

Audited Financial Statements of

School District No. 73 (Kamloops/Thompson)

June 30, 2018

School District No. 73 (Kamloops/Thompson)

June 30, 2018

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School District No. 73 (Kamloops/Thompson)

MANAGEMENT REPORT

Version: 7631-6885-4903

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 24, 2018

Signature of the Chairperson of the Board of Education

Date Signed

Signature on File

September 24, 2018

Signature of the Superintendent

Date Signed

Signature on File

September 24, 2018

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, 2018, 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 Statement of Financial Position as at June 30, 2018, and the Statements of Operations, Change in Net Financial Assets (Debt), remeasurement 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 32 through 45 of School District No. 73 (Kamloops/Thompson)'s Financial Statements.

Chartered Professional Accountants

Kamloops, British Columbia
September 24, 2018

School District No. 73 (Kamloops/Thompson)

Statement 1

Statement of Financial Position

As at June 30, 2018

	2018 Actual \$	2017 Actual \$
Financial Assets		
Cash and Cash Equivalents	28,755,822	23,708,457
Accounts Receivable		
Due from Province - Ministry of Education	259,808	222,489
Due from LEA/Direct Funding	583,357	796,410
Other (Note 3)	775,919	922,849
Investments in Government Business Enterprises (Note 6)	877,819	676,197
Portfolio Investments (Note 5)	27,139	2,027,139
Total Financial Assets	31,279,864	28,353,541
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 7)	8,779,755	8,707,707
Unearned Revenue (Note 8)	2,761,079	2,020,445
Deferred Revenue (Note 9)	4,100,465	3,801,911
Deferred Capital Revenue (Note 10)	43,464,074	42,837,827
Employee Future Benefits (Note 11)	4,719,037	4,346,596
Other Liabilities	202,528	124,874
Total Liabilities	64,026,938	61,839,360
Net Financial Assets (Debt)	(32,747,074)	(33,485,819)
Non-Financial Assets		
Tangible Capital Assets (Note 4)	65,996,775	65,469,269
Restricted Assets (Endowments) (Note 19)	150,125	150,125
Prepaid Expenses	458,333	683,670
Supplies Inventory	391,644	332,087
Total Non-Financial Assets	66,996,877	66,635,151
Accumulated Surplus (Deficit)	34,249,803	33,149,332
Contractual Obligations (Note 15)		
Approved by the Board		
Signature on File	September 24, 2018	
Signature of the Chairperson of the Board of Education	Date Signed	
Signature on File	September 24, 2018	
Signature of the Superintendent	Date Signed	
Signature on File	September 24, 2018	
Signature of the Secretary Treasurer	Date Signed	

School District No. 73 (Kamloops/Thompson)

Statement of Operations
Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	153,552,918	152,692,548	144,638,714
Other	75,193	56,440	67,332
Federal Grants	146,218		
Tuition	3,092,100	3,152,489	2,900,647
Other Revenue	9,935,535	8,316,295	8,521,185
Rentals and Leases	269,684	277,712	314,227
Investment Income	267,000	370,118	266,631
Income (Loss) from Investments in Government Business Enterprises		201,622	498,549
Amortization of Deferred Capital Revenue	2,990,286	2,990,286	3,060,264
Total Revenue	<u>170,328,934</u>	<u>168,057,510</u>	<u>160,267,549</u>
Expenses			
Instruction	130,512,671	127,030,921	119,337,755
District Administration	4,791,969	4,154,230	3,994,529
Operations and Maintenance	33,476,286	30,842,820	30,829,937
Transportation and Housing	4,994,880	4,929,068	4,732,274
Total Expense	<u>173,775,806</u>	<u>166,957,039</u>	<u>158,894,495</u>
Surplus (Deficit) for the year	<u>(3,446,872)</u>	<u>1,100,471</u>	<u>1,373,054</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		33,149,332	31,776,278
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>34,249,803</u></u>	<u><u>33,149,332</u></u>

School District No. 73 (Kamloops/Thompson)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(3,446,872)	1,100,471	1,373,054
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(4,434,053)	(5,525,454)	(3,992,639)
Amortization of Tangible Capital Assets	4,997,948	4,997,948	4,994,496
Total Effect of change in Tangible Capital Assets	563,895	(527,506)	1,001,857
Acquisition of Prepaid Expenses			(522,586)
Use of Prepaid Expenses		225,337	
Acquisition of Supplies Inventory		(59,557)	
Use of Supplies Inventory			99,845
Total Effect of change in Other Non-Financial Assets	-	165,780	(422,741)
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(2,882,977)</u>	738,745	1,952,170
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		738,745	1,952,170
Net Financial Assets (Debt), beginning of year		(33,485,819)	(35,437,989)
Net Financial Assets (Debt), end of year		(32,747,074)	(33,485,819)

School District No. 73 (Kamloops/Thompson)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2018

	2018 Actual \$	2017 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	1,100,471	1,373,054
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	322,665	239,355
Supplies Inventories	(59,557)	99,845
Prepaid Expenses	225,337	(522,586)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	72,049	403,627
Unearned Revenue	740,633	480,139
Deferred Revenue	298,554	(118,644)
Employee Future Benefits	372,441	440,494
Other Liabilities	77,654	79,197
Amortization of Tangible Capital Assets	4,997,948	4,994,496
Amortization of Deferred Capital Revenue	(2,990,286)	(3,060,264)
Capital Grants Spent on Building Maintenance/Roofing Projects	(2,628,609)	(2,452,465)
Total Operating Transactions	2,529,300	1,956,248
Capital Transactions		
Tangible Capital Assets Purchased	(5,525,454)	(3,992,639)
Total Capital Transactions	(5,525,454)	(3,992,639)
Financing Transactions		
Capital Revenue Received	6,245,141	4,577,892
Total Financing Transactions	6,245,141	4,577,892
Investing Transactions		
Investments in Portfolio Investments	2,000,000	2,000,000
Decrease (Increase) in Investments in Government Business Enterprises	(201,622)	(498,549)
Total Investing Transactions	1,798,378	1,501,451
Net Increase (Decrease) in Cash and Cash Equivalents	5,047,365	4,042,952
Cash and Cash Equivalents, beginning of year	23,708,457	19,665,505
Cash and Cash Equivalents, end of year	28,755,822	23,708,457
Cash and Cash Equivalents, end of year, is made up of:		
Cash	28,755,822	23,708,457
	28,755,822	23,708,457

NOTE 1 AUTHORITY AND PURPOSE

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

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

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

Year-ended June 30, 2017 – decrease in annual surplus by \$1,675,597

June 30, 2017 - increase in accumulated surplus and decrease in deferred contributions by \$41,812,450

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

June 30, 2018 – increase in accumulated surplus and decrease in deferred contributions by \$42,804,491

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

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, 2017 and projected to March 31, 2019. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of October 31 was adopted for all periods subsequent to July 1, 2004.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

j) Asset Retirement Obligations

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

k) Tangible Capital Assets

The following criteria apply:

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Prepaid Expenses

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

m) Supplies Inventory

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

n) Funds and Reserves

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

o) Revenue Recognition

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

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

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Revenue Recognition - continued

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

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

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

p) Expenditures

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

Categories of Salaries

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

Allocation of Costs

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

q) Liability for Contaminated Sites

The School District is required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized when an environmental standard exists, contamination exceeds the environmental standard, the School District has responsibility for remediation, future economic benefits will be given up and a reasonable estimate can be made. The School District has no such sites as of June 30, 2018.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r) Endowment Contributions

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

s) Financial Instruments

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

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

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t) Measurement Uncertainty

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

NOTE 3 ACCOUNTS RECEIVABLE - OTHER

	2018	2017
Due from Federal Government	\$ 101,068	\$ 98,772
Due from Other School Districts	1,050	22,970
Other	682,880	810,186
Allowance for Doubtful Accounts	(9,079)	(9,046)
	\$ 775,919	\$ 922,849

School District No. 73 (Kamloops/Thompson)

Notes to Financial Statements

June 30, 2018

NOTE 4 TANGIBLE CAPITAL ASSETS

June 30, 2018

Cost	Balance at July 1, 2017	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2018
Sites	\$ 10,345,129	\$ -	\$ -	\$ -	\$ 10,345,129
Buildings	132,248,462	2,689,657	-	-	134,938,119
Furniture & Equipment	10,067,425	1,659,788	701,849	-	11,025,364
Vehicles	11,833,140	684,448	1,944,450	-	10,573,138
Computer Software	258,925	138,964	150,206	-	247,683
Computer Hardware	2,827,887	352,597	500,802	-	2,679,682
Total	\$ 167,580,968	\$ 5,525,454	\$ 3,297,307	\$ -	\$ 169,809,115

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

June 30, 2017

Cost	Balance at July 1, 2016	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2017
Sites	\$ 10,345,129	\$ -	\$ -	\$ -	\$ 10,345,129
Buildings	131,173,648	1,074,814	-	-	132,248,462
Furniture & Fixtures	10,072,828	1,628,093	1,633,526	-	10,067,425
Vehicles	11,047,017	810,099	23,976	-	11,833,140
Computer Software	670,077	20,566	431,648	-	258,925
Computer Hardware	2,778,256	459,067	409,436	-	2,827,887
Totals	\$ 166,086,915	\$ 3,922,639	\$ 2,498,586	\$ -	\$ 167,580,968

Accumulated Amortization	Balance at July 1, 2016	Additions	Disposals	Balance at June 30, 2017
Buildings	\$ 90,014,495	2,192,856	\$ -	\$ 92,207,351
Furniture & Equipment	3,767,049	1,007,288	1,633,526	3,140,811
Vehicles	4,502,684	1,104,700	23,976	5,583,408
Computer Software	451,574	134,000	431,648	153,926
Computer Hardware	879,987	555,652	409,346	1,026,203
Total	\$ 99,615,789	\$ 4,994,496	\$ 2,498,586	\$ 102,111,699

Net Book Value

	Net Book Value June 30, 2018	Net Book Value June 30, 2017
Sites	\$ 10,345,129	\$ 10,345,129
Buildings	40,540,240	40,041,111
Furniture & Equipment	7,579,659	6,926,614
Vehicles	5,750,866	6,249,732
Computer Software	192,178	104,999
Computer Hardware	1,588,703	1,801,684
Total	\$ 65,996,775	\$ 65,469,269

NOTE 5 PORTFOLIO INVESTMENTS

	Interest Rate	Maturity Date	2018	2017
GIC	2.40%	06/11/2018		\$ 2,000,000
Total GIC				2,000,000
BCICF			27,139	27,139
Total Portfolio Investments			\$ 27,139	\$ 2,027,139

Interest accrued under the amortized cost is \$ NIL (2017 - NIL), and was included in other accounts receivable.

School District No. 73 (Kamloops/Thompson)

Notes to Financial Statements

June 30, 2018

NOTE 6 INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES

Summary of the financial statements of School District No. 73 Business Company, for the year ended June 30, 2018, is as follows:

Balance Sheet	2018	2017
Current Assets		
Cash and Bank	\$ 1,262,802	\$ 1,181,697
Accounts Receivable	74,223	88,451
Prepaid Expenses	40,342	22,072
Due from Virtual School Society	2,000	2,000
	<u>1,379,367</u>	<u>1,294,220</u>
Property, Plant and Equipment	1,024	93,388
Total Assets	<u>1,380,391</u>	<u>1,387,608</u>
Current Liabilities		
Accounts Payable	73,864	122,450
Deferred Revenue	119,012	300,000
Due to Shareholder	19,518	55,369
	<u>212,394</u>	<u>477,819</u>
Shareholder's Equity		
Share Capital	1	1
Contributed Surplus	370,101	370,101
Retained Earnings	741,310	539,687
	<u>1,111,412</u>	<u>909,789</u>
Total Liabilities and Shareholder's Equity	<u>1,380,391</u>	<u>1,387,608</u>
Statement of Operations		
Revenue	1,148,815	57,857
Expenses	947,193	179,160
Income (loss) from Operations	<u>201,622</u>	<u>(121,303)</u>
Net Income (loss) for Year	201,622	(121,303)
Retained Earnings, beginning of year	676,197	797,500
Retained Earnings, end of year	<u>\$ 877,819</u>	<u>\$ 676,197</u>

NOTE 6 INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES (continued)

The School District No 73 Business Company (SD73BC) was incorporated on February 14, 2006. The initially focus for the company was the sale of online educational programming to out of country, non-resident students. On August 1, 2013, SD73BC acquired the LearnNowBC contract from the Virtual School Society (VSS). The online educational programming division is referred to as Global Education and it continues to grow annually. In January 2018, SD73BC concluded the wind up of LearnNowBC's operations under the direction of the Ministry of Education. School District No. 73 provides management and operation expertise to SD 73 bus co and for that services, they charge SD73BC 5% of gross revenues

During 2017-2018, School District charged SD73BC a management fee of \$ 56,582 (2017 - \$ 59,582) in respect of administrative support provided to SD73BC.

Included in accounts receivable - other (Note 3) is \$100,603 (2017 - \$9,707) due from the SD73BC.

NOTE 7 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2018	2017
Trade Payable	\$ 616,883	\$ 2,017,389
Salaries and Benefits Payable	5,994,619	4,710,901
Accrued Vacation Payable	2,168,253	1,979,417
	<u>\$ 8,779,755</u>	<u>\$ 8,707,707</u>

NOTE 8 UNEARNED REVENUE

	2018	2017
Balance, beginning of year	\$ 2,020,445	\$ 1,540,306
Changes for the year		
Increase:		
Tuition Fees	2,844,765	2,062,843
Rental/Lease of Facilities	24,000	96,000
Dash BC Grant	75,000	
Decrease:		
Tuition Fees	(2,163,530)	(1,582,704)
Rental/Lease of Facilities	(39,601)	(96,000)
Net changes for the year	<u>740,634</u>	<u>480,139</u>
Balance, end of year	<u>\$ 2,761,079</u>	<u>\$ 2,020,445</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.

	2018	2017
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 5,459,493	\$ 5,420,596
Service Cost	441,063	443,773
Interest Cost	157,088	141,263
Benefit Payments – April 1 to March 31 - VESTED	(303,318)	(461,851)
Benefit Payments – April 1 to March 31 – NON-VESTED	(73,201)	(83,158)
Actuarial (Gain) Loss	6,092	(1,130)
Accrued Benefit Obligation – March 31	<u>5,687,217</u>	<u>5,459,493</u>
Change in Plan Assets		
Employer Contributions – April 1 to March 31	343,192	545,009
Benefit Payments – April 1 to March 31	(343,192)	(545,009)
Market Value of Plan Assets - March 31	-	-
Reconciliation of Funded Status as End of Fiscal Year		
Accrued Benefit Obligation – March 31	5,687,217	5,459,493
Funded Status – Surplus (Deficit)	(5,687,217)	(5,459,493)
Employer Contributions After Measurement Date – April 1 to June 30 – Vested	146,680	71,484
Benefit Expense After Measurement Date April 1 to June 30	(155,542)	(149,538)
Unamortized Net Actuarial (Gain)/Loss	997,042	1,190,951
Accrued Benefit (Liability) Asset – June 30	<u>(4,719,037)</u>	<u>(4,346,595)</u>
Components of Net Benefit Expense		
Service Cost – July 1 to March 31	330,797	332,830
Service Cost – April 1 to June 30	114,584	110,266
Interest Cost – July 1 to March 31	117,816	105,947
Interest Cost – April 1 to June 30	40,958	39,272
Amortization of Net Actuarial (Gain)/Loss	186,674	186,788
Net Benefit Expense (Income)	<u>790,830</u>	<u>775,103</u>

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

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

Accrued Benefit Liability (Asset) – July 1	4,346,595	3,906,102
Net Expense for Fiscal Year	490,830	775,103
Employer Contributions – July 1 to March 31	(271,708)	(263,126)
Employer Contributions – April 1 to June 30	(146,680)	(71,484)
Accrued Benefit Liability (Asset) – June 30	<u>\$ 4,719,037</u>	<u>\$ 4,346,596</u>

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

Assumptions	<u>2018</u>	<u>2017</u>
Discount Rate – April 1	2.75%	2.50%
Discount Rate – March 31	2.75%	2.75%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% +seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% +seniority
EARSL – March 31	9.9	9.9

NOTE 12 EMPLOYEE PENSION PLANS

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

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

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

The School District No. 73 (Kamloops/Thompson) paid \$ 13,388,375 (2017 - \$ 13,702,190) for employer contributions to these plans in the year ended June 30, 2018.

School District No. 73 (Kamloops/Thompson)

Notes to Financial Statements

June 30, 2018

NOTE 13a OPERATING FUND BALANCE, END OF YEAR

	June 30 2017	Increases	Decreases	June 30 , 2018
Internally Restricted Future School Years:				
Utility/Fuel Cost/Budget Strategic Plan – Year 2	\$ 700,000	\$ 22,419	(\$ 22,419)	\$ 700,000
Department	407,403	100,723	-	508,126
School Supply	1,212,622	-	(137,905)	1,074,717
School – Student Learning	625,215	-	(625,215)	-
	2,945,240	669,642	(785,539)	2,829,343
Internally Restricted – Anticipated Unusual Expenses – Future School Years				
Employee Benefits	986,632	-	-	986,632
Employer Health Tax	-	425,000	-	425,000
Total Restricted Operating Reserve	986,632	425,000	-	1,411,632
Internally Restricted – Funds with Constraints				
SD73BC Management Fee	-	485,872	-	485,872
Aboriginal Education	581,196	-	(19,429)	561,767
AFG Other	82,649	10,779	-	93,428
	663,845	496,651	(19,429)	1,141,067
Total Internally Restricted – Operating Reserve	4,595,717	1,591,293	804,968	5,382,042
Unrestricted – Operating Surplus	1,600,000	-	(804,698)	237,390
Total Operating Reserve Balances	\$ 6,195,716	-	(\$ 2,167,577)	\$ 5,619,432

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

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

NOTE 13a OPERATING FUND BALANCE, END OF YEAR - continued

Operating Reserves:

The district budgets the utility, fuel and some specific operating accounts based on the average expenditures in previous years. Fluctuations due to price or volume changes in excess of operating budgets are covered off by the utility/fuel/budget reserve. This process allows the district to budget at average costs and the reserve is available if the budgets are exceeded. In 2017-2018, the district was under spent in utilities, \$382,197, over spent in fuel, \$59,853 and over spent in Certified Education Assistants, 344,763 for an overspent balance of \$22,419. Due to the operating surplus in 2017-2018, district will be topping up the reserve to maintain the utility/fuel/budget reserve at \$700,000.

For 2018-2019, the district is utilizing \$546,500 of the Operating Surplus in 2017-2018 to fund Year two of the strategic plan initiatives.

Department and school supply reserve balances are an accumulation of operating under-expenditures the Board and Senior Administration allow departments and schools to carry forward for expenditures in future years. This practice eliminates staff spending to the full extent of the budget by June 30th each year thereby allowing educators and managers to improve the planning and expenditure of funds as they manage longer term projects. For example, the implementation and training that took place for the implementation of MyEducationBC software is better served 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 but carried forward the unspent budget dollars into the next school year(s).

The operating reserve for student learning carried unspent funds from the 2016-2017 operating year into 2017-2018 where the funds were to be expended for the intended purpose by June 30, 2018. (sports equipment; classroom equipment and supplies; as well as investing in technology)

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

This year a restricted operating reserve was set up to carry forward the savings from the elimination of the Medical Services Plan premiums that were eliminated on January 1, 2018. These funds will be utilized in the 2020-2021 school year when the Employer Health Tax is fully implemented and the Medical Services Plan premiums are not fully eliminated.

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

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

NOTE 13a OPERATING FUND BALANCE, END OF YEAR - continued

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.

The reserve for Annual Facility Grant (AFG) Other is an accumulation of BC Hydro and Fortis BC rebates received in support of the district installing energy efficient equipment upgrades in SD73. These funds are used to purchase consulting services on future energy upgrades in the district to further our energy savings and sustainability.

These funds represent unrestricted operating reserves. The initial reserve prior to the Audit Committee meeting totaled ½ of 1% or \$737,390.31 of the district's 2018-2019 operating budget. It was recommended by the Audit Committee that \$500,000.00 of this unrestricted reserve be moved to the Local Capital reserve and held in a "Facility Renewal Reserve" account. The district will try to accumulate funds in this reserve pending the approval of a school addition or a new school. The remaining \$237,390.31 is currently unencumbered. This unrestricted reserve could be used for unusual or non-recurring expenses that may happen during the 2018-2019 school year. A mid-year commitment to utilize these funds would require a motion of the Board of Education.

NOTE 13b SPECIAL PURPOSE FUND BALANCE, END OF YEAR

	June 30 2017	Increases	Decreases	June 30 , 2018
Ministry of Education	\$ 557,071	\$ 11,919,145	\$ (11,956,079)	\$ 520,137
School Generated Funds	2,353,089	4,399,781	(4,222,366)	2,530,504
Other Special Purpose Funds	891,751	893,735	(735,662)	1,049,824
	<u>\$ 3,801,911</u>	<u>\$ 17,156,079</u>	<u>\$ (16,914,107)</u>	<u>\$ 4,100,465</u>

Special Purpose Fund balances represent funding for specific programs. The majority of funding is from the Ministry of Education for programs such as the Annual Facility Grant, 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 2017	Increases	Decreases	June 30 , 2018
Local Capital Reserve	\$ 2,333,638	\$ 3,482,795	\$ (1,543,127)	\$ 4,273,306

NOTE 13c LOCAL CAPITAL FUND BALANCE, END OF YEAR - continued

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 13d OTHER PROVINCIAL CAPITAL FUND BALANCE, END OF YEAR

	June 30 2017	Increases	Decreases	June 30 , 2018
Other Provincial Capital	\$ 689,008	\$ 300,002	\$ (639,887)	\$ 349,123

Other Provincial Capital is a new Deferred Capital reserve representing a specific program that is the combined efforts of the Ministry of Jobs, Tourism and Skills Training (JTST), in liaison with the Industry Trades Authority (ITA) have developed a Youth Trades Capital Equipment Program (YTCEP). The YTCEP is targeted to enable schools to purchase trades training equipment that is needed to support the delivery of one of the ITA's *Youth Trades Programs*. JTST requested the Ministry of Education (K-12 School Districts) to assist by acting as the administrator of the YTCEP. Upon approval, funds were provided to school districts directly by the ITA.

This is a three year program with a Provincial budget of \$15 million, with a minimum investment target of \$7.5 million in fiscal 2016/17. Specific details of the program were announced on November 2, 2016 Ref: 191337. In year one of the program, SD73 received \$736,424 in YTCEP grant funding, and SD73 received \$300,002 in 2017/18.

NOTE 14 RELATED PARTY TRANSACTIONS

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

NOTE 15 CONTRACTUAL OBLIGATIONS

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

June 30, 2019	\$ 81,000
June 30, 2020	81,000
June 30, 2021	<u>20,196</u>
	<u>\$182,196</u>

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

NOTE 16 BUDGET FIGURES

The budget figures used in these financial statements are the amended budget approved by the Board of Education on February 27, 2017. This budget was amended from the original budget approved on May 9, 2016 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	\$ 151,206,010	\$ 2,346,908	\$ 153,552,918
Other grants	75,193	-	75,193
Federal grants	-	146,218	146,218
Tuition	3,092,100	-	3,902,100
Other revenue	8,815,191	1,120,344	9,935,535
Rental & lease	269,684	-	269,684
Investment income	242,000	25,000	267,000
Amortization of deferred capital revenue	2,932,430	57,856	2,990,286
	<u>166,632,608</u>	<u>3,696,326</u>	<u>170,328,934</u>
Expenses			
Instruction	123,997,488	6,515,183	130,512,671
District administrative	4,271,580	520,389	4,791,969
Operation & maintenance	20,952,306	(122,477)	20,829,829
Transportation & housing	4,893,521	101,359	4,994,880
Amortization of capital assets	5,045,135	(47,187)	4,997,948
Supplies and services	7,430,327	218,182	7,648,509
	<u>166,590,357</u>	<u>7,185,449</u>	<u>173,775,806</u>
Net revenue (expenses)	42,251	(3,489,123)	(3,446,872)
Budget allocation (retirement) of surplus (deficit)	-	1,636,505	1,636,505
Budgeted surplus (deficit) for the year	<u>\$ 42,251</u>	<u>\$ (1,852,618)</u>	<u>\$ (1,810,367)</u>

NOTE 17 CONTINGENCIES

The nature of the School District's activities is such that there is usually litigation pending or in progress at any time. With respect to claims at June 30, 2017, management believes the School District has valid defences and appropriate insurance coverage is in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the School District's financial position.

NOTE 18 ECONOMIC DEPENDENCE

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

NOTE 19 ENDOWMENT FUNDS

On December 31, 2010 with approval from the original donors, 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, 2017	Investment Income (Loss)	Increases	Decreases	June 30, 2018
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, 2018 \$ 3,373,384 was transferred from the operating fund to the capital fund (2017 - \$ 1,539,645).

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 is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in guaranteed investment certificates that have a maturity date of no more than five years. A 1% change in interest rates would cause interest income to increase or decrease by \$271.

D) LIQUIDITY RISK

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

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

NOTE 23 CREDIT FACILITY

The District holds a demand credit facility up to a maximum of \$5,000,000. When borrowed upon, the facility bears interest at prime rate less 0.750% per annum and is unsecured. As at June 30, 2018 and 2017, the facility was unused.

School District No. 73 (Kamloops/Thompson)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
 Year Ended June 30, 2018

	Operating Fund	Special Purpose Fund	Capital Fund	2018 Actual	2017 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	6,195,717	826,322	26,127,293	33,149,332	31,776,278
Changes for the year					
Surplus (Deficit) for the year	2,797,100	201,622	(1,898,251)	1,100,471	1,373,054
Interfund Transfers					
Local Capital	(3,373,384)		3,373,384	-	
Net Changes for the year	(576,284)	201,622	1,475,133	1,100,471	1,373,054
Accumulated Surplus (Deficit), end of year - Statement 2	5,619,433	1,027,944	27,602,426	34,249,803	33,149,332

School District No. 73 (Kamloops/Thompson)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	138,851,458	138,107,326	135,051,163
Other	75,193	56,440	67,332
Tuition	3,092,100	3,152,489	2,900,647
Other Revenue	3,108,240	3,271,198	3,486,353
Rentals and Leases	269,684	277,712	314,227
Investment Income	216,000	348,310	181,668
Total Revenue	<u>145,612,675</u>	<u>145,213,475</u>	<u>142,001,390</u>
Expenses			
Instruction	119,963,854	116,481,444	113,602,904
District Administration	4,791,969	4,154,230	3,994,529
Operations and Maintenance	17,498,477	16,851,633	17,100,143
Transportation and Housing	4,994,880	4,929,068	4,732,274
Total Expense	<u>147,249,180</u>	<u>142,416,375</u>	<u>139,429,850</u>
Operating Surplus (Deficit) for the year	<u>(1,636,505)</u>	<u>2,797,100</u>	<u>2,571,540</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>1,636,505</u>		
Net Transfers (to) from other funds			
Local Capital		(3,373,384)	(1,539,644)
Total Net Transfers	<u>-</u>	<u>(3,373,384)</u>	<u>(1,539,644)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>(576,284)</u>	<u>1,031,896</u>
Operating Surplus (Deficit), beginning of year		6,195,717	5,163,821
Operating Surplus (Deficit), end of year		<u>5,619,433</u>	<u>6,195,717</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		5,382,043	4,513,068
Unrestricted		237,390	1,682,649
Total Operating Surplus (Deficit), end of year		<u>5,619,433</u>	<u>6,195,717</u>

School District No. 73 (Kamloops/Thompson)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	139,009,176	138,113,870	134,323,489
DISC/LEA Recovery	(2,455,629)	(2,591,981)	(2,451,910)
Other Ministry of Education Grants			
Pay Equity	575,959	575,959	575,959
Funding for Graduated Adults		45,892	
Transportation Supplement	666,817	666,817	666,817
Economic Stability Dividend		87,156	76,394
Return of Administrative Savings	673,698	673,698	673,698
Carbon Tax Grant	100,000	137,775	188,107
Student Learning Grant			731,202
Foundation Skills Assessment	20,193	20,193	17,693
Next Generation Network - Self Provisioned Allocation	251,244	251,244	249,714
Secwepemc Language	10,000	10,000	
Shoulder Tappers		17,079	
Support Staff Benefit Grant		99,624	
Total Provincial Grants - Ministry of Education	138,851,458	138,107,326	135,051,163
Provincial Grants - Other	75,193	56,440	67,332
Tuition			
International and Out of Province Students	3,092,100	3,152,489	2,900,647
Total Tuition	3,092,100	3,152,489	2,900,647
Other Revenues			
LEA/Direct Funding from First Nations	2,451,810	2,527,368	2,419,950
Miscellaneous			
City of Kamloops			96,000
Course Fees		93,414	216,371
Student Paid Meals		170,670	179,175
Trades and Transitions Program	259,460	319,869	282,035
Miscellaneous Revenue	396,970	159,877	292,822
Total Other Revenue	3,108,240	3,271,198	3,486,353
Rentals and Leases	269,684	277,712	314,227
Investment Income	216,000	348,310	181,668
Total Operating Revenue	145,612,675	145,213,475	142,001,390

School District No. 73 (Kamloops/Thompson)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Salaries			
Teachers	60,897,387	60,137,569	59,147,466
Principals and Vice Principals	8,676,259	8,760,395	8,203,461
Educational Assistants	8,349,371	8,853,232	8,787,178
Support Staff	15,672,913	15,617,307	15,223,988
Other Professionals	3,649,744	3,335,399	3,112,058
Substitutes	5,688,987	5,561,544	5,304,523
Total Salaries	102,934,661	102,265,446	99,778,674
Employee Benefits	24,222,285	23,085,353	22,845,176
Total Salaries and Benefits	127,156,946	125,350,799	122,623,850
Services and Supplies			
Services	3,305,223	3,088,045	2,919,421
Student Transportation	369,904	402,662	358,775
Professional Development and Travel	1,936,961	1,587,148	1,508,180
Dues and Fees	100,535	84,746	83,330
Insurance	537,524	429,129	484,601
Supplies	10,794,920	8,746,876	8,453,939
Utilities	3,047,167	2,726,970	2,997,754
Total Services and Supplies	20,092,234	17,065,576	16,806,000
Total Operating Expense	147,249,180	142,416,375	139,429,850

School District No. 73 (Kamloops/Thompson)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2018

	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	47,500,612	1,346,734		1,076,902	255,264	3,662,253	53,841,765
1.03 Career Programs	265,116					19,948	285,064
1.07 Library Services	1,646,933			1,280,033		168,192	3,095,158
1.08 Counselling	1,606,764			547,276		139,826	2,293,866
1.10 Special Education	6,668,071	175,662	7,591,986	77,531		913,796	15,427,046
1.30 English Language Learning	120,507					9,067	129,574
1.31 Aboriginal Education	537,277	94,454	1,261,246		378,335	69,578	2,340,890
1.41 School Administration		6,430,793		869,211		96,646	7,396,650
1.60 Summer School	105,185	10,109					115,294
1.61 Continuing Education	401,691	468,429		91,213		38,222	999,555
1.62 International and Out of Province Students	281,185	117,107		32,380		23,488	454,160
1.64 Other	1,004,228	117,107		71,665		79,250	1,272,250
Total Function 1	60,137,569	8,760,395	8,853,232	4,046,211	633,599	5,220,266	87,651,272
4 District Administration							
4.11 Educational Administration				133,370	650,906		784,276
4.40 School District Governance					178,002		178,002
4.41 Business Administration				610,232	1,029,375		1,639,607
Total Function 4	-	-	-	743,602	1,858,283	-	2,601,885
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				77,487	411,914		489,401
5.50 Maintenance Operations				7,352,136	296,956	201,064	7,850,156
5.52 Maintenance of Grounds				926,330		10,776	937,106
5.56 Utilities							-
Total Function 5	-	-	-	8,355,953	708,870	211,840	9,276,663
7 Transportation and Housing							
7.41 Transportation and Housing Administration				115,083	134,647		249,730
7.70 Student Transportation				2,356,458		129,438	2,485,896
Total Function 7	-	-	-	2,471,541	134,647	129,438	2,735,626
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	60,137,569	8,760,395	8,853,232	15,617,307	3,335,399	5,561,544	102,265,446

School District No. 73 (Kamloops/Thompson)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2018

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	53,841,765	12,419,753	66,261,518	4,489,988	70,751,506	73,470,042	69,455,030
1.03 Career Programs	285,064	65,965	351,029		351,029	357,894	243,677
1.07 Library Services	3,095,158	721,569	3,816,727	281,270	4,097,997	4,131,046	3,903,887
1.08 Counselling	2,293,866	533,093	2,826,959	502	2,827,461	2,847,687	2,672,421
1.10 Special Education	15,427,046	3,650,129	19,077,175	757,399	19,834,574	19,767,881	19,933,931
1.30 English Language Learning	129,574	29,984	159,558		159,558	162,678	156,422
1.31 Aboriginal Education	2,340,890	437,974	2,778,864	342,306	3,121,170	3,317,533	2,919,543
1.41 School Administration	7,396,650	1,440,473	8,837,123	413,252	9,250,375	9,368,572	8,723,341
1.60 Summer School	115,294	20,205	135,499	265	135,764	135,763	143,748
1.61 Continuing Education	999,555	211,528	1,211,083	637,213	1,848,296	1,840,658	1,557,168
1.62 International and Out of Province Students	454,160	100,191	554,351	1,896,157	2,450,508	2,826,483	2,267,373
1.64 Other	1,272,250	289,668	1,561,918	91,288	1,653,206	1,737,617	1,626,363
Total Function 1	87,651,272	19,920,532	107,571,804	8,909,640	116,481,444	119,963,854	113,602,904
4 District Administration							
4.11 Educational Administration	784,276	158,550	942,826	274,333	1,217,159	1,334,557	1,128,751
4.40 School District Governance	178,002	11,604	189,606	146,625	336,231	362,729	305,583
4.41 Business Administration	1,639,607	323,852	1,963,459	637,381	2,600,840	3,094,683	2,560,195
Total Function 4	2,601,885	494,006	3,095,891	1,058,339	4,154,230	4,791,969	3,994,529
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	489,401	92,270	581,671	315,429	897,100	1,014,182	953,787
5.50 Maintenance Operations	7,850,156	1,712,805	9,562,961	2,039,959	11,602,920	11,873,265	11,710,147
5.52 Maintenance of Grounds	937,106	223,689	1,160,795	463,848	1,624,643	1,563,863	1,438,454
5.56 Utilities	-	-	-	2,726,970	2,726,970	3,047,167	2,997,755
Total Function 5	9,276,663	2,028,764	11,305,427	5,546,206	16,851,633	17,498,477	17,100,143
7 Transportation and Housing							
7.41 Transportation and Housing Administration	249,730	73,863	323,593	111,247	434,840	533,654	373,860
7.70 Student Transportation	2,485,896	568,188	3,054,084	1,440,144	4,494,228	4,461,226	4,358,414
Total Function 7	2,735,626	642,051	3,377,677	1,551,391	4,929,068	4,994,880	4,732,274
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	102,265,446	23,085,353	125,350,799	17,065,576	142,416,375	147,249,180	139,429,850

School District No. 73 (Kamloops/Thompson)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	12,102,626	11,956,613	7,135,086
Federal Grants	146,218		
Other Revenue	6,680,000	4,957,251	4,882,598
Investment Income	1,000	243	
Income (Loss) from Investments in Government Business Enterprises		201,622	498,549
Total Revenue	18,929,844	17,115,729	12,516,233
Expenses			
Instruction	10,548,817	10,549,477	5,734,851
Operations and Maintenance	8,381,027	6,364,630	6,282,833
Total Expense	18,929,844	16,914,107	12,017,684
Special Purpose Surplus (Deficit) for the year	-	201,622	498,549
Total Special Purpose Surplus (Deficit) for the year	-	201,622	498,549
Special Purpose Surplus (Deficit), beginning of year		826,322	327,773
Special Purpose Surplus (Deficit), end of year		1,027,944	826,322
Special Purpose Surplus (Deficit), end of year			
Related Entities		877,819	676,197
Endowment Contributions		150,125	150,125
Total Special Purpose Surplus (Deficit), end of year		1,027,944	826,322

School District No. 73 (Kamloops/Thompson)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2018

	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	30,666	35,927	17,998	72,993	2,353,089				
Add: Restricted Grants									
Provincial Grants - Ministry of Education	701,582	543,562					224,000	80,850	195,147
Other				14,706	4,399,781				
Investment Income				243					
	701,582	543,562	-	14,949	4,399,781	-	224,000	80,850	195,147
Less: Allocated to Revenue	712,958	579,489	17,317	9,195	4,222,366		224,000	80,850	195,147
Deferred Revenue, end of year	19,290	-	681	78,747	2,530,504	-	-	-	-
Revenues									
Provincial Grants - Ministry of Education	712,958	579,489	17,317				224,000	80,850	195,147
Other Revenue				8,952	4,222,366				
Investment Income				243					
Income (Loss) from Investments in Government Business Enterprises						201,622			
	712,958	579,489	17,317	9,195	4,222,366	201,622	224,000	80,850	195,147
Expenses									
Salaries									
Teachers		32,367							9,150
Principals and Vice Principals									
Educational Assistants		446,852							
Support Staff							149,920		
Substitutes									2,487
	-	479,219	-	-	-	-	149,920	-	11,637
Employee Benefits		100,270					49,782		1,999
Services and Supplies	712,958		17,317	9,195	4,222,366		24,298	80,850	181,511
	712,958	579,489	17,317	9,195	4,222,366	-	224,000	80,850	195,147
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	201,622	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	201,622	-	-	-

School District No. 73 (Kamloops/Thompson)

Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2018

	CommunityLINK	Coding and Curriculum Implementation	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	SET BC	Early Learning	Literacy Innovation	BCLCA / E-Learning	Gov't of Canada Environmental Program
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	306,771	110,180				14,908	39,984	8,985	15,228
Add: Restricted Grants									
Provincial Grants - Ministry of Education	1,576,753		680,850	7,792,852	123,549				
Other									
Investment Income									
	1,576,753	-	680,850	7,792,852	123,549	-	-	-	-
Less: Allocated to Revenue	1,582,298	110,180	680,850	7,643,544	123,549	6,013	-	418	-
Deferred Revenue, end of year	301,226	-	-	149,308	-	8,895	39,984	8,567	15,228
Revenues									
Provincial Grants - Ministry of Education	1,582,298	110,180	680,850	7,643,544	123,549	6,013		418	
Other Revenue									
Investment Income									
Income (Loss) from Investments in Government Business Enterprises									
	1,582,298	110,180	680,850	7,643,544	123,549	6,013	-	418	-
Expenses									
Salaries									
Teachers	942,901	89,636	35,565	6,192,337	92,885				
Principals and Vice Principals			31,961						
Educational Assistants									
Support Staff			73,162						
Substitutes	933		313,139			2,664			
	943,834	89,636	453,827	6,192,337	92,885	2,664	-	-	-
Employee Benefits	233,080	20,166	75,968	1,451,207	21,812				
Services and Supplies	405,384	378	151,055		8,852	3,349		418	
	1,582,298	110,180	680,850	7,643,544	123,549	6,013	-	418	-
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, 2018

	Gov't of Canada Youth Program	Contributor Restricted	TOTAL
	\$	\$	\$
Deferred Revenue, beginning of year	130,990	664,192	3,801,911
Add: Restricted Grants			
Provincial Grants - Ministry of Education			11,919,145
Other		878,786	5,293,273
Investment Income			243
	-	878,786	17,212,661
Less: Allocated to Revenue	-	725,933	16,914,107
Deferred Revenue, end of year	130,990	817,045	4,100,465
Revenues			
Provincial Grants - Ministry of Education			11,956,613
Other Revenue		725,933	4,957,251
Investment Income			243
Income (Loss) from Investments in Government Business Enterprises			201,622
	-	725,933	17,115,729
Expenses			
Salaries			
Teachers			7,394,841
Principals and Vice Principals			31,961
Educational Assistants			446,852
Support Staff		111,022	334,104
Substitutes			319,223
	-	111,022	8,526,981
Employee Benefits		37,007	1,991,291
Services and Supplies		577,904	6,395,835
	-	725,933	16,914,107
Net Revenue (Expense) before Interfund Transfers	-	-	201,622
Interfund Transfers	-	-	-
Net Revenue (Expense)	-	-	201,622

School District No. 73 (Kamloops/Thompson)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2018

	2018 Budget	2018 Actual			2017 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	2,598,834	2,628,609		2,628,609	2,452,465
Other Revenue	147,295		87,846	87,846	152,234
Investment Income	50,000		21,565	21,565	84,963
Amortization of Deferred Capital Revenue	2,990,286	2,990,286		2,990,286	3,060,264
Total Revenue	5,786,415	5,618,895	109,411	5,728,306	5,749,926
Expenses					
Operations and Maintenance	2,598,834	2,628,609		2,628,609	2,452,465
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,997,948	4,997,948		4,997,948	4,994,496
Total Expense	7,596,782	7,626,557	-	7,626,557	7,446,961
Capital Surplus (Deficit) for the year	(1,810,367)	(2,007,662)	109,411	(1,898,251)	(1,697,035)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased				-	1,539,644
Local Capital			3,373,384	3,373,384	
Total Net Transfers	-	-	3,373,384	3,373,384	1,539,644
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		1,543,127	(1,543,127)	-	
Total Other Adjustments to Fund Balances		1,543,127	(1,543,127)	-	
Total Capital Surplus (Deficit) for the year	(1,810,367)	(464,535)	1,939,668	1,475,133	(157,391)
Capital Surplus (Deficit), beginning of year		23,793,654	2,333,639	26,127,293	26,284,684
Capital Surplus (Deficit), end of year		23,329,119	4,273,307	27,602,426	26,127,293

School District No. 73 (Kamloops/Thompson)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2018

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	10,345,129	132,248,462	10,067,425	11,833,140	258,925	2,827,887	167,580,968
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		2,674,330		663,596			3,337,926
Deferred Capital Revenue - Other			644,401				644,401
Local Capital		15,327	1,015,387	20,852	138,964	352,597	1,543,127
	-	2,689,657	1,659,788	684,448	138,964	352,597	5,525,454
Decrease:							
Deemed Disposals			701,849	1,944,450	150,206	500,802	3,297,307
	-	-	701,849	1,944,450	150,206	500,802	3,297,307
Cost, end of year	10,345,129	134,938,119	11,025,364	10,573,138	247,683	2,679,682	169,809,115
Work in Progress, end of year							-
Cost and Work in Progress, end of year	10,345,129	134,938,119	11,025,364	10,573,138	247,683	2,679,682	169,809,115
Accumulated Amortization, beginning of year		92,207,351	3,140,811	5,583,408	153,926	1,026,203	102,111,699
Changes for the Year							
Increase: Amortization for the Year		2,190,528	1,006,743	1,183,314	51,785	565,578	4,997,948
Decrease:							
Deemed Disposals			701,849	1,944,450	150,206	500,802	3,297,307
			-	701,849	150,206	500,802	3,297,307
Accumulated Amortization, end of year		94,397,879	3,445,705	4,822,272	55,505	1,090,979	103,812,340
Tangible Capital Assets - Net	10,345,129	40,540,240	7,579,659	5,750,866	192,178	1,588,703	65,996,775

School District No. 73 (Kamloops/Thompson)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2018

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
Deferred Capital Revenue, beginning of year	\$ 39,872,686	\$ 152,172	\$ 1,787,592	\$ 41,812,450
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	3,337,926	642,935	1,466	3,982,327
	<u>3,337,926</u>	<u>642,935</u>	<u>1,466</u>	<u>3,982,327</u>
Decrease:				
Amortization of Deferred Capital Revenue	2,925,675	7,809	56,802	2,990,286
	<u>2,925,675</u>	<u>7,809</u>	<u>56,802</u>	<u>2,990,286</u>
Net Changes for the Year	<u>412,251</u>	<u>635,126</u>	<u>(55,336)</u>	<u>992,041</u>
Deferred Capital Revenue, end of year	<u>40,284,937</u>	<u>787,298</u>	<u>1,732,256</u>	<u>42,804,491</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>40,284,937</u>	<u>787,298</u>	<u>1,732,256</u>	<u>42,804,491</u>

School District No. 73 (Kamloops/Thompson)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2018

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ 78,119	\$ 171,876	\$ 689,008	\$	\$ 86,374	\$ 1,025,377
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	5,933,193					5,933,193
Provincial Grants - Other			300,002			300,002
Other					9,369	9,369
Investment Income		530			2,047	2,577
	<u>5,933,193</u>	<u>530</u>	<u>300,002</u>	<u>-</u>	<u>11,416</u>	<u>6,245,141</u>
Decrease:						
Transferred to DCR - Capital Additions	3,337,926	3,048	639,887		1,466	3,982,327
Building Repairs and Maintenance	2,628,608					2,628,608
	<u>5,966,534</u>	<u>3,048</u>	<u>639,887</u>	<u>-</u>	<u>1,466</u>	<u>6,610,935</u>
Net Changes for the Year	<u>(33,341)</u>	<u>(2,518)</u>	<u>(339,885)</u>	<u>-</u>	<u>9,950</u>	<u>(365,794)</u>
Balance, end of year	<u>44,778</u>	<u>169,358</u>	<u>349,123</u>	<u>-</u>	<u>96,324</u>	<u>659,583</u>