

Audited Financial Statements of

# **School District No. 68 (Nanaimo-Ladysmith)**

And Independent Auditors' Report thereon

June 30, 2023

# School District No. 68 (Nanaimo-Ladysmith)

June 30, 2023

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# School District No. 68 (Nanaimo-Ladysmith)

## MANAGEMENT REPORT

**DRAFT**

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 68 (Nanaimo-Ladysmith) 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. 68 (Nanaimo-Ladysmith) (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 quarterly basis and externally audited financial statements yearly.

The external auditors, KPMG 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. 68 (Nanaimo-Ladysmith) 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. 68 (Nanaimo-Ladysmith)

**DRAFT**

Signature of the Comptroller of Education \_\_\_\_\_ Date Signed \_\_\_\_\_

Signature of the Superintendent \_\_\_\_\_ Date Signed \_\_\_\_\_

Signature of the Secretary Treasurer

Date Signed

# School District No. 68 (Nanaimo-Ladysmith)

## Statement of Financial Position

As at June 30, 2023

	2023 Actual	2022 Actual (Restated - Note 24)
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	37,468,620	40,186,886
Accounts Receivable		
Due from Province - Ministry of Education and Child Care (Note 3)	2,221,556	5,191,409
Due from First Nations	114,644	251,157
Other (Note 3)	3,727,960	3,215,847
Portfolio Investments (Note 5)	4,504,876	3,756,121
Mortgage Receivable	67,035	74,019
<b>Total Financial Assets</b>	<b>48,104,691</b>	<b>52,675,439</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Other (Note 6)	19,793,465	19,673,756
Unearned Revenue (Note 7)	4,120,448	4,107,590
Deferred Revenue (Note 8)	2,559,642	3,035,963
Deferred Capital Revenue (Note 9)	159,684,276	150,878,118
Employee Future Benefits (Note 10)	1,678,760	1,653,889
Asset Retirement Obligation (Note 20)	25,854,364	25,854,364
Capital Lease Obligations (Note 11)	488,926	-
Other Liabilities	2,024,057	2,202,656
<b>Total Liabilities</b>	<b>216,203,938</b>	<b>207,406,336</b>
<b>Net Debt</b>	<b>(168,099,247)</b>	<b>(154,730,897)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 12)	210,975,944	197,358,533
Prepaid Expenses	254,051	320,978
<b>Total Non-Financial Assets</b>	<b>211,229,995</b>	<b>197,679,511</b>
<b>Accumulated Surplus (Deficit) (Note 13)</b>	<b>43,130,748</b>	<b>42,948,614</b>
<b>Accumulated Surplus (Deficit) is comprised of:</b>		
Accumulated Surplus (Deficit) from Operations	43,130,748	42,948,614
Accumulated Remeasurement Gains (Losses)	-	-
	<b>43,130,748</b>	<b>42,948,614</b>

Contractual Obligations (Note 19)

Contractual Rights (Note 18)

Contingent Assets (Note 21)

Approved by the Board

Signature of the Chairperson of the Board of Education

Date Signed

Signature of the Superintendent

Date Signed

Signature of the Secretary Treasurer

Date Signed

DRAFT

# School District No. 68 (Nanaimo-Ladysmith)

Statement of Operations  
Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 24)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	164,642,558	<b>171,511,148</b>	159,804,504
Other	384,987	<b>372,944</b>	509,025
Municipal Grants Spent on Sites		<b>124,379</b>	
Tuition	5,206,015	<b>5,764,336</b>	4,464,819
Other Revenue	5,724,543	<b>5,968,768</b>	5,687,948
Rentals and Leases	530,000	<b>671,436</b>	481,958
Investment Income	1,165,000	<b>1,455,471</b>	356,420
Amortization of Deferred Capital Revenue	6,800,000	<b>6,822,508</b>	6,181,594
<b>Total Revenue</b>	<u>184,453,103</u>	<u><b>192,690,990</b></u>	<u>177,486,268</u>
<b>Expenses</b>			
Instruction	150,682,817	<b>153,616,649</b>	142,614,619
District Administration	7,133,363	<b>7,181,373</b>	6,638,007
Operations and Maintenance	29,781,851	<b>29,664,577</b>	27,844,420
Transportation and Housing	2,136,210	<b>2,046,257</b>	2,202,459
<b>Total Expense</b>	<u>189,734,241</u>	<u><b>192,508,856</b></u>	<u>179,299,505</u>
<b>Surplus (Deficit) for the year</b>	<u>(5,281,138)</u>	<u><b>182,134</b></u>	<u>(1,813,237)</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>42,948,614</b>	44,761,851
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u><u><b>43,130,748</b></u></u>	<u>42,948,614</u>

# School District No. 68 (Nanaimo-Ladysmith)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 24)
	\$	\$	\$
<b>Surplus (Deficit) for the year</b>	(5,281,138)	<b>182,134</b>	(1,813,237)
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(26,700,000)	<b>(24,174,546)</b>	(52,837,543)
Amortization of Tangible Capital Assets	10,400,000	<b>10,557,135</b>	9,850,901
<b>Total Effect of change in Tangible Capital Assets</b>	(16,300,000)	<b>(13,617,411)</b>	(42,986,642)
Acquisition of Prepaid Expenses		<b>(254,051)</b>	(320,978)
Use of Prepaid Expenses		<b>320,978</b>	384,017
<b>Total Effect of change in Other Non-Financial Assets</b>	-	<b>66,927</b>	63,039
<b>(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)</b>	<u>(21,581,138)</u>	<b>(13,368,350)</b>	(44,736,840)
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Debt</b>		<b>(13,368,350)</b>	(44,736,840)
<b>Net Debt, beginning of year</b>		<b>(154,730,897)</b>	(109,994,057)
<b>Net Debt, end of year</b>		<b>(168,099,247)</b>	(154,730,897)

# School District No. 68 (Nanaimo-Ladysmith)

Statement 5

Statement of Cash Flows  
Year Ended June 30, 2023

	2023 Actual	2022 Actual
		(Restated - Note 24)
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	182,134	(1,813,237)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	2,594,253	(165,744)
Prepaid Expenses	66,927	63,039
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	119,710	2,495,398
Unearned Revenue	12,858	1,111,853
Deferred Revenue	(476,321)	390,612
Employee Future Benefits	24,871	(33,103)
Other Liabilities	(178,599)	444,856
Amortization of Tangible Capital Assets	10,557,135	9,850,901
Amortization of Deferred Capital Revenue	(6,822,508)	(6,181,594)
Recognition of Deferred Capital Revenue Spent on Sites	(124,379)	
Non-capital expenditures from capital fund	(112,385)	(129,434)
WIP reclassification	18,111	-
<b>Total Operating Transactions</b>	<b>5,861,807</b>	<b>6,033,547</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(18,119,392)	(5,520,072)
Tangible Capital Assets -WIP Purchased	(5,584,339)	(21,463,107)
<b>Total Capital Transactions</b>	<b>(23,703,731)</b>	<b>(26,983,179)</b>
<b>Financing Transactions</b>		
Capital Revenue Received	15,865,429	27,085,050
<b>Total Financing Transactions</b>	<b>15,865,429</b>	<b>27,085,050</b>
<b>Investing Transactions</b>		
Decrease (Increase) in Mortgage Receivable	6,984	1,150
Investments in Portfolio Investments	(748,755)	(3,756,121)
<b>Total Investing Transactions</b>	<b>(741,771)</b>	<b>(3,754,971)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(2,718,266)</b>	<b>2,380,447</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>40,186,886</b>	<b>37,806,439</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>37,468,620</b>	<b>40,186,886</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	33,807,827	32,438,156
Cash Equivalents	3,660,793	7,748,730
	<b>37,468,620</b>	<b>40,186,886</b>

**SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**NOTE 1      AUTHORITY AND PURPOSE**

The School District, established on April 12, 1946 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. 68 (Nanaimo-Ladysmith) and operates as "School District No. 68 (Nanaimo-Ladysmith)" and "Nanaimo Ladysmith Public Schools." 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 schools in the district and is principally funded by the Province of British Columbia through the Ministry of Education and Child Care. School District No. 68 (Nanaimo-Ladysmith) 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 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.

b) Basis of Consolidation

These financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is comprised of all controlled entities. Inter-departmental balances and organizational transactions have been eliminated.

The School District does not control any significant external entities and accordingly no entities have been consolidated with the financial statements.

The School District does not administer any trust activities on behalf of external parties.



**SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

c) Cash and Cash Equivalents

Cash and cash equivalents include deposits held in commercial banks, deposits held by the Provincial Treasurer, as well as securities 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 and Mortgage Receivables

Accounts and mortgage receivable are measured at amortized cost and shown net of allowance for doubtful accounts.

e) Portfolio Investments

The School District has investments in Guaranteed Investment Certificates (GIC's) that have a maturity date of greater than 3 months at the time of acquisition. GIC's, term deposits, bonds and other investments not quoted in an active market are reported at cost or amortized cost.

Detailed information regarding portfolio investments is disclosed in Note 5.

f) Unearned Revenue

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

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.

**SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

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.

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

The most recent valuation of the obligation was performed at March 31, 2022 and projected to March 31, 2025. The next valuation will be performed at March 31, 2025 for use at June 30, 2025. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

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

i) Asset Retirement Obligations

A liability is recognized when, as at the financial reporting date:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

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 liability includes costs for the removal of asbestos and other hazardous material in several of the buildings owned by the School District. The estimate of the asset retirement obligations includes costs directly attributable to the asset retirement activities. The resulting costs have been capitalized into the carrying amount of tangible capital assets and are being amortized on the same basis as the

**SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

i) Asset Retirement Obligations *(continued)*

related tangible capital asset (see note 2k)). The carrying value of the liability is reviewed at each financial reporting date with changes to the timing or amount of the original estimate of cash flows recorded as an adjustment to the liability and related tangible capital asset.

j) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the School District:
  - is directly responsible; or
  - accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

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.

**SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

k) Tangible Capital Assets *(continued)*

- 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

In the year of acquisition amortization is recorded as half of the annual rate for the year.

l) Capital Leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the School District are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the School District’s rate for incremental borrowing or the interest rate implicit in the lease.

All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

m) Prepaid Expenses

Amounts for services paid relating to future periods are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

**SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

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 – Interfund Transfers and Accumulated Surplus).

o) Revenue Recognition

Revenues are recorded on an accrual basis in the period in which the transactions or events occurred that gave rise to the revenues, the amounts are considered to be collectible and can be reasonably estimated.

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 revenue over the period that the liability is extinguished.

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

**SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

o) Revenue Recognition *(continued)*

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 indigenous 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) 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, mortgage receivable, accounts payable and accrued liabilities, debt, and other liabilities.

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.

**SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

q) Financial Instruments *(continued)*

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. There are no measurement gains or losses during the periods presented; therefore, no statement of remeasurement gains or losses is included in these financial statements.

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.

r) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in note 2 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. Areas requiring the use of management estimates relate to the potential impairment of tangible capital assets, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

s) Future Changes in Accounting Policies

**PS 3400 Revenue** issued November 2018 establishes standards on how to account for and report on revenue and is effective July 1, 2023. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

Revenue from transactions with performance obligations should be recognized when (or as) the school district satisfies a performance obligation by providing the promised goods or services to a payor.

Revenue from transactions with no performance obligations should be recognized when a school district:

- (a) has the authority to claim or retain an inflow of economic resources; and

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**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

s) Future Changes in Accounting Policies (*continued*)

(b) identifies a past transaction or event that gives rise to an asset.

This standard may be applied retroactively or prospectively. Management is in the process of assessing the impact of adopting this standard on the School District's financial results.

**NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

**Due from Province – Ministry of Education**

	2023	2022
Bylaw – Capital Funding	\$ 2,126,094	\$ 4,726,453
French Programs	95,462	99,888
Other	-	365,068
	\$ 2,221,556	\$ 5,191,409

**Other Receivables**

	2023	2022
Due from Federal Government - GST	\$ 237,839	\$ 313,976
Benefit Premium Balance	2,539,431	2,575,232
Other	950,690	326,639
	\$ 3,727,960	\$ 3,215,847

**NOTE 4 MORTGAGE RECEIVABLE**

	2023	2022
Mortgage on 4985 Christie Road, Ladysmith (former Diamond Elementary School property); blended payments are \$700 per month including interest at 2% p.a., for a term of 5 years ending April 1, 2023. Renewal discussions are currently underway.	\$ 67,035	\$ 74,019
	\$ 67,035	\$ 74,019

Interest received during the year was \$1,417 (2022- \$250).

**NOTE 5 PORTFOLIO INVESTMENTS**

GIC's included in portfolio investments are held with local banking institutions and earn average interest at 4.99% (2022 – 2.53%) per year.



**SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)**  
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**NOTE 5 PORTFOLIO INVESTMENTS (Continued)**

	2023	2022
RBC Income Building GIC	\$ 504,876	\$ 1,256,121
First West Credit Union GIC	4,000,000	-
Coast Capital Savings GIC	-	2,500,000
	\$ 4,504,876	\$ 3,756,121

**NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

**Other Accounts Payable and Accrued Liabilities**

	2023	2022
Trade payables	\$ 4,000,459	\$ 4,720,287
Salaries and benefits payable	13,056,339	12,139,870
Accrued vacation pay	1,534,715	1,415,143
Construction holdbacks	1,201,952	1,398,456
	\$ 19,793,465	\$ 19,673,756

**NOTE 7 UNEARNED REVENUE**

Unearned revenue consists of contributions received for services to be delivered in a future period. Changes in unearned revenue are as follows:

	2023	2022
Balance, beginning of year	\$ 4,107,590	\$ 2,995,737
Changes for the year:		
Increase:		
Tuition fees/Rentals	5,656,832	5,398,054
Decrease:		
Tuition fees/Rentals	5,643,974	4,286,201
Net changes for the year	12,858	1,111,853
Balance, end of year	\$ 4,120,448	\$ 4,107,590

**NOTE 8 DEFERRED REVENUE**

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

	2023	2022
Balance, beginning of year	\$ 3,035,963	\$ 2,645,351
Changes for the year:		

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**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 8 DEFERRED REVENUE (Continued)**

Increase:

Provincial Grants – Ministry of Education	18,238,293	16,888,380
Ministry of Education CEF Adjustment	(40,722)	(28,119)
Provincial Grants – Other	30,216	35,000
Other	3,345,141	2,861,741
Investment income	79,630	16,456
	21,652,558	19,773,458

Decrease:

Expenses	21,364,325	18,937,848
Transfers – tangible capital assets purchased	764,554	444,998
	22,128,879	19,382,846

Net changes for the year	(476,321)	390,612
Balance, end of year	\$ 2,559,642	\$ 3,035,963

**NOTE 9 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 Contributions Regulation 198/2011 issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired. Changes to deferred capital revenue are as follows:

	Deferred Capital 2023	Unspent Deferred Capital 2023	Total Deferred Capital Revenue 2023	Total Deferred Capital Revenue 2022
Balance, beginning of year	\$142,959,378	\$7,918,740	\$150,878,118	\$130,104,096
Changes for the year:				
Increase:				
Transfer from Unspent – Capital Additions	13,584,030	-	13,584,030	2,193,612
Transfer from Unspent – Work in Progress	4,322,187	-	4,322,187	20,836,507
Provincial Grants – Ministry of Education and Child Care	-	14,327,897	14,327,897	22,265,461
Provincial Grants – Other	-	1,377,319	1,377,319	4,819,404
Investment income	-	843	843	185
Other	-	159,370	159,370	-
	17,906,217	15,865,429	33,771,646	50,115,169
Decrease:				
Amortization of Deferred Capital	6,822,508	-	6,822,508	6,181,594
Capital additions – transfer to Deferred Capital	-	13,584,030	13,584,030	2,193,612

**SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

**NOTE 9 DEFERRED CAPITAL REVENUE (Continued)**

Work in Progress – transfer to Deferred Capital	-	4,322,187	4,322,187	20,836,507
Other	12,395	224,368	236,763	129,434
	<u>6,834,903</u>	<u>18,130,585</u>	<u>24,965,488</u>	<u>29,341,147</u>
Net changes for the year	11,071,314	(2,265,156)	8,806,158	20,774,022
Balance, end of year	<u>\$154,030,692</u>	<u>\$5,653,584</u>	<u>\$159,684,276</u>	<u>\$150,878,118</u>

**NOTE 10 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.

	2023	2022
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	\$ 2,003,804	\$ 1,611,035
Service Cost	144,676	124,931
Interest Cost	64,614	41,135
Benefit Payments	(259,380)	(271,827)
Increase (Decrease) in obligation due to Plan Amendment	-	-
Actuarial (Gain) Loss	(76,945)	498,530
Accrued Benefit Obligation – March 31	<u>\$ 1,876,769</u>	<u>\$ 2,003,804</u>
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation – March 31	\$ 1,876,769	\$ 2,003,804
Market Value of Plan Assets – March 31	-	-
Funded Status – Surplus (Deficit)	(1,876,769)	(2,003,804)
Employer Contributions After Measurement Date	29,008	84,042
Benefits Expense After Measurement Date	(54,549)	(52,323)
Unamortized Net Actuarial (Gain) Loss	223,550	318,196
Accrued Benefit Asset (Liability) – June 30	<u>\$ (1,678,760)</u>	<u>\$ (1,653,889)</u>
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability – July 1	\$ 1,653,889	\$ 1,686,992
Net expense for Fiscal Year	229,218	188,525
Employer Contributions	(204,347)	(221,628)
Accrued Benefit Liability – June 30	<u>\$ 1,678,760</u>	<u>\$ 1,653,889</u>
<b>Components of Net Benefit Expense</b>		
Service Cost	\$ 143,799	\$ 129,867
Interest Cost	67,718	47,005
Immediate Recognition of Plan Amendment	-	-
Amortization of Net Actuarial (Gain)/Loss	<u>17,701</u>	<u>11,653</u>

**SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

**NOTE 10 EMPLOYEE FUTURE BENEFITS (Continued)**

Net Benefit Expense (Income)	\$ 229,218	\$ 188,525
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The significant actuarial assumptions adopted for measuring the School District’s accrued benefit obligations are:

	2023	2022
Discount Rate – April 1	2.25%	2.25%
Discount Rate – March 31	4.00%	3.25%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	10.4 years	10.4 years

**NOTE 11 CAPITAL LEASE OBLIGATIONS**

The School District entered into a capital lease for multi-function printer devices. The payments are over 5 years and include interest of 8.3%. Repayments are due as follows:

2024	\$ 125,161
2025	125,161
2026	125,161
2027	125,161
2028	125,161
Thereafter	-
Total minimum lease payments	625,805
Less amounts representing interest	136,879
Present value of net minimum capital lease payments	<b>\$ 488,926</b>

**Total interest on leases for the year was \$nil (2022: nil).**

**NOTE 12 TANGIBLE CAPITAL ASSETS**

**Net Book Value:**

	Net Book Value 2023	Net Book Value 2022 <i>(restated – note 24)</i>
Sites	\$ 16,034,046	\$ 15,673,196
Buildings	171,117,730	137,732,070
Buildings – work in progress	5,621,330	28,211,514
Furniture & Equipment	8,801,732	7,990,936
Furniture & Equipment – work in progress	1,095,886	715,555
Vehicles	3,753,110	2,957,358
Computer Software	142,458	218,423
Computer Hardware	4,409,652	3,859,481
<b>Total</b>	<b>\$ 210,975,944</b>	<b>\$ 197,358,533</b>

**SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

**NOTE 12 TANGIBLE CAPITAL ASSETS (Continued)**

**June 30, 2023**

	Opening Cost (restated – note 24)	Additions	Disposals	Transfers (WIP)	Total 2023
Sites	\$ 15,673,196	\$ 360,850	\$ -	\$ -	\$ 16,034,046
Buildings	317,550,781	14,118,054	-	27,243,126	358,007,537
Buildings – work in progress	28,211,514	3,766,629	-	(27,261,237)	5,621,330
Furniture & Equipment	12,506,597	1,624,795	(231,853)	532,956	14,432,495
Furniture & Equipment – work in progress	715,555	913,287	-	(532,956)	1,095,886
Vehicles	5,176,333	1,341,029	(788,151)	-	5,729,211
Computer Software	399,289	-	(38,933)	-	360,356
Computer Hardware	7,890,375	2,068,013	(2,670,362)	-	7,288,026
<b>Total</b>	<b>\$ 388,123,640</b>	<b>\$ 24,192,657</b>	<b>\$ (3,729,299)</b>	<b>\$ (18,111)</b>	<b>\$ 408,568,887</b>

	Opening Accumulated Amortization (restated – note 24)	Additions	Disposals	Total 2023
Buildings	\$ 179,818,711	\$ 7,071,096	\$ -	\$ 186,889,807
Furniture & Equipment	4,515,661	1,346,955	(231,853)	5,630,763
Vehicles	2,218,975	545,277	(788,151)	1,976,101
Computer Software	180,866	75,965	(38,933)	217,898
Computer Hardware	4,030,894	1,517,842	(2,670,362)	2,878,374
<b>Total</b>	<b>\$ 190,765,107</b>	<b>\$ 10,557,135</b>	<b>\$ (3,729,299)</b>	<b>\$ 197,592,943</b>

**June 30, 2022**

	Opening Cost (restated – note 24)	Additions	Disposals	Transfers (WIP)	Total 2022 (restated – note 24)
Sites	\$ 15,673,196	\$ -	\$ -	\$ -	\$ 15,673,196
Buildings	311,435,046	1,599,143	-	4,516,592	317,550,781
Buildings – work in progress	12,309,999	20,418,107	-	(4,516,592)	28,211,514
Furniture & Equipment	11,154,531	1,210,634	(188,013)	329,445	12,506,597
Furniture & Equipment – work in progress	-	1,045,000	-	(329,445)	715,555
Vehicles	4,945,771	888,087	(657,525)	-	5,176,333
Computer Software	417,923	-	(18,634)	-	399,289
Computer Hardware	7,683,750	1,822,208	(1,615,583)	-	7,890,375
<b>Total</b>	<b>\$ 363,620,216</b>	<b>\$ 26,983,179</b>	<b>\$ (2,479,755)</b>	<b>\$ -</b>	<b>\$ 388,123,640</b>

**SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

**NOTE 12 TANGIBLE CAPITAL ASSETS (Continued)**

	Opening Accumulated Amortization (restated – note 24)	Additions (restated)	Disposals	Total 2022 (restated – note 24)
Buildings	\$ 173,296,109	\$ 6,522,602	\$ -	\$ 179,818,711
Furniture & Equipment	3,520,617	1,183,057	(188,013)	4,515,661
Vehicles	2,370,395	506,105	(657,525)	2,218,975
Computer Software	117,778	81,722	(18,634)	180,866
Computer Hardware	4,089,062	1,557,415	(1,615,583)	4,030,894
<b>Total</b>	<b>\$ 183,393,961</b>	<b>\$ 9,850,901</b>	<b>\$ (2,479,755)</b>	<b>\$ 190,765,107</b>

Building and Furniture & Equipment – work in progress has not been amortized. Amortization of these assets will commence when the asset is put into use.

Additions to furniture and equipment do not include any contributed tangible capital assets (2022 – \$nil).

Additions to computer hardware include \$488,926 (2022 - \$nil), in assets acquired under capital lease.

**NOTE 13 ACCUMULATED SURPLUS**

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2023, were as follows:

- A transfer in the amount of \$2,311,749 was made from the operating fund to the capital fund for capital purchases made during the year.
- A transfer in the amount of \$764,554 was made from the special purpose fund to the capital fund for capital purchase made during the year.

Accumulated Surplus is comprised of the following:

<b>OPERATING</b>	2023	2022 (restated – note 24)
Accumulated Operating Surplus	\$ 8,579,310	\$ 7,818,360
Restricted Surplus Reserve for Anticipated Unusual Expenses:		
Staffing Contingencies	\$ 250,000	\$ 600,000
Replacement Cost Contingencies	250,000	400,000
	500,000	1,000,000
Restricted Surplus Reserve for Financial Constraints/Targeted Funds:		
District Benefit Plans – Premium Balance	\$ 2,539,431	\$ 2,575,232
Revenue for 23/24 received in 22/23 for ICY Team	717,241	-
Teacher Mentorship Grant - Jointly managed with NDTA	259,621	261,758
Indigenous Education Programs	144,184	415,443

**SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**NOTE 13 ACCUMULATED SURPLUS (Continued)**

Bargaining/CUPE Table Money Carry-Over	41,020	-
Trustee Professional Development/Travel	19,716	-
Outreach Program	-	55,938
Seamless Day Kindergarten Pilot	-	50,000
Health & Safety	-	17,800
	3,721,213	3,376,171
 Restricted Surplus Reserve Operations Spanning Multiple School Years:		
School Opening Costs – Yr 1 Operating Costs	600,000	-
School Equipment (Enrolment)	250,000	-
School Supplies	223,356	134,367
Undelivered purchase orders/outstanding obligations at June 30	100,490	563,343
Active Transportation	12,500	-
	1,186,346	697,710
 Unrestricted Operating Surplus Reserve	 3,171,751	 2,744,479
 Summary of Accumulated Operating Surplus		
Total Internally Restricted Surplus Appropriated by Board	5,407,559	5,073,881
Total Unrestricted Surplus	3,171,751	2,744,479
Total Accumulated Operating Surplus	8,579,310	7,818,360
 <b>CAPITAL</b>		
Investment in Tangible Capital Assets	29,935,253	27,909,196
Local Capital	4,616,185	7,221,058
Capital Surplus	34,551,438	35,130,254
 <b>TOTAL ACCUMULATED SURPLUS</b>	 43,130,748	 42,948,614
 Proposed transfer to Local Capital	 2,700,000	 1,000,000
 Revised Unrestricted Operating Surplus Balance, pending Board approval	 471,751	 1,744,479
Revised Local Capital Balance, pending Board approval	7,316,185	8,221,058

**NOTE 14 BUDGET FIGURES**

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget on February 22, 2023. The amended budget is used for comparison purposes, as these are based on actual student enrollments. The difference between the preliminary (annual) and amended budgets is as follows:

**SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

**NOTE 14 BUDGET FIGURES (Continued)**

	2023 Amended	2023 Preliminary	Difference
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	\$164,642,558	\$160,868,871	\$3,773,687
Other	384,987	235,416	149,571
Tuition	5,206,015	4,579,200	626,815
Other Revenue	5,724,543	4,980,905	743,638
Rentals and Leases	530,000	500,000	30,000
Investment Income	1,165,000	270,000	895,000
Amortization of Deferred Capital Revenue	6,800,000	6,600,000	200,000
<b>Total Revenue</b>	<u>\$184,453,103</u>	<u>\$178,034,392</u>	<u>\$6,418,711</u>
<b>Expenses</b>			
Instruction	\$150,682,817	\$144,313,494	\$6,369,323
District Administration	7,133,363	6,936,426	196,937
Operations and Maintenance	29,781,851	28,503,662	1,278,189
Transportation and Housing	2,136,210	1,956,750	179,460
Debt Services	-	-	-
<b>Total Expenses</b>	<u>\$189,734,241</u>	<u>\$181,710,332</u>	<u>\$8,023,909</u>
<b>Surplus (deficit) for the year</b>	<u>\$ (5,281,138)</u>	<u>\$ (3,675,940)</u>	<u>\$ (1,605,198)</u>
<b>Effects of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(26,700,000)	(24,500,000)	(2,200,000)
Amortization of Tangible Capital Assets	10,400,000	10,200,000	200,000
<b>Total Effect of change in Tangible Capital Assets</b>	<u>(16,300,000)</u>	<u>(14,300,000)</u>	<u>(2,000,000)</u>
<b>Increase in Net Financial Debt</b>	<u>\$ (21,581,138)</u>	<u>\$ (17,975,940)</u>	<u>\$ (3,605,198)</u>

**NOTE 15 EXPENSE BY OBJECT**

	2023	2022 (restated – Note 24)
Salaries	\$129,067,602	\$121,846,881
Benefits	31,801,372	29,904,275
Services and supplies	21,082,747	17,697,448
Amortization	10,557,135	9,850,901
	<u>\$192,508,856</u>	<u>\$179,299,505</u>



**SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**NOTE 16      EMPLOYEE PENSION PLANS**

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, 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 are based on a formula. As at December 31, 2022, the Teachers' Pension Plan has about 51,000 active members and approximately 41,000 retired members. As of December 31, 2022, the Municipal Pension Plan has about 240,000 active members, including approximately 30,000 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 may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2020, indicated a \$1,584 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, 2021, indicated a \$3.761 million funding surplus for basic pension benefits on a going concern basis.

The school district paid \$13,429,418 for employer contributions to the plans for the year ended June 30, 2023 (2022: \$12,723,973).

The next valuation for the Teachers' Pension Plan will be as at December 31, 2023. The next valuation for the Municipal Pension Plan will be as at December 31, 2024, with results available in 2025.

Employers participating in the plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plans record accrued liabilities and accrued assets for each plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plans.

**NOTE 17      NANAIMO-LADYSMITH SCHOOLS FOUNDATION**

The School District and the Nanaimo-Ladysmith Schools Foundation (the "Foundation") have a mutually supportive relationship whereby the Foundation acts as a fundraising agency for the students in School District No. 68, and the School District provides the Foundation with financial and administrative support. The Foundation is a separate legal entity, has its own Board of Directors and is a registered charity under the provisions of the Income Tax Act of Canada.

**SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023**

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**NOTE 17 NANAIMO-LADYSMITH SCHOOLS FOUNDATION (Continued)**

The School District provided contributions of \$187,434 (2022: \$186,288) for administrative assistance and support to the Foundation and also provided office space free of charge. The Foundation provided miscellaneous grants directly to Schools.

**NOTE 18 CONTRACTUAL RIGHTS**

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The School District’s contractual rights arise because of contracts entered into for School District facilities leases. The following table summarizes the contractual rights of the School District for future assets:

Contractual rights	2024	2025	2026	2027	2028	Thereafter
Future lease/rental revenue	\$299,007	\$256,710	\$192,515	\$170,489	\$100,819	\$1,150

**NOTE 19 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES**

The School District has entered into a number of multiple-year contracts for the delivery of services. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

Operating Expenses: anticipated contractual payments due over the terms of the contracts are as follows:

2024	\$ 159,521
2025	78,737
2026	46,347
2027	36,792
2028	36,792
Thereafter	-
	\$ 358,189

Anticipated contractual payments related to purchase orders for operating expenses and capital construction during 2024 total \$7,905,403.

Each year the School District is involved with a number of legal actions and arbitrations. Although the outcomes of these matters are not determinable at this time, management believes they will not have a material adverse effect on the School District’s financial position or results of operations.

The District is subject to environmental laws and regulations enacted by the Province and local authorities. Certain schools in the School District contain asbestos. No amount has been recorded in the financial statements with regard to this potential liability. Upon the retirement of these District buildings, either through demolition or sale, the District may incur removal costs or realize reduced sale proceeds because of the presence of asbestos. The District has made no provision for the

**SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023**

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**NOTE 19 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES (Continued)**

financial impact of removal costs or reduced sale proceeds as they cannot be reasonably estimated due to the indeterminate nature and date of potential future retirements.

**NOTE 20 ASSET RETIREMENT OBLIGATION**

Legal liabilities exist for the removal and disposal of asbestos and other environmentally hazardous materials within some district owned buildings that will undergo major renovations or demolition in the future. The timing of future settlement is unknown.

Asset Retirement Obligation, July 1, 2021, and 2022 (see Note 24)	\$ 25,854,364
Settlements during the year	-
Asset Retirement Obligation, closing balance, June 30, 2023	\$ 25,854,364

**NOTE 21 CONTINGENT ASSETS**

The School District has the following contingent asset(s) for which the probability of receipt of funds occurring is likely.

Microsoft Class Action Lawsuit Vouchers	\$ 1,030,000
Zero Emission Transit Fund (ZETF)	627,787

The future receipt of these assets is dependent on the district making eligible purchases prior to the expiry of the funds. The Microsoft vouchers have an expiry of June 30, 2028, and can be redeemed for the purchase of approved hardware and/or professional development directly related to the approved products being purchased. The ZETF funding has an expiry of December 31, 2025, and is to be used for up to 50% for chargers and infrastructure upgrades, and 30% for electric buses. Contingent assets are not recorded in the financial statements.

**NOTE 22 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, as well as key management personnel, if any, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

**NOTE 23 ECONOMIC DEPENDENCE**

The operations of the School District are dependent on continued funding from the Ministry of Education and Child Care and various governmental agencies to carry out its programs. These financial statements have been prepared on a going concern basis.

**SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**NOTE 24 PRIOR PERIOD ADJUSTMENT**

On July 1, 2022 the School District adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations. This new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of certain tangible capital assets such as asbestos removal in buildings that will undergo major renovation or demolition in the future (see Note 20). This standard was adopted using the modified retroactive approach, which results in the restatement of the comparative information as at and for the year ended June 30, 2022.

The impact of the prior period adjustment on the June 30, 2022 comparative amounts is as follows:

		Increase (Decrease)
Tangible Capital Assets – cost	\$	25,854,364
Tangible Capital Assets – accumulated amortization		25,716,730
Asset Retirement Obligation		25,854,364
Accumulated Surplus, July 1, 2021		(25,716,730)
Amortization Expense		48,741
Annual Surplus for the year ending June 30, 2022		(48,741)
Accumulated Surplus, June 30, 2022	\$	(25,765,471)

**NOTE 25 RISK MANAGEMENT**

The School District has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk.

The Board ensures that the School District has identified its risks and ensures that management monitors and controls them.

a) 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 debtor. This risk is mitigated as most amounts receivable are due from the Province and are collectible.

**SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**NOTE 26 RISK MANAGEMENT** *(Continued)*

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

b) **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.

c) **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.

Risk Management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance. There have been no changes to risk exposure from 2022 related to credit, market or liquidity risks.

# School District No. 68 (Nanaimo-Ladysmith)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund  
Year Ended June 30, 2023

	Operating Fund	Special Purpose Fund	Capital Fund	2023 Actual	2022 Actual (Restated - Note 24)
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	7,818,360		35,130,254	<b>42,948,614</b>	70,429,840
Prior Period Adjustments					(25,667,989)
<b>Accumulated Surplus (Deficit), beginning of year, as restated</b>	<b>7,818,360</b>	-	<b>35,130,254</b>	<b>42,948,614</b>	44,761,851
<b>Changes for the year</b>					
Surplus (Deficit) for the year	3,072,699	764,554	(3,655,119)	<b>182,134</b>	(1,813,237)
Interfund Transfers					
Tangible Capital Assets Purchased	(1,276,203)	(689,468)	1,965,671	-	
Tangible Capital Assets - Work in Progress		(75,086)	75,086	-	
Local Capital	(1,035,546)		1,035,546	-	
<b>Net Changes for the year</b>	<b>760,950</b>	-	<b>(578,816)</b>	<b>182,134</b>	<b>(1,813,237)</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>8,579,310</b>	-	<b>34,551,438</b>	<b>43,130,748</b>	42,948,614

# School District No. 68 (Nanaimo-Ladysmith)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 24)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	146,190,852	152,904,386	143,134,229
Other	286,862	284,891	348,112
Tuition	5,206,015	5,764,336	4,464,819
Other Revenue	2,407,572	2,501,949	3,023,312
Rentals and Leases	530,000	671,436	481,958
Investment Income	900,000	1,138,420	293,955
<b>Total Revenue</b>	<u>155,521,301</u>	<u>163,265,418</u>	<u>151,746,385</u>
<b>Expenses</b>			
Instruction	130,396,032	133,637,611	125,164,436
District Administration	6,958,363	6,708,771	6,091,133
Operations and Maintenance	18,184,187	17,965,334	17,197,476
Transportation and Housing	1,863,857	1,881,003	1,985,719
<b>Total Expense</b>	<u>157,402,439</u>	<u>160,192,719</u>	<u>150,438,764</u>
<b>Operating Surplus (Deficit) for the year</b>	<u>(1,881,138)</u>	<u>3,072,699</u>	<u>1,307,621</u>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<u>2,881,138</u>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	-	(1,276,203)	(1,348,501)
Tangible Capital Assets - Work in Progress	-	-	-
Local Capital	(1,000,000)	(1,035,546)	(5,299,500)
<b>Total Net Transfers</b>	<u>(1,000,000)</u>	<u>(2,311,749)</u>	<u>(6,648,001)</u>
<b>Total Operating Surplus (Deficit), for the year</b>	<u>-</u>	<u>760,950</u>	<u>(5,340,380)</u>
<b>Operating Surplus (Deficit), beginning of year</b>		7,818,360	13,158,740
<b>Operating Surplus (Deficit), end of year</b>		<u>8,579,310</u>	<u>7,818,360</u>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		5,407,559	5,073,881
Unrestricted		3,171,751	2,744,479
<b>Total Operating Surplus (Deficit), end of year</b>		<u>8,579,310</u>	<u>7,818,360</u>

# School District No. 68 (Nanaimo-Ladysmith)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 24)
	\$	\$	\$
<b>Provincial Grants - Ministry of Education and Child Care</b>			
Operating Grant, Ministry of Education and Child Care	147,298,662	<b>146,989,366</b>	144,630,088
ISC/LEA Recovery	(1,498,724)	<b>(1,381,100)</b>	(2,118,120)
Other Ministry of Education and Child Care Grants			
Pay Equity	160,000	<b>160,000</b>	160,000
Funding for Graduated Adults	22,006	<b>20,434</b>	21,692
Student Transportation Fund	244,630	<b>244,630</b>	244,630
Support Staff Benefits Grant	162,920	<b>169,872</b>	166,310
FSA Scorer Grant	15,693	<b>15,693</b>	15,693
Child Care Funding	40,416	-	10,104
Early Learning Framework (ELF) Implementation	2,221	<b>2,221</b>	3,832
Labour Settlement Funding	-	<b>5,896,786</b>	-
Miscellaneous Revenue	21,000	-	-
Equity Scan	2,381	<b>2,381</b>	-
Estimated Enrolment Reduction	(280,353)	-	-
K-12 ICY Clinical Counsellor Funding	-	<b>717,241</b>	-
Seat Belt Pilot	-	<b>66,862</b>	-
<b>Total Provincial Grants - Ministry of Education and Child Care</b>	<b>146,190,852</b>	<b>152,904,386</b>	143,134,229
<b>Provincial Grants - Other</b>	<b>286,862</b>	<b>284,891</b>	348,112
<b>Federal Grants</b>	-	-	-
<b>Tuition</b>			
Summer School Fees	-	-	-
Continuing Education	-	-	-
International and Out of Province Students	5,206,015	<b>5,764,336</b>	4,464,819
<b>Total Tuition</b>	<b>5,206,015</b>	<b>5,764,336</b>	4,464,819
<b>Other Revenues</b>			
School Referendum Taxes	-	-	-
Other School District/Education Authorities	464,680	<b>319,885</b>	532,398
Funding from First Nations	1,498,724	<b>1,381,100</b>	2,118,120
Miscellaneous			
Cafeteria Revenue	220,000	<b>410,563</b>	223,226
BC Hydro Energy Manager Grant	50,000	<b>59,134</b>	50,000
Other	174,168	<b>331,267</b>	99,568
<b>Total Other Revenue</b>	<b>2,407,572</b>	<b>2,501,949</b>	3,023,312
<b>Rentals and Leases</b>	<b>530,000</b>	<b>671,436</b>	481,958
<b>Investment Income</b>	<b>900,000</b>	<b>1,138,420</b>	293,955
<b>Total Operating Revenue</b>	<b>155,521,301</b>	<b>163,265,418</b>	151,746,385



# School District No. 68 (Nanaimo-Ladysmith)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 24)
	\$	\$	\$
<b>Salaries</b>			
Teachers	68,734,754	<b>71,880,669</b>	67,367,202
Principals and Vice Principals	9,078,112	<b>9,189,332</b>	8,590,327
Educational Assistants	11,358,923	<b>11,445,371</b>	10,655,729
Support Staff	12,672,136	<b>12,925,774</b>	12,597,376
Other Professionals	4,873,454	<b>5,071,198</b>	4,743,476
Substitutes	5,596,052	<b>5,705,002</b>	5,678,401
<b>Total Salaries</b>	<b>112,313,431</b>	<b>116,217,346</b>	109,632,511
<b>Employee Benefits</b>	28,252,635	<b>28,595,698</b>	26,851,113
<b>Total Salaries and Benefits</b>	<b>140,566,066</b>	<b>144,813,044</b>	136,483,624
<b>Services and Supplies</b>			
Services	5,111,190	<b>4,494,707</b>	4,001,685
Student Transportation	114,268	<b>116,791</b>	67,906
Professional Development and Travel	935,277	<b>896,957</b>	642,752
Rentals and Leases	8,395	<b>8,088</b>	52,963
Dues and Fees	722,033	<b>633,775</b>	751,755
Insurance	373,800	<b>392,571</b>	375,632
Interest	-	-	-
Supplies	6,986,707	<b>6,116,009</b>	5,303,818
Utilities	2,584,703	<b>2,720,777</b>	2,758,629
<b>Total Services and Supplies</b>	<b>16,836,373</b>	<b>15,379,675</b>	13,955,140
<b>Total Operating Expense</b>	<b>157,402,439</b>	<b>160,192,719</b>	150,438,764

# School District No. 68 (Nanaimo-Ladysmith)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2023

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	55,641,730	1,683,477	269,962	108,543	454,713	4,158,220	62,316,645
1.03 Career Programs	-	-	218,814	-	-	7,387	226,201
1.07 Library Services	2,118,339	-	-	298,858	-	103,129	2,520,326
1.08 Counselling	2,586,590	-	-	-	-	2,842	2,589,432
1.10 Special Education	8,608,252	-	9,441,372	-	-	769,596	18,819,220
1.20 Early Learning and Child Care	-	-	40,327	-	-	253	40,580
1.30 English Language Learning	782,450	-	41,603	-	-	899	824,952
1.31 Indigenous Education	1,824,446	-	1,106,371	58,937	149,580	68,043	3,207,377
1.41 School Administration	49,253	7,229,429	-	2,857,584	-	319,721	10,455,987
1.60 Summer School	-	-	-	-	-	-	-
1.61 Continuing Education	-	-	-	-	-	-	-
1.62 International and Out of Province Students	269,609	276,426	-	126,611	199,468	26,301	898,415
1.64 Other	-	-	259,419	-	-	-	259,419
<b>Total Function 1</b>	<b>71,880,669</b>	<b>9,189,332</b>	<b>11,377,868</b>	<b>3,450,533</b>	<b>803,761</b>	<b>5,456,391</b>	<b>102,158,554</b>
<b>4 District Administration</b>							
4.11 Educational Administration	-	-	-	272,394	1,133,407	820	1,406,621
4.20 Early Learning and Child Care	-	-	-	-	-	-	-
4.40 School District Governance	-	-	-	47,957	443,074	-	491,031
4.41 Business Administration	-	-	-	824,481	1,621,077	77,558	2,523,116
<b>Total Function 4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,144,832</b>	<b>3,197,558</b>	<b>78,378</b>	<b>4,420,768</b>
<b>5 Operations and Maintenance</b>							
5.20 Early Learning and Child Care	-	-	-	-	-	-	-
5.41 Operations and Maintenance Administration	-	-	67,503	730,474	697,976	47,161	1,543,114
5.50 Maintenance Operations	-	-	-	5,913,241	266,425	126,989	6,306,655
5.52 Maintenance of Grounds	-	-	-	569,147	-	-	569,147
5.56 Utilities	-	-	-	80,376	-	-	80,376
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>67,503</b>	<b>7,293,238</b>	<b>964,401</b>	<b>174,150</b>	<b>8,499,292</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	-	-	-	57,265	105,478	-	162,743
7.70 Student Transportation	-	-	-	979,906	-	(3,917)	975,989
7.73 Housing	-	-	-	-	-	-	-
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,037,171</b>	<b>105,478</b>	<b>(3,917)</b>	<b>1,138,732</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>71,880,669</b>	<b>9,189,332</b>	<b>11,445,371</b>	<b>12,925,774</b>	<b>5,071,198</b>	<b>5,705,002</b>	<b>116,217,346</b>

# School District No. 68 (Nanaimo-Ladysmith)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2023

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2023 Actual	2023 Budget	2022 Actual (Restated - Note 24)
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	62,316,645	15,439,138	77,755,783	3,359,502	81,115,285	79,036,644	76,540,902
1.03 Career Programs	226,201	52,776	278,977	410,563	689,540	489,478	480,972
1.07 Library Services	2,520,326	643,307	3,163,633	88,038	3,251,671	3,069,634	3,057,596
1.08 Counselling	2,589,432	647,592	3,237,024	2,360	3,239,384	2,999,673	2,864,950
1.10 Special Education	18,819,220	4,924,063	23,743,283	356,001	24,099,284	24,331,875	22,538,439
1.20 Early Learning and Child Care	40,580	12,212	52,792	54	52,846	-	-
1.30 English Language Learning	824,952	204,897	1,029,849	4,620	1,034,469	556,594	1,051,435
1.31 Indigenous Education	3,207,377	775,298	3,982,675	218,295	4,200,970	4,345,158	3,906,019
1.41 School Administration	10,455,987	2,417,618	12,873,605	135,248	13,008,853	12,790,845	12,403,524
1.60 Summer School	-	-	-	-	-	222,394	-
1.61 Continuing Education	-	-	-	-	-	-	-
1.62 International and Out of Province Students	898,415	192,569	1,090,984	1,528,796	2,619,780	2,230,097	2,105,288
1.64 Other	259,419	64,694	324,113	1,416	325,529	323,640	215,311
<b>Total Function 1</b>	<b>102,158,554</b>	<b>25,374,164</b>	<b>127,532,718</b>	<b>6,104,893</b>	<b>133,637,611</b>	130,396,032	125,164,436
<b>4 District Administration</b>							
4.11 Educational Administration	1,406,621	282,487	1,689,108	313,719	2,002,827	1,968,131	1,774,296
4.20 Early Learning and Child Care	-	-	-	-	-	-	-
4.40 School District Governance	491,031	73,261	564,292	337,515	901,807	997,993	672,199
4.41 Business Administration	2,523,116	592,001	3,115,117	689,020	3,804,137	3,992,239	3,644,638
<b>Total Function 4</b>	<b>4,420,768</b>	<b>947,749</b>	<b>5,368,517</b>	<b>1,340,254</b>	<b>6,708,771</b>	6,958,363	6,091,133
<b>5 Operations and Maintenance</b>							
5.20 Early Learning and Child Care	-	-	-	-	-	-	-
5.41 Operations and Maintenance Administration	1,543,114	322,321	1,865,435	1,000,194	2,865,629	2,305,511	2,146,343
5.50 Maintenance Operations	6,306,655	1,552,153	7,858,808	3,356,089	11,214,897	12,213,345	11,209,060
5.52 Maintenance of Grounds	569,147	127,077	696,224	265,664	961,888	888,082	886,791
5.56 Utilities	80,376	18,067	98,443	2,824,477	2,922,920	2,777,249	2,955,282
<b>Total Function 5</b>	<b>8,499,292</b>	<b>2,019,618</b>	<b>10,518,910</b>	<b>7,446,424</b>	<b>17,965,334</b>	18,184,187	17,197,476
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	162,743	36,787	199,530	24,003	223,533	195,726	230,753
7.70 Student Transportation	975,989	217,380	1,193,369	464,101	1,657,470	1,668,131	1,754,966
7.73 Housing	-	-	-	-	-	-	-
<b>Total Function 7</b>	<b>1,138,732</b>	<b>254,167</b>	<b>1,392,899</b>	<b>488,104</b>	<b>1,881,003</b>	1,863,857	1,985,719
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>116,217,346</b>	<b>28,595,698</b>	<b>144,813,044</b>	<b>15,379,675</b>	<b>160,192,719</b>	157,402,439	150,438,764

# School District No. 68 (Nanaimo-Ladysmith)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 24)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	18,451,706	<b>18,494,377</b>	16,540,841
Other	98,125	<b>88,053</b>	160,913
Federal Grants	-	-	-
Other Revenue	3,316,971	<b>3,466,819</b>	2,664,636
Rentals and Leases	-	-	-
Investment Income	65,000	<b>79,630</b>	16,456
Income (Loss) from Investments in Government Business Enterprises	-	-	-
<b>Total Revenue</b>	<u>21,931,802</u>	<u><b>22,128,879</b></u>	<u>19,382,846</u>
<b>Expenses</b>			
Instruction	20,286,785	<b>19,979,038</b>	17,450,183
District Administration	175,000	<b>472,602</b>	546,874
Operations and Maintenance	1,197,664	<b>747,431</b>	724,051
Transportation and Housing	272,353	<b>165,254</b>	216,740
Debt Services	-	-	-
<b>Total Expense</b>	<u>21,931,802</u>	<u><b>21,364,325</b></u>	<u>18,937,848</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u><b>764,554</b></u>	<u>444,998</u>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	-	<b>(689,468)</b>	(420,106)
Tangible Capital Assets - Work in Progress	-	<b>(75,086)</b>	(24,892)
<b>Total Net Transfers</b>	<u>-</u>	<u><b>(764,554)</b></u>	<u>(444,998)</u>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Special Purpose Surplus (Deficit), beginning of year</b>			
<b>Special Purpose Surplus (Deficit), end of year</b>		<u><u>-</u></u>	<u><u>-</u></u>

**School District No. 68 (Nanaimo-Ladysmith)**

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2023

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	17,499	-	17,863	1,628,370	32,849	37,086	35,628	83,949	-
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	555,747	517,471	-	-	256,000	66,150	255,636	2,433,283	1,454,622
Provincial Grants - Other	-	-	-	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-	-	-	-
Other	-	-	-	3,154,329	-	-	-	-	-
Investment Income	-	-	-	79,630	-	-	-	-	-
	555,747	517,471	-	3,233,959	256,000	66,150	255,636	2,433,283	1,454,622
<b>Less:</b> Allocated to Revenue	555,746	517,471	12,044	3,224,654	274,232	73,220	291,264	2,498,007	1,454,622
<b>Deferred Revenue, end of year</b>	<b>17,500</b>	<b>-</b>	<b>5,819</b>	<b>1,637,675</b>	<b>14,617</b>	<b>30,016</b>	<b>-</b>	<b>19,225</b>	<b>-</b>
<b>Revenues</b>									
Provincial Grants - Ministry of Education and Child Care	555,746	517,471	12,044	-	274,232	73,220	291,264	2,498,007	1,454,622
Provincial Grants - Other	-	-	-	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	3,145,024	-	-	-	-	-
Investment Income	-	-	-	79,630	-	-	-	-	-
	555,746	517,471	12,044	3,224,654	274,232	73,220	291,264	2,498,007	1,454,622
<b>Expenses</b>									
Salaries									
Teachers	-	-	-	-	-	25,782	127,900	380,453	-
Principals and Vice Principals	-	-	-	-	-	-	-	-	277,296
Educational Assistants	-	389,424	-	-	197,947	-	-	1,384,504	-
Support Staff	-	-	-	14,662	-	-	-	-	475,760
Other Professionals	-	-	-	-	-	-	-	109,827	109,827
Substitutes	-	18,244	-	6,596	1,441	-	-	72,218	298,222
	-	407,668	-	21,258	199,388	25,782	127,900	1,947,002	1,161,105
Employee Benefits	-	109,803	-	5,102	58,997	5,232	29,251	491,521	254,017
Services and Supplies	297,138	-	12,044	3,091,559	15,847	42,206	114,042	59,484	39,500
	297,138	517,471	12,044	3,117,919	274,232	73,220	271,193	2,498,007	1,454,622
<b>Net Revenue (Expense) before Interfund Transfers</b>	<b>258,608</b>	<b>-</b>	<b>-</b>	<b>106,735</b>	<b>-</b>	<b>-</b>	<b>20,071</b>	<b>-</b>	<b>-</b>
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased	(258,608)	-	-	(106,735)	-	-	(20,071)	-	-
Tangible Capital Assets - Work in Progress	-	-	-	-	-	-	-	-	-
	(258,608)	-	-	(106,735)	-	-	(20,071)	-	-
<b>Net Revenue (Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# School District No. 68 (Nanaimo-Ladysmith)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2023

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Safe Return to School / Restart: Health & Safety Grant	Federal Safe Return to Class / Ventilation Fund	Seamless Day Kindergarten	Early Childhood Education Dual Credit Program
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	-	40,722	80,406	86,838	19,135	6,147	249,739	-	34,218
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	10,311,105	356,778	191,947	51,000	11,250	-	-	55,400	29,000
Provincial Grants - Other	-	-	-	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-	-
	10,311,105	356,778	191,947	51,000	11,250	-	-	55,400	29,000
<b>Less:</b> Allocated to Revenue	10,311,105	391,049	165,251	95,254	15,126	-	249,739	52,974	48,557
<b>Deferred Revenue, end of year</b>	-	<b>6,451</b>	<b>107,102</b>	<b>42,584</b>	<b>15,259</b>	<b>6,147</b>	-	<b>2,426</b>	<b>14,661</b>
<b>Revenues</b>									
Provincial Grants - Ministry of Education and Child Care	10,311,105	391,049	165,251	95,254	15,126	-	249,739	52,974	48,557
Provincial Grants - Other	-	-	-	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-	-
	10,311,105	391,049	165,251	95,254	15,126	-	249,739	52,974	48,557
<b>Expenses</b>									
Salaries									
Teachers	8,226,922	-	-	-	9,102	-	-	-	43,352
Principals and Vice Principals	-	-	-	-	-	-	-	-	-
Educational Assistants	-	-	-	42,428	-	-	-	38,158	-
Support Staff	-	-	126,358	-	-	-	-	-	-
Other Professionals	-	-	-	-	-	-	-	-	-
Substitutes	-	312,170	3,917	373	-	-	-	2,559	1,773
	8,226,922	312,170	130,275	42,801	9,102	-	-	40,717	45,125
Employee Benefits	2,084,183	78,879	34,976	4,695	1,802	-	-	10,933	2,662
Services and Supplies	-	-	-	47,758	4,222	-	-	1,324	770
	10,311,105	391,049	165,251	95,254	15,126	-	-	52,974	48,557
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	249,739	-	-
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased	-	-	-	-	-	-	(249,739)	-	-
Tangible Capital Assets - Work in Progress	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(249,739)	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

# School District No. 68 (Nanaimo-Ladysmith)

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2023

	Student & Family Affordability	SEY2KT (Early Years to Kindergarten)	ECL (Early Care & Learning)	Other Misc. Grants	TOTAL
	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	-	-	-	665,514	3,035,963
<b>Add:</b> Restricted Grants					
Provincial Grants - Ministry of Education and Child Care	1,458,182	19,000	175,000	-	18,197,571
Provincial Grants - Other	-	-	-	30,216	30,216
Federal Grants	-	-	-	-	-
Other	-	-	-	190,812	3,345,141
Investment Income	-	-	-	-	79,630
	1,458,182	19,000	175,000	221,028	21,652,558
<b>Less:</b> Allocated to Revenue	1,302,742	10,974	175,000	409,848	22,128,879
<b>Deferred Revenue, end of year</b>	<b>155,440</b>	<b>8,026</b>	<b>-</b>	<b>476,694</b>	<b>2,559,642</b>
<b>Revenues</b>					
Provincial Grants - Ministry of Education and Child Care	1,302,742	10,974	175,000	-	18,494,377
Provincial Grants - Other	-	-	-	88,053	88,053
Federal Grants	-	-	-	-	-
Other Revenue	-	-	-	321,795	3,466,819
Investment Income	-	-	-	-	79,630
	1,302,742	10,974	175,000	409,848	22,128,879
<b>Expenses</b>					
Salaries					
Teachers	-	2,372	-	3,444	8,819,327
Principals and Vice Principals	-	-	142,331	-	419,627
Educational Assistants	-	-	-	-	2,052,461
Support Staff	-	-	-	-	616,780
Other Professionals	-	-	-	4,894	224,548
Substitutes	-	-	-	-	717,513
	-	2,372	142,331	8,338	12,850,256
Employee Benefits		521	31,379	1,718	3,205,671
Services and Supplies	1,302,742	8,081	1,290	270,391	5,308,398
	1,302,742	10,974	175,000	280,447	21,364,325
<b>Net Revenue (Expense) before Interfund Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>129,401</b>	<b>764,554</b>
<b>Interfund Transfers</b>					
Tangible Capital Assets Purchased	-	-	-	(54,315)	(689,468)
Tangible Capital Assets - Work in Progress	-	-	-	(75,086)	(75,086)
	-	-	-	(129,401)	(764,554)
<b>Net Revenue (Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# School District No. 68 (Nanaimo-Ladysmith)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2023

	2023	2023 Actual			2022
	Budget	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual (Restated - Note 24)
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education and Child Care		112,385		112,385	129,434
Other	-	-		-	-
Municipal Grants Spent on Sites	-	124,379		124,379	-
Federal Grants	-	-		-	-
Other Revenue	-	-	-	-	-
Rentals and Leases	-	-	-	-	-
Investment Income	200,000		237,421	237,421	46,009
Gain (Loss) on Disposal of Tangible Capital Assets	-	-		-	-
Amortization of Deferred Capital Revenue	6,800,000	6,822,508		6,822,508	6,181,594
<b>Total Revenue</b>	<b>7,000,000</b>	<b>7,059,272</b>	<b>237,421</b>	<b>7,296,693</b>	<b>6,357,037</b>
<b>Expenses</b>					
Operations and Maintenance	-	112,385	282,292	394,677	71,992
Transportation and Housing	-	-	-	-	-
Amortization of Tangible Capital Assets					
Operations and Maintenance	10,400,000	10,557,135		10,557,135	9,850,901
Transportation and Housing	-	-		-	-
Write-off/down of Buildings and Sites	-	-		-	-
Debt Services					
Capital Lease Interest	-	-	-	-	-
Capital Loan Interest	-	-	-	-	-
<b>Total Expense</b>	<b>10,400,000</b>	<b>10,669,520</b>	<b>282,292</b>	<b>10,951,812</b>	<b>9,922,893</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>(3,400,000)</b>	<b>(3,610,248)</b>	<b>(44,871)</b>	<b>(3,655,119)</b>	<b>(3,565,856)</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	-	1,965,671		1,965,671	1,768,607
Tangible Capital Assets - Work in Progress	-	75,086		75,086	24,892
Local Capital	1,000,000		1,035,546	1,035,546	5,299,500
Capital Lease Payment	-		-	-	-
Capital Loan Payment	-		-	-	-
Settlement of Asset Retirement Obligation	-		-	-	-
<b>Total Net Transfers</b>	<b>1,000,000</b>	<b>2,040,757</b>	<b>1,035,546</b>	<b>3,076,303</b>	<b>7,092,999</b>
<b>Other Adjustments to Fund Balances</b>					
Tangible Capital Assets Purchased from Local Capital		2,445,312	(2,445,312)	-	
Tangible Capital Assets WIP Purchased from Local Capital		1,187,066	(1,187,066)	-	
Principal Payment					
Capital Lease		-	-	-	
Capital Loan		-	-	-	
Settlement of Asset Retirement Obligation		-	-	-	
Project Reclassification		(36,830)	36,830	-	
<b>Total Other Adjustments to Fund Balances</b>		<b>3,595,548</b>	<b>(3,595,548)</b>	<b>-</b>	
<b>Total Capital Surplus (Deficit) for the year</b>	<b>(2,400,000)</b>	<b>2,026,057</b>	<b>(2,604,873)</b>	<b>(578,816)</b>	<b>3,527,143</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>27,909,196</b>	<b>7,221,058</b>	<b>35,130,254</b>	<b>57,271,100</b>
Prior Period Adjustments					
To Recognize Asset Retirement Obligation					(25,667,989)
<b>Capital Surplus (Deficit), beginning of year, as restated</b>		<b>27,909,196</b>	<b>7,221,058</b>	<b>35,130,254</b>	<b>31,603,111</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>29,935,253</b>	<b>4,616,185</b>	<b>34,551,438</b>	<b>35,130,254</b>



# School District No. 68 (Nanaimo-Ladysmith)

Tangible Capital Assets  
Year Ended June 30, 2023

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost, beginning of year</b>	15,673,196	291,696,417	12,506,597	5,176,333	399,289	7,890,375	<b>333,342,207</b>
Prior Period Adjustments							
To Recognize Asset Retirement Obligation	-	25,854,364	-	-	-	-	<b>25,854,364</b>
<b>Cost, beginning of year, as restated</b>	<b>15,673,196</b>	<b>317,550,781</b>	<b>12,506,597</b>	<b>5,176,333</b>	<b>399,289</b>	<b>7,890,375</b>	<b>359,196,571</b>
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	-	9,400,709	854,100	692,253	-	56,531	<b>11,003,593</b>
Deferred Capital Revenue - Other	124,379	2,155,576	52,657	372,204	-	-	<b>2,704,816</b>
Operating Fund	-	-	283,191	46,936	-	946,076	<b>1,276,203</b>
Special Purpose Funds	-	508,347	152,482	-	-	28,639	<b>689,468</b>
Local Capital	236,471	1,148,999	282,365	229,636	-	547,841	<b>2,445,312</b>
Capital Lease	-	-	-	-	-	488,926	<b>488,926</b>
Transferred from Work in Progress	-	27,243,126	532,956	-	-	-	<b>27,776,082</b>
	<b>360,850</b>	<b>40,456,757</b>	<b>2,157,751</b>	<b>1,341,029</b>	<b>-</b>	<b>2,068,013</b>	<b>46,384,400</b>
Decrease:							
Deemed Disposals	-	-	231,853	788,151	38,933	2,670,362	<b>3,729,299</b>
Written-off/down During Year	-	-	-	-	-	-	<b>-</b>
	<b>-</b>	<b>-</b>	<b>231,853</b>	<b>788,151</b>	<b>38,933</b>	<b>2,670,362</b>	<b>3,729,299</b>
<b>Cost, end of year</b>	<b>16,034,046</b>	<b>358,007,538</b>	<b>14,432,495</b>	<b>5,729,211</b>	<b>360,356</b>	<b>7,288,026</b>	<b>401,851,672</b>
<b>Work in Progress, end of year</b>		<b>5,621,329</b>	<b>1,095,886</b>				<b>6,717,215</b>
<b>Cost and Work in Progress, end of year</b>	<b>16,034,046</b>	<b>363,628,867</b>	<b>15,528,381</b>	<b>5,729,211</b>	<b>360,356</b>	<b>7,288,026</b>	<b>408,568,887</b>
<b>Accumulated Amortization, beginning of year</b>		<b>154,101,981</b>	<b>4,515,661</b>	<b>2,218,975</b>	<b>180,866</b>	<b>4,030,894</b>	<b>165,048,377</b>
Prior Period Adjustments							
To Recognize Asset Retirement Obligation		25,716,730	-	-	-	-	<b>25,716,730</b>
<b>Accumulated Amortization, beginning of year, as restated</b>		<b>179,818,711</b>	<b>4,515,661</b>	<b>2,218,975</b>	<b>180,866</b>	<b>4,030,894</b>	<b>190,765,107</b>
<b>Changes for the Year</b>							
Increase: Amortization for the Year		7,071,096	1,346,955	545,277	75,965	1,517,842	<b>10,557,135</b>
Decrease:							
Disposed of		-	-	-	-	-	<b>-</b>
Deemed Disposals		-	231,853	788,151	38,933	2,670,362	<b>3,729,299</b>
Written-off During Year		-	-	-	-	-	<b>-</b>
		<b>-</b>	<b>231,853</b>	<b>788,151</b>	<b>38,933</b>	<b>2,670,362</b>	<b>3,729,299</b>
<b>Accumulated Amortization, end of year</b>		<b>186,889,807</b>	<b>5,630,763</b>	<b>1,976,101</b>	<b>217,898</b>	<b>2,878,374</b>	<b>197,592,943</b>
<b>Tangible Capital Assets - Net</b>	<b>16,034,046</b>	<b>176,739,060</b>	<b>9,897,618</b>	<b>3,753,110</b>	<b>142,458</b>	<b>4,409,652</b>	<b>210,975,944</b>

# School District No. 68 (Nanaimo-Ladysmith)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2023

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
<b>Work in Progress, beginning of year</b>	28,211,514	715,555	-	-	<b>28,927,069</b>
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	2,072,680	13,803	-	-	<b>2,086,483</b>
Deferred Capital Revenue - Other	2,227,371	8,333	-	-	<b>2,235,704</b>
Operating Fund	-	-	-	-	-
Special Purpose Funds	53,597	21,489	-	-	<b>75,086</b>
Local Capital	317,404	869,662	-	-	<b>1,187,066</b>
	<u>4,671,052</u>	<u>913,287</u>	<u>-</u>	<u>-</u>	<u><b>5,584,339</b></u>
Decrease:					
Transferred to Tangible Capital Assets	27,243,126	532,956	-	-	<b>27,776,082</b>
WIP Reclassification	18,111	-	-	-	<b>18,111</b>
	<u>27,261,237</u>	<u>532,956</u>	<u>-</u>	<u>-</u>	<u><b>27,794,193</b></u>
<b>Net Changes for the Year</b>	<u>(22,590,185)</u>	<u>380,331</u>	<u>-</u>	<u>-</u>	<u><b>(22,209,854)</b></u>
<b>Work in Progress, end of year</b>	<u><b>5,621,329</b></u>	<u><b>1,095,886</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>6,717,215</b></u>

# School District No. 68 (Nanaimo-Ladysmith)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2023

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	109,043,843	6,597,726	1,001,081	<b>116,642,650</b>
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	11,003,593	2,468,599	111,838	<b>13,584,030</b>
Transferred from Work in Progress	21,291,158	4,144,736		<b>25,435,894</b>
	<u>32,294,751</u>	<u>6,613,335</u>	<u>111,838</u>	<u><b>39,019,924</b></u>
Decrease:				
Amortization of Deferred Capital Revenue	6,257,163	381,650	183,695	<b>6,822,508</b>
Revenue Recognized on Disposal of Buildings	-	-	-	-
Revenue Recognized on Write-off/down of Buildings	-	-	-	-
	<u>6,257,163</u>	<u>381,650</u>	<u>183,695</u>	<u><b>6,822,508</b></u>
<b>Net Changes for the Year</b>	<u>26,037,588</u>	<u>6,231,685</u>	<u>(71,857)</u>	<u><b>32,197,416</b></u>
<b>Deferred Capital Revenue, end of year</b>	<u>135,081,431</u>	<u>12,829,411</u>	<u>929,224</u>	<u><b>148,840,066</b></u>
<b>Work in Progress, beginning of year</b>	22,065,856	4,250,872	-	<b>26,316,728</b>
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	2,086,483	2,235,704	-	<b>4,322,187</b>
	<u>2,086,483</u>	<u>2,235,704</u>	<u>-</u>	<u><b>4,322,187</b></u>
Decrease				
Transferred to Deferred Capital Revenue	21,291,158	4,144,736	-	<b>25,435,894</b>
District Entered	12,395			<b>12,395</b>
	<u>21,303,553</u>	<u>4,144,736</u>	<u>-</u>	<u><b>25,448,289</b></u>
<b>Net Changes for the Year</b>	<u>(19,217,070)</u>	<u>(1,909,032)</u>	<u>-</u>	<u><b>(21,126,102)</b></u>
<b>Work in Progress, end of year</b>	<u>2,848,786</u>	<u>2,341,840</u>	<u>-</u>	<u><b>5,190,626</b></u>
<b>Total Deferred Capital Revenue, end of year</b>	<u><b>137,930,217</b></u>	<u><b>15,171,251</b></u>	<u><b>929,224</b></u>	<u><b>154,030,692</b></u>

# School District No. 68 (Nanaimo-Ladysmith)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2023

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
<b>Balance, beginning of year</b>	81,099	19,844	7,693,418	124,379	-	<b>7,918,740</b>
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education and Child Care	13,169,665		1,158,232			<b>14,327,897</b>
Provincial Grants - Other			1,377,319			<b>1,377,319</b>
Other				47,532	111,838	<b>159,370</b>
Investment Income	-	843	-	-	-	<b>843</b>
MECC Restricted Portion of Proceeds on Disposal		-				-
Transfer project surplus to MECC Restricted (from) Bylaw	-	-				-
	<u>13,169,665</u>	<u>843</u>	<u>2,535,551</u>	<u>47,532</u>	<u>111,838</u>	<b><u>15,865,429</u></b>
Decrease:						
Transferred to DCR - Capital Additions	11,003,593	-	2,468,599		111,838	<b>13,584,030</b>
Transferred to DCR - Work in Progress	2,086,483	-	2,235,704		-	<b>4,322,187</b>
Transferred to Revenue - Site Purchases	-	-	-	124,379	-	<b>124,379</b>
Transferred to Revenue - Settlement of Asset Retirement Obligation	-	-	-	-	-	-
Non Capital Expenditures	99,989	-	-	-	-	<b>99,989</b>
	<u>13,190,065</u>	<u>-</u>	<u>4,704,303</u>	<u>124,379</u>	<u>111,838</u>	<b><u>18,130,585</u></b>
<b>Net Changes for the Year</b>	<u>(20,400)</u>	<u>843</u>	<u>(2,168,752)</u>	<u>(76,847)</u>	<u>-</u>	<b><u>(2,265,156)</u></b>
<b>Balance, end of year</b>	<b><u>60,699</u></b>	<b><u>20,687</u></b>	<b><u>5,524,666</u></b>	<b><u>47,532</u></b>	<b><u>-</u></b>	<b><u>5,653,584</u></b>