

Audited Financial Statements of

School District No. 50 (Haida Gwaii)

And Independent Auditors' Report thereon

June 30, 2023

School District No. 50 (Haida Gwaii)

June 30, 2023

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School District No. 50 (Haida Gwaii)

MANAGEMENT REPORT

Version: 1971-1225-8243

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.

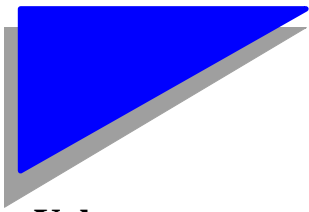
Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and reliable financial information is produced.

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, Vohora LLP, 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)

	September 27, 2023
Signature of the Chairperson of the Board of Education	Date Signed
	September 27, 2023
Signature of the Superintendent	Date Signed
	September 27, 2023
Signature of the Secretary Treasurer	Date Signed



Vohora LLP
CPAs & Business Advisors

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinion

We have audited the financial statements of School District No. 50 (Haida Gwaii) (the school district), which comprise the statement of financial position as at June 30, 2023, 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 the school district as at June 30, 2023, 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the school district in accordance with 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.

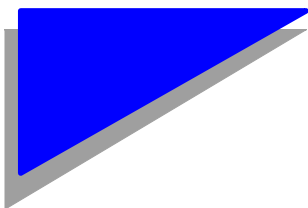
Other Matter

The financial statements for the year ended June 30, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on September 13, 2022.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 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.

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 management either intends to liquidate the school district or to cease operations, or has no realistic alternative but to do so.



Vohora LLP

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INDEPENDENT AUDITOR'S REPORT *(continued)*

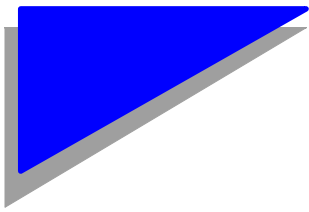
Those charged with governance are responsible for overseeing the school district's financial reporting process.

Auditor's Responsibilities 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 judgment and maintain professional skepticism throughout the audit. We also:

- | Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- | Obtain an understanding of internal control relevant to the audit 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 school district's internal control.
- | Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- | Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the school district's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the school district to cease to continue as a going concern.
- | Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Vohora LLP
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INDEPENDENT AUDITOR'S REPORT *(continued)*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Supplementary Information

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

Terrace, BC
September 26, 2023

Chartered Professional Accountants

School District No. 50 (Haida Gwaii)

Statement of Financial Position

As at June 30, 2023

	2023 Actual	2022 Actual (Restated)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	6,037,387	3,385,089
Accounts Receivable		
Due from Province - Ministry of Education and Child Care		182,000
Due from First Nations	21,537	570,510
Other (Note 3)	463,969	305,840
Total Financial Assets	<u>6,522,893</u>	<u>4,443,439</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	1,234,535	1,055,739
Deferred Revenue (Note 5)	1,009,530	845,283
Deferred Capital Revenue (Note 6)	34,479,015	27,166,961
Employee Future Benefits (Note 7)	330,306	318,571
Asset Retirement Obligation (Note 14)	733,956	733,956
Total Liabilities	<u>37,787,342</u>	<u>30,120,510</u>
Net Debt	<u>(31,264,449)</u>	<u>(25,677,071)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 8)	39,246,471	33,191,778
Prepaid Expenses	179,148	67,402
Total Non-Financial Assets	<u>39,425,619</u>	<u>33,259,180</u>
Accumulated Surplus (Deficit)	<u>8,161,170</u>	<u>7,582,109</u>
Accumulated Surplus (Deficit) is comprised of:		
Accumulated Surplus (Deficit) from Operations	8,161,170	7,582,109
Accumulated Remeasurement Gains (Losses)		
	<u>8,161,170</u>	<u>7,582,109</u>

Contractual Obligations (Note 12)

Approved by the Board



Signature of the Chairperson of the Board of Education

September 27, 2023

Date Signed



Signature of the Superintendent

September 27, 2023

Date Signed



Signature of the Secretary Treasurer

September 27, 2023

Date Signed

School District No. 50 (Haida Gwaii)

Statement 2

Statement of Operations
Year Ended June 30, 2023

	2023 Budget (Note 13) \$	2023 Actual \$	2022 Actual (Restated) \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	9,560,169	9,415,335	8,507,350
Other	223,347	321,686	218,815
Other Revenue	4,319,097	4,497,240	4,374,131
Rentals and Leases	54,000	50,558	56,554
Investment Income	16,000	37,110	10,147
Amortization of Deferred Capital Revenue	1,146,142	1,119,925	1,087,302
Total Revenue	<u>15,318,755</u>	<u>15,441,854</u>	<u>14,254,299</u>
Expenses			
Instruction	10,771,052	9,947,747	9,363,886
District Administration	1,026,530	967,226	1,012,944
Operations and Maintenance	3,407,725	3,449,031	3,236,979
Transportation and Housing	619,098	498,789	440,198
Total Expense	<u>15,824,405</u>	<u>14,862,793</u>	<u>14,054,007</u>
Surplus (Deficit) for the year	<u>(505,650)</u>	<u>579,061</u>	<u>200,292</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		7,582,109	7,381,817
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>8,161,170</u></u>	<u>7,582,109</u>

School District No. 50 (Haida Gwaii)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2023

	2023 Budget (Note 13) \$	2023 Actual \$	2022 Actual (Restated) \$
Surplus (Deficit) for the year	<u>(505,650)</u>	<u>579,061</u>	<u>200,292</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(10,181,739)	(7,332,851)	(3,038,089)
Amortization of Tangible Capital Assets	1,304,336	1,278,158	1,246,937
Total Effect of change in Tangible Capital Assets	<u>(8,877,403)</u>	<u>(6,054,693)</u>	<u>(1,791,152)</u>
Use of Prepaid Expenses		(111,746)	55,712
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(111,746)</u>	<u>55,712</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(9,383,053)</u>	<u>(5,587,378)</u>	<u>(1,535,148)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		<u>(5,587,378)</u>	<u>(1,535,148)</u>
Net Debt, beginning of year		<u>(25,677,071)</u>	<u>(24,141,923)</u>
Net Debt, end of year		<u>(31,264,449)</u>	<u>(25,677,071)</u>

School District No. 50 (Haida Gwaii)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2023

	2023 Actual	2022 Actual (Restated)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	579,061	200,292
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	572,844	(617,098)
Prepaid Expenses	(111,746)	55,712
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	178,796	(400,403)
Deferred Revenue	164,247	26,807
Employee Future Benefits	11,735	8,878
Amortization of Tangible Capital Assets	1,278,158	1,246,937
Amortization of Deferred Capital Revenue	(1,119,925)	(1,087,302)
Total Operating Transactions	<u>1,553,170</u>	<u>(566,177)</u>
Capital Transactions		
Tangible Capital Assets Purchased	(855,739)	(1,113,212)
Tangible Capital Assets -WIP Purchased	(6,477,112)	(1,924,877)
Total Capital Transactions	<u>(7,332,851)</u>	<u>(3,038,089)</u>
Financing Transactions		
Capital Revenue Received	8,431,979	2,788,089
Total Financing Transactions	<u>8,431,979</u>	<u>2,788,089</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,652,298	(816,177)
Cash and Cash Equivalents, beginning of year	<u>3,385,089</u>	<u>4,201,266</u>
Cash and Cash Equivalents, end of year	<u><u>6,037,387</u></u>	<u><u>3,385,089</u></u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	<u>6,037,387</u>	<u>3,385,089</u>
	<u><u>6,037,387</u></u>	<u><u>3,385,089</u></u>

SCHOOL DISTRICT NO. 50 (HAIDA GWAI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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 and Child Care. 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(d) and 2(l).

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

As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require 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, 2023

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

a) Basis of Accounting (cont'd)

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

Year-ended June 30, 2022 – increase in annual surplus by \$1,700,787.

June 30, 2022 – increase in accumulated surplus and decrease in deferred contributions by \$27,159,556.

Year-ended June 30, 2023 – increase in annual surplus by \$6,212,926.

June 30, 2023 – increase in accumulated surplus and decrease in deferred contributions by \$33,372,482.

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) Deferred Revenue and Deferred Capital Revenue

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

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

SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

e) 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, 2022 and projected to March 31, 2025. The next valuation will be performed at March 31, 2025 for use at June 30, 2025. 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.

f) 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.

The liability for the removal of asbestos and other hazardous material in several of the buildings owned by the School District has been initially recognized using the modified retroactive method. The liability has been measured at current cost as the timing and amounts of future cash flows cannot be estimated. The resulting costs have been capitalized into the carrying amount of tangible capital assets and are being amortized on the same basis as the related tangible capital asset (see note 2 l)). Assumptions used in the calculations are reviewed annually.

SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

g) 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.

h) Tangible Capital Assets

The following criteria apply:

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

SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

h) Tangible Capital Assets (cont'd)

- 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

i) Operating Leases

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

j) 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.

k) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 10 – Interfund Transfers and Note 16 – Internally Restricted Surplus). *Funds and reserves are disclosed on Schedules 2, 3 and 4.*

l) 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 GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

l) Revenue Recognition (cont'd)

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.

m) Expenditures

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

Categories of Salaries

- Principals, Vice-Principals, and District Principals employed under an administrative officer contract are categorized as Principals and Vice-Principals.
- Superintendent, Secretary-Treasurer, Trustees and other employees excluded from union contracts are categorized as Other Professionals.

SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

m) Expenditures (cont'd)

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 Indigenous 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.

n) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, 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 and amortized using the effective interest rate method. 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. 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, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in note 2 a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

p) Future Changes in Accounting Policies

PS 3400 Revenue issued November 2018 establishes standards on how to account for and report on revenue and is effective July 1, 2023. 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".

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

	2023	2022
Payroll & Benefits Recoverable	\$ 2,424	\$ 13,375
HGTA/BCTF	30,425	3,193
Gwaii Trust	138,900	176,228
GST Rebate	191,895	88,419
Other	100,325	24,625
	\$463,969	\$305,840

SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2023	2022
Trade payables	\$ 337,126	\$ 269,056
Salaries and benefits payable	772,877	694,310
Accrued vacation pay	56,887	52,317
Other	67,645	40,056
	\$1,234,535	\$1,055,739

NOTE 5 DEFERRED REVENUE

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

NOTE 6 DEFERRED CAPITAL REVENUE

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

SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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.

	June 30, 2023	June 30, 2022
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	239,718	229,818
Service Cost	21,827	21,214
Interest Cost	8,139	6,112
Benefit Payments	(11,832)	(6,315)
Increase (Decrease) in obligation due to Plan Amendment	0	0
Actuarial (Gain) Loss	(14,328)	(11,111)
Accrued Benefit Obligation – March 31	<u>243,524</u>	<u>239,718</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	243,524	239,718
Market Value of Plan Assets - March 31	0	0
Funded Status - Surplus (Deficit)	(243,524)	(239,718)
Employer Contributions After Measurement Date	0	3,577
Benefits Expense After Measurement Date	(7,863)	(7,492)
Unamortized Net Actuarial (Gain) Loss	(78,919)	(74,939)
Accrued Benefit Asset (Liability) - June 30	<u>(330,306)</u>	<u>(318,571)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	318,571	309,693
Net Expense for Fiscal Year	19,990	18,770
Employer Contributions	(8,255)	(9,892)
Accrued Benefit Liability (Asset) - June 30	<u>330,306</u>	<u>318,571</u>
Components of Net Benefit Expense		
Service Cost	21,697	21,367
Interest Cost	8,641	6,619
Immediate Recognition of Plan Amendment	0	0
Amortization of Net Actuarial (Gain)/Loss	(10,348)	(9,216)
Net Benefit Expense (Income)	<u>19,990</u>	<u>18,770</u>
Assumptions		
Discount Rate - April 1	3.25%	2.50%
Discount Rate - March 31	4.00%	3.25%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	9.8	9.8

SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 8 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2023	Net Book Value 2022 (restated see Note 18)
Sites	\$ 2,756,297	\$ 2,756,297
Buildings	28,064,503	27,827,895
Buildings – work in progress	7,855,133	1,924,877
Furniture & Equipment	176,412	218,064
Vehicles	394,126	464,645
Total	\$39,246,471	\$33,191,778

June 30, 2023

	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2023
Sites	\$ 2,756,297	\$	\$	\$	\$ 2,756,297
Buildings	51,582,742	855,739		546,856	52,985,337
Buildings – work in progress	1,924,877	6,477,112		(546,856)	7,855,133
Furniture & Equipment	441,122		(50,000)		391,122
Vehicles	705,189				705,189
Total	\$57,410,227	\$7,332,851	(\$50,000)	\$	\$64,693,078

	Opening Accumulated Amortization	Annual Amortization	Disposals	Total 2023
Sites	\$	\$	\$	\$
Buildings	23,754,847	1,165,987		24,920,834
Furniture & Equipment	223,058	41,652	(50,000)	214,710
Vehicles	240,544	70,519		311,063
Total	\$24,218,449	\$1,278,158	(\$50,000)	\$25,446,607

June 30, 2022

	Opening Cost	ARO (see Note 14)	Additions	Disposals	Transfers (WIP)	Total 2022 (restated see Note 18)
Sites	\$ 2,756,297	\$	\$	\$	\$	\$ 2,756,297
Buildings	49,095,574	733,956	1,113,212		640,000	51,582,742
Buildings – work in progress	640,000		1,924,877		(640,000)	1,924,877
Furniture & Equipment	456,122			(15,000)		441,122
Vehicles	734,026			(28,837)		705,189
Total	\$53,682,019	\$733,956	\$3,038,089	(\$43,837)	\$	\$57,410,227

SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 8 TANGIBLE CAPITAL ASSETS (Continued)

	Opening Accumulated Amortization	ARO (see Note 14)	Annual Amortization	Disposals	Total 2022 (restated see Note 18)
Sites	\$	\$	\$	\$	\$
Buildings	21,890,777	733,956	1,130,114		23,754,847
Furniture & Equipment	193,196		44,862	(15,000)	223,058
Vehicles	197,420		71,961	(28,837)	240,544
Total	\$22,281,393	\$733,956	\$1,246,937	(\$43,837)	\$24,218,449

- Buildings – work in progress having a value of \$7,855,133 (2022: \$1,924,877) 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, 2022, the Teachers’ Pension Plan has about 51,000 active members and approximately 41,000 retired members. As of December 31, 2022, the Municipal Pension Plan has about 240,000 active members, including approximately 30,000 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.

The most recent actuarial valuation of the Teachers’ Pension Plan as at December 31, 2020, indicated a \$1,584 million surplus for basic pension benefits on a going concern basis.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The school district paid \$802,806 for employer contributions to the plans for the year ended June 30, 2023 (2022: \$820,939).

The next valuation for the Teachers’ Pension Plan will be as at December 31, 2023. The next valuation for the Municipal Pension Plan will be as at December 31, 2024, with results available in 2025.

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

SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 9 EMPLOYEE PENSION PLANS *(Continued)*

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 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2023, were as follows:

- *Transferred from operating funds to local capital \$92,012*

NOTE 11 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 12 CONTRACTUAL OBLIGATIONS

The School District has entered into a number of multiple-year contracts for the delivery of services and the construction of tangible capital assets. 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.

Contractual obligations	2024	2025	2026	2027	2028	Thereafter
Land to Federal Government	\$ 7,871	\$ 7,871	\$ 7,871	\$7,871	\$7,871	\$7,871
Custodial	49,110	49,110	5,010			
Operating Leases	21,928	18,750	18,750	18,750	18,750	18,750
Total	\$78,909	\$75,731	\$31,631	\$26,621	\$26,621	\$26,621

NOTE 13 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget on February 21, 2023.

SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 14 ASSET RETIREMENT OBLIGATION

Legal liabilities exist for the removal and disposal of asbestos and other environmentally hazardous materials within some district owned buildings that will undergo major renovations or demolition in the future. A reasonable estimate of the fair value of the obligation has been recognized using the modified retroactive approach as at July 1, 2022 (see Note 18 – Prior Period Adjustment – Change in Accounting Policy). The obligation has been measured at current cost as the timing of future cash flows cannot be reasonably determined. These costs have been capitalized as part of the assets' carrying value and are amortized over the assets' estimated useful lives.

Asset Retirement Obligation, July 1, 2022 (see Note 18)	\$ 733,956
Settlements during the year	
Asset Retirement Obligation, closing balance	\$ 733,956

NOTE 15 EXPENSE BY OBJECT

	2023	2022
Salaries and benefits	\$ 10,185,327	\$ 10,013,302
Services and supplies	3,399,308	2,793,768
Amortization	1,278,158	1,246,937
Other		
	\$ 14,862,793	\$ 14,054,007

NOTE 16 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Internally Restricted (appropriated) by Board for:		
<i>Targeted Funds Surplus</i>	\$ 97,578	
<i>School Budgets, Farm to School</i>	136,579	
<i>CF-Youth Wellness Worker</i>	59,941	
<i>Early Career Mentorship</i>	4,807	
<i>Gwaii Trust</i>	12,620	
Subtotal Internally Restricted		\$311,525
Unrestricted Operating Surplus - Contingency		1,347,240
Total Available for Future Operations		\$ 1,658,765

SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 17 ECONOMIC DEPENDENCE

The operations of the School District are dependent on continued funding from the Ministry of Education and Child Care and various governmental agencies to carry out its programs. These financial statements have been prepared on a going concern basis.

NOTE 18 PRIOR PERIOD ADJUSTMENT – CHANGE IN ACCOUNTING POLICY

On July 1, 2022 the School District adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations. This new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of certain tangible capital assets such as asbestos removal in buildings that will undergo major renovation or demolition in the future (see Note 14). This standard was adopted using the modified retroactive approach.

On July 1, 2022 the School District recognized an asset retirement obligation relating to several owned buildings that contain asbestos and other hazardous materials [*enter district specifics here*]. The liability has been measured at current cost as the timing and amounts of future cash flows cannot be estimated. The associated costs have been reported as an increase to the carrying value of the associated tangible capital assets. Accumulated amortization has been recorded from the later of, the date of acquisition of the related asset or April 1, 1988 (effective date of the *Hazardous Waste Regulation (April 1, 1988) – Part 6 – Management of Specific Hazardous Wastes*).

The impact of the prior period adjustment on the June 30, 2022 comparative amounts is as follows:

	<u>Increase (Decrease)</u>
Asset Retirement Obligation (liability)	(\$733,956)
Tangible Capital Assets – cost	733,956
Tangible Capital Assets – accumulated amortization	(733,956)
Accumulated Surplus – Invested in Capital Assets	733,956

NOTE 19 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, 2023

NOTE 19 RISK MANAGEMENT *(Continued)*

b) Credit risk: (cont'd)

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.

c) 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.

d) 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 2022 related to credit, market or liquidity risks.

SCHOOL DISTRICT NO. 50 (HAIDA GWAII)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 20 EARLY LEAVERS FUND

In 2017, as part of the negotiations for the Local Education Agreement with local indigenous bands the Board has agreed to report the amount of the “Early Leavers Fund” by Band. For the 2022-2023 fiscal year the amounts by band are indicated below:

		2023	2022
Band # 669	Old Massett	\$ -	\$ 68,780
Band # 670	Skidegate		21,163
Total		\$ -	\$ 89,944

These funds represent contributions from governments for eligible students who left early from a school year. Under the Old Massett 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. Under the Skidegate Local Education Agreement these contributions will be returned to Skidegate Band for future educational programs.

School District No. 50 (Haida Gwaii)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2023

	Operating Fund	Special Purpose Fund	Capital Fund	2023 Actual	2022 Actual (Restated)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	1,013,483		6,568,626	7,582,109	8,115,773
Prior Period Adjustments					(733,956)
Accumulated Surplus (Deficit), beginning of year, as restated	1,013,483	-	6,568,626	7,582,109	7,381,817
Changes for the year					
Surplus (Deficit) for the year	737,294		(158,233)	579,061	200,292
Interfund Transfers					
Local Capital	(92,012)		92,012	-	
Net Changes for the year	645,282	-	(66,221)	579,061	200,292
Accumulated Surplus (Deficit), end of year - Statement 2	1,658,765	-	6,502,405	8,161,170	7,582,109

School District No. 50 (Haida Gwaii)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2023

	2023 Budget (Note 13) \$	2023 Actual \$	2022 Actual (Restated) \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	7,554,513	7,661,571	7,096,974
Other	223,347	321,686	218,815
Other Revenue	3,969,097	3,903,676	3,976,251
Rentals and Leases	54,000	50,558	56,554
Investment Income	16,000	37,110	10,147
Total Revenue	11,816,957	11,974,601	11,358,741
Expenses			
Instruction	8,625,807	7,826,932	7,710,588
District Administration	1,026,530	967,226	1,012,944
Operations and Maintenance	2,063,497	2,075,950	1,942,668
Transportation and Housing	448,579	367,199	332,614
Total Expense	12,164,413	11,237,307	10,998,814
Operating Surplus (Deficit) for the year	(347,456)	737,294	359,927
Budgeted Appropriation (Retirement) of Surplus (Deficit)	347,456		
Net Transfers (to) from other funds			
Local Capital		(92,012)	(100,576)
Total Net Transfers	-	(92,012)	(100,576)
Total Operating Surplus (Deficit), for the year	-	645,282	259,351
Operating Surplus (Deficit), beginning of year		1,013,483	754,132
Operating Surplus (Deficit), end of year		1,658,765	1,013,483
Operating Surplus (Deficit), end of year			
Internally Restricted		311,525	225,048
Unrestricted		1,347,240	788,435
Total Operating Surplus (Deficit), end of year		1,658,765	1,013,483

School District No. 50 (Haida Gwaii)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2023

	2023 Budget (Note 13) \$	2023 Actual \$	2022 Actual (Restated) \$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	10,681,478	10,684,492	10,634,419
ISC/LEA Recovery	(3,844,097)	(3,761,380)	(3,844,097)
Other Ministry of Education and Child Care Grants			
Pay Equity	139,874	139,874	139,874
Funding for Graduated Adults		314	629
Student Transportation Fund	149,851	149,851	149,851
Support Staff Benefits Grant	10,680	10,874	10,680
FSA Scorer Grant	4,094	4,094	4,094
Early Learning Framework (ELF) Implementation	66	66	1,524
Labour Settlement Funding	404,206	425,005	
Equity Scan	8,361	8,381	
Total Provincial Grants - Ministry of Education and Child Care	7,554,513	7,661,571	7,096,974
Provincial Grants - Other	223,347	321,686	218,815
Other Revenues			
Funding from First Nations	3,844,097	3,763,060	3,754,154
Miscellaneous			
Miscellaneous	125,000	140,616	222,097
Total Other Revenue	3,969,097	3,903,676	3,976,251
Rentals and Leases	54,000	50,558	56,554
Investment Income	16,000	37,110	10,147
Total Operating Revenue	11,816,957	11,974,601	11,358,741

School District No. 50 (Haida Gwaii)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2023

	2023 Budget (Note 13)	2023 Actual	2022 Actual (Restated)
	\$	\$	\$
Salaries			
Teachers	3,257,554	3,107,874	3,255,785
Principals and Vice Principals	1,028,130	939,682	928,605
Educational Assistants	648,888	563,367	536,079
Support Staff	1,567,157	1,555,777	1,466,788
Other Professionals	705,199	639,296	761,943
Substitutes	470,762	467,446	443,168
Total Salaries	7,677,690	7,273,442	7,392,368
Employee Benefits	1,757,657	1,605,722	1,592,468
Total Salaries and Benefits	9,435,347	8,879,164	8,984,836
Services and Supplies			
Services	683,079	413,339	594,160
Student Transportation	56,000	14,677	21,636
Professional Development and Travel	440,709	490,706	301,004
Rentals and Leases	15,483	9,639	13,911
Dues and Fees	16,085	14,798	11,696
Insurance	40,708	38,428	27,385
Supplies	756,352	684,624	354,231
Utilities	720,650	691,932	689,955
Total Services and Supplies	2,729,066	2,358,143	2,013,978
Total Operating Expense	12,164,413	11,237,307	10,998,814

School District No. 50 (Haida Gwaii)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2023

	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	2,861,416	180,184	21,226	110,696		230,792	3,404,314
1.03 Career Programs	31,959						31,959
1.07 Library Services	19,900			38,087		500	58,487
1.08 Counselling				61,546			61,546
1.10 Special Education	84,956	14,200	542,141			107,409	748,706
1.30 English Language Learning							-
1.31 Indigenous Education	109,643			154,554		12,526	276,723
1.41 School Administration		705,232		299,242		19,050	1,023,524
Total Function 1	3,107,874	899,616	563,367	664,125	-	370,277	5,605,259
4 District Administration							
4.11 Educational Administration		40,066			112,864		152,930
4.20 Early Learning and Child Care							-
4.40 School District Governance					73,444		73,444
4.41 Business Administration				48,943	296,164	562	345,669
Total Function 4	-	40,066	-	48,943	482,472	562	572,043
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				16,129	108,193		124,322
5.50 Maintenance Operations				668,561		80,167	748,728
5.52 Maintenance of Grounds				15,097		63	15,160
5.56 Utilities							-
Total Function 5	-	-	-	699,787	108,193	80,230	888,210
7 Transportation and Housing							
7.41 Transportation and Housing Administration					48,631		48,631
7.70 Student Transportation				142,922		16,377	159,299
7.73 Housing							-
Total Function 7	-	-	-	142,922	48,631	16,377	207,930
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	3,107,874	939,682	563,367	1,555,777	639,296	467,446	7,273,442

School District No. 50 (Haida Gwaii)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2023

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2023 Actual	2023 Budget (Note 13)	2022 Actual (Restated)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	3,404,314	786,003	4,190,317	706,758	4,897,075	5,186,378	4,762,866
1.03 Career Programs	31,959	6,706	38,665		38,665	38,652	34,077
1.07 Library Services	58,487	14,588	73,075	4,829	77,904	50,534	87,640
1.08 Counselling	61,546	11,947	73,493	8,545	82,038	180,707	123,760
1.10 Special Education	748,706	157,836	906,542	70,141	976,683	1,155,062	1,016,080
1.30 English Language Learning	-		-		-		8,567
1.31 Indigenous Education	276,723	64,054	340,777	148,917	489,694	587,272	435,572
1.41 School Administration	1,023,524	215,243	1,238,767	26,106	1,264,873	1,427,202	1,242,026
Total Function 1	5,605,259	1,256,377	6,861,636	965,296	7,826,932	8,625,807	7,710,588
4 District Administration							
4.11 Educational Administration	152,930	20,828	173,758	35,439	209,197	235,125	250,619
4.20 Early Learning and Child Care	-		-		-		
4.40 School District Governance	73,444	5,739	79,183	69,167	148,350	153,445	127,748
4.41 Business Administration	345,669	90,764	436,433	173,246	609,679	637,960	634,577
Total Function 4	572,043	117,331	689,374	277,852	967,226	1,026,530	1,012,944
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	124,322	37,613	161,935	55,063	216,998	216,463	204,397
5.50 Maintenance Operations	748,728	157,138	905,866	204,597	1,110,463	1,123,009	1,019,952
5.52 Maintenance of Grounds	15,160	3,456	18,616	36,253	54,869	38,542	63,895
5.56 Utilities	-		-	693,620	693,620	685,483	654,424
Total Function 5	888,210	198,207	1,086,417	989,533	2,075,950	2,063,497	1,942,668
7 Transportation and Housing							
7.41 Transportation and Housing Administration	48,631	10,828	59,459		59,459	64,502	56,043
7.70 Student Transportation	159,299	22,979	182,278	117,094	299,372	372,902	268,913
7.73 Housing	-		-	8,368	8,368	11,175	7,658
Total Function 7	207,930	33,807	241,737	125,462	367,199	448,579	332,614
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	7,273,442	1,605,722	8,879,164	2,358,143	11,237,307	12,164,413	10,998,814

School District No. 50 (Haida Gwaii)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations
Year Ended June 30, 2023

	2023 Budget (Note 13)	2023 Actual	2022 Actual (Restated)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	2,005,656	1,753,764	1,410,376
Other Revenue	350,000	593,564	397,880
Total Revenue	<u>2,355,656</u>	<u>2,347,328</u>	<u>1,808,256</u>
Expenses			
Instruction	2,145,245	2,120,815	1,653,298
Operations and Maintenance	110,411	165,442	119,335
Transportation and Housing	100,000	61,071	35,623
Total Expense	<u>2,355,656</u>	<u>2,347,328</u>	<u>1,808,256</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, 2023

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			2,563	439,417					
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	110,411	36,976			96,000	7,350	6,439	115,891	73,959
Provincial Grants - Other									
Other				602,784					
	110,411	36,976	-	602,784	96,000	7,350	6,439	115,891	73,959
Less: Allocated to Revenue	110,411	36,976	-	593,564	96,000	7,350	1,550	115,891	73,959
Deferred Revenue, end of year	-	-	2,563	448,637	-	-	4,889	-	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	110,411	36,976			96,000	7,350	1,550	115,891	73,959
Other Revenue				593,564					
	110,411	36,976	-	593,564	96,000	7,350	1,550	115,891	73,959
Expenses									
Salaries									
Teachers									
Principals and Vice Principals									
Educational Assistants		29,923						57,406	
Support Staff					73,636				
Other Professionals									60,130
Substitutes									
	-	29,923	-	-	73,636	-	-	57,406	60,130
Employee Benefits		7,053			15,364			16,485	13,829
Services and Supplies	110,411			593,564	7,000	7,350	1,550	42,000	
	110,411	36,976	-	593,564	96,000	7,350	1,550	115,891	73,959
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 50 (Haida Gwaii)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2023

	Classroom Enhancement Fund - Staffing	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Safe Return to School / Restart: Health & Safety Grant	Federal Safe Return to Class / Ventilation Fund	Seamless Day Kindergarten	Student & Family Affordability	JUST B4
	\$	\$	\$	\$	\$	\$	\$	\$	
Deferred Revenue, beginning of year		115,024		13,094	5,031	50,000	21,509		
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	808,542	70,245	57,000	11,250			55,400	250,000	25,000
Provincial Grants - Other									
Other									
	808,542	70,245	57,000	11,250	-	-	55,400	250,000	25,000
Less: Allocated to Revenue	808,542	61,071	57,000	8,155	5,031	50,000	32,589	190,038	-
Deferred Revenue, end of year	-	124,198	-	16,189	-	-	44,320	59,962	25,000
Revenues									
Provincial Grants - Ministry of Education and Child Care	808,542	61,071	57,000	8,155	5,031	50,000	32,589	190,038	
Other Revenue									
	808,542	61,071	57,000	8,155	5,031	50,000	32,589	190,038	-
Expenses									
Salaries									
Teachers	658,110								
Principals and Vice Principals									
Educational Assistants									
Support Staff		23,971					28,135	53,873	
Other Professionals									
Substitutes				3,205					
	658,110	23,971	-	3,205	-	-	28,135	53,873	-
Employee Benefits	150,432	5,713		552			4,454	6,391	
Services and Supplies		31,387	57,000	4,398	5,031	50,000		129,774	
	808,542	61,071	57,000	8,155	5,031	50,000	32,589	190,038	-
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 50 (Haida Gwaii)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2023

	ECL (Early Care & Learning)	Second Count	Seamless Day Oth Contributions	TOTAL
	\$	\$	\$	\$
Deferred Revenue, beginning of year		198,645		845,283
Add: Restricted Grants				
Provincial Grants - Ministry of Education and Child Care	175,000			1,899,463
Provincial Grants - Other			5,338	5,338
Other			3,990	606,774
	175,000	-	9,328	2,511,575
Less: Allocated to Revenue	99,201	-	-	2,347,328
Deferred Revenue, end of year	75,799	198,645	9,328	1,009,530
Revenues				
Provincial Grants - Ministry of Education and Child Care	99,201			1,753,764
Other Revenue				593,564
	99,201	-	-	2,347,328
Expenses				
Salaries				
Teachers				658,110
Principals and Vice Principals	78,425			78,425
Educational Assistants				87,329
Support Staff				179,615
Other Professionals				60,130
Substitutes				3,205
	78,425	-	-	1,066,814
Employee Benefits	19,076			239,349
Services and Supplies	1,700			1,041,165
	99,201	-	-	2,347,328
Net Revenue (Expense) before Interfund Transfers	-	-	-	-
Interfund Transfers	-	-	-	-
Net Revenue (Expense)	-	-	-	-

School District No. 50 (Haida Gwaii)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2023

	2023	2023 Actual			2022
	Budget (Note 13)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual (Restated)
	\$	\$	\$	\$	\$
Revenues					
Amortization of Deferred Capital Revenue	1,146,142	1,119,925		1,119,925	1,087,302
Total Revenue	1,146,142	1,119,925	-	1,119,925	1,087,302
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,233,817	1,207,639		1,207,639	1,174,976
Transportation and Housing	70,519	70,519		70,519	71,961
Total Expense	1,304,336	1,278,158	-	1,278,158	1,246,937
Capital Surplus (Deficit) for the year	(158,194)	(158,233)	-	(158,233)	(159,635)
Net Transfers (to) from other funds					
Local Capital			92,012	92,012	100,576
Total Net Transfers	-	-	92,012	92,012	100,576
Total Capital Surplus (Deficit) for the year	(158,194)	(158,233)	92,012	(66,221)	(59,059)
Capital Surplus (Deficit), beginning of year		5,298,267	1,270,359	6,568,626	7,361,641
Prior Period Adjustments					
To Recognize Asset Retirement Obligation					(733,956)
Capital Surplus (Deficit), beginning of year, as restated		5,298,267	1,270,359	6,568,626	6,627,685
Capital Surplus (Deficit), end of year		5,140,034	1,362,371	6,502,405	6,568,626

School District No. 50 (Haida Gwaii)

Tangible Capital Assets
Year Ended June 30, 2023

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	2,756,297	50,848,786	441,122	705,189			54,751,394
Prior Period Adjustments							
To Recognize Asset Retirement Obligation		733,956					733,956
Cost, beginning of year, as restated	2,756,297	51,582,742	441,122	705,189	-	-	55,485,350
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		855,739					855,739
Transferred from Work in Progress		546,856					546,856
	-	1,402,595	-	-	-	-	1,402,595
Decrease:							
Deemed Disposals			50,000				50,000
	-	-	50,000	-	-	-	50,000
Cost, end of year	2,756,297	52,985,337	391,122	705,189	-	-	56,837,945
Work in Progress, end of year		7,855,133					7,855,133
Cost and Work in Progress, end of year	2,756,297	60,840,470	391,122	705,189	-	-	64,693,078
Accumulated Amortization, beginning of year		23,020,891	223,058	240,544			23,484,493
Prior Period Adjustments							
To Recognize Asset Retirement Obligation		733,956					733,956
Accumulated Amortization, beginning of year, as restated		23,754,847	223,058	240,544	-	-	24,218,449
Changes for the Year							
Increase: Amortization for the Year		1,165,987	41,652	70,519			1,278,158
Decrease:							
Deemed Disposals			50,000				50,000
			50,000	-	-	-	50,000
Accumulated Amortization, end of year		24,920,834	214,710	311,063	-	-	25,446,607
Tangible Capital Assets - Net	2,756,297	35,919,636	176,412	394,126	-	-	39,246,471

School District No. 50 (Haida Gwaii)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2023

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	1,924,877				1,924,877
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	6,463,000				6,463,000
Deferred Capital Revenue - Other	14,112				14,112
	<u>6,477,112</u>	-	-	-	<u>6,477,112</u>
Decrease:					
Transferred to Tangible Capital Assets	546,856				546,856
	<u>546,856</u>	-	-	-	<u>546,856</u>
Net Changes for the Year	<u>5,930,256</u>	-	-	-	<u>5,930,256</u>
Work in Progress, end of year	<u><u>7,855,133</u></u>	-	-	-	<u><u>7,855,133</u></u>

School District No. 50 (Haida Gwaii)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2023

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
Deferred Capital Revenue, beginning of year	\$ 23,189,662	\$ 73,161	\$ 2,221,856	\$ 25,484,679
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	855,739			855,739
Transferred from Work in Progress	546,856			546,856
	<u>1,402,595</u>	<u>-</u>	<u>-</u>	<u>1,402,595</u>
Decrease:				
Amortization of Deferred Capital Revenue	1,022,957	13,125	83,843	1,119,925
	<u>1,022,957</u>	<u>13,125</u>	<u>83,843</u>	<u>1,119,925</u>
Net Changes for the Year	<u>379,638</u>	<u>(13,125)</u>	<u>(83,843)</u>	<u>282,670</u>
Deferred Capital Revenue, end of year	<u>23,569,300</u>	<u>60,036</u>	<u>2,138,013</u>	<u>25,767,349</u>
Work in Progress, beginning of year	1,674,877			1,674,877
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	6,463,000	14,112		6,477,112
	<u>6,463,000</u>	<u>14,112</u>	<u>-</u>	<u>6,477,112</u>
Decrease				
Transferred to Deferred Capital Revenue	546,856			546,856
	<u>546,856</u>	<u>-</u>	<u>-</u>	<u>546,856</u>
Net Changes for the Year	<u>5,916,144</u>	<u>14,112</u>	<u>-</u>	<u>5,930,256</u>
Work in Progress, end of year	<u>7,591,021</u>	<u>14,112</u>	<u>-</u>	<u>7,605,133</u>
Total Deferred Capital Revenue, end of year	<u>31,160,321</u>	<u>74,148</u>	<u>2,138,013</u>	<u>33,372,482</u>

School District No. 50 (Haida Gwaii)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2023

	Bylaw Capital	MECC 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 and Child Care	7,318,739		1,113,240			8,431,979
	7,318,739	-	1,113,240	-	-	8,431,979
Decrease:						
Transferred to DCR - Capital Additions	855,739					855,739
Transferred to DCR - Work in Progress	6,463,000		14,112			6,477,112
	7,318,739	-	14,112	-	-	7,332,851
Net Changes for the Year	-	-	1,099,128	-	-	1,099,128
Balance, end of year	-	7,405	1,099,128	-	-	1,106,533