



Ministry of Education

SCHOOL DISTRICT STATEMENT OF FINANCIAL INFORMATION (SOFI)

6049

| | | |
|-----------------------------|-------------------------|------------------|
| SCHOOL DISTRICT NUMBER | NAME OF SCHOOL DISTRICT | YEAR |
| 50 | HAIDA GWAI | 2013/14 |
| OFFICE LOCATION(S) | | TELEPHONE NUMBER |
| | | 559-8471 |
| MAILING ADDRESS | P.O. Box 69 | |
| CITY | PROVINCE | POSTAL CODE |
| Queen Charlotte | B.C. | V0T 1S0 |
| NAME OF SUPERINTENDENT | | TELEPHONE NUMBER |
| Mr. Angus Wilson | | 559-8471 |
| NAME OF SECRETARY TREASURER | | TELEPHONE NUMBER |
| Ms. Shelley Sansome | | 559-8471 |

DECLARATION AND SIGNATURES

We, the undersigned, certify that the attached is a correct and true copy of the Statement of Financial Information for the year ended June 30, 2014 for School District No. 50 as required under Section 2 of the Financial Information Act.

| | |
|--|--------------|
| SIGNATURE OF CHAIRPERSON OF THE BOARD OF EDUCATION | DATE SIGNED |
| | Nov 25/14 |
| SIGNATURE OF SUPERINTENDENT | DATE SIGNED |
| | 25 Nov 2014 |
| SIGNATURE OF SECRETARY TREASURER | DATE SIGNED |
| | Nov. 25 / 14 |

Statement of Financial Information for Year Ended June 30, 2014

Financial Information Act-Submission Checklist

| | | <i>Due Date</i> |
|----|---|---------------------|
| a) | A statement of assets and liabilities (audited financial statements). | <i>September 30</i> |
| b) | An operational statement including, i) a Statement of Income and ii) a Statement of Changes in Financial Position, or, if omitted, an explanation in the Notes to Financial Statements (audited financial statements) | <i>September 30</i> |
| c) | A schedule of debts (audited financial statements). | <i>September 30</i> |
| d) | A schedule of guarantee and indemnity agreements including the names of the entities involved and the amount of money involved. (Note: Nil schedules can be submitted December 31). | <i>September 30</i> |
| e) | A schedule of remuneration and expenses, including: i) an alphabetical list of employees earning over \$75,000, the total amount of expenses paid to or on behalf of each employee for the year reported and a consolidated total for employees earning under \$75,000. If the total wages and expenses differs from the audited financial statements, an explanation is required. ii) a list by name and position of Board Members with the amount of any salary and expenses paid to or on behalf of the member iii) the number of severance agreements started during the fiscal year and the range of months' pay covered by the agreement, in respect of excluded employees. If there are no agreements to report, an explanation is required | <i>December 31</i> |
| f) | An alphabetical list of suppliers receiving over \$25,000 and a consolidated total for those suppliers receiving less than \$25,000. If the total differs from the Audited Financial Statements, an explanation is required. | <i>December 31</i> |
| g) | Approval of Statement of Financial Information. | <i>December 31</i> |
| h) | A management report approved by the Chief Financial Officer | <i>December 31</i> |

Audited Financial Statements of

School District No. 50 (Haida Gwaii)

June 30, 2014

School District No. 50 (Haida Gwaii)

MANAGEMENT REPORT

Version: 1411-9665-7683

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 50 (Haida Gwaii) 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.

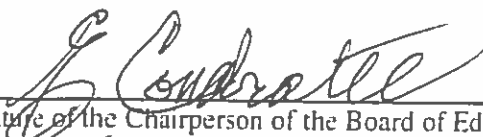
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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.

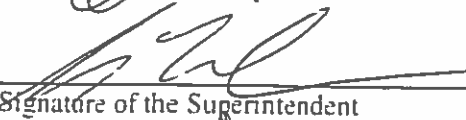
The Board of Education of School District No. 50 (Haida Gwaii) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, McConnell Volkell, 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. 50 (Haida Gwaii) and meet when required. The accompanying Independent Auditor's 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. 50 (Haida Gwaii)


Signature of the Chairperson of the Board of Education

09/26/14
Date Signed


Signature of the Superintendent

Sept 26/14
Date Signed


Signature of the Secretary Treasurer

Sept 26/14
Date Signed

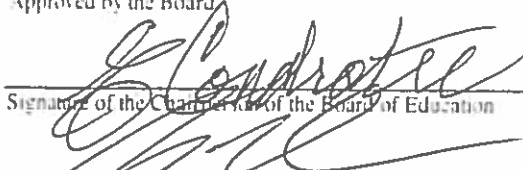

School District No. 50 (Haida Gwaii)

Statement of Financial Position
As at June 30, 2014

| | 2014 Actual | 2013 Actual |
|--|---------------------|---------------------|
| | \$ | \$ |
| Financial Assets | | |
| Cash and Cash Equivalents | 1,483,850 | 948,995 |
| Accounts Receivable | | |
| Due from LEA/Direct Funding | 188,171 | 511,352 |
| Other (Note 3) | 148,387 | 228,880 |
| Total Financial Assets | <u>1,820,408</u> | <u>1,959,227</u> |
| Liabilities | | |
| Accounts Payable and Accrued Liabilities | | |
| Due to Province - Ministry of Education | 113,709 | |
| Other (Note 4) | 498,816 | 604,498 |
| Deferred Revenue | 430,716 | 428,021 |
| Deferred Capital Revenue | 19,483,485 | 19,933,604 |
| Employee Future Benefits (Note 7) | 174,641 | 143,351 |
| Other Liabilities (Note 4) | 41,509 | 255,669 |
| Total Liabilities | <u>20,742,876</u> | <u>21,370,143</u> |
| Net Financial Assets (Debt) | <u>(18,922,468)</u> | <u>(19,380,916)</u> |
| Non-Financial Assets | | |
| Tangible Capital Assets (Note 8) | 26,415,210 | 27,046,439 |
| Prepaid Expenses (Note 2) | 92,276 | 51,178 |
| Total Non-Financial Assets | <u>26,507,486</u> | <u>27,097,617</u> |
| Accumulated Surplus (Deficit) | <u>7,585,018</u> | <u>7,716,701</u> |

Contractual Obligations and Contingencies

Approved by the Board

| | |
|---|---------------------------|
|  | 09/26/14 Date Signed |
| Signature of the Superintendent | Sept 26/14 Date Signed |
|  | Sept 26/14 Date Signed |

School District No. 50 (Haida Gwaii)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2014

Statement 4

| | 2014 Budget | 2014 Actual | 2013 Actual |
|--|----------------|----------------|----------------|
| | \$ | \$ | \$ |
| Surplus (Deficit) for the year | (502,334) | (131,683) | 118,588 |
| Effect of change in Tangible Capital Assets | | | |
| Acquisition of Tangible Capital Assets | | (259,122) | (637,209) |
| Amortization of Tangible Capital Assets | 890,351 | 890,351 | 898,175 |
| Total Effect of change in Tangible Capital Assets | 890,351 | 631,229 | 260,966 |
| Acquisition of Prepaid Expenses | | (41,098) | |
| Use of Prepaid Expenses | | | 16,155 |
| Total Effect of change in Other Non-Financial Assets | - | (41,098) | 16,155 |
| (Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses) | 388,017 | 458,448 | 395,709 |
| Net Remeasurement Gains (Losses) | | | |
| (Increase) Decrease in Net Financial Assets (Debt) | | 458,448 | 395,709 |
| Net Financial Assets (Debt), beginning of year | | (19,380,916) | (19,776,625) |
| Net Financial Assets (Debt), end of year | | (18,922,468) | (19,330,916) |



**SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR-ENDED JUNE 30, 2014**

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on 04/01/1946 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. 50 (Haida Gwaii)", and operates as "School District No. 50 (Haida Gwaii)." A board of education ("Board") elected for a three-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. 50 (Haida Gwaii) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

These financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as set out in Notes 2(h) and 2(p).

In March 2011, PSAB. 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. The Treasury Board direction on the accounting treatment of restricted contributions is as described in Notes 2(h) and 2(p).

As noted in notes 2 (h) and 2 (p), 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. As a result, revenue recognized in the statement of operations and certain related deferred revenues and deferred capital contributions would be recorded differently under Canadian public sector accounting standards.



SCHOOL DISTRICT NO. 50 (HAIDA GWAI)
NOTES TO FINANCIAL STATEMENTS
YEAR-ENDED JUNE 30, 2014

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Deferred Revenue and Deferred Capital Revenue (cont'd)

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

h) Employee Future Benefits

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

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

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

The most recent valuation of the obligation was performed at March 31, 2013 and projected to June 30, 2016. The next valuation will be performed at March 31, 2016 for use at June 30, 2016. 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.



SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR-ENDED JUNE 30, 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Tangible Capital Assets

The following criteria apply:

Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.

Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.

Buildings that are demolished or destroyed are written-off

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 |



SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR-ENDED JUNE 30, 2014

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

p) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Contributions received or where eligibility criteria have been met are recognized as revenue except where the contribution meets the criteria for deferral as described below. Eligibility criteria are the criteria that the School District has to meet in order to receive the contributions including authorization by the transferring government.

For contributions subject to a legislative or contractual stipulation or restriction as to their use, revenue is recognized as follows:

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year related expenses are incurred,
- Contributions restricted for site acquisitions are recorded as revenue when the sites are purchased, and
- Contributions restricted for tangible capital assets acquisitions other than sites are recorded as deferred capital revenue and amortized over the useful life of the related assets.

Donated tangible capital assets other than sites are recorded at fair market value and amortized over the useful life of the assets. Donated sites are recorded as revenue at fair market value when received or receivable

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

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

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



SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR-ENDED JUNE 30, 2014

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

r) Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The School District recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, bank overdraft, accounts payable and accrued liabilities 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.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.



SCHOOL DISTRICT NO. 50 (HAIDA GWAI)
NOTES TO FINANCIAL STATEMENTS
YEAR-ENDED JUNE 30, 2014

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

| | 2014 | 2013 |
|-------------------------------|-----------|-----------|
| Trade payables | \$78,954 | \$214,160 |
| Salaries and benefits payable | 389,390 | 604,498 |
| Accrued vacation pay | | 41,509 |
| Other | 30,472 | |
| | \$498,816 | \$860,167 |

NOTE 5 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. Detailed information about the changes in deferred revenue is included in Schedule 3A.

NOTE 6 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. Detailed information about the changes in deferred capital revenue is included in Schedules 4C and 4D.



SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR-ENDED JUNE 30, 2014

NOTE 7 EMPLOYEE FUTURE BENEFITS *(continued)*

| | 2014 | 2013 (Recast) |
|---|-----------------|------------------|
| Components of Net Benefit Expense | | |
| Service Costs July - March | \$14,248 | \$10,058 |
| Service Costs April - June | 4,728 | 4,749 |
| Interest Costs July - March | 4,172 | 4,302 |
| Interest Costs April - June | 1,573 | 1,391 |
| Immediate Recognition of Plan Amendment | 0 | 0 |
| Amortization of Net Actuarial (Gain)/Loss | 2,784 | (11) |
| Net Benefit Expense | \$27,405 | \$20,489 |

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

| | 2014 | 2013 (Recast) |
|------------------------------------|-------------------|-------------------|
| Discount Rate - April 1 | 3.00% | 4.25% |
| Discount Rate - March 31 | 3.25% | 3.00% |
| 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 | | |



SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR-ENDED JUNE 30, 2014

NOTE 8 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2013

| Cost: | Opening Cost | Additions | Disposals | Total 2013 |
|------------------------------|---------------------|------------------|------------------|---------------------|
| Sites | \$2,756,297 | | | \$2,756,297 |
| Buildings | 37,641,116 | \$587,209 | | 38,228,325 |
| Buildings – Work In Progress | | | | |
| Furniture & equipment | 418,968 | 50,000 | \$239,303 | 229,665 |
| Vehicles | 66,884 | | | 66,884 |
| | | | | |
| Total | \$40,883,265 | \$637,209 | \$239,303 | \$41,281,171 |

June 30, 2013

| Accumulated Amortization: | Opening Accumulated Amortization | Additions | Disposals | Total 2013 |
|----------------------------------|---|------------------|------------------|---------------------|
| Sites | | | | |
| Buildings | \$13,231,006 | \$848,090 | | \$14,079,096 |
| Furniture & equipment | 324,154 | 43,397 | \$239,303 | 128,248 |
| Vehicles | 20,700 | 6,688 | | 27,388 |
| | | | | |
| Total | \$13,575,860 | \$898,175 | \$239,303 | \$14,234,732 |



**SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR-ENDED JUNE 30, 2014**

NOTE 11 CONTRACTUAL OBLIGATIONS

The School District has entered into a number of multiple-year contracts for the delivery of services and the use of land and equipment. 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.

During the 1998 fiscal year, the board entered into a 49 year lease for the new Skidegate Elementary School expiring February 28, 2047. The Annual lease payments are 4,800, adjusted annually by changes in the Consumer Price Index, plus \$16,000 for the provision of water, sewer, and other services. The service costs are subject to review every 5 years.

| | 2015 | 2016 | 2017 | 2018 | 2019 | Thereafter |
|----------------------------|----------|----------|----------|----------|---------|------------|
| Land to federal Government | \$6,500 | \$6,500 | \$6,500 | \$6,500 | \$6,500 | \$6,500 |
| Financial | \$24,000 | | | | | |
| Custodial | \$68,460 | \$68,460 | | | | |
| Operating Leases | \$36,400 | \$35,116 | \$33,916 | \$32,000 | | |

NOTE 12 BUDGET FIGURES

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an amended annual budget on February, 25, 2014.



SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR-ENDED JUNE 30, 2014

NOTE 16 RISK MANAGEMENT *(Continued)*

The School District is exposed to credit risk in the event of non-performance by a borrower. This risk is mitigated as most amounts receivable are due from the Province and are collectible.

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

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 as they invest solely in that have a maturity date of no more than 3 years.

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.



CHARTERED ACCOUNTANTS

F.W. Voelkl, B Comm., C.A.
C.M. Kelley Inc., B.B.A., C.A.

P.O. Box 819
228 Wallace St.
Hope, B.C. V0X 1L0



Office (604)869-5634
Fax (604)869-2381

INDEPENDENT AUDITOR'S COMMENTS ON SUPPLEMENTARY INFORMATION

To the Board of Education of School District No. 50 (Haida Gwaii), and
To the Minister of Education, Province of British Columbia:

We have audited the financial statements of SCHOOL DISTRICT NO. 50 (HAIDA GWAI), which comprise the statement of financial position as at JUNE 30, 2014, the statement of operations, statement of changes in net financial assets (debt), statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, and have issued our report thereon dated September 17, 2014 which contained an unmodified opinion on the financial statements as a whole. The following supplementary financial information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such financial information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves.

McConnell, Voelkl
CHARTERED ACCOUNTANTS

September 23, 2014

Hope, BC, Canada

School District No. 50 (Haida Gwaii)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2014

| | 2014 Budget | 2014 Actual | 2013 Actual |
|---|-------------------|--------------------------|-------------------|
| | \$ | \$ | \$ |
| Revenues | | | |
| Provincial Grants | | | |
| Ministry of Education | 6,887,527 | 6,189,165 | 6,729,563 |
| Other Revenue | 3,407,709 | 3,795,259 | 3,744,410 |
| Rentals and Leases | 32,000 | 57,839 | 55,021 |
| Investment Income | 6,081 | 7,935 | 4,102 |
| Total Revenue | <u>10,333,317</u> | <u>10,050,198</u> | <u>10,533,096</u> |
| Expenses | | | |
| Instruction | 7,625,065 | 7,092,028 | 7,444,217 |
| District Administration | 678,496 | 654,167 | 650,785 |
| Operations and Maintenance | 1,904,005 | 1,808,202 | 1,779,748 |
| Transportation and Housing | 454,271 | 456,669 | 366,557 |
| Total Expense | <u>10,664,837</u> | <u>10,011,066</u> | <u>10,241,307</u> |
| Operating Surplus (Deficit) for the year | <u>(331,520)</u> | <u>39,132</u> | <u>291,789</u> |
| Budgeted Appropriation (Retirement) of Surplus (Deficit) | <u>331,520</u> | | |
| Total Operating Surplus (Deficit), for the year | <u>-</u> | <u>39,132</u> | <u>291,789</u> |
| Operating Surplus (Deficit), beginning of year | | 331,520 | 39,731 |
| Operating Surplus (Deficit), end of year | | <u>370,652</u> | <u>331,520</u> |
| Operating Surplus (Deficit), end of year | | | |
| Internally Restricted | | 146,177 | |
| Unrestricted | | 224,475 | 331,520 |
| Total Operating Surplus (Deficit), end of year | | <u>370,652</u> | <u>331,520</u> |

School District No. 50 (Haida Gwaii)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2014

| | 2014 Budget | 2014 Actual | 2013 Actual |
|-------------------------------------|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| Salaries | | | |
| Teachers | 3,416,094 | 3,012,596 | 3,212,781 |
| Principals and Vice Principals | 940,147 | 901,406 | 920,021 |
| Educational Assistants | 642,082 | 634,224 | 518,613 |
| Support Staff | 1,128,682 | 1,093,079 | 1,512,533 |
| Other Professionals | 361,236 | 358,930 | 142,067 |
| Substitutes | 279,179 | 266,720 | 266,165 |
| Total Salaries | 6,767,420 | 6,266,955 | 6,572,180 |
| Employee Benefits | 1,502,366 | 1,529,652 | 1,526,901 |
| Total Salaries and Benefits | 8,269,786 | 7,796,607 | 8,099,081 |
| Services and Supplies | | | |
| Services | 717,155 | 534,903 | 507,443 |
| Student Transportation | 396,261 | 421,346 | 320,157 |
| Professional Development and Travel | 270,413 | 275,437 | 220,164 |
| Rentals and Leases | 16,794 | 16,784 | 13,642 |
| Dues and Fees | 19,375 | 11,646 | 11,994 |
| Insurance | 24,481 | 27,289 | 22,884 |
| Supplies | 428,355 | 399,702 | 540,775 |
| Utilities | 522,217 | 527,352 | 505,167 |
| Total Services and Supplies | 2,395,051 | 2,214,459 | 2,142,226 |
| Total Operating Expense | 10,664,837 | 10,011,066 | 10,241,307 |

School District No. 50 (Haida Gwaii)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations
Year Ended June 30, 2014

| | 2014 Budget | 2014 Actual | 2013 Actual |
|---|------------------|----------------|------------------|
| | \$ | \$ | \$ |
| Revenues | | | |
| Provincial Grants | | | |
| Ministry of Education | 495,274 | 472,446 | 452,884 |
| Other Revenue | 523,000 | 327,952 | 611,098 |
| Total Revenue | <u>1,018,274</u> | <u>800,398</u> | <u>1,093,982</u> |
| Expenses | | | |
| Instruction | 912,829 | 694,953 | 997,834 |
| Operations and Maintenance | 105,445 | 105,445 | 96,148 |
| Total Expense | <u>1,018,274</u> | <u>800,398</u> | <u>1,093,982</u> |
| Special Purpose Surplus (Deficit) for the year | <u>-</u> | <u>-</u> | <u>-</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. 50 (Haida Gwaii)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2014

| | 2014 Budget | 2014 Actual | | | 2013 Actual |
|---|------------------|--|------------------|------------------|------------------|
| | | Invested in Tangible Capital Assets | Local Capital | Fund Balance | |
| | \$ | \$ | \$ | \$ | \$ |
| Revenues | | | | | |
| Provincial Grants | | | | | |
| Other Revenue | 10,296 | | | - | |
| Investment Income | | | 10,295 | 10,295 | 2,216 |
| Amortization of Deferred Capital Revenue | 709,241 | 709,241 | | 709,241 | 722,758 |
| Total Revenue | <u>719,537</u> | <u>709,241</u> | <u>10,295</u> | <u>719,536</u> | <u>724,974</u> |
| Expenses | | | | | |
| Amortization of Tangible Capital Assets | | | | | |
| Operations and Maintenance | 890,351 | 890,351 | | 890,351 | 898,175 |
| Total Expense | <u>890,351</u> | <u>890,351</u> | <u>-</u> | <u>890,351</u> | <u>898,175</u> |
| Capital Surplus (Deficit) for the year | <u>(170,814)</u> | <u>(181,110)</u> | <u>10,295</u> | <u>(170,815)</u> | <u>(173,201)</u> |
| Total Capital Surplus (Deficit) for the year | <u>(170,814)</u> | <u>(181,110)</u> | <u>10,295</u> | <u>(170,815)</u> | <u>(173,201)</u> |
| Capital Surplus (Deficit), beginning of year | | 7,120,241 | 264,940 | 7,385,181 | 7,558,382 |
| Capital Surplus (Deficit), end of year | | <u>6,939,131</u> | <u>275,235</u> | <u>7,214,366</u> | <u>7,385,181</u> |

School District No. 50 (Haida Gwaii)

Deferred Capital Revenue

Year Ended June 30, 2014

| | Bylaw Capital | Other Provincial | Other Capital | Total Capital |
|---|------------------|---------------------|------------------|------------------|
| | \$ | \$ | \$ | \$ |
| Deferred Capital Revenue, beginning of year | 16,895,457 | | 3,030,742 | 19,926,199 |
| Changes for the Year | | | | |
| Increase | | | | |
| Transferred from Deferred Revenue - Capital Additions | 259,122 | | | 259,122 |
| | 259,122 | - | - | 259,122 |
| Decrease | | | | |
| Amortization of Deferred Capital Revenue | 633,472 | | 75,769 | 709,241 |
| | 633,472 | - | 75,769 | 709,241 |
| Net Changes for the Year | (374,350) | - | (75,769) | (450,119) |
| Deferred Capital Revenue, end of year | 16,521,107 | - | 2,954,973 | 19,476,080 |
| Work in Progress, beginning of year | | | | - |
| Changes for the Year | | | | |
| Net Changes for the Year | | | | - |
| Work in Progress, end of year | | | | - |
| Total Deferred Capital Revenue, end of year | 16,521,107 | - | 2,954,973 | 19,476,080 |

**School District
Statement of Financial Information (SOFI)**

School District No. 50 (Haida Gwaii)

Fiscal Year Ended June 30, 2014

RECONCILIATION OR EXPLANATION OF DIFFERENCES

Scheduled Payments

| | |
|-------------------|-----------|
| Remuneration | 6,879,094 |
| Employee Expenses | 258,587 |

| | |
|--------------------------------|-----------|
| Payments for Good and Services | 3,994,573 |
|--------------------------------|-----------|

| | |
|--------------------------|------------|
| Total Scheduled Payments | 11,132,254 |
|--------------------------|------------|

Financial Statement Expenditures

| | |
|----------------------|------------|
| Operating Fund | 10,011,066 |
| Special Purpose Fund | 800,398 |
| Capital Fund | 259,122 |

| | |
|--|------------|
| Total Financial Statement Expenditures | 11,070,586 |
|--|------------|

Explanation of differences is as follows:

- Payment for benefits are included in Remuneration Schedule, repeated in the Vendor Analysis and shown as an expense on the Financial Statement.
- Vendor Analysis includes the total amount paid to suppliers and expenses on the Financial Statement includes HST and GST recoveries.
- Increases and Decreases in Account Receivables, Accounts Payable and Inventories are not shown.

SCHOOL DISTRICT NO. 50 (HAIDA GWAI)
STATEMENT PURSUANT TO STATEMENT OF FINANCIAL INFORMATION
VENDOR ANALYSIS OF PAID INVOICES
FOR THE YEAR ENDED JUNE 30, 2014

| SUPPLIER NAME | AMOUNT PAID |
|----------------------|--------------------|
|----------------------|--------------------|

| | | |
|--------------------------------------|----|------------|
| AC/DC MACHINING | \$ | 52,895.28 |
| APPLE CANADA INC | \$ | 26,014.73 |
| BC BOILERS SERVICES LTD | \$ | 81,120.83 |
| BC HYDRO & POWER AUTHORITY | \$ | 123,375.56 |
| CANADA CUSTOM AND REVENUE AGENCY | \$ | 352,067.69 |
| COASTAL PROPANE INC | \$ | 194,506.38 |
| DELMAS CO-OPERATIVE | \$ | 33,319.98 |
| ESC AUTOMATION INC | \$ | 85,906.91 |
| FAMILY SERVICES OF GREATER VANCOUVER | \$ | 34,467.78 |
| FIRSTBUS CANADA | \$ | 415,951.20 |
| HAIDA GWAI RECREATION COMMISSION | \$ | 55,240.00 |
| INSIGHT CANADA INC | \$ | 33,388.43 |
| JOINT PROFESSIONAL DEVELOPMENT | \$ | 28,674.31 |
| JUSQUAN AMANDA BEDARD | \$ | 26,055.12 |
| KEN CAMPBELL | \$ | 42,410.06 |
| MINISTER OF FINANCE | \$ | 101,978.24 |
| MUNICIPAL PENSION PLAN | \$ | 176,573.42 |
| NHA - CORPORATE | \$ | 43,607.12 |
| NORTH ARMS TRANSPORTATION LTD. | \$ | 79,894.94 |
| NORTHERN SHORES LOGGING & CATERING | \$ | 30,923.75 |
| OLD MASSETT VILLAGE COUNCIL | \$ | 46,223.95 |
| PACIFIC BLUE CROSS | \$ | 92,807.77 |
| PEBT, IN TRUST | \$ | 52,716.47 |
| QUEEN CHARLOTTE SCHOOL PRINCIPALS | \$ | 28,859.02 |
| SKIDEGATE BAND COUNCIL | \$ | 33,300.00 |
| TAMMY RYLAND | \$ | 26,702.00 |

**School District
Statement of Financial Information (SOFI)**

School District No. 50 (Haida Gwaii)

Fiscal Year Ended June 30, 2014

Statement of Severance Agreements

There were no severance agreements made between School District No. 50 (Haida Gwaii) and its non-unionized employees during fiscal year 2013/14.

Prepared as required by *Financial Information Regulation*, Schedule 1, subsection 6(7)

SCHOOL DISTRICT NO. 50 (HAIDA GWAI)
STATEMENT PURSUANT TO STATEMENT OF FINANCIAL INFORMATION
SCHEDULE OF REMUNERATION AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014

| NAME | | REMUNERATION PAID | | EXPENSES PAID |
|---|-----------|------------------------------|-----------|--------------------------|
| Sikora, Zoe | \$ | 78,645.06 | \$ | 5,790.00 |
| Wagner, Norman | \$ | 77,301.78 | \$ | 70.72 |
| Wahl, David | \$ | 77,125.82 | \$ | 9,122.07 |
| Watkins, Marcia | \$ | 78,944.93 | \$ | 862.24 |
| Wilson, Angus W.R. | \$ | 137,785.08 | \$ | 7,262.43 |
| Yovanovich, Joanne | \$ | 100,478.76 | \$ | 4,439.37 |
| TOTAL DETAILED EMPLOYEES > \$75,000 | \$ | 2,575,774.52 | \$ | 68,388.65 |
| TOTAL EMPLOYEES <= 75,000. | \$ | 4,261,819.02 | \$ | 174,681.26 |
| TOTAL | \$ | 6,879,093.74 | \$ | 258,587.42 |

TOTAL EMPLOYER PREMIUM FOR CPP/EI \$ 353,573.33

**School District
Statement of Financial Information (SOFI)**

School District No. 50 (Haida Gwaii)

Fiscal Year Ended June 30, 2014

Schedule of Guarantee and Indemnity Agreements

School District No. 50 (Haida Gwaii) has not given any guarantee or indemnity under the Guarantees and Indemnities Regulation.

Prepared as required by *Financial Information Regulation*, Schedule 1, section 5