



NANAIMO LADYSMITH PUBLIC SCHOOLS

BUSINESS COMMITTEE PUBLIC MEETING

ACTION SHEET

DATE: December 13, 2023
TO: Business Committee
FROM: Mark Walsh, Secretary-Treasurer
SUBJECT: 2022-2023 Surplus - Local Capital Adjustment

Recommendation:

The Business Committee recommends that the Board of Education of School District No. 68 (Nanaimo-Ladysmith) approve a reduction in the Accumulated Operating Surplus to Local Capital transfer done September 2023 in the amount of \$700,000, and that the funds then be restricted, pursuant to Policy 2.16 Accumulated Operating Surplus (Reserve), under the Reserve category of Operations Spanning Multiple Years, in order to account for the John Barsby turf field contribution over the 10-year contractual term.

Background:

On September 27, 2023, the Board approved recommended appropriations from the 2022-23 Accumulated Operating Surplus balance (the information sheet is attached) which included a \$2.7 million transfer to the Local Capital Fund to support current and longer-term planning. The purpose of this Action Sheet is to seek board approval to adjust the amount transferred to \$2 million, thereby reinstating \$700,000 to the Accumulated Unrestricted Operating Surplus balance.

Discussion:

Funds for the John Barsby turf field contribution were originally set aside in the Local Capital Fund in the same manner as the NDSS turf field contribution, however, as the turf field sits on City land the expense is not Capital in nature. In order to record the contribution appropriately over the 10-year contractual term the expense must be recognized in the Operating Fund. To facilitate this multi-year expense, staff recommend reducing the original transfer of Accumulated Operating Surplus to Local Capital by \$700,000 then restricting those funds according to Policy 2.16, under the Reserve for Operations Spanning Multiple School Years.

Over the term of the contract, one-tenth of the \$700,000 contribution will be appropriated annually and added to the district's Annual Budget(s) as revenue, the associated expense will be recorded, and the Operations Spanning Multiple Years surplus reserve will be updated on the financial Accumulated Operating Surplus Schedule each fiscal year until the contractual obligation has been fully recognized.

Appendix A – Surplus Allocation Sheet - September 27, 2023

Appendix B – Accumulated Operating Surplus (AOS) Schedule – Dec 2023

Appendix C – Policy 2.16 Accumulated Operating Surplus (Reserves)