

Audited Financial Statements of

School District No. 50 (Haida Gwaii)

And Independent Auditors' Report thereon

June 30, 2020

School District No. 50 (Haida Gwaii)

June 30, 2020

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School District No. 50 (Haida Gwaii)

MANAGEMENT REPORT

Version: 2723-1978-8995

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 quarterly 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

22 Sept. 2020
Date Signed


Signature of the Superintendent

Sept 22/20
Date Signed


Signature of the Secretary Treasurer

Sept 22/20
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, 2020 and the statements of operations, changes in net 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, 2020 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.

Carlyle Shepherd & Co.

Terrace, BC
September 22, 2020

School District No. 50 (Haida Gwaii)

Statement 1

Statement of Financial Position

As at June 30, 2020

	2020 Actual \$	2019 Actual \$
Financial Assets		
Cash and Cash Equivalents	2,547,695	3,203,002
Accounts Receivable		
Due from First Nations	731,830	
Other (Note 3)	266,995	332,400
Total Financial Assets	3,546,520	3,535,402
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	986,183	993,109
Deferred Revenue (Note 5)	881,986	625,601
Deferred Capital Revenue (Note 6)	25,721,628	26,127,359
Employee Future Benefits (Note 7)	296,174	284,105
Total Liabilities	27,885,971	28,030,174
Net Debt	(24,339,451)	(24,494,772)
Non-Financial Assets		
Tangible Capital Assets (Note 8)	31,897,701	31,927,124
Prepaid Expenses	68,889	109,320
Total Non-Financial Assets	31,966,590	32,036,444
Accumulated Surplus (Deficit)	7,627,139	7,541,672

Approved by the Board

Signature of the Chairperson of the Board of Education

Date Signed

Signature of the Superintendent

Date Signed

Signature of the Secretary Treasurer

Date Signed

School District No. 50 (Haida Gwaii)**Statement 2**

Statement of Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	7,400,848	7,557,970	7,128,143
Other	96,996	99,247	97,000
Other Revenue	4,582,151	4,706,496	4,603,422
Rentals and Leases	52,221	54,688	45,301
Investment Income	22,000	34,678	38,522
Amortization of Deferred Capital Revenue	904,136	987,979	913,400
Total Revenue	13,058,352	13,441,058	12,825,788
Expenses			
Instruction	8,927,720	8,690,107	8,154,512
District Administration	1,229,721	1,214,236	1,099,278
Operations and Maintenance	2,944,697	3,049,598	2,906,410
Transportation and Housing	444,363	401,650	387,539
Total Expense	13,546,501	13,355,591	12,547,739
Surplus (Deficit) for the year	(488,149)	85,467	278,049
Accumulated Surplus (Deficit) from Operations, beginning of year		7,541,672	7,263,623
Accumulated Surplus (Deficit) from Operations, end of year		7,627,139	7,541,672

School District No. 50 (Haida Gwaii)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(488,149)</u>	<u>85,467</u>	<u>278,049</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets		(1,119,634)	(2,456,332)
Amortization of Tangible Capital Assets	1,149,057	1,149,057	1,071,817
Total Effect of change in Tangible Capital Assets	<u>1,149,057</u>	<u>29,423</u>	<u>(1,384,515)</u>
Use of Prepaid Expenses		40,431	1,318
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>40,431</u>	<u>1,318</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>660,908</u>	<u>155,321</u>	<u>(1,105,148)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		<u>155,321</u>	<u>(1,105,148)</u>
Net Debt, beginning of year		(24,494,772)	(23,389,624)
Net Debt, end of year		<u>(24,339,451)</u>	<u>(24,494,772)</u>

School District No. 50 (Haida Gwaii)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2020

	2020 Actual \$	2019 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	85,467	278,049
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(666,425)	400,522
Prepaid Expenses	40,431	4,531
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(6,926)	(80,939)
Deferred Revenue	256,385	157,953
Employee Future Benefits	12,069	14,867
Other Liabilities		2,402
Amortization of Tangible Capital Assets	1,149,057	1,071,817
Amortization of Deferred Capital Revenue	(987,979)	(913,400)
Total Operating Transactions	(117,921)	935,802
Capital Transactions		
Tangible Capital Assets Purchased	(969,634)	(1,169,268)
Tangible Capital Assets - WIP Purchased	(150,000)	(1,253,321)
Tangible Capital Assets - Other Provincial Capital	-	(33,743)
Total Capital Transactions	(1,119,634)	(2,456,332)
Financing Transactions		
Capital Revenue Received	582,248	2,967,108
Total Financing Transactions	582,248	2,967,108
Net Increase (Decrease) in Cash and Cash Equivalents	(655,307)	1,446,578
Cash and Cash Equivalents, beginning of year	3,203,002	1,756,424
Cash and Cash Equivalents, end of year	2,547,695	3,203,002
Cash and Cash Equivalents, end of year, is made up of:		
Cash	2,547,695	3,203,002
	2,547,695	3,203,002

SCHOOL DISTRICT NO. 50 (HAIDA GWAI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on April 1, 1946 operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 50 (Haida Gwaii)", and operates as "School District No. 50 (Haida Gwaii)." A board of education ("Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 50 (Haida Gwaii) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

In November 2011, Treasury Board provided a directive through Restricted Contributions Regulation 198/2011 providing direction for the reporting of restricted contributions whether they are received or receivable by the School District before or after this regulation was in effect.

As noted in notes 2(e) and 2(m), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense.

As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require that:

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410; and
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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, 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

Year-ended June 30, 2020 – increase in annual surplus by \$131,655

June 30, 2020 – increase in accumulated surplus and decrease in deferred contributions by \$25,714,223

b) Cash and Cash Equivalents

Cash and cash equivalents include bank accounts and Central Deposit funds 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 (m).

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

SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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 of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2019 and projected to March 31, 2022. The next valuation will be performed at March 31, 2022 for use at June 30, 2022. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

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

g) Asset Retirement Obligations

A liability is recognized when, as at the financial reporting date:

- (a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (b) the past transaction or event giving rise to the liability has occurred;
- (c) it is expected that future economic benefits will be given up; and
- (d) a reasonable estimate of the amount can be made.

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, 2020

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

h) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the School District:
 - is directly responsible; or
 - accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

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

i) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.

SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

- Works of art, historic assets and other intangible assets *(list any that are significant)* are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

Buildings	40 years
Furniture & Equipment	10 years
Vehicles	10 years

j) Operating Leases

Operating lease payments are accounted for as operating leases and the related payments are charged to expenses as incurred.

k) Prepaid Expenses

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

l) Funds and Reserves

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

m) Revenue Recognition

Revenues are recorded on an accrual basis in the period in which the transactions or events occurred that gave rise to the revenues, the amounts are considered to be collectible and can be reasonably estimated.

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

SCHOOL DISTRICT NO. 50 (HAIDA GWAI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

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.

n) Expenditures

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Interest expense includes *(amend for District specifics)*.

Categories of Salaries

- Principals, and Vice-Principals 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.

SCHOOL DISTRICT NO. 50 (HAIDA GWAI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

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.

o) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, bank overdraft, accounts payable and accrued liabilities, long term debt and other liabilities.

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

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations. There are no measurement gains or losses during the periods presented; therefore, no statement of remeasurement gains or losses is included in these financial statements.

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

SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

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

p) **Measurement Uncertainty**

Preparation of financial statements in accordance with the basis of accounting described in note 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.

q) **Future Changes in Accounting Policies**

PS 3280 Asset Retirement Obligations issued August 2018 establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets and is effective July 1, 2021. A liability will be recognized when, as at the financial reporting date:

- (a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (b) the past transaction or event giving rise to the liability has occurred;
- (c) it is expected that future economic benefits will be given up; and
- (d) a reasonable estimate of the amount can be made.

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.

A modified retroactive application has been recommended by Government pending approval in the Fall of 2020. Management is in the process of assessing the impact of adopting this standard on the School District's financial results.

PS 3400 Revenue issued November 2018 establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

SCHOOL DISTRICT NO. 50 (HAIDA GWAI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

Revenue from transactions with performance obligations should be recognized when (or as) the school district satisfies a performance obligation by providing the promised goods or services to a payor.

Revenue from transactions with no performance obligations should be recognized when a school district:

- (a) has the authority to claim or retain an inflow of economic resources; and
- (b) identifies a past transaction or event that gives rise to an asset.

This standard may be applied retroactively or prospectively. Management is in the process of assessing the impact of adopting this standard on the School District's financial results

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2020	2019
Payroll & Benefits Recoverable	\$ 6,129	\$ 32,797
Apartment Building	9,225	12,915
HGTA/BCTF	15,061	26,302
Secondment	22,592	11,221
Gwaii Trust	137,616	79,139
GST Rebate	56,520	135,918
Other	19,852	34,108
Total	\$ 266,995	\$332,400

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2020	2019
Trade payables	\$ 241,409	\$ 305,218
Salaries and benefits payable	611,987	609,224
Accrued vacation pay	59,633	42,096
Other	73,154	36,571
	<u>\$ 986,183</u>	<u>\$ 993,109</u>

SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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.

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.

SCHOOL DISTRICT NO. 50 (HAIDA GWAI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	199,493	224,975
Service Cost	20,192	19,171
Interest Cost	5,353	6,440
Benefit Payments	(8,411)	(3,994)
Increase (Decrease) in obligation due to Plan Amendment	0	0
Actuarial (Gain) Loss	1,994	(47,099)
Accrued Benefit Obligation – March 31	<u>218,621</u>	<u>199,493</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	218,621	199,493
Market Value of Plan Assets - March 31	0	0
Funded Status - Surplus (Deficit)	(218,621)	(199,493)
Employer Contributions After Measurement Date	0	3,061
Benefits Expense After Measurement Date	(6,644)	(6,386)
Unamortized Net Actuarial (Gain) Loss	(70,909)	(81,286)
Accrued Benefit Asset (Liability) - June 30	<u>(296,174)</u>	<u>(284,105)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	284,105	269,238
Net Expense for Fiscal Year	17,420	21,921
Employer Contributions	(5,350)	(7,055)
Accrued Benefit Liability (Asset) - June 30	<u>296,174</u>	<u>284,105</u>
Components of Net Benefit Expense		
Service Cost	20,468	19,426
Interest Cost	5,335	6,168
Immediate Recognition of Plan Amendment	0	0
Amortization of Net Actuarial (Gain)/Loss	(8,383)	(3,673)
Net Benefit Expense (Income)	<u>17,420</u>	<u>21,921</u>
Assumptions		
Discount Rate - April 1	2.50%	2.75%
Discount Rate - March 31	2.25%	2.50%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	10.0	10.0

SCHOOL DISTRICT NO. 50 (HAIDA GWAI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 8 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2020	Net Book Value 2019
Sites	\$ 2,756,297	\$ 2,756,297
Buildings	28,167,489	27,010,183
Buildings – work in progress	150,000	1,253,321
Furniture & Equipment	332,840	356,994
Vehicles	491,075	550,329
Total	\$31,897,701	\$31,927,124

June 30, 2020

	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2020
Sites	\$ 2,756,297	\$	\$	\$	\$2,756,297
Buildings	46,201,243	948,762		1,253,321	48,403,326
Buildings – work in progress	1,253,321	150,000		(1,253,321)	150,000
Furniture & Equipment	450,250	20,872			471,122
Vehicles	592,543				592,543
Total	\$51,253,654	\$1,119,634	\$ 0	\$ 0	\$52,373,288

	Opening Accumulated Amortization	Additions	Disposals	Total 2020
Sites	\$	\$	\$	\$
Buildings	19,191,060	1,044,777		20,235,837
Furniture & Equipment	93,256	45,026		138,282
Vehicles	42,214	59,254		101,468
Total	\$19,326,530	\$1,149,057	\$ 0	\$20,475,587

SCHOOL DISTRICT NO. 50 (HAIDA GWAI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 8 TANGIBLE CAPITAL ASSETS *(Continued)*

June 30, 2019

	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2019
Sites	\$ 2,756,297	\$	\$	\$	\$ 2,756,297
Buildings	45,674,755	526,488			46,201,243
Buildings – work in progress		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

	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

- Buildings – work in progress having a value of \$150,000 (2019: \$1,253,321) have not been amortized. Amortization of these assets will commence when the asset is put into service.

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, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2019, the Teachers' Pension Plan has about 49,000 active members and approximately 39,000 retired members. As of December 31, 2019, the Municipal Pension Plan has about 213,000 active members, including approximately 27,000 from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The school district paid \$738,425 for employer contributions to the plans for the year ended June 30, 2020 (2019: \$749,502)

The next valuation for the Teachers' Pension Plan will be as at December 31, 2020, with results available in 2021. The next valuation for the Municipal Pension Plan will be as at December 31, 2021, with results available in 2022.

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

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 five years.

SCHOOL DISTRICT NO. 50 (HAIDA GWAI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 11 CONTRACTUAL OBLIGATIONS *(Continued)*

Contractual obligations	2021	2022	2023	2024	2025	Thereafter
Land to Federal Government	\$ 7,050	\$ 7,050	\$7,050	\$7,050	\$7,050	\$7,050
Custodial	46,610	45,976	5,460			
Operating Leases	34,835	21,133	7,796	3,178		
Total	\$88,495	\$74,159	\$20,306	\$10,228	\$7,050	\$7,050

NOTE 12 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget on February 25, 2020.

NOTE 13 EXPENSE BY OBJECT

	2020	2019
Salaries and benefits	\$ 9,423,303	\$ 7,696,501
Services and supplies	2,783,231	2,184,326
Amortization	1,149,057	1,071,817
Other		1,595,095
	<u>\$13,355,591</u>	<u>\$12,547,739</u>

NOTE 14 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Internally Restricted (appropriated) by Board for:	
<i>Targeted Funds Surplus</i>	\$ 123,787
<i>NDIT, School Budgets, Farm to School</i>	43,631
<i>CF-Youth Wellness Worker</i>	54,488
Subtotal Internally Restricted	<u>\$ 221,906</u>
Unrestricted Operating Surplus (Deficit)	415,960
Total Available for Future Operations	<u>\$ 637,866</u>

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

SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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 debtor. This risk is mitigated as most amounts receivable are due from the Province and are collectible.

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits 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.

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. There have been no changes to risk exposure from 2019 related to credit, market or liquidity risks.

SCHOOL DISTRICT NO. 50 (HAIDA GWAI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 17 EARLY LEAVERS FUND

In 2017, as part of the negotiations for the Local Education Agreement with local indigenous bands the District has agreed to report the amount of the “Early Leavers Fund” by Band. For the 2019/20 fiscal year the amounts by band are indicated below:

		2020	2019
Band # 669	Old Massett	\$ 50,276	\$ 56,424
Band # 670	Skidegate	12,569	77,989
Total		\$ 62,845	\$134,413

These funds represent 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.

NOTE 18 IMPACT OF COVID-19 OUTBREAK

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020 and has had a significant financial, market and social dislocating impact worldwide. Under direction of the Provincial Health Officer, all schools suspended in-class instruction in March 2020 and the District remained open to continue to support students and families in a variety of ways. Parents were given the choice to send their children back to school on a gradual and part-time basis beginning June 1 with new health and safety guidelines. The ongoing impact of the pandemic presents uncertainty over future cash flows, may have a significant impact on future operations including decreases in revenue, impairment of receivables, reduction in investment income and delays in completing capital project work. As the situation is dynamic and the ultimate duration and magnitude of the impact are not known, an estimate of the future financial effect on the District is not practicable at this time.

School District No. 50 (Haida Gwaii)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2020

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2020 Actual	2019 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	405,309		7,136,363	7,541,672	7,263,623
Changes for the year					
Surplus (Deficit) for the year	232,557		(147,090)	85,467	278,049
Net Changes for the year	232,557	-	(147,090)	85,467	278,049
Accumulated Surplus (Deficit), end of year - Statement 2	637,866	-	6,989,273	7,627,139	7,541,672

School District No. 50 (Haida Gwaii)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	6,114,322	6,306,280	6,004,688
Other	96,996	99,247	97,000
Other Revenue	4,282,151	4,344,618	4,131,782
Rentals and Leases	52,221	54,688	45,301
Investment Income	22,000	20,690	22,544
Total Revenue	10,567,690	10,825,523	10,301,315
Expenses			
Instruction	7,451,584	7,186,929	6,660,410
District Administration	1,229,721	1,214,236	1,099,278
Operations and Maintenance	1,699,238	1,849,405	1,733,600
Transportation and Housing	444,363	342,396	387,539
Total Expense	10,824,906	10,592,966	9,880,827
Operating Surplus (Deficit) for the year	(257,216)	232,557	420,488
Budgeted Appropriation (Retirement) of Surplus (Deficit)	257,216		
Net Transfers (to) from other funds			
Local Capital			(381,400)
Total Net Transfers	-	-	(381,400)
Total Operating Surplus (Deficit), for the year	-	232,557	39,088
Operating Surplus (Deficit), beginning of year		405,309	366,221
Operating Surplus (Deficit), end of year		637,866	405,309
Operating Surplus (Deficit), end of year			
Internally Restricted		221,906	133,429
Unrestricted		415,960	271,880
Total Operating Surplus (Deficit), end of year		637,866	405,309

School District No. 50 (Haida Gwaii)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	9,794,915	9,794,915	9,446,602
ISC/LEA Recovery	(4,047,151)	(4,004,798)	(3,863,123)
Other Ministry of Education Grants			
Pay Equity	139,874	139,874	139,874
Funding for Graduated Adults		596	2,056
Transportation Supplement	149,851	149,851	149,851
Economic Stability Dividend			5,286
Carbon Tax Grant		16,975	16,975
Employer Health Tax Grant	71,501	71,501	21,728
Strategic Priorities - Mental Health Grant			37,000
Support Staff Benefits Grant	5,332	6,908	5,332
Support Staff Wage Increase Funding		54,571	
Teachers' Labour Settlement Funding		69,794	
MyEd BC Academy Travel			3,000
SRG3 Assessment			1,919
FSA & Kindergarten Transitions Project		4,094	38,188
ERASE Digital Threat Training Catering		475	
Early Learning Framework - ELF		1,524	
Total Provincial Grants - Ministry of Education	6,114,322	6,306,280	6,004,688
Provincial Grants - Other	96,996	99,247	97,000
Other Revenues			
Funding from First Nations	4,047,151	3,971,830	3,899,851
Miscellaneous			
Miscellaneous	235,000	372,788	231,931
Total Other Revenue	4,282,151	4,344,618	4,131,782
Rentals and Leases	52,221	54,688	45,301
Investment Income	22,000	20,690	22,544
Total Operating Revenue	10,567,690	10,825,523	10,301,315

School District No. 50 (Haida Gwaii)**Schedule 2B (Unaudited)**

Schedule of Operating Expense by Object

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Salaries			
Teachers	2,664,543	2,566,420	2,593,444
Principals and Vice Principals	1,088,356	1,106,349	667,651
Educational Assistants	527,763	435,394	444,693
Support Staff	1,306,205	1,488,761	1,461,966
Other Professionals	865,360	848,827	674,303
Substitutes	421,014	373,804	448,566
Total Salaries	6,873,241	6,819,555	6,290,623
Employee Benefits	1,505,322	1,474,683	1,405,878
Total Salaries and Benefits	8,378,563	8,294,238	7,696,501
Services and Supplies			
Services	541,801	536,084	450,353
Student Transportation	74,628	47,337	61,817
Professional Development and Travel	455,967	366,415	500,324
Rentals and Leases	21,050	21,037	22,829
Dues and Fees	13,056	8,755	15,349
Insurance	34,334	26,195	36,522
Supplies	756,603	733,763	563,780
Utilities	548,904	559,142	533,352
Total Services and Supplies	2,446,343	2,298,728	2,184,326
Total Operating Expense	10,824,906	10,592,966	9,880,827

School District No. 50 (Haida Gwaii)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

Schedule 2C (Unaudited)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	3,009,196	708,344	3,717,540	893,703	4,611,243	4,676,524	4,303,418
1.03 Career Programs	63,975	14,685	78,660		78,660	78,342	117,794
1.07 Library Services	36,960	8,566	45,526	5,670	51,196	54,862	49,403
1.08 Counseling	70,460	12,637	83,097	6,076	89,173	90,145	83,205
1.10 Special Education	626,185	133,787	759,972	73,651	833,623	877,496	807,298
1.31 Indigenous Education	227,228	52,479	279,707	18,456	298,163	421,950	354,240
1.41 School Administration	978,239	216,592	1,194,831	30,040	1,224,871	1,252,265	945,052
Total Function 1	5,012,243	1,147,090	6,159,333	1,027,596	7,186,929	7,451,584	6,660,410
4 District Administration							
4.11 Educational Administration	211,853	51,126	262,979	50,831	313,810	321,558	431,911
4.40 School District Governance	66,285	4,541	70,826	75,157	145,983	160,416	165,365
4.41 Business Administration	565,106	64,092	629,198	125,245	754,443	747,747	502,002
Total Function 4	843,244	119,759	963,003	251,233	1,214,236	1,229,721	1,099,278
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	101,469	31,546	133,015	43,514	176,529	177,671	167,208
5.50 Maintenance Operations	693,608	145,882	839,490	182,290	1,021,780	927,127	994,242
5.52 Maintenance of Grounds	18,104	2,802	20,906	68,368	89,274	30,736	37,333
5.56 Utilities	-	-	-	561,822	561,822	563,704	534,817
Total Function 5	813,181	180,230	993,411	855,994	1,849,405	1,699,238	1,733,600
7 Transportation and Housing							
7.41 Transportation and Housing Administration	32,528	7,366	39,894	188	40,082	57,547	40,250
7.70 Student Transportation	116,972	19,969	136,941	154,525	291,466	368,964	333,253
7.73 Housing	1,387	269	1,656	9,192	10,848	17,852	14,036
Total Function 7	150,887	27,604	178,491	163,905	342,396	444,363	387,539
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	6,819,555	1,474,683	8,294,238	2,298,728	10,592,966	10,824,906	9,880,827

School District No. 50 (Haida Gwaii)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

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	2,299,795	405,578	37,984	116,492		149,347	3,009,196
1.03 Career Programs	63,975						63,975
1.07 Library Services				34,178		2,782	36,960
1.08 Counselling	6,297			64,163			70,460
1.10 Special Education		26,837	397,410			70,856	626,185
1.31 Indigenous Education	131,082			137,140		24,817	227,228
1.41 School Administration	65,271	673,934		288,315		15,990	978,239
Total Function 1	2,566,420	1,106,349	435,394	640,288	-	263,792	5,012,243
4 District Administration							
4.11 Educational Administration					211,853		211,853
4.40 School District Governance				66,285			66,285
4.41 Business Administration				49,167	515,939		565,106
Total Function 4	-	-	-	115,452	727,792	-	843,244
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				12,962	88,507		101,469
5.50 Maintenance Operations				591,852		101,756	693,608
5.52 Maintenance of Grounds				10,742		7,362	18,104
5.56 Utilities							-
Total Function 5	-	-	-	615,556	88,507	109,118	813,181
7 Transportation and Housing							
7.41 Transportation and Housing Administration					32,528		32,528
7.70 Student Transportation				116,163		809	116,972
7.73 Housing				1,302		85	1,387
Total Function 7	-	-	-	117,465	32,528	894	150,887
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	2,566,420	1,106,349	435,394	1,488,761	848,827	373,804	6,819,555

School District No. 50 (Haida Gwaii)**Schedule 3 (Unaudited)****Schedule of Special Purpose Operations****Year Ended June 30, 2020**

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	1,286,526	1,251,690	1,123,455
Other Revenue	300,000	361,878	471,640
Total Revenue	<u>1,586,526</u>	<u>1,613,568</u>	<u>1,595,095</u>
Expenses			
Instruction	1,476,136	1,503,178	1,494,102
Operations and Maintenance	110,390	110,390	100,993
Total Expense	<u>1,586,526</u>	<u>1,613,568</u>	<u>1,595,095</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, 2020

Schedule 3A (Unaudited)

Deferred Revenue, beginning of year

Add: Restricted Grants
Provincial Grants - Ministry of Education
Other

Less: Allocated to Revenue

Recovered

Deferred Revenue, end of year

Revenues

Provincial Grants - Ministry of Education
Other Revenue

Expenses

Salaries
Teachers
Educational Assistants
Support Staff
Other Professionals
Substitutes

Employee Benefits
Services and Supplies

Net Revenue (Expense) before Interfund Transfers

Interfund Transfers

Net Revenue (Expense)

Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Rural Education Enhancement Fund
\$	\$	\$	\$	\$	\$	\$	\$	\$
110,390	36,696	5,197	298,306	96,474	10,092	43,912	108,753	60,337
110,390	36,696	-	415,310	96,474	10,092	43,912	108,753	60,337
110,390	36,696	1,807	352,425	96,474	10,092	43,912	108,753	60,337
-	-	3,390	361,191	-	-	-	-	-
110,390	36,696	1,807	352,425	96,474	10,092	43,912	108,753	60,337
110,390	36,696	1,807	352,425	96,474	10,092	43,912	108,753	60,337
26,176	30,317	-	-	72,580	-	33,185	56,003	45,638
18,883	-	-	-	1,314	-	-	-	-
45,059	30,317	-	-	73,894	-	33,185	56,003	1,286
11,265	6,379	-	-	15,580	-	8,727	13,750	46,924
54,066	-	1,807	352,425	7,000	10,092	2,000	39,000	13,413
110,390	36,696	1,807	352,425	96,474	10,092	43,912	108,753	60,337
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

School District No. 50 (Haida Gwaii)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2020

Schedule 3A (Unaudited)

Deferred Revenue, beginning of year

Add: Restricted Grants
Provincial Grants - Ministry of Education
Other

Less: Allocated to Revenue
Recovered

Deferred Revenue, end of year

Revenues

Provincial Grants - Ministry of Education
Other Revenue

Expenses

Salaries
Teachers
Educational Assistants
Support Staff
Other Professionals
Substitutes

Employee Benefits
Services and Supplies

Net Revenue (Expense) before Interfund Transfers

Interfund Transfers

Net Revenue (Expense)

Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Second Count	TOTAL
\$	\$	\$	\$	\$	\$	\$	\$
79,977	691,408	3,979	112,832	32,500	13,867	312,679	625,601
79,977	691,408	3,979	112,832	32,500	13,867	62,845	1,401,217
79,977	691,408	3,979	-	3,759	4,106	62,845	1,879,372
-	9,419	-	-	-	-	9,453	1,613,568
-	-	-	112,832	28,741	9,761	366,071	881,986
79,977	691,408	3,979	-	3,759	4,106	9,453	1,251,690
79,977	691,408	3,979	-	3,759	4,106	9,453	361,878
60,921	559,283	2,818	-	433	1,710	79,804	1,613,568
60,921	559,283	2,818	-	433	2,050	-	7,561
16,512	130,953	1,161	-	128	310	-	910,887
2,544	1,172	-	-	3,198	1,746	9,453	218,178
79,977	691,408	3,979	-	3,759	4,106	9,453	484,503
-	-	-	-	-	-	-	1,613,568
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

School District No. 50 (Haida Gwaii)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual			2019 Actual
	\$	Invested in Tangible Capital Assets	Local Capital	Fund Balance	\$
Revenues					
Investment Income			13,988	13,988	15,978
Amortization of Deferred Capital Revenue	904,136	987,979		987,979	913,400
Total Revenue	<u>904,136</u>	<u>987,979</u>	<u>13,988</u>	<u>1,001,967</u>	<u>929,378</u>
Expenses					
Operations and Maintenance	(13,988)			-	
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,149,057	1,089,803		1,089,803	1,071,817
Transportation and Housing		59,254		59,254	
Total Expense	<u>1,135,069</u>	<u>1,149,057</u>	<u>-</u>	<u>1,149,057</u>	<u>1,071,817</u>
Capital Surplus (Deficit) for the year	<u>(230,933)</u>	<u>(161,078)</u>	<u>13,988</u>	<u>(147,090)</u>	<u>(142,439)</u>
Net Transfers (to) from other funds					
Local Capital				-	381,400
Total Net Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>381,400</u>
Total Capital Surplus (Deficit) for the year	<u>(230,933)</u>	<u>(161,078)</u>	<u>13,988</u>	<u>(147,090)</u>	<u>238,961</u>
Capital Surplus (Deficit), beginning of year		6,344,557	791,806	7,136,363	6,897,402
Capital Surplus (Deficit), end of year		<u>6,183,479</u>	<u>805,794</u>	<u>6,989,273</u>	<u>7,136,363</u>

School District No. 50 (Haida Gwaii)

Tangible Capital Assets
Year Ended June 30, 2020

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	2,756,297	46,201,243	450,250	592,543			50,000,333
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		948,762					948,762
Deferred Capital Revenue - Other			20,872				20,872
Transferred from Work in Progress		1,253,321					1,253,321
Cost, end of year	-	2,202,083	20,872	-	-	-	2,222,955
Work in Progress, end of year	2,756,297	48,403,326	471,122	592,543	-	-	52,223,288
Cost and Work in Progress, end of year	2,756,297	150,000					150,000
	2,756,297	48,553,326	471,122	592,543	-	-	52,373,288
Accumulated Amortization, beginning of year		19,191,060	93,256	42,214			19,326,530
Changes for the Year							
Increase: Amortization for the Year		1,044,777	45,026	59,254			1,149,057
Accumulated Amortization, end of year		20,235,837	138,282	101,468	-	-	20,475,587
Tangible Capital Assets - Net	2,756,297	28,317,489	332,840	491,075	-	-	31,897,701

School District No. 50 (Haida Gwaii)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2020

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	1,253,321				1,253,321
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	150,000				150,000
	150,000	-	-	-	150,000
Decrease:					
Transferred to Tangible Capital Assets	1,253,321				1,253,321
	1,253,321	-	-	-	1,253,321
Net Changes for the Year	(1,103,321)	-	-	-	(1,103,321)
Work in Progress, end of year	150,000	-	-	-	150,000

School District No. 50 (Haida Gwaii)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2020

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	21,717,818	96,139	2,515,290	24,329,247
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	948,762	20,872		969,634
Transferred from Work in Progress	1,253,321			1,253,321
	2,202,083	20,872	-	2,222,955
Decrease:				
Amortization of Deferred Capital Revenue	893,098	11,038	83,843	987,979
	893,098	11,038	83,843	987,979
Net Changes for the Year	1,308,985	9,834	(83,843)	1,234,976
Deferred Capital Revenue, end of year	23,026,803	105,973	2,431,447	25,564,223
Work in Progress, beginning of year	1,253,321			1,253,321
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Work in Progress	150,000			150,000
	150,000	-	-	150,000
Decrease:				
Transferred to Deferred Capital Revenue	1,253,321			1,253,321
	1,253,321	-	-	1,253,321
Net Changes for the Year	(1,103,321)	-	-	(1,103,321)
Work in Progress, end of year	150,000	-	-	150,000
Total Deferred Capital Revenue, end of year	23,176,803	105,973	2,431,447	25,714,223

School District No. 50 (Haida Gwaii)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2020

	Bylaw Capital	Med Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	516,514	7,405	20,872			544,791
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	582,248					582,248
Decrease:						
Transferred to DCR - Capital Additions	948,762		20,872			969,634
Transferred to DCR - Work in Progress	150,000					150,000
	1,098,762	-	20,872	-	-	1,119,634
Net Changes for the Year	(516,514)	-	(20,872)	-	-	(537,386)
Balance, end of year	-	7,405	-	-	-	7,405