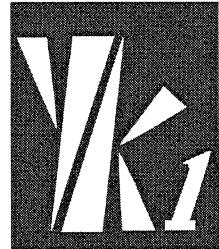


**Yellowknife District No.1 Education Authority**

**(Yellowknife Education District No. 1)**

**Financial Statements**

**June 30, 2017**

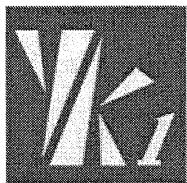




**Yellowknife District No. 1 Education Authority**  
(the Authority)  
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YELLOWKNIFE EDUCATION DISTRICT NO.1  
OF THE NORTHWEST TERRITORIES  
DISTRICT SCOLAIRE No.1 DE YELLOWKNIFE  
Box 788, Yellowknife, NT X1A 2N6  
Tel : (867) 766-5050 Fax : (867) 873-5051  
yk1.nt.ca - yk1@yk1.nt.ca

# Management Discussion and Analysis

June 2017

## Introduction

### **Yellowknife Education District No. 1 (YK1) Administration:**

Metro Huculak, Superintendent of Education/CEO  
Ed Lippert, Assistant Superintendent  
Tram Do, Director of Corporate Services

### **Current Board Members:**

John Stephenson, Chairperson  
Allan Shortt, Acting Vice Chairperson

### **Trustees:**

Tina Drew  
Jay Butler  
Terry Brookes  
Rajiv Rawat

### **Active Committees include:**

- Policy Committee
- Public Relations Committee
- Finance Committee

## **YK1 Core Strategies**

**To ensure all students reach their highest level of learning by:**

- Increasing success rate of early learners
- Consistently increasing the percentage of students working at grade level
- Increasing the percentage of students who successfully graduate or complete high school programs
- Increasing the success of all students reflecting the diversity of the student population
- Increasing student success in Mathematics and Science

**To ensure all students receive programming which responds to their diverse learning needs in a respectful and inclusive manner by:**

- Maintaining a high level of satisfaction with our Inclusive Education Program
- Strengthening inclusive school communities
- Increasing the level of competence among teachers in their ability to deal with diverse needs

**To ensure all students are engaged in Indigenous languages, perspectives and culture-based education by:**

- Integrating culturally relevant learning into instructional programming
- Increasing the offerings of the Willideh language
- Ensuring all schools reflect Indigenous Language and culture
- Engaging all students in Indigenous cultural experiences
- Increasing the number of skilled instructors of Indigenous language and culture-based education
- Strengthening relationships with Indigenous communities

**To ensure all students engage in healthy lifestyles and respectful, caring relationships by:**

- Increasing student participation in physical activities
- Improving student involvement and participation in the Arts
- Increasing student awareness of nutrition and the importance of healthy food choices
- Promoting positive relationships, resiliency and good citizenship
- Increasing awareness and access to wellness and mental health activities

## **Operating Environment**

YK1 operates six schools in the City of Yellowknife. The following lists key programming in our schools:

### **Mildred Hall School (JK-8)**

- Mildred Hall School (MHS) is an English school which also offers Core French and Tlicho language courses
- The school offers many extracurricular activities such as team sports, fine arts, guitar, fiddling and various band instruments; alternative sports such as mountain biking roller blading; alternative options such as magic, lego and crochet clubs
- An "On the Land Mentorship" program was established where students are paired with Aboriginal experts and elders to learn important skills like snaring, tanning moose hide and setting nets
- MHS provides a breakfast and hot lunch program. The school also has a large garden where students grow vegetables that are used in the foods program
- 'Peacemakers', a peer leadership group in the school, promotes education surrounding bullying and bullying prevention

### **N.J Macpherson School (JK-5)**

- NJM is an English school which offers Core French
- Special programs at NJM include Montessori, Visual Arts, Music, Drama and Gymnastics. Several extracurricular sports, clubs and after-school programs are also offered
- Aboriginal language and culture is integrated into classroom sessions and students attend culture camps throughout the year
- NJM has an active Parent Advisory Council and a strong recycling program

### **École J.H. Sissons (JK-5)**

- École J.H. Sissons School (ÉJHS) offers French Immersion programming
- Special programs include choir, musical theatre, afterschool athletic program and a speed skating academy. Afterschool activities include judo, soccer, improvisation, painting, chess and choir
- ÉJHS celebrates diversity through various events during the year
- Students and staff participate in a 7-day annual French language and culture camp - 'Camp de neige' - at the Yellowknife Ski Club

### **École William McDonald Middle School (6-8)**

- École William McDonald Middle School (ÉWMS) offers programming for grades 6 to 8 in both English and French Immersion
- Other French options include: Intensive French - Grade 6, Post-Intensive French - grade 7 and 8, and Core French - Grade 6 to 8
- ÉWMS offers exploratory programs such as Industrial Arts, Home Economics and Outdoor Education

- The school offers a multi-sport Sports Academy program which includes hockey, soccer, dance, fitness and cross training. A newly-constructed fitness room allowed the school to expand its sports programming in the 2016-17 school year
- Special multiple-day camps available for Grade 8 students such as Camp Akaithcho and Hidden Lake Canoe Trip

#### **Range Lake North School (JK-8)**

- Intensive French is offered in Grade 6, Post-Intensive French in Grades 7 and 8 and Core French is offered in Grades 6 to 8
- Aboriginal language and culture is integrated into classroom sessions and students attend culture camps throughout the year
- Special programs at RLNS include music, band, fine arts, choir and drama
- Range Lake North School (RLN) offers an advanced technology program and technology classes are offered in robotics
- RLNS has an Athletic Excellence program and offers many extracurricular sports
- RLN has an active and involved Parent Advisory Committee who organize their largest fundraiser, Family Fun Night in the spring. All proceeds go back to support RLNS students

#### **École Sir John Franklin High School (9-12)**

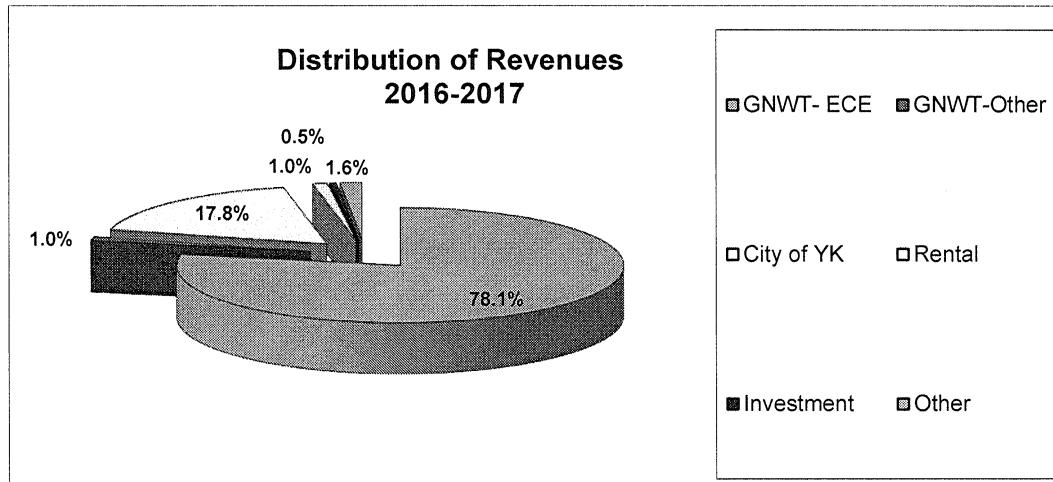
- École Sir John Franklin High School (ÉSJF) offers programming from Grades 9 to 12 in both English and French Immersion
- ÉSJF has a dynamic Fine Arts program which includes music, band, choir, drama and visual arts
- The school offers an extensive trades curriculum and work experience program which includes Industrial Arts, automotives and esthetics
- ÉSJF offers Aboriginal culture programming and camps including Tlicho language instruction
- The school has a successful Sports Academy and several extra-curricular sports and clubs are offered
- ÉSJF has an At-Risk Student program which provides support and resources for students struggling in school, socially, or at home. Each at-risk student is assigned a student support staff person, and they organize weekly check-ins with the student to ensure they are on track for graduation. For those students that need counselling or suffer from addictions, weekly visits from Yellowknife Health & Social Services are arranged
- The school offers many opportunities for students to travel abroad for volunteering, scuba club trips and a French Immersion trip
- Night classes are also available

## Route 51 Learning:

Route 51 Learning Institute is an alternate high school program which offers:

- a flexible schedule designed to accommodate students
- credits for work experience
- smaller student-to-teacher ratio, and students can focus on one course at a time

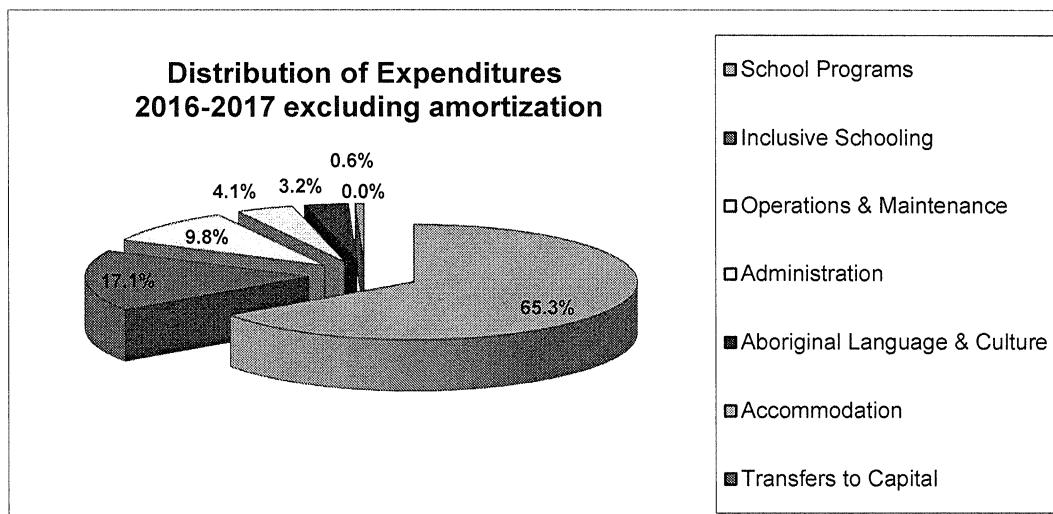
## Financial Condition



## Revenues

	\$
GNWT- ECE	26,550,111
GNWT-Other	354,097
Property Taxation	6,062,772
Rental	347,206
Investment	170,637
Other	<u>531,089</u>
<b>Total Revenues</b>	<b><u>34,015,912</u></b>

Funding from the Department of Education, Culture and Employment (ECE) makes up 78.1% of YK1's revenues. Property taxation revenue is 17.8% and the remainder is generated from investment income, Nordic Arms apartment rentals, preschool fees, superintendent services and parking lot rentals.



### **Expenses (excluding amortization)**

School Programs 22,185,440

Inclusive Schooling 5,793,570  
Operations &  
Maintenance 3,327,864

Administration 1,395,138  
Aboriginal Language &  
Culture 1,077,829

Accommodation 197,630

---

**Total Expenses** **33,977,470**

Expenditure allocations are based on the Department of Education, Culture and Employment (ECE) funding formula. 85.6% of expenditures consist of school programs, inclusive schooling, and Aboriginal Language and Culture which are directly related to schools.

## Unrestricted Surpluses

The accumulated operating surplus is the overall operations of the district, the decentralized surplus is school operations and maintenance, and capital surplus is for major capital expenditures.

Surplus	2016/2017	2015/2016	Change
Operating	566,402	729,783	-163,381
Capital	904,165	904,165	0
Decentralized(Schools)	246,285	130,049	+116,236
Total Accumulated Surplus	1,716,852	1,763,997	-47,145
Unfunded :			
Leave and Termination Benefits	1,705,424	1,645,992	+59,432
	3,422,276	3,409,984	+12,287

The accumulated operating surplus decreased by \$163,381 and the decentralized surplus increased by \$116,236, the total change is an overall decrease of \$47,145. The overall unrestricted surplus is 4.8% (\$1,716,852/\$35,606,554) of total 2017/2018 budgeted expenditures excluding amortization.

The accumulated unrestricted surplus has enabled YK1 to maintain quality programming for students, which has been a key strength of the district.

YK1 has older schools that require replacement or renovation. ECE has started the planning study for the J.H. Sissons renovations. The contract for J.H. Sissons School schematic design has been awarded. YK1 continues to lobby ECE to have Mildred Hall School renovations completed.

Some of the District's schools are underutilized. YK1 participates in space-sharing with Commission Scolaire Francophone Territories Du Nord-Ouest (CSFC) and various other groups to fill some of these spaces.

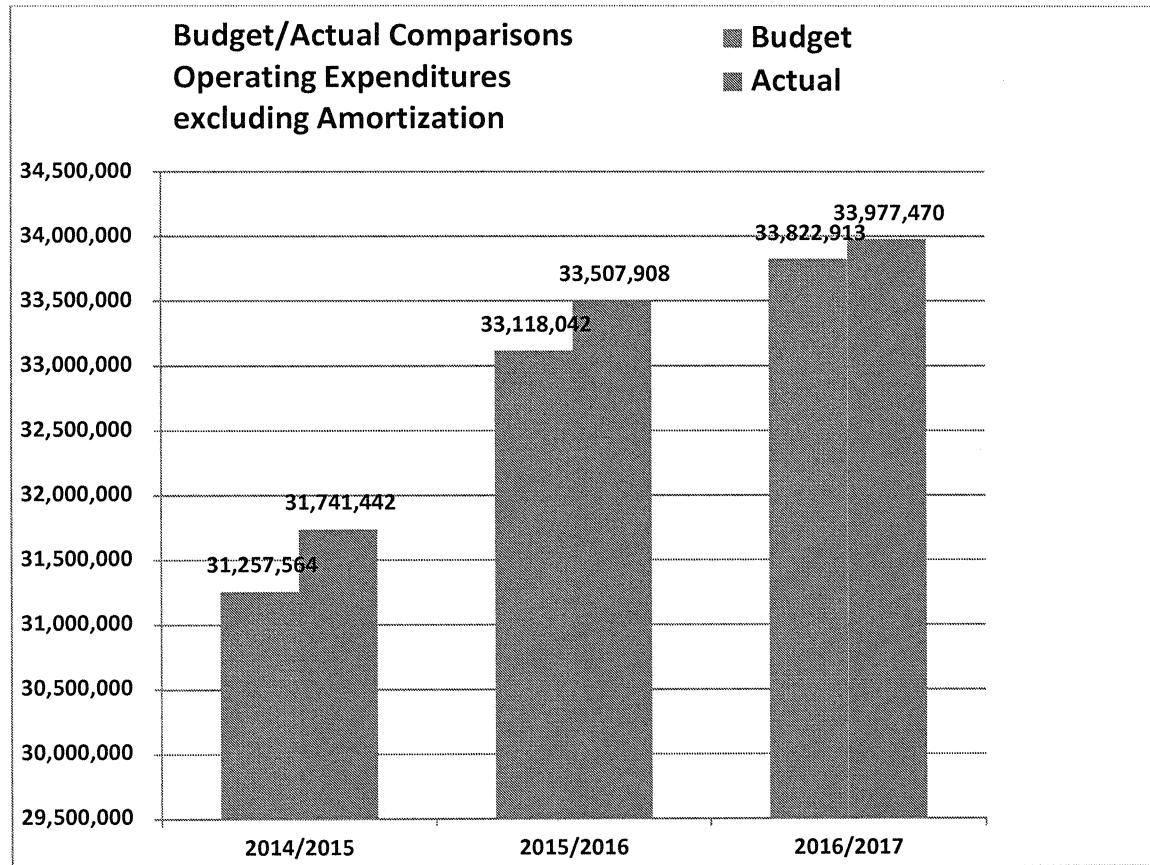
## Restricted Reserves

The Department of Education, Culture and Employment has agreed to allow YK1 to maintain the unspent utility funding to be used for conversion of current lighting to LED lighting in the schools and minor capital expenditures. LED lights can save 30% or more on energy costs. ECE has agreed to allow YK1 to keep all utilities savings to be reinvested into minor capital projects or LED lighting upgrades.

YK1 has completed the LED light conversion for all outdoor lights and emergency exit lights at schools and buildings. This project completed April 2017. Over the summer months, DT Electric will be converting all the gymnasium lights in the schools to LED lights.

LED Restricted	2016/2017	2015/2016	Change
Beginning Balance	336,450		+336,450
Utility Savings	215,376	336,450	-121,074
Outdoor Lights Conversion	-129,789		-129,789
<b>Total LED Reserve</b>	<b>422,037</b>	<b>336,450</b>	<b>+85,587</b>

## Budget/Actual Comparisons



YK1 revenues are higher than budget by \$427,000 due to:

- ECE revenues higher by \$83,000 due to Mentorship and terminations funding
- French Revenue higher due to increased funding from ECE and other school boards, in the amount of \$131,000
- Custodial cost recovery from CSFC (French school board), in the amount of \$31,000
- Portfolio Investment income higher by \$68,000 from previous years' interest owed from the GNWT Investment pool
- MACA, \$111,800 for active after-school and youth outdoor activities funding
- Drop the pop funding in the amount of \$22,233, Take a kid trapping and compost program in the amount of \$ 21,500
- Rental revenue lower by \$32,000 due to changing revenue recognition of teachers July and August rent payments to the next fiscal year

YK1 expenses variance highlights are:

- Amortization of fixed assets of \$982,742 was not considered when the budget was prepared

- Large variances under School Programs and Administration are due to Information Technology staff. The cost of \$355,000 was originally budgeted under Administration but the budget was amended in September and they are coded back under School Programs
- Schools saved on their O&M and substitute costs, therefore their surpluses increased by \$116,000
- School programs O&M increase by \$240,000 due to increased O&M supplies, busing costs, removal and recruitment costs, homeschooling

<b>School</b>	<b>Enrolment K-12</b>		<b>Teachers/ Admin/ PST</b>		<b>Pupil/Teacher ratio</b>	
	<b>Sep-16</b>	<b>Jun-17</b>	<b>Sep-16</b>	<b>Jun-17</b>	<b>Sep-16</b>	<b>Jun-17</b>
Mildred Hall School	247.00	259.00	16.00	16.50	15.44	15.70
JH Sissons	248.00	247.00	18.00	17.45	13.78	14.15
William McDonald School	210.00	207.00	14.00	14.45	15.00	14.33
NJ Macpherson School	283.50	284.00	17.50	17.50	16.20	16.23
Range Lake North School	288.00	278.00	20.00	20.00	14.40	13.90
Sir John Franklin High School	634.50	679.00	32.50	32.50	19.52	20.89
<b>Total District</b>	<b>1,911.0</b>	<b>1,954.0</b>	<b>118.00</b>	<b>118.40</b>	<b>16.19</b>	<b>16.50</b>

Overall enrolment increased by 43 students by the end of the year.

## **Summary and Outlook**

In 2016-2017, YK1 faced many challenges including important decisions about the use of its facilities, the rollout and preparation of Junior Kindergarten (JK) and budget restrictions.

Despite these challenges, the Board looks back proudly at their achievements and successes over the past year:

- YK1 continued to work with the community to enrich student development by facilitating new learning opportunities including:
  - Elders in school programs
  - Artists and musician visits
  - Adding programs at SJF to include more CTS modules and a drones class
  - Workshops and field trips to various Yellowknife establishments
- The District is transitioning from fluorescent lightbulbs to LED lightbulbs. This will be more environmentally sustainable, and will save the District and ECE money in the long-term. All the outdoor lights are now LED lights, the school gym lights will be converted to LED lights over the summer.
- Outdoor beautification initiatives and gardening at the District's schools continues to be a priority of the Board
- All of the schools continued to offer a food program, which included a breakfast, lunch and snacks for students who need that kind of support
- Parent conversation nights held at YK1 schools encouraged parents to speak about what programming they wanted to see at their schools

- The Board finalized the Strategic Plan for 2016-2019, which includes a strong focus on literacy and numeracy, inclusive schooling, Aboriginal culture and promoting healthy relationships and lifestyles

## **Foreseeable Challenges for 2017-2018**

- While a unanimous decision to retain all YK1 facilities status quo was reached, the Board is aware that enrolment and facility decisions will continue to be discussed
- The Board has approved a 5-year Capital Plan for YK1 schools. The Plan has been submitted to ECE to assist with their Capital planning
- The Board contracted Associated Environmental to complete a Hazardous Building Material Assessment of all YK1 buildings. The final report is expected to be presented to YK1 in September. There are potential remediation costs as a result of findings
- The YK1 Board is preparing for the rollout of the GNWT's JK in YK1 schools in the 2017-18 school year with no additional funding for Inclusive Education, Aboriginal Language and Culture, and busing
- The three Yellowknife school boards have chosen to jointly review alternative scenarios for JK busing in the fall of 2017, which will be in line with the contract renewal for busing services for 2018/2019
- The Department of Education, Culture and Employment has contracted A to Z to come up with Shared Services options for education authorities in the Northwest Territories. A report is expected to be released for September 2017



**Yellowknife District No. 1 Education Authority**  
(the Authority)

**Management Responsibility for Financial Reporting**

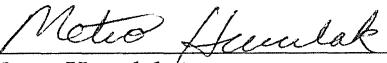
**To the Minister of Education, Culture and Employment  
Government of the Northwest Territories**

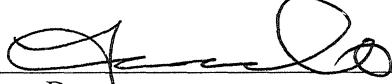
The Management Discussion & Analysis, Financial Statements, Schedules and Notes herein submitted have been reviewed by management. They provide full disclosure and accurately reflect the financial and non-financial condition of the authority in all material respects and in accordance with Canadian Public Sector Accounting Standards (CPSAS) as well as the Financial Administration Manual (FAM) and the Financial Administration Manual for Education Authorities (FAMEA) of the Government of the Northwest Territories.

Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that proper records are maintained. Controls further include quality standards regarding the hiring and training of employees, that ensure the adequate maintenance of written policies and procedural manuals and that further provide for appropriate accountability for performance within well-defined areas of responsibility. The operations and administration of Yellowknife District No. 1 Education Authority have been conducted within the statutory powers of the Authority. The operations and administration of the Education Body as well as the supporting internal controls of the entity are regularly monitored to ensure their effectiveness and their continued compliance with all relevant legislation, standards, directives and policies including but not limited to the Education Act, Financial Administration Act, CPSAS FAM, FAMEA, Human Resources Manual, Ministerial Directives and the policies of the Authority's Board. Any non-compliance has been specifically identified and has been previously communicated to the Minister and Deputy Minister.

Management hereby asserts that auditors have been provided with all relevant records and documentation as well as unrestricted access to the same. Management is not aware of any undisclosed irregularities involving management or employees with either current or potential impact on financial results, fraud or suspected fraud, disbursements made for purposes not consistent with an appropriation, irregular commitments including those in the form of guarantees, violations or possible violations of laws or regulations, claims or litigation, known or suspected environmental site contaminations or of any other undisclosed environmental or hazards within its jurisdiction.

The auditors annually provide an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards. The auditors also consider whether the transactions that have come to their notice in the course of this audit are, in material respects, in accordance with specified legislation and directives from the Department of Education, Culture and Employment of the Government of the Northwest Territories.

  
\_\_\_\_\_  
Metro Huculak  
Superintendent  
Yellowknife District No. 1 Education Authority

  
\_\_\_\_\_  
Tram Do  
Director of Corporate Services  
Yellowknife District No. 1 Education Authority

## Independent Auditors' Report

### To the Minister of Education, Culture and Employment Government of the Northwest Territories

We have audited the accompanying consolidated financial statements of the Yellowknife District No. 1 Education Authority (the Authority), which comprise of the consolidated statement of financial position as at June 30, 2017, consolidated statements of operations, consolidated changes in net assets, and consolidated cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

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

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

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

## Independent Auditors' Report (continued)

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Yellowknife District No. 1 Education Authority as at June 30, 2017, and its consolidated financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Report on Other Legal and Regulatory Requirements*

We further report in accordance with the *Financial Administration Act* that, in our opinion, proper books of account have been kept by Yellowknife District No. 1 Education Authority, the financial statements are in agreement therewith and the transactions that have come under our notice, have, in all significant respects, been within the statutory powers of Yellowknife District No. 1 Education Authority.



Yellowknife, Northwest Territories  
September 12, 2017

Chartered Professional Accountants



**Yellowknife District No. 1 Education Authority**

(the Authority)

**Consolidated Statement of Financial Position**

**Statement 1**

<b>As at June 30,</b>	<b>2017</b>	<b>2016</b>
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash (Note 4)	2,134,439	668,843
Portfolio Investments (Note 7)	5,031,812	5,193,662
Due from Government of Canada (Note 13)	166,457	89,104
Accounts Receivable (Note 8)	923,210	1,569,312
	<b>8,255,918</b>	<b>7,520,921</b>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities (Note 10)	511,328	292,534
Payroll Liabilities	3,743,113	3,363,405
Leave and Termination Benefits (Note 17)	1,705,424	1,645,992
Vacation payable	290,984	267,122
Deferred revenue (Note 11)	20,000	26,000
	<b>6,270,849</b>	<b>5,595,053</b>
<b>NET FINANCIAL ASSETS</b>	<b>1,985,069</b>	<b>1,925,868</b>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid Expenses (Note 20)	133,540	147,714
Tangible Capital Assets (Note 19)	13,538,438	14,521,180
Inventories (Note 9)	20,280	26,865
	<b>13,692,258</b>	<b>14,695,759</b>
<b>ACCUMULATED SURPLUS</b>	<b>15,677,327</b>	<b>16,621,627</b>
<b>Represented by:</b>		
Operating Fund	566,402	729,783
Investment in Tangible Capital Assets	13,538,438	14,521,180
Decentralized Surplus	246,285	130,049
Capital Fund Reserve	904,165	904,165
LED Reserve	422,037	336,450
	<b>15,677,327</b>	<b>16,621,627</b>

**Contractual Obligations (Note 24), Contingencies (Note 25)**

Approved on behalf of the board:

Trustee John Hyattman

Trustee T. B. Bush



# Yellowknife District No. 1 Education Authority

(the Authority)

## Consolidated Statement of Operations

**Statement 2**

For the year ended June 30,	2017 Budget \$	2017 Actual \$	2016 Actual \$
<b>REVENUE</b>			
<b>Government of the Northwest Territories</b>			
Regular contributions	25,594,148	<b>25,678,111</b>	25,143,756
Other contributions	123,000	<b>314,237</b>	335,233
Aboriginal languages	60,000	<b>60,000</b>	60,000
French revenue	422,000	<b>523,000</b>	438,157
<b>Total ECE</b>	<b>26,199,148</b>	<b>26,575,348</b>	25,977,146
<b>GNWT other contributions</b>	-	<b>155,533</b>	182,160
<b>Property tax requisitioned</b>	6,071,000	<b>6,062,772</b>	5,879,078
<b>Education authority generated funds</b>			
Rental income	380,000	<b>347,206</b>	398,626
Portfolio investment income	102,000	<b>170,637</b>	103,222
Other	836,332	<b>704,416</b>	568,997
	1,318,332	<b>1,222,259</b>	1,070,845
<b>Total revenue</b>	<b>33,588,480</b>	<b>34,015,912</b>	33,109,229
<b>EXPENDITURES</b>			
School programs	21,706,926	<b>22,185,439</b>	21,594,278
Inclusive schooling	5,743,750	<b>5,793,570</b>	5,963,079
Staff accommodations	197,500	<b>197,630</b>	201,858
Operations and maintenance	3,253,661	<b>3,327,864</b>	3,164,669
Administration	1,812,074	<b>1,395,138</b>	1,506,971
Aboriginal language/cultural programs	1,109,002	<b>1,077,829</b>	1,077,050
Amortization	-	<b>982,742</b>	1,024,113
<b>Total operating expenditures</b>	<b>33,822,913</b>	<b>34,960,212</b>	34,532,018
<b>Operating deficit before other items</b>	(234,433)	<b>(944,300)</b>	(1,422,789)
<b>Other items</b>			
Grant in-kind - GNWT Assets provided at no cost (Note 23)	-	<b>1,361,287</b>	1,799,767
Rent expense - GNWT Assets provided at no cost (Note 23)	-	<b>(1,361,287)</b>	(1,799,767)
<b>Operating deficit</b>	(234,433)	<b>(944,300)</b>	(1,422,789)
<b>Opening accumulated surplus</b>	-	<b>16,621,627</b>	18,044,416
<b>Closing accumulated surplus</b>	(234,433)	<b>15,677,327</b>	16,621,627



# Yellowknife District No. 1 Education Authority

(the Authority)

## Consolidated Statement of Changes in Net Financial Assets

**Statement 3**

For the ended June 30,	2017	2016
	\$	\$
Operating deficit	(944,300)	(1,422,789)
Amortization of tangible capital assets	982,742	1,024,113
	<b>38,442</b>	(398,676)
Change in inventory	6,585	(58)
Change in prepaid expenses	14,174	22,707
	<b>20,759</b>	22,649
<b>Increase (decrease) in net assets</b>	<b>59,201</b>	(376,027)
<b>Net asset at beginning of year</b>	<b>1,925,868</b>	<b>2,301,895</b>
<b>Net asset at end of year</b>	<b>1,985,069</b>	<b>1,925,868</b>



# Yellowknife District No. 1 Education Authority

(the Authority)

## Consolidated Statement of Cash Flows

Statement 4

For the year ended June 30,	2017	2016
	\$	\$
<i>Cash provided by (used in)</i>		
<b>OPERATING TRANSACTIONS</b>		
Operating deficit	(944,300)	(1,422,789)
Item not affecting cash:		
Amortization	982,742	1,024,113
<b>Changes in non-cash assets and liabilities</b>		
Decrease (increase) Due from Government of Canada	(77,353)	7,729
Decrease (increase) accounts receivable	646,102	(65,240)
Increase (decrease) accounts payable	218,795	(149,174)
Increase (decrease) payroll liabilities	379,708	293,507
Increase (decrease) leave and termination benefits	59,432	69,375
Increase (decrease) vacation payable	23,862	(9,527)
Increase (decrease) deferred revenue	(6,000)	(46,000)
Decrease (increase) prepaid expenses	14,174	22,707
Decrease (increase) inventories	6,584	(58)
<b>CASH PROVIDED BY (USED FOR) OPERATING TRANSACTIONS</b>	<b>1,303,746</b>	<b>(275,357)</b>
<b>INVESTING TRANSACTIONS</b>		
Disposition of portfolio investments	161,850	989,444
<b>CASH PROVIDED BY INVESTING TRANSACTIONS</b>	<b>161,850</b>	<b>989,444</b>
<b>CAPITAL TRANSACTIONS</b>		
Acquisition of tangible capital assets	-	-
Proceeds of disposition of tangible capital assets	-	-
<b>CASH USED FOR CAPITAL TRANSACTIONS</b>	<b>-</b>	<b>-</b>
<b>FINANCING TRANSACTIONS</b>		
Repayment of capital lease obligation	-	-
Proceeds from capital lease obligation	-	-
<b>CASH PROVIDED BY FINANCING TRANSACTIONS</b>	<b>-</b>	<b>-</b>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,465,596</b>	<b>714,087</b>
<b>CASH (BANK INDEBTEDNESS) AT BEGINNING OF YEAR</b>	<b>668,843</b>	<b>(45,244)</b>
<b>CASH (BANK INDEBTEDNESS) AT END OF YEAR</b>	<b>2,134,439</b>	<b>668,843</b>



# Yellowknife District No. 1 Education Authority

(the Authority)

## Consolidated Details of Expenditures

**Statement 5**

For the year ended June 30,	School Programs \$	Inclusive Schooling \$	Staff Accommodation \$	Operations and Maintenance \$	Administration \$	Aboriginal Languages \$	Total 2017 \$	Budget 2017 \$	Total 2016 \$
<b>SALARIES</b>									
Honoraria	-	-	-	-	70,275	-	70,275	72,908	62,145
Instructional assistants	785,647	2,290,812	-	-	-	96,988	3,173,447	3,244,083	3,100,709
Non-instructional staff	2,006,175	-	20,839	527,235	918,866	286,360	3,759,475	3,343,000	3,734,597
Teachers	14,121,209	2,676,937	-	-	29,598	286,740	17,114,484	15,452,159	16,116,117
	16,913,031	4,967,749	20,839	527,235	1,018,739	670,088	24,117,681	22,112,150	23,013,568
<b>EMPLOYEE BENEFITS</b>									
Employee benefits/allowances	2,370,401	651,448	1,385	115,174	148,320	76,833	3,363,561	5,733,420	4,097,827
Leave and termination benefits	99,352	(37,235)	-	(3,100)	(5,504)	5,919	59,432	-	70,321
	2,469,753	614,213	1,385	112,074	142,816	82,752	3,422,993	5,733,420	4,168,148
<b>SERVICES PURCHASED</b>									
Advertising and printing	-	-	-	-	31,270	-	31,270	32,800	30,744
Communication	58,830	567	-	7,976	41,174	-	108,547	91,460	131,973
Contracted services	373,406	111,768	-	250,027	-	139,721	874,922	732,373	770,330
Maintenance and repairs	54,868	42,669	76,249	639,405	8,965	33,941	856,097	638,627	702,427
Other	143,606	-	-	-	69,477	-	213,083	201,000	199,039
Professional and technical	571,950	25,873	-	97,500	34,483	49,529	779,335	496,900	860,853
Rentals and leases	139,454	-	-	-	7,745	-	147,199	168,576	148,622
Student transportation	444,772	21,349	-	-	-	8,270	474,391	433,000	449,544
Travel	70,681	-	-	-	-	985	71,666	5,000	103,405
Utilities									
Heating	-	-	38,499	610,809	-	-	649,308	695,000	568,065
Electricity	-	-	35,650	911,925	-	-	947,575	1,000,000	965,454
Water/Sewage	-	-	23,403	168,766	-	-	192,169	172,000	182,927
	1,857,567	202,226	173,801	2,686,408	193,114	232,446	5,345,562	4,666,736	5,113,383
<b>MATERIALS</b>									
Awards and student events	13,871	-	-	-	7,703	-	21,574	25,500	41,146
Freight	10,483	-	-	908	3,986	-	15,377	31,699	21,175
Materials and supplies	920,734	9,382	1,605	1,239	28,780	92,543	1,054,283	1,253,408	1,150,485
	945,088	9,382	1,605	2,147	40,469	92,543	1,091,234	1,310,607	1,212,806
<b>AMORTIZATION</b>									
Total operating expenditures	22,185,439	5,793,570	197,630	3,327,864	2,377,880	1,077,829	34,960,212	33,822,913	34,532,018



# Yellowknife District No. 1 Education Authority

(the Authority)

## Details of Aboriginal Language and Culture-Based Education Expenditures

## Statement 6

<b>For the year ended June 30,</b>	<b>Student Instruction</b> \$	<b>Professional Development</b> \$	<b>School Activities and Integrated Community Programs</b> \$	<b>Total 2017</b> \$
<b>SALARIES</b>				
ALCBE Teachers	286,740	-	-	<b>286,740</b>
Instructional Assistants	96,988	-	-	<b>96,988</b>
Non Instructional Staff	-	-	286,360	<b>286,360</b>
	383,728	-	286,360	<b>670,088</b>
<b>EMPLOYEE BENEFITS</b>	<b>82,752</b>	-	-	<b>82,752</b>
<b>SERVICES PURCHASED</b>				
Professional and technical	-	49,529	-	<b>49,529</b>
Travel	-	985	-	<b>985</b>
Maintenance and repairs	-	-	33,941	<b>33,941</b>
Student travel	-	-	8,270	<b>8,270</b>
Contracted services	-	-	139,721	<b>139,721</b>
	-	50,514	181,932	<b>232,446</b>
<b>MATERIALS</b>				
Materials and supplies	-	-	92,543	<b>92,543</b>
<b>Total operating expenditures</b>	<b>466,480</b>	<b>50,514</b>	<b>560,835</b>	<b>1,077,829</b>



# Yellowknife District No. 1 Education Authority

(the Authority)

## Details of Inclusive Schooling Expenditures

## Statement 7

For the year ended June 30,	Student Resources \$	General Inclusive Schooling \$	Total 2017 \$
<b>SALARIES</b>			
Program support teachers	-	2,676,937	<b>2,676,937</b>
Support assistants	20,839	2,269,973	<b>2,290,812</b>
	20,839	4,946,910	<b>4,967,749</b>
<b>EMPLOYEE BENEFITS</b>			
	-	614,213	<b>614,213</b>
<b>SERVICES PURCHASED</b>			
Professional and technical	25,873	-	<b>25,873</b>
Communication	567	-	<b>567</b>
Student transportation	21,349	-	<b>21,349</b>
Maintenance and repairs	42,669	-	<b>42,669</b>
Contracted services	111,768	-	<b>111,768</b>
	202,226	-	<b>202,226</b>
<b>MATERIALS</b>			
Materials and supplies	9,382	-	<b>9,382</b>
<b>Total operating expenditures</b>	<b>232,447</b>	<b>5,561,123</b>	<b>5,793,570</b>



# Yellowknife District No. 1 Education Authority

(the Authority)

## Report on Activities of Specific Programs

Statement 8

### French Language Program

#### BILATERAL AGREEMENT FUNDING

For the year ended June 30, 2017

	Contribution from the Department	Commitment from the Authority	Expenses	Over (under) funding
	\$	\$	\$	\$
Literacy Coach (Salary)	70,000	50,000	139,107	(19,107)
Core French Instruction (Salary)	50,000	75,000	176,254	(51,254)
Teacher Assistants (Salary)	35,000	35,000	85,324	(15,324)
Intensive & PIF (Salary)	70,000	230,000	559,074	(259,074)
PIF (Elective courses at SJF)	50,000	10,000	98,098	(38,098)
Special Projects				
French Camps	13,000	2,000	44,805	(29,805)
French Resources	46,000	10,000	41,231	14,769
Assessment, Intensive French	15,000	5,000	33,644	(13,644)
Cultural Activities	12,000	3,000	14,388	612
Professional Development	31,000	9,000	54,186	(14,186)
Consultant	80,000	140,000	179,892	40,108
<b>Total</b>	<b>472,000</b>	<b>569,000</b>	<b>1,426,003</b>	<b>(385,003)</b>



**Yellowknife District No. 1 Education Authority**

**(the Authority)**

**Report on Activities of Specific Programs**

**Statement 9**

**Aboriginal Languages**

**For the year ended June 30,**

**2017**

**\$**

**Secretary of State (Heritage Canada)**

**Revenue**

Contribution from federal government	<b>60,000</b>
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**Expenses**

Salaries and benefits	<b>60,815</b>
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**Deficit**

<b>(815)</b>
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# Yellowknife District No. 1 Education Authority

(the Authority)

## Report on Activities of Specific Programs

**Statement 10**

### Student Success Initiative Projects

For the year ended June 30,

**2017**

\$

#### Revenue

Government of the Northwest Territories	123,000
Contribution from the Authority	15,000
Surplus carry-over	(23,231)

**Total revenue**

**114,769**

#### Expenses

##### Salaries/Wages

Facilitator fees (including per diems)	50,299
Substitute teacher wages	56,100

##### Travel

Facilitator travel	7,413
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##### Workshop expenses

Refreshments	957
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**Total expenses**

**114,769**

**Deficit**

-



**Yellowknife District No. 1 Education Authority**

(the Authority)

**Report on Activities of Specific Programs**

**Statement 11**

**Community Outreach Program**

<b>For the year ended June 30,</b>	<b>2017</b>
	<b>\$</b>
<b>Revenue</b>	
NT/NU Council of Friendship Centres	120,000
Deficit from Prior Years	(15,773)
<b>Total revenue</b>	<b>104,227</b>
<b>Expenses</b>	
Salaries and benefits	74,488
Materials and supplies	38,626
<b>Total expenses</b>	<b>113,114</b>
<b>Deficit</b>	<b>(8,887)</b>



# Yellowknife District No. 1 Education Authority

(the Authority)

## Notes to Consolidated Financial Statements

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June 30, 2017

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### 1. Nature of the Organization

The Yellowknife District No. 1 Education Authority (the "Authority"), was established by the *Education Act* of the Government of the Northwest Territories (GNWT). Its purpose is to administer and maintain the standards of education programs defined under the *Education Act* in the City of Yellowknife.

The Authority is an independent legal and accounting entity with an elected Board of Trustees as stipulated in Section 82 of the *Education Act*. The Board of Trustees ("the Board") has decision making authority, the power to delegate authority, the ability to significantly influence operations and the sole accountability for all fiscal matters.

Section 81 of the *Education Act* outlines the powers of a Board of Education which for the Authority includes all aspects of operation and management relating to Public Education within the boundaries of the City of Yellowknife. The Board is the lowest (and sole) level of government exercising oversight responsibility. The financial statements of the Authority are not included in the financial statements of the City of Yellowknife as the Authority trustees are a separate governing body that is not under the control of the City of Yellowknife. The City of Yellowknife, however, does collect and remit property taxes requisitioned by the Board.

### 2. Significant Accounting Policies

#### a) Basis of Accounting

The consolidated financial statements of the Authority have been prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The consolidated financial statements have, in management's opinion, been properly prepared with reasonable limits of materiality. The basis of accounting refers to the timing of when revenue and expenditure items are recognized in the accounts and reported in the financial statements. The accrual basis of accounting is utilized for all funds. Under the basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recorded when they are incurred.

The Authority uses fund accounting to separate transactions between its Operating fund surplus, Investment in tangible capital assets and decentralized budget accumulated surplus.



**June 30, 2017**

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## **2. Significant Accounting Policies (Continued)**

### **Operating Fund Surplus**

The Operating fund surplus is the general operating fund of the Authority in which all transactions concerned with current operations are recorded. Substantially all territorial, local (primarily property tax), and other operating revenue is accounted for in the Operating fund surplus. In accordance with accounting principles that are considered appropriate for organizations of this type, tangible capital assets acquired and debenture debt repayment that are financed with operating funds are treated as expenditures in the Operating fund surplus and then transferred to the Investment in tangible capital asset fund. The Operating fund also accounts for expenditures and contributions to or from other funds (transfers) which provide for day-to-day operations. In summary, the Operating fund surplus is used to account for all financial activities except those accounted for in the Investment in tangible capital assets fund and decentralized budget accumulated surplus.

### **Investment in Tangible Capital Assets**

Investment in tangible capital assets is used to account for financial transactions related to the acquisition of tangible capital assets in excess of \$50,000.

Properties are carried at cost at the date of acquisition and amortization is recorded in the accounts. The cost of additions and repayment of debentures or other long-term debt is charged to Investment in tangible capital assets. This results in a corresponding increase in the equity in tangible capital assets.

### **Decentralized Budget Accumulated Surplus**

The decentralized budget accumulated surplus represents specific amounts eligible for carry-over to subsequent years for each school.

### **LED Reserve**

The LED Lights Reserve represents the unspent portion of the ECE's utility funding since the 2014/2015 school year as a result of lower fuel costs. The reserve funds will be used for YK1 to convert current lights to LED lights which are expected to result in a decrease of at least 30% in electricity costs.

### **b) Cash and Cash Equivalents**

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques.



**June 30, 2017**

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**2. Significant Accounting Policies (Continued)**

**c) Financial Instruments**

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

Financial assets measured at amortized cost include cash, portfolio investments, accounts receivable and due from Government of Canada.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and payroll liabilities.

At the end of each reporting period, management assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired. If there is an indication of impairment, management determines whether a significant adverse change has occurred in the expected timing or the amount of future cash flows from the asset, in which case the asset's carrying amount is reduced to the highest expected value that is recoverable by either holding the asset, selling the asset or by exercising the right to any collateral. The carrying amount of the asset is reduced directly or through the use of an allowance account and the amount of the reduction is recognized as an impairment loss in operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset is recognized in operations.

**d) Non-financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.



# **Yellowknife District No. 1 Education Authority**

**(the Authority)**

## **Notes to Consolidated Financial Statements**

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**June 30, 2017**

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### **2. Significant Accounting Policies (Continued)**

#### **e) Tangible Capital Assets**

Tangible capital assets with a cost lower than a threshold value of \$50,000 will be expensed in the year of acquisition or amortized at a rate of 100%. Assets with an acquisition value more than \$50,000 are capitalized and amortized using the straight-line method.

Asset Category Amortization Period:

Land and improvements - Indefinite

Buildings - 40 years

Equipment and furnishings - 4 - 10 years

All capital facilities planning and construction undertaken by the Authority, excluding the Administration Building and Nordic Arms, are funded by the Government of the Northwest Territories and subject to their capital planning and approval process. Capital contributions received but not spent at year end, are recorded as deferred revenue.

The GNWT retains ownership of some tangible capital assets used by the Authority. These assets are used by the Authority and held on behalf of, or in trust for, the GNWT are not recognized by the Authority in the financial statements.

The statement of operations reflects the amount that would otherwise be considered amortization expense for the fiscal year as rent expense with an offsetting corresponding amount as a grant in-kind revenue.



**June 30, 2017**

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**2. Significant Accounting Policies (Continued)**

**f) Revenue Recognition**

**Government Transfers:**

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

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Operating transfers are recognized as revenue in the period in which the events giving rise to the transaction occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

Capital transfers or transfers of tangible capital assets are initially recognized as deferred revenue and subsequently recognized as revenue when the related tangible capital asset are recognized as acquired or built.

**GNWT - Regular Contributions:**

The regular contributions from the Government of the Northwest Territories (GNWT) is determined by a funding formula, based on student enrolment and price and volume fluctuation, and is received in monthly installments. The Authority retains surpluses and is responsible for deficits. Any funding requests, over and above those levels provided by the formula, must be first approved by the Government of the Northwest Territories.



# **Yellowknife District No. 1 Education Authority**

**(the Authority)**

## **Notes to Consolidated Financial Statements**

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**June 30, 2017**

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### **2. Significant Accounting Policies (Continued)**

#### **Local Tax Revenue:**

The *Education Act of the Northwest Territories*, by virtue of Section 136(2), empowers a Board of Education to determine the amount, after taking into consideration territorial grants and other revenue, that is to be requisitioned from the municipality within the territory under the jurisdiction of the Board. This requisitioned amount is one portion of the property tax paid annually by property owners. The City of Yellowknife is advised subsequent to the adoption of the budget of the amount of the requisition of the Authority and is responsible for the collection of taxes.

#### **Other Contributions:**

The Authority follows the deferral method of accounting for contributions from funding arrangements. Unrestricted contributions are recognized as revenue when they are received or receivable, if the amount can be reasonably estimated and its collection is reasonably assured. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred.

Revenue from rentals is earned as the facilities are used. Other revenue is recorded as the service is provided and receipt is reasonably assured.

#### **Deferred Revenue:**

Deferred revenue consists of funds received in advance of providing the services or acquiring the goods. These amounts are taken into revenue when the eligible expenditures are incurred.

#### **Investment Income:**

Investment income is recognized when received or receivable, if the amount can be reasonable estimated.



**June 30, 2017**

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**2. Significant Accounting Policies (Continued)**

**School Funds**

Schools in the system administer funds which arise from certain school and student activities. Such funds, although subject to internal review, are not recorded in the accounts or in the financial statements of the Authority as they do not constitute any part of the approved Operating fund surplus (deficit) budget and are available for use at the discretion of each individual school.

**g) Infrastructure Funding**

Any personnel, utilities, and leases infrastructure funding net surplus at the end of the fiscal year is recorded as a payable to the GNWT. Net deficits are not shown as receivable from the GNWT since these amounts are not repayable.

**h) Budget Data**

The *Education Act* of the Northwest Territories requires that Boards of Education prepare an annual budget, as outlined in Section 128 and 129.

The final priorities and funding allocations are determined by the Board of Trustees at a special meeting called for the purposes of reviewing budget proposals, recommending changes, additions or deletions and adopting the proposed budget.

The budget is legally adopted by a motion of the Board which also establishes a tax levy to support the approved budget in accordance with Section 135(3) of the *Education Act*.

Board approved budgets are submitted to the Minister of Education, Culture and Employment for final approval as directed by Sections 117(2)k, l and m of the *Education Act*.

This annual budget includes estimates of revenue and expenditures for the Operating fund surplus (deficit) along with estimates of source and application for the Investment in tangible capital assets fund. Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Board.

The budget may be amended within a given fiscal year in accordance with Board policy, regulations and approved budget procedures. The budget data presented in the financial statements reflects the amended budget for the fiscal year, and therefore, includes any amendments that may have been made during the year. Schools carry forward surplus or deficit amounts from their school budgets.



June 30, 2017

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## **2. Significant Accounting Policies (Continued)**

### **i) Measurement Uncertainty**

The preparation of these financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenue and expenses during the period. Actual results could differ from these estimates.

### **j) Inventories Including Materials and Supplies**

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

### **k) Payroll Liabilities**

Payroll costs for teachers are accrued for July and August.

### **l) Post-employment benefits, compensated absences and termination benefits**

Under the conditions of employment, employees qualify for annual leave of varying lengths depending on length of service. Annual leave is payable within one fiscal year. Employees also earn retirement and severance remuneration based on number of years of service. Certain employees will also receive assistance with removal costs to return to their point of recruitment. Payment of the removal and termination is dependent on employees leaving the Authority and other criteria as outlined in the negotiated employment collective agreements or their excluded contracts.

### **m) Special Purpose Funds**

School activity funds which are fully controlled by the Authority with respect to when and how the funds available can be disbursed are included in the Special Purpose Funds line item. The funds reported are internally restricted as to purpose and may include the proceeds of fundraising, contributions or fees paid related to a specific planned benefit. Examples might include planned student trips or funds specifically designated for the purchase of equipment or materials required to support an activity.

Student activity funds which are controlled by students or parties other than the Authority are not included even if custody of the funds is held by the Authority. Examples of excluded funds might be student clubs or associations for which the Authority has no ongoing responsibility of liability for losses.



# **Yellowknife District No. 1 Education Authority**

**(the Authority)**

## **Notes to Consolidated Financial Statements**

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**June 30, 2017**

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### **2. Significant Accounting Policies (Continued)**

#### **n) Fund Accounting**

The Authority uses fund accounting to separate transactions.

The Operating Fund accounts for the Authority's operating and administrative activities.

The Investment in Tangible Capital Assets reports the transactions related to tangible capital assets.

The Decentralized Surplus is the operating surpluses retained by the individual schools.

The Capital Fund Reserve is funding set aside by the Authority for any repairs or maintenance to the district assets.

The LED Lights Reserve is unspent utility funding from ECE set aside by the Authority for conversion to energy efficient lighting in schools.

### **3. Future Accounting Changes**

#### **Related Party Transactions: Inter-entity Transfer Valuations, Section PS 2200**

PSAB approved Section PS 2200, Related Party Disclosures. This Section is effective for fiscal periods beginning on or after April 1, 2017. Earlier adoption is permitted. This Section defines related parties and establishes disclosures required for related party transactions. It is expected that reasonable efforts would be made to identify related party transactions. This may involve adopting policies and procedures designed to ensure that these transactions are appropriately identified, measured and disclosed in the financial statements. Not all related party relationships or transactions occurring between related parties are required to be disclosed. Disclosure is generally required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated. However, not all of these transactions are reportable under this Section. Only those transactions that have or could have a material financial effect on the financial statements are disclosed.

The impact of the transition to this accounting standard has not yet been determined.



**June 30, 2017**

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## **2. Future Accounting Changes (Continued)**

PSAB approved Section PS 3210, Assets. This Section is effective for fiscal periods beginning on or after April 1, 2017. Earlier adoption is permitted. This Section provides guidance on how to apply the definition of assets as set out in Section PS 1000, and establishes standards for disclosure of assets except certain specific types of assets, which are dealt with in other Sections.

The impact of the transition to this accounting standard has not yet been determined.

### **Contractual Rights, Section PS 3380**

PSAB approved Section PS 3380, Contractual Rights. This Section is effective for fiscal periods beginning on or after April 1, 2017. Earlier adoption is permitted. This Section defines and establishes standards for disclosure of rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future except certain specific types of contractual rights.

The impact of the transition to this accounting standard has not yet been determined.

### **Inter-entity Transactions, Sections PS 3420**

PSAB approved Section PS 3420, Inter-entity Transactions. This Section is effective for fiscal periods beginning on or after April 1, 2017. Earlier adoption is permitted. This Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. This section may be applied in conjunction with Related Party Disclosures, Section PS 2200.

The impact of the transition to this accounting standard has not yet been determined.

### **Student Activity Funds**

Under direction from the Government of Northwest Territories - Department of Education, Culture and Employment, student funds may be required to be reported on the consolidated financial statements of Yellowknife Education District No. 1 in the future.

## **4. Cash (Bank Indebtedness)**

	<b>2017</b>	<b>2016</b>
	\$	\$
Cash	2,134,439	668,843

The cash is held in a bank account with RBC and is invested with the GNWT's investment pool.

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**June 30, 2017**

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**5. Special Purpose Funds**

The Authority does not have special purpose funds.

**6. Restricted Assets**

The Authority does not have restricted assets.

**7. Portfolio Investments**

	<b>2017</b>	<b>2016</b>
	\$	\$
GIC Investment with CIBC (interest rate range from 1.2% to 1.75% and maturity range from April 23, 2018 to November 19, 2019)	<b>3,010,704</b>	3,169,590
GIC Investment with RBC Dominion Securities (interest rate range from 1.45% to 1.85% and maturity range from November 5, 2017 to November 19, 2018)	<b>2,021,108</b>	2,024,072
	<b>5,031,812</b>	5,193,662

The investments are recorded at amortized cost, which includes the cost plus any interest earned to June 30, 2017.



# Yellowknife District No. 1 Education Authority

(the Authority)

## Notes to Consolidated Financial Statements

June 30, 2017

### 8. Accounts Receivable

	2017 \$Net	2016 \$Net
Aurora College	2,534	5,184
South Slave DEC	1,576	-
N'Dilo District Education Authority (Kalemi Dene School)	595,701	1,140,715
Dettah District Education Authority (Kaw Tay Whee School)	139,594	211,268
Commission Scolaire Francophone Territories Du Nord Ouest	31,695	16,250
Department of Education, Culture and Employment	47,720	10,105
Yellowknife Catholic Schools	1,070	1,070
Trade Receivables	103,320	184,720
<b>Total</b>	<b>923,210</b>	<b>1,569,312</b>

Allowance for doubtful accounts at June 30, 2017 is \$nil, (2016 \$nil).

### 9. Inventories

Inventory consists of computer equipment held for use for the next school year.

### 10. Accounts Payable and Accrued Liabilities

	2017 \$	2016 \$
Aurora College	-	1,050
Accrued interest	24	17
Damage deposits	23,687	25,602
Due to GNWT	389	-
Trade payable	487,228	265,865
<b>Total</b>	<b>511,328</b>	<b>292,534</b>



**Yellowknife District No. 1 Education Authority**  
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**June 30, 2017**

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**11. Deferred Revenue**

Deferred revenue consists of contributions or revenue received from contributors for expenditures not yet incurred.

	<b>2017</b>	<b>2016</b>
	\$	\$
GNWT HSS - Drop the Pop	-	3,000
GNWT MACA - Take a Kid Trapping	-	8,000
GNWT MACA - Youth Corps	20,000	15,000
	<b>20,000</b>	<b>26,000</b>

**12. Contribution Repayable**

The Authority does not have any contribution repayable.

**13. Due from the Government of Canada**

<b>Receivables</b>	<b>2017</b>	<b>2016</b>
	\$	\$
GST Receivable	<b>166,457</b>	<b>89,104</b>

**14. Capital Lease Obligations**

The Authority does not have any Capital Lease Obligations.



**June 30, 2017**

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## **15. Pension**

The Authority makes contributions to the Northern Employee Benefits (NEBS) Pension Plan, which is a multi-employer plan, on behalf of some members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to the NEBS pension was \$2,696,768. The contributions are calculated at a rate of 8% of earning and allowances employee and employer contribution for a total of 16%. The maximum pensionable earnings is \$165,077 for January 2017, and \$163,715 for January 2016. The maximum monthly contributions is \$2,914 for January 2017, and \$2,182 for January 2016.

NEBS is an employer owned program and as such the Authority will be liable for its portion of any shortfall. The Plan serves 2,600 Employee Members and 99 Employer Members (total active, disabled and on leave 1542).

As of January 1, 2017, the excess (deficiency) of actuarial value of net assets over actuarial present value of defined benefits is estimated to be \$18,500,000 - funded ratio 111% (2016 - \$12,500,000 and 109%) on a going concern valuation basis. The Plan had a solvency ratio deficiency of \$102,495,300 and a solvency ratio of 64%. Solvency is calculated for the purposes of determining obligations only in the event of a plan wrap up. Any potential deficiency in termination payments is guaranteed to be paid over the next 10 years or less, depending on the position of the fund. For the period ending December 31, 2016, the NEBS Pension plan had an accumulated surplus of \$25,121,532.

As of April 2004, the OSFI has exempted NEBS from compliance with the Pension Benefits Standards Act (PBSA). On April 2015, the Legislative Assembly passed The Northern Employee Benefits Act (Bill 12) which was enacted October 1, 2015. NEBS is now operating under Bill 12.

## **16. Long-Term Debt**

The Authority does not have long-term debt.



**June 30, 2017**

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## **17. Other Employee Future Benefits and Compensated Absences**

In addition to the pension benefits, the Authority provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Severance benefits are paid to the Authority's employees based on the type of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee was hired, the rate of pay, the number of years of continuous employment and age and the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

Compensated absence benefits for all staff are accrued as employee render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to employee or dependent illness and death of an immediate family member. Non-accruing benefits include maternity and parental leave. Benefits that accrue under compensated absence benefits were actuarially valued using the expected utilization methodology.

### **Valuation results**

The actuarial valuation was completed as at March 31, 2017. The effective date of the next actuarial valuation is March 31, 2018. The liabilities are actuarially determined as the present value of the accrued benefits at March 31, 2017 and the results extrapolated to June 30, 2017. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the Authority.



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**June 30, 2017**

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**17. Other Employee Future Benefits and Compensated Absences (Continued)**

<b>Changes in Obligation</b>	<b>Severance and Removal</b>	<b>Compensated Absences</b>	<b>2017</b>	<b>2016</b>
	\$	\$	\$	\$
Accrued benefit obligation beginning of year	1,309,963	336,029	1,645,992	145,408
Current period benefit cost	92,873	27,843	120,716	285,031
Interest accrued	37,235	10,448	47,683	58,302
Benefits payments	(88,349)	(73,140)	(161,489)	(122,749)
Actuarial (gain)/loss	(69,586)	93,770	24,184	-
Plan amendments	-	52,520	52,520	-
<b>Accrued benefit obligation end of year</b>	<b>1,282,136</b>	<b>447,470</b>	<b>1,729,606</b>	<b>365,992</b>
Unamortized net actuarial loss/(gain)	69,586	(93,770)	(24,184)	-
<b>Total employee future benefits and compensated absences</b>	<b>1,351,722</b>	<b>353,700</b>	<b>1,705,422</b>	<b>365,992</b>
Benefits Expense				
Current period benefit cost	92,873	27,843	120,716	285,031
Interest accrued	37,235	10,448	47,683	58,302
Plan amendments	-	52,520	52,520	-
<b>Total benefits expense</b>	<b>130,108</b>	<b>90,811</b>	<b>220,919</b>	<b>343,333</b>



**June 30, 2017**

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**17. Other Employee Future Benefits and Compensated Absences (Continued)**

The discount rate used in the 2017 fiscal year to determine the accrued benefit obligation was an average of 3.3% (2016 - 3.2%). The expected payments during the next five fiscal years are:

	<b>Severance and Removal</b>	<b>Compensated Absences</b>	<b>Total</b>
	\$	\$	\$
2018	568,871	83,728	<b>652,599</b>
2019	128,667	52,462	<b>181,129</b>
2020	113,997	51,588	<b>165,585</b>
2021	107,149	49,977	<b>157,126</b>
2022	111,258	52,973	<b>164,231</b>
2023-2027	501,219	262,198	<b>763,417</b>
<b>Total</b>	<b>1,531,161</b>	<b>552,926</b>	<b>2,084,087</b>

**18. Trust Assets Under Administration**

The Authority does not have any trust assets under administration.



**June 30, 2017**

**19. Tangible Capital Assets**

	Cost \$	Accumulated Amortization \$	2017 Net Book Value \$	2016 Net Book Value \$
<b>Land and improvements</b>	1,299,476	-	<b>1,299,476</b>	1,299,476
<b>School buildings</b>				
Ecole Sir John Franklin	2,253,436	(1,071,515)	1,181,920	1,246,194
William McDonald	7,078,328	(6,193,537)	884,791	1,061,749
Mildred Hall	11,009,651	(6,026,674)	4,982,978	5,258,219
Range Lake North	8,215,859	(4,929,515)	3,286,344	3,491,740
N. J. Macpherson	5,329,162	(3,952,833)	1,376,329	1,512,788
Ecole J. H. Sissons	2,436,769	(2,436,769)	-	-
	36,323,205	(24,610,843)	<b>11,712,362</b>	12,570,690
<b>Other buildings</b>				
Administration office	1,070,827	(642,496)	428,331	455,102
Nordic Arms residence	595,205	(595,205)	-	-
<b>Total land and buildings</b>	39,288,713	(25,848,544)	<b>13,440,169</b>	14,325,268
<b>Equipment and furnishings</b>				
Schools	4,427,048	(4,359,654)	67,394	159,891
Playgrounds	149,972	(149,972)	-	-
Residences	64,045	(64,045)	-	-
Administration office	322,132	(322,132)	-	-
Vehicles	246,532	(215,656)	30,875	36,021
	5,209,729	(5,111,459)	<b>98,269</b>	195,912
	44,498,442	(30,960,003)	<b>13,538,438</b>	14,521,180



**June 30, 2017**

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**20. Prepaid Expenses**

	<b>2017</b>	<b>2016</b>
	\$	\$
Insurance	29,324	27,813
Professional Development	2,667	27,341
Materials and Supplies	23,329	8,382
Licenses	-	12,965
Workers' Safety Compensation Commission	78,220	71,213
	<b>133,540</b>	<b>147,714</b>

**21. Accumulated Surplus/ Deficit**

A consolidated statements of funds and surplus and reserves have been prepared as follows:

**Details of Funds**

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For the year ended June 30,	<b>2017</b>	<b>2016</b>
	\$	\$
<b>OPERATING FUND</b>		
Balance, beginning of year	729,783	1,352,510
Operating deficit (Statement 2)	(944,300)	(1,422,789)
Transfer (to) from Investment in Tangible Capital Assets	982,742	1,024,113
Transfer (to) from Decentralized Surplus	(116,236)	112,399
Transfer to LED reserve	(215,376)	(336,450)
Transfer from LED reserve for lighting upgrades	129,789	-
Balance, end of year	<b>566,402</b>	<b>729,783</b>
<b>INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>		
Balance, beginning of year	14,521,180	15,545,293
Amortization	(982,742)	(1,024,113)
Balance, end of year	<b>13,538,438</b>	<b>14,521,180</b>



**June 30, 2017**

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**21. Accumulated Surplus/ Deficit (Continued)**

**Details of Surplus and Reserves**

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<b>For the year ended June 30,</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>DECENTRALIZED SURPLUS</b>		
Balance, beginning of year	<b>130,049</b>	242,448
Transfer (to) from Operating Fund	<b>116,236</b>	(112,399)
 Balance, end of year	<b>246,285</b>	130,049
<b>CAPITAL FUND RESERVE</b>		
Balance, beginning of year	<b>904,165</b>	904,165
 Balance, end of year	<b>904,165</b>	904,165
<b>LED Reserve</b>		
Balance, beginning of year	<b>336,450</b>	-
Transfer from Operating Fund	<b>215,376</b>	336,450
Transfer to Operating Fund for lighting upgrades	<b>(129,789)</b>	-
 Balance, end of year	<b>422,037</b>	336,450

**22. Capital Advances**

The Authority does not have any Capital Advances.



**Yellowknife District No. 1 Education Authority**  
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**Notes to Consolidated Financial Statements**

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**June 30, 2017**

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**23. GNWT Assets Provided at no Cost**

The following assets were provided to the Authority by the GNWT at no cost.

	Cost \$	Accumulated Amortization \$	2017 Net Book Value \$	2016 Net Book Value \$
Ecole Sir John Franklin	25,965,232	25,965,232	-	1,414,616
Ecole Sir John Franklin portable classrooms	419,724	306,957	112,767	123,257
N.J. Macpherson	1,413,831	344,404	1,069,427	1,104,780
	27,798,787	26,616,593	<b>1,182,194</b>	2,642,653
<b>Deferred capital contributions</b>				
Ecole Sir John Franklin	(1,442,500)	(1,442,500)	-	(99,172)
	26,356,287	25,174,093	<b>1,182,194</b>	2,543,481

Rent expense of \$1,361,287 (2016 - \$1,799,767) was offset by a grant in-kind.



June 30, 2017

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### 24. Contractual Obligations (Commitments)

The Authority has a contract with Cardinal Coach Lines Limited for student transportation. The Authority is invoiced monthly and the amounts vary depending on a number of factors. The contract expires in June 2018.

The Authority leases space from Route 51. The contract expires in June 2018.

The Authority has a collective bargaining agreement with the NWT Teachers Association for teachers, specialists and education assistance which expired August 31, 2020.

The Authority has a collective bargaining agreement with the United Steelworkers for support staff which expired on June 30, 2017. The Authority will commence negotiations with the United Steelworkers union in the fall of 2017.

The Authority has a Ricoh photocopy equipment lease with annual payments of \$30,037 plus maintenance expiring in July 1, 2021.

The Authority also leases from Lenovo computers with 2017/2018 lease payments of \$49,505. The last lease expires April 1, 2020.

	Expires in Fiscal Year	2018 \$	2019 - 2021 \$	Total \$
<b>Commitments:</b>				
Commercial and Residential Leases	2018	37,800	-	37,800
Equipment Leases	2021	79,543	105,402	184,945
<u>Operational Leases (Bussing)</u>	2018	440,000	-	440,000
<b>Total</b>		557,343	105,402	<b>662,745</b>

### 25. Contingencies

The Authority does not have contingencies.



# Yellowknife District No. 1 Education Authority

(the Authority)

## Notes to Consolidated Financial Statements

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June 30, 2017

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### 26. Related Parties

Transactions with Related Parties and balances at year-end not disclosed elsewhere in the financial statements are disclosed in this note.

	2017 \$Net	2016 \$Net
<b>Due to Related Parties:</b>		
Accounts Payable:		
Dettah District Education Authority	-	1,000
Aurora College	-	1,050
Government of the NWT	389	-
<b>Total Due to Related Parties</b>	<b>389</b>	<b>2,050</b>
 <b>Due from Related Parties:</b>		
Accounts Receivable:		
Aurora College	2,534	-
N'Dilo District Education Authority	595,701	1,140,715
Dettah District Education Authority	139,594	211,268
Commission Scolaire Francophone		
Territories Du Nord Ouest	31,695	16,250
Department of Education, Culture and Employment	47,720	10,105
Department of Health and Social Services	-	8,741
South Slave DEC	1,576	-
Yellowknife Catholic Schools	-	1,070
<b>Total Due from Related Parties</b>	<b>818,820</b>	<b>1,388,149</b>



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**June 30, 2017**

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**26. Related Parties (Continued)**

	<b>2017</b> <b>\$Net</b>	<b>2016</b> <b>\$Net</b>
<b>Revenues from Related Parties:</b>		
Government of the Northwest Territories:		
Department of Education Culture & Employment	<b>26,575,348</b>	26,040,046
Department of Health & Social Services	22,233	17,960
Department of Municipal and Community Affairs	111,800	100,800
Department of Environment and Natural Resources	21,500	-
Commission Scolaire Francophone Territories Du Nord Ouest	31,356	16,251
Yellowknives Dene First Nation (Kalemi Dene School)	30,000	27,500
Dettah District Education Authority	77,590	43,490
South Slave DEC	30,000	-
<b>Total Revenues from Related Parties</b>	<b>26,899,827</b>	26,246,047
<b>Expenses Paid to Related Parties:</b>		
Government of the Northwest Territories:		
Department of Finance	452,956	526,318
Department of Infrastructure	5,254	5,254
Department of Industry, Tourism and Investment	6,718	1,645
Department of Health and Social Services	1,750	-
Department of Justice	-	100
Stanton Territorial Health Authority	3,227	-
Yellowknife Catholic Schools	2,320	600
Aurora College	-	1,050
<b>Total Expenses paid to Related Parties</b>	<b>472,225</b>	534,967



**June 30, 2017**

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## **27. Budget Data**

The *Education Act* of the Northwest Territories requires that Education Bodies prepare an annual budget, as outlined in Section 117, Duties and Powers of Education Bodies. The budget is legally adopted by a motion of the Education Body which includes the establishment of a tax levy to support the approved budget in accordance with Section 135, Assessment and Taxation, of the Education Act.

The annual budget includes estimates of revenue and expenditures for the Operating Fund. Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Authority.

The budget figures presented are those approved by the Trustees of the Authority on June 14, 2016 and submitted to the Minister of Education, Culture and Employment and have not been audited. The Budget was amended and submitted to the minister on September 23, 2016, the original budget deficit is \$234,433 and the amended deficit is \$381,085. At the request of the Department of Education, Culture and Employment, the original budget figures are presented.

## **28. Economic Dependence**

The Authority is economically dependent on the Government of the Northwest Territories to provide funding for continued operations. If the funding arrangements were to change management is of the opinion that the Authority's operations would be significantly affected.



**June 30, 2017**

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## **29. Financial Instruments**

Financial instruments consist of recorded amounts of cash, portfolio investments, due from GNWT, due from Government of Canada and other accounts receivable which will result in future cash receipts, as well as accounts payable and accrued liabilities, and wages and employee deductions payable which will result in future cash outlays.

The Authority is exposed to the following risks in respect of certain of the financial instruments held:

### **a) Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Authority is exposed to credit risk from funding agencies, recipients of services and preschool clients. The Authority has a concentrated risk of credit from two other school districts whose funding also comes from the Department of Education, Culture, and Employment. At June 30, 2017, receivables from two organizations comprised approximately 87% (2016 - 92%) of the total outstanding receivables. Furthermore there is a concentration risk in cash and portfolio investments the full balance in these accounts is held at two financial institutions. The Authority is funded by Government of Northwest Territories - Department of Education, Culture, and Employment and other stable organizations, which reduces its exposure to credit risk. Most of the credit risk exposure is with trade receivables, Dettah District Education Authority, and the N'Dilo District Education Authority. The authority reduces its risk exposure by following up on old account receivables for collection and entering into service agreement with well-established organizations. As at June 30, 2017, 22% (2016 - 48%) of other account receivable was non-current which represents \$189,323 (2016 - \$1,474,773) of the total balance. All of these were deemed collectable, and as a result, none are impaired.

### **b) Interest rate risk**

Interest rate risk is the risk that the fair value of financial instruments will fluctuate because of changes in market interest rate. The Authority is exposed to interest rate risk on its fixed and floating interest rate on cash and portfolio investments. Fixed interest instruments subject the Authority to a fair value risk while the floating rate instruments subject it to cash flow risk (see note 7). The Authority complies with the GNWT financial administration policies and guidelines which reduces its exposure to interest rate risk. Because portfolio investments can be converted into cash on a short notice, the Authority's exposure to market risk is reduced.



June 30, 2017

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### 29. Financial Instruments (Continued)

#### c) Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet all cash outflow obligations as they come due. The Authority mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise. Some of the Authority's financial assets and most of the financial liabilities at June 30, 2017 mature within the next six months. Total financial assets \$8,255,918 (2016 - \$7,520,921) of which \$4,181,714 (2016 - \$3,055,043) are not expected to mature within one year. Total financial liabilities are \$6,250,849 (2016 - \$5,569,053). The authority has disclosed future financial liabilities and commitments in Note 24.

### 30. Expenditures By Object

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Amortization	-	982,742	1,024,113
Compensation	27,845,570	27,540,674	27,181,716
Other	5,977,343	6,436,796	6,326,189
	<b>33,822,913</b>	<b>34,960,212</b>	<b>34,532,018</b>

### 31. Subsequent Events

There were no material subsequent events that have taken place between June 30, 2017 and the date the audit report was signed.

### 32. Comparative Figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.



**June 30, 2017**

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### **33. Liability for Contaminated Sites**

The Authority has identified possible environmental liabilities at William MacDonald School and Range Lake North School that have underground fuel tanks. The Department of Education, Culture and Employment, and the Department of Infrastructure is working towards replacing the underground fuel tanks.

The Authority has contracted Associated Environmental to complete a Hazardous Building Materials Assessment on all of the Buildings owned and managed by the Authority. The final reports are expected to be completed by the end of September 2017 and a management plan is expected to be put in place by January 2018. Liabilities discovered as a result of the assessment will be communicated to the Department of Education, Culture, and employment. There is uncertainty as to the amounts of these potential liabilities.