

Audited Financial Statements of

School District No. 73 (Kamloops/Thompson)

June 30, 2017

School District No. 73 (Kamloops/Thompson)

June 30, 2017

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School District No. 73 (Kamloops/Thompson)

MANAGEMENT REPORT

Version: 2555-1809-8827

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 11, 2017
Signature of the Chairperson of the Board of Education	Date Signed

Signature on file	September 11, 2017
Signature of the Superintendent	Date Signed

Signature on file	September 11, 2017
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, 2017, 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, 2017, and the Statements of Operations, Change in Net Financial Assets (Debt), remeasurment gains and losses, and Cash Flows for the year then ended are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.



Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the exhibits on pages 30 through 43 of School District No. 73 (Kamloops/Thompson)'s Financial Statements.

Chartered Professional Accountants

Kamloops, British Columbia
September 11, 2017

School District No. 73 (Kamloops/Thompson)

Statement of Financial Position

As at June 30, 2017

	2017 Actual \$	2016 Actual \$
Financial Assets		
Cash and Cash Equivalents	23,708,457	19,665,505
Accounts Receivable		
Due from Province - Ministry of Education	222,489	579,151
Due from LEA/Direct Funding	796,410	760,760
Other (Note 3)	922,849	841,192
Investments in Government Business Enterprises (Note 6)	676,197	177,648
Portfolio Investments (Note 5)	2,027,139	4,027,139
Total Financial Assets	28,353,541	26,051,395
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 7)	8,707,707	8,304,080
Unearned Revenue (Note 8)	2,020,445	1,540,306
Deferred Revenue (Note 9)	3,801,911	3,920,555
Deferred Capital Revenue (Note 10)	42,837,827	43,772,664
Employee Future Benefits (Note 11)	4,346,596	3,906,102
Other Liabilities	124,874	45,677
Total Liabilities	61,839,360	61,489,384
Net Financial Assets (Debt)	(33,485,819)	(35,437,989)
Non-Financial Assets		
Tangible Capital Assets (Note 4)	65,469,269	66,471,126
Restricted Assets (Endowments) (Note 19)	150,125	150,125
Prepaid Expenses (Note 21)	683,670	161,084
Supplies Inventory (Note 2m)	332,087	431,932
Total Non-Financial Assets	66,635,151	67,214,267
Accumulated Surplus (Deficit)	33,149,332	31,776,278

Contractual Obligations and Contingencies (Note 15)

Approved by the Board

Signature on file
Signature of the Chairperson of the Board of Education

September 11, 2017
Date Signed

Signature on file
Signature of the Superintendent

September 11, 2017
Date Signed

Signature on file
Signature of the Secretary Treasurer

September 11, 2017
Date Signed

School District No. 73 (Kamloops/Thompson)

Statement 2

Statement of Operations
Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	146,381,949	144,638,714	138,206,199
Other	75,193	67,332	127,047
Federal Grants	146,218		
Tuition	2,626,412	2,900,647	2,476,159
Other Revenue	10,175,088	8,521,185	8,652,323
Rentals and Leases	269,684	314,227	296,842
Investment Income	271,000	266,631	323,327
Income (Loss) from Investments in Government Business Enterprises		498,549	177,648
Amortization of Deferred Capital Revenue	3,060,250	3,060,264	3,056,680
Total Revenue	163,005,794	160,267,549	153,316,225
Expenses			
Instruction	122,064,253	119,337,755	117,280,362
District Administration	4,277,853	3,994,529	3,899,951
Operations and Maintenance	27,199,760	25,526,784	25,130,763
Transportation and Housing	4,986,914	4,732,274	4,458,002
Supplies	7,624,771	5,303,153	5,671,884
Total Expense	166,153,551	158,894,495	156,440,962
Surplus (Deficit) for the year	(3,147,757)	1,373,054	(3,124,737)
Accumulated Surplus (Deficit) from Operations, beginning of year		31,776,278	34,901,015
Accumulated Surplus (Deficit) from Operations, end of year		33,149,332	31,776,278

School District No. 73 (Kamloops/Thompson)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(3,147,757)	1,373,054	(3,124,737)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(2,945,336)	(3,992,639)	(4,383,661)
Amortization of Tangible Capital Assets	4,994,496	4,994,496	4,681,449
Total Effect of change in Tangible Capital Assets	2,049,160	1,001,857	297,788
Acquisition of Prepaid Expenses		(522,586)	
Use of Prepaid Expenses			243,181
Acquisition of Supplies Inventory			(47,759)
Use of Supplies Inventory		99,845	
Total Effect of change in Other Non-Financial Assets	-	(422,741)	195,422
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(1,098,597)</u>	1,952,170	(2,631,527)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		1,952,170	(2,631,527)
Net Financial Assets (Debt), beginning of year		(35,437,989)	(32,806,462)
Net Financial Assets (Debt), end of year		<u>(33,485,819)</u>	<u>(35,437,989)</u>

School District No. 73 (Kamloops/Thompson)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2017

	2017 Actual	2016 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	1,373,054	(3,124,737)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	239,355	(124,926)
Supplies Inventories	99,845	(47,759)
Prepaid Expenses	(522,586)	243,181
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	403,627	(363,234)
Unearned Revenue	480,139	271,862
Deferred Revenue	(118,644)	155,833
Employee Future Benefits	440,494	77,305
Other Liabilities	79,197	(38,698)
Amortization of Tangible Capital Assets	4,994,496	4,681,449
Amortization of Deferred Capital Revenue	(3,060,264)	(3,056,680)
Building Maintenance/Roofing Projects	(2,452,465)	(2,884,059)
Total Operating Transactions	1,956,248	(4,210,463)
Capital Transactions		
Tangible Capital Assets Purchased	(3,992,639)	(4,383,661)
Total Capital Transactions	(3,992,639)	(4,383,661)
Financing Transactions		
Capital Revenue Received	4,577,892	4,156,868
Total Financing Transactions	4,577,892	4,156,868
Investing Transactions		
Investments in Portfolio Investments	2,000,000	1,000,000
Decrease (Increase) in Investments in Government Business Enterprises	(498,549)	(177,648)
Total Investing Transactions	1,501,451	822,352
Net Increase (Decrease) in Cash and Cash Equivalents	4,042,952	(3,614,904)
Cash and Cash Equivalents, beginning of year	19,665,505	23,280,409
Cash and Cash Equivalents, end of year	23,708,457	19,665,505
Cash and Cash Equivalents, end of year, is made up of:		
Cash	23,708,457	19,665,505
	23,708,457	19,665,505
Supplementary Cash Flow Information		

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, 2016 – increase in annual surplus by \$1,867,591

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Basis of Consolidation

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

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

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

c) Cash and Cash Equivalents

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

d) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts.

e) Portfolio Investments

The School District has investments in both GIC's and the BC Interior Community Foundation (BCICF). GICs have a maturity of greater than 3 months at the time of acquisition. These investments are reported at cost. Portfolio investments in equity instruments that are quoted in an active market are recorded at fair value and the associated transaction costs are expensed upon initial recognition. The change in the fair value is recognized in the Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until the portfolio investments are realized on disposal. Upon disposal, any accumulated remeasurement gains or losses associated with the portfolio investments are reclassified to the Statement of Operations. As there are no remeasurement gains or losses to report, the statement of remeasurement gains and losses has not been prepared.

Impairment is defined as a loss in value of a portfolio investment that is other than a temporary decline and is included in the Statement of Operations. In the case of an item in the fair value category, a reversal of any net remeasurement gains recognized in previous reporting periods up to the amount of the write-down is reported in the Statement of Remeasurement Gains and Losses. The loss is not reversed if there is a subsequent increase in value.

Detailed information regarding portfolio investments is disclosed in Note 5.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**f) Unearned Revenue**

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

g) Deferred Revenue and Deferred Capital Revenue

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

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

h) Employee Future Benefits

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

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

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

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

The most recent valuation of the obligation was performed at March 31, 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished. See Note 2(a) for the impact of this policy on these financial statements.

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

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

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, 2017.

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

	2017	2016
Due from Federal Government	\$ 98,772	\$ 80,369
Due from Other School Districts	22,970	22,793
Other	810,186	747,109
Allowance for Doubtful Accounts	(9,079)	(9,079)
	\$ 922,849	\$ 841,192

School District No. 73 (Kamloops/Thompson)

Notes to Financial Statements

June 30, 2017

NOTE 4 TANGIBLE CAPITAL ASSETS

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 & Equipment	10,072,858	1,628,093	1,633,526	-	10,067,425
Vehicles	11,047,017	810,099	23,976	-	11,833,140
Computer Software	670,007	20,566	431,648	-	258,925
Computer Hardware	2,778,256	459,067	409,436	-	2,827,887
Total	\$ 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
Totals	\$ 99,615,789	\$ 4,994,496	\$ 2,498,586	\$ 102,111,699

June 30, 2016

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

Accumulated Amortization	Balance at July 1, 2015	Additions	Disposals	Balance at June 30, 2016
Buildings	\$ 87,792,319	\$ 2,222,176	\$ -	\$ 90,014,495
Furniture & Equipment	3,271,830	770,117	274,898	3,767,049
Vehicles	4,252,774	1,160,222	910,312	4,502,684
Computer Software	322,766	128,808	-	451,574
Computer Hardware	782,318	400,126	302,457	879,987
Total	\$ 92,422,007	\$ 4,681,449	\$ 1,487,667	\$ 99,615,789

Net Book Value

	Net Book Value June 30, 2017	Net Book Value June 30, 2016
Sites	\$ 10,345,129	\$ 10,345,129
Buildings	40,041,111	41,159,153
Furniture & Equipment	6,926,614	6,305,809
Vehicles	6,249,732	6,544,333
Computer Software	104,999	218,433
Computer Hardware	1,801,684	1,898,269
Total	\$ 65,469,269	\$ 66,471,126

School District No. 73 (Kamloops/Thompson)

Notes to Financial Statements

June 30, 2017

NOTE 5 PORTFOLIO INVESTMENTS

	Interest Rate	Maturity Date	2017	2016
GIC	2.80%	12/29/2016	\$ -	\$ 1,000,000
GIC	2.65%	06/12/2017	-	1,000,000
GIC	2.40%	06/11/2018	2,000,000	2,000,000
Total GIC			2,000,000	4,000,000
BCICF			27,139	27,139
Total Portfolio Investments			\$ 2,027,139	\$ 4,027,139

Interest accrued under the amortized cost is \$ NIL (2016 - \$ 93,244), and was included in other accounts receivable.

School District No. 73 (Kamloops/Thompson)

Notes to Financial Statements

June 30, 2017

NOTE 6 INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES

Summary of the financial statements of School District No. 73 Business Company, for the period ended June 30, 2017 is as follows:

Balance Sheet	June 30, 2017	March 31, 2017	March 31, 2016
Current Assets			
Cash and Bank	\$ 1,181,697	\$ 1,147,156	\$ 528,601
Accounts Receivable	224,964	351,168	366,274
Prepaid Expenses	22,072	1,625	1,662
Due from Virtual School Society	2,000	2,000	2,000
	1,430,733	1,501,949	898,537
Property, Plant and Equipment	93,388	99,324	109,485
Total Assets	1,524,121	1,601,273	1,008,022
Current Liabilities			
Accounts Payable	2,450	5,493	62,021
Deferred Revenue	420,000	375,000	11,000
Due to Shareholder	55,369	53,175	112,021
	477,819	433,668	185,042
Shareholder's Equity			
Share Capital	1	1	1
Contributed Surplus	370,101	370,101	370,101
Retained Earnings	676,200	797,503	452,878
	1,046,302	1,167,605	822,980
Total Liabilities and Shareholder's Equity	1,524,121	1,601,273	1,008,022
Statement of Operations			
Revenue	57,857	1,133,780	2,238,941
Expenses	179,160	789,155	2,032,419
(Loss) Income from Operations	(121,303)	344,625	206,522
Net Income for Year	(121,303)	344,625	206,522
Retained Earnings, beginning of year	797,503	452,878	246,356
Retained Earnings, end of year	\$ 676,200	\$ 797,503	\$ 452,878

NOTE 6 INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES (continued)

On August 1, 2013, the School District 73 Business Company (SD73BC) acquired the LearnNowBC contract from the Virtual School Society (VSS). All assets, infrastructure and some working capital was transferred to SD73BC from the VSS. VSS was deemed to be a related entity as the Province of British Columbia effectively controlled the VSS by providing all of the grant funding necessary to operate LearnNowBC. As such, the transfer described above was done at carrying value, which resulted in contributed surplus of \$370,101 being generated in SD73BC. Under PSAB, this would be considered a capital transaction, and as such, the increase in the investment in SD73BC resulting from LearnNowBC was recorded as an increase in the equity in the Government Business Enterprise. During the year, SD73BC changed its year end from March 31 to June 30. As a result, the 2017 equity earnings from the operations of SD73BC include both the twelve month period ending March 31, 2017 and the three month period ending June 30, 2017. As in the 2016 year the School District and SD73BC did not have concurrent year ends, in addition to the income from operations above, the equity earnings from SD73BC include \$ (275,227) in net loss earned from April 1, 2016 to June 30, 2016 and excludes \$ (267,393) in net loss from April 1, 2015 to June 30, 2015. The majority of this loss is due to the timing of the LearnNowBC operating grants received from the Ministry of Education.

During the year, the School District charged SD73BC a management fee of \$ 59,582 (2016 - \$ 111,947) in respect of administrative support provided to SD73BC.

Included in accounts receivable - other (Note 3) is \$9,707 (2016 - \$112,021) due from the SD73BC.

NOTE 7 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2017	2016
Trade Payable	\$ 2,017,389	\$ 1,624,974
Salaries and Benefits Payable	4,710,901	4,696,819
Accrued Vacation Payable	1,979,417	1,982,287
	\$ 8,707,707	\$ 8,304,080

NOTE 8 UNEARNED REVENUE

	2017	2016
Balance, beginning of year	\$ 1,540,306	\$ 1,268,444
Changes for the year		
Increase:		
Tuition Fees	2,062,843	1,524,705
Rental/Lease of Facilities	96,000	96,000
Decrease:		
Tuition Fees	(1,582,704)	(1,252,843)
Rental/Lease of Facilities	(96,000)	(96,000)
Net changes for the year	480,139	271,862
Balance, end of year	\$ 2,020,445	\$ 1,540,306

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.

	2017	2016
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 5,420,596	\$ 5,161,180
Service Cost	443,773	355,787
Interest Cost	141,263	120,293
Benefit Payments – April 1 to March 31 - VESTED	(461,851)	(271,274)
Benefit Payments – April 1 to March 31 – NON-VESTED	(83,158)	(100,517)
Actuarial (Gain) Loss	(1,130)	155,127
Accrued Benefit Obligation – March 31	5,459,493	5,420,596
Change in Plan Assets		
Employer Contributions – April 1 to March 31	545,009	371,791
Benefit Payments – April 1 to March 31	(545,009)	(371,791)
Market Value of Plan Assets - March 31	-	-
Reconciliation of Funded Status as End of Fiscal Year		
Accrued Benefit Obligation – March 31	5,459,493	5,420,596
Funded Status – Surplus (Deficit)	(5,459,493)	(5,420,596)
Employer Contributions After Measurement Date – April 1 to June 30 – Vested	71,484	281,883
Benefit Expense After Measurement Date April 1 to June 30	(149,538)	(146,259)
Unamortized Net Actuarial (Gain)/Loss	1,190,951	1,378,870
Accrued Benefit (Liability) Asset – June 30	(4,346,596)	(3,906,102)

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

Components of Net Benefit Expense

Service Cost – July 1 to March 31	332,830	266,840
Service Cost – April 1 to June 30	110,266	110,943
Interest Cost – July 1 to March 31	105,947	90,220
Interest Cost – April 1 to June 30	39,272	35,316
Amortization of Net Actuarial (Gain)/Loss	186,788	171,119
Net Benefit Expense (Income)	<u>775,103</u>	<u>674,438</u>

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

Accrued Benefit Liability (Asset) – July 1	3,906,103	3,828,797
Net Expense for Fiscal Year	775,103	674,438
Employer Contributions – July 1 to March 31	(263,126)	(315,250)
Employer Contributions – April 1 to June 30	(71,484)	(281,883)
Accrued Benefit Liability (Asset) – June 30	<u>\$ 4,346,596</u>	<u>\$ 3,906,102</u>

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

Assumptions	<u>2017</u>	<u>2016</u>
Discount Rate – April 1	2.50%	2.25%
Discount Rate – March 31	2.75%	2.50%
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 45,000 active members and approximately 36,000 retired members. As of December 31, 2015, the Municipal Pension Plan has about 189,000 active members, including 24,000 from school districts.

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

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 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 \$ 13,702,190 (2016 - \$ 13,715,708) for employer contributions to these plans in the year ended June 30, 2017.

NOTE 13a OPERATING FUND BALANCE, END OF YEAR

	June 30, 2016	Increases	Decreases	June 30, 2017
Internally Restricted Funds				
Utility/Fuel Reserve	\$ 500,000	\$200,000	-	\$ 700,000
Department Reserve	332,483	74,921	-	407,404
School Supply Reserve	1,120,611	92,011	-	1,212,622
School – Student Learning	-	625,214	-	625,214
Employee Benefit Reserve	986,632	-	-	986,632
Aboriginal Education Reserve	581,195	-	-	581,195
Total Internally Restricted	<u>3,520,921</u>	<u>992,146</u>	<u>-</u>	<u>4,513,067</u>
Unrestricted Funds				
AFG Other Reserve	60,608	22,041	-	82,649
General Reserve	1,582,292	17,708	-	1,600,000
Total Unrestricted	<u>1,642,900</u>	<u>39,749</u>	<u>-</u>	<u>1,682,649</u>
Total Operating Fund	<u>\$ 5,163,821</u>	<u>\$1,031,895</u>	<u>-</u>	<u>\$ 6,195,716</u>

NOTE 13a OPERATING FUND BALANCE, END OF YEAR (continued)

The School District has operating reserve funds separated into two categories: Internally restricted funds and unrestricted funds. Internally Restricted funds are earmarked for expenditures based on specific criteria. The School District did not require reserve funds in 2016-2017 to balance the operating budget. The School District budgets the utility and fuel accounts based on the prior year actual expenditures. Fluctuations due to price or volume changes are covered off by the Utility/fuel Reserve. In 2016-2017, the School District was underspend in utilities and fuel in 2016-2017 by \$119,707 on total expenditure budgets of \$3,948,591. In 2017-2018, the School District is adding an additional \$200,000 in budget reserves to deal with the over expenditure that occurred in the Certified Education Assistant accounts of \$183,963 on a total budget of \$7,139,004.

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 expenditure in future years. This practice eliminates staff spending to the full extent of the budget by June 30th each year allowing educators and managers to improve the 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 into the next school year(s).

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

Unrestricted Funds have been set aside specifically for other Annual Facility Grant (AFG) projects and General Operations. These two funds are unrestricted because the expenditures have not yet been identified or approved by the Board of Education. In early August each year and once the Operating surplus/deficit has been determined, the Secretary-Treasurer, in consultation with the Superintendent and Senior Administration staff, will review reserve balances to determine if they are necessary, adequate or not required. Based on that review, the Secretary-Treasurer will make a recommendation to the Board of Education for consideration and approval of the year end balances in each of the reserves. This recommendation will come forward at the first school board meeting for the school year in late August. At that meeting, the Board of Education will also have an opportunity to discuss the recommendation with the districts external auditors who attend and provide a detailed review of the audited financial statements for the year just completed.

The AFG Other Reserve is an accumulation of surplus budget funds received as rebates from utility providers in support of our capital equipment upgrades. Recommendations for expenditure from the AFG Other Reserve comes from the Director of Facilities and Transportation.

Board approval is required to expend funds in the General Reserve section of the Unrestricted Funds. Once approval is granted, the funds move from Unrestricted Fund to the Restricted Fund. Operating Surpluses will generally increase and deficits will generally reduce the Unrestricted Reserve Fund. The \$1.6 million in General Reserve currently equates to slightly more than 1% of the School District's annual operating budget.

NOTE 13b SPECIAL PURPOSE FUND BALANCE, END OF YEAR

	June 30, 2016	Increases	Decreases	June 30 , 2017
Ministry of Education	\$ 556,011	\$ 7,136,147	\$ (7,135,086)	\$ 557,072
School Generated Funds	2,494,330	3,878,010	(4,019,252)	2,353,088
Other Special Purpose Funds	870,214	884,883	(863,346)	891,751
	\$ 3,920,555	\$ 11,899,040	\$ (12,017,684)	\$ 3,801,911

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, 2016	Increases	Decreases	June 30 , 2017
Local Capital Reserve	\$ 3,164,770	\$ 1,776,841	\$ (2,607,973)	\$ 2,333,638

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.

School District No. 73 (Kamloops/Thompson)

Notes to Financial Statements

June 30, 2017

NOTE 13d OTHER PROVINCIAL CAPITAL FUND BALANCE, END OF YEAR

	June 30 2016	Increases	Decreases	June 30 , 2017
Other Provincial Capital	\$ -	\$ 739,068	\$ (50,060)	\$ 689,008

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.

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 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, 2018	\$ 80,364
June 30, 2019	60,804
June 30, 2020	60,804

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

NOTE 16 BUDGET FIGURES

The budget figures used in these financial statements are the amended budget approved by the Board of Education on February 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	\$ 136,724,764	\$ 9,657,185	\$ 146,381,949
Other grants	75,193	-	75,193
Federal grants	-	146,218	146,218
Tuition	2,375,825	250,587	2,626,412
Other revenue	9,335,415	819,673	10,175,088
Rental & lease	269,684	-	269,684
Investment income	311,000	(40,000)	271,000
Amortization of deferred capital revenue	2,964,760	95,490	3,060,250
	<u>152,076,641</u>	<u>10,929,153</u>	<u>163,005,794</u>
Expenses			
Instruction	112,576,388	9,487,865	122,064,253
District administrative	4,128,979	148,874	4,277,853
Operation & maintenance	20,411,674	1,793,590	22,205,264
Transportation & housing	4,635,506	351,408	4,986,914
Amortization of capital assets	5,004,094	(9,598)	4,994,496
Supplies and services	7,153,334	471,437	7,624,771
	<u>153,909,975</u>	<u>12,243,576</u>	<u>166,153,551</u>
Net revenue (expenses)	(1,833,334)	(1,314,423)	(3,147,757)
Budget allocation (retirement) of surplus (deficit)	-	1,502,055	1,502,055
Budgeted surplus (deficit) for the year	<u>\$ (1,833,334)</u>	<u>\$ 187,632</u>	<u>\$ (1,645,702)</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, 2016	Investment Income (Loss)	Increases	Decreases	June 30, 2017
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 School 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, 2017 \$ 1,539,645 was transferred from the operating fund to the capital fund (2016 - \$ NIL).

NOTE 22 RISK MANAGEMENT

A) GENERAL RISK MANAGEMENT

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

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

- To safeguard the School District's ability to carry on as a going concern, so the School District can continue to provide its students and stakeholders with the following:
 - The best possible learning environment based on the School District's Annual Facility Grant (AFG) plus additional funding, when available, from the local capital reserve.
 - To ensure capital projects are implemented for the benefit of the students and staff and to make certain the Board mitigates any potential liability from safety concerns.

The management of the School District establishes an annual list of capital needs 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 School 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 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 \$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.

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, 2017 and 2016, the facility was unused.

School District No. 73 (Kamloops/Thompson)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
 Year Ended June 30, 2017

	Operating Fund	Special Purpose Fund	Capital Fund	2017 Actual	2016 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	5,163,821	327,773	26,284,684	31,776,278	34,901,015
Changes for the year					
Surplus (Deficit) for the year	2,571,540	498,549	(1,697,035)	1,373,054	(3,124,737)
Interfund Transfers					
Local Capital	(1,539,644)		1,539,644	-	
Net Changes for the year	1,031,896	498,549	(157,391)	1,373,054	(3,124,737)
Accumulated Surplus (Deficit), end of year - Statement 2	6,195,717	826,322	26,127,293	33,149,332	31,776,278

School District No. 73 (Kamloops/Thompson)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	135,057,641	135,051,163	129,319,522
Other	75,193	67,332	127,047
Tuition	2,626,412	2,900,647	2,476,159
Other Revenue	3,260,544	3,486,353	3,422,413
Rentals and Leases	269,684	314,227	296,842
Investment Income	216,000	181,668	226,318
Total Revenue	<u>141,505,474</u>	<u>142,001,390</u>	<u>135,868,301</u>
Expenses			
Instruction	116,379,825	113,602,904	112,810,635
District Administration	4,277,853	3,994,529	3,899,951
Operations and Maintenance	17,362,937	17,100,143	16,792,516
Transportation and Housing	4,986,914	4,732,274	4,458,002
Total Expense	<u>143,007,529</u>	<u>139,429,850</u>	<u>137,961,104</u>
Operating Surplus (Deficit) for the year	<u>(1,502,055)</u>	<u>2,571,540</u>	<u>(2,092,803)</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>1,502,055</u>		
Net Transfers (to) from other funds			
Local Capital		(1,539,644)	
Total Net Transfers	<u>-</u>	<u>(1,539,644)</u>	<u>-</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>1,031,896</u>	<u>(2,092,803)</u>
Operating Surplus (Deficit), beginning of year		5,163,821	7,256,624
Operating Surplus (Deficit), end of year		<u>6,195,717</u>	<u>5,163,821</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		4,513,068	3,520,921
Unrestricted		1,682,649	1,642,900
Total Operating Surplus (Deficit), end of year		<u>6,195,717</u>	<u>5,163,821</u>

School District No. 73 (Kamloops/Thompson)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	134,770,284	134,323,489	130,954,506
INAC/LEA Recovery	(2,451,810)	(2,451,910)	(2,613,929)
Other Ministry of Education Grants			
Pay Equity	575,959	575,959	575,959
Funding for Graduated Adults			15,981
Transportation Supplement	666,817	666,817	
Economic Stability Dividend		76,394	105,845
Return of Administrative Savings	673,698	673,698	
Carbon Tax Grant	100,000	188,107	160,886
Student Learning Grant	705,000	731,202	
Foundations Skills Assessment	17,693	17,693	18,668
PL Assessment			14,046
Curriculum Implementation			24,750
Next Generation Network Self Provisioned Allocation		249,714	62,810
Total Provincial Grants - Ministry of Education	135,057,641	135,051,163	129,319,522
Provincial Grants - Other	75,193	67,332	127,047
Tuition			
International and Out of Province Students	2,626,412	2,900,647	2,476,159
Total Tuition	2,626,412	2,900,647	2,476,159
Other Revenues			
LEA/Direct Funding from First Nations	2,472,533	2,419,950	2,562,393
Miscellaneous			
City of Kamloops	95,000	96,000	96,000
Course Fees		216,371	107,138
Student Paid Meals		179,175	159,128
Trades and Transitions Program	249,660	282,035	249,196
Miscellaneous Revenue	443,351	292,822	248,558
Total Other Revenue	3,260,544	3,486,353	3,422,413
Rentals and Leases	269,684	314,227	296,842
Investment Income	216,000	181,668	226,318
Total Operating Revenue	141,505,474	142,001,390	135,868,301

School District No. 73 (Kamloops/Thompson)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Salaries			
Teachers	58,512,451	59,147,466	58,821,670
Principals and Vice Principals	8,423,542	8,203,461	7,701,307
Educational Assistants	8,318,616	8,787,178	8,162,367
Support Staff	15,226,224	15,223,988	15,314,401
Other Professionals	3,209,130	3,112,058	3,182,710
Substitutes	5,442,742	5,304,523	5,344,362
Total Salaries	99,132,705	99,778,674	98,526,817
Employee Benefits	24,319,539	22,845,176	24,026,892
Total Salaries and Benefits	123,452,244	122,623,850	122,553,709
Services and Supplies			
Services	3,050,533	2,919,421	2,784,721
Student Transportation	356,812	358,775	367,795
Professional Development and Travel	1,710,654	1,508,180	1,459,553
Dues and Fees	101,589	83,330	81,910
Insurance	523,249	484,601	490,921
Supplies	10,788,081	8,453,939	7,537,051
Utilities	3,024,367	2,997,754	2,685,444
Total Services and Supplies	19,555,285	16,806,000	15,407,395
Total Operating Expense	143,007,529	139,429,850	137,961,104

School District No. 73 (Kamloops/Thompson)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

	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	47,012,279	1,256,287		1,022,086	275,672	3,344,426	52,910,750
1.03 Career Programs	184,617					13,054	197,671
1.07 Library Services	1,566,424			1,214,878		164,839	2,946,141
1.08 Counselling	1,515,554			519,420		130,285	2,165,259
1.10 Special Education	6,700,232	163,865	7,552,507	73,585		908,434	15,398,623
1.30 English Language Learning	118,510					8,380	126,890
1.31 Aboriginal Education	383,993	119,525	1,207,687		367,123	75,598	2,153,926
1.41 School Administration		6,084,633		824,968		107,126	7,016,727
1.60 Summer School	109,107	14,172					123,279
1.61 Continuing Education	282,167	337,790		86,570		27,577	734,104
1.62 International and Out of Province Students	266,848	117,945	26,984	30,727		23,018	465,522
1.64 Other	1,007,735	109,244		68,018		75,541	1,260,538
Total Function 1	59,147,466	8,203,461	8,787,178	3,840,252	642,795	4,878,278	85,499,430
4 District Administration							
4.11 Educational Administration				139,441	565,233		704,674
4.40 School District Governance					174,954		174,954
4.41 Business Administration				639,964	949,884		1,589,848
Total Function 4	-	-	-	779,405	1,690,071	-	2,469,476
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				68,812	397,908		466,720
5.50 Maintenance Operations				7,340,719	284,935	267,132	7,892,786
5.52 Maintenance of Grounds				837,282		17,417	854,699
5.56 Utilities							-
Total Function 5	-	-	-	8,246,813	682,843	284,549	9,214,205
7 Transportation and Housing							
7.41 Transportation and Housing Administration				115,774	96,349		212,123
7.70 Student Transportation				2,241,744		141,696	2,383,440
Total Function 7	-	-	-	2,357,518	96,349	141,696	2,595,563
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	59,147,466	8,203,461	8,787,178	15,223,988	3,112,058	5,304,523	99,778,674

School District No. 73 (Kamloops/Thompson)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2017 Actual	2017 Budget	2016 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	52,910,750	12,235,918	65,146,668	4,308,362	69,455,030	71,900,521	67,073,333
1.03 Career Programs	197,671	46,006	243,677		243,677	247,063	278,310
1.07 Library Services	2,946,141	693,199	3,639,340	264,547	3,903,887	3,933,286	4,049,878
1.08 Counselling	2,165,259	507,156	2,672,415	6	2,672,421	2,691,766	2,609,085
1.10 Special Education	15,398,623	3,696,430	19,095,053	838,878	19,933,931	19,348,576	21,233,168
1.30 English Language Learning	126,890	29,532	156,422		156,422	158,594	169,359
1.31 Aboriginal Education	2,153,926	428,650	2,582,576	336,967	2,919,543	3,065,984	2,895,336
1.41 School Administration	7,016,727	1,392,526	8,409,253	314,088	8,723,341	9,207,216	8,801,788
1.60 Summer School	123,279	20,205	143,484	264	143,748	123,318	153,819
1.61 Continuing Education	734,104	155,478	889,582	667,586	1,557,168	1,730,290	1,446,172
1.62 International and Out of Province Students	465,522	102,366	567,888	1,699,485	2,267,373	2,280,271	2,200,384
1.64 Other	1,260,538	289,276	1,549,814	76,549	1,626,363	1,692,940	1,900,003
Total Function 1	85,499,430	19,596,742	105,096,172	8,506,732	113,602,904	116,379,825	112,810,635
4 District Administration							
4.11 Educational Administration	704,674	134,507	839,181	289,570	1,128,751	1,188,109	1,073,634
4.40 School District Governance	174,954	11,951	186,905	118,678	305,583	347,079	300,665
4.41 Business Administration	1,589,848	363,507	1,953,355	606,840	2,560,195	2,742,665	2,525,652
Total Function 4	2,469,476	509,965	2,979,441	1,015,088	3,994,529	4,277,853	3,899,951
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	466,720	92,289	559,009	394,778	953,787	1,061,538	880,515
5.50 Maintenance Operations	7,892,786	1,811,747	9,704,533	2,005,614	11,710,147	11,786,159	11,698,876
5.52 Maintenance of Grounds	854,699	206,886	1,061,585	376,869	1,438,454	1,490,873	1,527,681
5.56 Utilities	-	-	-	2,997,755	2,997,755	3,024,367	2,685,444
Total Function 5	9,214,205	2,110,922	11,325,127	5,775,016	17,100,143	17,362,937	16,792,516
7 Transportation and Housing							
7.41 Transportation and Housing Administration	212,123	43,603	255,726	118,134	373,860	552,864	397,674
7.70 Student Transportation	2,383,440	583,944	2,967,384	1,391,030	4,358,414	4,434,050	4,060,328
Total Function 7	2,595,563	627,547	3,223,110	1,509,164	4,732,274	4,986,914	4,458,002
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	99,778,674	22,845,176	122,623,850	16,806,000	139,429,850	143,007,529	137,961,104

School District No. 73 (Kamloops/Thompson)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	7,338,473	7,135,086	6,002,618
Federal Grants	146,218		
Other Revenue	6,680,000	4,882,598	4,911,732
Investment Income	1,000		
Income (Loss) from Investments in Government Business Enterprises		498,549	177,648
Total Revenue	<u>14,165,691</u>	<u>12,516,233</u>	<u>11,091,998</u>
Expenses			
Instruction	5,684,428	5,734,851	4,469,727
Operations and Maintenance	856,492	979,680	772,739
Supplies	7,624,771	5,303,153	5,671,884
Total Expense	<u>14,165,691</u>	<u>12,017,684</u>	<u>10,914,350</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>498,549</u>	<u>177,648</u>
Total Special Purpose Surplus (Deficit) for the year	<u><u>-</u></u>	<u><u>498,549</u></u>	<u><u>177,648</u></u>
Special Purpose Surplus (Deficit), beginning of year		327,773	150,125
Special Purpose Surplus (Deficit), end of year		<u><u>826,322</u></u>	<u><u>327,773</u></u>
Special Purpose Surplus (Deficit), end of year			
Related Entities		676,197	177,648
Endowment Contributions		150,125	150,125
Total Special Purpose Surplus (Deficit), end of year		<u><u>826,322</u></u>	<u><u>327,773</u></u>

School District No. 73 (Kamloops/Thompson)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2017

	Annual Facility Grant	Learning Improvement Fund	Aboriginal Education Technology	Special Education Equipment	Scholarships and Bursaries	Service Delivery Transformation	Special Education Technology	School Generated Funds	Related Entities
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	94,897	-	-	36,502	65,801	-	-	2,494,331	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education	761,595	2,694,585							
Federal Grants									
Other					15,539			3,878,010	
	761,595	2,694,585	-	-	15,539	-	-	3,878,010	-
Less: Allocated to Revenue	825,826	2,658,658	-	18,504	8,347	-	-	4,019,252	-
Deferred Revenue, end of year	30,666	35,927	-	17,998	72,993	-	-	2,353,089	-
Revenues									
Provincial Grants - Ministry of Education	825,826	2,658,658		18,504	8,347				
Federal Grants									
Other Revenue								4,019,252	
Income (Loss) from Investments in Government Business Enterprises									498,549
	825,826	2,658,658	-	18,504	8,347	-	-	4,019,252	498,549
Expenses									
Salaries									
Teachers		1,704,855							
Educational Assistants		442,817							
Support Staff									
Substitutes									
	-	2,147,672	-	-	-	-	-	-	-
Employee Benefits		510,986							
Services and Supplies				18,504	8,347			4,019,252	
Building Repairs and Maintenance	825,826								
	825,826	2,658,658	-	18,504	8,347	-	-	4,019,252	-
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	498,549
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	498,549

School District No. 73 (Kamloops/Thompson)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2017

	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Coding and Curriculum Implementation	Priority Measures	SET BC	Early Learning	Literacy Innovation
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year				360,736				14,908	39,984
Add: Restricted Grants									
Provincial Grants - Ministry of Education	225,718	80,850	195,685	1,571,503	112,845	1,370,856	122,509		
Federal Grants									
Other									
	225,718	80,850	195,685	1,571,503	112,845	1,370,856	122,509	-	-
Less: Allocated to Revenue	225,718	80,850	195,685	1,625,468	2,665	1,370,856	122,509	-	-
Deferred Revenue, end of year	-	-	-	306,771	110,180	-	-	14,908	39,984
Revenues									
Provincial Grants - Ministry of Education	225,718	80,850	195,685	1,625,468	2,665	1,370,856	122,509		
Federal Grants									
Other Revenue									
Income (Loss) from Investments in Government Business Enterprises									
	225,718	80,850	195,685	1,625,468	2,665	1,370,856	122,509	-	-
Expenses									
Salaries									
Teachers	13,100		32,706	970,513		1,078,085	91,907		
Educational Assistants									
Support Staff	146,584			113					
Substitutes			1,828		213	52,290			
	159,684	-	34,534	970,626	213	1,130,375	91,907	-	-
Employee Benefits	49,381		7,297	212,760		240,481	21,554		
Services and Supplies	16,653	80,850		442,082	2,452		9,048		
Building Repairs and Maintenance			153,854						
	225,718	80,850	195,685	1,625,468	2,665	1,370,856	122,509	-	-
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, 2017

	BCLCA/ E-Learning	Gov't of Canada Environmental Program	Gov't of Canada Youth Program	Contributor Restricted	TOTAL
	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	8,985	15,228	130,990	658,193	3,920,555
Add: Restricted Grants					
Provincial Grants - Ministry of Education					7,136,146
Federal Grants					-
Other				869,345	4,762,894
	-	-	-	869,345	11,899,040
Less: Allocated to Revenue					
Deferred Revenue, end of year	8,985	15,228	130,990	664,192	3,801,911
Revenues					
Provincial Grants - Ministry of Education					7,135,086
Federal Grants					-
Other Revenue				863,346	4,882,598
Income (Loss) from Investments in Government Business Enterprises					498,549
	-	-	-	863,346	12,516,233
Expenses					
Salaries					
Teachers					3,891,166
Educational Assistants					442,817
Support Staff				82,985	229,682
Substitutes				31,096	85,427
	-	-	-	114,081	4,649,092
Employee Benefits				43,300	1,085,759
Services and Supplies				705,965	5,303,153
Building Repairs and Maintenance					979,680
	-	-	-	863,346	12,017,684
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	498,549
Interfund Transfers					
	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	498,549

School District No. 73 (Kamloops/Thompson)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual			2016 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	3,985,835	2,452,465		2,452,465	2,884,059
Other Revenue	234,544		152,234	152,234	318,178
Investment Income	54,000		84,963	84,963	97,009
Amortization of Deferred Capital Revenue	3,060,250	3,060,264		3,060,264	3,056,680
Total Revenue	7,334,629	5,512,729	237,197	5,749,926	6,355,926
Expenses					
Operations and Maintenance	3,985,835	2,452,465		2,452,465	2,884,059
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,994,496	4,994,496		4,994,496	4,681,449
Total Expense	8,980,331	7,446,961	-	7,446,961	7,565,508
Capital Surplus (Deficit) for the year	(1,645,702)	(1,934,232)	237,197	(1,697,035)	(1,209,582)
Net Transfers (to) from other funds					
Local Capital			1,539,644	1,539,644	
Total Net Transfers	-	-	1,539,644	1,539,644	-
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		2,607,972	(2,607,972)	-	
Total Other Adjustments to Fund Balances		2,607,972	(2,607,972)	-	
Total Capital Surplus (Deficit) for the year	(1,645,702)	673,740	(831,131)	(157,391)	(1,209,582)
Capital Surplus (Deficit), beginning of year		23,119,914	3,164,770	26,284,684	27,494,266
Capital Surplus (Deficit), end of year		23,793,654	2,333,639	26,127,293	26,284,684

School District No. 73 (Kamloops/Thompson)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2017

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	10,345,129	131,173,648	10,072,858	11,047,017	670,007	2,778,256	166,086,915
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,002,507		259,793			1,262,300
Deferred Capital Revenue - Other		72,307	50,060				122,367
Local Capital			1,578,033	550,306	20,566	459,067	2,607,972
	-	1,074,814	1,628,093	810,099	20,566	459,067	3,992,639
Decrease:							
Deemed Disposals			1,633,526	23,976	431,648	409,436	2,498,586
	-	-	1,633,526	23,976	431,648	409,436	2,498,586
Cost, end of year	10,345,129	132,248,462	10,067,425	11,833,140	258,925	2,827,887	167,580,968
Work in Progress, end of year							-
Cost and Work in Progress, end of year	10,345,129	132,248,462	10,067,425	11,833,140	258,925	2,827,887	167,580,968
Accumulated Amortization, beginning of year		90,014,495	3,767,049	4,502,684	451,574	879,987	99,615,789
Changes for the Year							
Increase: Amortization for the Year		2,192,856	1,007,288	1,104,700	134,000	555,652	4,994,496
Decrease:							
Deemed Disposals			1,633,526	23,976	431,648	409,436	2,498,586
			-	1,633,526	431,648	409,436	2,498,586
Accumulated Amortization, end of year		92,207,351	3,140,811	5,583,408	153,926	1,026,203	102,111,699
Tangible Capital Assets - Net	10,345,129	40,041,111	6,926,614	6,249,732	104,999	1,801,684	65,469,269

School District No. 73 (Kamloops/Thompson)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2017

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	41,514,846	43,801	1,929,400	43,488,047
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,262,300	122,367		1,384,667
	<u>1,262,300</u>	<u>122,367</u>	-	<u>1,384,667</u>
Decrease:				
Amortization of Deferred Capital Revenue	2,904,460	13,996	141,808	3,060,264
	<u>2,904,460</u>	<u>13,996</u>	<u>141,808</u>	<u>3,060,264</u>
Net Changes for the Year	<u>(1,642,160)</u>	<u>108,371</u>	<u>(141,808)</u>	<u>(1,675,597)</u>
Deferred Capital Revenue, end of year	<u><u>39,872,686</u></u>	<u><u>152,172</u></u>	<u><u>1,787,592</u></u>	<u><u>41,812,450</u></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><u>39,872,686</u></u>	<u><u>152,172</u></u>	<u><u>1,787,592</u></u>	<u><u>41,812,450</u></u>

School District No. 73 (Kamloops/Thompson)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2017

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ -	\$ 206,645	\$	\$	\$ 77,972	\$ 284,617
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	3,828,341					3,828,341
Provincial Grants - Other			736,424			736,424
Other					7,741	7,741
Investment Income		2,081	2,644		661	5,386
Transfer project surplus to MEd Restricted (from) Bylaw	(35,457)	35,457				-
	<u>3,792,884</u>	<u>37,538</u>	<u>739,068</u>	<u>-</u>	<u>8,402</u>	<u>4,577,892</u>
Decrease:						
Transferred to DCR - Capital Additions	1,262,300	72,307	50,060			1,384,667
Building Repairs and Maintenance	2,452,465					2,452,465
	<u>3,714,765</u>	<u>72,307</u>	<u>50,060</u>	<u>-</u>	<u>-</u>	<u>3,837,132</u>
Net Changes for the Year	<u>78,119</u>	<u>(34,769)</u>	<u>689,008</u>	<u>-</u>	<u>8,402</u>	<u>740,760</u>
Balance, end of year	<u><u>78,119</u></u>	<u><u>171,876</u></u>	<u><u>689,008</u></u>	<u><u>-</u></u>	<u><u>86,374</u></u>	<u><u>1,025,377</u></u>