

Dettah District Education Authority
Consolidated Financial Statements
June 30, 2017

Dettah District Education Authority

Consolidated Financial Statements

June 30, 2017

Page

Management Discussion and Analysis	3 - 8
Management's Responsibility for Financial Reporting	9
Independent Auditors' Report	10 - 11
Consolidated Statement of Financial Position	12
Consolidated Statement of Operations	13
Consolidated Statement of Changes in Net Financial Assets	14
Consolidated Statement of Cash Flows	15
Notes to Consolidated Financial Statements	16 - 28
Schedule 1 - Consolidated Details of Expenditures	29
Schedule 2 - Details of Aboriginal Language and Culture Program Expenditures	30
Schedule 3 - Details of Inclusive Schooling Expenditures	31
Schedule 4 - Aboriginal Languages	32

Management Discussion and Analysis

Introduction

Dettah District Education Authority Administration:

Metro Huculak – Superintendent of Yellowknife Educational District #1
Lea Lamoureux – Principal of Kaw Tay Whee School
Sally Ann Drygeese - Administration/Educational Assistant

Current DEA Members:

Rebecca Plotner – Chairperson
James Sanderson – Vice-Chairperson
Beatrice Sangris – Member
Mary Laurie Tobie – Member
Tina Crookedhand – Member
Angela Lafferty – Member
Eileen Drygeese – Member

Acknowledgements:

The Dettah District Education Authority acknowledges the preparation of the Annual Management Discussion and Analysis as a go-forward responsibility of school management/administration and the Board Members to promote transparency and accountability.

Vision Statement:

“To create a safe learning environment where students can develop both academic and traditional skills as they become community leaders.”

Mission Statement:

“We believe in working together to create a thriving community through education, culture and pride.”

Core Strategies:

- Develop, build, and maintain strong and respectful working relationships between the Dettah District Education Authority and Kaw Tay Whee School management/administration and staff to best serve students and families
- Provide daily instruction in the Wiiliideh language and frequent opportunities for students to learn traditional ways of the community
- Recruit, train, and retain high quality, and highly qualified teaching and support staff to best serve current and future students
- Support school staff team to provide a whole-child educational experience and to provide a “wrap-around” services model to better support families in the community
- Actively engage in ensuring that students from the community from junior kindergarten to grade twelve attend and engage in educational opportunities; and work with extended families to promote the importance of school attendance and graduation
- Offer opportunities for pre-school aged children (0-5) to be involved in the wider life of the school to ease the transition when it is time for these children to register for school
- Support school management in their advocacy for services to be offered in the community school so as to ease challenges with system navigability; including but not limited to health services
- Plan for the future of a healthy thriving school and the possible provision of needed early intervention by networking and supporting new families and new parents

- Carefully ensure maximum fiscal responsibility to best meet the specific needs of students in our school
- Support school staff team in their quest to provide ample opportunities for students to have a wide variety of learning experiences so as to broaden their general knowledge base, and have a positive impact on personal health, well being, confidence, and strong personal cultural identity

Active Committees:

The Dettah District Education Authority has two main committees, comprised of the hiring committee and the finance committee. Each committee has two members, and the chairperson is also automatically added to each committee.

As a core value of the Dettah District Education Authority is collaboration and partnership with the school administration, the committees meet on an as-needed basis, and conduct business in collaboration with school management/administration.

School Staff Equivalents:

In 2016-2017, the FTE enrolment of Kaw Tay Whee School was 28.0 students from junior kindergarten to grade 9. The total enrolment of Dettah students in all schools up to grade 12 was 48.0.

The school was split into three classrooms to accommodate this number of grade levels and student needs. The Multi-Age-Grouped classrooms were grouped as junior kindergarten and kindergarten, grades one to three, grades three to five, and grades six to eight.

The school employed 3.0 full time teachers, 1.0 language teacher/EA, and 1.0 principal/PST/teacher.

When considering school population and staffing, it is important to note that the principal/PST/teacher position includes a variety of responsibilities, not normally required in this role, due to the unique position of the Dettah District Education Authority. The Dettah District Education Authority contracts superintendency services from Yellowknife Education District Number One.

- The DDEA is site-based-managed for funding, and is also independently audited. The day-to-day responsibilities and management of these tasks is part of the principal's job; as are any responsibilities that are designated to him/her by the DEA Chair.
- The principal is responsible for working with contractors, the GNWT, and many other bodies directly, as opposed to being filtered through school-board level coordinators. The principal is also responsible for the complete Operating Plan (Accountability Framework) and the Inclusive Schooling Compliance Tool.

Operating Environment

Strengths and Opportunities:

- Consistently positive working relationship between Dettah District Education Authority and Kaw Tay Whee School Staff; maximizing the potential for a positive learning environment for students and support for families
- An increase in the amount and quality of instruction in the local Wiiliideh language, by a caring, and qualified individual from the community
- An increase in grades offered over the past several years, to now encompass junior kindergarten to grade eight; therefore maximizing potential for students to access high quality learning in the home community, and ensuring that there are no barriers with transportation if a student is late. This year, the school has offered grade nine to students following IEPs.
- Over the past nine years, the school and school staff have received many accolades and awards; including the Prime Minister's Award for Teaching Excellence Certificate of Achievement, and a Canada's Outstanding Principal award; attesting to the change in student achievement, and attendance,
- The Dettah District Education Authority and school management have carefully managed funds to ensure that a small surplus is available for the future, should enrollment change due to moving or a low birth year

Challenges and Threats:

- This year our DEA encountered a large financial challenge as three of our staff accessed maternity and parental leave; this was unexpected and resulted in a large impact on our budget; as did hiring replacements for these staff members
- As in years past; due to large families moving away from Dettah, or a low birth year in the community, school enrollment can be volatile and unpredictable from year to year;

thus providing a challenge for the number of grades offered in one room, and in providing assistance for those students requiring one-on-one support. In order to minimize threat, as school funding changes, the DDEA has ensured a small surplus to attempt to maintain the integrity of school programming and staff allocations.

Financial Condition

The Authority's financial assets increased from \$444,509 to \$500,377. This year the net financial assets (financial assets less liabilities) were \$279,828 compared to \$193,657 in the prior year indicating a stronger financial position.

The Authority had an operating surplus of \$86,171 for the year compared to an operating deficit of \$160,265 in the prior year. The 2016-17 surplus can be attributed to the decrease in spending on wages and benefits due to two employees being on maternity leave as well as a reduction in transfer costs as there were fewer transfer students than in prior years. The accumulated surplus at year end is \$279,828.

Accounts payable and accrued liabilities have increased from \$41,650 to \$49,191 due to increased amounts owing on the Authority's VISA at year end.

The Yellowknife Education District #1 Payable decreased from \$208,260 to \$139,594. The decrease is due to the Authority having less staff on payroll in 2017 compared to the prior year as a result of the two employees on maternity leave.

Dettah DEA received 97% (2016 - 97%) of its funding from the GNWT. The core funding decreased from \$1,502,590 to \$1,373,283 in the current year. Other revenue in the current year mainly consists of donations from Dominion Diamond Corporation of \$25,000.

Summary and Outlook

Achievements and Successes:

- Students in need of speech support has continued to grow; yet students received one-on-one support on a daily basis to improve their skills
- School staff remained consistent; with over 50% of employees being employed at the school for five years or longer; with most staff on maternity leave or covering maternity leave returning for the 2017-2018 school year
- Attendance of community members and family members at school events continued to increase

Top Priority Challenges for the Coming Year:

- As in years past, due to a high number of families moving out of Dettah, and several students beginning grade 9, student enrollment is projected to potentially decrease for the 2017-2018 school year; thus potentially having a financial impact on the funding allocations for the 2018-2019 school year
- In order to minimize the impact on school programming, and experiences, school management will continue to work with outside stakeholders and partners to provide opportunities for students without impacting current allocations

Management's Responsibility for Financial Reporting

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

To the Members of Dettah District Education Authority

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 Dettah District Education Authority (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 Education Body. 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 Education Body 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 except payroll paid by Yellowknife Education District #1. 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



Chairperson
Dettah District Education Authority



Principal
Dettah District Education Authority

September 19, 2017

Independent Auditors' Report

**To the Minister of Education, Culture and Employment
Government of Northwest Territories
and
To the Members of Dettah District Education Authority**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Dettah District Education Authority (the "Authority") which comprise 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 controls as management determines are 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 whether the consolidated financial statements are free of 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 and fair presentation 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 qualified audit opinion.

Independent Auditors' Report (continued)

Basis for Qualified Opinion

The Yellowknife Education District #1 is responsible for the calculation and distribution of the salaries and wages to indeterminate and term employees. Our audit scope was limited, as we did not audit the components of wages and salaries expenditures. Accordingly, we are not able to determine whether any adjustments might be necessary to wages and salaries expenditures, liabilities and net financial assets.

Qualified Opinion

In our opinion, except for the effects of adjustments, if any, of the matter described in the Basis for Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the 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 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 21, 2017

Chartered Professional Accountants

Dettah District Education Authority

Consolidated Statement of Financial Position

As at June 30,	2017	2016
----------------	------	------

Financial Assets

Cash and cash equivalents (Note 4)	\$ 500,377	\$ 444,509
------------------------------------	------------	------------

Liabilities

Accounts payable and accrued liabilities (Note 10)	49,191	41,650
Payroll liabilities (Note 10)	3,082	943
Leave and termination benefit (Note 17)	28,682	-
Due to Yellowknife Education District #1 (Note 26)	139,594	208,260

	220,549	250,853
--	---------	---------

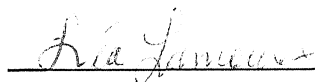
Net Financial Assets and Accumulated Surplus	\$ 279,828	\$ 193,657
---	-------------------	-------------------

Contractual obligations and contingencies (Note 24 and 25)

Approved on behalf of the Authority



Chairperson



Principal

Dettah District Education Authority**Consolidated Statement of Operations**

For the year ended June 30,	2017	2017	2016
	Budget (unaudited)	Actual	Actual
Revenues			
Government of the NWT			
ECE Regular Contributions	\$ 1,357,400	\$ 1,373,283	\$ 1,501,126
ECE Other Contributions (Note 33)		3,167	1,464
Total ECE	1,357,400	1,376,450	1,502,590
MACA Other Contributions (Note 34)	-	15,300	-
Total GNWT	1,357,400	1,391,750	1,502,590
Education Body Generated Funds			
Donations	-	36,974	32,780
Investment Income	-	518	619
Yellowknife Education District #1	-	-	17,300
Total Generated Funds	-	37,492	50,699
Total Revenues	\$ 1,357,400	\$ 1,429,242	\$ 1,553,289
Expenditures			
Administration (Schedule 1)	91,850	144,558	102,380
School Programs (Schedule 1)	744,794	879,920	1,198,587
Inclusive Schooling (Schedules 1 and 3)	344,627	142,236	254,389
Operations and Maintenance (Schedule 1)	-	33,149	39,307
Aboriginal Languages (Schedules 1 and 2)	175,061	143,208	118,891
	\$ 1,356,332	\$ 1,343,071	\$ 1,713,554
Operating Surplus (deficit) before other items	1,068	86,171	(160,265)
Other Items			
Grant in-kind - Assets provided at no cost (Note 23)	-	42,111	42,111
Rent expense - Assets provided at no cost (Note 23)	-	(42,111)	(42,111)
Operating Surplus (deficit)	1,068	86,171	(160,265)
Opening Accumulated Surplus	193,657	193,657	353,922
Closing Accumulated Surplus	\$ 194,725	\$ 279,828	\$ 193,657

Dettah District Education Authority

Consolidated Statement of Changes in Net Financial Assets

For the year ended June 30,	2015	2016
Operating surplus (deficit)	\$ 86,171	\$ (160,265)
Net financial assets, beginning of year	193,657	353,922
Net financial assets, end of year	\$ 279,828	\$ 193,657

Dettah District Education Authority**Consolidated Statement of Cash Flows**

For the year ended June 30,	2017	2016
<i>Cash provided by (used in):</i>		
Operating transactions		
Operating surplus (deficit)	\$ 86,171	\$ (160,265)
Changes in non-cash assets and liabilities		
Decrease (increase) accounts receivable	-	25,363
Increase (decrease) accounts payable and accrued liabilities	7,541	10,928
Increase (decrease) payroll liabilities	2,140	10,930
Increase (decrease) due to Yellowknife District Education #1	(68,666)	(10,946)
Increase (decrease) post-employment benefits	28,682	-
	(30,303)	36,275
Cash used for operating transactions	55,868	(134,920)
Decrease in cash and cash equivalents	55,868	(134,920)
Cash and cash equivalents at beginning of year	444,509	579,429
Cash and cash equivalents at end of year (Note 4)	\$ 500,377	\$ 444,509

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2017

1. Nature of Operations

The Dettah District Education Authority (the "Authority") was established under the *Education Act* of the Government of the Northwest Territories ("GNWT") by order of the Minister dated February 12, 2004. Its purpose is to administer and maintain the standards of educational programs in Dettah as defined under the Act. A full range of instructional programs ranging from kindergarten through grade 12 is 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.

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. The Authority is the lowest (and sole) level of government exercising oversight responsibility.

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 the function of government in Canada is exempt from taxation.

2. Significant Accounting Policies

(a) Basis of accounting

The consolidated financial statements of the the Authority have been prepared in accordance with Canadian public sector accounting standards. The consolidated financial statements have, in the management's opinion, been properly prepared within 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.

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2017

2. Significant Accounting Policies (continued)

(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 measured at amortized cost include cash and cash equivalents.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, payroll liabilities and amounts due to Yellowknife Education District #1.

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.

(e) Tangible capital assets

The Authority does not carry any tangible capital assets. All tangible capital assets used by the Authority are purchased by and remain the property of the GNWT. The Minister grants to the Education Body the full occupancy and use of such facilities and equipment where required for the administration and delivery of education system programs. 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 by the GNWT. Tangible capital assets with a value of less than \$50,000 are recorded as a current expenditure.

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2017

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.

GNWT regular contributions

The regular contributions from the 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 GNWT. The contribution revenue is recognized when received or receivable.

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 recognized as revenue in the year in which the related expenses are incurred.

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 reasonably estimated.

Donations

Donations are recognized in the period they are received.

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2017

2. Significant Accounting Policies (continued)

(g) 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 priorities and funding allocations are determined by the Board of Trustees of the Authority and the budget is legally adopted by a motion of the Board 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 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 the Authority's policy, regulations and approved budget procedures. The budget data presented in the financial statements reflects the Minister approved budget for the school year. The budget has not been audited.

(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 Authority 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.

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2017

2. Significant Accounting Policies (continued)

(k) Post-employment Benefits, Compensated Absences and Termination Benefits

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 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 assumption 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.

3. Future Accounting Changes

Related Party Disclosures, Section PS 2200

This new Section defines a related party and establishes disclosures required for related party transactions.

This Section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

Inter-entity transactions, Section PS 3420

This new 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 applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2017

3. Future Accounting Changes (continued)

Assets, Section PS 3210

This new Section provides guidance for applying the definition of assets and establishes general disclosure standards for assets. Disclosure information about the major categories of assets that are not recognized is required.

This Section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

Contingent Assets, Section PS 3320

This new Section defines and establishes disclosure on contingent assets. Disclosure of information about contingent assets is required when the occurrence of the confirming future event is likely.

This Section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

Contractual Rights, Section PS 3380

This new Section defines and establishes disclosure standards on contractual rights. Disclosure of the nature, extent, and timing or any contractual rights is required.

This Section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

Financial Instruments, Section PS 3450 and related amendments to Financial Statement Presentation, Section PS 1200

This standard will establish how to account for and report all types of financial instruments including derivatives. Financial instruments include primary instruments and derivative financial instruments. Governments should adopt Section PS 3450 in the same fiscal year Section PS 2601, Foreign Currency Translation, is adopted.

This Section is effective for fiscal periods beginning on or after April 1, 2019. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

Restructuring Transactions, Section PS 3430

This new Section establishes standards on how to record assets, liabilities, revenues and expenses related to restructuring transactions as well as disclosure requirements for the recipient and transferor.

This Section applies to fiscal years beginning on or after April 1, 2018. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

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.

Dettah District Education Authority**Notes to Consolidated Financial Statements**

June 30, 2017

4. Cash and Cash Equivalents

	2017	2016
Cash and cash equivalents	\$ 500,377	\$ 444,509

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 does not have any portfolio investments.

8. Accounts Receivable

The Authority does not have any accounts receivable.

9. Inventory

The Authority does not record inventory as per note 2(i).

10. Accounts Payable and accrued liabilities

	2017	2016
Trade	\$ 49,191	\$ 41,650
Payroll liabilities	3,082	943
	<hr/>	<hr/>
	\$ 52,273	\$ 42,593

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2017

11. Deferred Revenue

The Authority does not have any deferred revenue.

12. Contributions Repayable

The Authority does not have any contributions repayable.

13. Due From and To the Government of Canada

The Authority does not have amounts due from and due to the Government of Canada.

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 \$79,256. 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.

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2017

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.

	Severance and Removal	Compensated absences	2017
Changes in Obligations			
Accrued benefit obligations	\$ 16,282	\$ 5,976	\$ 22,258
Current period benefit cost	1,925	547	2,472
Interest accrued	528	185	713
Benefits payments	-	(1,463)	(1,463)
Plan amendments	-	337	337
Actuarial (gain)/loss	1,771	2,594	4,365
Accrued benefit obligations end of year	20,506	8,176	28,682
Unamortized net actuarial loss	(1,771)	(2,594)	(4,365)
Total employee future benefits and compensated absences	18,735	5,582	24,317
Benefit expenses	-	-	-
Current service costs	1,925	547	2,472
Interest costs	528	185	713
Plan amendments	-	337	337
Amortization of actuarial gains	\$ 2,453	\$ 1,069	\$ 3,522

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2017

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 and Deposits

The Authority does not have prepaid expenses and deposits.

21.Accumulated Surplus/Deficit

	2017	2016
Operating surplus	\$ 279,828	\$ 193,657

22.Capital Advances

The Authority does not have capital advances.

23.GNWT Assets Provided At No Cost

	Cost	Accumulated Amortization	2017 Net Book Value	2016 Net Book Value
Kaw Tay Whee	\$ 895,327	\$ 442,642	\$ 452,685	\$ 494,796

Rent expense of \$42,111 (2016 - \$42,111) was offset by a grant in-kind.

24.Contractual Obligations

The Authority does not have any contractual obligations.

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2017

25. Contingencies

The Authority does not have any contingencies.

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. Transactions with related parties and balances at year-end not disclosed elsewhere in the financial statements are summarized in this note.

Due to Related Party

	2017	2016
Yellowknife Education District #1	\$ 139,594	\$ 208,260

Revenues from Related Parties

	2017	2016
GNWT - Department of Education, Cultural and Employment	\$ 1,376,450	\$ 1,502,590
GNWT - Department of Municipal and Community Affairs	15,300	-
Total Revenues from Related Parties	\$ 1,391,750	\$ 1,502,590

Expenses Paid to Related Parties

	2017	2016
Yellowknife Catholic Schools	\$ 217,120	\$ 271,189
Yellowknife Education District #1	77,590	43,490
Total Expenses Paid to Related Parties	\$ 294,710	\$ 314,679

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 Authority 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 **December 8, 2016** and have not been audited.

Dettah District Education Authority

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 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 cash equivalents. The Authority holds its cash and cash equivalents in accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Authority's cash in accounts are insured up to \$100,000.

The Authority's maximum exposure to credit risk is represented by the financial assets balance for a total of \$500,377 (2016 - \$444,509).

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, payroll liabilities and amounts due to Yellowknife Education District #1 for a total \$191,867 (2016 - \$250,853).

The financial assets including cash and cash equivalents. The financial liabilities including accounts payable and accrued liabilities, payroll liabilities and amounts due to Yellowknife Education District #1 mature within 6 months.

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

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2017

30. Expenditures By Object

	2017 Budget	2017 Actual	2016 Actual
Compensation	\$ 910,255	\$ 884,769	\$ 956,641
Materials and freight	83,547	71,425	155,659
Services purchased or contracted	362,530	386,877	601,254
	\$ 1,356,332	\$ 1,343,071	\$ 1,713,554

31. Subsequent Events

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

32. Comparative Figures

The 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		
Other	\$ 3,167	\$ 1,464

34. GNWT Other Contributions

	2017	2016
Government of the Northwest Territories		
Department of Municipal and Community Affairs	\$ 15,300	\$ -

Dettah District Education Authority

Schedule 1 - Consolidated Details of Expenditures

For the year ended June 30,

							Total 2017	Budget 2017	Total 2016
	School Programs	Operations and Maintenance	Administration	Aboriginal Languages	Inclusive Schooling	Other	Total	Total	Total
Salaries									
Teachers	\$ 387,979	\$ -	\$ 38,372	\$ -	\$ 113,932	\$ -	\$ 540,283	\$ 704,806	\$ 599,652
Instructional assistant	-	-	-	-	-	-	-	15,000	-
YK1 superintendent	-	-	27,500	-	-	-	27,500	-	29,750
Non-instructional staff	-	32,074	-	124,233	-	-	156,307	169,449	136,929
Board/Trustee honoraria	-	-	13,798	-	-	-	13,798	18,000	15,180
School secretary	-	-	-	-	-	-	-	-	22,826
Total salaries	387,979	32,074	79,670	124,233	113,932	-	737,888	907,255	804,337
Employee benefits									
Employee benefits and allowances	79,991	-	4,055	15,997	18,156	-	118,199	3,000	152,304
Leave and termination benefits	18,011	1,075	2,805	2,863	3,928	-	28,682	-	-
Total employee benefits	98,002	1,075	6,860	18,860	22,084	-	146,881	3,000	152,304
Services Purchased or Contracted									
Advertising	13,969	-	-	-	-	-	13,969	18,000	26,627
Art and physical education	-	-	-	115	-	-	115	-	-
Contracted services	217,120	-	31,588	-	-	-	248,708	17,000	403,499
Maintenance and upgrades	5,422	-	531	-	-	-	5,953	-	9,057
Other	20,632	-	25,838	-	-	-	46,470	196,450	60,908
Postage and communications	-	-	-	-	178	-	178	7,000	-
Professional and technical services	490	-	-	-	6,042	-	6,532	60,400	29,525
Student transportation (bussing)	64,952	-	-	-	-	-	64,952	63,680	71,638
Total Services Purchased or Contracted	322,585	-	57,957	115	6,220	-	386,877	362,530	601,254
Materials and Freight									
Freight	-	-	-	-	-	-	-	-	150
Materials	71,354	-	71	-	-	-	71,425	83,547	155,509
Total Materials and freight	71,354	-	71	-	-	-	71,425	83,547	155,659
Total Expenditures	\$ 879,920	\$ 33,149	\$ 144,558	\$ 143,208	\$ 142,236	\$ -	\$ 1,343,071	\$ 1,356,332	\$ 1,713,554

Dettah District Education Authority**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
Salaries					
Non-instructional staff	\$ 124,233	\$ -	\$ -	\$ -	\$ 124,233
Employee Benefits					
Employee benefits and allowances	15,997	-	-	-	15,997
Leave and termination benefits	2,863	-	-	-	2,863
	18,860				18,860
Services Purchased or Contracted					
Art and physical education	115	-	-	-	115
Total	\$ 143,208	\$ -	\$ -	\$ -	\$ 143,208

Dettah District Education Authority**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
Salaries								
Program support teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	113,932	\$ 113,932
Employee Benefits								
Employee benefits and allowances	-	-	-	-	-	-	18,156	18,156
Leave and termination benefits	-	-	-	-	-	-	3,928	3,928
	-	-	-	-	-	-	22,084	22,084
Services Purchased or Contracted								
Professional and technical services	-	-	-	-	-	-	6,042	6,042
Postage and communications	-	-	-	-	-	-	178	178
							6,220	6,220
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	142,236	\$ 142,236

Dettah District Education Authority**Schedule 4
Aboriginal Languages**

	July 1, 2016 to March 31, 2017	April 1, 2017 to June 30, 2017	Total
Revenue			
GNWT ECE funding	\$ 92,280	\$ 53,720	\$ 146,000
Expenditures			
Salaries	92,632	31,601	124,233
Employee benefits	13,478	5,382	18,860
Services Purchased or Contracted	-	115	115
	106,110	37,098	143,208
Surplus	\$ (13,830)	\$ 16,622	\$ 2,792
