

**K'alemi Dene School  
(Ndilo District Education Authority)  
Consolidated Financial Statements  
June 30, 2017**

---

**K'alemi Dene School**  
**(Ndilo District Education Authority)**

**Consolidated Financial Statements**

---

**June 30, 2017**

**Page**

Management Discussion and Analysis	3 - 5
Management Responsibility for Financial Reporting	6
Independent Auditors' Report	7 - 8
Consolidated Statement of Financial Position	9
Consolidated Statement of Operations	10
Consolidated Statement of Changes in Net Financial Assets	11
Consolidated Statement of Cash Flows	12
Schedule 1 - Consolidated Details of Expenditures	13
Schedule 2 - Details of Aboriginal Language and Culture Program Expenditures	14
Schedule 3 - Details of Inclusive Schooling Expenditures	15
Schedule 4 - Aboriginal Languages	16
Notes to Consolidated Financial Statements	17 - 31

**Management Discussion and Analysis**  
**K'alemi Dene School**  
**2016-17 School Year**

**Introduction**

This Management Discussion and Analysis is prepared for the Ndilo District Education Authority (NDEA) to promote transparency and accountability.

The current NDEA board members are (May 2016 to May 2019):

Lila Erasmus	Chairperson
Rose Black	Vice Chairperson
Cecilie Beaulieu	Trustee
Muriel Betsina	Trustee
George Goulet	Trustee
Nyra Mackenzie	Trustee
Vacant Position	Trustee

The NDEA as a whole sits as the financial committee. The finances of the NDEA are managed and reviewed by the K'alemi Dene School (KDS) principal then sent to Crowe McKay for processing.

The NDEA contracts Metro Huculak, Yellowknife Education District No. 1's (YK1) Superintendent, to provide Superintendent services for KDS. All of the teaching staff, including teachers and educational assistants are employees of YK1. Superintendent Huculak's contract expired at the end of the 2016-17 school year. The NDEA will review the contract in September 2017.

Non-instructional staff are employees of the Yellowknives Dene First Nation (YKDFN).

During the 2016-17 school year, KDS was funded for 115 Full Time Enrolments (FTE) from Junior Kindergarten through Grade 12.

**Operating Environment**

**Strengths** – We are a small community school that serves students from Junior Kindergarten to Grade 12. We have a comprehensive culture program that includes a school Elder, Language Instructor and Indigenous Culture Coordinator. Students participate in twice weekly Willìideh Yatì classes. As well, students have many opportunities to participate in culture experiences based on the seasonal Dene calendar such as: overnight canoe trips, trapping camps, berry picking and fishing with a net.

**Weakness** – As identified by the Early Development Instrument (<https://edi.offordcentre.com>), many of our students are beginning school with vulnerability in their development. This affects children's overall development including language and communication development, gross and fine motor skills and social-

emotional skills. All of the areas must be taken into consideration when planning for academic success.

As well, with an enrolment of 115 students, we are transporting just under 50% of our student population to KDS from Yellowknife. This proves challenging with the limited transportation budget provided by the Department of Education, Culture and Employment.

**Opportunities** – A number of opportunities are available including the possibility of providing daycare services, trades opportunities and dual credit arrangements.

**Threats** – Lack of sufficient space hinders opportunity for growth. In recent year we have renovated the activity room and computer room to make space for additional classrooms as our student population increases.

There are also a number of poverty, addictions and mental illness challenges facing our students and families. It is critical that interagency partnerships are established so that proactive support can be provided.

#### **Financial Condition**

The NDEA is currently managing a surplus. The surplus is being used for a number of initiatives to enhance literacy learning at KDS. It has also been used to enhance the playground.

The NDEA will sign a contract with YKDFN to provide financial and human resources support.

#### **Summary and Outlook**

##### **Achievement & Success**

Using our surplus funds, KDS hired a Literacy Coach for two school years. This position provided job embedded, professional development for teachers from Junior Kindergarten to Grade four. Our Literacy Coach also provided one-on-one reading support to our struggles readers.

The NDEA also used surplus funds to develop the outdoor play space in front of KDS. In 2016-17, work was started to create a fenced futsal field. This field gives KDS increase activity space and opportunities for physical development. The work will finish in 2017-18.

**Challenges**

Our school continues to operate at a high utilization rate. We lack the space for additional classrooms to provide additional services. For example, there is not a large enough space for our entire student population to gather for assemblies and other large functions. As well, we struggle to offer counseling and health services because we lack the confidential break out space.

YKDFN generously allows the school the use of the community gymnasium for physical education, which is not attached to the school. Unfortunately this gymnasium is small and is not meant for older students and large classes. It greatly affects the level physical activity that we are able to offer and it hinders students' physical development. Some of our Ndilo families choose to send their children to "uptown" schools for the physical education options that are available.

The NDEA has requested a meeting with the Dettah District Education Authority, however they have not responded to the request.

Sincerely,

Metro Huculak  
Superintendent

Cc: Eileen Erasmus

## **Management Responsibility for Financial Reporting**

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

### **Management's Responsibility for Financial Reporting with respect to the school year ended June 30, 2017**

The Management Discussion and Analysis, Consolidated 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 K'alemi Dene School ("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 the Authority have been conducted within the statutory powers of the Authority. The operations and administration of the Authority 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 safety 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 all significant respects, in accordance with specified legislation and directives from the Department of Education, Culture, and Employment (ECE) of the Government of the Northwest Territories.

Approved and confirmed on behalf of the Authority

---

  
Metro Huculak

**Superintendent**

**September 15, 2017**

## **Independent Auditors' Report**

### **To the Minister of Education, Culture and Employment Government of Northwest Territories and to the Members of K'alemi Dene School**

#### *Report on the Consolidated Financial Statements*

We have audited the accompanying consolidated financial statements of K'alemi Dene School ("the Authority"), which comprise of the consolidated statement of financial position as at June 30, 2017, and the consolidated statements of operations, changes in net financial assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Consolidated 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 consolidated 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 consolidated financial statements. The procedures selected depend on the auditors' 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 consolidated 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 the Authority as at June 30, 2017, and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

We report further, in accordance with the *Financial Administration Act*, in our opinion, proper books of account have been kept by the Authority, the consolidated financial statements are in agreement herewith, and the transactions that have come under our notice have, in all significant aspects, been within the statutory powers of the Authority.



Yellowknife, Northwest Territories  
September 15, 2017

Chartered Professional Accountants

---

**K'alemi Dene School**  
(Ndilo District Education Authority)

**Consolidated Statement of Financial Position**

---

As at June 30, 2017                      2016

---

**Financial Assets**

Cash and cash equivalents (Note 4)	\$ 1,307,886	\$ 1,520,523
Portfolio investments (Note 7)	66,500	-
Due from Government of Canada (Note 13)	43,651	33,366
Accounts receivable (Note 8)	500	110,653
	<b>1,418,537</b>	<b>1,664,542</b>

---

**Liabilities**

Accounts payable and accrued liabilities (Note 10)	74,362	2,753
Payroll Liabilities	623,740	984,402
Post-employment benefits (Note 17)	33,782	-
	<b>731,884</b>	<b>987,155</b>

---

**Net Financial Assets** **\$ 686,653    \$ 677,387**

---

**Non-Financial Assets**

Prepaid expenses (Note 20)	4,982	-
----------------------------	-------	---

---

**Accumulated Surplus** **\$ 691,635    \$ 677,387**

---

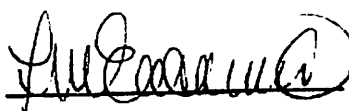
**Represented By:**

Operating Fund **\$ 691,635    \$ 677,387**

---

**Contractual obligations and contingencies (Notes 24 and 25)**

**Approved on behalf of the Authority**

 Chairperson

 Trustee  
Cecile Beaulieu

**K'alemi Dene School**  
**(Ndilo District Education Authority)**

**Consolidated Statement of Operations**

For the year ended June 30,	2017	2017	2016
	Budget (unaudited)	Actual	Actual
<b>Revenues</b>			
<b>Government of the Northwest Territories (GNWT)</b>			
ECE Regular contributions	\$2,182,969	\$2,391,000	\$2,404,423
ECE Other contributions (Note 33)	-	12,320	3,125
<b>Total ECE</b>	-	<b>2,403,320</b>	<b>2,407,548</b>
GNWT Other contributions (Note 34)	-	27,300	36,298
<b>Education body generated funds</b>			
Donations	-	48,960	52,614
Fundraising	-	65,281	65,020
Recovery from YKDFN	-	118,046	-
	2,182,969	<b>2,662,907</b>	2,561,480
<b>Expenditures - Schedule 1</b>			
School programs	1,635,917	1,957,890	2,106,935
Inclusive schooling	510,066	436,102	493,114
Administration	85,000	28,428	158,314
Aboriginal languages	184,587	226,239	230,531
Operations and maintenance	15,000	-	-
	<b>2,430,570</b>	<b>2,648,659</b>	<b>2,988,894</b>
<b>Operating surplus (deficit) before other items</b>	(247,601)	<b>14,248</b>	(427,414)
<b>Other items</b>			
Grant in-kind - Tangible Capital Assets provided at no cost (Note 23)	-	226,653	226,653
Rent expense - Tangible Capital Assets provided at no cost (Note 23)	-	(226,653)	(226,653)
	-	-	-
<b>Operating surplus (deficit)</b>	(247,601)	<b>14,248</b>	(427,414)
<b>Opening accumulated surplus</b>	677,387	<b>677,387</b>	1,104,801
<b>Closing accumulated surplus</b>	<b>\$ 429,786</b>	<b>\$ 691,635</b>	<b>\$ 677,387</b>

---

**K'alemi Dene School**  
**(Ndilo District Education Authority)**

**Consolidated Statement of Changes in Net Financial Assets**

---

<b>For the year ended June 30,</b>	<b>2017</b>	<b>2016</b>
<b>Operating surplus (deficit)</b>	<b>\$ 14,248</b>	<b>\$ (427,414)</b>
<b>Change in prepaid expenses</b>	<b>(4,982)</b>	<b>-</b>
<b>Increase (decrease) in net financial assets</b>	<b>9,266</b>	<b>(427,414)</b>
<b>Net financial assets, beginning of year</b>	<b>677,387</b>	<b>1,104,801</b>
<b>Net financial assets, end of year</b>	<b>\$ 686,653</b>	<b>\$ 677,387</b>

---

**K'alemi Dene School**  
**(Ndilo District Education Authority)**

**Consolidated Statement of Cash Flows**

<b>For the year ended June 30,</b>	<b>2017</b>	<b>2016</b>
<b>Cash provided by (used in):</b>		
<b>Operating Activities</b>		
Operating surplus (deficit)	\$ 14,248	\$ (427,414)
Change in non-cash assets and liabilities		
Decrease (increase) in accounts receivable	110,153	1,173,384
Increase (decrease) in accounts payable and accrued liabilities	71,609	(32,141)
Increase (decrease) in payroll liabilities	(360,662)	454,773
Increase (decrease) in leave and termination benefits	33,782	-
Decrease (increase) in amounts due from Government of Canada	(10,285)	(14,042)
Decrease (increase) in prepaid expenses	(4,982)	-
	<b>(160,385)</b>	<b>1,581,974</b>
	<b>(146,137)</b>	<b>1,154,560</b>
<b>Investing Activity</b>		
Purchase of GIC	(66,500)	-
<b>Change in cash position</b>	<b>(212,637)</b>	<b>1,154,560</b>
<b>Cash and cash equivalents, beginning of year (Note 4)</b>	<b>1,520,523</b>	<b>365,963</b>
<b>Cash and cash equivalents, end of year (Note 4)</b>	<b>\$ 1,307,886</b>	<b>\$ 1,520,523</b>

# K'alemi Dene School

## Schedule 1 Consolidated Details of Expenditures

For the year ended June 30,	2017		2017		2016		
	School Programs	Inclusive Schooling (Schedule 3)	Administration	Aboriginal Languages (Schedule 2)	Total	Budget (unaudited)	Total
Salaries							
Teachers	\$ 992,849	\$ 193,274	\$ -	\$ 126,951	\$ 1,313,074	\$ 1,768,636	\$ 1,331,776
Instruction assistants	72,517	139,653	-	36,850	249,020	253,826	273,970
Non-Instructional staff	215,849	-	-	-	215,849	126,250	236,125
Board/Trustee honoraria	5,500	-	6,438	-	11,938	18,000	13,148
Total Salaries	1,286,715	332,927	6,438	163,801	1,789,881	2,166,712	1,855,019
Employee Benefits							
Employee benefits and allowances	199,333	67,612	-	26,306	293,251	23,858	326,128
Leave and termination benefits	23,846	5,962	-	3,974	33,782	-	-
Total Employee Benefits	223,179	73,574	-	30,280	327,033	23,858	326,128
Services Purchased or Contracted							
Advertising	2,243	-	351	-	2,594	-	339
Electricity	2,810	-	-	-	2,810	10,000	2,470
Insurance and permits	1,566	-	-	48	1,614	-	5,844
Interest and bank charges	181	-	966	-	1,147	-	148
Maintenance and repairs	64,644	-	-	655	65,299	5,000	6,940
Other contracted services	838	-	170	-	1,008	-	13,602
Postage and communication	8,943	-	-	-	8,943	20,000	9,123
Professional/technical services	92,789	14,535	17,753	22,261	147,338	30,000	331,685
Rentals and lease	15,123	-	-	-	15,123	10,000	23,587
Student transportation and bussing	21,728	-	-	-	21,728	-	36,700
Travel	45,851	-	-	3,003	48,854	-	104,777
Water and sewage	1,337	-	-	-	1,337	-	2,961
Total Services Purchased or Contracted	258,053	14,535	19,240	25,967	317,795	75,000	538,176
Total Materials/Supplies/Freight	189,943	15,066	2,750	6,191	213,950	165,000	269,571
Total Expenditures	\$ 1,957,890	\$ 436,102	\$ 28,428	\$ 226,239	\$ 2,648,659	\$ 2,430,570	\$ 2,988,894

---

**K'alemi Dene School****Schedule 2****Details of Aboriginal Language and Culture Program Expenditures**

---

**For the year ended June 30,****2017**

---

Function	Student Instruction	Teaching/ Learning Resources	Professional Development	School Activities and Integrated Community Programs	Total
<b>Salaries</b>					
Teachers	\$ 126,951	\$ -	\$ -	\$ -	\$ 126,951
Language consultants	36,850	-	-	-	36,850
Instruction assistants	-	-	-	-	-
Non-instructional staff	-	-	-	-	-
Honoraria	-	-	-	-	-
School secretary	-	-	-	-	-
	<b>163,801</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>163,801</b>
<b>Employee Benefits</b>					
Employee benefits/allowances	<b>30,280</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,280</b>
<b>Services Purchased/Contracted</b>					
Advertising/printing/publishing	-	-	-	-	-
Licenses & permits	48	-	-	-	48
Maintenance/repair	655	-	-	-	655
Other contracted services	-	-	-	-	-
Professional/technical services	22,261	-	-	-	22,261
Rentals/leases	-	-	-	-	-
Student transportation (bussing)	-	-	-	-	-
Travel	3,003	-	-	-	3,003
	<b>25,967</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,967</b>
<b>Materials/Supplies/Freight</b>					
Materials	<b>6,191</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,191</b>
<b>Total</b>	<b>\$ 226,239</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 226,239</b>

---

# K'alemi Dene School

## Schedule 3

### Details of Inclusive Schooling Expenditures

For the year ended June 30,

2017

Function	Staff Development	Intervention Strategies	Assistive Technology	Student Resources	Southern Placements	Magnet Facilities	General Inclusive Schooling	Total
<b>Salaries</b>								
Program support teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	193,274	\$ 193,274
Consultants	-	-	-	-	-	-	-	-
Support assistants	-	-	-	-	-	-	139,653	139,653
Non-instructional staff	-	-	-	-	-	-	-	-
School secretary	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	332,927	332,927
<b>Employee Benefits</b>								
Employee benefits/allowances	-	-	-	-	-	-	73,574	73,574
<b>Services Purchased/Contracted</b>								
Professional/technical services	-	-	-	-	-	-	14,535	14,535
Travel	-	-	-	-	-	-	-	-
Student transportation (bussing)	-	-	-	-	-	-	-	-
Advertising/printing/publishing	-	-	-	-	-	-	-	-
Maintenance/repair	-	-	-	-	-	-	-	-
Rentals/leases	-	-	-	-	-	-	-	-
Other contracted services	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	14,535	14,535
<b>Materials/Supplies/Freight</b>								
Materials	-	-	-	-	-	-	15,066	15,066
<b>Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	436,102	\$ 436,102

# K'alemi Dene School

## Schedule 4 Aboriginal Languages

For the year ended

	July 1, 2016 to March 31, 2017	April 1, 2017 to June 30, 2017	Total
<b>Revenue</b>			
GNWT ECE funding	\$ 125,877	\$ 73,123	\$ 199,000
	<b>125,877</b>	<b>73,123</b>	<b>199,000</b>
<b>Expenditures</b>			
Salaries	95,575	68,226	163,801
Employee benefits	13,987	16,293	30,280
Services purchased/contracted	23,657	2,310	25,967
Supplies and materials	5,633	558	6,191
	<b>138,852</b>	<b>87,387</b>	<b>226,239</b>
<b>Surplus</b>	<b>\$ (12,975)</b>	<b>\$ (14,264)</b>	<b>\$ (27,239)</b>

**Notes to Consolidated Financial Statements**

---

**June 30, 2017**

---

**1. Nature of Operations**

K'alemi Dene School ("the Authority") was established on June 25, 2013 under the *Education Act* of the Northwest Territories by order of the Minister. Its purpose is to administer and maintain the standards of educational programs in N'Dilo as defined under the Act. A full range of instructional programs ranging from kindergarten through grade 12 are offered by the Authority.

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 has decision making authority, the power to delegate authority, the ability to significantly influence operations and the sole accountability for all fiscal matters.

The Authority is a public body performing a function of government in Canada. Paragraph 149(1)(c) of the *Income Tax Act* provides that a public body performing a function of government in Canada is exempt from taxation.

**2. Significant Accounting Policies**

**(a) Basis of Accounting**

These financial statements have been prepared in accordance with Canadian public sector accounting standards. 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 consolidated 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.

**(b) Cash and Cash Equivalents**

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

**(c) Financial Instruments**

Financial assets originated or acquired or financial liabilities issued or assumed in an arms'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 subsequently measured at amortized cost include cash, accountable funds, due from the GNWT and other accounts receivable.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, accrued salaries, deferred revenue, post-employment benefits and accountable funds.

**Notes to Consolidated Financial Statements**

---

**June 30, 2017**

---

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

**(c) Financial Instruments (continued)**

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**

Prepaid expenses and other non-financial assets are accounted for as assets by the Education Authority because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the Education Authority.

**(e) Tangible Capital Assets**

All buildings and works, furniture, equipment and vehicles are the property of the GNWT. The Minister grants to the Authority full occupancy and use of such facilities and equipment required for the administration and delivery of the education programs within the community. Tangible capital assets with a value in excess of \$50,000 are recorded at cost and amortized in accordance with the Financial Administration Manual guidelines of the GNWT and they are not disclosed on the statement of financial position. Capital assets with a value of less than \$50,000 are recorded as a current expenditure.

**(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.

**GNWT - Regular Contributions**

The regular contributions from the GNWT are determined by a funding formula, based on student enrolment and price and volume fluctuation, and are 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 GNWT.

---

**Notes to Consolidated Financial Statements**

---

**June 30, 2017**

---

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

**(f) Revenue Recognition (continued)**

**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.

**Other Revenue - Donations**

Donations are recognized as revenue when they are received or receivable, if the amount can be reasonably estimated and its collection is reasonably assured.

**Contributed Services**

The Authority receives cleaning and catering services provided by school volunteers. The fair value of these services is recognized as an expense and a corresponding revenue is recorded. The fair value of these services is \$43,781 (2016 - \$28,720).

The school bus used by the Authority is the property of the Yellowknives Dene First Nation. The fair value of the use of the bus is estimated to be equivalent to the cost of bus passes that the Authority would have had to purchase. As such a bus pass expense and corresponding revenue has been reported in the Consolidated Statement of Operations. The fair value of these services is \$21,500 (2016 - \$36,300).

**(g) Budget Data**

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

The 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 of Trustees which also establishes a tax levy to support the approved budget in accordance with Section 135(3), Assessment and Taxation, 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*.

The annual budget includes estimates of revenue and expenditures and the net operating surplus (deficit). Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Authority.

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 consolidated financial statements reflects the Minister approved budget for the school year.

**Notes to Consolidated Financial Statements**

---

**June 30, 2017**

---

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

**(h) Measurement Uncertainty**

The preparation of these consolidated 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 consolidated financial statements and the amounts of revenue and expenses during the period. Actual results could differ from these estimates.

**(i) Inventories Including Materials and Supplies**

Inventories of books, materials, supplies and other expendables purchased by the Education Body are treated as expenditures during the year of acquisition and are not recorded on the statement of financial position.

**(j) Payroll Liabilities**

Teacher payrolls for July and August are accrued.

**(k) Other Employee Future Benefits and Compensated Absences**

Under the terms and conditions of employment, education board employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. Eligibility is based on a variety of factors including place of hire, date of employment commenced, and reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for lay-off. Compensated absences include sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits (except maternal and parental leave) has been prepared using data provided by management and assumptions based on management's best estimates.

**(l) 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. 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.

**Notes to Consolidated Financial Statements**

---

**June 30, 2017**

---

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

**(m) Donated Goods and Services**

Volunteer time or donated services are recorded as revenue with offsetting expenditure at their fair values in the period received, when the services would otherwise be purchased and their fair values have been objectively determined.

**GNWT Tangible Capital Assets Provided At No Cost**

The school buildings occupied by the Authority are the property of the GNWT. The fair value of the use of the building is estimated to be equivalent to the current year amortization of the building as such a rent expense and corresponding grant in-kind has been reported in the Consolidated Statement of Operations.

**(n) Net Financial Assets (Debt)**

The Authority's financial statements are presented so as to highlight net financial assets (debt) as the measurement of financial position. The net financial assets (debt) of the Authority is determined by its financial assets less its liabilities. Net financial assets (debt) combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

**(o) 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. A liability would be recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met: an environmental standard exists; contamination exceeds the environmental standard; the Authority is directly responsible or accepts responsibility and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available as at June 30, 2017.

At each financial reporting date, management reviews the carrying amounts of the liability. Any revisions required to the amount previously recognized are accounted for in the period revisions are made. Management of the Authority has concluded that there is no contamination that exceeds environmental standards and as a result there are no liabilities for contaminated sites.

**Notes to Consolidated Financial Statements**

---

**June 30, 2017**

---

**3. Future Accounting Changes**

**Related Party Disclosures, 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.

**Inter-entity transactions, Section 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.

**Assets, Section PS 3210**

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.

**Contingent Assets, Section PS 3320**

PSAB approved Section PS 3320, Contingent Assets. 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 contingent assets except certain specific types of contingent assets.

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

**Notes to Consolidated Financial Statements**

---

**June 30, 2017**

---

**3. Future Accounting Changes (continued)**

**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.

**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 the Authority in the future.

**4. Cash and Cash Equivalents**

Cash and cash equivalents represent cash held in a bank account with the Royal Bank of Canada (RBC).

**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**

The Authority has a \$66,500 one-year guaranteed investment certificate (GIC) with the Royal Bank of Canada (RBC). The GIC has an interest rate of 0.500% per annum and matures on December 14, 2017.

---

**K'alemi Dene School**  
**(Ndilo District Education Authority)**

**Notes to Consolidated Financial Statements**

---

**June 30, 2017**

---

**8. Accounts Receivable**

	Accounts Receivable 2017	Allowance 2017	Net 2017	Net 2016
Accounts receivable	\$ 500	\$ -	\$ 500	\$ (23,068)
Surplus due from Yellowknives Dene First Nation	-	-	-	133,721
	<b>\$ 500</b>	<b>\$ -</b>	<b>\$ 500</b>	<b>\$ 110,653</b>

**9. Inventories**

The Authority does not have inventories.

**10. Accounts Payable**

	2017	2016
Trades payable	\$ 74,362	\$ 2,753
Payroll Liabilities	623,740	984,402
	<b>\$ 698,102</b>	<b>\$ 987,155</b>

**11. Deferred Revenue**

The Authority does not have deferred revenue.

**12. Contribution Repayable**

The Authority does not have contribution repayable.

---

**K'alemi Dene School**  
**(Ndilo District Education Authority)**

**Notes to Consolidated Financial Statements**

---

**June 30, 2017**

---

**13. Due from and (to) the Government of Canada**

	2017		2016
Goods and Services Tax receivable	\$ 43,651	\$	33,366

---

**14. Capital Lease Obligations**

The Authority does not have capital lease obligations.

**15. Pensions**

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 \$260,336. 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 1,542).

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.

**K'alemi Dene School**  
**(Ndilo District Education Authority)**

**Notes to Consolidated Financial Statements**

**June 30, 2017**

**17. Post Employment Benefits**

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.

	<b>Severance and Removal</b>	<b>Compensated Absences</b>	<b>2017</b>	<b>2016</b>
<b>Changes in Obligation</b>				
Accrued benefit obligation beginning of year	\$ 21,338	\$ 6,079	\$ 27,417	\$ -
Current service cost	3,251	708	3,959	-
Interest cost	758	214	972	-
Benefits paid	-	(174)	(174)	-
Actuarial (gain)/loss	3,797	315	4,112	-
Plan amendment	-	1,608	1,608	-
<b>Accrued benefit obligation at end of year</b>	<b>29,144</b>	<b>8,750</b>	<b>37,894</b>	<b>-</b>
Unamortized net actuarial loss/(gain)	(3,797)	(315)	(4,112)	-
<b>Accrued benefit liability</b>	<b>\$ 25,347</b>	<b>\$ 8,435</b>	<b>\$ 33,782</b>	<b>\$ -</b>

---

**K'alemi Dene School**  
**(Ndilo District Education Authority)**

**Notes to Consolidated Financial Statements**

---

**June 30, 2017**

---

**17. Post Employment Benefits (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 ten fiscal years are:

	Severance and Removal	Compensated Absences	Total
2018	\$ 2,235	\$ 219	\$ 2,454
2019	2,431	236	2,667
2020	2,964	477	3,441
2021	3,890	1,078	4,968
2022	4,072	998	5,070
2023-2027	18,704	4,467	23,171
	<u>\$ 34,296</u>	<u>\$ 7,475</u>	<u>\$ 41,771</u>

**18. Trust Assets Under Administration**

The Authority does not have trust assets under administration.

**19. Tangible Capital Assets**

The Authority does not have tangible capital assets.

**20. Prepaid Expenses**

	2017	2016
Vehicle licenses and insurance	\$ 4,892	\$ -

**21. Accumulated Surplus/Deficit**

A consolidated statement of accumulated surplus/deficit has been prepared and included in the Consolidated Statement of Financial Position.

**22. Capital Advances**

The Authority does not have capital advances.

---

**K'alemi Dene School**  
**(Ndilo District Education Authority)**

**Notes to Consolidated Financial Statements**

---

**June 30, 2017**

---

**23. GNWT Tangible Capital Assets Provided At No Cost**

	Cost	Accumulated Amortization	2017 Net Book Value	2016 Net Book Value
Buildings	\$ 9,066,125	\$ 1,699,898	\$ 7,366,227	\$ 7,592,880

Rent expense of \$226,653 (2016 - \$226,653) equal to current year amortization of the tangible capital assets was offset by a grant in-kind.

**24. Contractual Obligations**

The Authority has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2017

	Expires in Fiscal Year	2018	2019	Total
Equipment lease	2019	\$ 9,056	\$ 6,792	\$ 15,848
Contract for superintendent services	2018	3,000	-	3,000
		\$ 12,056	\$ 6,792	\$ 18,848

**25. Contingencies**

As of the audit report date, the Authority does not have contingencies.

---

**K'alemi Dene School**  
(Ndilo District Education Authority)

**Notes to Consolidated Financial Statements**

---

**June 30, 2017**

---

**26. Related Parties**

The Authority is related in terms of common ownership to all GNWT created departments, agencies and corporations. The Authority enters into transactions with these entities in the normal course of business. The Authority is provided with various administrative services by the GNWT, the value of which is not reflected in these consolidated financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage, payroll services and internal audit services by the Department of Finance, and utilities and maintenance by Public Works and Services. Transactions with related parties and balances at year-end not disclosed elsewhere in the consolidated financial statements are summarized in this note.

	2017	2016
<b>Due to related parties</b>		
Yellowknife Education District #1	\$ 595,701	\$ 984,402
<b>Revenue from related parties</b>		
GNWT - Department of Education, Culture and Employment	\$ 2,403,320	\$ 2,407,548
GNWT - Department of Environment and Natural Resources	8,000	-
GNWT - Department of Municipal and Community Affairs	19,300	-
Yellowknife Education District #1	-	36,298
<b>Total revenues from related parties</b>	<b>\$ 2,430,620</b>	<b>\$ 2,443,846</b>
<b>Expenses to related parties</b>		
Aurora College	\$ 200	\$ -
Yellowknife Education District #1	1,855,345	1,946,622
<b>Total expenses to related parties</b>	<b>\$ 1,855,545</b>	<b>\$ 1,946,622</b>

**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 May 9, 2016 and have not been audited.

**Notes to Consolidated Financial Statements**

---

**June 30, 2017**

---

**28. Economic Dependence**

The Authority receives its funding primarily from the GNWT. If the funding arrangements were to change management is of the opinion that the Authority's operations would be significantly affected.

**29. Financial Instruments**

The Authority is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risks from the Authority's financial instruments is provided by type of risk below. The Authority is exposed to credit and liquidity risks from the its financial instruments. Qualitative and quantitative analysis of the significant risks from the Authority's financial instruments is provided below by type of risk below.

**a) Credit risk**

Credit risk is the risk of financial loss to the Authority if a debtor fails to make payments of interest and principal when due. The Authority is exposed to this risk relating to its, cash and accounts receivable.

The Authority's maximum exposure to credit risk is represented by the financial assets balance for a total of \$1,418,537 (2016 - \$1,664,542).

There is a concentration of credit risk in cash as the majority of the deposits are held in one Canadian chartered bank and the balance is in excess of the insurable limit.

**b) 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.

The Authority's maximum exposure to liquidity risk is represented by accounts payable and accrued liabilities, and payroll liabilities for a total of \$731,884 (2016 - \$987,155).

All of the Authority's financial assets and financial liabilities at June 30, 2017 mature within 6 months.

There have been no significant changes from the previous year in the exposure to risks or policies, procedures, and methods used to measure the risks.

---

**K'alemi Dene School**  
**(Ndilo District Education Authority)**

**Notes to Consolidated Financial Statements**

---

**June 30, 2017**

---

**30. Expenditures by Object**

	Budget 2017 (Unaudited)	Actual 2017	Actual 2016
Compensation	\$ 2,190,570	\$ 2,116,914	\$ 2,181,147
Materials and freight	165,000	213,950	269,571
Services purchased/contracted	75,000	317,795	538,176
	<b>\$ 2,430,570</b>	<b>\$ 2,648,659</b>	<b>\$ 2,988,894</b>

---

**31. Subsequent Events**

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

**32. Comparative Figures**

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

**33. ECE Other Contributions**

	2017	2016
Government of the Northwest Territories, Department of Education, Culture and Employment		
Fundraising	\$ 4,500	\$ 3,125
Self Regulation	5,300	-
Drop the Pop	1,811	-
Other	709	-
	<b>\$ 12,320</b>	<b>\$ 3,125</b>

---

**34. GNWT Other Contributions**

	2017	2016
Government of the Northwest Territories		
Municipal and Community Affairs	\$ 19,300	\$ -
Environment and Natural Resources	8,000	-
	<b>\$ 27,300</b>	<b>\$ -</b>

---