

Audited Financial Statements of

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

June 30, 2014

# School District No. 50 (Haida Gwaii)

June 30, 2014

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# School District No. 50 (Haida Gwaii)

## MANAGEMENT REPORT

Version: 1411-9665-7683

### Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 50 (Haida Gwaii) have been prepared by management in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

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

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

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

The external auditors, McConnell Volkell, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 50 (Haida Gwaii) and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 50 (Haida Gwaii)

  
Signature of the Chairperson of the Board of Education

  
Date Signed

  
Signature of the Superintendent

  
Date Signed

  
Signature of the Secretary Treasurer

  
Date Signed



## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of **SCHOOL DISTRICT NO. 50 (HAIDA GWAI)**, which comprise the statement of financial position as at **JUNE 30, 2014**, the statement of operations, statement of changes in net financial assets (debt), statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements:

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

### Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether these financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion:

In our opinion, the financial statements of the **SCHOOL DISTRICT NO. 50 (HAIDA GWAI)** for the year ended **JUNE 30, 2014**, are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

### Emphasis of Matter:

Without modifying our opinion, we draw attention to Note 2(a) to the financial statements which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards.

**McConnell, Voelkl**  
CHARTERED ACCOUNTANTS

September 23, 2014  
Hope, BC, Canada

# School District No. 50 (Haida Gwaii)

## Statement of Financial Position

As at June 30, 2014

Statement 1

	2014 Actual \$	2013 Actual \$
<b>Financial Assets</b>		
Cash and Cash Equivalents	1,483,850	948,995
Accounts Receivable		
Due from LEA/Direct Funding	188,171	811,352
Other (Note 3)	148,387	228,880
<b>Total Financial Assets</b>	<b>1,820,408</b>	<b>1,989,227</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	113,709	
Other (Note 4)	498,816	604,498
Deferred Revenue	430,716	428,021
Deferred Capital Revenue	19,483,485	19,933,604
Employee Future Benefits (Note 7)	174,641	148,351
Other Liabilities (Note 4)	41,509	255,669
<b>Total Liabilities</b>	<b>20,742,876</b>	<b>21,370,143</b>
<b>Net Financial Assets (Debt)</b>	<b>(18,922,468)</b>	<b>(19,380,916)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 8)	26,415,210	27,046,439
Prepaid Expenses (Note 2)	92,276	51,178
<b>Total Non-Financial Assets</b>	<b>26,507,486</b>	<b>27,097,617</b>
<b>Accumulated Surplus (Deficit)</b>	<b>7,585,018</b>	<b>7,716,701</b>

Contractual Obligations and Contingencies

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 of Operations  
Year Ended June 30, 2014

Statement 2

	2014 Budget	2014 Actual	2013 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	7,382,801	6,661,611	7,212,447
Other Revenue	3,941,005	4,123,211	4,355,508
Rentals and Leases	32,000	57,839	55,021
Investment Income	6,081	18,230	6,318
Amortization of Deferred Capital Revenue	709,241	709,241	722,758
<b>Total Revenue</b>	<b>12,071,128</b>	<b>11,570,132</b>	<b>12,352,052</b>
<b>Expenses</b>			
Instruction	8,540,894	7,786,981	8,442,051
District Administration	678,496	654,167	650,785
Operations and Maintenance	2,899,801	2,803,998	2,774,071
Transportation and Housing	454,271	456,669	366,557
<b>Total Expense</b>	<b>12,573,462</b>	<b>11,701,815</b>	<b>12,233,464</b>
<b>Surplus (Deficit) for the year</b>	<b>(502,334)</b>	<b>(131,683)</b>	<b>118,588</b>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>7,716,701</b>	<b>7,598,113</b>
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<b>7,585,018</b>	<b>7,716,701</b>

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

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

Year Ended June 30, 2014

Statement 4

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

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

Statement 5

Statement of Cash Flows

Year Ended June 30, 2014

	2014 Actual \$	2013 Actual \$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	(131,683)	118,588
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	703,674	(549,407)
Prepaid Expenses	(41,098)	16,155
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	1,887	(68,613)
Deferred Revenue	2,695	(67,298)
Employee Future Benefits	32,430	15,201
Other Liabilities	(214,160)	224,799
Amortization of Tangible Capital Assets	890,351	898,175
Amortization of Deferred Capital Revenue	(709,241)	(722,758)
<b>Total Operating Transactions</b>	<b>534,855</b>	<b>(135,158)</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(259,122)	(637,209)
<b>Total Capital Transactions</b>	<b>(259,122)</b>	<b>(637,209)</b>
<b>Financing Transactions</b>		
Capital Revenue Received	259,122	637,209
<b>Total Financing Transactions</b>	<b>259,122</b>	<b>637,209</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>534,855</b>	<b>(135,158)</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>948,995</b>	<b>1,084,153</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>1,483,850</b>	<b>948,995</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	1,483,850	948,995
	<b>1,483,850</b>	<b>948,995</b>





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

**NOTE 1      AUTHORITY AND PURPOSE**

The School District, established on 04/01/1946 operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 50 (Haida Gwaii)", and operates as "School District No. 50 (Haida Gwaii)." A board of education ("Board") elected for a three-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 50 (Haida Gwaii) is exempt from federal and provincial corporate income taxes.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of Accounting**

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

In March 2011, PSAB. In November 2011, Treasury Board provided a directive through Restricted Contributions Regulation 198/2011 providing direction for the reporting of restricted contributions whether they are received or receivable by the School District before or after this regulation was in effect. The Treasury Board direction on the accounting treatment of restricted contributions is as described in Notes 2(h) and 2(p).

As noted in notes 2 (h) and 2 (p), Section 23.1 of the Budget Transparency and Accountability Act and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue. As a result, revenue recognized in the statement of operations and certain related deferred revenues and deferred capital contributions would be recorded differently under Canadian public sector accounting standards.



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

**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) Inventories for Resale**

Inventories for resale are measured at lower of cost and net realizable value. Cost includes all costs incurred to get ready for sale including taxes, duties. Net realizable value is the expected selling price in the ordinary course of business.

**e) Unearned Revenue**

Unearned revenue includes tuition fees received for courses to be delivered in future periods and receipt of proceeds for services or products to be delivered in a future period. Revenue will be recognized in that future period when the courses, services, or products are provided.

**f) Deferred Revenue and Deferred Capital Revenue**

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 2 (p).



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

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

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

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

h) Employee Future Benefits

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

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

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

The most recent valuation of the obligation was performed at March 31, 2013 and projected to June 30, 2016. The next valuation will be performed at March 31, 2016 for use at June 30, 2016. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

The School district and its employees make contributions to the Teachers' Pension Plan and Municipal Pension Plan. The plans are multi-employer plans where assets and obligations are not separated. The costs are expensed as incurred.



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

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

i) **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 [Consolidated] Statement of Operations.

j) **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.



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

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

**k) Tangible Capital Assets**

The following criteria apply:

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

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

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

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

Buildings that are demolished or destroyed are written-off

The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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



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

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

**l)      Capital Leases**

PSG-2.24

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.

**m)      Prepaid Expenses**

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

Classroom Equipment	17,612
Lease Payment	6,673
Computer Equipment	64,283
Painting	4,200
Human Resources (recruitment)	1,549
Elevator Maintenance	1,076
Telephone	53
GST	(3,170)
Total	92,276

**n)      Supplies Inventory**

Supplies inventory held for consumption or use include and are recorded at the lower of historical cost and replacement cost.

**o)      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).



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

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

**p) Revenue Recognition**

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

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

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

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

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

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

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

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



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

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

q) 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. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.





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

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

r) Financial Instruments

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

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

All financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

All financial assets except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

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



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

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

s) 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.

**NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	2014	2013
Due from Federal Government		\$95,356
TOC Costs	7,813	
Due From Village of Port Clements	900	10,821
Pro-D	1,747	
Payroll	1,416	2,412
Basketball Workshop	2,500	
Apartment Building	30,975	34,170
HGTA/BCTF	20,618	13,613
MoE, Superintendent	740	
Secondment	2,925	24,140
Trustee Travel		1,084
Sandspit Clinic	4,061	
School Supplies	8,020	
School PIT Accounts	22,395	23,652
Other	1,333	23,632
GST	42,944	
Allowance for Doubtful Accounts	0	0
Total Accounts Receivable	148,387	\$228,880



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

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

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

**NOTE 5      DEFERRED REVENUE**

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled. Detailed information about the changes in deferred revenue is included in Schedule 3A.

**NOTE 6      DEFERRED CAPITAL REVENUE**

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired. Detailed information about the changes in deferred capital revenue is included in Schedules 4C and 4D.



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

**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.

	2014	2013 (Recast)
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	\$173,125	\$126,886
Service Cost	18,997	13,411
Interest Cost	5,563	5,736
Benefit Payments Increase (Decrease) in obligation due to Plan Amendment	(1,214)	(3,935)
Actuarial (Gain) Loss	(16,049)	31,027
Accrued Benefit Obligation – March 31	\$180,422	\$173,125
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation – March 31	\$180,422	\$173,125
Market Value of Plan Assets – March 31	0	0
Funded Status – Surplus (Deficit)	(180,422)	(173,125)
Employer Contributions After Measurement Date	(6,301)	(6,140)
Unamortized Net Actuarial (Gain) Loss	12,082	30,914
Accrued Benefit Asset (Liability) – June 30	(174,641)	\$(148,351)
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability – July 1	\$148,351	\$127,010
Recognize Non-Vested Benefits – April 1 – June 30, 2014	0	4,787
Accrued Benefit Liability – July 1 (restated)	\$148,351	131,797
Net expense for Fiscal Year	27,504	20,489
Employer Contributions	(1,214)	(3,935)
Accrued Benefit Liability – June 30	\$174,641	\$148,351



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

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

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

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

	2014	2013 (Recast)
Discount Rate - April 1	3.00%	4.25%
Discount Rate - March 31	3.25%	3.00%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31		



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

**NOTE 8 TANGIBLE CAPITAL ASSETS**

**Net Book Value**

<b>Cost:</b>	<b>Net Book Value 2014</b>	<b>Net Book Value 2013</b>
Sites	\$2,756,297	\$2,756,297
Buildings	23,549,155	24,149,229
Buildings – Work In Progress		
Furniture & equipment	76,950	101,417
Vehicles	32,808	39,496
<b>Total</b>	<b>\$26,415,210</b>	<b>\$27,046,439</b>

**June 30, 2014**

<b>Cost:</b>	<b>Opening Cost</b>	<b>Additions</b>	<b>Disposals</b>	<b>Total 2014</b>
Sites	\$2,756,297			\$2,756,297
Buildings	38,228,325	\$259,122		38,487,447
Buildings – Work In Progress	0			
Furniture & equipment	229,665		\$76,054	153,611
Vehicles	66,884			66,884
<b>Total</b>	<b>\$41,281,171</b>	<b>\$259,122</b>	<b>\$76,054</b>	<b>\$41,464,239</b>

**June 30, 2014**

<b>Accumulated Amortization:</b>	<b>Opening Accumulated Amortization</b>	<b>Additions</b>	<b>Disposals</b>	<b>Total 2014</b>
Sites				
Buildings	\$14,079,096	\$859,196		\$14,938,292
Furniture & equipment	128,248	24,467	\$76,054	76,661
Vehicles	27,388	6,688		34,076
<b>Total</b>	<b>\$14,234,732</b>	<b>\$890,351</b>	<b>\$76,054</b>	<b>\$15,049,029</b>



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

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

**June 30, 2013**

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

**June 30, 2013**

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



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

**NOTE 9      EMPLOYEE PENSION PLANS**

The school district and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trusted pension Plans. The board of trustees for these plans represents plan members and employers and is responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are based on a formula. The Teachers' Pension Plan has about 45,000 active members from school districts, and approximately 32,000 retired members from school districts. The Municipal Pension Plan has about 179,000 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 the adequacy of plan funding. 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 No 50 (Haida Gwaii) paid \$812,800 for employer contributions to these plans in the year ended June 30, 2014.

**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.





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

**NOTE 11 CONTRACTUAL OBLIGATIONS**

The School District has entered into a number of multiple-year contracts for the delivery of services and the use of land and equipment. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

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

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

**NOTE 12 BUDGET FIGURES**

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



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

**NOTE 13 EXPENSE BY OBJECT**

	<b>2014</b>	<b>2013 (Recast)</b>
Salaries and Benefits	\$8,528,933	\$8,476,401
Services and Supplies	2,936,302	2,858,888
Amortization	890,351	898,175
Other		
Total	\$12,355,586	\$12,233,464

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

Internally Restricted (appropriated) by Board	\$146,177
Unrestricted Operating Surplus (Deficit)	\$224,475
Total Available for Future Operations	\$370,652

**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.



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

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

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

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

**b)     Market risk :**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the School District is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in that have a maturity date of no more than 3 years.

**c)     Liquidity risk**

Liquidity risk is the risk that the School District will not be able to meet its financial obligations as they become due.

The School District manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the School District's reputation.

Risk Management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance.



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

**NOTE 17 CONTINGENCIES**

The School District will receive an Employee Support Grant upon ratification of the Collective Agreement with CUPE Local 2020 of \$97,600. The grant will be paid to support staff that did not work as a result of the teachers strike.

**NOTE 18 EARLY LEAVERS FUND**

In 2014, as part of the negotiations for the Local Education Agreement with local aboriginal bands the Districts has agreed to report the amount of the "Early Leavers Fund" by Band. For the 2013/14 fiscal year the amounts by band is indicated below:

Band #670	Skidegate	\$80,851
Band #669	Old Massett	\$64,562
<b>Total</b>		<b>\$145,413</b>

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.



## INDEPENDENT AUDITOR'S COMMENTS ON SUPPLEMENTARY INFORMATION

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

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

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

*McConnell, Voelkl*  
CHARTERED ACCOUNTANTS

September 23, 2014  
Hope, BC, Canada

# School District No. 50 (Haida Gwaii)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund  
Year Ended June 30, 2014

	Operating Fund	Special Purpose Fund	Capital Fund	2014 Actual	2013 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	331,520		7,385,181	7,716,701	7,598,113
Changes for the year					
Surplus (Deficit) for the year	39,132		(170,815)	(131,683)	118,588
Net Changes for the year	39,132	-	(170,815)	(131,683)	118,588
Accumulated Surplus (Deficit), end of year - Statement 2	370,652	-	7,214,366	7,585,018	7,716,701

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

Schedule 2 (Unaudited)

## Schedule of Operating Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	6,887,527	6,189,165	6,729,563
Other Revenue	3,407,709	3,795,259	3,744,410
Rentals and Leases	32,000	57,839	55,021
Investment Income	6,081	7,935	4,102
<b>Total Revenue</b>	<b>10,333,317</b>	<b>10,050,198</b>	<b>10,533,096</b>
<b>Expenses</b>			
Instruction	7,628,065	7,092,028	7,444,217
District Administration	678,496	654,167	650,785
Operations and Maintenance	1,904,005	1,808,202	1,779,748
Transportation and Housing	454,271	456,669	366,557
<b>Total Expense</b>	<b>10,664,837</b>	<b>10,011,066</b>	<b>10,241,307</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>(331,520)</b>	<b>39,132</b>	<b>291,789</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>331,520</b>		
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>39,132</b>	<b>291,789</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>331,520</b>	<b>39,731</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>370,652</b>	<b>331,520</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		146,177	
Unrestricted		224,475	331,520
<b>Total Operating Surplus (Deficit), end of year</b>		<b>370,652</b>	<b>331,520</b>

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

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2014

	2014 Budget \$	2014 Actual \$	2013 Actual \$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	10,166,303	9,961,639	10,234,931
AANDC/LEA Recovery	(3,423,774)	(3,827,427)	(3,667,224)
Other Ministry of Education Grants			
Pay Equity	139,874	139,874	139,874
FSA	4,348	4,348	4,348
Education Guarantee	776	1,108	1,661
Carbon Tax		16,221	15,973
Strike Savings		(106,598)	
<b>Total Provincial Grants - Ministry of Education</b>	<b>6,887,527</b>	<b>6,189,165</b>	<b>6,729,563</b>
<b>Other Revenues</b>			
LEA/Direct Funding from First Nations	3,373,774	3,745,654	3,679,534
Miscellaneous			
Bank Charges		(3,600)	
Gwaii Trust		49,703	47,087
Tuition Repayment			8,851
Other	33,935	725	4,705
Book Sales			4,233
Strong Start		1,847	
UBC EDI TOC		930	
<b>Total Other Revenue</b>	<b>3,407,709</b>	<b>3,795,259</b>	<b>3,744,410</b>
<b>Rentals and Leases</b>	<b>32,000</b>	<b>57,839</b>	<b>55,021</b>
<b>Investment Income</b>	<b>6,081</b>	<b>7,935</b>	<b>4,102</b>
<b>Total Operating Revenue</b>	<b>10,333,317</b>	<b>10,050,198</b>	<b>10,533,096</b>



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

Schedule 2B (Unaudited)

## Schedule of Operating Expense by Object

Year Ended June 30, 2014

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

# School District No. 50 (Haida Gwaii)

Operating Expense by Function, Program and Object

Year Ended June 30, 2014

Schedule 2C (Unaudited)

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
<b>I Instruction</b>							
1.02 Regular Instruction	2,517,831	217,771		162,886		133,192	3,031,680
1.03 Career Programs	34,749	10,447					45,196
1.07 Library Services	21,374	5,140		36,045		1,111	63,670
1.08 Counselling	20,978	8,470					29,448
1.10 Special Education	252,144	28,602	520,079			45,370	846,195
1.30 English Language Learning	42,612						42,612
1.31 Aboriginal Education	122,908		114,145			5,737	242,790
1.41 School Administration	-	630,976		231,848		15,808	878,632
<b>Total Function 1</b>	<b>3,012,596</b>	<b>901,406</b>	<b>634,224</b>	<b>430,779</b>	<b>-</b>	<b>201,218</b>	<b>5,180,223</b>
<b>4 District Administration</b>							
4.11 Educational Administration					141,076		141,076
4.40 School District Governance				41,090			41,090
4.41 Business Administration				42,681	132,364	1,798	176,843
<b>Total Function 4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,771</b>	<b>273,440</b>	<b>1,798</b>	<b>359,009</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				9,991	72,282		82,273
5.50 Maintenance Operations				564,559		60,363	624,922
5.52 Maintenance of Grounds				2,857		585	3,442
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>577,407</b>	<b>72,282</b>	<b>60,948</b>	<b>710,637</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration					13,208		13,208
7.70 Student Transportation						2,756	2,756
7.73 Housing				1,122			1,122
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,122</b>	<b>13,208</b>	<b>2,756</b>	<b>17,086</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>3,012,596</b>	<b>901,406</b>	<b>634,224</b>	<b>1,093,079</b>	<b>358,930</b>	<b>266,720</b>	<b>6,266,955</b>

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

Schedule 3 (Unaudited)

## Schedule of Special Purpose Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	495,274	472,446	482,884
Other Revenue	523,000	327,952	611,098
<b>Total Revenue</b>	<u>1,018,274</u>	<u>800,398</u>	<u>1,093,982</u>
<b>Expenses</b>			
Instruction	912,829	694,953	997,834
Operations and Maintenance	105,445	105,445	96,148
<b>Total Expense</b>	<u>1,018,274</u>	<u>800,398</u>	<u>1,093,982</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 by Object

Year Ended June 30, 2014

Schedule 3A (Unaudited)

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	Community- LINK	Second Count
Deferred Revenue, beginning of year	\$ 73,047		\$ 2,389	\$ 294,789					\$ 57,796
Add: Restricted Grants									
Provincial Grants - Ministry of Education	32,398	123,779	1,172		96,000	9,800	45,401	105,345	
Other				301,581					87,617
Less: Allocated to Revenue	32,398	123,779	1,172	301,581	96,000	9,800	45,401	105,345	87,617
Deferred Revenue, end of year	105,445	110,455	-	327,952	96,000	9,800	45,401	105,345	-
	-	13,324	3,561	268,418	-	-	-	-	145,413
Revenues									
Provincial Grants - Ministry of Education	105,445	110,455			96,000	9,800	45,401	105,345	
Other Revenue	105,445	110,455	-	327,952	96,000	9,800	45,401	105,345	-
Expenses									
Salaries		53,234			69,796		25,365	45,345	
Teachers		14,090			69,796		25,365	45,345	
Support Staff		67,324			17,066		6,036	10,701	
Employee Benefits	105,445	17,514			9,138	9,800	14,000	49,299	
Services and Supplies	105,445	25,617		327,952	96,000	9,800	45,401	105,345	
Net Revenue (Expense) before Interfund Transfers	-	110,455	-	327,952	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

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

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2014

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

# School District No. 50 (Haida Gwaii)

Tangible Capital Assets

Year Ended June 30, 2014

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	2,756,297	38,228,325	229,665	66,884	-	-	41,281,171
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		259,122	-	-	-	-	259,122
Decrease:							
Deemed Disposals			76,054	-	-	-	76,054
Cost, end of year			76,054	-	-	-	76,054
Work in Progress, end of year	2,756,297	38,487,447	153,611	66,884	-	-	41,464,239
Cost and Work in Progress, end of year	2,756,297	38,487,447	153,611	66,884	-	-	41,464,239
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		14,079,096	128,248	27,388	-	-	14,234,732
Decrease:							
Deemed Disposals		859,196	24,467	6,688	-	-	890,351
Accumulated Amortization, end of year			76,054	-	-	-	76,054
			76,054	-	-	-	76,054
		14,938,292	76,661	34,076	-	-	15,049,029
Tangible Capital Assets - Net	2,756,297	23,549,155	76,950	32,808	-	-	26,415,210

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

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2014

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

# School District No. 50 (Haida Gwaii)

Changes in Unspent Deferred Capital Revenue  
Year Ended June 30, 2014

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	259,122					259,122
	259,122	-	-	-	-	259,122
Decrease:						
Transferred to DCR - Capital Additions	259,122					259,122
	259,122	-	-	-	-	259,122
	-	-	-	-	-	-
Net Changes for the Year						
	-	7,405	-	-	-	7,405
Balance, end of year						