

Audited Financial Statements of

# **School District No. 50 (Haida Gwaii)**

June 30, 2016

# School District No. 50 (Haida Gwaii)

June 30, 2016

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# School District No. 50 (Haida Gwaii)

## MANAGEMENT REPORT

Version: 3507-2761-9779

### 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.

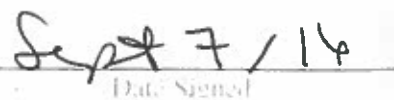
Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and reliable financial information is produced.


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, Voelkl, 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 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. 50 (Haida Gwaii)

  
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. 50 (Haida Gwaii)

Statement 1

## Statement of Financial Position

As at June 30, 2016

	2016 Actual \$	2015 Actual \$
<b>Financial Assets</b>		
Cash and Cash Equivalents	1,280,605	1,611,231
Accounts Receivable		
Other (Note 3)	163,468	162,785
<b>Total Financial Assets</b>	<b>1,444,073</b>	<b>1,774,016</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	604,198	765,897
Deferred Revenue (Note 5)	471,628	495,438
Deferred Capital Revenue (Note 6)	18,952,799	19,186,412
Employee Future Benefits (Note 7)	228,183	200,581
Other Liabilities	40,324	59,743
<b>Total Liabilities</b>	<b>20,297,132</b>	<b>20,708,071</b>
<b>Net Financial Assets (Debt)</b>	<b>(18,853,059)</b>	<b>(18,934,055)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 8)	25,659,472	25,969,053
Prepaid Expenses (Note 2(k))	178,942	65,183
<b>Total Non-Financial Assets</b>	<b>25,838,414</b>	<b>26,034,236</b>
<b>Accumulated Surplus (Deficit)</b>	<b>6,985,355</b>	<b>7,100,181</b>

Contractual Obligations and Contingencies (Note 11)

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. 50 (Haida Gwaii)**

Statement 2

## Statement of Operations

Year Ended June 30, 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	6,607,008	6,346,511	6,577,181
Other		90,000	28,750
Other Revenue	4,397,695	4,828,224	4,390,418
Rentals and Leases	32,000	70,521	50,820
Investment Income	6,454	34,927	27,419
Amortization of Deferred Capital Revenue (Note 2 e)	898,986	811,854	696,166
<b>Total Revenue</b>	<b>11,942,143</b>	<b>12,182,037</b>	<b>11,770,754</b>
<b>Expenses</b>			
Instruction	7,969,200	8,490,271	8,239,362
District Administration	670,429	672,208	725,057
Operations and Maintenance	2,534,098	2,535,100	2,761,871
Transportation and Housing	606,384	599,284	529,301
<b>Total Expense</b>	<b>11,780,111</b>	<b>12,296,863</b>	<b>12,255,591</b>
<b>Surplus (Deficit) for the year</b>	<b>162,032</b>	<b>(114,826)</b>	<b>(484,837)</b>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>7,100,181</b>	<b>7,585,018</b>
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<b>6,985,355</b>	<b>7,100,181</b>

**School District No. 50 (Haida Gwaii)**

Statement 4

## Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Surplus (Deficit) for the year	162,032	(114,826)	(484,837)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets (Note 8)		(578,241)	(439,491)
Amortization of Tangible Capital Assets (Note 8)	695,359	887,822	885,648
Total Effect of change in Tangible Capital Assets	695,359	309,581	446,157
Use of Prepaid Expenses		(113,759)	27,093
Total Effect of change in Other Non-Financial Assets	-	(113,759)	27,093
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	857,391	80,996	(11,587)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		80,996	(11,587)
Net Financial Assets (Debt), beginning of year		(18,934,055)	(18,922,468)
Net Financial Assets (Debt), end of year		(18,853,059)	(18,934,055)

**School District No. 50 (Haida Gwaii)**

Statement 5

Statement of Cash Flows  
Year Ended June 30, 2016

	2016 Actual \$	2015 Actual \$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	(114,826)	(484,837)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(683)	173,773
Prepaid Expenses	(113,760)	27,093
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(161,698)	153,372
Deferred Revenue	(23,810)	64,722
Employee Future Benefits	27,602	25,940
Other Liabilities	(19,419)	18,234
Amortization of Tangible Capital Assets	887,822	885,648
Amortization of Deferred Capital Revenue	(811,854)	(696,166)
<b>Total Operating Transactions</b>	<b>(330,626)</b>	<b>167,779</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased (Note 8)	(525,866)	(439,491)
Tangible Capital Assets -WIP Purchased	(52,375)	
<b>Total Capital Transactions</b>	<b>(578,241)</b>	<b>(439,491)</b>
<b>Financing Transactions</b>		
Capital Revenue Received	578,241	399,093
<b>Total Financing Transactions</b>	<b>578,241</b>	<b>399,093</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(330,626)</b>	<b>127,381</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>1,611,231</b>	<b>1,483,850</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>1,280,605</b>	<b>1,611,231</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	1,280,605	1,611,231
	<b>1,280,605</b>	<b>1,611,231</b>



**SCHOOL DISTRICT NO. 50 (HAIDA GWAII)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR-ENDED JUNE 30, 2016**

**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 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. 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(e) and 2(m)

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.

As noted in notes 2(e) and 2(m), 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.

The impact of this difference on the financial statements of the School District is as follows:

Year-ended June 30, 2015 – decrease annual surplus by \$297,073

June 30, 2015 – increase in accumulated surplus and decrease in deferred contributions by \$19,186,412

Year-ended June 30, 2016 – decrease in in annual surplus by 159,370

June 30, 2016 – increase in accumulated surplus and decrease in deferred contributions by \$18,952,799





**SCHOOL DISTRICT NO. 50 (HAIDA GWAI)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR-ENDED JUNE 30, 2016**

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

**b) Cash and Cash Equivalents**

Cash and cash equivalents include that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

**c) Accounts Receivable**

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

**d) 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.

**e) 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 3 (m).

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 3 (a) for the impact of this policy on these financial statements.



**SCHOOL DISTRICT NO. 50 (HAIDA GWAII)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR-ENDED JUNE 30, 2016**

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

**f) 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�) 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.

**g) Asset Retirement Obligations**

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



**SCHOOL DISTRICT NO. 50 (HAIDA GWAII)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR-ENDED JUNE 30, 2016**

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

**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 all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the School district:
  - is directly responsible; or
  - accepts responsibility; and
- a reasonable estimate of the amount can be made.

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

**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.



**SCHOOL DISTRICT NO. 50 (HAIDA GWAII)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR-ENDED JUNE 30, 2016**

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

- 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

**j) Capital Leases**

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

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

**k) Prepaid Expenses**

Prepaid expenses are stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

TQS Membership	426
Computer Equipment & Software	99,856
Classroom Equipment	70,314
Receiver General	6,795
Human Resources (recruitment)	1,551
Total	178,942



**SCHOOL DISTRICT NO. 50 (HAIDA GWAI)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR-ENDED JUNE 30, 2016**

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

**l) 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 12 – Internally Restricted Surplus).

**m) 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 3 (a) for the impact of this policy on these financial statements.



**SCHOOL DISTRICT NO. 50 (HAIDA GWAII)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR-ENDED JUNE 30, 2016**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(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.

n) **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.

**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. Principal's 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.



**SCHOOL DISTRICT NO. 50 (HAIDA GWAII)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR-ENDED JUNE 30, 2016**

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

**o) 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.

**p) Measurement Uncertainty**

Preparation of financial statements in accordance with the basis of accounting described in note 3 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 assets, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.



**SCHOOL DISTRICT NO. 50 (HAIDA GWAI)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR-ENDED JUNE 30, 2016**

**NOTE 3      ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	2016	2015
CUPE	61	5,551
TOC Costs	2,336	4,940
Benefits Continuance	1,397	0
Pro-D	833	3,805
Payroll	6,000	0
Apartment Building	24,375	26,685
HGTA/BCTF	9,741	16,814
Secondment	5,160	2,045
Gwaii Trust	29,039	44,000
School Supplies	1,059	6,397
Other	27,237	1,463
Principal Travel	1,130	1,130
GST	55,100	49,955
Total Accounts Receivable	163,468	162,785





**SCHOOL DISTRICT NO. 50 (HAIDA GWAII)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR-ENDED JUNE 30, 2016**

**NOTE 4      ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER**

	2016	2015
Trade payables	22,567	123,263
Salaries and benefits payable	577,917	631,955
Other	3,714	10,679
Total	604,198	765,897

**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, 2016**

**NOTE 7      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.

	2016	2015
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	211,421	180,422
Service Cost	21,817	18,911
Interest Cost	5,159	6,291
Benefit Payments Increase (Decrease) in obligation due to Plan Amendment	(717)	(1,044)
Actuarial (Gain) Loss	(29,873)	6,841
Accrued Benefit Obligation – March 31	207,807	211,421
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation – March 31	207,807	211,421
Market Value of Plan Assets – March 31	0	0
Funded Status – Surplus (Deficit)	(207,807)	(211,421)
Employer Contributions After Measurement Date	(6,133)	(6,744)
Unamortized Net Actuarial (Gain) Loss	(14,243)	17,584
Accrued Benefit Asset (Liability) – June 30	(228,183)	(200,581)
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability – July 1	200,581	174,641
Recognize Non-Vested Benefits – April 1 – June 30, 2014	0	0
Accrued Benefit Liability – July 1 (restated)	200,581	174,641
Net expense for Fiscal Year	28,319	26,984
Employer Contributions	(717)	(1,044)
Accrued Benefit Liability – June 30	228,183	200,581



**SCHOOL DISTRICT NO. 50 (HAIDA GWAII)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR-ENDED JUNE 30, 2016**

**NOTE 7      EMPLOYEE FUTURE BENEFITS** *(Continued)*

	2016	2015
<b>Components of Net Benefit Expense</b>		
Service Costs April 1 – March 31, 2017	19,003	14,183
Service Costs April 1 – March 31, 2018	19,479	5,454
Interest Costs April 1 – March 31, 2017	5,528	4,719
Interest Costs April 1 – March 31, 2018	5,805	1,290
Immediate Recognition of Plan Amendment	0	0
Amortization of Net Actuarial (Gain)/Loss	(1,003)	1,338
<b>Net Benefit Expense</b>	<b>23,716</b>	<b>26,984</b>

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

	2016	2015
Discount Rate – April 1	2.25%	3.25%
Discount Rate – March 31	2.50%	2.25%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	10.1	11.1



**SCHOOL DISTRICT NO. 50 (HAIDA GWAI)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR-ENDED JUNE 30, 2016**

**NOTE 8 TANGIBLE CAPITAL ASSETS**

**Net Book Value**

<b>Cost:</b>	<b>Net Book Value 2016</b>	<b>Net Book Value 2015</b>
Sites	2,756,297	2,756,297
Buildings	22,674,622	23,017,258
Buildings – Work In Progress	52,375	
Furniture & equipment	120,388	128,980
Vehicles	55,790	66,518
<b>Total</b>	<b>25,659,472</b>	<b>25,969,053</b>

**June 30, 2016**

<b>Cost:</b>	<b>Opening Cost</b>	<b>Additions</b>	<b>Disposals</b>	<b>Total 2016</b>
Sites	2,756,297			2,756,297
Buildings	38,886,540	456,975		39,343,515
Buildings – Work In Progress		52,375		52,375
Furniture & equipment	130,891	68,891	50,893	148,889
Vehicles	107,282		16,759	90,523
<b>Total</b>	<b>41,881,010</b>	<b>578,241</b>	<b>67,652</b>	<b>42,391,599</b>

**June 30, 2016**

<b>Accumulated Amortization:</b>	<b>Opening Accumulated Amortization</b>	<b>Additions</b>	<b>Disposals</b>	<b>Total 2016</b>
Sites				
Buildings	15,800,391	868,502		16,668,893
Furniture & equipment	70,802	8,592	50,893	44,387
Vehicles	40,764	10,728	16,759	34,733
<b>Total</b>	<b>15,911,957</b>	<b>887,822</b>	<b>67,652</b>	<b>16,732,127</b>



**SCHOOL DISTRICT NO. 50 (HAIDA GWAII)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR-ENDED JUNE 30, 2016**

**NOTE 8 TANGIBLE CAPITAL ASSETS (Continued)**

**June 30, 2015**

<b>Cost:</b>	<b>Opening Cost</b>	<b>Additions</b>	<b>Disposals</b>	<b>Total 2015</b>
Sites	2,756,297			2,756,297
Buildings	38,487,447	330,202		38,817,649
Buildings – Work In Progress				
Furniture & equipment	153,611	68,891	22,720	199,782
Vehicles	66,884	40,398		107,282
<b>Total</b>	<b>41,464,239</b>	<b>439,491</b>	<b>22,720</b>	<b>41,881,010</b>

**June 30, 2015**

<b>Accumulated Amortization:</b>	<b>Opening Accumulated Amortization</b>	<b>Additions</b>	<b>Disposals</b>	<b>Total 2015</b>
Sites				
Buildings	14,938,292	862,099		15,800,391
Furniture & equipment	76,661	16,861	22,720	70,802
Vehicles	34,076	6,688		40,764
<b>Total</b>	<b>15,049,029</b>	<b>885,648</b>	<b>22,720</b>	<b>15,911,957</b>

**NOTE 9 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 represent plan members and employers and are responsible for managing the pension plans including investing assets and administering benefits. The pension plans are multi-employer defined benefit pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2013, the Teachers' Pension Plan has about 45,000 active members and approximately 33,000 retired members. As at December 31, 2013 the Municipal Pension Plan has about 182,000 active members, of which approximately 24,000 are 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 is then adjusted to the extent there is any amortization of any funding deficit.



**SCHOOL DISTRICT NO. 50 (HAIDA GWAII)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR-ENDED JUNE 30, 2016**

**NOTE 9      EMPLOYEE PENSION PLANS** *(Continued)*

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2011 indicated an \$855 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2014 with results available in 2015. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. Defined contribution plan accounting is applied to the plan as the plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the plan.

The School District paid \$878,301 for employer contributions to these plans in the year ended June 30, 2016.

**NOTE 10      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, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

**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	\$44,600	\$45,709	\$36,550	\$24,528	\$9,629	



**SCHOOL DISTRICT NO. 50 (HAIDA GWAII)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR-ENDED JUNE 30, 2016**

**NOTE 12 BUDGET FIGURES**

Budget figures included in the financial statements are not audited. The Board approved the budget through the adoption of an amended annual budget on January 26, 2016.

**NOTE 13 EXPENSE BY OBJECT**

	2016	2015
Salaries and Benefits	8,019,890	8,084,814
Services and Supplies	2,267,745	2,360,461
Amortization	887,822	885,648
Other	1,121,406	924,668
Total	12,296,863	12,255,591

**NOTE 14 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND**

Internally Restricted (appropriated) by Board	0
Unrestricted Operating Surplus (Deficit)	1,711
Total Available for Future Operations	1,711

**NOTE 15 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 16 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 borrower. This risk is mitigated as most amounts receivable are due from the Province and are collectible.



**SCHOOL DISTRICT NO. 50 (HAIDA GWAII)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR-ENDED JUNE 30, 2016**

**NOTE 16 RISK MANAGEMENT** *(Continued)*

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.

**NOTE 17 EARLY LEAVERS FUND**

In 2016, as part of the negotiations for the Local Education Agreement with local aboriginal bands the District has agreed to report the amount of the "Early Leavers Fund" by Band. For the 2015/16 fiscal year the amounts by band are indicated below:

Band #670	Skidegate	112,633
Band #669	Old Massett	55,750
<b>Total</b>		<b>168,383</b>





**SCHOOL DISTRICT NO. 50 (HAIDA GWAI)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR-ENDED JUNE 30, 2016**

**NOTE 17     EARLY LEAVERS FUND** *(Continued)*

These funds represent accumulated contributions from governments for eligible students who left early from a school year. Under the Local Education Agreement these contributions have been identified and reserved for expenditure on eligible students who are registered in jointly agreed future educational type programs developed to provide education and in school training to such early retirees.

# School District No. 50 (Haida Gwaii)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund  
Year Ended June 30, 2016

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2016 Actual	2015 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	59,109		7,041,072	7,100,181	7,585,018
Changes for the year					
Surplus (Deficit) for the year	(57,398)		(57,428)	(114,826)	(484,837)
Net Changes for the year	(57,398)	-	(57,428)	(114,826)	(484,837)
Accumulated Surplus (Deficit), end of year - Statement 2	1,711	-	6,983,644	6,985,355	7,100,181

**School District No. 50 (Haida Gwaii)**

Schedule 2 (Unaudited)

## Schedule of Operating Operations

Year Ended June 30, 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	6,019,891	5,819,480	6,026,722
Other		90,000	28,750
Other Revenue	4,080,181	4,243,212	3,985,423
Rentals and Leases	32,000	70,521	50,820
Investment Income	6,454	16,387	11,231
<b>Total Revenue</b>	<b>10,138,526</b>	<b>10,239,600</b>	<b>10,102,946</b>
<b>Expenses</b>			
Instruction	7,201,870	7,437,453	7,360,940
District Administration	670,429	672,208	725,057
Operations and Maintenance	1,718,952	1,588,053	1,799,191
Transportation and Housing	606,384	599,284	529,301
<b>Total Expense</b>	<b>10,197,635</b>	<b>10,296,998</b>	<b>10,414,489</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>(59,109)</b>	<b>(57,398)</b>	<b>(311,543)</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>59,109</b>		
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>(57,398)</b>	<b>(311,543)</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>59,109</b>	<b>370,652</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>1,711</b>	<b>59,109</b>
<b>Operating Surplus (Deficit), end of year</b>			
Unrestricted		<b>1,711</b>	<b>59,109</b>
<b>Total Operating Surplus (Deficit), end of year</b>		<b>1,711</b>	<b>59,109</b>

**School District No. 50 (Haida Gwaii)**

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source  
Year Ended June 30, 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	10,070,961	9,780,609	10,029,629
AANDC/LEA Recovery	(4,130,010)	(4,130,010)	(4,130,010)
Strike Savings Recovery			(183,653)
Other Ministry of Education Grants			
Labour Settlement Funding			147,281
Pay Equity	139,874	139,874	139,874
Funding for Graduated Adults			277
Economic Stability Dividend		4,033	
FSA		4,348	4,348
Curriculum Implementation		4,100	2,083
Carbon Tax		16,526	16,893
Administrative Savings	(60,934)		
<b>Total Provincial Grants - Ministry of Education</b>	<b>6,019,891</b>	<b>5,819,480</b>	<b>6,026,722</b>
<b>Provincial Grants - Other</b>		<b>90,000</b>	<b>28,750</b>
<b>Other Revenues</b>			
LEA/Direct Funding from First Nations	4,028,181	4,086,769	3,873,219
Miscellaneous			
Other	52,000	156,443	112,204
<b>Total Other Revenue</b>	<b>4,080,181</b>	<b>4,243,212</b>	<b>3,985,423</b>
<b>Rentals and Leases</b>	<b>32,000</b>	<b>70,521</b>	<b>50,820</b>
<b>Investment Income</b>	<b>6,454</b>	<b>16,387</b>	<b>11,231</b>
<b>Total Operating Revenue</b>	<b>10,138,526</b>	<b>10,239,600</b>	<b>10,102,946</b>

**School District No. 50 (Haida Gwaii)**

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
<b>Salaries</b>			
Teachers	3,355,156	3,260,496	3,202,996
Principals and Vice Principals	851,577	851,689	747,473
Educational Assistants	505,725	513,662	667,590
Support Staff	1,129,021	1,108,333	1,144,832
Other Professionals	397,162	376,044	414,539
Substitutes	235,877	310,639	278,736
<b>Total Salaries</b>	<b>6,474,518</b>	<b>6,420,863</b>	<b>6,456,166</b>
<b>Employee Benefits</b>	<b>1,545,372</b>	<b>1,608,470</b>	<b>1,621,790</b>
<b>Total Salaries and Benefits</b>	<b>8,019,890</b>	<b>8,029,333</b>	<b>8,077,956</b>
<b>Services and Supplies</b>			
Services	448,188	573,661	538,482
Student Transportation	571,138	505,356	481,864
Professional Development and Travel	224,695	217,484	256,126
Rentals and Leases	23,896	23,897	22,645
Dues and Fees	12,895	9,911	11,807
Insurance	23,596	23,427	27,442
Supplies	288,336	422,705	455,581
Utilities	585,001	491,224	542,586
<b>Total Services and Supplies</b>	<b>2,177,745</b>	<b>2,267,665</b>	<b>2,336,533</b>
<b>Total Operating Expense</b>	<b>10,197,635</b>	<b>10,296,998</b>	<b>10,414,489</b>

# School District No. 50 (Haida Gwaii)

Operating Expense by Function, Program and Object

Year Ended June 30, 2016

Schedule 2C (Unaudited)

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	2,812,763	108,599	46,760	103,267		163,039	3,234,428
1.03 Career Programs	34,765						34,765
1.07 Library Services	23,892	857		35,040		1,131	60,920
1.08 Counselling	7,476						7,476
1.10 Special Education	197,064	19,934	351,229			43,249	611,476
1.30 English Language Learning	42,243						42,243
1.31 Aboriginal Education	142,293		115,673			13,118	271,084
1.41 School Administration		722,299		270,707		14,802	1,007,808
<b>Total Function 1</b>	<b>3,260,496</b>	<b>851,689</b>	<b>513,662</b>	<b>409,014</b>	<b>-</b>	<b>235,339</b>	<b>5,270,200</b>
<b>4 District Administration</b>							
4.11 Educational Administration					150,949		150,949
4.40 School District Governance				50,284			50,284
4.41 Business Administration				44,899	186,701		231,600
<b>Total Function 4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95,183</b>	<b>337,650</b>	<b>-</b>	<b>432,833</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				12,416	24,210		36,626
5.50 Maintenance Operations				584,462		65,046	649,508
5.52 Maintenance of Grounds				5,739		3,359	9,098
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>602,617</b>	<b>24,210</b>	<b>68,405</b>	<b>695,232</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration					14,184		14,184
7.70 Student Transportation				1,519		4,780	4,780
7.73 Housing						2,115	3,634
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,519</b>	<b>14,184</b>	<b>6,895</b>	<b>22,598</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>3,260,496</b>	<b>851,689</b>	<b>513,662</b>	<b>1,108,333</b>	<b>376,044</b>	<b>310,639</b>	<b>6,420,863</b>

# School District No. 50 (Haida Gwaii)

Operating Expense by Function, Program and Object

Year Ended June 30, 2016

Schedule 2C (Unaudited)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2016 Actual	2016 Budget	2015 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	3,234,428	885,755	4,120,183	435,439	4,555,622	4,412,846	4,478,185
1.03 Career Programs	34,765	8,774	43,539		43,539	42,959	29,167
1.07 Library Services	60,920	15,996	76,916	6,900	83,816	102,714	84,322
1.08 Counselling	7,476	2,188	9,664	826	10,490	32,205	5,843
1.10 Special Education	611,476	149,820	761,296	167,394	928,690	833,894	1,069,843
1.30 English Language Learning	42,243	10,397	52,640		52,640	52,437	56,638
1.31 Aboriginal Education	271,084	71,703	342,787	108,513	451,300	420,640	440,003
1.41 School Administration	1,007,808	254,309	1,262,117	49,239	1,311,356	1,274,175	1,196,939
<b>Total Function 1</b>	<b>5,270,200</b>	<b>1,398,942</b>	<b>6,669,142</b>	<b>768,311</b>	<b>7,437,453</b>	<b>7,201,870</b>	<b>7,360,940</b>
<b>4 District Administration</b>							
4.11 Educational Administration	150,949	31,320	182,269	34,625	216,894	208,217	205,951
4.40 School District Governance	50,284	870	51,154	38,404	89,558	95,993	109,907
4.41 Business Administration	231,600	47,047	278,647	87,109	365,756	366,219	409,199
<b>Total Function 4</b>	<b>432,833</b>	<b>79,237</b>	<b>512,070</b>	<b>160,138</b>	<b>672,208</b>	<b>670,429</b>	<b>725,057</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	36,626	4,638	41,264	27,635	68,899	137,598	131,483
5.50 Maintenance Operations	649,508	119,352	768,860	241,995	1,010,855	1,031,253	1,091,982
5.52 Maintenance of Grounds	9,098	1,877	10,975	10,405	21,380	26,160	36,115
5.56 Utilities	-	-	-	486,919	486,919	523,941	539,611
<b>Total Function 5</b>	<b>695,232</b>	<b>125,867</b>	<b>821,099</b>	<b>766,954</b>	<b>1,588,053</b>	<b>1,718,952</b>	<b>1,799,191</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	14,184	2,970	17,154		17,154	16,145	16,143
7.70 Student Transportation	4,780	884	5,664	558,050	563,714	575,836	487,687
7.73 Housing	3,634	570	4,204	14,212	18,416	14,403	25,471
<b>Total Function 7</b>	<b>22,598</b>	<b>4,424</b>	<b>27,022</b>	<b>572,262</b>	<b>599,284</b>	<b>606,384</b>	<b>529,301</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>6,420,863</b>	<b>1,608,470</b>	<b>8,029,333</b>	<b>2,267,665</b>	<b>10,296,998</b>	<b>10,197,635</b>	<b>10,414,489</b>

**School District No. 50 (Haida Gwaii)****Schedule of Special Purpose Operations**

Year Ended June 30, 2016

**Schedule 3 (Unaudited)**

	2016 Budget \$	2016 Actual \$	2015 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	587,117	527,031	550,459
Other Revenue	300,000	585,012	404,995
<b>Total Revenue</b>	<u>887,117</u>	<u>1,112,043</u>	<u>955,454</u>
<b>Expenses</b>			
Instruction	767,330	1,052,818	878,422
Operations and Maintenance	119,787	59,225	77,032
<b>Total Expense</b>	<u>887,117</u>	<u>1,112,043</u>	<u>955,454</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Special Purpose Surplus (Deficit), beginning of year</b>			
<b>Special Purpose Surplus (Deficit), end of year</b>		<u>-</u>	<u>-</u>



**School District No. 50 (Haida Gwaii)**  
**Changes in Special Purpose Funds and Expense Incurred**  
**Year Ended June 30, 2016**

Schedule 3A (Unaudited)

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	School Generated Funds	Strong Start	Ready, Set, Learn	ODJF	Community-LINK	Service Delivery Transformation
Deferred Revenue, beginning of year	\$	\$	\$	\$	\$	\$	\$	\$	\$
Add: Restricted Grants									
Provincial Grants - Ministry of Education	59,225	210,118	4,986	276,480		9,800			25,000
Other			211		96,000		45,558	106,000	
Less: Allocated to Revenue	59,225	210,118	211	477,633	96,000	9,800	45,558	106,000	
Deferred Revenue, end of year	59,225	210,118	-	481,065	96,000	9,800	45,558	106,000	-
	-	-	5,197	273,048	-	-	-	-	25,000
Revenues									
Provincial Grants - Ministry of Education	59,225	210,118		481,065	96,000	9,800	45,558	106,000	
Other Revenue			-	-	96,000	9,800	45,558	106,000	-
Expenses									
Salaries									
Teachers									
Educational Assistants	124,598						135		
Support Staff	33,974						19,518	49,840	
Substitutes					66,656				
Employee Benefits		158,572			2,169				
Services and Supplies		41,426			68,825		2,266	49,840	
	59,225	10,120		481,065	20,175	9,800	45,558	10,160	
	59,225	210,118	-	481,065	7,000	9,800	17,136	46,000	-
	-	-	-	-	96,000	9,800	45,558	106,000	-
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

**School District No. 50 (Haida Gwaii)**  
Changes in Special Purpose Funds and Expense by Expense  
Year Ended June 30, 2016

Schedule 3A (Unaudited)

	Second Count	TOTAL
<b>Deferred Revenue, beginning of year</b>	\$ 188,972	\$ 495,438
<b>Add: Restricted Grants</b>		
Provincial Grants - Ministry of Education		527,242
Other	83,358	560,991
	83,358	1,088,233
<b>Less: Allocated to Revenue</b>	103,947	1,112,043
<b>Deferred Revenue, end of year</b>	<u>168,383</u>	<u>471,628</u>
<b>Revenues</b>		
Provincial Grants - Ministry of Education	103,947	527,031
Other Revenue	103,947	585,012
	<u>103,947</u>	<u>1,112,043</u>
<b>Expenses</b>		
Salaries	56,686	188,419
Teachers		103,632
Educational Assistants		66,656
Support Staff		2,482
Substitutes	56,686	361,189
	9,035	87,282
Employee Benefits	38,226	663,572
Services and Supplies	103,947	1,112,043
	<u>-</u>	<u>-</u>
<b>Net Revenue (Expense) before Interfund Transfers</b>	<u>-</u>	<u>-</u>
<b>Interfund Transfers</b>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>Net Revenue (Expense)</b>	<u>-</u>	<u>-</u>

**School District No. 50 (Haida Gwaii)**

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2016

	2016 Budget	2016 Actual			2015 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Other Revenue	17,514			-	
Investment Income			18,540	18,540	16,188
Amortization of Deferred Capital Revenue	898,986	811,854		811,854	696,166
<b>Total Revenue</b>	<b>916,500</b>	<b>811,854</b>	<b>18,540</b>	<b>830,394</b>	<b>712,354</b>
<b>Expenses</b>					
Amortization of Tangible Capital Assets					
Operations and Maintenance	695,359	887,822		887,822	885,648
<b>Total Expense</b>	<b>695,359</b>	<b>887,822</b>	<b>-</b>	<b>887,822</b>	<b>885,648</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>221,141</b>	<b>(75,968)</b>	<b>18,540</b>	<b>(57,428)</b>	<b>(173,294)</b>
<b>Total Capital Surplus (Deficit) for the year</b>	<b>221,141</b>	<b>(75,968)</b>	<b>18,540</b>	<b>(57,428)</b>	<b>(173,294)</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>6,790,047</b>	<b>251,025</b>	<b>7,041,072</b>	<b>7,214,366</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>6,714,079</b>	<b>269,565</b>	<b>6,983,644</b>	<b>7,041,072</b>

# School District No. 50 (Haida Gwaii)

Tangible Capital Assets  
Year Ended June 30, 2016

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
Cost, beginning of year	\$ 2,756,297	\$ 38,886,540	\$ 130,891	\$ 107,282	\$ -	\$ -	\$ 41,881,010
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	-	456,975	68,891	-	-	-	525,866
		456,975	68,891	-	-	-	525,866
Decrease:							
Deemed Disposals			50,893	16,759			67,652
			50,893	16,759			67,652
Cost, end of year	2,756,297	39,343,515	148,889	90,523	-	-	42,339,224
Work in Progress, end of year		52,375					52,375
Cost and Work in Progress, end of year	2,756,297	39,395,890	148,889	90,523	-	-	42,391,599
Accumulated Amortization, beginning of year		15,800,391	70,802	40,764			15,911,957
Changes for the Year							
Increase: Amortization for the Year		868,502	8,592	10,728			887,822
Decrease:							
Deemed Disposals			50,893	16,759			67,652
			50,893	16,759			67,652
Accumulated Amortization, end of year		16,668,893	28,501	34,733			16,732,127
Tangible Capital Assets - Net	2,756,297	22,726,997	120,388	55,790	-	-	25,659,472

**School District No. 50 (Haida Gwaii)**

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2016

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year					-
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	52,375				52,375
	52,375	-	-	-	52,375
Net Changes for the Year	52,375	-	-	-	52,375
Work in Progress, end of year	52,375	-	-	-	52,375

**School District No. 50 (Haida Gwaii)**

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2016

	<b>Bylaw Capital</b>	<b>Other Provincial</b>	<b>Other Capital</b>	<b>Total Capital</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Deferred Capital Revenue, beginning of year</b>	16,297,908		2,881,099	19,179,007
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	525,866			525,866
	525,866	-	-	525,866
Decrease:				
Amortization of Deferred Capital Revenue	697,574		114,280	811,854
	697,574	-	114,280	811,854
<b>Net Changes for the Year</b>	(171,708)	-	(114,280)	(285,988)
<b>Deferred Capital Revenue, end of year</b>	16,126,200	-	2,766,819	18,893,019
<b>Work in Progress, beginning of year</b>				-
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Work in Progress	52,375			52,375
	52,375	-	-	52,375
<b>Net Changes for the Year</b>	52,375	-	-	52,375
<b>Work in Progress, end of year</b>	52,375	-	-	52,375
<b>Total Deferred Capital Revenue, end of year</b>	16,178,575	-	2,766,819	18,945,394

# School District No. 50 (Haida Gwaii)

Changes in Unspent Deferred Capital Revenue  
Year Ended June 30, 2016

Schedule 4D (Unaudited)

	Bylaw Capital	MED Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year		7,405				7,405
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	578,241					578,241
	578,241					578,241
Decrease:						
Transferred to DCR - Capital Additions	525,866					525,866
Transferred to DCR - Work in Progress	52,375					52,375
	578,241					578,241
Net Changes for the Year						
	-	-	-	-	-	-
Balance, end of year	-	7,405	-	-	-	7,405