

Audited Financial Statements of

School District No. 50 (Haida Gwaii)

June 30, 2019

School District No. 50 (Haida Gwaii)

June 30, 2019

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School District No. 50 (Haida Gwaii)

MANAGEMENT REPORT

Version: 1032-9286-7304

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.

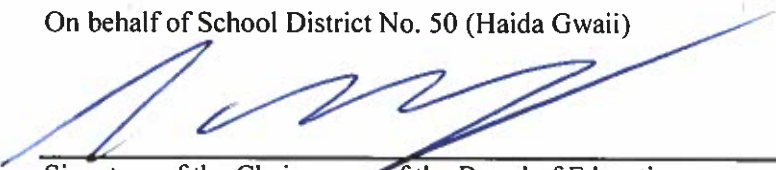
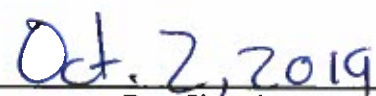
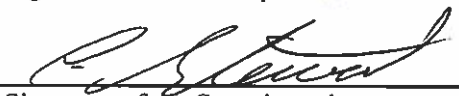
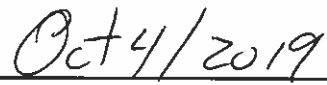

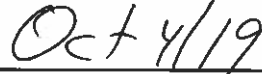
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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, Carlyle Shepherd & Co., 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 |

INDEPENDENT AUDITOR'S REPORT

To the Board of Education – School District No. 50 (Haida Gwaii) and the Minister of Education

Opinion

We have audited the financial statements of School District No. 50 (Haida Gwaii) which comprise the statement of financial position as at June 30, 2019 and the statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of School District as at June 30, 2019 and the results of its operations and cash flows for the year then ended in accordance with section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. We are independent of the School District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Responsibilities of Management and the Board for the Financial Statements

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

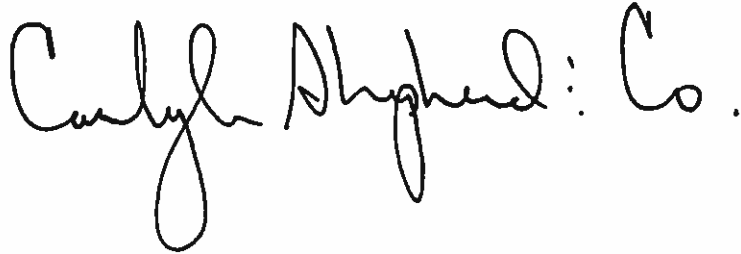
In preparing the financial statements, management is responsible for assessing the School District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless conditions exist that do not allow for the going concern basis to be used.

The Board is responsible for overseeing the School District's financial reporting process.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the School District taken as a whole. The current year's supplementary information included in Schedules 1 to 4D is presented for purposes of additional analysis. Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects, in relation to the financial statements taken as a whole.

Terrace, BC
October 2, 2019



School District No. 50 (Haida Gwaii)

Statement of Financial Position

As at June 30, 2019

| | 2019 Actual \$ | 2018 Actual \$ |
|--|----------------------|----------------------|
| Financial Assets | | |
| Cash and Cash Equivalents | 3,203,002 | 1,756,424 |
| Accounts Receivable | | |
| Due from LEA Funding | - | 450,872 |
| Other (Note 3) | 332,400 | 285,262 |
| Total Financial Assets | <u>3,535,402</u> | <u>2,492,558</u> |
| Liabilities | | |
| Accounts Payable and Accrued Liabilities | | |
| Other (Note 4) | 993,109 | 1,071,645 |
| Deferred Revenue (Note 5) | 625,601 | 467,648 |
| Deferred Capital Revenue (Note 6) | 26,127,359 | 24,073,651 |
| Employee Future Benefits (Note 7) | 284,105 | 269,238 |
| Total Liabilities | <u>28,030,174</u> | <u>25,882,182</u> |
| Net Financial Assets (Debt) | <u>(24,494,772)</u> | <u>(23,389,624)</u> |
| Non-Financial Assets | | |
| Tangible Capital Assets (Note 8) | 31,927,124 | 30,542,609 |
| Prepaid Expenses | 109,320 | 110,638 |
| Total Non-Financial Assets | <u>32,036,444</u> | <u>30,653,247</u> |
| Accumulated Surplus (Deficit) | <u>7,541,672</u> | <u>7,263,623</u> |

Approved by the Board



Signature of the Chairperson of the Board of Education

Oct. 2/2019

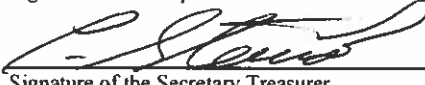
Date Signed



Signature of the Superintendent

Oct 4/2019

Date Signed



Signature of the Secretary Treasurer

Oct 4/2019

Date Signed

School District No. 50 (Haida Gwaii)

Statement of Operations
Year Ended June 30, 2019

| | 2019 Budget | 2019 Actual | 2018 Actual |
|---|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| Revenues | | | |
| Provincial Grants | | | |
| Ministry of Education | 7,156,139 | 7,128,143 | 7,265,401 |
| Other | 96,996 | 97,000 | 182,793 |
| Other Revenue | 4,545,010 | 4,603,422 | 4,548,614 |
| Rentals and Leases | 62,221 | 45,301 | 46,005 |
| Investment Income | 30,768 | 38,522 | 33,772 |
| Amortization of Deferred Capital Revenue | 829,557 | 913,400 | 795,982 |
| Total Revenue | <u>12,720,691</u> | <u>12,825,788</u> | <u>12,872,567</u> |
| Expenses | | | |
| Instruction | 8,580,476 | 8,154,512 | 8,678,840 |
| District Administration | 1,046,085 | 1,099,278 | 825,134 |
| Operations and Maintenance | 2,852,514 | 2,906,410 | 2,882,528 |
| Transportation and Housing | 512,354 | 387,539 | 608,914 |
| Total Expense | <u>12,991,429</u> | <u>12,547,739</u> | <u>12,995,416</u> |
| Surplus (Deficit) for the year | <u>(270,738)</u> | <u>278,049</u> | <u>(122,849)</u> |
| Accumulated Surplus (Deficit) from Operations, beginning of year | | 7,263,623 | 7,386,472 |
| Accumulated Surplus (Deficit) from Operations, end of year | | <u>7,541,672</u> | <u>7,263,623</u> |

School District No. 50 (Haida Gwaii)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2019

| | 2019 Budget | 2019 Actual | 2018 Actual |
|--|------------------|---------------------|---------------------|
| | \$ | \$ | \$ |
| Surplus (Deficit) for the year | <u>(270,738)</u> | <u>278,049</u> | <u>(122,849)</u> |
| Effect of change in Tangible Capital Assets | | | |
| Acquisition of Tangible Capital Assets | | (2,456,332) | (2,102,859) |
| Amortization of Tangible Capital Assets | 1,071,817 | 1,071,817 | 951,814 |
| Total Effect of change in Tangible Capital Assets | <u>1,071,817</u> | <u>(1,384,515)</u> | <u>(1,151,045)</u> |
| Use of Prepaid Expenses | | 1,318 | (11,452) |
| Total Effect of change in Other Non-Financial Assets | <u>-</u> | <u>1,318</u> | <u>(11,452)</u> |
| (Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses) | <u>801,079</u> | <u>(1,105,148)</u> | <u>(1,285,346)</u> |
| Net Remeasurement Gains (Losses) | | | |
| (Increase) Decrease in Net Financial Assets (Debt) | | <u>(1,105,148)</u> | <u>(1,285,346)</u> |
| Net Financial Assets (Debt), beginning of year | | <u>(23,389,624)</u> | <u>(22,104,278)</u> |
| Net Financial Assets (Debt), end of year | | <u>(24,494,772)</u> | <u>(23,389,624)</u> |

School District No. 50 (Haida Gwaii)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2019

| | 2019 Actual | 2018 Actual |
|---|--------------------|--------------------|
| | \$ | \$ |
| Operating Transactions | | |
| Surplus (Deficit) for the year | 278,049 | (122,849) |
| Changes in Non-Cash Working Capital | | |
| Decrease (Increase) | | |
| Accounts Receivable | 400,522 | (212,201) |
| Prepaid Expenses | 4,531 | (6,674) |
| Increase (Decrease) | | |
| Accounts Payable and Accrued Liabilities | (80,939) | 140,927 |
| Deferred Revenue | 157,953 | (2,281) |
| Employee Future Benefits | 14,867 | 19,643 |
| Other Liabilities | 2,402 | (6,410) |
| Amortization of Tangible Capital Assets | 1,071,817 | 951,814 |
| Amortization of Deferred Capital Revenue | (913,400) | (795,982) |
| Total Operating Transactions | 935,802 | (34,013) |
| Capital Transactions | | |
| Tangible Capital Assets Purchased | (1,169,268) | (2,091,960) |
| Tangible Capital Assets -WIP Purchased | (1,253,321) | |
| Tangible Capital Assets Purchases - Other Provincial Capital | (33,743) | (10,899) |
| Total Capital Transactions | (2,456,332) | (2,102,859) |
| Financing Transactions | | |
| Capital Revenue Received | 2,967,108 | 2,077,013 |
| Total Financing Transactions | 2,967,108 | 2,077,013 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 1,446,578 | (59,859) |
| Cash and Cash Equivalents, beginning of year | 1,756,424 | 1,816,283 |
| Cash and Cash Equivalents, end of year | 3,203,002 | 1,756,424 |
| Cash and Cash Equivalents, end of year, is made up of: | | |
| Cash | 3,203,002 | 1,756,424 |
| | 3,203,002 | 1,756,424 |



**SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR-ENDED JUNE 30, 2019**

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(l)

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(l), Section 23.1 of the Budget Transparency and Accountability Act and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue. 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 GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR-ENDED JUNE 30, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Year-ended June 30, 2018 – increase annual surplus by \$1,281,031

June 30, 2018 – increase in accumulated surplus and decrease in deferred contributions by \$24,066,246

Year-ended June 30, 2019 – increase in annual surplus by \$ 1,516,322

June 30, 2019 – increase in accumulated surplus and decrease in deferred contributions by \$25,582,568

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 2 (l).

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



SCHOOL DISTRICT NO. 50 (HAIDA GWAI)
NOTES TO FINANCIAL STATEMENTS
YEAR-ENDED JUNE 30, 2019

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 (EARSL) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2019 and projected to March 31, 2022. The next valuation will be performed at March 31, 2020 for use at June 30, 2020. 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, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) 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 |



**SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR-ENDED JUNE 30, 2019**

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

i) Operating leases

Operating lease payments are charged to expenses as incurred.

j) Prepaid Expenses

Prepaid expenses are association membership renewals, software license fees, hardware and contract costs for the following year stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

k) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 14 – Internally Restricted Surplus).

l) 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



**SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR-ENDED JUNE 30, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

m) Expenditures

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

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.



**SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR-ENDED JUNE 30, 2019**

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

- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

n) **Financial Instruments**

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

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.

o) **Measurement Uncertainty**

Preparation of financial statements in accordance with the basis of accounting described in note 2 a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of 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, 2019

NOTE 3 ACCOUNTS RECEIVABLE – OTHER

| | 2019 | 2018 |
|---|---------|---------|
| Payroll & Benefits Recoverable | 32,797 | 20,458 |
| Apartment Building | 12,915 | 16,215 |
| HGTA/BCTF | 26,302 | 35,669 |
| Secondment | 11,221 | 36,380 |
| Gwaii Trust: Food, PSI & Bursary Programs | 79,139 | 43,617 |
| GST Rebate | 135,918 | 81,650 |
| Other | 34,108 | 51,273 |
| | | |
| | | |
| Total Accounts Receivable | 332,400 | 285,262 |

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

| | 2019 | 2018 |
|-------------------------------|---------|-----------|
| Trade payables | 305,218 | 281,746 |
| Salaries and benefits payable | 609,224 | 603,722 |
| Accrued Vacation Pay | 42,096 | 39,694 |
| Other | 36,571 | 146,483 |
| Total | 993,109 | 1,071,645 |

NOTE 5 DEFERRED REVENUE

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

NOTE 6 DEFERRED CAPITAL REVENUE

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



SCHOOL DISTRICT NO. 50 (HAIDA GWAI)
NOTES TO FINANCIAL STATEMENTS
YEAR-ENDED JUNE 30, 2019

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.

| | 2019 | 2018 |
|--|-----------|-----------|
| Reconciliation of Accrued Benefit Obligation | | |
| Accrued Benefit Obligation – April 1 | 224,975 | 216,522 |
| Service Cost | 19,171 | 18,939 |
| Interest Cost | 6,440 | 6,248 |
| Benefit Payments Increase (Decrease) in obligation due to Plan Amendment | (3,994) | (3,306) |
| Actuarial (Gain) Loss | (47,099) | (13,428) |
| Accrued Benefit Obligation – March 31 | 199,493 | 224,975 |
| Reconciliation of Funded Status at End of Fiscal Year | | |
| Accrued Benefit Obligation – March 31 | 199,493 | 224,975 |
| Market Value of Plan Assets – March 31 | | |
| Funded Status – Surplus (Deficit) | (199,493) | (224,975) |
| Employer Contributions After Measurement Date-Apr-Jun | 3,060 | 0 |
| Benefit Expense After Measurement Date- April to June | (6,386) | (6,402) |
| Unamortized Net Actuarial (Gain) Loss | (81,286) | (37,861) |
| Accrued Benefit Asset (Liability) – June 30 | (284,105) | (269,238) |
| Reconciliation of Change in Accrued Benefit Liability | | |
| Accrued Benefit Liability – July 1 | 269,238 | 249,595 |
| Recognize Non-Vested Benefits – April 1 – June 30, 2019 | 0 | 0 |
| Accrued Benefit Liability – July 1 (restated) | 269,238 | 249,595 |
| Net expense for Fiscal Year | 21,921 | 22,949 |
| Employer Contributions-July 1 to March 31 | (3,994) | (3,306) |
| Employer Contributions-April 1 to June 30 | (3,060) | 0 |
| Accrued Benefit Liability – June 30 | 284,105 | 269,238 |

| | 2019 | 2018 |
|---|---------|---------|
| Components of Net Benefit Expense | | |
| Service Costs | 19,426 | 18,997 |
| Interest Costs | 6,168 | 6,296 |
| Amortization of Net Actuarial (Gain)/Loss | (3,673) | (2,344) |
| Net Benefit Expense | 21,921 | 22,949 |



**SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR-ENDED JUNE 30, 2019**

NOTE 7 EMPLOYEE FUTURE BENEFITS *(Continued)*

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

| | 2019 | 2018 |
|------------------------------------|------------------|------------------|
| Discount Rate – April 1 | 2.75% | 2.75% |
| Discount Rate – March 31 | 2.50% | 2.75% |
| Long Term Salary Growth – April 1 | 2.5% + seniority | 2.5% + seniority |
| Long Term Salary Growth – March 31 | 2.5% + seniority | 2.5% + seniority |
| EARSL – March 31 | 10.0 | 10.1 |

NOTE 8 TANGIBLE CAPITAL ASSETS

Net Book Value

| Cost: | Net Book Value 2019 | Net Book Value 2018 |
|------------------------------|------------------------|------------------------|
| Sites | 2,756,297 | 2,756,297 |
| Buildings | 27,010,183 | 27,518,885 |
| Buildings – Work In Progress | 1,253,321 | 0 |
| Furniture & equipment | 356,994 | 201,207 |
| Vehicles | 550,329 | 66,220 |
| Total | 31,927,124 | 30,542,609 |

June 30, 2019

| Cost: | Opening Cost | Additions | Disposals | Total 2019 |
|------------------------------|-------------------|------------------|-----------|-------------------|
| Sites | 2,756,297 | - | - | 2,756,297 |
| Buildings | 45,674,755 | 526,488 | | 46,201,243 |
| Buildings – Work In Progress | 0 | 1,253,321 | | 1,253,321 |
| Furniture & equipment | 267,694 | 182,556 | - | 450,250 |
| Vehicles | 98,576 | 493,967 | - | 592,543 |
| Total | 48,797,322 | 2,456,332 | - | 51,253,654 |



SCHOOL DISTRICT NO. 50 (HAIDA GWAI)
NOTES TO FINANCIAL STATEMENTS
YEAR-ENDED JUNE 30, 2019

NOTE 8 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2019

| Accumulated Amortization: | Opening Accumulated Amortization | Additions | Disposals | Total 2019 |
|----------------------------------|---|------------------|------------------|-------------------|
| Sites | | | | |
| Buildings | 18,155,870 | 1,035,190 | - | 19,191,060 |
| Furniture & equipment | 66,487 | 26,769 | - | 93,256 |
| Vehicles | 32,356 | 9,858 | - | 42,214 |
| Total | 18,254,713 | 1,071,817 | - | 19,326,530 |

June 30, 2018

| Cost: | Opening Cost | Additions | Disposals | Total 2018 |
|------------------------------|---------------------|------------------|------------------|-------------------|
| Sites | 2,756,297 | | | 2,756,297 |
| Buildings | 41,370,577 | 4,596,144 | 291,936 | 45,674,755 |
| Buildings – Work In Progress | 2,530,000 | -2,530,000 | 0 | 0 |
| Furniture & equipment | 230,949 | 36,745 | 0 | 267,694 |
| Vehicles | 98,576 | 0 | 0 | 98,576 |
| Total | 46,986,399 | 2,102,859 | 291,936 | 48,797,322 |

June 30, 2018

| Accumulated Amortization: | Opening Accumulated Amortization | Additions | Disposals | Total 2018 |
|----------------------------------|---|------------------|------------------|-------------------|
| Sites | | | | |
| Buildings | 17,528,945 | 918,861 | 291,936 | 18,155,870 |
| Furniture & equipment | 43,392 | 23,095 | 0 | 66,487 |
| Vehicles | 22,498 | 9,858 | 0 | 32,356 |
| Total | 17,594,835 | 951,814 | 291,936 | 18,254,713 |

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



SCHOOL DISTRICT NO. 50 (HAIDA GWAI)
NOTES TO FINANCIAL STATEMENTS
YEAR-ENDED JUNE 30, 2019

NOTE 9 EMPLOYEE PENSION PLANS *(Continued)*

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, 2018, the Teachers' Pension Plan has about 48,000 active members and approximately 38,000 retired members. As at December 31, 2018 the Municipal Pension Plan has about 205,000 active members, of which approximately 26,000 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.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2017, indicated a \$1,656 million surplus for basic pension benefits on a going concern basis. As a result of the 2017 basic account actuarial valuation surplus, plan enhancements and contribution rate adjustments were made; the remaining \$644 million surplus was transferred to the rate stabilization account.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rate remained unchanged.

The school district paid \$749,502 for employer contributions to the plans for the year ended June 30, 2019 (2018: \$819,962)

The next valuation for the Teachers' Pension Plan will be as at December 31, 2020, with results available in 2021. The next valuation for the Municipal Pension Plan will be as at December 31, 2018, with results available in 2019.

Employers participating in the plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plans record accrued liabilities and accrued assets for each plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plans.



SCHOOL DISTRICT NO. 50 (HAIDA GWAI)
NOTES TO FINANCIAL STATEMENTS
YEAR-ENDED JUNE 30, 2019

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.

| | 2020 | 2021 | 2022 | 2023 | 2024 |
|----------------------------|----------|----------|----------|---------|---------|
| Land to federal Government | \$6,940 | \$6,940 | \$6,940 | \$6,940 | \$6,940 |
| Custodial | \$46,480 | \$2,090 | - | - | - |
| Operating Leases | \$34,835 | \$34,835 | \$21,133 | \$7,796 | \$3,178 |

NOTE 12 BUDGET FIGURES

The annual budget for the School District for the year ended June 30, 2019 was approved by the Board on June 26, 2018. In accordance with Ministry policy, an amended annual budget for the School District was approved by the Board on February 26, 2019. The amended annual budget reflects funding based on actual enrolment on September 30, 2018 and is considered by the Board to more accurately reflect the expected results for the year. These financial statements show the amended annual budget. Budget figures have not been audited.

NOTE 13 EXPENSE BY OBJECT

| | 2019 | 2018 |
|-----------------------|------------|------------|
| Salaries and Benefits | 7,696,501 | 7,774,420 |
| Services and Supplies | 2,184,326 | 2,732,829 |
| Amortization | 1,071,817 | 951,814 |
| Other | 1,595,095 | 1,536,353 |
| Total | 12,547,739 | 12,995,416 |



**SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR-ENDED JUNE 30, 2019**

NOTE 14 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

| | |
|---|---------|
| Internally Restricted (appropriated) by Board | 133,429 |
| Unrestricted Operating Surplus (Deficit) | 271,880 |
| | |
| Total Available for Future Operations | 405,309 |

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.

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.



**SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
 NOTES TO FINANCIAL STATEMENTS
 YEAR-ENDED JUNE 30, 2019**

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

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 2017, 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 2018/19 fiscal year the amounts by band are indicated below:

| | | |
|--------------|-------------|----------------|
| Band #670 | Skidegate | 77,989 |
| Band #669 | Old Massett | 56,424 |
| Total | | 134,413 |

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 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, 2019

Schedule 1 (Unaudited)

| | Operating Fund | Special Purpose Fund | Capital Fund | 2019 Actual | 2018 Actual |
|---|----------------|----------------------|------------------|------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Accumulated Surplus (Deficit), beginning of year | 366,221 | | 6,897,402 | 7,263,623 | 7,386,472 |
| Changes for the year | | | | | |
| Surplus (Deficit) for the year | 420,488 | | (142,439) | 278,049 | (122,849) |
| Interfund Transfers | | | | | |
| Local Capital | (381,400) | | 381,400 | - | |
| Net Changes for the year | 39,088 | - | 238,961 | 278,049 | (122,849) |
| Accumulated Surplus (Deficit), end of year - Statement 2 | 405,309 | - | 7,136,363 | 7,541,672 | 7,263,623 |

School District No. 50 (Haida Gwaii)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2019

| | 2019 Budget | 2019 Actual | 2018 Actual |
|---|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| Revenues | | | |
| Provincial Grants | | | |
| Ministry of Education | 6,013,868 | 6,004,688 | 6,238,992 |
| Other | 96,996 | 97,000 | 182,793 |
| Other Revenue | 4,245,010 | 4,131,782 | 4,038,670 |
| Rentals and Leases | 62,221 | 45,301 | 46,005 |
| Investment Income | 14,790 | 22,544 | 16,338 |
| Total Revenue | <u>10,432,885</u> | <u>10,301,315</u> | <u>10,522,798</u> |
| Expenses | | | |
| Instruction | 7,248,595 | 6,660,410 | 7,243,480 |
| District Administration | 1,046,085 | 1,099,278 | 825,134 |
| Operations and Maintenance | 1,670,307 | 1,733,600 | 1,829,721 |
| Transportation and Housing | 512,354 | 387,539 | 608,914 |
| Total Expense | <u>10,477,341</u> | <u>9,880,827</u> | <u>10,507,249</u> |
| Operating Surplus (Deficit) for the year | <u>(44,456)</u> | <u>420,488</u> | <u>15,549</u> |
| Budgeted Appropriation (Retirement) of Surplus (Deficit) | <u>244,456</u> | | |
| Net Transfers (to) from other funds | | | |
| Local Capital | (200,000) | (381,400) | |
| Total Net Transfers | <u>(200,000)</u> | <u>(381,400)</u> | <u>-</u> |
| Total Operating Surplus (Deficit), for the year | <u>-</u> | <u>39,088</u> | <u>15,549</u> |
| Operating Surplus (Deficit), beginning of year | | 366,221 | 350,672 |
| Operating Surplus (Deficit), end of year | | <u>405,309</u> | <u>366,221</u> |
| Operating Surplus (Deficit), end of year | | | |
| Internally Restricted | | 133,429 | 121,720 |
| Unrestricted | | 271,880 | 244,501 |
| Total Operating Surplus (Deficit), end of year | | <u>405,309</u> | <u>366,221</u> |

School District No. 50 (Haida Gwaii)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2019

| | 2019 Budget | 2019 Actual | 2018 Actual |
|---|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| Provincial Grants - Ministry of Education | | | |
| Operating Grant, Ministry of Education | 9,587,266 | 9,446,602 | 9,641,052 |
| ISC/LEA Recovery | (3,863,123) | (3,863,123) | (3,810,996) |
| Other Ministry of Education Grants | | | |
| Pay Equity | 139,874 | 139,874 | 139,874 |
| Funding for Graduated Adults | | 2,056 | 809 |
| Transportation Supplement | 149,851 | 149,851 | 149,851 |
| Economic Stability Dividend | | 5,286 | 3,094 |
| Return of Administrative Savings | | | 50,678 |
| Carbon Tax Grant | | 16,975 | 16,959 |
| Employer Health Tax Grant | | 21,728 | |
| Strategic Priorities - Mental Health Grant | | 37,000 | |
| Support Staff Benefits Grant | | 5,332 | |
| EHB Benefit Funding | | | 2,542 |
| MyEd BC Academy Travel | | 3,000 | 2,000 |
| Indigenous Language Learning Policy/Teaching Resource Development | | | 18,429 |
| SRG3 Assessment | | 1,919 | 24,700 |
| FSA & Kindergarten Transitions Project | | 38,188 | |
| Total Provincial Grants - Ministry of Education | 6,013,868 | 6,004,688 | 6,238,992 |
| Provincial Grants - Other | 96,996 | 97,000 | 182,793 |
| Tuition | | | |
| Other Revenues | | | |
| LEA Funding from First Nations | 4,028,181 | 3,899,851 | 3,764,021 |
| Miscellaneous | | | |
| Miscellaneous | 216,829 | 231,931 | 274,649 |
| Total Other Revenue | 4,245,010 | 4,131,782 | 4,038,670 |
| Rentals and Leases | 62,221 | 45,301 | 46,005 |
| Investment Income | 14,790 | 22,544 | 16,338 |
| Total Operating Revenue | 10,432,885 | 10,301,315 | 10,522,798 |

School District No. 50 (Haida Gwaii)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2019

| | 2019 Budget | 2019 Actual | 2018 Actual |
|-------------------------------------|-------------------|------------------|-------------------|
| | \$ | \$ | \$ |
| Salaries | | | |
| Teachers | 2,639,311 | 2,593,444 | 2,970,593 |
| Principals and Vice Principals | 689,213 | 667,651 | 845,544 |
| Educational Assistants | 600,967 | 444,693 | 382,696 |
| Support Staff | 1,257,004 | 1,461,966 | 1,265,246 |
| Other Professionals | 747,718 | 674,303 | 498,678 |
| Substitutes | 457,464 | 448,566 | 376,006 |
| Total Salaries | 6,391,677 | 6,290,623 | 6,338,763 |
| Employee Benefits | 1,435,612 | 1,405,878 | 1,435,657 |
| Total Salaries and Benefits | 7,827,289 | 7,696,501 | 7,774,420 |
| Services and Supplies | | | |
| Services | 676,247 | 450,353 | 499,905 |
| Student Transportation | 47,213 | 61,817 | 558,872 |
| Professional Development and Travel | 407,089 | 500,324 | 474,997 |
| Rentals and Leases | 123,851 | 22,829 | 24,286 |
| Dues and Fees | 12,848 | 15,349 | 13,773 |
| Insurance | 65,567 | 36,522 | 33,319 |
| Interest | - | - | - |
| Supplies | 701,747 | 563,780 | 616,577 |
| Utilities | 615,490 | 533,352 | 511,100 |
| Total Services and Supplies | 2,650,052 | 2,184,326 | 2,732,829 |
| Total Operating Expense | 10,477,341 | 9,880,827 | 10,507,249 |

School District No. 50 (Haida Gwaii)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

Schedule 2C (Unaudited)

| | Teachers Salaries | Principals and Vice Principals Salaries | Educational Assistants Salaries | Support Staff Salaries | Other Professionals Salaries | Substitutes Salaries | Total Salaries |
|--|-------------------|---|---------------------------------|------------------------|------------------------------|----------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 1 Instruction | | | | | | | |
| 1.02 Regular Instruction | 2,304,894 | 206,759 | 42,094 | 101,521 | | 225,690 | 2,880,958 |
| 1.03 Career Programs | 95,379 | | | | | | 95,379 |
| 1.07 Library Services | | 1,058 | | 33,505 | | 1,311 | 35,874 |
| 1.08 Counselling | | | | 62,045 | | | 62,045 |
| 1.10 Special Education | 80,390 | 25,391 | 402,599 | | | 106,776 | 615,156 |
| 1.30 English Language Learning | | | | | | | - |
| 1.31 Aboriginal Education | 112,781 | | | 149,325 | | 11,267 | 273,373 |
| 1.41 School Administration | | 434,443 | | 276,790 | | 24,062 | 735,295 |
| Total Function 1 | 2,593,444 | 667,651 | 444,693 | 623,186 | - | 369,106 | 4,698,080 |
| 4 District Administration | | | | | | | |
| 4.11 Educational Administration | | | | | 317,042 | | 317,042 |
| 4.40 School District Governance | | | | 56,526 | | | 56,526 |
| 4.41 Business Administration | | | | 53,923 | 250,656 | 1,981 | 306,560 |
| Total Function 4 | - | - | - | 110,449 | 567,698 | 1,981 | 680,128 |
| 5 Operations and Maintenance | | | | | | | |
| 5.41 Operations and Maintenance Administration | | | | 13,042 | 73,684 | | 86,726 |
| 5.50 Maintenance Operations | | | | 576,863 | | 70,950 | 647,813 |
| 5.52 Maintenance of Grounds | | | | 22,373 | | 1,307 | 23,680 |
| 5.56 Utilities | | | | | | | - |
| Total Function 5 | - | - | - | 612,278 | 73,684 | 72,257 | 758,219 |
| 7 Transportation and Housing | | | | | | | |
| 7.41 Transportation and Housing Administration | | | | | 32,921 | | 32,921 |
| 7.70 Student Transportation | | | | 110,840 | | 5,222 | 116,062 |
| 7.73 Housing | | | | 5,213 | | | 5,213 |
| Total Function 7 | - | - | - | 116,053 | 32,921 | 5,222 | 154,196 |
| 9 Debt Services | | | | | | | |
| Total Function 9 | - | - | - | - | - | - | - |
| Total Functions 1 - 9 | 2,593,444 | 667,651 | 444,693 | 1,461,966 | 674,303 | 448,566 | 6,290,623 |

School District No. 50 (Haida Gwaii)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2019

| | 2019 Budget | 2019 Actual | 2018 Actual |
|---|------------------|------------------|------------------|
| | \$ | \$ | \$ |
| Revenues | | | |
| Provincial Grants | | | |
| Ministry of Education | 1,142,271 | 1,123,455 | 1,026,409 |
| Other Revenue | 300,000 | 471,640 | 509,944 |
| Total Revenue | <u>1,442,271</u> | <u>1,595,095</u> | <u>1,536,353</u> |
| Expenses | | | |
| Instruction | 1,331,881 | 1,494,102 | 1,435,360 |
| Operations and Maintenance | 110,390 | 100,993 | 100,993 |
| Total Expense | <u>1,442,271</u> | <u>1,595,095</u> | <u>1,536,353</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)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2019

| | Annual Facility Grant | Learning Improvement Fund | Special Education Equipment | School Generated Funds | Strong Start | Ready, Set, Learn | OLEP | CommunityLINK | Classroom Enhancement Fund - Overhead |
|---|-----------------------|---------------------------|-----------------------------|------------------------|--------------|-------------------|--------|---------------|---------------------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Deferred Revenue, beginning of year | - | - | 5,197 | 290,223 | - | - | - | - | 24,069 |
| District Entered | - | - | 5,197 | 290,223 | - | - | - | - | 24,069 |
| Deferred Revenue, beginning of year, as restated | - | - | - | - | - | - | - | - | - |
| Add: Restricted Grants | | | | | | | | | |
| Provincial Grants - Ministry of Education | 100,993 | 37,339 | - | 451,471 | 96,000 | 9,800 | 43,912 | 107,951 | 55,908 |
| Other | 100,993 | 37,339 | - | 451,471 | 96,000 | 9,800 | 43,912 | 107,951 | 55,908 |
| Less: Allocated to Revenue | 100,993 | 37,339 | - | 443,388 | 96,000 | 9,800 | 43,912 | 107,951 | 79,977 |
| Deferred Revenue, end of year | - | - | 5,197 | 298,306 | - | - | - | - | - |
| Revenues | | | | | | | | | |
| Provincial Grants - Ministry of Education | 100,993 | 37,339 | - | 443,388 | 96,000 | 9,800 | 43,912 | 107,951 | 79,977 |
| Other Revenue | 100,993 | 37,339 | - | 443,388 | 96,000 | 9,800 | 43,912 | 107,951 | 79,977 |
| Expenses | | | | | | | | | |
| Salaries | - | - | - | - | - | - | - | - | - |
| Teachers | - | - | - | - | - | - | - | - | - |
| Educational Assistants | - | - | - | - | - | - | - | - | - |
| Support Staff | - | 30,119 | - | - | - | - | 33,166 | 55,781 | 59,892 |
| Other Professionals | - | - | - | - | 75,502 | - | - | - | - |
| Substitutes | - | - | - | - | - | - | - | - | - |
| Employee Benefits | - | 30,119 | - | - | 75,502 | - | 33,166 | 55,781 | 59,892 |
| Services and Supplies | 100,993 | 7,220 | - | 443,388 | 13,498 | - | 8,746 | 13,170 | 14,173 |
| | 100,993 | 37,339 | - | 443,388 | 7,000 | 9,800 | 2,000 | 39,000 | 5,912 |
| Net Revenue (Expense) before Interfund Transfers | - | - | - | - | - | - | - | - | - |
| Interfund Transfers | - | - | - | - | - | - | - | - | - |
| Net Revenue (Expense) | - | - | - | - | - | - | - | - | - |

School District No. 50 (Haida Gwaii)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2019

| | 2019 Budget | 2019 Actual | | | 2018 Actual |
|--|------------------|--|------------------|------------------|------------------|
| | | Invested in Tangible Capital Assets | Local Capital | Fund Balance | |
| | \$ | \$ | \$ | \$ | \$ |
| Revenues | | | | | |
| Investment Income | 15,978 | | 15,978 | 15,978 | 17,434 |
| Amortization of Deferred Capital Revenue | 829,557 | 913,400 | | 913,400 | 795,982 |
| Total Revenue | 845,535 | 913,400 | 15,978 | 929,378 | 813,416 |
| Expenses | | | | | |
| Amortization of Tangible Capital Assets | | | | | |
| Operations and Maintenance | 1,071,817 | 1,071,817 | | 1,071,817 | 951,814 |
| Total Expense | 1,071,817 | 1,071,817 | - | 1,071,817 | 951,814 |
| Capital Surplus (Deficit) for the year | (226,282) | (158,417) | 15,978 | (142,439) | (138,398) |
| Net Transfers (to) from other funds | | | | | |
| Local Capital | 200,000 | | 381,400 | 381,400 | |
| Total Net Transfers | 200,000 | - | 381,400 | 381,400 | - |
| Other Adjustments to Fund Balances | | | | | |
| Tangible Capital Assets Purchased from Local Capital | | 26,610 | (26,610) | - | |
| Total Other Adjustments to Fund Balances | | 26,610 | (26,610) | - | |
| Total Capital Surplus (Deficit) for the year | (26,282) | (131,807) | 370,768 | 238,961 | (138,398) |
| Capital Surplus (Deficit), beginning of year | | 6,476,364 | 421,038 | 6,897,402 | 7,035,800 |
| Capital Surplus (Deficit), end of year | | 6,344,557 | 791,806 | 7,136,363 | 6,897,402 |

School District No. 50 (Haida Gwaii)

Tangible Capital Assets
Year Ended June 30, 2019

| | Sites | Buildings | Furniture and Equipment | Vehicles | Computer Software | Computer Hardware | Total |
|---|------------------|-------------------|-------------------------|----------------|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Cost, beginning of year | 2,756,297 | 45,674,755 | 267,694 | 98,576 | - | - | 48,797,322 |
| Changes for the Year | | | | | | | |
| Increase: | | | | | | | |
| Purchases from: | | | | | | | |
| Deferred Capital Revenue - Bylaw | | 526,488 | 148,813 | 467,357 | | | 1,142,658 |
| Deferred Capital Revenue - Other | | - | - | 26,610 | | | 26,610 |
| Local Capital | | | 33,743 | | | | 33,743 |
| Other Provincial Capital - YTCEP | | 526,488 | 182,556 | 493,967 | | | 1,203,011 |
| Cost, end of year | 2,756,297 | 46,201,243 | 450,250 | 592,543 | | | 50,000,333 |
| Work in Progress, end of year | | 1,253,321 | | | | | 1,253,321 |
| Cost and Work in Progress, end of year | 2,756,297 | 47,454,564 | 450,250 | 592,543 | | | 51,253,654 |
| Accumulated Amortization, beginning of year | | 18,155,870 | 66,487 | 32,356 | | | 18,254,713 |
| Changes for the Year | | | | | | | |
| Increase: Amortization for the Year | | 1,035,190 | 26,769 | 9,858 | | | 1,071,817 |
| Accumulated Amortization, end of year | | 19,191,060 | 93,256 | 42,214 | | | 19,326,530 |
| Tangible Capital Assets - Net | 2,756,297 | 28,263,504 | 356,994 | 550,329 | - | - | 31,927,124 |

School District No. 50 (Haida Gwaii)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2019

| | Buildings | Furniture and Equipment | Computer Software | Computer Hardware | Total |
|--|------------------|------------------------------------|------------------------------|------------------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Work in Progress, beginning of year | | | | | - |
| Changes for the Year | | | | | |
| Increase: | | | | | |
| Deferred Capital Revenue - Bylaw | 1,253,321 | | | | 1,253,321 |
| | <u>1,253,321</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,253,321</u> |
| Net Changes for the Year | <u>1,253,321</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,253,321</u> |
| Work in Progress, end of year | <u>1,253,321</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,253,321</u> |

School District No. 50 (Haida Gwaii)

Schedule 4C (Unaudited)

Deferred Capital Revenue
Year Ended June 30, 2019

| | Bylaw Capital | Other Provincial | Other Capital | Total Capital |
|---|-------------------|---------------------|------------------|-------------------|
| | \$ | \$ | \$ | \$ |
| Deferred Capital Revenue, beginning of year | 21,397,054 | 70,059 | 2,599,133 | 24,066,246 |
| Changes for the Year | | | | |
| Increase: | | | | |
| Transferred from Deferred Revenue - Capital Additions | 1,142,658 | - | | 1,142,658 |
| Transferred from Deferred Revenue - Other Prov-YCTEP | | 33,743 | | 33,743 |
| | <u>1,142,658</u> | <u>33,743</u> | <u>-</u> | <u>1,176,401</u> |
| Decrease: | | | | |
| Amortization of Deferred Capital Revenue | 821,894 | 7,663 | 83,843 | 913,400 |
| | <u>821,894</u> | <u>7,663</u> | <u>83,843</u> | <u>913,400</u> |
| Net Changes for the Year | <u>320,764</u> | <u>26,080</u> | <u>(83,843)</u> | <u>263,001</u> |
| Deferred Capital Revenue, end of year | <u>21,717,818</u> | <u>96,139</u> | <u>2,515,290</u> | <u>24,329,247</u> |
| Work in Progress, beginning of year | | | | - |
| Changes for the Year | | | | |
| Increase | | | | |
| Transferred from Deferred Revenue - Work in Progress | 1,253,321 | | | 1,253,321 |
| | <u>1,253,321</u> | <u>-</u> | <u>-</u> | <u>1,253,321</u> |
| Net Changes for the Year | <u>1,253,321</u> | <u>-</u> | <u>-</u> | <u>1,253,321</u> |
| Work in Progress, end of year | <u>1,253,321</u> | <u>-</u> | <u>-</u> | <u>1,253,321</u> |
| Total Deferred Capital Revenue, end of year | <u>22,971,139</u> | <u>96,139</u> | <u>2,515,290</u> | <u>25,582,568</u> |

School District No. 50 (Haida Gwaii)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2019

| | 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 | 2,912,493 | | 54,615 | | | 2,912,493 |
| Provincial Grants - Other | 2,912,493 | - | 54,615 | - | - | 2,967,108 |
| Decrease: | | | | | | |
| Transferred to DCR - Capital Additions | 1,142,658 | | - | | | 1,142,658 |
| Transferred to DCR - Work in Progress | 1,253,321 | | 33,743 | | | 1,253,321 |
| Transferred to DCC - Other Provincial Capital - YTCEP | 2,395,979 | - | 33,743 | - | - | 2,429,722 |
| Net Changes for the Year | 516,514 | - | 20,872 | - | - | 537,386 |
| Balance, end of year | 516,514 | 7,405 | 20,872 | - | - | 544,791 |