

Audited Financial Statements of

School District No. 68 (Nanaimo-Ladysmith)

And Independent Auditors' Report thereon

June 30, 2020

School District No. 68 (Nanaimo-Ladysmith)

June 30, 2020

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School District No. 68 (Nanaimo-Ladysmith)

MANAGEMENT REPORT

Version: 4777-4031-2049

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.


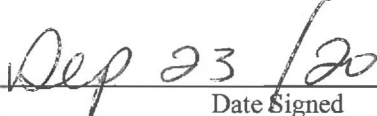

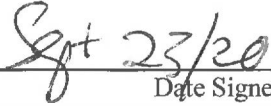
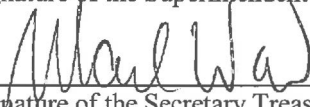

The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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 bi-annual 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)

 _____ Signature of the Chairperson of the Board of Education	 _____ Date Signed
 _____ Signature of the Superintendent	 _____ Date Signed
 _____ Signature of the Secretary Treasurer	 _____ Date Signed



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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, 2020
- 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, 2020 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.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG Network, a Swiss entity ("KPMG Network"), a Swiss entity. KPMG Canada provides services to KPMG LLP.



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.

KPMG LLP

Chartered Professional Accountants

Victoria, Canada
September 23, 2020

School District No. 68 (Nanaimo-Ladysmith)

Statement of Financial Position
As at June 30, 2020

	2020 Actual	2019 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	36,133,183	30,018,921
Accounts Receivable		
Due from Province - Ministry of Education	970,119	450,191
Due from First Nations	95,237	221,252
Other	802,328	611,844
Mortgage Receivable	78,163	87,462
Total Financial Assets	38,079,030	31,389,670
Liabilities		
Accounts Payable and Accrued Liabilities		
Other	14,825,364	13,648,789
Unearned Revenue	1,260,920	2,158,576
Deferred Revenue	2,555,816	2,489,803
Deferred Capital Revenue	124,470,402	120,438,878
Employee Future Benefits	1,763,384	1,818,596
Other Liabilities	570,181	1,172,778
Total Liabilities	145,446,067	141,727,420
Net Debt	(107,367,037)	(110,337,750)
Non-Financial Assets		
Tangible Capital Assets	170,277,216	169,927,503
Prepaid Expenses		10,000
Total Non-Financial Assets	170,277,216	169,937,503
Accumulated Surplus (Deficit)	62,910,179	59,599,753

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

School District No. 68 (Nanaimo-Ladysmith)

Statement 2

Statement of Operations
Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	149,168,772	151,107,877	142,129,935
Other	382,416	383,966	275,116
Tuition	3,743,000	3,353,180	3,762,373
Other Revenue	5,135,496	4,563,775	5,856,667
Rentals and Leases	607,755	565,820	672,758
Investment Income	616,000	473,738	604,675
Amortization of Deferred Capital Revenue	5,852,094	5,903,792	5,708,423
Total Revenue	<u>165,505,533</u>	<u>166,352,148</u>	<u>159,009,947</u>
Expenses			
Instruction	133,723,764	129,526,459	126,185,871
District Administration	6,485,065	6,069,232	6,029,736
Operations and Maintenance	26,649,794	25,715,399	24,869,716
Transportation and Housing	1,843,053	1,730,632	1,820,976
Debt Services			3,227
Total Expense	<u>168,701,676</u>	<u>163,041,722</u>	<u>158,909,526</u>
Surplus (Deficit) for the year	<u>(3,196,143)</u>	<u>3,310,426</u>	<u>100,421</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		59,599,753	59,499,332
Accumulated Surplus (Deficit) from Operations, end of year		<u>62,910,179</u>	<u>59,599,753</u>

School District No. 68 (Nanaimo-Ladysmith)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(3,196,143)	3,310,426	100,421
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(7,802,000)	(9,502,651)	(11,076,032)
Amortization of Tangible Capital Assets	9,008,126	9,152,938	8,759,161
Total Effect of change in Tangible Capital Assets	1,206,126	(349,713)	(2,316,871)
Acquisition of Prepaid Expenses			(10,000)
Use of Prepaid Expenses		10,000	
Total Effect of change in Other Non-Financial Assets	-	10,000	(10,000)
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	(1,990,017)	2,970,713	(2,226,450)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		2,970,713	(2,226,450)
Net Debt, beginning of year		(110,337,750)	(108,111,300)
Net Debt, end of year		(107,367,037)	(110,337,750)

School District No. 68 (Nanaimo-Ladysmith)

Statement of Cash Flows
Year Ended June 30, 2020

	2020 Actual	2019 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	3,310,426	100,421
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(584,396)	(117,135)
Prepaid Expenses	10,000	(10,000)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	1,176,575	1,344,324
Unearned Revenue	(897,656)	(160,418)
Deferred Revenue	66,013	160,672
Employee Future Benefits	(55,213)	13,556
Other Liabilities	(602,597)	(131,582)
Amortization of Tangible Capital Assets	9,152,938	8,759,161
Amortization of Deferred Capital Revenue	(5,903,792)	(5,708,423)
Total Operating Transactions	<u>5,672,298</u>	<u>4,250,576</u>
Capital Transactions		
Tangible Capital Assets Purchased	(6,803,259)	(9,408,311)
Tangible Capital Assets -WIP Purchased	(2,699,392)	(1,640,696)
District Entered		(27,025)
Total Capital Transactions	<u>(9,502,651)</u>	<u>(11,076,032)</u>
Financing Transactions		
Loan Payments		(158,839)
Capital Revenue Received	9,935,316	5,467,014
Total Financing Transactions	<u>9,935,316</u>	<u>5,308,175</u>
Investing Transactions		
Proceeds on Disposal of Portfolio Investments	9,299	381,898
Total Investing Transactions	<u>9,299</u>	<u>381,898</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>6,114,262</u>	<u>(1,135,383)</u>
Cash and Cash Equivalents, beginning of year	<u>30,018,921</u>	<u>31,154,304</u>
Cash and Cash Equivalents, end of year	<u>36,133,183</u>	<u>30,018,921</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	<u>36,133,183</u>	<u>30,018,921</u>
	<u>36,133,183</u>	<u>30,018,921</u>

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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 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, 2020

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 Treasury.

d) Accounts and Mortgage Receivables

Accounts and mortgage receivables 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 (1).

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, 2020

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, 2020

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, 2020

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, 2020

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 is performed is deferred and recognized when the fee is earned or service performed.

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

m) Expenditures

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Interest expense includes payments made on capital leases.

Categories of Salaries

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

Allocation of Costs

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

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, 2020

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.

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. Significant 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.

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

Due from Province – Ministry of Education

	2020	2019
Bylaw – Capital Funding	\$ 909,344	\$ 327,225
Carbon Tax Rebate	-	60,000
French Programs	60,775	60,775
Other	-	2,191
	\$ 970,119	\$ 450,191

Other Receivables

	2020	2019
Due from Federal Government - GST	\$ 117,041	\$ 135,613
Other	685,287	476,231
	\$ 802,328	\$ 611,844

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.

	2020	2019
	\$ 78,163	\$ 87,462
	\$ 78,163	\$ 87,462

Interest received during the year was \$1,397 (2019- \$8,483).

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Other Accounts Payable and Accrued Liabilities

	2020	2019
Trade payables	\$ 3,658,816	\$ 2,622,498
Salaries and benefits payable	9,706,854	9,442,280
Accrued vacation pay	1,388,289	1,556,287
Construction holdbacks	71,416	27,724
	\$ 14,825,374	\$ 13,648,789

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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:

	2020	2019
Balance, beginning of year	\$ 2,158,576	\$ 2,318,994
Changes for the year:		
Increase:		
Tuition fees	2,153,789	3,212,418
Decrease:		
Tuition fees	3,051,455	3,372,836
Net changes for the year	(897,656)	(160,418)
Balance, end of year	\$ 1,260,920	\$ 2,158,576

Unearned revenue includes tuition collected from International students for school terms beginning after June 30, 2020. Due to COVID-19 and associated restrictions by the Government of Canada, only students with a study permit application approved on or before March 18, 2020 are able to enter Canada to study. Tuition refunds of \$270,405 were requested to be repaid subsequent to June 30. Unearned revenue includes \$183,505 of tuition collected by the District for which it is uncertain if students will be able to complete their studies either in person or online, and may result in future refunds of tuition after June 30, 2020.

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:

	2020	2019
Balance, beginning of year	\$ 2,489,803	\$ 2,329,131
Changes for the year:		
Increase:		
Provincial Grants – Ministry of Education	16,373,899	16,047,377
Ministry of Education 18/19 CEF Adjustment	(481,218)	(418,318)
Provincial Grants – Other	243,750	62,000
Other	2,668,222	3,275,592
Investment income	30,944	33,585
	18,835,597	19,000,236
Decrease:		
Expenses	18,410,071	17,906,235
Transfers – tangible capital assets purchased	359,513	933,329
	18,769,584	18,839,564
Net changes for the year	66,013	160,672
Balance, end of year	\$ 2,555,816	\$ 2,489,803

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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 2020	Unspent Deferred Capital 2020	Total Deferred Capital Revenue 2020	Total Deferred Capital Revenue 2019
Balance, beginning of year	\$119,765,828	\$673,050	\$120,438,878	\$120,680,287
Changes for the year:				
Increase:				
Transfer from Unspent – Capital Additions	3,785,815	-	3,785,815	4,801,106
Transfer from Unspent – Work in Progress	1,698,478	-	1,698,478	472,109
Provincial Grants – Ministry of Education	-	5,211,387	5,211,387	5,216,361
Provincial Grants – Other	-	4,723,311	4,723,311	223,179
Investment income	-	618	618	449
Other	-	-	-	27,025
	<u>5,484,293</u>	<u>9,935,316</u>	<u>15,419,609</u>	<u>10,740,229</u>
Decrease:				
Amortization of Deferred Capital	5,903,792	-	5,903,792	5,708,423
Capital additions – transfer to Deferred Capital	-	3,785,815	3,785,815	4,801,106
Work in Progress – transfer to Deferred Capital	-	1,698,478	1,698,478	472,109
Other	-	-	-	-
	<u>5,903,792</u>	<u>5,484,293</u>	<u>11,388,085</u>	<u>10,981,638</u>
Net changes for the year	(419,499)	4,451,023	4,031,524	(241,409)
Balance, end of year	<u>\$119,346,329</u>	<u>\$5,124,073</u>	<u>\$124,470,402</u>	<u>\$120,438,878</u>

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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.

	2020	2019
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 1,708,048	\$ 1,884,976
Service Cost	118,912	145,011
Interest Cost	42,653	53,093
Benefit Payments	(209,536)	(175,642)
Increase (Decrease) in obligation due to Plan Amendment	-	-
Actuarial (Gain) Loss	(5,686)	(199,390)
Accrued Benefit Obligation – March 31	\$ 1,654,391	\$ 1,708,048

Reconciliation of Funded Status at End of Fiscal Year

Accrued Benefit Obligation – March 31	\$ 1,654,391	\$ 1,708,048
Market Value of Plan Assets – March 31	-	-
Funded Status – Surplus (Deficit)	(1,654,391)	(1,708,048)
Employer Contributions After Measurement Date	76,251	51,145
Benefits Expense After Measurement Date	(40,713)	(40,391)
Unamortized Net Actuarial (Gain) Loss	(144,532)	(121,302)
Accrued Benefit Asset (Liability) – June 30	\$ (1,763,384)	\$ (1,818,596)

Reconciliation of Change in Accrued Benefit Liability

Accrued Benefit Liability – July 1	\$ 1,818,596	\$ 1,805,041
Net expense for Fiscal Year	179,430	227,724
Employer Contributions	(234,642)	(214,169)
Accrued Benefit Liability – June 30	\$ 1,763,384	\$ 1,818,596

Components of Net Benefit Expense

Service Cost	\$ 120,395	\$ 138,486
Interest Cost	41,491	50,483
Immediate Recognition of Plan Amendment	-	-
Amortization of Net Actuarial (Gain)/Loss	17,544	38,755
Net Benefit Expense (Income)	\$ 179,430	\$ 227,724

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

	2020	2019
Discount Rate – April 1	2.50%	2.75%
Discount Rate – March 31	2.25%	2.50%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSLS – March 31	9.4 years	9.4 years

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 10 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2020	Net Book Value 2019
Sites	\$ 15,673,196	\$ 15,673,196
Buildings	139,643,078	140,755,414
Buildings – work in progress	2,704,879	1,474,353
Furniture & Equipment	6,922,232	6,919,583
Vehicles	1,353,988	1,311,758
Computer Software	445,285	10,197
Computer Software – work in progress	-	169,805
Computer Hardware	3,543,458	3,613,197
Total	\$ 170,277,216	\$ 169,927,503

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

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 10 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2019

	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2019
Sites	\$ 15,673,196	\$ -	\$ -	\$ -	\$ 15,673,196
Buildings	263,600,304	7,135,333	-	5,431,424	276,167,061
Buildings – work in progress	5,434,886	1,470,891	-	(5,431,424)	1,474,353
Furniture & Equipment	7,838,278	1,462,291	307,443	-	8,993,126
Vehicles	3,739,060	56,940	303,485	-	3,492,515
Computer Software	199,084	16,637	141,518	-	74,203
Computer Software – work in progress	-	169,805	-	-	169,805
Computer Hardware	6,793,856	764,135	690,688	-	6,867,303
Total	\$303,278,664	\$11,076,032	\$1,443,134	\$ -	\$312,911,562

	Opening Accumulated Amortization	Additions	Disposals	Total 2019
Buildings	\$129,362,847	\$6,048,800	\$ -	\$135,411,647
Furniture & Equipment	1,524,044	856,942	307,443	2,073,543
Vehicles	2,107,489	376,753	303,485	2,180,757
Computer Software	164,043	41,481	141,518	64,006
Computer Hardware	2,509,609	1,435,185	690,688	3,254,106
Total	\$135,668,032	\$8,759,161	\$1,443,134	\$142,984,059

Buildings and Computer Software – work in progress have 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 (2019 – \$32,620).

NOTE 11 ACCUMULATED SURPLUS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2020, were as follows:

- A transfer in the amount of \$2,759,225 was made from the operating fund to the capital fund for capital purchases made during the year.
- A transfer in the amount of \$359,513 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, 2020**

NOTE 11 ACCUMULATED SURPLUS *(continued)*

Accumulated Surplus is comprised of the following:

OPERATING	2020	2019
Internally Restricted (appropriated) by Board for:		
Staffing/Unusual Expense Reserve:		
Staffing Contingencies	\$ 750,000	\$ 954,537
Replacement Cost Contingencies	750,000	750,000
	1,500,000	1,704,537
Planning Reserve (Multiple Years):		
International Education Supplement	\$1,050,053	\$ -
Qwam Qwum Startup Costs	-	375,000
	1,050,053	375,000
Targeted/Constraints Reserve:		
Aboriginal Education Programs	337,364	330,281
COVID Costs – Staffing & Supplies	300,000	-
School Supplies	276,500	330,830
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	180,000
Curriculum & Learning Support Funding	54,685	-
Asbestos Reassessments	19,000	-
Powerschool (HR)	10,000	-
Health & Safety Support	10,000	-
Vehicle Modernization	5,000	-
Facilities Projects	-	236,000
Mental Health Grant	-	25,000
	1,655,219	2,806,648
Subtotal Internally Restricted	4,205,272	3,181,648
Unrestricted Operating Surplus	3,641,473	1,280,009
Total Available for Future Operations	7,846,745	4,461,657
Proposed transfer to Local Capital	(1,030,000)	(1,250,000)
Total Available for Future Operations	6,816,745	3,211,657
 CAPITAL		
Investment in Tangible Capital Assets	50,295,292	49,526,080
Local Capital	4,768,142	5,612,016
Capital Surplus	55,063,434	55,138,096
Proposed transfer from Operating Fund	1,030,000	1,250,000
Capital Surplus	56,093,434	56,388,096
 TOTAL ACCUMULATED SURPLUS	\$ 62,910,179	\$ 59,599,753

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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 26, 2020. 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:

	2020 Amended	2020 Preliminary	Difference
Revenues			
Provincial Grants			
Ministry of Education	\$149,168,772	\$143,606,334	\$5,562,438
Other	382,416	291,916	90,500
Tuition	3,743,000	3,868,000	(125,000)
Other Revenue	5,135,496	6,875,327	(1,739,831)
Rentals and Leases	607,755	560,000	47,755
Investment Income	616,000	616,000	-
Amortization of Deferred Capital Revenue	5,852,094	5,706,871	145,223
Total Revenue	\$165,505,533	\$161,524,448	\$3,981,085
Expenses			
Instruction	\$133,723,764	\$129,392,504	\$4,331,260
District Administration	6,485,065	6,360,481	124,584
Operations and Maintenance	26,649,794	25,472,327	1,177,467
Transportation and Housing	1,843,053	1,765,265	77,788
Debt Services	-	-	-
Total Expenses	\$168,701,676	\$162,990,577	\$5,711,099
Surplus (deficit) for the year	\$ (3,196,143)	\$ (1,466,129)	\$(1,730,014)
Effects of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(7,802,000)	(1,322,000)	(6,480,000)
Amortization of Tangible Capital Assets	9,008,126	8,610,000	398,126
Total Effect of change in Tangible Capital Assets	1,206,126	7,288,000	(6,081,874)
Decrease in Net Financial Debt	\$ (1,990,017)	\$ 5,821,871	\$(7,811,888)

NOTE 13 EXPENSE BY OBJECT

	2020	2019
Salaries	\$110,439,868	\$106,334,133
Benefits	27,464,011	26,629,641
Services and supplies	15,984,904	17,183,364
Interest	-	3,227
Amortization	9,152,938	8,759,161
	\$163,041,722	\$158,909,526

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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, 2018, the Teachers' Pension Plan has about 48,000 active members and approximately 38,000 retired members. As of December 31, 2018, the Municipal Pension Plan has about 205,000 active members, including approximately 26,000 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. As a result of the 2017 basic account actuarial valuation surplus, plan enhancements and contribution rate adjustments were made; the remaining \$644 million surplus was transferred to the rate stabilization account.

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.

The school district paid \$11,593,239 for employer contributions to the plans for the year ended June 30, 2020 (2019: \$11,762,829)

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.

**SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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 provided 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 \$173,251 (2019: \$170,484) 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	2021	2022	2023	2024	2025	Thereafter
Future lease/rental revenue	\$228,702	\$82,336	\$45,141	\$29,401	\$29,401	\$30,000

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:

2021	202,125
2022	92,969
2023	15,000
2024	15,000
2025	15,000
Thereafter	30,000
	\$ 370,093

Anticipated contractual payments related to purchase orders for operating expenses and capital construction during 2021 total \$4,386,287.

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.

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 17 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES *(continued)*

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.

NOTE 20 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.

SCHOOL DISTRICT No. 68 (NANAIMO – LADYSMITH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 20 RISK MANAGEMENT *(continued)*

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.

b) **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 2019 related to credit, market or liquidity risks.

School District No. 68 (Nanaimo-Ladysmith)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund

Year Ended June 30, 2020

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2020 Actual	2019 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	4,461,657		55,138,096	59,599,753	59,499,332
Changes for the year					
Surplus (Deficit) for the year	6,144,313	359,513	(3,193,400)	3,310,426	100,421
Interfund Transfers	(422,225)	(359,513)	781,738	-	-
Tangible Capital Assets Purchased	(2,337,000)		2,337,000	-	-
Local Capital	3,385,088	-	(74,662)	3,310,426	100,421
Net Changes for the year	7,846,745	-	55,063,434	62,910,179	59,599,753
Accumulated Surplus (Deficit), end of year - Statement 2					

School District No. 68 (Nanaimo-Ladysmith)

Schedule 2 (Unaudited)

Schedule of Operating Operations
Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	132,564,001	134,956,052	126,670,538
Other	230,416	231,966	275,116
Tuition	3,743,000	3,353,180	3,762,373
Other Revenue	2,431,977	2,128,959	2,510,085
Rentals and Leases	607,755	565,820	672,758
Investment Income	500,000	365,376	430,431
Total Revenue	<u>140,077,149</u>	<u>141,601,353</u>	<u>134,321,301</u>
Expenses			
Instruction	114,867,679	111,367,509	108,379,903
District Administration	6,485,065	6,069,232	6,029,736
Operations and Maintenance	17,021,463	16,289,667	15,941,452
Transportation and Housing	1,843,053	1,730,632	1,820,976
Total Expense	<u>140,217,260</u>	<u>135,457,040</u>	<u>132,172,067</u>
Operating Surplus (Deficit) for the year	<u>(140,111)</u>	<u>6,144,313</u>	<u>2,149,234</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>1,477,111</u>		
Budgeted Reduction of Unfunded Accrued Employee Future Benefits	<u>-</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(422,225)	(554,136)
Local Capital	(1,337,000)	(2,337,000)	(4,315,126)
Total Net Transfers	<u>(1,337,000)</u>	<u>(2,759,225)</u>	<u>(4,869,262)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>3,385,088</u>	<u>(2,720,028)</u>
Operating Surplus (Deficit), beginning of year		4,461,657	7,181,685
Operating Surplus (Deficit), end of year		<u>7,846,745</u>	<u>4,461,657</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		4,205,272	3,181,648
Unrestricted		3,641,473	1,280,009
Total Operating Surplus (Deficit), end of year		<u>7,846,745</u>	<u>4,461,657</u>

School District No. 68 (Nanaimo-Ladysmith)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source
Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	132,450,988	132,461,131	127,077,630
ISC/LEA Recovery	(1,567,941)	(1,202,281)	(1,567,941)
Other Ministry of Education Grants			
Pay Equity	160,000	160,000	160,000
Funding for Graduated Adults		19,989	14,676
Transportation Supplement	244,630	244,630	244,630
Economic Stability Dividend			160,727
Carbon Tax Grant	135,000	41,232	111,232
Employer Health Tax Grant	1,057,711	1,057,711	321,417
Strategic Priorities - Mental Health Grant			31,000
Support Staff Benefits Grant	67,920	67,920	67,920
BCTEA - LEA Capacity Building Grant			20,550
Support Staff Wage Increase Funding		577,175	
Teachers' Labour Settlement Funding		1,505,020	
Premiers Excellence Award		2,000	4,000
Seismic Assessment			9,004
FSA and Monitored Marking	15,693	15,693	15,693
Other		5,832	
Total Provincial Grants - Ministry of Education	132,564,001	134,956,052	126,670,538
Provincial Grants - Other	230,416	231,966	275,116
Federal Grants	-	-	-
Tuition			
International and Out of Province Students	3,743,000	3,353,180	3,762,373
Total Tuition	3,743,000	3,353,180	3,762,373
Other Revenues			
Other School District/Education Authorities	484,036	492,036	494,536
Funding from First Nations	1,567,941	1,202,281	1,567,941
Miscellaneous			
Cafeteria Revenue	205,000	145,948	214,369
Energy Manager Grant	50,000	50,000	50,000
Other	125,000	238,694	183,239
Total Other Revenue	2,431,977	2,128,959	2,510,085
Rentals and Leases	607,755	565,820	672,758
Investment Income	500,000	365,376	430,431
Total Operating Revenue	140,077,149	141,601,353	134,321,301

School District No. 68 (Nanaimo-Ladysmith)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Salaries			
Teachers	60,795,049	61,247,952	58,250,024
Principals and Vice Principals	7,876,242	7,749,350	7,529,074
Educational Assistants	10,469,187	10,061,923	9,576,309
Support Staff	11,833,562	11,549,456	11,237,651
Other Professionals	4,372,967	4,501,492	3,832,438
Substitutes	4,271,142	3,275,568	4,415,313
Total Salaries	99,618,149	98,385,741	94,840,809
Employee Benefits	25,506,904	24,524,828	23,735,634
Total Salaries and Benefits	125,125,053	122,910,569	118,576,443
Services and Supplies			
Services	4,390,219	4,017,123	4,038,068
Student Transportation	142,366	91,715	125,558
Professional Development and Travel	878,840	718,931	805,530
Rentals and Leases	8,395	8,060	16,438
Dues and Fees	511,460	584,832	543,808
Insurance	324,800	377,453	362,675
Supplies	6,431,427	4,830,354	5,553,764
Utilities	2,404,700	1,918,003	2,149,783
Total Services and Supplies	15,092,207	12,546,471	13,595,624
Total Operating Expense	140,217,260	135,457,040	132,172,067

School District No. 68 (Nanaimo-Ladysmith)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object
Year Ended June 30, 2020

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	47,462,518	1,219,545	269,529	50,443	247,628	2,348,126	51,597,789
1.03 Career Programs			193,682			6,001	199,683
1.07 Library Services	1,665,278	67,680		259,828		51,652	2,044,438
1.08 Counselling	2,314,399					14,754	2,329,153
1.10 Special Education	7,568,102	8,686	8,388,699			375,991	16,341,478
1.30 English Language Learning	645,961		39,341			2,070	687,372
1.31 Indigenous Education	1,426,931	49,133	920,891	56,647	142,388	24,696	2,620,686
1.41 School Administration	30,751	6,278,630		2,625,952	157,286	297,162	9,389,781
1.62 International and Out of Province Students	134,012	125,676		79,718	123,348	8,663	471,417
1.64 Other			201,224				201,224
Total Function 1	61,247,952	7,749,350	10,013,366	3,072,588	670,650	3,129,115	85,883,021
4 District Administration							
4.11 Educational Administration				275,442	980,060	864	1,256,366
4.40 School District Governance				51,074	363,238		414,312
4.41 Business Administration				695,994	1,625,535	52,965	2,374,494
Total Function 4	-	-	-	1,022,510	2,968,833	53,829	4,045,172
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration			48,557	456,022	501,647	28,453	1,034,679
5.50 Maintenance Operations				5,511,677	261,226	63,043	5,835,946
5.52 Maintenance of Grounds				505,951			505,951
5.56 Utilities				71,437			71,437
Total Function 5	-	-	48,557	6,545,087	762,873	91,496	7,448,013
7 Transportation and Housing							
7.41 Transportation and Housing Administration				48,618	99,136		147,754
7.70 Student Transportation				860,653		1,128	861,781
Total Function 7	-	-	-	909,271	99,136	1,128	1,009,535
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	61,247,952	7,749,350	10,061,923	11,549,456	4,501,492	3,275,568	98,385,741

School District No. 68 (Nanaimo-Ladysmith)

Operating Expense by Function, Program and Object
Year Ended June 30, 2020

Schedule 2C (Unaudited)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	51,597,789	12,890,829	64,488,618	2,409,818	66,898,436	69,491,687	66,020,814
1.03 Career Programs	199,683	65,830	265,513	180,291	445,804	473,882	461,612
1.07 Library Services	2,044,438	536,262	2,580,700	64,968	2,645,668	2,548,411	2,484,968
1.08 Counselling	2,329,153	563,769	2,892,922	1,962	2,894,884	2,918,439	2,888,299
1.10 Special Education	16,341,478	4,425,575	20,767,053	317,258	21,084,311	21,977,925	20,567,276
1.30 English Language Learning	687,372	173,218	860,590	3,389	863,979	508,889	390,335
1.31 Indigenous Education	2,620,686	656,958	3,277,644	156,123	3,433,767	3,771,131	3,052,414
1.41 School Administration	9,389,781	2,128,606	11,518,387	149,422	11,667,809	11,463,041	10,993,162
1.62 International and Out of Province Students	471,417	94,307	565,724	598,062	1,163,786	1,466,906	1,190,929
1.64 Other	201,224	50,960	252,184	16,881	269,065	247,368	330,094
Total Function 1	85,883,021	21,586,314	107,469,335	3,898,174	111,367,509	114,867,679	108,379,903
4 District Administration							
4.11 Educational Administration	1,256,366	280,996	1,537,362	103,676	1,641,038	1,776,279	1,681,922
4.40 School District Governance	414,312	66,786	481,098	165,883	646,981	711,621	845,807
4.41 Business Administration	2,374,494	529,416	2,903,910	877,303	3,781,213	3,997,165	3,502,007
Total Function 4	4,045,172	877,198	4,922,370	1,146,862	6,069,232	6,485,065	6,029,736
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	1,034,679	196,725	1,231,404	755,638	1,987,042	2,358,839	1,909,537
5.50 Maintenance Operations	5,835,946	1,482,715	7,318,661	3,898,447	11,217,108	11,076,702	10,793,569
5.52 Maintenance of Grounds	505,951	114,642	620,593	355,241	975,834	944,191	891,910
5.56 Utilities	71,437	16,321	87,758	2,021,925	2,109,683	2,641,731	2,346,436
Total Function 5	7,448,013	1,810,403	9,258,416	7,031,251	16,289,667	17,021,463	15,941,452
7 Transportation and Housing							
7.41 Transportation and Housing Administration	147,754	33,973	181,727	64,842	246,569	224,549	241,853
7.70 Student Transportation	861,781	216,940	1,078,721	405,342	1,484,063	1,618,504	1,579,123
Total Function 7	1,009,535	250,913	1,260,448	470,184	1,730,632	1,843,053	1,820,976
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	98,385,741	24,524,828	122,910,569	12,546,471	135,457,040	140,217,260	132,172,067

School District No. 68 (Nanaimo-Ladysmith)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	16,604,771	16,151,825	15,459,397
Other	152,000	152,000	
Other Revenue	2,703,519	2,434,816	3,346,582
Investment Income	16,000	30,944	33,585
Total Revenue	<u>19,476,290</u>	<u>18,769,585</u>	<u>18,839,564</u>
Expenses			
Instruction	18,856,085	18,158,950	17,805,968
Operations and Maintenance	620,205	251,122	100,267
Total Expense	<u>19,476,290</u>	<u>18,410,072</u>	<u>17,906,235</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>359,513</u>	<u>933,329</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		<u>(359,513)</u>	<u>(933,329)</u>
Total Net Transfers	<u>-</u>	<u>(359,513)</u>	<u>(933,329)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 68 (Nanaimo-Ladysmith)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2020

Schedule 3A (Unaudited)

	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	\$ -	\$ 16,830	\$ 38,870	\$ 1,372,692	\$ 964	\$ 16,221	\$ 31,779	\$ 115,404
Add: Restricted Grants									
Provincial Grants - Ministry of Education	555,642	485,237				257,264	64,478	202,584	2,264,422
Provincial Grants - Other					2,567,084				
Other					30,944				
Investment Income									
18/19 CEF Adjustment									
Less: Allocated to Revenue	555,642	485,237	4,818	10,961	2,598,028	257,264	64,478	202,584	2,264,422
	555,642	473,925	4,818	10,961	2,389,035	245,890	58,580	144,090	2,270,014
Deferred Revenue, end of year	64,563	11,312	12,012	27,909	1,581,685	12,338	22,119	90,273	109,812
Revenues									
Provincial Grants - Ministry of Education	555,642	473,925	4,818	10,961		245,890	58,580	144,090	2,270,014
Provincial Grants - Other					2,358,091				
Other Revenue					30,944				
Investment Income									
Expenses									
Salaries									
Teachers									
Principals and Vice Principals					6,105		5,568	19,256	333,036
Educational Assistants		358,639			5,448	179,222			1,299,514
Support Staff		16,747				1,102			30,000
Other Professionals									100,429
Substitutes									2,500
Employee Benefits		375,386			11,553	180,324	5,568	19,256	1,765,479
Services and Supplies	251,122	98,539	4,818	4,639	2,310	59,667	1,190	4,578	448,019
	251,122	473,925	4,818	4,639	2,348,455	5,899	51,822	98,302	56,516
					2,362,318	245,890	58,580	122,136	2,270,014
Net Revenue (Expense) before Interfund Transfers	304,520	-	-	6,322	26,717	-	-	21,954	-
Interfund Transfers									
Tangible Capital Assets Purchased	(304,520)			(6,322)	(26,717)			(21,954)	
	(304,520)			(6,322)	(26,717)			(21,954)	
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 68 (Nanaimo-Ladysmith)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2020

Schedule 3A (Unaudited)

	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	Other Misc. Grants	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			481,218				351,262	2,489,803
Add: Restricted Grants								
Provincial Grants - Ministry of Education	1,572,967	10,485,237	395,217	46,123	26,500	18,229		16,373,900
Provincial Grants - Other							243,750	243,750
Other							101,138	2,668,222
Investment Income								30,944
18/19 CEF Adjustment			(481,218)					(481,218)
Less: Allocated to Revenue	1,572,967	10,485,237	(86,001)	46,123	26,500	18,229	344,888	18,835,598
Deferred Revenue, end of year	-	-	318,580	-	4,273	6,848	228,725	18,769,585
			76,637	46,123	22,227	11,381	467,425	2,555,816
Revenues								
Provincial Grants - Ministry of Education	1,572,967	10,485,237	318,580		4,273	6,848		16,151,825
Provincial Grants - Other							152,000	152,000
Other Revenue							76,725	2,434,816
Investment Income								30,944
Expenses								
Salaries								
Teachers								8,729,994
Principals and Vice Principals	256,819	8,361,084				4,945		256,819
Educational Assistants	58,514							1,901,337
Support Staff	374,071							421,920
Other Professionals	101,715							202,144
Substitutes	430,830		69,550					541,913
Employee Benefits	1,221,949	8,361,084	69,550			4,945		12,054,127
Services and Supplies	275,027	2,124,153				842		2,939,183
	75,991		233,480		4,273	1,061		3,416,762
	1,572,967	10,485,237	318,580		4,273	6,848	228,725	18,410,072
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	359,513
Interfund Transfers								
Tangible Capital Assets Purchased								(359,513)
Net Revenue (Expense)								

School District No. 68 (Nanaimo-Ladysmith)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual			2019 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Investment Income	100,000		77,418	77,418	140,659
Amortization of Deferred Capital Revenue	5,852,094	5,903,792		5,903,792	5,708,423
Total Revenue	<u>5,952,094</u>	<u>5,903,792</u>	<u>77,418</u>	<u>5,981,210</u>	<u>5,849,082</u>
Expenses					
Operations and Maintenance			21,672	21,672	68,836
Amortization of Tangible Capital Assets					
Operations and Maintenance	9,008,126	9,152,938		9,152,938	8,759,161
Debt Services					
Capital Lease Interest				-	3,227
Total Expense	<u>9,008,126</u>	<u>9,152,938</u>	<u>21,672</u>	<u>9,174,610</u>	<u>8,831,224</u>
Capital Surplus (Deficit) for the year	<u>(3,056,032)</u>	<u>(3,249,146)</u>	<u>55,746</u>	<u>(3,193,400)</u>	<u>(2,982,142)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased		781,738		781,738	1,487,465
Local Capital	1,337,000		2,337,000	2,337,000	4,315,126
Total Net Transfers	<u>1,337,000</u>	<u>781,738</u>	<u>2,337,000</u>	<u>3,118,738</u>	<u>5,802,591</u>
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		2,235,706	(2,235,706)	-	
Tangible Capital Assets WIP Purchased from Local Capital		1,000,914	(1,000,914)	-	
Total Other Adjustments to Fund Balances		<u>3,236,620</u>	<u>(3,236,620)</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>(1,719,032)</u>	<u>769,212</u>	<u>(843,874)</u>	<u>(74,662)</u>	<u>2,820,449</u>
Capital Surplus (Deficit), beginning of year		<u>49,526,080</u>	<u>5,612,016</u>	<u>55,138,096</u>	<u>52,317,647</u>
Capital Surplus (Deficit), end of year		<u>50,295,292</u>	<u>4,768,142</u>	<u>55,063,434</u>	<u>55,138,096</u>

School District No. 68 (Nanaimo-Ladysmith)

Tangible Capital Assets

Year Ended June 30, 2020

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	15,673,196	276,167,061	8,993,126	3,492,515	74,203	6,867,303	311,267,404
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		2,876,015	440,988	277,218			3,594,221
Deferred Capital Revenue - Other			191,594				191,594
Operating Fund			195,668	131,240		95,317	422,225
Special Purpose Funds		304,520	32,656			22,337	359,513
Local Capital		501,269	88,633	3,628	311,249	1,330,927	2,235,706
Transferred from Work in Progress		1,468,866			169,805		1,638,671
Decrease:							
Deemed Disposals			949,539	412,086	481,054	1,448,581	8,441,930
Cost, end of year							
Work in Progress, end of year							
Cost and Work in Progress, end of year	15,673,196	281,317,731	9,830,934	3,726,814	555,257	7,560,941	318,664,873
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		135,411,647	2,073,543	2,180,757	64,006	3,254,106	142,984,059
Decrease:							
Deemed Disposals		6,272,006	946,790	369,856	45,966	1,518,320	9,152,938
Accumulated Amortization, end of year							
Tangible Capital Assets - Net	15,673,196	142,338,957	6,922,332	1,353,988	445,285	3,543,458	170,277,216

School District No. 68 (Nanaimo-Ladysmith)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2020

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	1,474,353		169,805		1,644,158
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	1,698,478				1,698,478
Local Capital	1,000,914				1,000,914
	2,699,392	-	-	-	2,699,392
Decrease:					
Transferred to Tangible Capital Assets	1,468,866		169,805		1,638,671
	1,468,866	-	169,805	-	1,638,671
Net Changes for the Year	1,230,526	-	(169,805)	-	1,060,721
Work in Progress, end of year	2,704,879	-	-	-	2,704,879

School District No. 68 (Nanaimo-Ladysmith)

Schedule 4C (Unaudited)

Deferred Capital Revenue
Year Ended June 30, 2020

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
Deferred Capital Revenue, beginning of year	\$ 111,075,684	\$ 6,669,040	\$ 1,545,947	\$ 119,290,671
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	3,594,221	191,594		3,785,815
Transferred from Work in Progress	469,671			469,671
	4,063,892	191,594	-	4,255,486
Decrease:				
Amortization of Deferred Capital Revenue	5,502,566	219,604	181,622	5,903,792
	5,502,566	219,604	181,622	5,903,792
Net Changes for the Year	(1,438,674)	(28,010)	(181,622)	(1,648,306)
Deferred Capital Revenue, end of year	109,637,010	6,641,030	1,364,325	117,642,365
Work in Progress, beginning of year	475,157			475,157
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Work in Progress	1,698,478			1,698,478
	1,698,478	-	-	1,698,478
Decrease:				
Transferred to Deferred Capital Revenue	469,671			469,671
	469,671	-	-	469,671
Net Changes for the Year	1,228,807	-	-	1,228,807
Work in Progress, end of year	1,703,964	-	-	1,703,964
Total Deferred Capital Revenue, end of year	111,340,974	6,641,030	1,364,325	119,346,329

School District No. 68 (Nanaimo-Ladysmith)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2020

Schedule 4D (Unaudited)

	Bylaw Capital	MED Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	330,401	17,595	200,675	124,379	-	673,050
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	5,211,387					5,211,387
Provincial Grants - Other				4,723,311		4,723,311
Investment Income	(222,295)	618				618
Transfer project surplus to MED Restricted (from) Bylaw	4,989,092	222,295				-
		222,913			4,723,311	9,935,316
Decrease:						
Transferred to DCR - Capital Additions	3,594,221		191,594			3,785,815
Transferred to DCR - Work in Progress	1,698,478					1,698,478
	5,292,699		191,594			5,484,293
	(303,607)	222,913	(191,594)		4,723,311	4,451,023
Net Changes for the Year	26,794	240,508	9,081	124,379	4,723,311	5,124,073
Balance, end of year						