

Audited Financial Statements of

School District No. 68 (Nanaimo-Ladysmith)

And Independent Auditors' Report thereon

June 30, 2021

School District No. 68 (Nanaimo-Ladysmith)

June 30, 2021

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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

INDEPENDENT AUDITORS' REPORT

To the Board of Education of School District No. 68 (Nanaimo-Ladysmith), and

To the Minister of Education, Province of British Columbia

Opinion

We have audited the financial statements of School District No. 68 (Nanaimo-Ladysmith) (the "Entity"), which comprise:

- the statement of financial position as at June 30, 2021
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements of the Entity as at and for the period ended June 30, 2021 are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Financial Reporting Framework

We draw attention to note 2 to the financial statements which describes the applicable financial reporting framework and the significant differences between the financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. Other information comprises

- Information, other than the financial statements and the auditors' report thereon, included in the Financial Statement Discussion & Analysis
- Unaudited Schedules 1-4 attached to the audited financial statements

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in the Financial Statement Discussion and Analysis and Unaudited Schedules 1-4 attached to the audited financial statements as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget and Transparency and Accountability Act of the Province of British Columbia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants
Victoria, Canada
DATE

School District No. 68 (Nanaimo-Ladysmith)

Statement 1

Statement of Financial Position

As at June 30, 2021

	2021 Actual	2020 Actual (Restated - Note 20)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	37,806,439	36,133,183
Accounts Receivable		
Due from Province - Ministry of Education (Note 3)	2,229,110	970,119
Due from First Nations	64,133	95,237
Other (Note 3)	6,199,426	5,562,634
Mortgage Receivable	75,169	78,163
Total Financial Assets	46,374,277	42,839,336
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	17,178,358	14,825,364
Unearned Revenue (Note 6)	2,995,737	1,260,920
Deferred Revenue (Note 7)	2,645,351	2,555,816
Deferred Capital Revenue (Note 8)	129,824,519	124,470,402
Employee Future Benefits (Note 9)	1,686,992	1,763,384
Other Liabilities	1,757,800	570,181
Total Liabilities	156,088,757	145,446,067
Net Debt	(109,714,480)	(102,606,731)
Non-Financial Assets		
Tangible Capital Assets (Note 10)	179,108,613	170,277,216
Prepaid Expenses	384,017	
Total Non-Financial Assets	179,492,630	170,277,216
Accumulated Surplus (Deficit) (Note 11)	69,778,150	67,670,485

Contractual Obligations (Note 17)

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 2

Statement of Operations
Year Ended June 30, 2021

	2021 Budget (Note 12)	2021 Actual	2020 Actual (Restated - Note 20)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	159,974,769	163,234,460	151,107,877
Other	232,416	321,170	383,966
Tuition	1,344,190	1,842,060	3,353,180
Other Revenue	5,497,617	3,400,034	4,563,775
Rentals and Leases	400,000	490,916	565,820
Investment Income	250,000	306,208	473,738
Amortization of Deferred Capital Revenue	5,900,000	6,010,475	5,903,792
Total Revenue	<u>173,598,992</u>	<u>175,605,323</u>	<u>166,352,148</u>
Expenses			
Instruction	144,360,053	137,372,613	128,388,305
District Administration	6,492,355	5,870,028	6,038,864
Operations and Maintenance	27,680,246	28,425,126	25,568,856
Transportation and Housing	1,962,583	1,829,891	1,710,440
Total Expense	<u>180,495,237</u>	<u>173,497,658</u>	<u>161,706,465</u>
Surplus (Deficit) for the year	<u>(6,896,245)</u>	<u>2,107,665</u>	<u>4,645,683</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		67,670,485	63,024,802
Accumulated Surplus (Deficit) from Operations, end of year		<u>69,778,150</u>	<u>67,670,485</u>

School District No. 68 (Nanaimo-Ladysmith)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2021

	2021 Budget (Note 12)	2021 Actual	2020 Actual (Restated - Note 20)
	\$	\$	\$
Surplus (Deficit) for the year	(6,896,245)	2,107,665	4,645,683
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(16,540,000)	(18,425,629)	(9,502,651)
Amortization of Tangible Capital Assets	9,490,000	9,594,232	9,152,938
Total Effect of change in Tangible Capital Assets	(7,050,000)	(8,831,397)	(349,713)
Acquisition of Prepaid Expenses		(384,017)	
Use of Prepaid Expenses			10,000
Total Effect of change in Other Non-Financial Assets	-	(384,017)	10,000
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(13,946,245)</u>	(7,107,749)	4,305,970
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(7,107,749)	4,305,970
Net Debt, beginning of year		(102,606,731)	(106,912,701)
Net Debt, end of year		(109,714,480)	(102,606,731)

School District No. 68 (Nanaimo-Ladysmith)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2021

	2021 Actual	2020 Actual
	(Restated - Note 20)	
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	2,107,665	4,645,683
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(1,864,679)	(1,919,653)
Prepaid Expenses	(384,017)	10,000
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	2,352,992	1,176,575
Unearned Revenue	1,734,817	(897,656)
Deferred Revenue	89,535	66,013
Employee Future Benefits	(76,391)	(55,213)
Other Liabilities	1,187,620	(602,597)
Amortization of Tangible Capital Assets	9,594,232	9,152,938
Amortization of Deferred Capital Revenue	(6,010,475)	(5,903,792)
CRC Demolition	(1,895,490)	
Total Operating Transactions	6,835,809	5,672,298
Capital Transactions		
Tangible Capital Assets Purchased	(7,963,921)	(6,803,259)
Tangible Capital Assets -WIP Purchased	(10,461,708)	(2,699,392)
Total Capital Transactions	(18,425,629)	(9,502,651)
Financing Transactions		
Capital Revenue Received	13,290,939	9,935,316
Return MCFD Funds	(30,857)	
Total Financing Transactions	13,260,082	9,935,316
Investing Transactions		
Decrease (Increase) in Mortgage Receivable	2,994	9,299
Total Investing Transactions	2,994	9,299
Net Increase (Decrease) in Cash and Cash Equivalents	1,673,256	6,114,262
Cash and Cash Equivalents, beginning of year	36,133,183	30,018,921
Cash and Cash Equivalents, end of year	37,806,439	36,133,183
Cash and Cash Equivalents, end of year, is made up of:		
Cash	37,806,439	36,133,183
	37,806,439	36,133,183

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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. School District No. 68 (Nanaimo-Ladysmith) is exempt from federal and provincial corporate income taxes.

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020 and has had a significant financial, market and social dislocating impact worldwide. Under direction of the Provincial Health Officer, all schools suspended in-class instruction in March 2020 and the District remained open to continue to support students and families in a variety of ways. Parents were given the choice to send their children back to school on a gradual and part-time basis beginning June 1, 2020 and full-time beginning September 1, 2020 with new health and safety guidelines. The ongoing impact of the pandemic presents uncertainty over future cash flows, may have a significant impact on future operations including decreases in revenue, impairment of receivables, reduction in investment income and delays in completing capital project work. As the situation is dynamic and the ultimate duration and magnitude of the impact are not known, an estimate of the future financial effect on the District is not practicable at this time.

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(f) and 2(l).

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(f) and 2(l), 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.

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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

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.

c) Cash and Cash Equivalents

Cash and cash equivalents include deposits held in commercial banks as well as deposits held by the Provincial Treasurer.

d) Accounts and Mortgage Receivables

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

e) 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.

f) 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 (l).

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, 2021

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

g) 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, 2019 and projected to March 31, 2022. The next valuation will be performed at March 31, 2022 for use at June 30, 2022. 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.

h) 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.

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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

h) Liability for Contaminated Sites *(Continued)*

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.

i) Tangible Capital Assets

The following criteria apply:

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

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

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

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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

j) 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.

k) 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 11 – Interfund Transfers and Accumulated Surplus).

l) 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.

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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

l) Revenue Recognition *(continued)*

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.

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.

m) 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.

n) 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.

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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

n) Financial Instruments (*continued*)

Financial instruments consist of cash and cash equivalents, accounts receivable, 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. 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.

o) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in note 2 a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. 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.

p) Future Changes in Accounting Policies

PS 3280 Asset Retirement Obligations issued August 2018 establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets and is effective July 1, 2022. A liability will be recognized when, as at the financial reporting date:

- (a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (b) the past transaction or event giving rise to the liability has occurred;
- (c) it is expected that future economic benefits will be given up; and

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

- (d) a reasonable estimate of the amount can be made.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Future Changes in Accounting Policies (*Continued*)

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

A modified retroactive application has been recommended by Government. Management is in the process of assessing the impact of adopting this standard on the School District's financial results.

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
- (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.

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

Due from Province – Ministry of Education

	2021	2020
Bylaw – Capital Funding	\$ 1,769,024	\$ 909,344
French Programs	66,749	60,775
Other	393,337	-
	<u>\$ 2,229,110</u>	<u>\$ 970,119</u>

Other Receivables

	2021	2020 (restated)
Due from Federal Government - GST	\$ 240,598	\$ 117,041
Benefit Premium Balance	5,663,366	4,760,306
Other	295,462	685,287
	<u>\$ 6,199,426</u>	<u>\$ 5,562,634</u>

NOTE 4 MORTGAGE RECEIVABLE

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.

	2021	2020
	\$ 75,169	\$ 78,163
	<u>\$ 75,169</u>	<u>\$ 78,163</u>

Interest received during the year was \$511 (2020- \$1,397).

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Other Accounts Payable and Accrued Liabilities

	2021	2020
Trade payables	\$ 3,886,609	\$ 3,658,805
Salaries and benefits payable	11,369,305	9,706,854
Accrued vacation pay	1,457,642	1,388,289
Construction holdbacks	464,802	71,416
	<u>\$ 17,178,358</u>	<u>\$ 14,825,364</u>

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 6 UNEARNED REVENUE

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

	2021	2020
Balance, beginning of year	\$ 1,260,920	\$ 2,158,576
Changes for the year:		
Increase:		
Tuition fees	3,276,217	2,153,799
Decrease:		
Tuition fees	1,541,400	3,051,455
Net changes for the year	1,734,817	(897,656)
Balance, end of year	\$ 2,995,737	\$ 1,260,920

NOTE 7 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:

	2021	2020
Balance, beginning of year	\$ 2,555,816	\$ 2,489,803
Changes for the year:		
Increase:		
Provincial Grants – Ministry of Education	23,025,879	16,373,899
Ministry of Education CEF Adjustment	(76,637)	(481,218)
Provincial Grants – Other	118,305	243,750
Other	1,790,089	2,668,222
Investment income	15,823	30,944
	24,873,459	18,835,597
Decrease:		
Expenses	23,799,152	18,410,071
Transfers – tangible capital assets purchased	984,772	359,513
	24,783,924	18,769,584
Net changes for the year	89,535	66,013
Balance, end of year	\$ 2,645,351	\$ 2,555,816

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 8 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 2021	Unspent Deferred Capital 2021	Total Deferred Capital Revenue 2021	Total Deferred Capital Revenue 2020
Balance, beginning of year	\$119,346,329	\$5,124,073	\$124,470,402	\$120,438,878
Changes for the year:				
Increase:				
Transfer from Unspent – Capital Additions	3,808,890	-	3,808,890	3,785,815
Transfer from Unspent – Work in Progress	8,686,532	-	8,686,532	1,698,478
Provincial Grants – Ministry of Education	-	13,289,493	13,289,493	5,211,387
Provincial Grants – Other	-	-	-	4,723,311
Investment income	-	1,446	1,446	618
Other	-	-	-	-
	12,495,422	13,290,939	25,786,361	15,419,609
Decrease:				
Amortization of Deferred Capital	6,010,475	-	6,010,475	5,903,792
Capital additions – transfer to Deferred Capital	-	3,808,890	3,808,890	3,785,815
Work in Progress – transfer to Deferred Capital	-	8,686,532	8,686,532	1,698,478
Other	-	1,926,347	1,926,347	-
	6,010,475	14,421,769	20,432,244	11,388,085
Net changes for the year	6,484,947	(1,130,830)	5,354,117	4,031,524
Balance, end of year	\$125,831,276	\$3,993,243	\$129,824,519	\$124,470,402

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 9 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.

	2021	2020
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 1,654,391	\$ 1,708,048
Service Cost	124,845	118,912
Interest Cost	38,005	42,653
Benefit Payments	(198,996)	(209,536)
Increase (Decrease) in obligation due to Plan Amendment	-	-
Actuarial (Gain) Loss	(7,210)	(5,686)
Accrued Benefit Obligation – March 31	<u>\$ 1,611,035</u>	<u>\$ 1,654,391</u>

Reconciliation of Funded Status at End of Fiscal Year

Accrued Benefit Obligation – March 31	\$ 1,611,035	\$ 1,654,391
Market Value of Plan Assets – March 31	-	-
Funded Status – Surplus (Deficit)	(1,611,035)	(1,654,391)
Employer Contributions After Measurement Date	134,240	76,251
Benefits Expense After Measurement Date	(41,517)	(40,713)
Unamortized Net Actuarial (Gain) Loss	(168,680)	(144,531)
Accrued Benefit Asset (Liability) – June 30	<u>\$ (1,686,992)</u>	<u>\$ (1,763,384)</u>

Reconciliation of Change in Accrued Benefit Liability

Accrued Benefit Liability – July 1	\$ 1,763,384	\$ 1,818,596
Net expense for Fiscal Year	180,593	179,430
Employer Contributions	(256,985)	(234,642)
Accrued Benefit Liability – June 30	<u>\$ 1,686,992</u>	<u>\$ 1,763,384</u>

Components of Net Benefit Expense

Service Cost	\$ 124,867	\$ 120,395
Interest Cost	38,788	41,491
Immediate Recognition of Plan Amendment	-	-
Amortization of Net Actuarial (Gain)/Loss	16,938	17,544
Net Benefit Expense (Income)	<u>\$ 180,593</u>	<u>\$ 179,430</u>

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

	2021	2020
Discount Rate – April 1	2.25%	2.50%
Discount Rate – March 31	2.50%	2.25%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	9.4 years	9.4 years

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 10 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2021	Net Book Value 2020
Sites	\$ 15,673,196	\$ 15,673,196
Buildings	137,952,562	139,634,078
Buildings – work in progress	12,309,999	2,704,879
Furniture & Equipment	7,571,518	6,922,332
Vehicles	2,275,869	1,353,988
Computer Software	227,613	445,285
Computer Hardware	3,097,856	3,543,458
Total	\$ 179,108,613	\$ 170,277,216

June 30, 2021

	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2021
Sites	\$ 15,673,196	\$ -	\$ -	\$ -	\$ 15,673,196
Buildings	281,487,536	3,665,464	-	856,588	286,009,588
Buildings – work in progress	2,704,879	10,461,708	-	(856,588)	12,309,999
Furniture & Equipment	9,830,934	1,718,190	(394,593)	-	11,154,531
Vehicles	3,726,814	1,362,698	(400,957)	-	4,688,555
Computer Software	385,452	32,471	-	-	417,923
Computer Hardware	7,560,941	1,185,098	(1,062,289)	-	7,683,750
Total	\$321,369,752	\$18,425,629	(\$1,857,839)	\$ -	\$337,937,542

	Opening Accumulated Amortization	Additions	Disposals	Total 2021
Buildings	\$141,683,653	\$6,373,373	\$ -	\$148,057,026
Furniture & Equipment	2,908,602	1,069,004	(394,593)	3,583,013
Vehicles	2,372,826	440,817	(400,957)	2,412,686
Computer Software	109,972	80,338	-	190,310
Computer Hardware	4,017,483	1,630,700	(1,062,289)	4,585,894
Total	\$151,092,536	\$9,594,232	(\$1,857,839)	\$158,828,929

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 10 TANGIBLE CAPITAL ASSETS *(Continued)*

June 30, 2020

	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2020
Sites	\$ 15,673,196	\$ -	\$ -	\$ -	\$ 15,673,196
	-				
Buildings	276,167,061	3,681,804	-	1,468,866	281,317,731
Buildings – work in progress	1,474,353	2,699,392	-	(1,468,866)	2,704,879
Furniture & Equipment	8,993,126	949,538	(111,731)	-	9,830,933
Vehicles	3,492,515	412,086	(177,787)	-	3,726,814
Computer Software	74,203	311,249	-	169,805	555,257
Computer Software – work in progress	169,805	-	-	(169,805)	-
Computer Hardware	6,867,303	1,448,582	(754,943)	-	7,560,942
Total	\$312,911,562	\$9,502,651	(\$1,044,461)	\$ -	\$321,369,752

	Opening Accumulated Amortization	Additions	Disposals	Total 2020
Buildings	\$135,411,647	\$6,272,006	\$ -	\$141,683,653
Furniture & Equipment	2,073,543	946,790	(111,731)	2,908,602
Vehicles	2,180,757	369,856	(177,787)	2,372,826
Computer Software	64,006	45,966	-	109,972
Computer Hardware	3,254,106	1,518,320	(754,943)	4,017,483
Total	\$142,984,059	\$9,152,938	(\$1,044,461)	\$151,092,536

Building– 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 (2020 – \$nil).

NOTE 11 ACCUMULATED SURPLUS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2021, were as follows:

- A transfer in the amount of \$3,968,355 was made from the operating fund to the capital fund for capital purchases made during the year.
- A transfer in the amount of \$984,772 was made from the special purpose fund to the capital fund for capital purchase made during the year.

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 11 ACCUMULATED SURPLUS *(continued)*

Accumulated Surplus is comprised of the following:

OPERATING	2021	2020(restated)
Internally Restricted (appropriated) by Board for:		
Staffing/Unusual Expense Reserve:		
Staffing Contingencies	\$ 750,000	\$ 750,000
Replacement Cost Contingencies	750,000	750,000
COVID – Enhanced Cleaning Protocols	400,000	-
	<u>1,900,000</u>	<u>1,500,000</u>
Planning Reserve (Multiple Years):		
International Education Supplement	\$ -	\$1,050,053
	-	1,050,053
Targeted/Constraints Reserve:		
NEW - Benefit Premium Balance	\$ 5,663,366	\$ 4,760,306
Indigenous Education - Target	457,476	337,364
Outreach Program	278,348	-
Teacher Mentorship Grant	277,051	-
COVID Response Fund	240,000	-
International Student Program Contingency	200,000	-
School Year-End Balance Rollover	189,061	276,500
2021/22 Annual Budget Balancing	157,684	-
Support for SD84 Incoming Programs	139,000	-
Summer Outreach Program	127,212	-
Multi-Year Painting Program	100,000	-
Administrator Professional Development Program	76,000	-
School Bus Seat Belt Pilot Program	65,104	-
Support for Collective Bargaining	50,000	-
Seamless Day Kindergarten Pilot	50,000	-
Trustee Professional Development/Travel	40,000	-
Student Management System Upgrade for ICE	30,000	-
Ecole Hammond Bay Welcome Pole	20,000	-
Wellington School External Upgrade	20,000	-
CUPE Professional Development	17,419	-
Health & Safety Confined Space Program	15,000	-
COVID Costs – Staffing & Supplies	-	300,000
COVID Revenue Loss – Transfers to DL	-	200,000
Dual Credit	-	160,000
Confined Space Study	-	120,000
COVID Costs - Secondary Q1 Staffing	-	107,670
Fire Plans	-	55,000
Curriculum & Learning Support Funding	-	54,685
Asbestos Reassessments	-	19,000
Powerschool (HR)	-	10,000
Health & Safety Support	-	10,000

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

Vehicle Modernization	-	5,000
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NOTE 11 ACCUMULATED SURPLUS *(continued)*

Total Targeted/Constraints Reserve	8,212,721	6,415,525
Subtotal Internally Restricted	10,112,721	8,965,578
Unrestricted Operating Surplus	3,046,019	3,641,473
Total Available for Future Operations	13,158,740	12,607,051
Proposed transfer to Local Capital	(1,248,000)	(1,030,000)
Total Available for Future Operations	11,910,740	11,577,051

CAPITAL

Investment in Tangible Capital Assets	52,641,742	50,295,292
Local Capital	3,977,668	4,768,142
Capital Surplus	56,619,410	55,063,434
Proposed transfer from Operating Fund	1,248,000	1,030,000
Capital Surplus	57,867,410	56,093,434

TOTAL ACCUMULATED SURPLUS	\$ 69,778,150	\$ 67,670,485
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NOTE 12 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget on February 24, 2021. 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:

	2021 Amended	2021 Preliminary	Difference
Revenues			
Provincial Grants			
Ministry of Education	\$159,974,769	\$148,652,235	\$11,322,534
Other	232,416	385,416	(153,000)
Tuition	1,344,190	944,190	400,000
Other Revenue	5,497,617	5,063,977	433,640
Rentals and Leases	400,000	600,000	(200,000)
Investment Income	250,000	250,000	-
Amortization of Deferred Capital Revenue	5,900,000	5,854,198	45,802
Total Revenue	\$173,598,992	\$161,750,016	\$11,848,976
Expenses			
Instruction	\$144,360,053	\$130,644,790	\$13,715,263
District Administration	6,492,355	6,340,068	152,287
Operations and Maintenance	27,680,246	26,564,621	1,115,625
Transportation and Housing	1,962,583	1,875,093	87,490
Debt Services	-	-	-
Total Expenses	\$180,495,237	\$165,424,572	\$15,070,665
Surplus (deficit) for the year	\$ (6,896,245)	\$ (3,674,556)	\$ (3,221,689)

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 12 BUDGET FIGURES *(continued)*

Effects of change in Tangible Capital Assets

Acquisition of Tangible Capital Assets	(16,540,000)	(16,162,500)	(377,500)
Amortization of Tangible Capital Assets	9,490,000	9,066,809	423,191
Total Effect of change in Tangible Capital Assets	(7,050,000)	(7,095,691)	45,691
Decrease in Net Financial Debt	\$(13,946,245)	\$(10,770,247)	\$(3,175,998)

NOTE 13 EXPENSE BY OBJECT

	2021	2020 (restated)
Salaries	\$118,375,771	\$110,439,868
Benefits	28,034,275	26,128,754
Services and supplies	17,493,380	15,984,905
Amortization	9,594,232	9,152,938
	<u>\$173,497,658</u>	<u>\$161,706,465</u>

NOTE 14 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, 2020, the Teachers' Pension Plan has about 49,000 active members and approximately 40,000 retired members. As of December 31, 2020, the Municipal Pension Plan has about 220,000 active members, including approximately 28,000 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, 2017, indicated a \$1,656 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, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 14 EMPLOYEE PENSION PLANS *(Continued)*

The school district paid \$12,327,351 for employer contributions to the plans for the year ended June 30, 2021 (2020: \$11,593,239).

The next valuation for the Teachers' Pension Plan will be as at December 31, 2020, with results available in 2021. The next valuation for the Municipal Pension Plan will be as at December 31, 2021, with results available in 2022.

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 15 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.

The School District provided contributions of \$177,185 (2020: \$173,251) 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 16 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	2022	2023	2024	2025	2026	Thereafter
Future lease/rental revenue	\$225,960	\$74,869	\$42,960	\$42,960	\$10,737	-

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 17 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:

2022	302,020
2023	95,784
2024	95,784
2025	15,000
2026	15,000
Thereafter	30,000
	<u>\$ 553,588</u>

Anticipated contractual payments related to purchase orders for operating expenses and capital construction during 2022 total \$24,447,178.

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 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 18 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 19 ECONOMIC DEPENDENCE

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

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 20 PRIOR PERIOD ADJUSTMENT

During the year it was determined that certain benefit plans have balances that arose where contributions to the plan exceeded the claims paid. These balances can be applied as a benefit holiday to reduce future benefit expense or partially withdrawn as a cash refund. These balances are controlled by the School District and were not previously recorded as an asset. As a result, a retroactive restatement was recorded to increase accumulated surplus and other receivables at July 1, 2019 by \$3,425,049. Annual Surplus for the year ending June 30, 2020 increased by \$1,335,256 and other receivables at June 30, 2020 increased by \$1,335,256 due to an increase in the surplus during the year. The surplus has been presented as an internally restricted surplus to be used to reduce future benefit payments on certain benefit plans.

NOTE 21 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.

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.

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 21 RISK MANAGEMENT *(continued)*

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 2020 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, 2021

	Operating Fund	Special Purpose Fund	Capital Fund	2021 Actual	2020 Actual (Restated - Note 20)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	12,607,051		55,063,434	67,670,485	59,599,753
Prior Period Adjustments					3,425,049
Accumulated Surplus (Deficit), beginning of year, as restated	12,607,051	-	55,063,434	67,670,485	63,024,802
Changes for the year					
Surplus (Deficit) for the year	4,520,044	984,772	(3,397,151)	2,107,665	4,645,683
Interfund Transfers					
Tangible Capital Assets Purchased	(965,855)	(984,772)	1,950,627	-	
Local Capital	(3,002,500)		3,002,500	-	
Net Changes for the year	551,689	-	1,555,976	2,107,665	4,645,683
Accumulated Surplus (Deficit), end of year - Statement 2	13,158,740	-	56,619,410	69,778,150	67,670,485

School District No. 68 (Nanaimo-Ladysmith)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2021

	2021 Budget (Note 12)	2021 Actual	2020 Actual (Restated - Note 20)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	136,966,601	138,305,681	134,956,052
Other	232,416	237,116	231,966
Tuition	1,344,190	1,842,060	3,353,180
Other Revenue	2,065,954	1,560,281	2,128,959
Rentals and Leases	400,000	490,916	565,820
Investment Income	205,000	264,181	365,376
Total Revenue	141,214,161	142,700,235	141,601,353
Expenses			
Instruction	118,533,427	113,900,164	110,229,355
District Administration	6,492,355	5,870,028	6,038,864
Operations and Maintenance	17,570,041	16,580,108	16,143,124
Transportation and Housing	1,962,583	1,829,891	1,710,440
Total Expense	144,558,406	138,180,191	134,121,783
Operating Surplus (Deficit) for the year	(3,344,245)	4,520,044	7,479,570
Budgeted Appropriation (Retirement) of Surplus (Deficit)	6,346,745		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(965,855)	(422,225)
Local Capital	(3,002,500)	(3,002,500)	(2,337,000)
Total Net Transfers	(3,002,500)	(3,968,355)	(2,759,225)
Total Operating Surplus (Deficit), for the year	-	551,689	4,720,345
Operating Surplus (Deficit), beginning of year		12,607,051	4,461,657
Prior Period Adjustments			
Benefit Premium Balance			3,425,049
Operating Surplus (Deficit), beginning of year, as restated		12,607,051	7,886,706
Operating Surplus (Deficit), end of year		13,158,740	12,607,051
Operating Surplus (Deficit), end of year			
Internally Restricted		8,788,251	8,965,578
Unrestricted		4,370,489	3,641,473
Total Operating Surplus (Deficit), end of year		13,158,740	12,607,051

School District No. 68 (Nanaimo-Ladysmith)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2021

	2021 Budget (Note 12)	2021 Actual	2020 Actual (Restated - Note 20)
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	133,578,580	134,492,365	132,461,131
ISC/LEA Recovery	(1,174,655)	(781,318)	(1,202,281)
Other Ministry of Education Grants			
Pay Equity	160,000	160,000	160,000
Funding for Graduated Adults		31,958	19,989
Student Transportation Fund	244,630	244,630	244,630
Carbon Tax Grant			41,232
Employer Health Tax Grant			1,057,711
Support Staff Benefits Grant	163,439	163,439	67,920
Support Staff Wage Increase Funding			577,175
Teachers' Labour Settlement Funding	3,645,082	3,645,082	1,505,020
Early Career Mentorship Funding	280,000	280,000	-
FSA Scorer Grant	15,693	15,693	15,693
Premiers Excellence Award	-	-	2,000
Other	53,832	53,832	5,832
Total Provincial Grants - Ministry of Education	136,966,601	138,305,681	134,956,052
Provincial Grants - Other	232,416	237,116	231,966
Tuition			
International and Out of Province Students	1,344,190	1,842,060	3,353,180
Total Tuition	1,344,190	1,842,060	3,353,180
Other Revenues			
Other School District/Education Authorities	519,299	519,299	492,036
Funding from First Nations	1,174,655	781,318	1,202,281
Miscellaneous			
Cafeteria Revenue	205,000	86,954	145,948
BC Hydro Energy Manager Grant	50,000	50,000	50,000
Other	117,000	122,710	238,694
Total Other Revenue	2,065,954	1,560,281	2,128,959
Rentals and Leases	400,000	490,916	565,820
Investment Income	205,000	264,181	365,376
Total Operating Revenue	141,214,161	142,700,235	141,601,353

School District No. 68 (Nanaimo-Ladysmith)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2021

	2021 Budget (Note 12)	2021 Actual	2020 Actual (Restated - Note 20)
	\$	\$	\$
Salaries			
Teachers	62,830,681	62,658,938	61,247,952
Principals and Vice Principals	8,341,593	8,307,004	7,749,350
Educational Assistants	10,446,059	10,291,790	10,061,923
Support Staff	12,310,889	11,556,327	11,549,456
Other Professionals	4,687,880	4,672,855	4,501,492
Substitutes	4,384,343	4,247,308	3,275,568
Total Salaries	103,001,445	101,734,222	98,385,741
Employee Benefits	25,667,275	24,057,294	23,189,571
Total Salaries and Benefits	128,668,720	125,791,516	121,575,312
Services and Supplies			
Services	3,994,921	3,222,627	4,017,123
Student Transportation	109,918	43,274	91,715
Professional Development and Travel	858,240	494,281	718,931
Rentals and Leases	8,295	4,556	8,060
Dues and Fees	521,668	621,642	584,832
Insurance	347,800	375,558	377,453
Interest	-	-	-
Supplies	7,844,144	5,336,234	4,830,354
Utilities	2,204,700	2,290,503	1,918,003
Total Services and Supplies	15,889,686	12,388,675	12,546,471
Total Operating Expense	144,558,406	138,180,191	134,121,783

School District No. 68 (Nanaimo-Ladysmith)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2021

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	48,336,914	1,354,057	246,053	54,260	418,416	2,842,471	53,252,171
1.03 Career Programs	-	-	224,637	-	-	962	225,599
1.07 Library Services	1,815,062	94,464	-	262,355	-	80,980	2,252,861
1.08 Counselling	2,326,691	-	-	-	-	35,153	2,361,844
1.10 Special Education	8,057,489	-	8,643,337	-	-	651,039	17,351,865
1.30 English Language Learning	677,269	-	39,300	-	-	727	717,296
1.31 Indigenous Education	1,304,675	47,579	929,243	56,261	142,250	62,244	2,542,252
1.41 School Administration	19,091	6,676,236	-	2,623,170	-	314,318	9,632,815
1.60 Summer School	-	-	-	-	-	-	-
1.61 Continuing Education	-	-	-	-	-	-	-
1.62 International and Out of Province Students	121,747	134,668	-	67,035	105,272	3,148	431,870
1.64 Other	-	-	149,875	-	-	-	149,875
Total Function 1	62,658,938	8,307,004	10,232,445	3,063,081	665,938	3,991,042	88,918,448
4 District Administration							
4.11 Educational Administration	-	-	-	305,743	1,103,653	193	1,409,589
4.40 School District Governance	-	-	-	48,001	356,056	-	404,057
4.41 Business Administration	-	-	-	701,794	1,623,076	37,355	2,362,225
Total Function 4	-	-	-	1,055,538	3,082,785	37,548	4,175,871
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	-	-	59,345	556,718	589,899	34,694	1,240,656
5.50 Maintenance Operations	-	-	-	5,307,736	236,617	164,662	5,709,015
5.52 Maintenance of Grounds	-	-	-	528,678	-	-	528,678
5.56 Utilities	-	-	-	66,508	-	6,795	73,303
Total Function 5	-	-	59,345	6,459,640	826,516	206,151	7,551,652
7 Transportation and Housing							
7.41 Transportation and Housing Administration	-	-	-	51,641	97,616	-	149,257
7.70 Student Transportation	-	-	-	926,427	-	12,567	938,994
7.73 Housing	-	-	-	-	-	-	-
Total Function 7	-	-	-	978,068	97,616	12,567	1,088,251
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	62,658,938	8,307,004	10,291,790	11,556,327	4,672,855	4,247,308	101,734,222

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School District No. 68 (Nanaimo-Ladysmith)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2021

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2021 Actual	2021 Budget (Note 12)	2020 Actual (Restated - Note 20)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	53,252,171	12,742,629	65,994,800	2,492,532	68,487,332	72,327,544	66,047,055
1.03 Career Programs	225,599	64,284	289,883	89,163	379,046	465,479	445,804
1.07 Library Services	2,252,861	581,347	2,834,208	85,246	2,919,454	2,917,031	2,645,668
1.08 Counselling	2,361,844	537,433	2,899,277	4,661	2,903,938	2,937,580	2,894,884
1.10 Special Education	17,351,865	4,331,028	21,682,893	331,700	22,014,593	22,289,590	20,797,538
1.30 English Language Learning	717,296	184,541	901,837	4,417	906,254	535,055	863,979
1.31 Indigenous Education	2,542,252	643,597	3,185,849	189,042	3,374,891	3,832,364	3,433,767
1.41 School Administration	9,632,815	2,132,874	11,765,689	129,032	11,894,721	12,037,932	11,667,809
1.60 Summer School	-	-	-	-	-	-	-
1.61 Continuing Education	-	-	-	-	-	-	-
1.62 International and Out of Province Students	431,870	81,815	513,685	314,299	827,984	874,224	1,163,786
1.64 Other	149,875	39,506	189,381	2,570	191,951	316,628	269,065
Total Function 1	88,918,448	21,339,054	110,257,502	3,642,662	113,900,164	118,533,427	110,229,355
4 District Administration							
4.11 Educational Administration	1,409,589	285,681	1,695,270	96,901	1,792,171	1,813,078	1,641,038
4.40 School District Governance	404,057	64,604	468,661	181,106	649,767	723,572	646,981
4.41 Business Administration	2,362,225	513,127	2,875,352	552,738	3,428,090	3,955,705	3,750,845
Total Function 4	4,175,871	863,412	5,039,283	830,745	5,870,028	6,492,355	6,038,864
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	1,240,656	246,221	1,486,877	769,677	2,256,554	2,643,188	1,987,042
5.50 Maintenance Operations	5,709,015	1,268,700	6,977,715	3,927,872	10,905,587	11,493,208	11,070,565
5.52 Maintenance of Grounds	528,678	116,959	645,637	308,923	954,560	989,965	975,834
5.56 Utilities	73,303	16,442	89,745	2,373,662	2,463,407	2,443,680	2,109,683
Total Function 5	7,551,652	1,648,322	9,199,974	7,380,134	16,580,108	17,570,041	16,143,124
7 Transportation and Housing							
7.41 Transportation and Housing Administration	149,257	34,030	183,287	54,436	237,723	231,272	246,569
7.70 Student Transportation	938,994	172,476	1,111,470	480,698	1,592,168	1,731,311	1,463,871
7.73 Housing	-	-	-	-	-	-	-
Total Function 7	1,088,251	206,506	1,294,757	535,134	1,829,891	1,962,583	1,710,440
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	101,734,222	24,057,294	125,791,516	12,388,675	138,180,191	144,558,406	134,121,783

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School District No. 68 (Nanaimo-Ladysmith)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2021

	2021 Budget (Note 12)	2021 Actual	2020 Actual (Restated - Note 20)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	23,008,168	23,033,289	16,151,825
Other		84,054	152,000
Other Revenue	3,431,663	1,650,758	2,434,816
Investment Income	7,000	15,823	30,944
Total Revenue	26,446,831	24,783,924	18,769,585
Expenses			
Instruction	25,826,626	23,472,449	18,158,950
Operations and Maintenance	620,205	326,703	251,122
Total Expense	26,446,831	23,799,152	18,410,072
Special Purpose Surplus (Deficit) for the year	-	984,772	359,513
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(984,772)	(359,513)
Total Net Transfers	-	(984,772)	(359,513)
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		-	-
Special Purpose Surplus (Deficit), end of year			
Related Entities		-	-
Endowment Contributions		-	-
Total Special Purpose Surplus (Deficit), end of year		-	-

School District No. 68 (Nanaimo-Ladysmith)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2021

	Annual Facility Grant	Learning Improvement Fund	Aboriginal Education Technology	Special Education Equipment	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	64,563	11,312	12,012	27,909	1,581,685	12,338	22,119	90,273	109,812
Add: Restricted Grants									
Provincial Grants - Ministry of Education	555,642	488,486		-		256,000	63,700	222,497	2,311,113
Provincial Grants - Other					1,347,893				
Other					15,823				
Investment Income									
19/20 CEF Adjustment									
	555,642	488,486	-	-	1,363,716	256,000	63,700	222,497	2,311,113
Less: Allocated to Revenue	555,642	499,798	2,986	6,899	1,450,110	234,483	46,753	265,159	2,373,382
Deferred Revenue, end of year	64,563	-	9,026	21,010	1,495,291	33,855	39,066	47,611	47,543
Revenues									
Provincial Grants - Ministry of Education	555,642	499,798	2,986	6,899		234,483	46,753	265,159	2,373,382
Provincial Grants - Other					1,434,287				
Other Revenue					15,823				
Investment Income									
	555,642	499,798	2,986	6,899	1,450,110	234,483	46,753	265,159	2,373,382
Expenses									
Salaries									
Teachers								120,857	355,579
Principals and Vice Principals									
Educational Assistants		376,236				170,662			1,350,493
Support Staff									
Other Professionals									103,307
Substitutes		17,551			80		12,165		55,890
	-	393,787	-	-	80	170,662	12,165	120,857	1,865,269
Employee Benefits		105,658			20	56,932	2,309	28,627	452,624
Services and Supplies	326,703	353	2,986	6,899	1,422,593	6,889	32,279	104,459	55,489
	326,703	499,798	2,986	6,899	1,422,693	234,483	46,753	253,943	2,373,382
Net Revenue (Expense) before Interfund Transfers	228,939	-	-	-	27,417	-	-	11,216	-
Interfund Transfers									
Tangible Capital Assets Purchased	(228,939)				(27,417)			(11,216)	
	(228,939)	-	-	-	(27,417)	-	-	(11,216)	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund									

School District No. 68 (Nanaimo-Ladysmith)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2021

	Classroom Enhancement Fund - Overhead	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 Grant	Federal Safe Return to Class Fund	Other Misc.Grants
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	76,637	46,123	22,227	11,381	-	-	467,425
Add: Restricted Grants									
Provincial Grants - Ministry of Education	1,402,180	10,413,172	253,125	244,052	51,000	11,250	1,068,252	5,535,410	
Provincial Grants - Other									118,305
Other									442,196
Investment Income									
19/20 CEF Adjustment			(76,637)						
	1,402,180	10,413,172	176,488	244,052	51,000	11,250	1,068,252	5,535,410	560,501
Less: Allocated to Revenue	1,402,180	10,413,172	225,006	219,797	27,269	7,101	1,068,252	5,535,410	300,525
Deferred Revenue, end of year	-	-	28,119	70,378	45,958	15,530	-	-	727,401
Revenues									
Provincial Grants - Ministry of Education	1,402,180	10,413,172	225,006	219,797	27,269	7,101	1,068,252	5,535,410	
Provincial Grants - Other									84,054
Other Revenue									216,471
Investment Income									
	1,402,180	10,413,172	225,006	219,797	27,269	7,101	1,068,252	5,535,410	300,525
Expenses									
Salaries									
Teachers		8,361,353						2,606,556	
Principals and Vice Principals	274,070								
Educational Assistants								183,123	
Support Staff	402,336			168,064			524,734	662,923	
Other Professionals	104,665								
Substitutes	326,900		185,241	5,210		3,623		222,610	3,196
	1,107,971	8,361,353	185,241	173,274	-	3,623	524,734	3,675,212	3,196
Employee Benefits	254,709	2,051,819	39,765	46,523		683	136,269	788,336	735
Services and Supplies	39,500				27,269	2,795	253,787	613,944	190,774
	1,402,180	10,413,172	225,006	219,797	27,269	7,101	914,790	5,077,492	194,705
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	153,462	457,918	105,820
Interfund Transfers									
Tangible Capital Assets Purchased							(153,462)	(457,918)	(105,820)
	-	-	-	-	-	-	(153,462)	(457,918)	(105,820)
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund		436,507							

School District No. 68 (Nanaimo-Ladysmith)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2021

	Rapid Response Team	TOTAL
	\$	\$
Deferred Revenue, beginning of year	-	2,555,816
Add: Restricted Grants		
Provincial Grants - Ministry of Education	150,000	23,025,879
Provincial Grants - Other		118,305
Other		1,790,089
Investment Income		15,823
19/20 CEF Adjustment		(76,637)
	150,000	24,873,459
Less: Allocated to Revenue	150,000	24,783,924
Deferred Revenue, end of year	-	2,645,351
Revenues		
Provincial Grants - Ministry of Education	150,000	23,033,289
Provincial Grants - Other		84,054
Other Revenue		1,650,758
Investment Income		15,823
	150,000	24,783,924
Expenses		
Salaries		
Teachers		11,444,345
Principals and Vice Principals		274,070
Educational Assistants		2,080,514
Support Staff		1,758,057
Other Professionals	44,125	252,097
Substitutes		832,466
	44,125	16,641,549
Employee Benefits	11,972	3,976,981
Services and Supplies	93,903	3,180,622
	150,000	23,799,152
Net Revenue (Expense) before Interfund Transfers	-	984,772
Interfund Transfers		
Tangible Capital Assets Purchased		(984,772)
	-	(984,772)
Net Revenue (Expense)	-	-
Additional Expenses funded by, and reported in, the Operating Fund		436,507

School District No. 68 (Nanaimo-Ladysmith)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2021

	2021 Budget (Note 12)	2021 Actual			2020 Actual (Restated - Note 20)
	\$	Invested in Tangible Capital Assets	Local Capital	Fund Balance	\$
Revenues					
Provincial Grants					
Ministry of Education		1,895,490		1,895,490	
Other Revenue			188,995	188,995	
Investment Income	38,000		26,204	26,204	77,418
Amortization of Deferred Capital Revenue	5,900,000	6,010,475		6,010,475	5,903,792
Total Revenue	<u>5,938,000</u>	<u>7,905,965</u>	<u>215,199</u>	<u>8,121,164</u>	<u>5,981,210</u>
Expenses					
Operations and Maintenance		1,895,490	28,593	1,924,083	21,672
Amortization of Tangible Capital Assets					
Operations and Maintenance	9,490,000	9,594,232		9,594,232	9,152,938
Total Expense	<u>9,490,000</u>	<u>11,489,722</u>	<u>28,593</u>	<u>11,518,315</u>	<u>9,174,610</u>
Capital Surplus (Deficit) for the year	<u>(3,552,000)</u>	<u>(3,583,757)</u>	<u>186,606</u>	<u>(3,397,151)</u>	<u>(3,193,400)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased		1,950,627		1,950,627	781,738
Local Capital	3,002,500		3,002,500	3,002,500	2,337,000
Total Net Transfers	<u>3,002,500</u>	<u>1,950,627</u>	<u>3,002,500</u>	<u>4,953,127</u>	<u>3,118,738</u>
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		2,204,404	(2,204,404)	-	
Tangible Capital Assets WIP Purchased from Local Capital		1,775,176	(1,775,176)	-	
Total Other Adjustments to Fund Balances		<u>3,979,580</u>	<u>(3,979,580)</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>(549,500)</u>	<u>2,346,450</u>	<u>(790,474)</u>	<u>1,555,976</u>	<u>(74,662)</u>
Capital Surplus (Deficit), beginning of year		<u>50,295,292</u>	<u>4,768,142</u>	<u>55,063,434</u>	<u>55,138,096</u>
Capital Surplus (Deficit), end of year		<u>52,641,742</u>	<u>3,977,668</u>	<u>56,619,410</u>	<u>55,063,434</u>

School District No. 68 (Nanaimo-Ladysmith)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2021

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	15,673,196	281,317,731	9,830,934	3,726,814	555,257	7,560,941	318,664,873
Prior Period Adjustments							
District Entered		169,805			(169,805)		-
Cost, beginning of year, as restated	15,673,196	281,487,536	9,830,934	3,726,814	385,452	7,560,941	318,664,873
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		3,059,279	227,627	521,772			3,808,678
Deferred Capital Revenue - Other			212				212
Operating Fund			389,152	185,447		391,256	965,855
Special Purpose Funds		228,939	487,461			268,372	984,772
Local Capital		377,246	613,738	655,479	32,471	525,470	2,204,404
Transferred from Work in Progress		856,588					856,588
	-	4,522,052	1,718,190	1,362,698	32,471	1,185,098	8,820,509
Decrease:							
Deemed Disposals			394,593	400,957		1,062,289	1,857,839
	-	-	394,593	400,957	-	1,062,289	1,857,839
Cost, end of year	15,673,196	286,009,588	11,154,531	4,688,555	417,923	7,683,750	325,627,543
Work in Progress, end of year		12,309,999					12,309,999
Cost and Work in Progress, end of year	15,673,196	298,319,587	11,154,531	4,688,555	417,923	7,683,750	337,937,542
Accumulated Amortization, beginning of year		141,683,653	2,908,602	2,372,826	109,972	4,017,483	151,092,536
Changes for the Year							
Increase: Amortization for the Year		6,373,373	1,069,004	440,817	80,338	1,630,700	9,594,232
Decrease:							
Deemed Disposals			394,593	400,957		1,062,289	1,857,839
		-	394,593	400,957	-	1,062,289	1,857,839
Accumulated Amortization, end of year		148,057,026	3,583,013	2,412,686	190,310	4,585,894	158,828,929
Tangible Capital Assets - Net	15,673,196	150,262,561	7,571,518	2,275,869	227,613	3,097,856	179,108,613

School District No. 68 (Nanaimo-Ladysmith)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2021

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	2,704,879	-	-	-	2,704,879
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	7,623,695				7,623,695
Deferred Capital Revenue - Other	1,062,837				1,062,837
Local Capital	1,775,176				1,775,176
	10,461,708	-	-	-	10,461,708
Decrease:					
Transferred to Tangible Capital Assets	856,588				856,588
	856,588	-	-	-	856,588
Net Changes for the Year	9,605,120	-	-	-	9,605,120
Work in Progress, end of year	12,309,999	-	-	-	12,309,999

School District No. 68 (Nanaimo-Ladysmith)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2021

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	109,637,010	6,641,030	1,364,325	117,642,365
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	3,808,678	212		3,808,890
Transferred from Work in Progress	395,527			395,527
	<u>4,204,205</u>	<u>212</u>	<u>-</u>	<u>4,204,417</u>
Decrease:				
Amortization of Deferred Capital Revenue	5,593,189	235,664	181,622	6,010,475
	<u>5,593,189</u>	<u>235,664</u>	<u>181,622</u>	<u>6,010,475</u>
Net Changes for the Year	<u>(1,388,984)</u>	<u>(235,452)</u>	<u>(181,622)</u>	<u>(1,806,058)</u>
Deferred Capital Revenue, end of year	<u>108,248,026</u>	<u>6,405,578</u>	<u>1,182,703</u>	<u>115,836,307</u>
 Work in Progress, beginning of year	 1,703,964			 1,703,964
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	7,623,695	1,062,837		8,686,532
	<u>7,623,695</u>	<u>1,062,837</u>	<u>-</u>	<u>8,686,532</u>
Decrease				
Transferred to Deferred Capital Revenue	395,527			395,527
	<u>395,527</u>	<u>-</u>	<u>-</u>	<u>395,527</u>
Net Changes for the Year	<u>7,228,168</u>	<u>1,062,837</u>	<u>-</u>	<u>8,291,005</u>
Work in Progress, end of year	<u>8,932,132</u>	<u>1,062,837</u>	<u>-</u>	<u>9,994,969</u>
Total Deferred Capital Revenue, end of year	<u>117,180,158</u>	<u>7,468,415</u>	<u>1,182,703</u>	<u>125,831,276</u>

School District No. 68 (Nanaimo-Ladysmith)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2021

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ 26,794	\$ 240,508	\$ 9,081	\$ 124,379	\$ 4,723,311	\$ 5,124,073
Prior Period Adjustments						
Move MCFD Child Care Sites to Other Provincial			4,723,311		(4,723,311)	-
Balance, beginning of year, as restated	26,794	240,508	4,732,392	124,379	-	5,124,073
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	13,289,493					13,289,493
Investment Income		1,446				1,446
	13,289,493	1,446	-	-	-	13,290,939
Decrease:						
Transferred to DCR - Capital Additions	3,808,678		212			3,808,890
Transferred to DCR - Work in Progress	7,623,695		1,062,837			8,686,532
MCFD Funds Returned			30,857			30,857
CRC Demolition	1,673,195	222,295				1,895,490
	13,105,568	222,295	1,093,906	-	-	14,421,769
Net Changes for the Year	183,925	(220,849)	(1,093,906)	-	-	(1,130,830)
Balance, end of year	210,719	19,659	3,638,486	124,379	-	3,993,243