\$ 917,154</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, 2015, 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 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, 2014	Investment Income (Loss)	Increases	Decreases	June 30, 2015
Endowments held by:					
School District	\$ 10,000	\$ 249	\$ -	\$ (249)	\$ 10,000
Kamloops Foundation	140,125	5,848		(5,848)	140,125
Total Endowments	\$ 150,125	\$ 5,685	\$ -	\$ (5,685)	\$ 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, 2015 \$ 1,425,648 was transferred from the operating fund to the capital fund (2014 - \$ 947,389).

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.

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 22 RISK MANAGEMENT (continued)

C) MARKET RISK

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

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

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



Tel: 250 372 9505
Fax: 250 374 6323
www.bdo.ca

BDO Canada LLP
300 - 272 Victoria Street
Kamloops BC V2C 1Z6

Independent Auditor's Comments on Supplementary Information

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, 2015, 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, and have issued our report thereon dated September 14, 2015 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 Professional Accountants

Kamloops, British Columbia
September 14, 2015

School District No. 73 (Kamloops/Thompson)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2015

	Operating Fund	Special Purpose Fund	Capital Fund	2015 Actual	2014 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	7,441,410	846,834	26,701,971	34,990,215	32,900,837
Changes for the year					
Surplus (Deficit) for the year	1,240,862	(696,709)	(633,353)	(89,200)	2,089,378
Interfund Transfers					
Local Capital	(1,425,648)		1,425,648	-	
Net Changes for the year	(184,786)	(696,709)	792,295	(89,200)	2,089,378
Accumulated Surplus (Deficit), end of year - Statement 2	7,256,624	150,125	27,494,266	34,901,015	34,990,215

School District No. 73 (Kamloops/Thompson)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	124,508,431	124,615,087	121,730,430
Other	75,193	125,772	125,772
Tuition	1,950,382	2,061,150	1,456,269
Other Revenue	2,984,975	3,101,419	3,146,535
Rentals and Leases	263,685	310,863	302,072
Investment Income	196,000	331,326	239,228
Total Revenue	<u>129,978,666</u>	<u>130,545,617</u>	<u>127,000,306</u>
Expenses			
Instruction	106,476,628	104,844,760	100,340,251
District Administration	4,008,776	3,954,676	3,572,638
Operations and Maintenance	16,670,636	16,087,758	15,610,874
Transportation and Housing	4,597,788	4,417,561	4,298,252
Total Expense	<u>131,753,828</u>	<u>129,304,755</u>	<u>123,822,015</u>
Operating Surplus (Deficit) for the year	<u>(1,775,162)</u>	<u>1,240,862</u>	<u>3,178,291</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>1,775,162</u>		
Net Transfers (to) from other funds			
Local Capital		(1,425,648)	(947,389)
Total Net Transfers	<u>-</u>	<u>(1,425,648)</u>	<u>(947,389)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>(184,786)</u>	<u>2,230,902</u>
Operating Surplus (Deficit), beginning of year		7,441,410	5,210,508
Operating Surplus (Deficit), end of year		<u>7,256,624</u>	<u>7,441,410</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		7,158,884	7,313,129
Unrestricted		97,740	128,281
Total Operating Surplus (Deficit), end of year		<u>7,256,624</u>	<u>7,441,410</u>

School District No. 73 (Kamloops/Thompson)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	127,780,161	127,687,792	123,230,218
AANDC/LEA Recovery	(2,379,615)	(2,379,615)	(2,384,626)
Strike Savings Recovery	(4,342,873)	(4,342,873)	
Other Ministry of Education Grants			
Labour Settlement Funding	2,656,131	2,656,131	
Pay Equity	575,959	575,959	575,959
Funding for Graduated Adults	100,000	102,306	105,074
Foundation Skills Assessment	18,668	18,668	18,668
Carbon Tax Grant	100,000	156,731	181,137
K-9 Curriculum Redesign			4,000
BCPSEA Extended Health Standardization		114,988	
PL Assessment		15,000	
BC Case Focus Group		10,000	
Total Provincial Grants - Ministry of Education	124,508,431	124,615,087	121,730,430
Provincial Grants - Other	75,193	125,772	125,772
Tuition			
Offshore Tuition Fees	1,950,382	2,061,150	1,456,269
Total Tuition	1,950,382	2,061,150	1,456,269
Other Revenues			
LEA/Direct Funding from First Nations	2,412,268	2,292,311	2,388,588
Miscellaneous			
City of Kamloops	95,000	96,000	96,000
Course Fees		93,916	62,460
Student Paid Meals		142,838	94,298
Trades and Transitions Program	249,660	264,135	257,461
Miscellaneous Revenue	228,047	212,219	247,728
Total Other Revenue	2,984,975	3,101,419	3,146,535
Rentals and Leases	263,685	310,863	302,072
Investment Income	196,000	331,326	239,228
Total Operating Revenue	129,978,666	130,545,617	127,000,306

School District No. 73 (Kamloops/Thompson)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
Salaries			
Teachers	54,761,326	54,494,422	53,353,257
Principals and Vice Principals	7,746,788	7,575,703	7,052,440
Educational Assistants	7,323,668	8,124,569	8,105,113
Support Staff	14,641,104	14,683,223	14,184,672
Other Professionals	2,812,731	2,688,266	2,509,163
Substitutes	4,914,336	4,564,275	4,752,583
Total Salaries	92,199,953	92,130,458	89,957,228
Employee Benefits	21,918,948	22,568,086	20,089,178
Total Salaries and Benefits	114,118,901	114,698,544	110,046,406
Services and Supplies			
Services	2,611,575	2,393,063	2,095,860
Student Transportation	402,072	355,518	352,244
Professional Development and Travel	1,719,458	1,728,712	1,373,616
Dues and Fees	98,036	84,620	90,139
Insurance	503,176	469,532	448,630
Supplies	9,412,127	7,068,964	6,661,295
Utilities	2,888,483	2,505,802	2,753,825
Total Services and Supplies	17,634,927	14,606,211	13,775,609
Total Operating Expense	131,753,828	129,304,755	123,822,015

School District No. 73 (Kamloops/Thompson)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2015

	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	43,203,443	868,267		1,066,989	238,606	2,963,124	48,340,429
1.03 Career Programs	190,758					13,061	203,819
1.07 Library Services	1,392,240	217,067		1,111,380		140,375	2,861,062
1.08 Counselling	1,389,948			520,207		116,236	2,026,391
1.10 Special Education	6,902,790	271,333	6,572,292	73,696		864,116	14,684,227
1.30 English Language Learning	116,082					7,948	124,030
1.31 Aboriginal Education	167,181	84,686	1,552,277		75,898	7,354	1,887,396
1.41 School Administration		5,619,846		834,066		34,916	6,488,828
1.60 Summer School		13,628					13,628
1.61 Continuing Education	244,732	233,162		86,701		20,310	584,905
1.62 Off Shore Students	221,812	145,382		30,780		16,455	414,429
1.64 Other	665,436	122,332		54,188		47,778	889,734
Total Function 1	54,494,422	7,575,703	8,124,569	3,778,007	314,504	4,231,673	78,518,878
4 District Administration							
4.11 Educational Administration				137,574	523,833		661,407
4.40 School District Governance					171,424		171,424
4.41 Business Administration				636,713	907,981		1,544,694
Total Function 4	-	-	-	774,287	1,603,238	-	2,377,525
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				69,345	381,616		450,961
5.50 Maintenance Operations				7,044,324	293,934	185,698	7,523,956
5.52 Maintenance of Grounds				788,096		11,365	799,461
5.56 Utilities							-
Total Function 5	-	-	-	7,901,765	675,550	197,063	8,774,378
7 Transportation and Housing							
7.41 Transportation and Housing Administration				118,102	94,974		213,076
7.70 Student Transportation				2,111,062		135,539	2,246,601
Total Function 7	-	-	-	2,229,164	94,974	135,539	2,459,677
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	54,494,422	7,575,703	8,124,569	14,683,223	2,688,266	4,564,275	92,130,458

School District No. 73 (Kamloops/Thompson)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2015

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2015 Actual	2015 Budget	2014 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	48,340,429	12,208,341	60,548,770	3,442,234	63,991,004	64,979,902	60,981,696
1.03 Career Programs	203,819	51,898	255,717		255,717	255,373	246,371
1.07 Library Services	2,861,062	706,400	3,567,462	282,468	3,849,930	3,795,654	3,712,963
1.08 Counselling	2,026,391	510,516	2,536,907		2,536,907	2,503,445	2,436,837
1.10 Special Education	14,684,227	3,541,768	18,225,995	617,957	18,843,952	18,848,138	18,479,998
1.30 English Language Learning	124,030	31,582	155,612		155,612	155,401	149,923
1.31 Aboriginal Education	1,887,396	379,064	2,266,460	315,900	2,582,360	2,668,364	2,568,319
1.41 School Administration	6,488,828	1,422,982	7,911,810	441,019	8,352,829	8,561,130	7,721,690
1.60 Summer School	13,628	2,451	16,079		16,079		115,594
1.61 Continuing Education	584,905	133,486	718,391	598,901	1,317,292	1,606,004	1,240,840
1.62 Off Shore Students	414,429	131,907	546,336	1,169,718	1,716,054	1,711,980	1,378,182
1.64 Other	889,734	217,250	1,106,984	120,040	1,227,024	1,391,237	1,307,838
Total Function 1	78,518,878	19,337,645	97,856,523	6,988,237	104,844,760	106,476,628	100,340,251
4 District Administration							
4.11 Educational Administration	661,407	148,257	809,664	334,173	1,143,837	1,154,542	996,514
4.40 School District Governance	171,424	11,945	183,369	120,309	303,678	322,774	296,800
4.41 Business Administration	1,544,694	333,509	1,878,203	628,958	2,507,161	2,531,460	2,279,324
Total Function 4	2,377,525	493,711	2,871,236	1,083,440	3,954,676	4,008,776	3,572,638
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	450,961	89,157	540,118	319,759	859,877	938,710	935,025
5.50 Maintenance Operations	7,523,956	1,818,112	9,342,068	1,945,639	11,287,707	11,381,816	10,528,226
5.52 Maintenance of Grounds	799,461	205,073	1,004,534	429,838	1,434,372	1,461,627	1,387,758
5.56 Utilities	-	-	-	2,505,802	2,505,802	2,888,483	2,759,865
Total Function 5	8,774,378	2,112,342	10,886,720	5,201,038	16,087,758	16,670,636	15,610,874
7 Transportation and Housing							
7.41 Transportation and Housing Administration	213,076	48,331	261,407	118,825	380,232	377,174	372,586
7.70 Student Transportation	2,246,601	576,057	2,822,658	1,214,671	4,037,329	4,220,614	3,925,666
Total Function 7	2,459,677	624,388	3,084,065	1,333,496	4,417,561	4,597,788	4,298,252
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	92,130,458	22,568,086	114,698,544	14,606,211	129,304,755	131,753,828	123,822,015

School District No. 73 (Kamloops/Thompson)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	5,759,785	5,283,629	4,973,717
Federal Grants		27	40,472
Other Revenue	7,558,150	5,047,594	4,202,156
Investment Income	1,000		4,200
Income (Loss) from Investments in Government Business Enterprises		(696,709)	(50,445)
Total Revenue	13,318,935	9,634,541	9,170,100
Expenses			
Instruction	3,836,759	3,995,207	2,845,525
Operations and Maintenance	825,791	720,739	652,673
Supplies	8,656,385	5,615,304	5,722,347
Total Expense	13,318,935	10,331,250	9,220,545
Special Purpose Surplus (Deficit) for the year	-	(696,709)	(50,445)
Total Special Purpose Surplus (Deficit) for the year	-	(696,709)	(50,445)
Special Purpose Surplus (Deficit), beginning of year		846,834	897,279
Special Purpose Surplus (Deficit), end of year		150,125	846,834
Special Purpose Surplus (Deficit), end of year			
Related Entities		-	696,709
Endowment Contributions		150,125	150,125
Total Special Purpose Surplus (Deficit), end of year		150,125	846,834

School District No. 73 (Kamloops/Thompson)

Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2015

	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	64,196	20,103	26,501	50,462	2,070,255		2,624	4,900	539
Add: Restricted Grants									
Provincial Grants - Ministry of Education	761,595	2,515,786	37,642				224,000	80,850	196,251
Federal Grants									
Other				17,311	4,187,651				
Investment Income	988								
	762,583	2,515,786	37,642	17,311	4,187,651	-	224,000	80,850	196,251
Less: Allocated to Revenue	720,739	2,535,889	9,862	3,450	4,173,524		226,624	85,750	196,790
Deferred Revenue, end of year	106,040	-	54,281	64,323	2,084,382	-	-	-	-
Revenues									
Provincial Grants - Ministry of Education	720,739	2,535,889	9,862				226,624	85,750	196,790
Federal Grants									
Other Revenue				3,450	4,173,524				
Income (Loss) from Investments in Government Business Enterprises						(696,709)			
	720,739	2,535,889	9,862	3,450	4,173,524	(696,709)	226,624	85,750	196,790
Expenses									
Salaries									
Teachers		1,691,944							33,930
Educational Assistants							148,306		
Support Staff		406,603							
Substitutes									13,222
	-	2,098,547	-	-	-	-	148,306	-	47,152
Employee Benefits		437,342					50,797		3,004
Services and Supplies			9,862	3,450	4,173,524		27,521	85,750	146,634
Building Repairs and Maintenance	720,739								
	720,739	2,535,889	9,862	3,450	4,173,524	-	226,624	85,750	196,790
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	(696,709)	-	-	-
Interfund Transfers									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	(696,709)	-	-	-

School District No. 73 (Kamloops/Thompson)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2015

	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	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	391,798		15,208	39,984	5,850	5,255	130,990	691,316	3,519,981
Add: Restricted Grants									
Provincial Grants - Ministry of Education	1,641,949	90,125			15,601				5,563,799
Federal Grants						10,000			10,000
Other								796,242	5,001,204
Investment Income									988
	1,641,949	90,125	-	-	15,601	10,000	-	796,242	10,575,991
Less: Allocated to Revenue	1,495,301	-	208	-	12,466	27	-	870,620	10,331,250
Deferred Revenue, end of year	538,446	90,125	15,000	39,984	8,985	15,228	130,990	616,938	3,764,722
Revenues									
Provincial Grants - Ministry of Education	1,495,301		208		12,466				5,283,629
Federal Grants						27			27
Other Revenue								870,620	5,047,594
Income (Loss) from Investments in Government Business Enterprises									(696,709)
	1,495,301	-	208	-	12,466	27	-	870,620	9,634,541
Expenses									
Salaries									
Teachers	901,456								2,627,330
Educational Assistants									148,306
Support Staff								100,054	506,657
Substitutes					785			31,895	45,902
	901,456	-	-	-	785	-	-	131,949	3,328,195
Employee Benefits	175,869								667,012
Services and Supplies	417,976		208		11,681	27		738,671	5,615,304
Building Repairs and Maintenance									720,739
	1,495,301	-	208	-	12,466	27	-	870,620	10,331,250
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	(696,709)
Interfund Transfers									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	(696,709)

School District No. 73 (Kamloops/Thompson)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2015

	2015 Budget	2015 Actual			2014 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	4,476,028	2,920,522		2,920,522	2,536,957
Other Revenue	480,604		672,544	672,544	211,737
Investment Income	140,000		122,401	122,401	115,761
Amortization of Deferred Capital Revenue	2,920,572	2,920,572		2,920,572	2,787,700
Total Revenue	8,017,204	5,841,094	794,945	6,636,039	5,652,155
Expenses					
Operations and Maintenance	2,751,180	2,920,522		2,920,522	2,536,957
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,348,870	4,348,870		4,348,870	4,153,666
Total Expense	7,100,050	7,269,392	-	7,269,392	6,690,623
Capital Surplus (Deficit) for the year	917,154	(1,428,298)	794,945	(633,353)	(1,038,468)
Net Transfers (to) from other funds					
Local Capital			1,425,648	1,425,648	947,389
Total Net Transfers	-	-	1,425,648	1,425,648	947,389
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		2,974,074	(2,974,074)	-	
Total Other Adjustments to Fund Balances		2,974,074	(2,974,074)	-	
Total Capital Surplus (Deficit) for the year	917,154	1,545,776	(753,481)	792,295	(91,079)
Capital Surplus (Deficit), beginning of year		20,004,335	6,697,636	26,701,971	26,793,050
Capital Surplus (Deficit), end of year		21,550,111	5,944,155	27,494,266	26,701,971

School District No. 73 (Kamloops/Thompson)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2015

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	10,345,129	128,493,190	6,854,934	9,483,067	600,334	1,983,626	157,760,280
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		96,444	228,291	1,238,747			1,563,482
Deferred Capital Revenue - Other		1,700,000	12,245				1,712,245
Local Capital		608,105	920,627	1,085,562	43,705	316,075	2,974,074
	-	2,404,549	1,161,163	2,324,309	43,705	316,075	6,249,801
Decrease:							
Deemed Disposals			314,932	205,156		299,072	819,160
	-	-	314,932	205,156	-	299,072	819,160
Cost, end of year	10,345,129	130,897,739	7,701,165	11,602,220	644,039	2,000,629	163,190,921
Work in Progress, end of year							-
Cost and Work in Progress, end of year	10,345,129	130,897,739	7,701,165	11,602,220	644,039	2,000,629	163,190,921
Accumulated Amortization, beginning of year		85,594,041	2,901,269	3,509,623	202,699	684,665	92,892,297
Changes for the Year							
Increase: Amortization for the Year		2,198,278	685,493	948,307	120,067	396,725	4,348,870
Decrease:							
Deemed Disposals			314,932	205,156		299,072	819,160
			314,932	205,156		299,072	819,160
Accumulated Amortization, end of year		87,792,319	3,271,830	4,252,774	322,766	782,318	96,422,007
Tangible Capital Assets - Net	10,345,129	43,105,420	4,429,335	7,349,446	321,273	1,218,311	66,768,914

School District No. 73 (Kamloops/Thompson)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2015

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	44,473,647	73,791	453,045	45,000,483
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,563,482		1,712,245	3,275,727
	<u>1,563,482</u>	-	<u>1,712,245</u>	<u>3,275,727</u>
Decrease:				
Amortization of Deferred Capital Revenue	2,807,832	14,995	97,745	2,920,572
	<u>2,807,832</u>	<u>14,995</u>	<u>97,745</u>	<u>2,920,572</u>
Net Changes for the Year	<u>(1,244,350)</u>	<u>(14,995)</u>	<u>1,614,500</u>	<u>355,155</u>
Deferred Capital Revenue, end of year	<u>43,229,297</u>	<u>58,796</u>	<u>2,067,545</u>	<u>45,355,638</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>43,229,297</u>	<u>58,796</u>	<u>2,067,545</u>	<u>45,355,638</u>

School District No. 73 (Kamloops/Thompson)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2015

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ (119,654)	\$ 68,674	\$	\$	\$ 1,766,021	\$ 1,715,041
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	4,663,208					4,663,208
Other					7,436	7,436
Investment Income		895			10,566	11,461
	4,663,208	895	-	-	18,002	4,682,105
Decrease:						
Transferred to DCR - Capital Additions	1,563,482				1,712,245	3,275,727
Building Repairs and Maintenance	2,920,522					2,920,522
	4,484,004	-	-	-	1,712,245	6,196,249
Net Changes for the Year	179,204	895	-	-	(1,694,243)	(1,514,144)
Balance, end of year	59,550	69,569	-	-	71,778	200,897