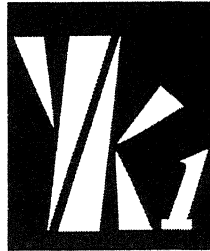


Yellowknife District No.1 Education Authority

(Yellowknife Education District No. 1)

Financial Statements

June 30, 2016





Yellowknife District No. 1 Education Authority

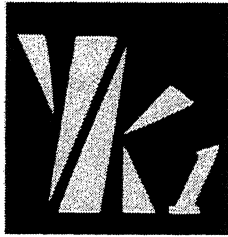
(the Authority)

Table of Contents

June 30, 2016

Page

Managements Discussion and Analysis.....	3 - 9
Managements Responsibility for Financial Reporting.....	10
Independent Auditors' Report	11 - 12
Statement 1 - Consolidated Statement of Financial Position.....	13
Statement 2 - Consolidated Statement of Operations.....	14
Statement 3 - Consolidated Statement of Changes in Net Financial Assets.....	15
Statement 4 - Consolidated Statement of Cash Flows.....	16
Statement 5 - Consolidated Details of Expenses.....	17
Statement 6 - Details of Aboriginal Language and Culture-Based Education Expenditures.....	18
Statement 7 - Details of Inclusive Schooling Expenditures.....	19
Statement 8 - Report on Activities of Specific Programs - French Language Program.....	20
Statement 9 - Report on Activities of Specific Programs - Aboriginal Languages.....	21
Statement 10 - Report on Activities of Specific Programs - Student Success Initiative Projects.....	22
Statement 11 - Report on Activities of Specific Programs - Community Outreach Program.....	23
Notes to Financial Statements.....	24 - 50



EDUCATING FOR LIFE.

YELLOWKNIFE EDUCATION DISTRICT NO. 1 OF THE NORTHWEST TERRITORIES

BOX 788
YELLOWKNIFE, NT X1A 2N6
TEL: (867) 766-5050 FAX: (867) 873-5051

Management Discussion and Analysis

Introduction

Yellowknife Education District No. 1 ("YK1") Administration:

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

Current Board Members:

John Stephenson, Chairperson
Duff Spence, Vice- Chairperson

Trustees:

Allan Shortt
Tina Drew
Jay Butler
Terry Brookes
Rajiv Rawat

Active Committees include:

- Healthy Schools Steering Committee
- Policy Committee
- Aboriginal Language and Culture Committee
- Public Relations Committee
- Finance Committee

The YK1 Board of Trustees vision ensures all students:

- Reach their highest level of learning
- Receive programming which responds to their diverse learning needs in a respectful and inclusive manner
- Engage in Indigenous Languages, perspectives, and culture-based education
- Engage in healthy lifestyles and respectful, caring relationships.

YK1 core strategies

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

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

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

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

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

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

To ensure all students engage in healthy lifestyles and respectful, caring relationships.

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

Operating Environment

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

Mildred Hall School:

- Mildred Hall School (MHS) offers grades from Pre-Kindergarten to Grade 8.
- Mildred Hall is an English school that offers Core French. Aboriginal Language and culture based education is available to all grade levels.
- Special programs include Choir, Band, Aboriginal Education and Hockey Academy.
- There are a wide variety of extracurricular sports and clubs available.
- Exploratory programs include outdoor education, wood working, technology, foods, mountain bike riding, snowshoeing and skiing
- An “On the Land Mentorship” program was established, where students are paired with Aboriginal experts and elders to learn important skills like snaring, tanning moose hide and setting nets.
- This past year Mildred Hall School won the Staples “Superpower your School Contest”. The schools had to demonstrate initiatives they had implemented to help save the planet. Mildred Hall was selected because of their ongoing sustainability efforts, and as a result the school was awarded \$25,000 to be spent on new technology.
- Mildred Hall also has a large garden, where the students grow vegetables that are used in the foods program.

N.J Macpherson School:

- N.J. Macpherson School (NJM) offers grades from Kindergarten to Grade 5 (the Pre- Kindergarten program is run by the Montessori Society)
- N.J.M is an English school that offers Core French.
- Special programs include Montessori, Visual Arts, Music, Drama and Gymnastics
- Extracurricular sports and clubs are offered.
- Aboriginal Language and Culture is integrated into classroom sessions, and students get to attend a culture camp.

École J.H. Sissons:

- École J.H. Sissons offers French Immersion grades from Pre-Kindergarten to Grade 5.
- Students get to participate in French culture camps, Camp de Neige, and Grade 8 French student travel to Quebec
- Special programs include Choir, Musical Theatre, Afterschool Athletic Program, and Speedskating Academy
- Aboriginal Language and Culture is integrated into classroom sessions, and students get to attend a culture camp.

École William McDonald Middle School:

- École William McDonald Middle School (WMS) offers grades 6 to 8 in both English and French Immersion.
- Other French options include Intensive French is offered in Grade 6, Post-Intensive French in Grade 7 & 8, and Core French is offered from Grade 6 to 8.
- Exploratory programs including Industrial Arts, Home Economics, Outdoor Education
- Multi-Sport "Sports Academy" program which includes: hockey, soccer, dance, fitness and cross training
- A new fitness room was constructed which will allow the school to expand its sports programming in the 2016-17 school year
- Special multiple day camps available for grade 8 students such as Camp Akaitcho and Hidden Lake Canoe Trip
- Legislative Assembly Page program

Range Lake North School:

- Range Lake North School (RLN) offers grades from Pre-Kindergarten to Grade 8
- Intensive French is offered in Grade 6, Post-Intensive French in Grade 7 & 8, and Core French is offered in Grade 6 to 8
- Aboriginal Language and Culture is integrated into classroom sessions, and students get to attend a culture camps
- Special programs include music, band, choir and drama
- Advanced technology program and technology classes offered
- Athletic Excellence program and extracurricular sports

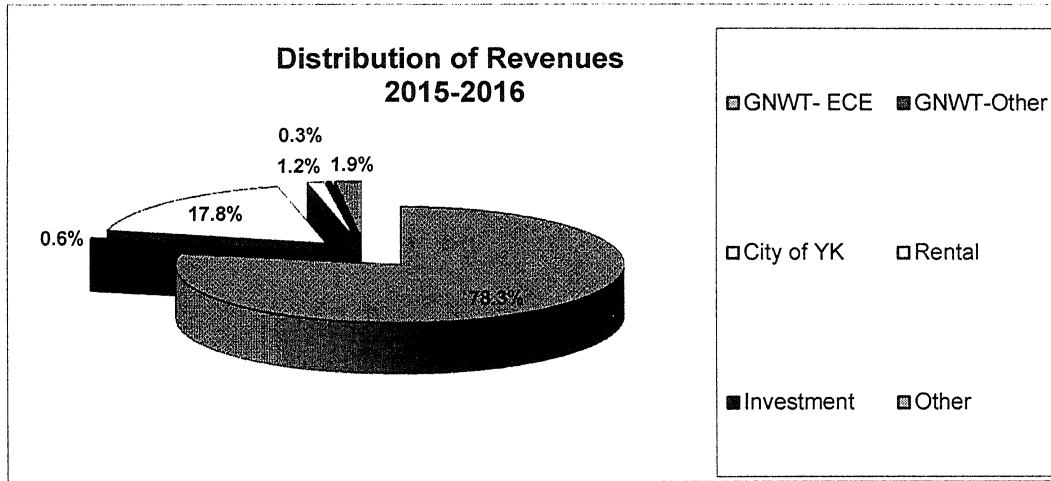
École Sir John Franklin High School:

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

Route 51 Learning:

- Route 51 Learning Institute is an alternate high school program
- Offers a flexible schedule designed to accommodate students
- Offers credits for work experience
- Smaller student to teacher ratio, and students can focus on one course at a time

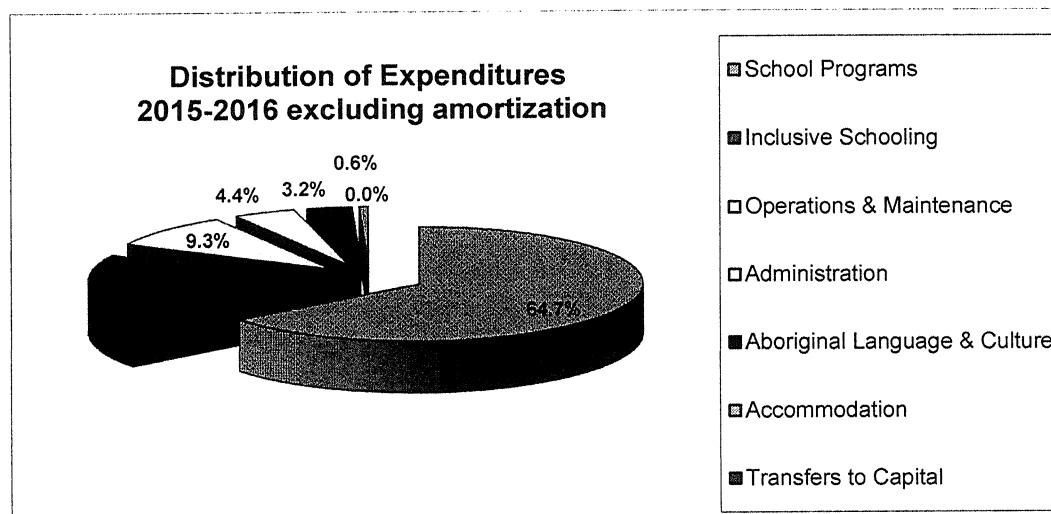
Financial Condition



Revenues

	<u>2015/2016</u>	<u>2014/2015</u>
GNWT- ECE	25,914,913	25,033,093
GNWT-Other	304,393	46,875
City of YK	5,879,078	5,737,836
Rental	398,626	382,722
Investment	103,222	129,279
Other	508,997	564,869
Total Revenues	33,109,229	31,894,674

Funding from the Department of Education, Culture and Employment (ECE) make up 78.3% of the revenues. The City of Yellowknife funds 17.8% and the remainder is generated from investment income, Nordic Arms apartment rentals, preschool fees, superintendent services, and parking lot rentals.



Expenses (excludes amortization)

	<u>2015/2016</u>	<u>2014/2015</u>
School Programs	21,594,279	20,725,075
Inclusive Schooling	5,971,619	5,455,847
Operations & Maintenance	3,164,669	3,193,088
Administration	1,506,972	1,250,306
Aboriginal Language & Culture	1,068,510	939,196
Accommodation	201,858	177,930
Transfer to Capital		103,774
Total Expenses	<u>33,507,907</u>	<u>31,845,216</u>

Expenditure allocations are based on the Department of Education, Culture and Employment (ECE) funding formula. Eighty five percent (85%) of expenditures consists of School Programs, Inclusive Schooling, and Aboriginal Language and Culture which are directly related to schools. There is a decrease in Operations and Maintenance when compared to the budgeted amount due to decrease in utilities costs.

Unrestricted Surpluses:

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

	<u>2015/2016</u>	<u>2014/2015</u>	<u>Change</u>
Operating	729,781	1,352,510	(622,729)
Capital	904,165	904,165	
Decentralized (schools)	<u>130,049</u>	<u>242,448</u>	<u>(112,399)</u>
Total	<u>1,763,995</u>	<u>2,499,123</u>	<u>(735,128)</u>

The accumulated operating surplus decreased by (\$622,729) and the decentralized surplus decreased by (\$112,399), the total change is an overall decrease of (\$735,128). The overall unrestricted surpluses is 5% of total expenditures.

The accumulated unrestricted surplus has enabled YK1 to maintain quality programming for its students which has been a key strength of the district. Programming in schools was not affected this year, despite overall funding cuts from the Department of Education Culture & Employment (ECE) to fund JK in the communities.

YK1 has older schools that require replacement or renovation. YK1 has been lobbying ECE to have École J.H. Sissons' renovated or replaced, and for Mildred Hall School renovations to be completed.

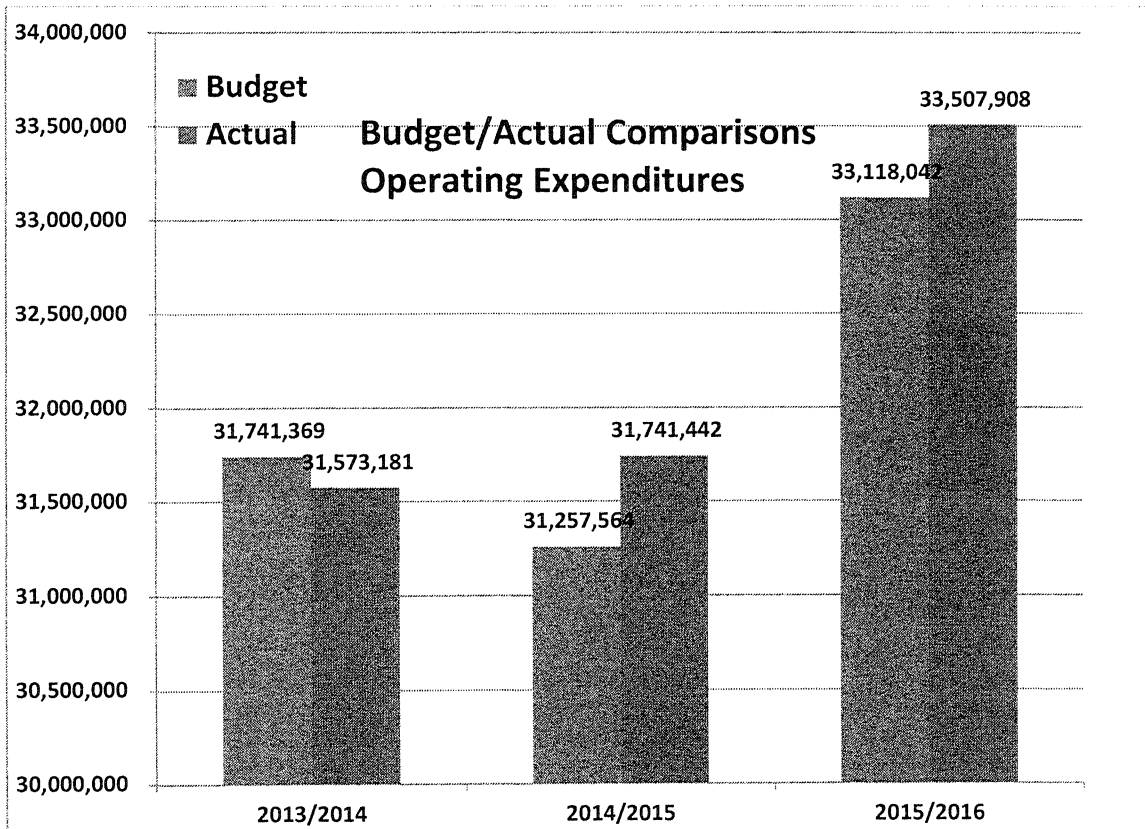
Some of the District's schools are underutilized due to declining enrolment. YK1 participates in space sharing with Commission Scolaire Francophone Territories Du Nord-Ouest and various other groups to fill some of these spaces.

Restricted Reserves

LED Lights Conversion Reserve:

Unspent ECE utility funding 2014/2015	\$90,778
Unspent ECE utility funding 2015/2016	<u>245,672</u>
Total Reserve	<u>336,450</u>

Department of Education, Culture and Employment has agreed to allow YK1 to maintain the unspent utility funding to be used for conversion of current lighting to LED lighting in the schools. LED lights can save 30% or more of energy cost. This is a direct savings to ECE as the energy costs decrease the funding for energy would decrease accordingly.



YK1 revenues are higher than budget by \$901,145 due to:

- ECE, \$90,000 Playground equipment funding for MHS and JHS
- ECE, \$256,897 termination funding which is a year after it is paid
- ECE, \$ 115,000 pupil teacher ratio (PTR) top-up funding
- ECE \$62,400 for mentorship(\$35,000), self- regulation (\$13,000), safe and caring schools (\$14,400)
- Urban Partnerships program \$60,000 (\$120,000 in total) funding for ALC from Alberta Native Friendships Centres Association
- MACA, \$100,800 for Active after school and take a kid trapping funding
- District generated revenue and miscellaneous contributions \$112,466
- Rental revenue higher by \$18,626

YK1 expenses are higher than budget by 1,413,978 due to:

- amortization of fixed assets of \$1,024,113 was not considered when the budget was prepared
- schools spending their surpluses by \$112,399
- school programs O&M increase overall of \$226,000 due to bussing, recruitment, resources.

<u>School</u>	Enrolment K-12		Teachers/ Admin/ PST		Pupil/Teacher ratio	
	Sep-15	Jun-16	Sep-15	Jun-16	Sep-15	Jun-16
Mildred Hall School	228.5	240.0	15.00	15.00	15.23	16.00
JH Sissons	249.5	245.0	17.60	17.60	14.18	13.92
William McDonald School	177.0	167.0	12.25	12.25	14.45	13.63
NJ Macpherson School	272.5	278.0	17.50	17.50	15.57	15.89
Range Lake North School	301.0	305.0	21.35	21.35	14.10	14.29
Sir John Franklin High School	616.5	599.0	33.00	33.00	18.68	18.15
Total District	1,845.0	1,834.0	116.70	116.70	15.81	15.72

Overall enrolment decrease by 9 students by the end of the year.

Summary and Outlook

In 2015-2016, YK1 faced many challenges including important decisions about the use of its facilities, the potential rollout and preparation of Junior Kindergarten (“JK”) and budget restrictions. Despite these challenges, the board looks back proudly at their achievements and successes over the past year:

- YK1 continued to work with the community to enrich student development by facilitating new learning opportunities including:
 - Elders in school programs
 - Artists and musician visits
 - Workshops and field trips to various Yellowknife establishments
- The Board has approved that going forward in the 2016-17 school year the District will start transitioning from fluorescent lightbulbs to LED lightbulbs. This will be more environmentally sustainable, and will save the District and ECE money in the long term.
- Outdoor beautification initiatives and gardening at the District’s schools continues to be a priority of the Board. This past spring several garden beds were installed at William MacDonald School. There was also a new mural unveiled at Mildred Hall School that represents the school’s community philosophy of modern and traditional learning.
- All of the schools continued to offer a food program, which included a breakfast, lunch and snacks for students who need that kind of support. Students were also able to take home food kits for the weekend.
- Parent conversation nights held at YK1 schools encouraged parents to speak about what programming they wanted to see at their schools. Several parent survey and feedback opportunities were conducted, allowing guardians to provide input on the 2016-17 programming.
- The Board finalized the Strategic Plan for 2016-2019, which includes a strong focus on literacy and numeracy, inclusive schooling, Aboriginal culture, and promoting healthy relationships and lifestyles.

Foreseeable challenges for 2016-2017:

- While a unanimous decision to retain all YK1 facilities status quo was reached, the board is aware that enrolment and facility decisions will continue to be discussed.
- Repairs needed to YK1 schools will occur throughout the year and will occur outside of school hours when possible.
- The YK1 board is preparing for the rollout of the GNWT’s JK in YK1 schools in the 2017-18 school year with no additional funding for implementation within our schools.



Yellowknife District No. 1 Education Authority

(the Authority)

Management Responsibility for Financial Reporting

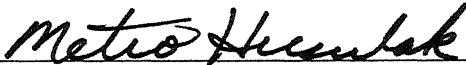
To the Minister of Education, Culture and Employment Government of the Northwest Territories

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


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

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

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



Metro Huculak
Superintendent
Yellowknife District No. 1 Education Authority



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

Independent Auditors' Report

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

We have audited the accompanying consolidated financial statements of the Yellowknife District No. 1 Education Authority (the Authority), which comprise of the consolidated statement of financial position as at June 30, 2016, consolidated statements of operations, consolidated changes in net assets, and consolidated cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



Independent Auditors' Report (continued)

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Yellowknife District No. 1 Education Authority as at June 30, 2016, and its consolidated financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

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

Crowe MacKay LLP

**Yellowknife, Northwest Territories
September 13, 2016**

Chartered Accountants



Yellowknife District No. 1 Education Authority

(the Authority)

Consolidated Statement of Financial Position

Statement 1

As at June 30,	2016	2015
	\$	\$
FINANCIAL ASSETS		
Cash (Note 4)	668,843	-
Portfolio Investments (Note 7)	5,193,662	6,183,106
Due from Government of Canada (Note 13)	89,104	96,833
Accounts Receivable (Note 8)	1,569,312	1,504,072
	7,520,921	7,784,011
LIABILITIES		
Bank Indebtedness (Note 4)	-	45,244
Accounts Payable and Accrued Liabilities (Note 10)	292,534	432,182
Payroll Liabilities (Note 35)	3,363,405	3,079,425
Leave and Termination Benefits (Note 17)	1,645,992	1,576,617
Vacation payable	267,122	276,648
Deferred revenue (Note 11)	26,000	72,000
	5,595,053	5,482,116
NET FINANCIAL ASSETS	1,925,868	2,301,895
NON-FINANCIAL ASSETS		
Prepaid Expenses (Note 20)	147,714	170,421
Tangible Capital Assets (Note 19)	14,521,180	15,545,293
Inventories (Note 9)	26,865	26,807
	14,695,759	15,742,521
ACCUMULATED SURPLUS	16,621,627	18,044,416
Represented by:		
Operating Fund	729,783	1,352,510
Investment in Tangible Capital Assets	14,521,180	15,545,293
Decentralized Surplus	130,049	242,448
Capital Fund Reserve	904,165	904,165
LED Reserve	336,450	-
	16,621,627	18,044,416

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

Approved on behalf of the board:

Trustee

Trustee



Yellowknife District No. 1 Education Authority

(the Authority)

Consolidated Statement of Operations

Statement 2

For the year ended June 30,	2016 Budget \$	2016 Actual \$	2015 Actual \$
REVENUE			
Government of the Northwest Territories			
Regular contributions	24,730,708	25,143,756	24,275,943
Other contributions (Note 33)	123,000	213,000	216,750
Aboriginal languages	60,000	120,000	73,900
French revenue	472,000	438,157	466,500
Total ECE	25,385,708	25,914,913	25,033,093
GNWT other contributions (Note 34)	-	304,393	46,875
Property tax requisitioned	5,865,800	5,879,078	5,737,836
Education authority generated funds			
Rental income	380,000	398,626	382,722
Portfolio investment income	102,000	103,222	129,279
Other (Note 37)	474,576	508,997	564,869
	956,576	1,010,845	1,076,870
Total revenue	32,208,084	33,109,229	31,894,674
EXPENDITURES			
School programs	21,555,593	21,594,278	20,725,074
Inclusive schooling	5,717,655	5,963,079	5,455,847
Staff accommodations	197,500	201,858	177,930
Operations and maintenance	3,243,824	3,164,669	3,193,088
Administration	1,446,019	1,506,971	1,250,306
Aboriginal language/cultural programs	957,451	1,077,050	939,196
Amortization	-	1,024,113	1,041,938
Total operating expenditures	33,118,042	34,532,018	32,783,379
Operating deficit before other items	(909,958)	(1,422,789)	(888,705)
Other items			
Grant in-kind - GNWT Assets provided at no cost (Note 23)	-	1,799,767	1,799,767
Rent expense - GNWT Assets provided at no cost (Note 23)	-	(1,799,767)	(1,799,767)
Operating deficit	(909,958)	(1,422,789)	(888,705)
Opening accumulated surplus	-	18,044,416	18,933,121
Closing accumulated surplus	(909,958)	16,621,627	18,044,416



Yellowknife District No. 1 Education Authority

(the Authority)

Consolidated Statement of Changes in Net Financial Assets

Statement 3

For the ended June 30,	2016	2015
	\$	\$
Operating deficit	(1,422,789)	(888,705)
Acquisition of tangible capital assets	-	(103,774)
Amortization of tangible capital assets	1,024,113	1,041,939
	(398,676)	49,460
Change in inventory	(60)	(26,807)
Change in prepaid expenses	22,707	(3,101)
	22,647	(29,908)
Increase (decrease) in net assets	(376,029)	19,552
Net asset at beginning of year	2,301,895	2,282,343
Net asset at end of year	1,925,866	2,301,895



Yellowknife District No. 1 Education Authority

(the Authority)

Consolidated Statement of Cash Flows

Statement 4

For the year ended June 30,	2016 \$	2015 \$
<i>Cash provided by (used in)</i>		
OPERATING TRANSACTIONS		
Operating deficit	(1,422,793)	(888,706)
Item not affecting cash:		
Amortization	1,024,113	1,041,938
Changes in non-cash assets and liabilities		
Decrease (increase) Due from (to) Government of Canada	7,729	4,192
Decrease (increase) accounts receivable	(65,240)	(752,170)
Increase (decrease) accounts payable	(149,174)	353,402
Increase (decrease) payroll liabilities	283,980	53,976
Increase (decrease) deferred revenue	(46,000)	(1,361,087)
Increase (decrease) post-employment benefits	69,375	(336,065)
Decrease (increase) inventory	(58)	(26,807)
Decrease (increase) prepaid expenses	22,707	(3,101)
CASH USED FOR OPERATING TRANSACTIONS	(275,361)	(1,914,428)
INVESTING TRANSACTIONS		
Disposition of portfolio investments	989,448	-
Acquisition of portfolio investments	-	(17,696)
CASH PROVIDED BY (USED FOR) INVESTING TRANSACTIONS	989,448	(17,696)
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	-	(103,774)
Proceeds of disposition of tangible capital assets	-	-
CASH USED FOR CAPITAL TRANSACTIONS	-	(103,774)
FINANCING TRANSACTIONS		
Repayment of capital lease obligation	-	-
Proceeds from capital lease obligation	-	-
CASH PROVIDED BY (USED FOR) FINANCING TRANSACTIONS	-	-
DECREASE IN CASH AND CASH EQUIVALENTS	714,087	(2,035,898)
CASH (BANK INDEBTEDNESS) AT BEGINNING OF YEAR	(45,244)	1,990,654
CASH (BANK INDEBTEDNESS) AT END OF YEAR	668,843	(45,244)
Total interest paid during the year	-	-

(the Authority)

Consolidated Details of Expenses

Statement 5

For the year ended June 30,	School Programs \$	Inclusive Schooling \$	Staff Accommodation \$	Operations and Maintenance \$	Administration \$	Aboriginal Languages \$	Total 2016 \$	Budget 2016 \$	Total 2015 \$
SALARIES									
Honoraria	-	-	-	-	62,145	-	62,145	70,784	68,115
Instructional assistants	731,435	2,272,441	-	-	-	96,833	3,100,709	3,278,265	3,052,690
Non-instructional staff	1,995,611	-	20,431	496,372	926,592	295,591	3,734,597	3,297,584	3,485,550
Teachers	13,483,777	2,351,226	-	-	28,240	252,874	16,116,117	14,856,480	15,132,557
	16,210,823	4,623,667	20,431	496,372	1,016,977	645,298	23,013,568	21,503,113	21,738,912
EMPLOYEE BENEFITS									
Employee benefits/allowances	2,819,660	882,527	1,376	119,494	168,619	106,151	4,097,827	5,712,556	4,215,057
Leave and termination benefits	(296,107)	273,606	-	27,722	37,619	27,481	70,321	-	(59,416)
	2,523,553	1,156,133	1,376	147,216	206,238	133,632	4,168,148	5,712,556	4,155,641
SERVICES PURCHASED									
Advertising and printing	-	-	-	-	30,744	-	30,744	30,800	25,321
Communication	63,500	-	-	8,353	60,120	-	131,973	88,300	100,109
Contracted services	228,351	96,145	-	278,372	-	167,462	770,330	721,773	803,013
Maintenance and repairs	87,017	34,298	79,480	479,726	914	20,992	702,427	631,077	576,756
Other	96,805	-	-	-	102,234	-	199,039	200,500	226,013
Professional and technical	710,905	17,598	-	68,099	34,981	29,270	860,853	436,500	411,129
Rentals and leases	141,305	-	-	-	7,317	-	148,622	164,670	157,644
Student transportation	421,124	16,094	-	-	-	12,326	449,544	405,000	393,137
Travel	103,405	-	-	-	-	-	103,405	5,000	6,824
Utilities	-	-	-	-	-	-	-	1,897,000	-
Heating	-	-	28,237	539,828	-	-	568,065	-	754,317
Electricity	-	-	48,379	917,075	-	-	965,454	-	974,393
Water/Sewage	-	-	22,148	160,779	-	-	182,927	-	173,837
	1,852,412	164,135	178,244	2,452,232	236,310	230,050	5,113,383	4,580,620	4,602,493
MATERIALS									
Awards and student events	16,492	-	-	-	24,654	-	41,146	45,963	25,125
Freight	18,669	-	-	411	2,095	-	21,175	29,000	13,332
Materials and supplies	972,329	19,144	1,807	68,438	20,697	68,070	1,150,485	1,246,790	1,205,938
	1,007,490	19,144	1,807	68,849	47,446	68,070	1,212,806	1,321,753	1,244,395
AMORTIZATION									
	-	-	-	-	1,024,113	-	1,024,113	-	1,041,938
Total operating expenditures	21,594,278	5,963,079	201,858	3,164,669	2,531,084	1,077,050	34,532,018	33,118,042	32,783,379



Yellowknife District No. 1 Education Authority

(the Authority)

Details of Aboriginal Language and Culture-Based Education Expenditures

Statement 6

For the year ended June 30,	Student Instruction \$	Professional Development \$	School Activities and Integrated Community Programs \$	Total 2016 \$
SALARIES				
ALCBE Teachers	252,874	-	-	252,874
Instructional Assistants	96,833	-	-	96,833
Non Instructional Staff	-	-	295,591	295,591
	349,707	-	295,591	645,298
EMPLOYEE BENEFITS	133,632	-	-	133,632
SERVICES PURCHASED				
Professional and technical	-	29,270	-	29,270
Maintenance and repairs	-	-	20,992	20,992
Student travel	-	-	12,326	12,326
Contracted services	-	-	167,462	167,462
	-	29,270	200,780	230,050
MATERIALS				
Materials and supplies	-	-	68,070	68,070
Total operating expenditures	483,339	29,270	564,441	1,077,050



Yellowknife District No. 1 Education Authority

(the Authority)

Details of Inclusive Schooling Expenditures

Statement 7

For the year ended June 30,	Student Resources \$	General Inclusive Schooling \$	Total 2016 \$
SALARIES			
Program support teachers	-	2,351,226	2,351,226
Support assistants	20,431	2,252,010	2,272,441
	20,431	4,603,236	4,623,667
EMPLOYEE BENEFITS			
	-	1,156,133	1,156,133
SERVICES PURCHASED			
Professional and technical	17,598	-	17,598
Student transportation	16,094	-	16,094
Maintenance and repairs	34,298	-	34,298
Contracted services	96,145	-	96,145
	164,135	-	164,135
MATERIALS			
Materials and supplies	19,144	-	19,144
Total operating expenditures	203,710	5,759,369	5,963,079



Yellowknife District No. 1 Education Authority

(the Authority)

Report on Activities of Specific Programs

Statement 8

French Language Program

BILATERAL AGREEMENT FUNDING

For the year ended June 30, 2016

	Contribution from the Department \$	Commitment from the Authority \$	Expenses \$	Over(under) funding \$
Literacy Coach (Salary)	70,000	50,000	139,355	(19,355)
Teacher Assistants (Salary)	35,000	35,000	146,381	(76,381)
Intensive & Enhance French (Salary)	70,000	230,000	538,645	(238,645)
PIF (Elective courses at SJF)	50,000	10,000	52,466	7,534
Special Projects				
French Camps	13,000	2,000	17,662	(2,662)
French Resources	46,000	10,000	52,093	3,907
Assessment, Intensive French	15,000	5,000	33,793	(13,793)
Cultural Activities	12,000	3,000	16,161	(1,161)
Professional Development	31,000	9,000	50,911	(10,911)
Consultant	80,000	140,000	208,267	11,733
Total	422,000	494,000	1,255,734	(339,734)



Yellowknife District No. 1 Education Authority

(the Authority)

Report on Activities of Specific Programs

Statement 9

Aboriginal Languages

For the year ended June 30,

**2016
\$**

Secretary of State (Heritage Canada)

Revenue

Contribution from federal government

60,000

Expenses

Salaries and benefits

113,259

Other operating and maintenance

1,364

114,623

Deficit

(54,623)



Yellowknife District No. 1 Education Authority

(the Authority)

Report on Activities of Specific Programs

Statement 10

Student Success Initiative Projects

For the year ended June 30,

2016
\$

Revenue

Government of the Northwest Territories
Deficit from Prior Years

123,000
(30,976)

Total revenue

92,024

Expenses

Salaries/Wages

Facilitator fees (including per diems)
Substitute teacher wages

39,607
47,525

Travel

Other expenses

5,500

Workshop expenses

Staff PD and miscellaneous

5,541

Total expenses

98,173

Deficit

(6,149)



Yellowknife District No. 1 Education Authority

(the Authority)

Report on Activities of Specific Programs

Statement 11

Community Outreach Program

For the year ended June 30,

2016
\$

Revenue

Alberta Native Friendship Centres Association

120,000

Expenses

Salaries and benefits

121,185

Materials and supplies

14,588

Total expenses

135,773

Deficit

(15,773)



June 30, 2016

1. Nature of the Organization

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

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

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

2. Significant Accounting Policies

a) Basis of Accounting

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

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

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



June 30, 2016

2. Significant Accounting Policies (Continued)

Operating Fund Surplus

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

Investment in Tangible Capital Assets

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

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

Decentralized Budget Accumulated Surplus

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

LED Reserve

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

b) Cash and Cash Equivalents

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



June 30, 2016

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, portfolio investments accounts receivable, other accounts receivable, and due from Government of Canada.

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

Financial assets measured at fair value include portfolio investments.

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.



June 30, 2016

2. Significant Accounting Policies (Continued)

e) Tangible Capital Assets

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

Asset Category	Amortization Period:
Land and improvements	- Indefinite
Buildings	- 40 years
Equipment and furnishings	- 4 - 10 years

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

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

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



June 30, 2016

2. Significant Accounting Policies (Continued)

f) Revenue Recognition

Government Transfers:

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

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

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

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

GNWT - Regular Contributions:

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



June 30, 2016

2. Significant Accounting Policies (Continued)

Local Tax Revenue:

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

Other Contributions:

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

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

Deferred Revenue:

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

Investment Income:

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



June 30, 2016

2. Significant Accounting Policies (Continued)

School Funds

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

g) Infrastructure Funding

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

h) Budget Data

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

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

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

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

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

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



June 30, 2016

2. Significant Accounting Policies (Continued)

i) Measurement Uncertainty

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

j) Inventories Including Materials and Supplies

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

k) Payroll Liabilities

Payroll costs for teachers are accrued for July and August.

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

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

m) Special Purpose Funds

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

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



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2016

2. Significant Accounting Policies (Continued)

n) Fund Accounting

The Authority uses fund accounting to separate transactions.

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

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

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

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

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



June 30, 2016

3. Future Accounting Changes

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

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

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

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.

Student Activity Funds

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

4. Cash (Bank Indebtedness)

	2016	2015
	\$	\$
Cash (Bank indebtedness)	668,843	(45,244)

The cash is held in a bank account with RBC and is invested with the GNWT's investment pool. Bank indebtedness consists of cheques written in excess of the bank balance.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2016

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

	2016	2015
	\$	\$
GIC Investment with CIBC (interest rate range from 1.7% to 1.77% and maturity range from November 18, 2016 to April 17, 2017)	3,169,590	4,158,886
GIC Investment with RBC Dominion Securities (interest rate range from 1.83% to 1.95% and maturity range from November 17, 2016 to November 6, 2017)	2,024,072	2,024,220
	5,193,662	6,183,106

The investments are recorded at fair market value plus any interest earned to June 30, 2016. The fair market value at June 30, 2016 is equal to the cost.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2016

8. Accounts Receivable

	2016 \$Net	2015 \$Net
Aurora College	5,184	-
South Slave DEC	-	15,271
Yellowknives Dene First Nation (Kalemi Dene School)	1,140,715	807,002
Dettah District Education Authority (Kaw Tay Whee School)	211,268	397,082
Commission Scolaire Francophone Territoires Du Nord Ouest	16,250	14,895
Department of Education, Culture and Employment	10,105	92,326
Department of Health and Social Services	-	8,741
Yellowknife Catholic Schools	1,070	-
Trade Receivables	184,720	168,755
Total	1,569,312	1,504,072

Allowance for doubtful accounts at year end was \$nil.

9. Inventories

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

10. Accounts Payable and Accrued Liabilities

	2016 \$	2015 \$
Aurora College	1,050	-
Dettah DEA (Kaw Tay Whee School)	-	1,000
Accrued interest	17	12
Damage deposits	25,602	28,798
Trade payable	265,865	401,512
WSCC	-	860
	292,534	432,182



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2016

11. Deferred Revenue

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

	2016	2015
	\$	\$
GNWT HSS - Drop the Pop	3,000	-
GNWT MACA - Take a Kid Trapping	8,000	-
GNWT ECE - Preschool	-	12,000
GNWT ECE - TLC	-	60,000
GNWT MACA - Youth Corps	15,000	-
	26,000	72,000

12. Contribution Repayable

The Authority does not have any contribution repayable.

13. Due from the Government of Canada

Receivables	2016	2015
	\$	\$
GST Receivable	89,104	96,833
Projects on behalf of the Gov't of Canada	-	-
Miscellaneous Receivables	-	-
	89,104	96,833

14. Capital Lease Obligations

The Authority does not have any Capital Lease Obligations.



June 30, 2016

15. Pension

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

The amount contributed to the NEBS pension was \$1,267,516. 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 \$163,715 for January 2016, and \$159,705 for January 2015. The maximum monthly contributions is \$2,183 for January 2016, and \$2,129 for January 2015.

NEBS is an employer owned program and as such the Authority will be liable for its portion of any shortfall. The Plan serves 2,481 Employee Members and 93 Employer Members (total active, disabled and on leave 1430).

As of January 1, 2016, the excess (deficiency) of actuarial value of net assets over actuarial present value of defined benefits is estimated to be \$12,500,000 - funded ratio 109% (2015 - \$2,600,000 and 102%) on a going concern valuation basis. The Plan had a solvency ratio deficiency of \$90,903,100 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, 2015, the NEBS Pension plan had an accumulated surplus of \$24,872,610.

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

16. Long-Term Debt

The Authority does not have long-term debt.



June 30, 2016

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 for June 30, 2016 and management estimates for June 30, 2015.

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. Under PSAB 3255, accumulating vesting and non-vesting (sick leave paid only upon illness-related absence) are required to be accrued.

Change in estimate

During the year ended June 30, 2016, the method for calculating other employee future benefits and compensated absences was refined to better reflect the probability that these benefits would be used in the future based on past experience. The GNWT has contracted an actuarial company to place a value on the expected cost of sick leave usage in the future based on employee data. Compensated absences are the total value of vested and non-vested future sick leave costs, that were actuarially valued using the expected utilization methodology.

Valuation results

The actuarial valuation includes the liabilities as at June 30, 2016. The liabilities are actuarially determined as the present value of the accrued benefits at June 30, 2016. The balances for June 30, 2015 were not actuarially valued, they were management estimates based on employee data at June 30, 2015 and does not include non-vested future sick leave costs. The values presented for June 30, 2016 below are for all of the benefits under the Compensated Absences and Termination Benefits for the Authority.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2016

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

	2016	2015
	\$	\$
Resignation, retirement, and compensated absences	893,976	608,008
Removal	752,016	968,609
	1,645,992	1,576,617

The discount rate used in the 2016 fiscal year to determine the accrued benefit obligation was an average of 2.5%. The expected payments during the next fiscal year is \$55,035.

18. Trust Assets Under Administration

The Authority does not have any trust assets under administration.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2016

19. Tangible Capital Assets

	Cost \$	Accumulated Amortization \$	2016 Net Book Value \$	2016 Net Book Value \$
Land and improvements	1,299,476	-	1,299,476	1,299,476
School buildings				
Ecole Sir John Franklin	2,253,436	(1,007,241)	1,246,194	1,310,468
William McDonald	7,078,328	(6,016,579)	1,061,749	1,238,707
Mildred Hall	11,009,651	(5,751,432)	5,258,219	5,533,460
Range Lake North	8,215,859	(4,724,119)	3,491,740	3,697,136
N. J. Macpherson	5,329,162	(3,816,374)	1,512,788	1,649,246
Ecole J. H. Sissons	2,436,769	(2,436,769)	-	-
	36,323,205	(23,752,514)	12,570,690	13,429,017
Other buildings				
Administration office	1,070,827	(615,725)	455,102	481,872
Nordic Arms residence	595,205	(595,205)	-	-
Total land and buildings	39,288,713	(24,963,444)	14,325,268	15,210,365
Equipment and furnishings				
Schools	4,427,048	(4,267,157)	159,891	293,759
Playgrounds	149,972	(149,972)	-	-
Residences	64,045	(64,045)	-	-
Administration office	322,132	(322,132)	-	-
Vehicles	246,532	(210,509)	36,021	41,169
	5,209,729	(5,013,815)	195,912	334,928
	44,498,442	(29,977,259)	14,521,180	15,545,293



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2016

20. Prepaid Expenses

	2016	2015
	\$	\$
Insurance	27,813	32,450
Professional Development	27,341	9,250
Materials and Supplies	8,382	108,783
Licenses	12,965	19,938
Workers' Safety Compensation Commission	71,213	-
	147,714	170,421



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2016

21. Accumulated Surplus/ Deficit

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

Details of Funds

For the year ended June 30,	2016	2015
	\$	\$
OPERATING FUND		
Balance, beginning of year	1,352,510	1,174,553
Operating deficit (Statement 2)	(1,422,789)	(888,705)
Transfer (to) from Capital Fund (budget \$70,000)	-	(103,774)
Transfer (to) from Investment in Tangible Capital Assets	1,024,113	1,041,938
Transfer (to) from Decentralized Surplus	112,399	128,498
Transfer (to) from LED reserve	(336,450)	-
Balance, end of year	729,783	1,352,510
INVESTMENT IN TANGIBLE CAPITAL ASSETS		
Balance, beginning of year	15,545,293	16,483,457
Acquisition of tangible capital assets	-	103,774
Amortization	(1,024,113)	(1,041,938)
Balance, end of year	14,521,180	15,545,293



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2016

21. Accumulated Surplus/ Deficit (Continued)

Details of Surplus and Reserves

For the year ended June 30,	2016	2015
	\$	\$
DECENTRALIZED SURPLUS		
Balance, beginning of year	242,448	370,946
Transfer (to) from Operating Fund	(112,399)	(128,498)
Balance, end of year	130,049	242,448
CAPITAL FUND RESERVE		
Balance, beginning of year	904,165	904,165
Balance, end of year	904,165	904,165
LED Reserve		
Balance, beginning of year	-	-
Transfer (to) from Operating Fund	336,450	-
Balance, end of year	336,450	-

22. Capital Advances

The Authority does not have any Capital Advances.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2016

23. GNWT Assets Provided at no Cost

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

	Cost	Accumulated Amortization	2016 Net Book Value	2015 Net Book Value
	\$	\$	\$	\$
Ecole Sir John Franklin	25,965,232	24,550,616	1,414,616	3,300,770
Ecole Sir John Franklin portable classrooms	419,724	296,467	123,257	133,747
N.J. Macpherson	1,413,831	309,051	1,104,780	1,140,133
	27,798,787	25,156,134	2,642,653	4,574,650
Deferred capital contributions				
Ecole Sir John Franklin	(1,442,500)	(1,343,328)	(99,172)	(231,402)
	26,356,287	23,812,806	2,543,481	4,343,248

Rent expense of \$1,799,767 (2015 - \$1,799,767) was offset by a grant in-kind.



June 30, 2016

24. Contractual Obligations (Commitments)

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

The Authority leases space from Route 51. The contract expires in June 2017.

The Authority has a collective bargaining agreement with the NWT Teachers Association for teachers, specialists and education assistance which expired August 31, 2016. The Authority will commence negotiations with the NWT Teachers Association in the fall of 2016.

The Authority has a collective bargaining agreement with the United Steelworkers for support staff which expired on June 30, 2016. The Authority will commence negotiations with the United Steelworkers union in the fall of 2016.

The Authority has a Xerox equipment lease with annual payments of \$40,946.09 plus maintenance expiring in September 24, 2016.

The Authority also leases from Lenovo computers with annual lease payments of \$82,236. The last lease expires April 1, 2020.

	Expires in Fiscal Year	2017 \$	2018- 2020 \$	Total \$
Commitments:				
Commercial and Residential Leases	2017	37,800	-	37,800
Equipment Leases	2019	89,060	71,800	160,860
Operational Leases (Bussing)	2018	420,000	420,000	840,000
Total		546,860	491,800	1,038,660

25. Contingencies

The Authority does not have contingencies.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2016

26. Related Parties

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

	2016 \$Net	2015 \$Net
Accounts Payable:		
Dettah District Education Authority	1,000	1,000
Aurora College	1,050	-
Accounts Receivable:		
South Slave DEC	-	15,271
Yellowknives Dene First Nation (Kalemi Dene School)	1,140,715	807,002
Dettah District Education Authority	211,268	396,182
Commission Scolaire Francophone Territoires Du Nord Ouest	16,250	14,895
Department of Education, Culture and Employment	10,105	92,326
Department of Health and Social Services	8,741	8,741
Yellowknife Catholic Schools	1,070	-

27. Budget Data

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

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

The budget figures presented are those approved by the Trustees of the Authority on June 9, 2015 and have not been audited.



June 30, 2016

28. Economic Dependence

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

29. Financial Instruments

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

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

a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Authority is exposed to credit risk from funding agencies, recipients of services and preschool clients. The Authority has a concentrated risk of credit from two other school districts whose funding also comes from the Department of Education, Culture, and Employment. At June 30, 2016, receivables from two organizations comprised approximately 92% (2015 - 90%) of the total outstanding receivables. Furthermore there is a concentration risk in cash and portfolio investments the full balance in these accounts is held at two financial institutions. The Authority is funded by Government of Northwest Territories - Department of Education, Culture, and Employment and other stable organizations, which reduces its exposure to credit risk. Most of the credit risk exposure is with trade receivables, Dettah District Education Authority, and Yellowknives Dene First Nation who administer the N'Dilo District Education Authority. The authority reduces its risk exposure by following up on old account receivables for collection and entering into service agreement with well-established organizations. As at June 30, 2016, 48% (2015 - 22%) of other account receivable was non-current which represents \$1,474,773 (2015 - \$300,215) of the total balance. All of these were deemed collectable, and as a result, none are impaired.

b) Interest rate risk

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



(the Authority)

Notes to Consolidated Financial Statements

June 30, 2016

29. Financial Instruments (Continued)

c) Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet all cash outflow obligations as they come due. The Authority mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise. Some of the Authority's financial assets and most of the financial liabilities at March 31, 2015 mature within the next six months. Total financial assets \$7,520,921 (2015 - \$7,784,011) of which \$3,055,043 (2015 - \$4,145,862) are not expected to mature within one year. Total financial liabilities are \$5,569,053 (2015 - \$5,410,116). The authority has disclosed future financial liabilities and commitments in Note 13.

30. Expenditures By Object

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Amortization	-	1,024,113	1,041,938
Compensation	27,215,669	27,181,716	25,894,553
Other	5,902,373	6,326,189	5,846,888
	33,118,042	34,532,018	32,783,379

31. Subsequent Events

There were no material subsequent events that have taken place between June 30, 2016 and the date the audit report was signed.

32. Comparative Figures

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



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2016

33. ECE Other Contributions

	2016	2015
	\$	\$
Student Success Initiatives	123,000	123,000
TLC Vote 4	-	60,000
Playground Equipment JHS	50,000	-
Playground Equipment MHS	40,000	-
Self Regulation Project	-	20,000
Resource Travel and PD	-	13,750
	213,000	216,750

34. GNWT Other Contributions

	2016	2015
	\$	\$
Government of the Northwest Territories:		
Department of Human Resources	35,000	46,875
Department of Health and Social Services	17,960	-
Department of Education, Culture and Employment (preschool)	150,633	-
Department of Municipal and Community Affairs	100,800	-
	304,393	46,875

35. Payroll Liabilities

Teachers' salaries and benefits (NWTTA) earned prior to the end of the fiscal year that are payable during the months of July and August, following the school term, are accrued as follows:

	2016	2015
	\$	\$
NWTTA Payable at end of July	1,680,030	1,535,964
NWTTA Payable at end of August	1,683,375	1,543,461
	3,363,405	3,079,425



June 30, 2016

36. Statement of Remeasurement Gains and Losses

The Authority does not have remeasurement gains or losses.

37. Other Revenue

Other revenue consists of contributions or revenue received from contributors for school programs and preschool services.

	2016	2015
	\$	\$
Pancake Donation	2,551	
Superintendent Services	55,000	133,593
Range Lake North preschool	124,062	113,483
Mildred Hall preschool	22,678	78,368
J.H.Sissons preschool	192,240	188,223
Tree of Peace ALC	60,000	-
Other funding and donations	52,466	51,202
	508,997	564,869

38. Liability for Contaminated Sites

The Authority has adopted PSAS Section PS 3260 - Liability for contaminated sites.

An obligation for remediation is recognized as a liability when all criteria below are satisfied:

- a) and environment standard exists;
- b) contamination exceeds the environment standard
- c) the Authority:
 - i) is directly responsible; or
 - ii) accepts responsibility;
- d) it is expected that the future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

The Authority has identified possible environmental liabilities at William MacDonald School and Range Lake North School that have underground fuel tanks. The Authority is working towards an environmental assessment to determine if an environmental liability exists.