

**K'alemi Dene School  
(Ndilo District Education Authority)  
Consolidated Financial Statements  
June 30, 2016**

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

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**Management Discussion & Analysis  
K'alemi Dene School  
2015-16 School Year**

**Introduction:**

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

The NDEA Board Members from May 2013 – May 2016 were:

Margaret Erasmus	Chairperson
Leroy Betsina	Vice-Chairperson
Cecilia Beaulieu	Trustee
Rose Black	Trustee
Philip John (PJ) Goulet	Trustee
Monica Godard	Trustee
Karen Martin	Trustee

The current NDEA Board Members are (May 2016 – May 2019):

Lila Erasmus	Chairperson
Rose Black	Vice-Chairperson
Cecilia Beaulieu	Trustee
Muriel Betsina	Trustee
George Goulet	Trustee
Monica Godard	Trustee
Nyra Mackenzie	Trustee

The NDEA as a whole will sit as the financial committee. The finances of the NDEA are completed by the Yellowknives Dene First Nation (YKDFN) finance department.

The NDEA has hired Metro Huculak to provide superintendent services for K'alemi Dene School (KDS). All of the teaching staff, including teachers and educational assistants are employees of YK School District 1. The NDEA currently has a contract with Superintendent Huculak until the end of the 2016/17 school year.

Other support staff are employees of the Yellowknives Dene First Nation.

During the 2015-16 school year, KDS was funded for 116.5 Full Time Enrollments (FTE) from Junior Kindergarten through grade 12.

**Operating Environment:**

Strengths – We are a small community school that serves students from Junior Kindergarten – grade 12. We have a comprehensive culture program that includes an Elder, Indigenous Language & Culture Coordinator as well as a language assistant. Language classes and culture camps are planned for using the seasonal calendar.

**Weaknesses-** As identified by the EDI assessment tool, many of our students are entering school with vulnerability in their developmental.

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

**Threats –** Lack of sufficient space hinders our opportunity for growth.

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

**Financial Condition:**

The NDEA is currently managing a surplus. The surplus will be used for a number of initiatives to enhance the literacy support provided at KDS.

The NDEA will sign a contract with the YKDFN for providing financial and personnel support.

The NDEA Chairperson, Auditor and KDS principal will be meeting with the YKDFN to ensure that the recommendations of our Auditor are being met.

**Summary and Outlook:**

**Achievements & Successes –**

Using our surplus funds, we hired a Literacy Coach for the 2015/16 and 2016/17 school year. This position provides job-embedded, professional development for our teachers from Junior Kindergarten through grade 4. Our Literacy Coach also provides one-on-one reading support to our struggling readers.

We also hired a part-time gym teacher for students from JK–grade 12. This position made for enhanced athletic skill development as well as participation in a wide variety of extra curricular sporting events.

In 2015/16, our computer teacher provided twice weekly job embedded professional development in the area of technology to all of our classroom teachers.

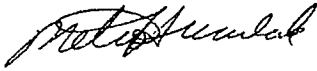
**Challenges –**

Our school remains full. We lack space to meet with students and provide additional services. For example, there is barely space to hold monthly assemblies with the whole school. As well, we struggle to offer counseling and health services because we lack the room.

The community gymnasium that we use for physical education classes is not always available. It is often booked for funerals, meetings and other community events. As we had to turn our activity room into a classroom, the only alternative is to use a classroom or play outside for physical education classes. As well, the community gymnasium is a small gym not meant for older students. This often hinders skill development because our students do not have the space especially when an entire high school class is present.

The NDEA would like to look into the requirements for the formation of a District Education Council. We would be pleased to have representatives from Education Culture & Employment deliver a presentation in this regard to the NDEA.

Sincerely,



Metro Huculak  
Superintendent/CEO

cc: Eileen Erasmus, Principal, K'alemi Dene School

## Management Responsibility for Financial Reporting

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

### Management's Responsibility for Financial Reporting with respect to the school year ended June 30, 2016


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

Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that proper records are maintained. Controls further include quality standards regarding the hiring and training of employees, that ensure the adequate maintenance of written policies and procedural manuals and that further provide for appropriate accountability for performance within well-defined areas of responsibility. The operations and administration of the Authority have been conducted within the statutory powers of the Authority. The operations and administration of the Authority as well as the supporting internal controls of the entity are regularly monitored to ensure their effectiveness and their continued compliance with all relevant legislation, standards, directives and policies including but not limited to the *Education Act*, *Financial Administration Act*, CPSAS, FAM, FAMEA, Human Resources Manual, Ministerial Directives and the policies of the Authority's Board. Any non-compliance has been specifically identified and has been previously communicated to the Minister and Deputy Minister.

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

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

Approved and confirmed on behalf of the Authority

  
Metro Huculak      Superintendent

September 28, 2016



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## **Independent Auditors' Report**

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

### *Report on the Consolidated Financial Statements*

We have audited the accompanying consolidated financial statements of K'alemi Dene School ("the Authority"), which comprise of the consolidated statement of financial position as at June 30, 2016, and the consolidated statements of operations, changes in net financial assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

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

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

### *Auditors' Responsibility*

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

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

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

### *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.



### **Independent Auditors' Report (continued)**

#### *Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Authority as at June 30, 2016, and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

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

A handwritten signature in black ink that reads "Crowe MacKay LLP".

**Yellowknife, Northwest Territories  
September 28, 2016**

**Chartered Accountants**



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

**Consolidated Statement of Financial Position**

As at June 30, 2016      2015

**Financial Assets**

Cash and cash equivalents (Note 4)	\$ 1,520,523	\$ 365,963
Due from Government of Canada (Note 13)	33,366	19,324
Accounts receivable (Note 8)	110,653	1,284,037
	<b>1,664,542</b>	<b>1,669,324</b>

**Liabilities**

Accounts payable and accrued liabilities (Note 10)	2,753	34,894
Payroll Liabilities (Note 35)	984,402	529,629
	<b>987,155</b>	<b>564,523</b>

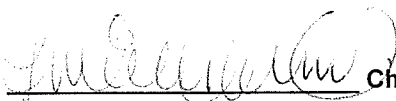
**Net Financial Assets and Accumulated Surplus** **\$ 677,387    \$ 1,104,801**

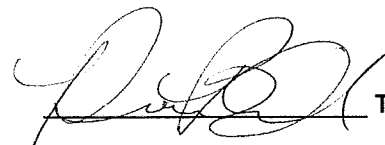
**Represented By:**

Operating Surplus **\$ 677,387    \$ 1,104,801**

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

**Approved on behalf of the Authority**

 **Chairperson**

 **Trustee**

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

**Consolidated Statement of Operations**

For the year ended June 30,	2016	2016	2015
	Budget (unaudited)	Actual	Actual
<b>Revenues</b>			
<b>Government of the Northwest Territories (GNWT)</b>			
ECE Regular contributions	\$2,354,424	\$2,404,423	\$2,357,934
ECE Other contributions (Note 33)	-	3,125	-
<b>Other educational bodies</b>	-	36,298	-
<b>Education body generated funds</b>			
Donations - other	-	52,614	4,501
Contributed services	-	65,020	45,960
	<b>2,354,424</b>	<b>2,561,480</b>	<b>2,408,395</b>
<b>Expenditures - Schedule 1</b>			
School programs	1,893,433	2,106,935	1,521,126
Inclusive schooling	574,504	493,114	637,148
Administration	55,000	158,314	168,502
Aboriginal languages	210,860	230,531	205,485
Operations and maintenance	15,000	-	-
	<b>2,748,797</b>	<b>2,988,894</b>	<b>2,532,261</b>
<b>Operating deficit before other items</b>	<b>(394,373)</b>	<b>(427,414)</b>	<b>(123,866)</b>
<b>Other items</b>			
Grant in-kind - Tangible Capital Assets provided at no cost (Note 23)	-	<b>226,653</b>	226,653
Rent expense - Tangible Capital Assets provided at no cost (Note 23)	-	<b>(226,653)</b>	(226,653)
	-	-	-
<b>Operating deficit</b>	<b>(394,373)</b>	<b>(427,414)</b>	<b>(123,866)</b>
<b>Opening accumulated surplus</b>	<b>1,104,801</b>	<b>1,104,801</b>	<b>-</b>
<b>Transfer to accumulated surplus (Note 37)</b>	<b>-</b>	<b>-</b>	<b>1,228,667</b>
<b>Closing accumulated surplus</b>	<b>\$ 710,428</b>	<b>\$ 677,387</b>	<b>\$1,104,801</b>

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

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

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For the year ended June 30,	2016	2015
Operating deficit	\$ (427,414)	\$ (123,866)
Transfer to accumulated surplus	-	1,228,667
Increase (decrease) in net financial assets	(427,414)	1,104,801
Net financial assets, beginning of year	1,104,801	-
Net financial assets, end of year	\$ 677,387	\$ 1,104,801

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

**Consolidated Statement of Cash Flows**

For the year ended June 30,	2016	2015
<b>Cash provided by (used in):</b>		
<b>Operating Activities</b>		
Operating deficit	\$ (427,414)	\$ (123,866)
Items not affecting cash		
Change in non-cash assets and liabilities		
Decrease (increase) in accounts receivable	1,173,384	225,909
Increase (decrease) in accounts payable and accrued liabilities	(32,141)	28,237
Increase in payroll liabilities	454,773	246,217
Decrease in amounts due from the Government of Canada	(14,042)	(19,324)
	<b>1,581,974</b>	<b>481,039</b>
<b>Change in cash position</b>	<b>1,154,560</b>	<b>357,173</b>
<b>Cash and cash equivalents, beginning of year (Note 4)</b>	<b>365,963</b>	<b>8,790</b>
<b>Cash and cash equivalents, end of year (Note 4)</b>	<b>\$ 1,520,523</b>	<b>\$ 365,963</b>

**K'alemi Dene School**

**Schedule 1  
Consolidated Details of Expenditures**

For the year ended June 30, 2016      2016      2015

	2016	2016	2015
	School Programs	Inclusive Schooling (Schedule 3) Administration	Aboriginal Languages (Schedule 2)
	Total	Total	Budget (unaudited)
<b>Salaries</b>			
Teachers	\$ 967,730	\$ 238,368	\$ 1,331,776
Instruction assistants	92,273	147,216	273,970
Non-instructional staff	236,125	-	236,125
Board/Trustee honoraria	-	13,148	13,148
<b>Total Salaries</b>	<b>1,296,128</b>	<b>385,584</b>	<b>1,855,019</b>
<b>Employee Benefits</b>			
Employee benefits and allowances	207,533	92,032	26,563
<b>Services Purchased or Contracted</b>			
Advertising	339	-	339
Electricity	2,470	-	2,470
Insurance and permits	5,844	-	5,844
Interest and Bank Charges	-	148	148
Maintenance and repairs	6,940	-	6,940
Other contracted services	12,802	800	13,602
Postage and communication	9,123	-	9,123
Professional/technical services	156,231	144,221	331,685
Rentals and lease	23,587	-	23,587
Student transportation and bussing	36,700	-	36,700
Travel	102,074	2,703	104,777
Water and sewage	2,961	-	2,961
<b>Total Services Purchased or Contracted</b>	<b>359,071</b>	<b>11,281</b>	<b>538,176</b>
<b>Total Materials</b>	<b>244,203</b>	<b>4,217</b>	<b>269,571</b>
<b>Total Expenditures</b>	<b>\$ 2,106,935</b>	<b>\$ 493,114</b>	<b>\$ 2,988,894</b>
		<b>\$ 158,314</b>	<b>\$ 2,748,797</b>
		<b>\$ 23,455</b>	<b>\$ 75,000</b>
		<b>\$ 20,354</b>	<b>\$ 165,000</b>
		<b>\$ 230,531</b>	<b>\$ 2,532,261</b>

**K'alemi Dene School****Schedule 2****Details of Aboriginal Language and Culture Program Expenditures****For the year ended June 30,****2016**

Function	Student Instruction	Teaching/ Learning Resources	Professional Development	School Activities and Integrated Community Programs	Total
<b>Salaries</b>					
Teachers	\$ 125,678	\$ -	\$ -	\$ -	\$ 125,678
Language consultants	34,481	-	-	-	34,481
Instruction assistants	-	-	-	-	-
Non-instructional staff	-	-	-	-	-
Honoraria	-	-	-	-	-
School secretary	-	-	-	-	-
	<b>160,159</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>160,159</b>
<b>Employee Benefits</b>					
Employee benefits/allowances	<b>26,563</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,563</b>
<b>Services Purchased/Contracted</b>					
Advertising/printing/publishing	-	-	-	-	-
Maintenance/repair	-	-	-	-	-
Other contracted services	800	-	-	-	800
Professional/technical services	19,952	-	-	-	19,952
Rentals/leases	-	-	-	-	-
Student transportation (bussing)	-	-	-	-	-
Travel	2,703	-	-	-	2,703
	<b>23,455</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,455</b>
<b>Materials/Supplies/Freight</b>					
Materials	<b>20,354</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,354</b>
<b>Total</b>	<b>\$ 253,986</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 253,986</b>

**K'alemi Dene School**

**Schedule 3  
Details of Inclusive Schooling Expenditures**

**For the year ended June 30, 2016**

Function	Staff Development	Intervention Strategies	Assistive Technology	Student Resources	Southern Placements	Magnet Facilities	General Inclusive Schooling	Total
<b>Salaries</b>								
Program support teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 238,368	\$ 238,368
Consultants	-	-	-	-	-	-	-	-
Support assistants	-	-	-	-	-	-	147,216	147,216
Non-instructional staff	-	-	-	-	-	-	-	-
School secretary	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	<b>385,584</b>	<b>385,584</b>
<b>Employee Benefits</b>								
Employee benefits/allowances	-	-	-	-	-	-	<b>92,032</b>	<b>92,032</b>
<b>Services Purchased/Contracted</b>								
Professional/technical services	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-
Student transportation (bussing)	-	-	-	-	-	-	-	-
Advertising/printing/publishing	-	-	-	-	-	-	-	-
Maintenance/repair	-	-	-	-	-	-	-	-
Rentals/leases	-	-	-	-	-	-	-	-
Other contracted services	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Materials/Supplies/Freight</b>								
Materials	-	-	-	-	-	-	<b>4,217</b>	<b>4,217</b>
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 481,833</b>	<b>\$ 481,833</b>

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**K'alemi Dene School**  
**(Ndilo District Education Authority)****Notes to Financial Statements**

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**June 30, 2016**

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**1. Nature of Operations**

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

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

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

**2. Significant Accounting Policies****(a) Basis of Accounting**

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. The consolidated financial statements have, in management's opinion, been properly prepared with reasonable limits of materiality.

The basis of accounting refers to the timing of when revenue and expenditure items are recognized in the accounts and reported in the consolidated financial statements. The accrual basis of accounting is utilized for all funds. Under the basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recorded when they are incurred.

**(b) Cash and Cash Equivalents**

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

**(c) Financial Instruments**

The Authority classifies its financial instruments at cost or amortized cost. The Authority's accounting policy for this financial instrument category is as follows:

This category includes cash, accounts receivable, accounts payable and accrued liabilities, and payroll liabilities. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the statement of operations.



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**K'alemi Dene School**  
(Ndilo District Education Authority)**Notes to Financial Statements**

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**June 30, 2016**

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**2. Significant Accounting Policies (continued)****(d) Non-Financial Assets**

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver services that may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses. These assets do not normally provide resources to discharge the liabilities of the Authority unless they are sold.

**(e) Tangible Capital Assets**

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

**(f) Revenue Recognition****Government Transfers**

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

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

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

**GNWT - Regular Contributions**

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

**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.

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

**Notes to Financial Statements**

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**June 30, 2016**

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

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

**Other Revenue - Donations**

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

**Contributed Services**

The Authority receives cleaning and catering services provided by school volunteers. The fair value of these services are recognized as an expense and a corresponding revenue is recorded.

The school bus used by the Authority is the property of the Yellowknives Dene First Nation. The fair value of the use of the bus is estimated to be equivalent to the cost of bus passes that the Authority would have had to purchase. As such a bus pass expense and corresponding revenue has been reported in the Consolidated Statement of Operations.

**(g) Infrastructure Funding**

The Authority does not have any infrastructure funding.

**(h) Budget Data**

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

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

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

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

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

The budget may be amended within a given fiscal year in accordance with Board policy, regulations and approved budget procedures. The budget data presented in the consolidated financial statements reflects the Minister approved budget for the school year.

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

**Notes to Financial Statements**

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**June 30, 2016**

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

**(i) 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.

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

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

**(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 collective agreements and management handbook guidelines of the GNWT.

**(m) Special Purpose Funds**

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.

**(n) Donated Goods and Services**

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

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

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

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

**Notes to Financial Statements**

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**June 30, 2016**

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

**(o) Net Financial Assets (Debt)**

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

**(p) Liability for Contaminated Sites**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organize or radioactive material or live organism that exceeds an environmental standard. A liability would be recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met: an environmental standard exists; contamination exceeds the environmental standard; the Authority is directly responsible or accepts responsibility and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available as at June 30, 2016.

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

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**K'alemi Dene School**  
**(Ndilo District Education Authority)****Notes to Financial Statements**

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**June 30, 2016**

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**3. Future Accounting Changes****Related Party Disclosures, Section PS 2200**

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

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

**Inter-entity transactions, Section PS 3420**

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

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

**Assets, Section PS 3210**

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

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

**Contingent Assets, Section PS 3320**

PSAB approved Section PS 3320, Contingent Assets. This Section is effective for fiscal periods beginning on or after April 1, 2017. Earlier adoption is permitted. This Section defines and establishes standards for disclosure of contingent assets except certain specific types of contingent assets.

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

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

**Notes to Financial Statements**

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**June 30, 2016**

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

**Contractual Rights, Section PS 3380**

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

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

**Student Activity Funds**

Under direction from the Government of Northwest Territories - Department of Education, Culture and Employment, student funds may be required to be reported on the consolidated financial statements of the Authority in the future.

**4. Cash and Cash Equivalents**

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

**5. Special Purpose Funds**

The Authority does not have special purpose funds.

**6. Restricted Assets**

The Authority does not have restricted assets.

**7. Portfolio Investments**

The Authority does not have portfolio investments.

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**K'alemi Dene School**  
**(Ndilo District Education Authority)**
**Notes to Financial Statements**


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**June 30, 2016**


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**8. Accounts Receivable**

	Accounts Receivable 2016	Allowance 2016	Net 2016	Net 2015
Accounts receivable	\$ (23,068)	\$ -	\$ (23,068)	\$ 49,236
Surplus due from Yellowknives Dene First Nation	133,721	-	133,721	1,234,801
	<b>\$ 110,653</b>	<b>\$ -</b>	<b>\$ 110,653</b>	<b>\$ 1,284,037</b>

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**9. Inventories**

The Authority does not have inventories.

**10. Accounts Payable**

	2016	2015
Trades payable	<b>\$ 2,753</b>	<b>\$ 34,894</b>

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**11. Deferred Revenue**

The Authority does not have deferred revenue.

**12. Contribution Repayable**

The Authority does not have contribution repayable.

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

	2016	2015
Goods and Services Tax	<b>\$ 33,366</b>	<b>\$ 19,324</b>

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**14. Capital Lease Obligations**

The Authority does not have capital lease obligations.

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

**Notes to Financial Statements**

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**June 30, 2016**

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**15. Pensions**

The Authority does not have pensions.

**16. Long Term Debt**

The Authority does not have long term debt.

**17. Post Employment Benefits**

The Authority does not have post employment benefits.

**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**

The Authority does not have prepaid expenses.

**21. Accumulated Surplus / Deficit**

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

**22. Capital Advances**

The Authority does not have capital advances.

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

	Cost	Accumulated Amortization	<b>2016 Net Book Value</b>	2015 Net Book Value
Buildings	\$ 9,066,125	\$ 1,473,245	<b>\$ 7,592,880</b>	\$ 7,819,533

Rent expense of \$226,653 (2015 - \$226,653) equal to current year amortization of the tangible capital assets was offset by a grant in-kind.

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**K'alemi Dene School**  
**(Ndilo District Education Authority)**
**Notes to Financial Statements**


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**June 30, 2016**


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**24. Contractual Obligations**

The Authority has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2016.

	Expires in Fiscal Year	2017	2018-2020	Total
Equipment leases	2019	\$ 9,056	\$ 15,848	\$ 24,904
Operation leases	2016	30,000	-	30,000
		<b>\$ 39,056</b>	<b>\$ 15,848</b>	<b>\$ 54,904</b>

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**25. Contingencies**

As of the audit report date, the Authority does not have 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. The Authority is provided with various administrative services by the GNWT, the value of which is not reflected in these consolidated financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage, payroll services and internal audit services by the Department of Finance, and utilities and maintenance by Public Works and Services. Transactions with related parties and balances at year-end not disclosed elsewhere in the consolidated financial statements are summarized in this note.

	2016	2015
Trades payable and payroll liabilities Yellowknife District Education #1	<b>\$ 984,402</b>	\$ 529,629
Revenue - other contributions Yellowknife District Education #1	\$ 36,298	\$ -
Expenses - wages and salaries Yellowknife District Education #1	<b>\$ 1,946,622</b>	\$ 1,546,329

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**K'alemi Dene School**  
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**Notes to Financial Statements**

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**June 30, 2016**

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**27. Budget Data**

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

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

The budget figures presented are those approved by the Trustees of the Authority on August 26, 2015 and have not been audited.

**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. Risk Management**

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

**a) Credit risk**

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

The Authority's maximum exposure to credit risk is represented by the financial assets balance for a total of \$1,664,542 (2015 - \$1,669,324).

There is a concentration of credit risk in cash as the majority of the deposits are held in one Canadian chartered bank and the balance is in excess of the insurable limit. There is also a concentration risk in accounts receivable as the total balance is from the Yellowknives Dene First Nation. The amounts represent a low credit risk as the debtor is a reputable government with a good credit score.

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**K'alemi Dene School**  
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**Notes to Financial Statements**

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**June 30, 2016**

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**29. Risk Management (continued)**

**b) Liquidity risk**

Liquidity risk is the risk that the Authority will not be able to meet all cash outflow obligations as they come due. The Authority mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise.

The Authority's maximum exposure to liquidity risk is represented by accounts payable and accrued liabilities, and payroll liabilities for a total of \$987,155 (2015 - \$564,523).

All of the Authority's financial assets and financial liabilities at June 30, 2016 mature within 6 months.

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

**30. Expense by Object**

	Budget 2015 (Unaudited)	Actual 2016	Actual 2015
Compensation	\$ 2,508,797	\$ 2,181,147	\$ 1,751,430
Materials and freight	165,000	269,571	391,887
Services purchased/contracted	75,000	538,176	388,944
	<b>\$ 2,748,797</b>	<b>\$ 2,988,894</b>	<b>\$ 2,532,261</b>

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

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

**Notes to Financial Statements**

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**June 30, 2016**

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**33. ECE Other Contributions**

	2016	2015
Government of the Northwest Territories, Department of Education, Culture and Employment K-12 Fundraising	\$ 3,125	\$ -
	<b>\$ 3,125</b>	<b>\$ -</b>

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**34. GNWT Other Contributions**

There were no other contributions from the GNWT other than the regular funding from ECE.

**35. Payroll Liabilities**

	2016	2015
Teachers - Northwest Territories Teachers' Association	\$ 984,402	\$ 529,629

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**36. Statement of Remeasurement Gains and Losses**

The Authority does not have any remeasurement gains or losses.

**37. Transfer to Accumulated Surplus**

In the 2014 fiscal year, unexpended government transfers received from the Government of the Northwest Territories, Department of Education, Culture, and Employment for school operations was allocated to accumulated surplus. The corresponding amount \$133,721 (2015 - \$1,234,801) is receivable from the Yellowknives Dene First Nation.