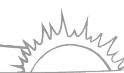




# PUBLIC ACCOUNTS 2020-2021

## Section I: Consolidated Financial Statements



**PUBLIC ACCOUNTS**  
**OF THE**  
**GOVERNMENT OF THE NORTHWEST TERRITORIES**  
**FOR THE YEAR ENDED MARCH 31, 2021**

**SECTION I**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**HONOURABLE CAROLINE WAWZONEK**  
**Minister of Finance**



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**THE HONOURABLE MARGARET M. THOM  
COMMISSIONER OF THE NORTHWEST TERRITORIES**

I have the honour to present the Public Accounts of the Northwest Territories in accordance with Sections 37 through 43 of the *Northwest Territories Act (Canada)*, S.C. 2014, c.2, s.2, and Sections 34 through 35 of the *Financial Administration Act*, S.N.W.T. 2015, c.13, for the fiscal year ended March 31, 2021.



Honourable Caroline Wawzonek  
Minister of Finance

November 29, 2021

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**Public Accounts of the  
Government of the Northwest Territories**

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**FINANCIAL STATEMENT DISCUSSION AND ANALYSIS**

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## RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the consolidated financial statements of the Government of the Northwest Territories (the Government), and related information contained in the Public Accounts, is the responsibility of the Government through the Office of the Comptroller General.

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS). Where PSAS permits alternative accounting methods, management has chosen those that are most appropriate. Where required, management's best estimates and judgment have been applied in the preparation of these consolidated financial statements.

The Government fulfills its accounting and reporting responsibilities, through the Office of the Comptroller General, by maintaining systems of financial management and internal control. The systems are continually enhanced and modified to provide timely and accurate information, to safeguard and control the Government's assets, and to ensure that all transactions are in accordance with the *Northwest Territories Act* and regulations, and the *Financial Administration Act* of the Northwest Territories and regulations.

The Auditor General of Canada performs an annual audit on the consolidated financial statements in order to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, the financial position of the Government, the results of its operations, the change in its net debt, and its cash flows for the year in accordance with PSAS. During the course of the audit, she also examines transactions that came to her notice, to ensure they are, in all material respects, within the statutory powers of the Government and those organizations included in the consolidated financial statements.

Julie Mujcin, CPA, CGA  
Comptroller General  
Government of the Northwest Territories

November 29, 2021

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## INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of the Northwest Territories

### Report on the Audit of the Consolidated Financial Statements

#### *Opinion*

We have audited the consolidated financial statements of the Government of the Northwest Territories and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 31 March 2021, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net debt and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2021, and the consolidated results of its operations, consolidated changes in its net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other Information*

Management is responsible for the other information. The other information comprises the information included in Section I of the Public Accounts 2020–2021, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Report on Compliance with Specified Authorities**

### *Opinion*

In conjunction with the audit of the consolidated financial statements, we have audited transactions of the Government of the Northwest Territories and its controlled entities coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Northwest Territories Act* and regulations, the *Financial Administration Act* of the Northwest Territories and regulations, and the specific operating authorities disclosed in Note 1(a) to the consolidated financial statements.

In our opinion, the transactions of the Government of the Northwest Territories and its controlled entities that came to our notice during the audit of the consolidated financial statements have complied, in all material respects, with the specified authorities referred to above.

### *Responsibilities of Management for Compliance with Specified Authorities*

Management is responsible for the Government of the Northwest Territories and its controlled entities' compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Government of the Northwest Territories and its controlled entities to comply with the specified authorities.

*Auditor's Responsibilities for the Audit of Compliance with Specified Authorities*

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the consolidated financial statements are in compliance with the specified authorities referred to above.

A handwritten signature in black ink, appearing to read "Karen Hogan". The signature is fluid and cursive, with the first name "Karen" and the last name "Hogan" clearly distinguishable.

Karen Hogan, FCPA, FCA  
Auditor General of Canada

Ottawa, Canada  
29 November 2021

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## Government of the Northwest Territories

### Consolidated Statement of Financial Position

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As at March 31, 2021


(thousands of dollars)

	2021	2020
	\$	\$
<b>Financial assets</b>		
Cash	115,820	85,489
Portfolio investments (note 3)	106,536	110,372
Due from the Government of Canada (note 11)	122,665	97,253
Accounts receivable (note 5)	113,857	106,911
Inventories for resale	39,590	35,549
Loans receivable (note 6)	80,323	74,554
Sinking fund (note 7)	78,099	29,680
	<b>656,890</b>	<b>539,808</b>
<b>Liabilities</b>		
Short term loans (note 8)	324,873	470,238
Accounts payable and accrued liabilities (note 9)	344,052	333,159
Deferred revenue	63,754	40,114
Environmental liabilities and asset retirement obligations (note 10)	76,737	75,311
Due to the Government of Canada (note 11)	179,882	170,149
Capital lease obligations (note 12)	16,355	16,768
Long-term debt (note 12)	560,976	390,768
Liabilities under public private partnerships (note 13)	353,050	273,479
Pensions (note 14)	23,286	21,608
Other employee future benefits and compensated absences (note 15)	51,983	59,174
	<b>1,994,948</b>	<b>1,850,768</b>
<b>Net debt</b>	<b>(1,338,058)</b>	<b>(1,310,960)</b>
<b>Non-financial assets</b>		
Tangible capital assets (schedule A)	3,672,777	3,565,348
Inventories held for use	24,453	17,040
Prepaid expenses	11,676	9,180
	<b>3,708,906</b>	<b>3,591,568</b>
<b>Accumulated surplus</b>	<b>2,370,848</b>	<b>2,280,608</b>

Contractual obligations, rights, guarantees and contingencies (notes 17 and 18)

Approved:

  
Caroline Wawzonek  
Minister of Finance

  
Julie Mujcin, CPA, CGA  
Comptroller General

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The accompanying notes and schedules are an integral part of the consolidated financial statements.



## Government of the Northwest Territories

### Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2021

(thousands of dollars)

	2021 Budget \$	2021 Actual \$	2020 Actual \$
<b>Revenues</b>			
Grant from the Government of Canada <i>(note 2(n))</i>	1,412,734	1,412,734	1,309,278
Transfer payments <i>(note 19)</i>	407,817	400,827	236,090
	<b>1,820,551</b>	<b>1,813,561</b>	<b>1,545,368</b>
Taxation, non-renewable resource and general revenues			
Corporate and personal income taxes <i>(note 19)</i>	131,391	103,331	89,008
Other taxes <i>(note 19)</i>	156,827	146,047	133,036
General <i>(note 19)</i>	136,860	66,373	97,978
Income from portfolio investments	1,026	4,867	6,053
Non-renewable resource revenue	33,288	66,469	23,794
Sales	161,131	174,370	174,044
Recoveries	37,247	39,811	40,269
	<b>657,770</b>	<b>601,268</b>	<b>564,182</b>
Recoveries of prior years' expenses	3,000	23,269	13,951
	<b>2,481,321</b>	<b>2,438,098</b>	<b>2,123,501</b>
<b>Expenses (schedule B) (note 20)</b>			
Environment and Economic Development	172,759	177,526	165,318
Infrastructure	450,649	423,651	436,120
Education	390,566	396,268	381,655
Health, Social Services and Housing	680,993	752,091	693,568
Justice	133,617	130,467	129,176
General Government	401,780	446,491	371,244
Legislative Assembly and statutory offices	22,720	21,364	23,736
	<b>2,253,084</b>	<b>2,347,858</b>	<b>2,200,817</b>
<b>Annual operating surplus (deficit)</b>	228,237	90,240	(77,316)
Projects on behalf of third parties			
Expenses	(87,362)	(77,249)	(110,635)
Recoveries	87,362	77,249	110,635
<b>Annual surplus (deficit)</b>	<b>228,237</b>	<b>90,240</b>	<b>(77,316)</b>
Accumulated surplus at beginning of year	2,280,608	2,280,608	2,357,924
<b>Accumulated surplus at end of year</b>	<b>2,508,845</b>	<b>2,370,848</b>	<b>2,280,608</b>

*The accompanying notes and schedules are an integral part of the consolidated financial statements.*

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## Government of the Northwest Territories

### Consolidated Statement of Change in Net Debt

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For the year ended March 31, 2021

(thousands of dollars)

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	2021 Budget \$	2021 Actual \$	2020 Actual \$
<b>Net debt at beginning of year</b>	<b>(1,310,960)</b>	<b>(1,310,960)</b>	<b>(1,124,582)</b>
Items affecting net debt:			
Annual surplus (deficit)	228,237	90,240	(77,316)
Acquisition of tangible capital assets ( <i>schedule A</i> )	(450,005)	(270,420)	(269,627)
Amortization of tangible capital assets ( <i>schedule A</i> )	163,413	160,399	153,648
Loss on disposal of tangible capital assets	10,199	1,982	3,396
Proceeds on disposal of tangible capital assets	-	609	124
	(48,156)	(17,190)	(189,775)
Consumption of inventories held for use	7,500	17,111	13,188
Purchase of inventories held for use	(7,500)	(24,523)	(14,258)
Change in prepaid expenses	-	(2,496)	4,467
	-	(9,908)	3,397
<b>Change in net debt</b>	<b>(48,156)</b>	<b>(27,098)</b>	<b>(186,378)</b>
<b>Net debt at end of year</b>	<b>(1,359,116)</b>	<b>(1,338,058)</b>	<b>(1,310,960)</b>

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*The accompanying notes and schedules are an integral part of the consolidated financial statements.*

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# Government of the Northwest Territories

## Consolidated Statement of Cash Flow

For the year ended March 31, 2021

(thousands of dollars)

	2021 \$	2020 \$
<b>Cash provided by (used for)</b>		
<b>Operating transactions</b>		
Annual surplus (deficit)*	90,240	(77,316)
Items not affecting cash:		
Change in valuation allowances	10,915	8,946
Loss on disposal of tangible capital assets	1,982	3,396
Amortization of tangible capital assets	160,399	153,648
Inflation adjustment on real return bonds	1,776	3,810
	265,312	92,484
Changes in non-cash assets and liabilities:		
Change in due to/from the Government of Canada	(15,679)	13,209
Change in accounts receivable	(13,049)	(3,689)
Change in inventories for resale	(4,041)	(3,126)
Change in accounts payable and accrued liabilities	18,416	14,089
Change in environmental liabilities and asset retirement obligations	1,583	4,872
Change in deferred revenue	23,640	18,023
Change in pensions	1,678	(1,243)
Change in other employee future benefits and compensated absences	(7,191)	(7,030)
Change in inventories held for use	(7,413)	(1,070)
Change in prepaid expenses	(2,496)	4,467
	260,760	130,986
<b>Cash provided by operating transactions</b>	<b>260,760</b>	<b>130,986</b>
<b>Investing transactions</b>		
Disposition of portfolio investments	69,576	27,904
Acquisition of portfolio investments	(65,740)	(55,846)
Loans receivable receipts	4,751	8,811
Loans receivable advanced	(15,332)	(8,984)
Sinking fund installments	(48,419)	(29,680)
	(55,164)	(57,795)
<b>Cash used for investing transactions</b>	<b>(55,164)</b>	<b>(57,795)</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(192,828)	(220,041)
Proceeds of disposition of tangible capital assets	609	124
	(192,219)	(219,917)
<b>Cash used for capital transactions</b>	<b>(192,219)</b>	<b>(219,917)</b>
<b>Financing transactions</b>		
Net proceeds from short term loans	(145,365)	136,719
Repayment of capital lease obligations	(413)	(790)
Acquisition of long-term debt	177,474	-
Repayment of long-term debt	(9,042)	(8,684)
Repayment of liabilities under public private partnerships	(5,700)	(5,400)
	16,954	121,845
<b>Cash provided by financing activities</b>	<b>16,954</b>	<b>121,845</b>
<b>Increase (Decrease) in cash</b>	<b>30,331</b>	<b>(24,881)</b>
<b>Cash at beginning of year</b>	<b>85,489</b>	<b>110,370</b>
<b>Cash at end of year</b>	<b>115,820</b>	<b>85,489</b>

\*Total interest paid during the year \$36,379 (2020 - \$42,905)

*The accompanying notes and schedules are an integral part of the consolidated financial statements.*

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# Government of the Northwest Territories

## Notes to Consolidated Financial Statements

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March 31, 2021

(All figures in thousands of dollars)

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### 1. AUTHORITY AND OPERATIONS

#### (a) Authority and reporting entity

The Government of the Northwest Territories (the Government) operates under the authority of the *Northwest Territories Act* (Canada). The Government has an elected Legislative Assembly which authorizes all disbursements, advances, loans and investments unless specifically authorized by statute.

The consolidated financial statements have been prepared in accordance with the *Northwest Territories Act* (Canada) and the *Financial Administration Act* of the Northwest Territories. The consolidated financial statements present summary information and serve as a means for the Government to show its accountability for the resources, obligations and financial affairs for which it is responsible. The following lists the organizations comprising the Government reporting entity, which are fully consolidated in the financial statements, and their specific operating authority.

#### *Education Act*

- Beaufort-Delta Divisional Education Council
- Commission scolaire francophone Territoires du Nord-Ouest
- Dehcho Divisional Education Council
- Detah District Education Authority
- N'dilo District Education Authority
- Sahtu Divisional Education Council
- South Slave Divisional Education Council
- Yellowknife Public Denominational District Education Authority (Yellowknife Catholic Schools)
- Yellowknife District No.1 Education Authority

#### *Aurora College Act*

- Aurora College

#### *Hospital Insurance and Health and Social Services Administration Act*

- Hay River Health and Social Services Authority
- Northwest Territories Health and Social Services Authority

#### *Tlicho Community Services Agency Act*

- Tlicho Community Services Agency

#### *Northwest Territories Business Development and Investment Corporation Act*

- Northwest Territories Business Development and Investment Corporation

#### *Northwest Territories Housing Corporation Act*

- Northwest Territories Housing Corporation

#### *Human Rights Act*

- Northwest Territories Human Rights Commission

#### *Northwest Territories Societies Act*

- Arctic Energy Alliance

#### *Status of Women Council Act*

- Status of Women Council of the Northwest Territories

#### *Northwest Territories Heritage Fund Act*

- Northwest Territories Heritage Fund

#### *Northwest Territories Waters Act*

- Inuvialuit Water Board

#### *Northwest Territories Hydro Corporation Act*

- Northwest Territories Hydro Corporation (NT Hydro)

#### *Northwest Territories Surface Rights Board Act*

- Northwest Territories Surface Rights Board



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# Government of the Northwest Territories

## Notes to Consolidated Financial Statements

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March 31, 2021

(All figures in thousands of dollars)

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### 1. AUTHORITY AND OPERATIONS (continued)

#### (a) Authority and reporting entity (continued)

All organizations included in the Government reporting entity have a March 31 fiscal year-end with the exception of Aurora College, Divisional Education Councils and District Education Authorities, which have a fiscal year-end of June 30. Transactions of these educational organizations that have occurred during the period to March 31, 2021 and that significantly affect the consolidation have been recorded. Revolving funds are incorporated directly into the Government's accounts while trust assets administered by the Government on behalf of other parties (*note 16*) are excluded from the Government reporting entity. Revolving Funds are segments of the Government that are engaged in commercial activities, with undefined and non-lapsing expense authority.

#### (b) Budget

The consolidated budget figures are the appropriations approved by the Legislative Assembly and the approved budgets for the consolidated entities, adjusted to eliminate budgeted inter-entity revenues and expenses. They represent the Government's original consolidated fiscal plan for the year and do not reflect supplementary appropriations.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards as issued by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

#### (a) Measurement uncertainty

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the consolidated financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the consolidated financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these consolidated statements, the Government believes the estimates and assumptions to be reasonable.

The more significant management estimates relate to environmental liabilities, asset retirement obligations, contingencies, revenue accruals, allowances for doubtful accounts for accounts receivable, valuation allowances for loans receivable, and amortization expense. Other estimates, such as the Canada Health Transfer payments, Canada Social Transfer payments, and Corporate and Personal Income Tax revenues are based on estimates made by the Government of Canada's Department of Finance and are subject to adjustments in future years.

#### (b) Cash

Cash is comprised of bank account balances, net of outstanding cheques and short-term highly liquid investments that are readily convertible to cash with a maturity date of 90 days or less from the date of acquisition.

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# Government of the Northwest Territories

## Notes to Consolidated Financial Statements

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March 31, 2021

(All figures in thousands of dollars)

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (c) Portfolio investments

Portfolio investments are long-term investments in organizations that do not form part of the government reporting entity and are accounted for by the cost or amortized cost method. Such investments are normally in shares and bonds of the investee. When there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss and it is included as a component of investment income. Interest income is recorded on the accrual basis, dividend income is recognized as it is declared and capital gains and losses are recognized when realized.

#### (d) Inventories

Inventories for resale consist mainly of bulk fuels, liquor products, and arts and crafts. Bulk fuels are valued at the lower of weighted average cost and net realizable value. Liquor products are valued at the lower of cost and net realizable value. Inventories held for use by NT Hydro consist of materials and supplies, lubricants, critical spare parts, and fuel and are recorded at cost as determined using the weighted average cost method. The remaining inventories held for use (including housing materials and supplies, and hospital supplies) are valued at the lower of cost, determined on a first in, first out basis, and net replacement value. Impairments, when recognized, result in write-downs to net realizable value.

#### (e) Loans receivable

Loans receivable and advances are stated at the lower of cost and net recoverable value. Valuation allowances, determined on an individual basis, are based on past events, current conditions and all circumstances known at the date of the preparation of the consolidated financial statements and are adjusted annually to reflect the current circumstances by recording write downs or recoveries, as appropriate. Write-downs are recognized when the loans have been deemed uncollectable. Recoveries are recorded when loans previously written down are subsequently collected. Interest revenue is recorded on an accrual basis. Interest revenue is not accrued when the collectability of either principal or interest is not reasonably assured.

#### (f) Sinking fund

The sinking fund is externally restricted cash held specifically for the purpose of repaying outstanding debt at maturity. The sinking fund is recorded at amortized cost.

#### (g) Liabilities

Liabilities are present obligations arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits.

Accounts payable and accrued liabilities primarily include obligations to pay for goods and services acquired prior to year-end, provide authorized grants and contributions where eligibility criteria are met, and to pay for employee compensation earned prior to year-end.

Bonds and debentures included in long-term debt are recognized at amortized cost (initial cost, less unamortized discount and issuance costs).

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# Government of the Northwest Territories

## Notes to Consolidated Financial Statements

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March 31, 2021

(All figures in thousands of dollars)

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (h) Tangible capital assets and leases

Tangible capital assets are buildings, roads, equipment, etc. whose life extends beyond the fiscal year, original cost exceeds \$50 and are intended to be used on an ongoing basis for delivering programs and services. Individual assets less than \$50 are expensed when purchased. Tangible capital assets are recorded at cost or where actual cost is not available, estimated current replacement cost, discounted back to the acquisition date. Costs include contracted services, materials and supplies, direct labour, attributable overhead costs, and directly attributable interest. Capitalization of interest ceases when no construction or development is taking place or when a tangible capital asset is ready for use in producing goods or delivering services. Assets, when placed in service, are amortized on a straight-line basis over their estimated useful lives as follows:

<b>Asset category</b>	<b>Amortization period</b>
Land	Not amortized
Computers	10 years or less
Equipment	40 years or less
Roads and Bridges	75 years or less
Buildings and Leasehold Improvements	Buildings - 40 years or less; Leasehold improvements - the lesser of useful life or remaining lease term
Infrastructure and Other	40 years or less except for Electric power plants 100 years or less

The estimate of the useful life of tangible capital assets is reviewed on a regular basis and revised where appropriate on a prospective basis. The remaining unamortized portion of a tangible capital asset may be extended beyond its original estimated useful life when the appropriateness of such a change can be clearly demonstrated.

Write-downs and write-offs of tangible capital assets are recognized whenever significant events and changes in circumstances and use suggest that the asset can no longer contribute to program or service delivery at the level previously anticipated. A write-down is recognized when a reduction in the value of the asset can be objectively measured. A write-off is recognized when the asset is destroyed, stolen, lost, or obsolete to the Government.

Tangible capital assets under construction or development are recorded as work in progress with no amortization until the asset is placed in service. Capital lease agreements are recorded as a liability and a corresponding asset based on the present value of the minimum lease payments, excluding executory costs. The present value is based on the lower of the implicit rate or the Government's borrowing rate at the time the obligation is incurred. Operating leases are charged to expenses. All intangibles, works of art, historical treasures and items inherited by right of the Crown, such as Crown lands, forests, water and mineral resources are not recognized in these consolidated financial statements.

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# Government of the Northwest Territories

## Notes to Consolidated Financial Statements

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March 31, 2021

(All figures in thousands of dollars)

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) Pensions and other employee future benefits and compensated absences

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Government's contributions are charged as an expense on a current year basis and represent the total pension obligations. The Government is not required under present legislation to make contributions with respect to any actuarial deficiencies of the Public Service Pension Plan.

Pension benefits to Members of the Legislative Assembly and judges are reported on an actuarial basis. This is done to determine the current value of future entitlement and uses various estimates. When actual experience varies from estimates or when actuarial assumptions change, the adjustments are amortized on a straight-line basis over the estimated average remaining service lives of the contributors. Recognition of actuarial gains and losses commences in the year following the effective date of the related actuarial valuations. In addition, immediate recognition of a previously unrecognized net actuarial gain or loss may be required upon a plan amendment, curtailment or settlement.

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

#### (j) Contractual obligations and contingent liabilities

The nature of the Government's activities requires entry into contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual obligations pertain to funding commitments for operating, commercial and residential leases, and capital projects. Contractual obligations are obligations of a government to others that will become liabilities in the future when the terms of those contracts or agreements are met.

The contingent liabilities of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is considered likely to occur and is quantifiable, an estimated liability is accrued. If the occurrence of the confirming future event is likely but the amount of the liability cannot be reasonably estimated or if the occurrence of the confirming future event is not determinable, the contingent liability is disclosed.

#### (k) Contractual rights and contingent assets

The nature of the Government's activities requires entry into contracts that are significant in relation to its current financial position or that will materially affect the level of future revenues. Contractual rights pertain to rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future when the terms of contracts or agreements are met.

The contingent assets of the Government are potential assets which may become actual assets when one or more future events occurs or fails to occur. If the future event is considered likely to occur and is quantifiable, an estimated asset is disclosed.

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# Government of the Northwest Territories

## Notes to Consolidated Financial Statements

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March 31, 2021

(All figures in thousands of dollars)

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (l) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using exchange rates at year-end. Foreign currency transactions are translated into Canadian dollars using rates in effect at the time the transactions were entered into. All exchange gains and losses are included in annual surplus (deficit) for the year according to the activities to which they relate.

#### (m) Projects on behalf of third parties

The Government undertakes projects for the Government of Canada, the Government of Nunavut and others. Where the agreement allows, the Government receives accountable advances and any unexpended balances remaining at year-end are recorded as liabilities in accounts payable and accrued liabilities or due to the Government of Canada, as applicable. Recoveries are accrued when expenses as allowed under the project contract, exceed advances and are recorded as receivables in accounts receivable or due from the Government of Canada, as applicable.

#### (n) Grant from the Government of Canada

Under *Federal-Provincial Fiscal Arrangements Act* (Canada), the Grant from the Government of Canada is based on the Territorial Formula Financing calculated as the Gross Expenditure Base, offset by eligible revenues, which are based on a three-year moving average, lagged two years, of representative revenue bases at national average tax rates. Population growth rates and growth in provincial/local government spending are variables used to determine the growth in the Gross Expenditure Base. The Grant is calculated once for each fiscal year and is not revised, with all payments flowing to the Government prior to the end of the fiscal year.

#### (o) Transfer payments

Government transfers are recognized as revenue in the period in which the events giving rise to the transfer occurred, as long as the transfer is authorized, eligibility criteria have been met, stipulations that give rise to a liability have been satisfied and a reasonable estimate of the amount can be made. Transfers received before these criteria are fully met are recorded as deferred revenue. Transfers received for tangible capital assets are recognized as revenue when the tangible capital asset is put into service.

#### (p) Taxes, regulatory, resource, and general revenues

Corporate and Personal Income tax revenue are recognized on an accrual basis, net of any tax concessions. Income tax is calculated net of tax deductions and credits allowed under the *Income Tax Act* (Canada). If an expense provides a financial benefit other than a relief of taxes, it is classified as a transfer made through the tax system. If an expense provides tax relief to a taxpayer and relates to revenue, this expense is considered a tax concession and is netted against tax revenues. Taxes, under the *Income Tax Act* (Canada), are collected by the Government of Canada on behalf of the Government under a tax collection agreement. The Government of Canada remits Personal Income taxes monthly throughout the year and Corporate Income tax monthly over a six month period beginning in February. Payments are based on Canada's Department of Finance's estimates for the taxation year, which are periodically adjusted until the income tax assessments or reassessments for that year are final. Income tax estimates, determined by the Government of Canada, combine actual assessments with an estimate that assumes that previous years' income tax allocations will be sustained and are subject to revisions in future years. Differences between current estimates and future actual amounts can be significant. Any such differences are recognized when the actual tax assessments are finalized.

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# Government of the Northwest Territories

## Notes to Consolidated Financial Statements

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March 31, 2021

(All figures in thousands of dollars)

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (p) Taxes, regulatory, resource, and general revenues (continued)

Regulatory revenues, which are part of general revenues, are recognized on an accrual basis and include revenues for fines, fees, licenses, permits, and registrations. Amounts received prior to the end of the year, which relate to revenues that will be earned in a subsequent year, are recorded as deferred revenues and are recognized as revenue when earned.

Non-renewable resource revenue is recognized on an accrual basis and include mineral, quarry, oil and gas, and water license revenues as defined in the Northwest Territories Lands and Resources Devolution Agreement. Mineral and quarry revenues are collected under the authority of the *NWT Lands Act*, water revenues are collected under the authority of the *Water Act* and oil and gas revenues are collected under the authority of the *Petroleum Resources Act*. The Government is entitled to 50 percent of the Non-renewable resource revenues collected (which is referred to as the net fiscal benefit), up to a maximum amount based on a percentage of the Gross Expenditure Base under Territorial Formula Financing. The Government of Canada will deduct its share of the Non-renewable resource revenues collected by the Government (the remaining amount) from the Grant from the Government of Canada (*note 2(n)*) payable to the Government two years hence. The Government has also committed to sharing up to 25 percent of the net fiscal benefit with Aboriginal governments that are signatories to the Northwest Territories Lands and Resources Devolution Agreement as per the *Northwest Territories Intergovernmental Resource Revenue Sharing Act*.

Fuel, carbon, tobacco, payroll and property taxes are levied under the authority of the *Petroleum Products and Carbon Tax Act*, the *Tobacco Tax Act*, the *Payroll Tax Act*, and the *Property Assessment and Taxation Act*, respectively. Fuel, carbon and tobacco tax revenues are recognized on an accrual basis, based on statements received from collectors. Payroll tax is recognized on an accrual basis, based on payroll tax revenues of the prior year. Property tax and school levies are recognized on an accrual basis based on assessments of the prior year. Adjustments arising from reassessments are recorded in revenue in the year they are finalized.

Revenues from the sale of power and fuel riders are recognized in the period earned based on cyclical meter readings. All other revenues are recognized on an accrual basis.

Certain tangible capital asset additions of NT Hydro are made with the assistance of cash contributions from customers. These contributions are recorded as revenues when all external restrictions or stipulations imposed by an agreement with the external party related to the contribution have been satisfied, generally when the resources are used for the purposes intended.



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# Government of the Northwest Territories

## Notes to Consolidated Financial Statements

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March 31, 2021

(All figures in thousands of dollars)

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (q) Expenses

Grants and contributions are recognized as long as the grant or contribution is authorized and eligibility criteria have been met. Grants and contributions include transfer payments paid through programs to individuals, and to provide major transfer funding for communities under community government funding arrangements. Payments to individuals include payments for children's benefits, income support or income supplement. Assistance is based on age, family status, income, and employment criteria. Other transfer payments are provided to conduct research, to establish new jobs through support for training and to promote educational, health and cultural activities. Also included are expenses of other consolidated entities and other miscellaneous payments. Under the authority of the *Northwest Territories Intergovernmental Resource Revenue Sharing Act*, a transfer to the Aboriginal parties who are signatories to the Northwest Territories Intergovernmental Resource Revenue Sharing Agreement will be made of up to 25 percent of the net fiscal benefit from Non-renewable resource revenues that is received by the Government (*note 2 (p)*). All other expenses are recognized on an accrual basis.

#### (r) Environmental liabilities

Environmental liabilities are contaminated sites, as a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized when all of the following criteria are satisfied: an environmental standard exists, contamination exceeds the environmental standard, the Government is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The liability reflects the Government's best estimate of the amount required to remediate the sites to the current minimum standard for its use prior to contamination.

Environmental liabilities consist of the estimated costs related to the management and remediation of environmentally contaminated sites, including costs such as those for future site assessments, development of remedial action plans, resources to perform remediation activities, land farms and monitoring. All costs associated with the remediation, monitoring and post-closing of the site are estimated and accrued. Where estimates are not readily available from third party analyses, an estimation methodology is used to record a liability when sufficient information is available. The methodology used is based on costs or estimates for sites of similar size and contamination when the Government is obligated, or is likely obligated, to incur such costs. If the likelihood of a future event that would confirm the Government's responsibility to incur these costs is either not determinable, or in the event it is not possible to determine if future economic benefits will be given up, or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the consolidated financial statements and no liability is accrued. The environmental liabilities for contaminated sites are reassessed on an annual basis.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2021

(All figures in thousands of dollars)

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (s) Asset retirement obligations

On an annual basis, NT Hydro identifies legal obligations associated with the retirement of its tangible capital assets. Management's best estimate of the future expenditures required to settle the legal obligations are recognized to the extent that they can be reasonably estimated and are calculated based on the estimated future cash flows necessary to discharge the legal obligations, discounted using the NT Hydro's cost of borrowing for maturity dates that coincide with the expected cash flows.

The estimated asset retirement obligation (ARO) is recorded as a liability with a corresponding increase to tangible capital assets. The liability for AROs is increased annually for the passage of time by calculating accretion on the liability based on the discount rates implicit in the initial measurement. Changes in the obligation resulting from revisions to the timing or amount of the estimated undiscounted cash flows or revisions to the discount rate are recognized as an increase or decrease in the related carrying amount of the related tangible capital asset.

NT Hydro has identified AROs for certain hydro, thermal, transmission and distribution assets where NT Hydro expects to maintain and operate these assets indefinitely and therefore no related ARO has been recognized.

##### (t) Recoveries of prior years' expenses

Recoveries of prior years' expenses and reversal of prior years' expense accruals in excess of actual expenditures are reported separately from other revenues on the consolidated statement of operations and accumulated surplus. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenses.

##### (u) Restricted assets

Restricted assets result from external restrictions imposed by an agreement with an external party, or through legislation of another government, that specify the purpose or purposes for which resources are to be used. Externally restricted inflows are recognized as revenue in the Government's consolidated financial statements in the period in which the resources are used for the purpose or purposes specified. An externally restricted inflow received before this criterion has been met is reported as a liability until the resources are used for the purpose or purposes specified.

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# Government of the Northwest Territories

## Notes to Consolidated Financial Statements

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March 31, 2021

(All figures in thousands of dollars)

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (v) Segmented information

The Government reports on segments on the basis of relationships of its operations with similar entities. Segmented information is disclosed in Schedule B. Segments are identified by the nature of an entity's operations and the accountability relationship that a group of similar entities has with the Government. There are no significant allocations of revenues or expenses between segments.

Government departments are identified as one segment to reflect the direct accountability relationship for financial reporting and budgeting between departments, their respective Ministers and the Legislative Assembly.

Other Public Agencies within the Government Reporting Entity represent another segment. These agencies are typically associated with a particular Government department and have a formalized reporting relationship to that department. For example, Health and Social Services Authorities have an accountability relationship to the Minister of Health and Social Services as well as to their respective board members. Other Public Agencies also includes agencies that report directly to a Minister responsible for their operations. For example, the Northwest Territories Housing and Hydro Corporations have Ministers specifically assigned to their operations. The agencies in this segment assist the Government in delivering its programs and services and in achieving its priorities.

#### (w) Public Private Partnerships

The Government may, as an alternative to traditional forms of procurement governed by the Government's Contract Regulations, enter into public private partnership (P3) agreements with the private sector to procure services and public infrastructure when: the total projected threshold for procuring those services, including capital, operating and service costs over the life of the agreement, exceeds \$50,000; there is appropriate risk sharing between the Government and the private sector partners; the agreement extends beyond the initial capital construction of the project, and; the arrangement results in a clear net benefit to the Government as opposed to being merely neutral in comparison with standard procurement processes. The operating and service costs, that are clearly identified in the agreements, are expensed as they are incurred.

The Government accounts for P3 projects in accordance with the substance of the underlying agreements. In circumstances where the Government is determined to bear the risks and rewards of an asset under construction, the asset and the corresponding liability are recognized over time as the construction progresses. The capital asset (classified as work in progress) and the corresponding liability are recorded based on the estimated percentage of completion. In circumstances where the Government does not bear the risks and rewards of the asset until substantial completion the future associated agreement is disclosed.

The capital asset value is the total of progress payments made during construction and net present value of the future payments, discounted using the imputed interest rate for the agreement. Capital expenditures may occur throughout the project or at the capital in-service date. Service fees may occur throughout the project or when the project is operational; these fees will include both a service and operational component. All payments are adjusted to reflect performance standards as outlined in the specific agreement and penalties may be deducted for sub-standard performance. When available for use, the P3 assets are amortized over their estimated useful lives.

A P3 agreement may encompass certain revenues, including those collected by the partner on behalf of the Government. In such instances the Government will report the gross revenue along with the asset, liability, and expenses as determined from the specific project.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2021

(All figures in thousands of dollars)

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (x) Future accounting changes

###### *Financial instruments*

The Public Sector Accounting Board (PSAB) issued PS 3450 Financial Instruments effective for fiscal years beginning on or after April 1, 2022. Items within the scope of the standard are assigned to one of two measurement categories: fair value, or cost or amortized cost. Fair value measurement will apply to derivatives and portfolio investments in equity instruments that are quoted in an active market. Also, when groups of financial assets and financial liabilities are managed on a fair value basis they may be reported on that basis. Other financial assets and financial liabilities will generally be measured at cost or amortized cost. Until an item is derecognized, gains and losses arising due to fair value remeasurement will be reported in the Statement of Remeasurement of Gains and Losses. There will be no significant impact on the consolidated financial statements as a result of its application.

###### *Other New Standards*

Effective April 1, 2022, the Government will concurrently be required to adopt: PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments in the same fiscal period. Government organizations that apply PSAS were required to adopt these standards effective April 1, 2012, however there will be no significant impact on the consolidated financial statements as a result of its application.

Effective April 1, 2022, the Government will be required to adopt PS 3280 Asset Retirement Obligations. This standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets. The Government is assessing the impact of this standard on the consolidated financial statements and anticipates that it will significantly impact Liabilities, Tangible Capital Assets, Opening Accumulated Surplus and Accumulated Amortization.

Effective April 1, 2023, the Government will be required to adopt PS 3400 Revenue. This standard provides guidance on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. There will be no significant impact on the consolidated financial statements as a result of its application.

Effective April 1, 2023, the Government will be required to adopt PS 3160 Public Private Partnerships. This standard provides guidance on how to account for and disclose public private partnerships. There will be no significant impact on the consolidated financial statements as a result of its application.

#### 3. PORTFOLIO INVESTMENTS

	2021	2020
	\$	\$
Marketable securities (market value \$109,485; 2020 - \$105,851)	106,096	109,893
Miscellaneous investments	440	479
	<b>106,536</b>	<b>110,372</b>

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2021

(All figures in thousands of dollars)

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#### 4. DESIGNATED AND RESTRICTED ASSETS

##### Designated assets

Designated assets are included in cash and portfolio investments.

Pursuant to the *Student Financial Assistance Act*, the assets of the Student Loan Fund are to be used to provide financial assistance to post-secondary students that meet eligibility criteria as prescribed in its regulations.

Pursuant to the *Northwest Territories Heritage Fund Act*, the assets of the Heritage Fund are to be used to ensure that the future generations of people of the Northwest Territories benefit from on-going economic development, including the development of non-renewable resources.

Pursuant to the *Waste Reduction and Recovery Act*, the assets of the Environment Fund are to be used for purposes specified in the act including programs with respect to the reduction and recovery of waste.

Portfolio investments, while forming part of the Consolidated Revenue Fund, are designated for the purpose of meeting the obligations of the Legislative Assembly Supplemental Retiring Allowance Pension Plan (*note 14*). Supplementary Retiring Allowance Regulations restrict the investments to those permitted under the *Pension Benefits Standards Act*. The remainder consists of investments held by public agencies listed in note 1(a).

Pursuant to the *Northwest Territories Business Development and Investment Corporation Act*, and its Regulations, the Northwest Territories Business Development and Investment Corporation (BDIC) is required to establish a Loan and Investments Fund for its lending and investing activities. The regulations specify that a Loans and Bonds Fund will be used to record the lending operations. BDIC is required to use a Venture Investment Fund to record the venture investment operations. Furthermore, BDIC is obligated to maintain a Capital Fund and Subsidy Fund.

In addition to these funds, the BDIC is required, to establish a Capital Reserve Fund and a Venture Reserve Fund, respectively. The BDIC will continue to deposit to these reserve funds an amount equal to 10% of each capital or venture investment made. The BDIC may use these reserve funds for further investment or financing for its subsidiaries and venture investments through approved drawdowns.

Pursuant to the *Land Titles Act*, the assets of the Land Titles Assurance Fund are to be used to compensate owners for certain financial losses they incur due to real estate fraud or omissions and errors of the land registration system.

Other designated assets will be used for various specified purposes.

##### Restricted assets

Restricted assets include funds remitted to the Government, that are restricted for use in the Yellowknife Airport Capital Program, pursuant to the *Memorandum of Agreement* between the Government and Signatory Air Carriers. Restricted assets for Yellowknife Airport Improvement Fees at March 31, 2021 is \$7,793 (2020 - \$7,420) and is included in cash and deferred revenue.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2021

(All figures in thousands of dollars)

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#### 4. DESIGNATED AND RESTRICTED ASSETS (continued)

	2021	2020
	\$	\$
<b><i>Student Financial Assistance Act</i></b>		
Student Loan Fund:		
Authorized limit for loans receivable	45,000	45,000
Less: Loans receivable balance ( <i>note 6</i> )	(41,924)	(40,799)
	<hr/>	<hr/>
Funds designated for new loans	3,076	4,201
	<hr/>	<hr/>
<b><i>Northwest Territories Heritage Fund Act</i></b>		
Heritage Fund:		
Heritage Fund net assets	30,152	26,753
	<hr/>	<hr/>
<b><i>Waste Reduction and Recovery Act</i></b>		
Environment Fund:		
Beverage Container Program net assets	6,754	5,140
	<hr/>	<hr/>
<b><i>Pension Benefits Standard Act</i></b>		
Portfolio Investments for the Legislative Assembly Supplementary Retiring Allowance ( <i>note 14</i> )		
Marketable securities (market value \$39,602; 2020 - \$33,056)	36,616	34,130
Money market (market value approximates cost)	27	-
Cash and other assets (market value approximates cost)	876	1,057
	<hr/>	<hr/>
	37,519	35,187
	<hr/>	<hr/>
<b><i>Northwest Territories Business Development and Investment Corporation Act</i></b>		
Loan and Investment Funds	10,724	12,762
	<hr/>	<hr/>
<b><i>Land Titles Act</i></b>		
Land Titles Assurance Fund net assets	5,092	4,923
	<hr/>	<hr/>
<b>Other</b>		
Cash	364	560
	<hr/>	<hr/>
	93,681	89,526
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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2021

(All figures in thousands of dollars)

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#### 5. ACCOUNTS RECEIVABLE

	<b>Accounts Receivable</b>	<b>Allowance for Doubtful Accounts</b>	<b>Net 2021</b>	<b>Net 2020</b>
	\$	\$	\$	\$
General	88,524	(36,886)	51,638	47,892
Utilities	12,596	(579)	12,017	12,071
Non-renewable resource revenue	27,496	-	27,496	27,763
Government of Nunavut	14,152	-	14,152	8,560
Health related costs due from third parties	13,136	(7,329)	5,807	6,880
Revolving fund sales	2,282	-	2,282	3,147
Workers' Safety and Compensation Commission	465	-	465	598
	<b>158,651</b>	<b>(44,794)</b>	<b>113,857</b>	<b>106,911</b>

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2021

(All figures in thousands of dollars)

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#### 6. LOANS RECEIVABLE

	2021	2020
	\$	\$
Northwest Territories Business Development and Investment Corporation loans to businesses receivable over a maximum of 25 years, secured by real property, heavy equipment and general security agreements; bearing fixed interest between 1.75% and 7.95%, (2020 - between 5.20% and 6.11%) before valuation allowance of \$5,199 (2020 - \$3,490).	48,710	40,213
Northwest Territories Energy Corporation Ltd. loan to the Dogrib Power Corporation due July 2026, bearing interest at an annual rate of 9.6% (2020 - 9.6%), repayable in equal monthly payments of \$195 (2020 - \$195), secured by a \$4,000 guarantee and a restricted bank account.	9,741	11,076
Students Loan Fund loans due in installments to 2035, bearing fixed interest between 0.00% and 11.75%, (2020 - between 0.00% and 11.75%) unsecured, before valuation allowance and loan remissions of \$17,655 (2020 - \$17,133).	41,924	40,799
Northwest Territories Housing Corporation mortgages and loans to individuals receivable over a maximum of 25 years, some of which are unsecured and others are secured by registered charges against real property bearing fixed interest between 0.00% and 12.00%, (2020 - between 0.00% and 12.00%) before valuation allowance of \$9,596 (2020 - \$9,538).	12,383	12,613
Other	15	14
	<b>112,773</b>	<b>104,715</b>
Valuation allowances	(32,450)	(30,161)
	<b>80,323</b>	<b>74,554</b>

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Interest earned on loans receivable during the year is \$3,459 (2020 - \$4,045).

Conditional grants have been provided by the Northwest Territories Housing Corporation to eligible homeowners, which are fully forgivable on the condition that the property remains the principal residence and the homeowner's annual income remains below the core need income threshold for the term of the agreement. If the conditions are not met, the grants are repayable to the Northwest Territories Housing Corporation. Conditional grants expensed during the year were \$6,558 (2020 - \$7,511).



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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2021

(All figures in thousands of dollars)

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#### 7. SINKING FUND

The Sinking Fund was established on July 15, 2019 and includes cash held in a separate bank account for the purpose of retiring liabilities under public private partnerships (note 13) for the Tlichó All Season Road contract. As at March 31, 2021, the Sinking Fund balance is \$78,099 (2020 - \$29,680); the carrying value approximates the market value. The weighted average effective rate of return for the year is 0.85% (2020 - 2.35%). Interest earned on the sinking fund during the year is \$434 (2020 - \$381).

As part of the Tlichó All Season Road contract, the Government will make a contribution of \$33,910 to the Sinking Fund in 2022. In 2022, at the time of expected substantial completion, the Government will use the Sinking Fund to make a lump sum payment to retire a portion of the related liability under public private partnerships as described in note 13.

#### 8. SHORT TERM LOANS

Based upon operational needs, the Government may enter into short term borrowing arrangements with its banks. Short term loans of \$324,873 (2020 - \$470,238) incurred interest at a weighted average year-end rate of 0.50% (2020 - 1.69%). Interest expense on short term loans included in operations and maintenance expenses is \$2,389 (2020 - \$8,294).

#### 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
	\$	\$
Trade	212,308	218,269
Government of Nunavut	-	2
Other liabilities	8,448	8,752
Employee and payroll-related liabilities	117,719	103,286
Accrued interest	2,429	2,744
Workers' Safety and Compensation Commission	3,148	106
	<b>344,052</b>	<b>333,159</b>

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# Government of the Northwest Territories

## Notes to Consolidated Financial Statements

March 31, 2021

(All figures in thousands of dollars)

### 10. ENVIRONMENTAL LIABILITIES AND ASSET RETIREMENT OBLIGATIONS

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which the Government is responsible. The Government has identified 277 (2020 - 278) sites as potentially requiring environmental remediation at March 31, 2021.

Type of Site	2020 Liability \$	Remediation Expenditures \$	New Sites in 2021 \$	Change in Estimate \$	2021 Liability \$	Number of Sites
Abandoned mines <sup>(1)</sup>	10,205	(497)	-	1,368	11,076	8
Landfills <sup>(2)</sup>	8,865	(41)	-	2,148	10,972	42
Abandoned infrastructure and schools <sup>(3)</sup>	14,582	(756)	756	(320)	14,262	74
Airports, airport strips or reserves <sup>(4)</sup>	4,467	(173)	30	73	4,397	26
Sewage lagoons <sup>(5)</sup>	1,883	(3)	-	(13)	1,867	29
Fuel tanks and resupply lines <sup>(2)</sup>	2,419	-	-	-	2,419	12
Abandoned lots and maintenance facilities <sup>(3)</sup>	23,974	(480)	692	(1,473)	22,713	86
<b>Total environmental liabilities</b>	<b>66,395</b>	<b>(1,950)</b>	<b>1,478</b>	<b>1,783</b>	<b>67,706</b>	<b>277</b>
Asset retirement obligations	8,916	-	-	115	9,031	
<b>Total</b>	<b>75,311</b>	<b>(1,950)</b>	<b>1,478</b>	<b>1,898</b>	<b>76,737</b>	

Possible types of contamination identified under each type of site include the following:

- (1) metals, hydrocarbons, asbestos, wood/metal debris, waste rock, old mine buildings, lead paint;
- (2) hydrocarbons, glycol, metals;
- (3) hydrocarbons, petroleum products;
- (4) hydrocarbons, vehicle lubricants, asbestos, glycol;
- (5) metals, e.coli, total coliforms.

There were 7 (2020 - 11) sites closed during the fiscal year as they were either remediated or no longer meet all the criteria required to record a liability for contaminated sites.

Included in the 277 (2020 - 278) sites, there are 67 (2020 - 68) sites where no liability has been recognized. The contamination is not likely to affect public health and safety, cause damage, or otherwise impair the quality of the surrounding environment and there is likely no need for action unless new information becomes available indicating greater concerns, in which case, the site will be re-examined. These sites will continue to be monitored as part of the Government's ongoing environmental protection program.

The asset retirement obligation includes NT Hydro's disposal of generating plants on leased land, storage tanks systems and the associated piping for petroleum products in all communities serviced by the Northwest Territories Power Corporation, a subsidiary of NT Hydro. The carrying amount of the obligation is based on total expected cash flows, expected timing of cash flows (majority to occur post 2089), and the weighted average discount rate of 2.40% (2020 - 2.48%) for obligations to be settled in 10 years or less and 3.12% (2020 - 3.11%) for obligations to be settled in 10 years or more.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2021

(All figures in thousands of dollars)

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#### 11. DUE TO (FROM) THE GOVERNMENT OF CANADA

	2021	2020
	\$	\$
<b>Due from the Government of Canada</b>		
Projects on behalf of the Government of Canada	(34,191)	(34,430)
Miscellaneous receivables	(88,474)	(62,823)
	<b>(122,665)</b>	<b>(97,253)</b>
<b>Due to the Government of Canada</b>		
Excess income tax advanced	133,586	129,909
Advances for projects on behalf of the Government of Canada	30,793	25,060
Miscellaneous payables	15,503	15,180
	<b>179,882</b>	<b>170,149</b>
	<b>57,217</b>	<b>72,896</b>

The amounts due to the Government of Canada are non-interest bearing. The excess income tax advanced is repayable over the following years:

	\$
2022	69,753
2023	45,002
2024	18,831
	<b>133,586</b>

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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(All figures in thousands of dollars)

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#### 12. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

	2021	2020
	\$	\$
Loans due to Canada Mortgage and Housing Corporation, repayable in annual installments until the year 2033, bearing interest at a rate of 6.97% (2020 - 6.97%), unsecured.	4,441	4,893
Mortgages payable to Canada Mortgage and Housing Corporation for three third party loans under the Social Housing Agreement, maturing in 2026 and 2027, bearing interest at rates between 0.68% and 1.05% (2020 - between 1.05% and 3.13%), unsecured.	829	965
Mortgage payable to Canada Mortgage and Housing Corporation, repayable in monthly installments of \$7 (2020 - \$7) maturing June 2024, bearing interest at 3.30% (2020 - 3.30%), secured with real property.	283	366
Bond, due September 29, 2051, bearing interest at 2.20% payable semi-annually, unsecured.	180,022	-
Debentures, due 2025 to 2052, bearing interest between 3.82% and 6.00% (2020 - between 3.82% and 6.00%), unsecured.	90,000	90,000
Amortizing Debentures, due 2032 to 2047, bearing interest between 3.98% and 6.42% (2020 - between 3.98% and 6.42%), unsecured.	104,582	107,648
Series 1, 2 and 3 Debentures, repayable in monthly installments between \$69 and \$73 (2020 - between \$69 and \$73), maturing 2025 to 2026, bearing interest between 9.11% and 10.00% (2020 - between 9.11% and 10.00%), unsecured.	9,532	11,078
Deh Cho Bridge: Real return senior bonds with accrued inflation adjustment, maturing June 1, 2046, redeemable at the option of the issuer, bearing interest at 3.17% (2020 - 3.17%) payable semi-annually, unsecured.	174,533	176,560
	<b>564,222</b>	<b>391,510</b>
Unamortized premium, discount and issuance costs	(3,246)	(742)
<b>Total long-term debt</b>	<b>560,976</b>	<b>390,768</b>
<b>Capital lease obligations</b>	<b>16,355</b>	<b>16,768</b>
<b>Total long-term debt and capital lease obligations</b>	<b>577,331</b>	<b>407,536</b>

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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(All figures in thousands of dollars)

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#### 12. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS (continued)

Long-term debt principal repayments due in each fiscal year for the next five years and thereafter are as follows:

	\$
2022	9,436
2023	9,561
2024	10,605
2025	11,160
2026	25,550
2027 and beyond	497,910
	<b>564,222</b>

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Interest expense on long-term debt, included in operations and maintenance expenses, is \$20,037 (2020 - \$20,611).

Interest expenses related to capital lease obligations for the year is \$1,538 (2020 - \$1,652), at an implicit average interest rate of 9.60% (2020 - 9.60%). Capital lease obligations (expiring between 2022 and 2061) are based upon contractual minimum lease obligations for the leases in effect as of March 31, 2021.

#### Debt Authority

The Government has the authority to borrow, pursuant to subsection 28(4) of the *Northwest Territories Act* (Canada), within a borrowing limit authorized by the Government of Canada. The Government borrowing limit was increased to \$1,800,000 by Order in Council P.C 2020-0661, dated September 20, 2020.

	2021 \$	2020 \$
Short term loans (note 8)	324,873	470,238
Long-term debt (note 12)	564,222	391,510
Capital Lease Obligations (note 12)	16,355	16,768
Guarantees (note 18(a))	9,066	11,022
	<b>914,516</b>	<b>889,538</b>
Authorized borrowing limit	1,800,000	1,300,000
<b>Available borrowing capacity before P3s</b>	<b>885,484</b>	<b>410,462</b>
Liabilities under Public Private Partnerships (note 13)	353,050	273,479
Less sinking fund (note 7)	(78,099)	(29,680)
<b>Available Borrowing capacity</b>	<b>610,533</b>	<b>166,663</b>

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2021

(All figures in thousands of dollars)

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#### 13. LIABILITIES UNDER PUBLIC PRIVATE PARTNERSHIPS

The Government has entered into three contracts for the design, build, operation and maintenance of the Mackenzie Valley Fibre Link; the design, build, and maintenance of the Stanton Territorial Hospital Renewal, and the design, build and maintenance of the Tlicho All Season Road. Operations and maintenance provided by the partner cease at the repayment date at which time operational responsibility reverts to the Government.

The calculation of the Public Private Partnerships (P3) liabilities is as follows:

	2020 \$	Additions during the year \$	Principal Payments \$	2021 \$	Repayment date
Stanton Territorial Hospital Renewal	133,654	-	(3,200)	130,454	2048
Mackenzie Valley Fibre Link	75,300	-	(2,500)	72,800	2037
Tlicho All Season Road	64,525	85,271	-	149,796	2047
<b>Total</b>	<b>273,479</b>	<b>85,271</b>	<b>(5,700)</b>	<b>353,050</b>	

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The details of the contracts under P3s are as follows:

	Partner	Date contract entered into	Scheduled/actual completion date	Interest rate
Stanton Territorial Hospital Renewal	Boreal Health Partnership	September 2015	November 2018	5.36%
Mackenzie Valley Fibre Link	Northern Lights General Partnership	October 2014	June 2017	6.52%
Tlicho All Season Road	North Star Infrastructure GP	February 2019	November 2021	6.53%

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Estimated payments for each of the next five years and thereafter to meet P3 principal repayments are as follows:

	\$
2022	96,589 *
2023	6,861
2024	7,200
2025	7,100
2026	7,061
2027 and beyond	228,239
	<b>353,050</b>

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\*Of the \$96,589 payment, \$89,878 represents 60% of the current Tlicho All Season Road liability.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2021

(All figures in thousands of dollars)

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#### 13. LIABILITIES UNDER PUBLIC PRIVATE PARTNERSHIPS (continued)

The capital payments for Mackenzie Valley Fibre Link and Stanton Territorial Hospital Renewal are fixed, equal monthly payments for the privately financed portion of the costs of building the infrastructure. The scheduled principal payments for Tlichio All Season Road will include the lump sum payment of \$111.2 million in 2022 at the expected time of substantial completion and then fixed equal monthly payments thereafter. P3 interest expense for the year is \$12,100 (2020 - \$12,400). Interest capitalized in the period as a function of construction or developing tangible capital assets relating to the Tlichio All Season Road is \$3,500 (2020 - \$1,400).

Tangible capital assets, commitments, and contractual rights related to P3 projects are disclosed in note 17 and schedule A.

#### 14. PENSIONS

##### a) Plans' description

The Government administers Regular Pension Plans for Members of the Legislative Assembly (MLAs), Territorial Court Judges, Employees of the Hay River Health and Social Services Authority and the Employees, Superintendent and Assistant Superintendents of the Yellowknife Catholic Schools. These Regular Pension Plans are contributory defined benefit registered pension plans and are pre-funded (Regular Funded). The funds related to these plans are administered by independent trust companies.

In addition to the Regular Pension Plans listed above, the Government administers Supplemental Pension Plans for the MLAs, Territorial Court Judges and Superintendent and Assistant Superintendents of the Yellowknife Catholic Schools that are non-contributory defined benefit pension plans and are non-funded (Supplemental Unfunded). The Government has designated assets for the purposes of meeting the obligations of the MLA Supplemental Pension Plan (note 4). The supplemental Pension Plan for the Yellowknife Catholic Schools Superintendents and Assistant Superintendents is not funded until the employee terminates their employment from Yellowknife Catholic Schools.

The Government is liable for all benefits. All Plans provide death benefits to spouses and eligible dependents. All Plans are indexed. Plan assets consist of Canadian and foreign equities, and Canadian fixed income securities, bonds and mortgages.

Benefits provided under all Plans are based on years of service and pensionable earnings. Plan benefits generally accrue as a percentage of a number of years of best average pensionable earnings.

The remaining government employees participate in Canada's Public Service Pension Plan (PSPP). The PSPP provides benefits based on the number of years of pensionable service to a maximum of 35 years. Benefits are determined by a formula set out in the legislation; they are not based on the financial status of the pension plan. The basic benefit formula is 2 percent per year of pensionable service multiplied by the average of the best five consecutive years of earnings.

The public service pension plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the plan on or after January 1, 2013. For members with start dates before January 1, 2013, the normal retirement age remains age 60. Furthermore, contributions rates for current service for all members of the public service increased to an employer: employee cost sharing of 50:50 in 2017.

Other benefits include survivor pensions, minimum benefits in the event of death, unreduced early retirement pensions, and disability pensions.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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(All figures in thousands of dollars)

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#### 14. PENSIONS (continued)

##### b) Pension liability

	2021 Regular Funded \$	2021 Supplemental Non funded \$	2021 Total \$
Accrued benefit obligation	110,655	41,719	152,374
Pension fund assets - market-related value	(127,097)	-	(127,097)
Unamortized actuarial losses	(813)	(1,178)	(1,991)
<b>Pension liability (asset)</b>	<b>(17,255)</b>	<b>40,541</b>	<b>23,286</b>

	2020 Regular Funded \$	2020 Supplemental Non funded \$	2020 Total \$
Accrued benefit obligation	95,104	38,524	133,628
Pension fund assets - market-related value	(115,033)	-	(115,033)
Unamortized actuarial gains	1,913	1,100	3,013
<b>Pension liability (asset)</b>	<b>(18,016)</b>	<b>39,624</b>	<b>21,608</b>

Included in the pension asset of \$17,255 (2020 - \$18,016) is a deficit for accounting purposes of the Judges' plan in the amount of \$1,334 (2020 - \$1,645).



# Government of the Northwest Territories

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### 14. PENSIONS (continued)

#### c) Change in pension liability (asset)

	2021 Regular Funded \$	2021 Supplemental Unfunded \$	2021 Total \$
<b>Opening balance</b>	<b>(18,016)</b>	<b>39,624</b>	<b>21,608</b>
Change from cash items:			
Contributions from plan members	(3,093)	-	(3,093)
Contributions from Government	(5,112)	-	(5,112)
Benefit payments to plan members	(7,246)	(1,795)	(9,041)
Drawdown from plan assets	7,246	-	7,246
<b>Change from cash items</b>	<b>(8,205)</b>	<b>(1,795)</b>	<b>(10,000)</b>
Change from accrual items:			
Current period benefit cost	6,733	1,327	8,060
Amortization of actuarial gains	(1,011)	(353)	(1,364)
Change in valuation allowance	558	-	558
Interest on average accrued benefit obligation	4,624	1,738	6,362
Impairment on value of accrued pension asset	3,695	-	3,695
Expected return on average plan assets	(5,633)	-	(5,633)
<b>Change from accrual items</b>	<b>8,966</b>	<b>2,712</b>	<b>11,678</b>
<b>Ending balance</b>	<b>(17,255)</b>	<b>40,541</b>	<b>23,286</b>
	<b>2020</b>	<b>2020</b>	<b>2020</b>
	<b>Regular</b>	<b>Supplemental</b>	<b>Total</b>
	<b>Funded</b>	<b>Unfunded</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Opening balance</b>	<b>(15,708)</b>	<b>38,558</b>	<b>22,850</b>
Change from cash items:			
Contributions from plan members	(2,876)	-	(2,876)
Contributions from Government	(5,907)	-	(5,907)
Benefit payments to plan members	(10,204)	(1,620)	(11,824)
Drawdown from plan assets	10,204	-	10,204
<b>Change from cash items</b>	<b>(8,783)</b>	<b>(1,620)</b>	<b>(10,403)</b>
Change from accrual items:			
Current period benefit cost	6,483	1,358	7,841
Amortization of actuarial gains	(1,347)	(353)	(1,700)
Change in valuation allowance	608	-	608
Interest on average accrued benefit obligation	4,479	1,776	6,255
Impairment on value of accrued pension asset	1,945	-	1,945
Extraordinary items	-	(95)	(95)
Expected return on average plan assets	(5,693)	-	(5,693)
<b>Change from accrual items</b>	<b>6,475</b>	<b>2,686</b>	<b>9,161</b>
<b>Ending balance</b>	<b>(18,016)</b>	<b>39,624</b>	<b>21,608</b>

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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(All figures in thousands of dollars)

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#### 14. PENSIONS (continued)

##### d) Pension expense

The components of pension expense include current period benefit cost, amortization of actuarial net (gains)/losses and interest on average accrued benefit obligation net of the expected return on average plan assets, change in valuation allowance and contributions from plan members. The total expense is \$4,890 (2020 - \$4,435). The interest cost on the accrued benefit obligation is determined by applying the discount rate determined at the beginning of the period to the average value of the accrued benefit obligation for the period. The expected return on plan assets is determined by applying the assumed rate of return on plan assets to the average market-related value of assets for the period. The difference between the expected and actual return on plan assets is a gain of \$3,946 (2020 - \$832).

In addition to the above, the Government contributed \$58,053 (2020 - \$55,229) to the Public Service Pension Plan. The employees' contributions to this plan were \$56,454 (2020 - \$53,356).

##### e) Changes to pension plans in the year

There have been no plan amendments, plan settlements and curtailments or temporary deviations from the plan in 2021.

##### f) Valuation methods and assumptions used in valuing pension liability

The following reflects the date of valuation for each plan for accounting purposes:

Pension Plan	Last Actuarial Valuation Accounting Date	Last Extrapolation Date	Next Valuation Date
Legislative Assembly Retiring Allowance Plan	April 1, 2020	January 31, 2021	April 1, 2024
Judges Registered Plan	April 1, 2019	March 31, 2021	April 1, 2022
Retirement Plan for Employees of the Hay River Health and Social Services Authority	January 1, 2020	March 31, 2021	January 1, 2022
Retirement Plan for Employees of the Yellowknife Catholic Schools	June 30, 2020	n/a	June 30, 2021

##### *Liability valuation method*

The actuarial valuations were performed using the projected accrued benefit method. The valuations are based on a number of actuarial assumptions about matters such as mortality, service, withdrawal, earnings and interest rates. The assumptions are based on the Government's best estimates of expected long-term rates and short-term forecasts.

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## Government of the Northwest Territories

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#### 14. PENSIONS (continued)

##### f) Valuation methods and assumptions used in valuing pension liability (continued)

###### *Asset valuation method*

The asset valuation method for all the plans is generally market-related value. The market value of the pension assets is \$131,869 (2020 - \$118,084).

###### *Actuarial gains and losses*

Actuarial gains and losses occur when actual experience varies from estimates or when actuarial assumptions change. The adjustments needed are amortized on a straight-line basis over the estimated average remaining service lives of the contributors.

<i>Actuarial assumptions</i>	<b>Yellowknife Catholic Schools' plans</b>	<b>Hay River H&amp;SS Authority plan</b>	<b>MLAs' plans</b>	<b>Judges' plans</b>
Expected rate of return on plan assets	4.75%	4.1%	4.4%	4.8%
Rate of compensation increase	2.0%	2.5%	2.0%	3.0%
Annual inflation rate	2.0%	2.0%	2.0%	2.0%
Discount rate	4.75%	4.1%	4.4%	4.8%

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#### 15. OTHER EMPLOYEE FUTURE BENEFITS AND COMPENSATED ABSENCES

In addition to pension benefits, the Government 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 Government'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 location of hire, employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

Compensated absence benefits generally accrue as employees 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. Benefits that accrue under compensated absence benefits, excluding maternity and parental leave, were actuarially valued using the expected utilization methodology. Non-accruing benefits include maternity and parental leave and are recognized when leave commences.

#### Valuation results

The most recent actuarial valuation was completed as at February 15, 2019 and the results were extrapolated to March 31, 2021. The effective date of the next actuarial valuation is March 31, 2022. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the consolidated Government.

	Severance and Removal \$	Compensated Absences \$	2021 \$	2020 \$
<b>Changes in Obligation</b>				
Accrued benefit obligations, beginning of year	39,482	9,983	49,465	58,092
Current period benefit cost	2,654	931	3,585	3,353
Interest accrued	1,029	272	1,301	1,710
Benefits payments	(7,126)	(5,029)	(12,155)	(12,771)
Actuarial (gains)/losses	(1,885)	2,996	1,111	(920)
Accrued benefit obligations end of year	34,154	9,153	43,307	49,464
Unamortized net actuarial gain/(loss)	8,256	(9,341)	(1,085)	750
Net future obligation	42,410	(188)	42,222	50,214
Other employee future benefits	7,332	-	7,332	7,103
Other compensated absences	-	2,429	2,429	1,857
Total employee future benefits and compensated absences	<b>49,742</b>	<b>2,241</b>	<b>51,983</b>	<b>59,174</b>

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## Government of the Northwest Territories

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#### 15. OTHER EMPLOYEE FUTURE BENEFITS AND COMPENSATED ABSENCES (continued)

	Severance and Removal \$	Compensated Absences \$	2021 \$	2020 \$
<b>Benefits Expense</b>				
Current period benefit cost	2,654	931	3,585	3,353
Interest accrued	1,029	272	1,301	1,710
Amortization of actuarial (gain)/loss	(1,719)	995	(724)	(614)
	<b>1,964</b>	<b>2,198</b>	<b>4,162</b>	<b>4,449</b>

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The discount rate used to determine the accrued benefit obligation is an average of 3.3% (2020 - 2.7%). The expected payments during the next five fiscal years are:

	Severance and Removal \$	Compensated Absences \$	Total \$
2022	5,938	1,285	7,223
2023	4,867	1,104	5,971
2024	4,119	978	5,097
2025	3,726	888	4,614
2026	3,361	911	4,272
	<b>22,011</b>	<b>5,166</b>	<b>27,177</b>

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#### 16. TRUST ASSETS UNDER ADMINISTRATION

The Government administers trust assets on behalf of third parties, which are not included in the reported Government assets and liabilities. These consist of cash and term deposits of \$20,068 (2020 - \$17,815) which include Public Trustees and Securities for land use permits and water licenses and oil and gas.

In addition to the trust assets under administration, the Government holds cash and bank guarantees in the form of letters of credit and surety bonds in the amount of \$666,425 (2020 - \$678,637). The majority of these guarantees are held against water licenses issued to regulate the use of water and the deposit of waste.

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#### 17. CONTRACTUAL OBLIGATIONS AND RIGHTS

The Government has entered into agreements for, or is contractually committed to, the following payments subsequent to March 31, 2021:

	Expiry Date	2022 \$	2023 \$	2024 \$	2025 \$	2026 \$	2027+ \$	Total \$
Operational commitments	2048	172,269	75,730	29,221	8,665	5,904	9,775	301,564
RCMP policing agreement	2032	49,196	49,196	49,196	49,196	49,196	286,887	532,867
Commercial leases	2052	29,936	25,436	21,156	15,272	11,245	125,586	228,631
Equipment leases	2026	1,276	883	532	610	999	-	4,300
TCAs in progress at year end	2030	113,145	28,147	2,709	1,185	345	555	146,086
P3 Operational commitments	2049	11,973	15,394	16,624	17,548	18,265	455,522	535,326
P3 TCAs in progress at year end	2024	59,578	202	202	-	-	-	59,982
		<b>437,373</b>	<b>194,988</b>	<b>119,640</b>	<b>92,476</b>	<b>85,954</b>	<b>878,325</b>	<b>1,808,756</b>

Included within Commercial leases is a lease commitment of \$3,757 per year over 30 years estimated to begin on November 21, 2022 that is subject to a CPI adjustment every five years. The adjustment will be equal to the average percentage increase or decrease in the CPI index over the preceding five years. As part of this lease commitment, the Government has a contractual right equal to annual profit sharing of 50% of the net income generated by the lessor less annual payments of \$528.

The Government has entered into agreements for, or is contractually entitled to, the following receipts subsequent to March 31, 2021:

	Expiry Date	2022 \$	2023 \$	2024 \$	2025 \$	2026 \$	2027+ \$	Total \$
Transfer Payments	2049	312,823	230,931	232,501	111,566	67,667	62,223	1,017,711
Regulatory Revenue	2026	1,610	1,151	983	347	9	-	4,100
Lease Revenue	2051	4,624	4,195	4,116	4,039	3,944	30,461	51,379
License Revenue	2047	595	451	357	192	81	582	2,258
Other	2043	21,036	21,092	20,160	20,391	20,387	66,732	169,798
		<b>340,688</b>	<b>257,820</b>	<b>258,117</b>	<b>136,535</b>	<b>92,088</b>	<b>159,998</b>	<b>1,245,246</b>

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## Government of the Northwest Territories

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#### 18. GUARANTEES AND CONTINGENCIES

##### (a) Guarantees

The Government has guaranteed residential housing loans to banks totalling \$322 (2020 - \$380) and indemnified Canada Mortgage and Housing Corporation for third party loans totalling \$6,426 (2020 - \$8,203). In addition, the Government has provided a guarantee to the Canadian Blood Agency and Canadian Blood Services to cover a share of potential claims made by users of the national blood supply. The Government's percentage is limited to the ratio of the Northwest Territories' population to the Canadian population.

The Northwest Territories Business Development and Investment Corporation (BDIC) has one (2020 - one) outstanding loan to a Northern Community Futures organization totalling \$318 (2020 - \$339). Loans provided may be assigned to the BDIC when impaired. If assigned, the BDIC would then write-off the Northern Community Futures organization loan balance and would attempt to recuperate its loss. In 2021, no accounts were assigned to BDIC (2020 - \$10).

The BDIC has one (2020 - two) outstanding irrevocable standby letters of credit totalling \$2,000 (2020 - \$2,100) that will expire in fiscal 2022. Payment by the BDIC is due from these letters in the event that the applicants are in default of the underlying debt. To the extent that the BDIC has to pay out to third parties as a result of these agreements, these payments will be owed to the BDIC by the applicants. Each letter of credit is secured by promissory note, general security agreement, guarantee or collateral mortgage. During the year, no payments were made (2020 - nil).

##### (b) Claims and litigation

There are a number of claims and pending and threatened litigation cases outstanding against the Government. In certain of these cases, pursuant to agreements negotiated prior to the division of the territories, the Governments of the Northwest Territories and Nunavut will jointly defend the suits. The cost of defending these actions and any damages that may eventually be awarded will be shared by the two Governments 55.66% and 44.34%, respectively.

The Government has recorded a provision for any claim or litigation where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. The provision is based upon estimates determined by the Government's legal experts experience or case law in similar circumstances. At year-end, the Government estimated the total claimed amount for which the outcome is not determinable at \$125,421 (2020 - \$106,630). No provision for such claims has been made in these consolidated financial statements as it is not determinable that any future event will confirm that a liability has been incurred as at March 31.

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## Government of the Northwest Territories

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(All figures in thousands of dollars)

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#### 19. TRANSFER PAYMENTS, TAXATION AND GENERAL REVENUE

	2021	2020
	\$	\$
Transfer payments:		
Capital transfers	27,199	36,872
Canada Health and Social Transfer Reform Fund	179,312	66,757
Federal cost shared	127,215	97,394
Other	67,101	35,067
	<hr/> 400,827	<hr/> 236,090
Taxation:		
Corporate Income Tax	3,300	(8,781)
Personal Income Tax	100,031	97,789
	<hr/> 103,331	<hr/> 89,008
Other taxes:		
Cannabis	343	168
Carbon	24,666	12,611
Fuel	17,656	17,564
Tobacco	15,722	14,967
Payroll	43,000	42,906
Property and school levies	38,663	39,156
Insurance	5,997	5,664
	<hr/> 146,047	<hr/> 133,036
General:		
Lease	457	4,100
Regulatory	29,813	37,182
Sundry and other	29,418	48,868
Interest	6,364	7,658
Gain on disposition of assets	246	167
Grants in kind	75	3
	<hr/> 66,373	<hr/> 97,978
	<hr/> <b>716,578</b>	<hr/> <b>556,112</b>

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Transfer payment revenue comprises of transfers received from the Government of Canada. Federal cost shared transfer payments relate to those service agreements that are funded by both the Government and the Government of Canada. Other transfer payments comprises of contributions from the Canada Mortgage and Housing Corporation and of grants and contributions received by the Government's public agencies.



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# Government of the Northwest Territories

## Notes to Consolidated Financial Statements

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March 31, 2021

(All figures in thousands of dollars)

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### 20. EXPENSES

Expenses of various Government departments, its territorial corporations and other public agencies are aggregated in the Consolidated Statement of Operations and Accumulated Surplus as follows:

Environment and economic development	Department of Environment and Natural Resources Department of Industry, Tourism and Investment NWT Business Development and Investment Corporation Northwest Territories Heritage Fund Arctic Energy Alliance Inuvialuit Water Board
Infrastructure	Department of Infrastructure Department of Lands Northwest Territories Hydro Corporation Northwest Territories Surface Rights Board
Education	Department of Education, Culture and Employment Aurora College All Divisional Education Councils in the NWT All District Education Authorities in the NWT Tlicho Community Services Agency (education portion)
Health, social services, and housing	Department of Health and Social Services All Health and Social Services Authorities in the NWT Tlicho Community Services Agency (health portion) Northwest Territories Housing Corporation Status of Women Council of the Northwest Territories
Justice	Department of Justice
General Government	Department of Executive and Indigenous Affairs Department of Finance Department of Municipal and Community Affairs
Legislative Assembly and statutory offices	Legislative Assembly Northwest Territories Human Rights Commission

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2021

(All figures in thousands of dollars)

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#### 21. OVEREXPENDITURE

During the year no departments (2020 - 1) exceeded their operations vote (2020 - \$23) and no departments (2020 - 0) exceeded their capital vote (2020 - \$0).

Overexpenditure of a vote contravenes subsection 71 of the *Financial Administration Act* which states that "No person shall incur an expenditure that causes the amount of the appropriation set out in the Estimates for a department to be exceeded".

#### 22. COVID-19

On March 22, 2020, the Government declared a public health emergency in response to the COVID-19 global pandemic. The Government implemented various programs and publicly announced supports and financial relief to individuals, businesses and organizations in response to the COVID-19 pandemic. The impact of COVID-19 on the Government's operations for 2021 is as follows:

	<b>2021</b>
	\$
Revenues	
Transfer payments - federal cost shared	122,683
General Revenue	471
	<hr/> 123,154
Expenses	
Compensation and Benefits	14,972
Computer Hardware and Software	1,186
Contract Services	8,114
Economic Relief Programs (Grants and Contributions)	73,797
Enforcement and Compliance	31,859
Improvement of Housing Units	2,970
Materials and Supplies	8,114
Minor Equipment	1,227
Other Expenses	6,383
	<hr/> 148,622
	<hr/> <b>(25,468)</b> <hr/>

## Consolidated Schedule of Tangible Capital Assets

for the year ended March 31,

(All figures in thousands of dollars)

	Land <sup>5</sup>	Building and Leasehold Improvements <sup>1</sup>	Infrastructure and Other <sup>1,2</sup>	Roads and Bridges	Equipment <sup>1</sup>	Computers	Work in Progress <sup>3,4</sup>	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost of tangible capital assets, opening balance	23,733	2,314,908	820,327	1,781,832	282,430	159,934	252,582	5,635,746	5,382,345
Transfers	609	32,097	42,399	41,981	44,259	5,385	(166,730)	-	-
Acquisitions	-	158	-	-	1,340	-	268,922	270,420	269,627
Write-downs	-	-	-	-	-	-	-	-	-
Disposals	-	(5,827)	(3,422)	(466)	(9,339)	(1,965)	-	(21,019)	(16,226)
Cost of tangible capital assets, closing	24,342	2,341,336	859,304	1,823,347	318,690	163,354	354,774	5,885,147	5,635,746
Accumulated amortization, opening	-	(879,292)	(326,907)	(605,973)	(153,462)	(104,764)	-	(2,070,398)	(1,929,456)
Amortization expense	-	(60,959)	(25,240)	(47,543)	(13,893)	(12,764)	-	(160,399)	(153,648)
Disposals	-	4,967	2,270	455	8,780	1,955	-	18,427	12,706
Accumulated amortization, closing	-	(935,284)	(349,877)	(653,061)	(158,575)	(115,573)	-	(2,212,370)	(2,070,398)
<b>Net book value</b>	<b>24,342</b>	<b>1,406,052</b>	<b>509,427</b>	<b>1,170,286</b>	<b>160,115</b>	<b>47,781</b>	<b>354,774</b>	<b>3,672,777</b>	<b>3,565,348</b>

<sup>1</sup> Included in buildings and leasehold improvements, infrastructure and other, and equipment are assets under capital lease cost \$32,643 (2020 - \$32,643); accumulated amortization, \$12,202 (2020 - \$11,644); net book value, \$20,441 (2020 - \$20,999).

<sup>2</sup> Includes ferries, barges, airstrips, aprons, fuel distribution systems, park improvements, aircraft, water/sewer works, fences, signs, transmission and distribution systems and electric power plants.

<sup>3</sup> Included in work in progress are costs related to P3 project: Tlicho All Season Road \$168,355 (2020 - \$77,501).

<sup>4</sup> Not included in acquisitions of tangible capital assets on the consolidated statement of cash flow are non-cash items of \$77,592 (2020 - \$49,585).

<sup>5</sup> Land with cost and net book value of \$0, market value \$266 (2020 - \$249) was contributed to third parties.

## Consolidated Schedule of Segmented Information

for the year ended March 31,

(All figures in thousands of dollars)

	Departments <sup>1</sup>	Other Public Agencies <sup>2</sup>	Total for All Segments	Adjustments <sup>3</sup>	2021	2020
	\$	\$	\$	\$	\$	\$
<b>Revenues</b>						
Grant from the Government of Canada	1,412,734	-	1,412,734	-	1,412,734	1,309,278
Transfer payments	333,726	67,101	400,827	-	400,827	236,090
	<b>1,746,460</b>	<b>67,101</b>	<b>1,813,561</b>	<b>-</b>	<b>1,813,561</b>	<b>1,545,368</b>
Taxation, non-renewable resource and general revenues						
Corporate and personal income taxes	103,331	-	103,331	-	103,331	89,008
Other taxes	135,381	11,267	146,648	(601)	146,047	133,036
General	51,396	832,932	884,328	(817,955)	66,373	97,978
Income from portfolio investments	4,074	793	4,867	-	4,867	6,053
Non-renewable resource revenue	66,469	-	66,469	-	66,469	23,794
Sales	123,400	90,527	213,927	(39,557)	174,370	174,044
Recoveries	25,523	14,557	40,080	(269)	39,811	40,269
	<b>509,574</b>	<b>950,076</b>	<b>1,459,650</b>	<b>(858,382)</b>	<b>601,268</b>	<b>564,182</b>
Recoveries of prior years' expenses	24,001	-	24,001	(732)	23,269	13,951
	<b>2,280,035</b>	<b>1,017,177</b>	<b>3,297,212</b>	<b>(859,114)</b>	<b>2,438,098</b>	<b>2,123,501</b>
<b>Expenses</b>						
Grants and contributions	1,057,842	30,340	1,088,182	(728,813)	359,369	256,680
Operations and maintenance	580,762	356,866	937,628	(136,851)	800,777	867,301
Compensation and benefits	440,881	569,357	1,010,238	8,095	1,018,333	919,163
Change in valuation allowances	6,736	3,513	10,249	(1,269)	8,980	4,025
Amortization of tangible capital assets	121,618	39,115	160,733	(334)	160,399	153,648
	<b>2,207,839</b>	<b>999,191</b>	<b>3,207,030</b>	<b>(859,172)</b>	<b>2,347,858</b>	<b>2,200,817</b>
<b>Annual operating surplus (deficit)</b>	<b>72,196</b>	<b>17,986</b>	<b>90,182</b>	<b>58</b>	<b>90,240</b>	<b>(77,316)</b>
Projects on behalf of third parties						
Expenses	(77,249)	-	(77,249)	-	(77,249)	(110,635)
Recoveries	77,249	-	77,249	-	77,249	110,635
<b>Annual surplus (deficit)</b>	<b>72,196</b>	<b>17,986</b>	<b>90,182</b>	<b>58</b>	<b>90,240</b>	<b>(77,316)</b>

<sup>1</sup> Departments consist of all those listed in Note 20 that begin with the word "Department" and the Legislative Assembly.

<sup>2</sup> Public agencies consist of those listed in Note 20 other than Departments and the Legislative Assembly.

<sup>3</sup> Includes adjustments to eliminate inter-entity balances to comply with Canadian public sector accounting standards of consolidated financial statements; for example, contributions by departments to boards and agencies are shown under grants and contributions expense under the "Departments" column. The amounts received by the applicable board or agency (e.g. Health and Social Services Authority, Divisional Education Council) are shown under general revenue in the "Other Public Agencies" column. These amounts are eliminated upon consolidation to avoid double counting and result in significant amounts shown in the "Adjustments" column.

**GOVERNMENT OF THE NORTHWEST TERRITORIES  
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2021**

**HONOURABLE CAROLINE WAWZONEK  
Minister of Finance**

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## **INTRODUCTION**

The Public Accounts report the financial position and results of operations of the Government of the Northwest Territories (Government) for a fiscal year. The information provided in the following pages is intended to assist readers of the Public Accounts in their assessment of the Government's financial health.

The Consolidated Statement of Financial Position discloses the financial position of the Government including assets, liabilities, accumulated surplus or deficit, and the net debt position of the Government and is measured at March 31<sup>st</sup>.

The Consolidated Statement of Operations discloses financial information relating to revenues and expenses encompassing the results for a fiscal year.

The Consolidated Statement of Change in Net Debt explains the change in net debt. It tracks the extent to which expenditures of the accounting period are met by the revenues recognized in operations for the period; and what the Government has spent to acquire tangible capital assets and inventories.

The Consolidated Statement of Cash Flow discloses cash balances at the beginning and end of the fiscal year as well as the sources and uses of cash in operating, investing, financing and capital transactions during the fiscal year.

The information contained within the Consolidated Financial Statements (Public Accounts – Section I) includes all Government Departments and Government-controlled organizations (listed in Appendix A and Note 1 of the Consolidated Financial Statements) which collectively are referred to as the Government Reporting Entity (GRE).

## EXECUTIVE SUMMARY

The consolidated results of operations for the fiscal year ended March 31, 2021 and the consolidated financial position as at March 31, 2021 is summarized below:

(\$ in thousands)			
	<b>Budget 2021</b>	<b>Actual 2021</b>	<b>Actual 2020</b>
Total Revenues	2,481,321	2,438,098	2,123,501
Total Expenses	2,253,084	2,347,858	2,200,817
Annual surplus (deficit)	<b>228,237</b>	<b>90,240</b>	<b>(77,316)</b>
Financial assets		656,890	539,808
Less: liabilities		1,994,948	1,850,768
Net debt		<b>(1,338,058)</b>	<b>(1,310,960)</b>
Non-financial assets		3,708,906	3,591,568
Accumulated surplus		2,370,848	2,280,608

*Note: Budget adjustments approved during the fiscal year are not reflected in the Public Accounts as the original approved budget is presented in accordance with Public Sector Accounting Standards (PSAS), see next page for discussion on approved budget adjustments.*

- The 2020-21 consolidated financial statements report an actual annual operating surplus of \$90.2 million, which is \$137.9 million or 60.5% lower than budgeted. The annual operating surplus is \$167.6 million or 216.7% higher than the prior year. The change in the surplus is based on changes in revenue and expenses which is explained below.
- Total consolidated revenue in 2020-21 is \$2.4 billion, which is \$43.2 million or 1.7% lower than the original budget. The total consolidated revenue is \$314.6 million or 14.8% higher than the prior year. The increase in actual revenues is mainly due to an increase in the grant from Canada because of the Gross Expenditure Base increase as well as increased transfer payments from Canada related to COVID-19 funding.
- Total consolidated expenses in 2020-21 are \$2.4 billion, an increase of \$94.8 million or 4.2% from the original budget. The total consolidated expenses are \$147.0 million or 6.7% higher than the prior year. The increase in actual expenses is due primarily to the impact of COVID-19 expenditures related to financial support programs for economic relief and the implementation of health and safety measures.

- The Government is in a net debt position of \$1.3 billion. During the year, the Government issued \$180.0 million in bonds, incurred \$85.3 million in P3 obligations, and incurred \$23.6 million in deferred revenues which increased net debt. The Government used \$140.0 million of the bond proceed to retire short term loans and invested \$48.4 million into a sinking fund which reduced net debt. Combined with other changes in financial assets and liabilities, net debt increased by \$27.1 million during the 2020-21 fiscal year.
- Non-Financial Assets increased by \$117.3 million or 3.2% over prior year. A total of \$270.4 million was incurred to acquire assets: \$90.9 million was added to the work in progress on the Tlichio All Season Road; \$7.2 million was added as refurbishment of Stanton Legacy Building; and the residual was for various roads and bridges, community health centres and equipment.

Budget adjustments, which are approved through supplementary appropriations, should be considered before any conclusions are drawn with respect to operational results as budget adjustments made during the fiscal year typically reflect new information that is not known at the time the original budget is approved.

Factoring in approved budget adjustments, the 2020-21 Consolidated Financial Statements report an actual annual operating surplus of \$90.2 million, which is \$99.7 million more than the revised deficit budget of (\$9.4) million as shown below:

(\$ in thousands)					
	<b>Original Budget 2021</b>	<b>Supplementary Appropriations</b>	<b>Revised Budget 2021</b>	<b>Actual 2021</b>	<b>Actual 2020</b>
Total revenue	2,481,321	(7,987)	2,473,334	2,438,098	2,123,501
Total Expenses	2,253,084	229,681	2,482,765	2,347,858	2,200,817
Annual Surplus (Deficit)	228,237	(237,668)	(9,431)	90,240	(77,316)

- Total consolidated revenue in 2020-21 is \$2.4 billion, which is \$35.2 million lower than the revised revenue budget of \$2.5 billion. There were increases of \$113.5 million in the revised revenue budget for cost shared transfer payment. These increases were partially offset by budget decreases of \$44.8 million in taxation revenue, \$26.2 million in general revenues and \$89.2 million in Federal infrastructure transfers resulting from the Government foregoing revenues through abatements to ease the burden of the COVID-19 pandemic.

Total consolidated expenses in 2020-21 are \$2.4 billion. This is \$134.9 million lower than the revised expense budget of \$2.5 billion. The revised budget was increased to address the impact of COVID-19 expenses related to financial support programs for economic relief and the implementation of health and safety measures including the newly formed COVID-19 Secretariat enforcement and compliance programs.

The past fiscal year was unprecedented globally due to the COVID-19 pandemic, which significantly impacted economies due to worldwide shutdowns. The Northwest Territories (NWT) was not immune to these impacts of the global COVID-19 pandemic as evidenced by the significant impacts on revenues as well as expenses.

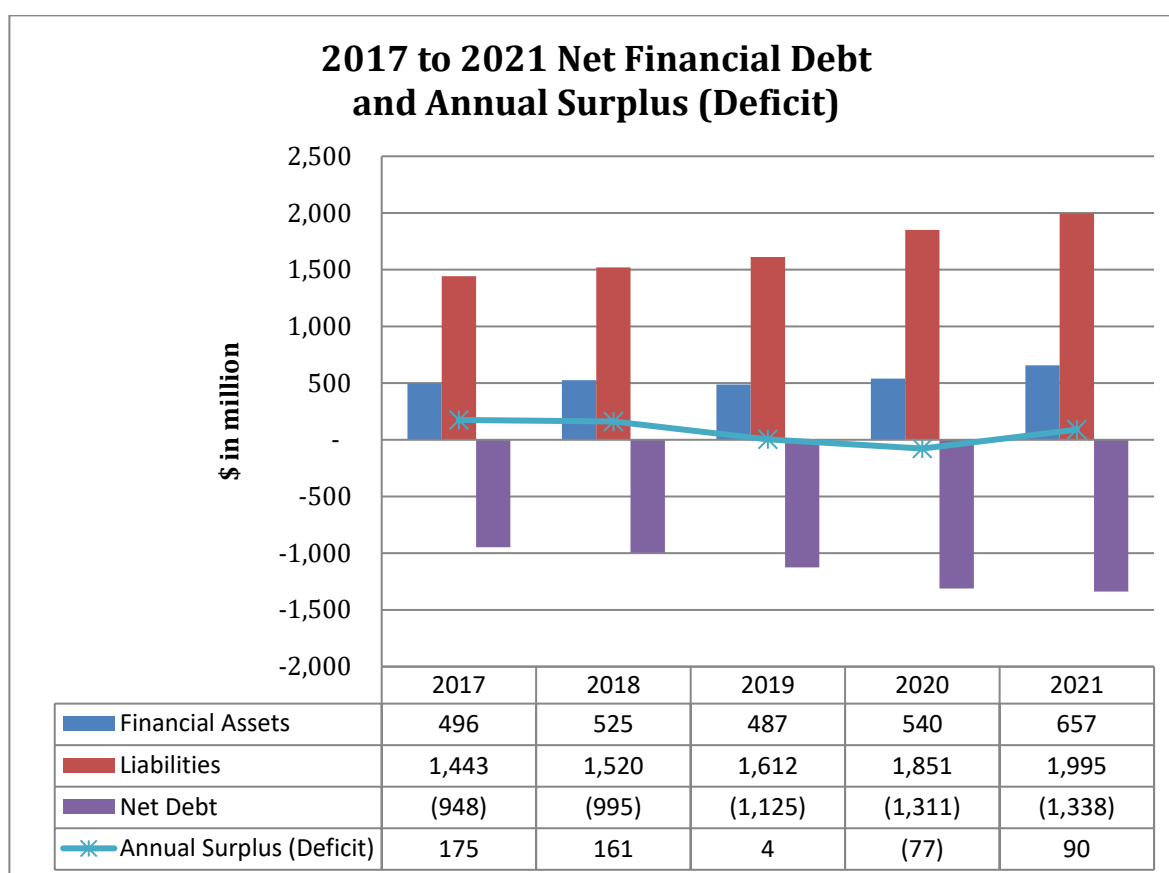
Even before the COVID-19 pandemic, the Northwest Territories economy experienced a contraction which had an impact on revenues in 2021. Per Statistic Canada, the real Gross Domestic Product of the territory is estimated to have declined 10.4% in 2020 (the latest figures available), compared to the national decline of 5.3%. The 2020 real GDP decline is attributed to lower production from the diamond mines, which in turn resulted in a decline in the transportation and warehousing sector.

## FINANCIAL HIGHLIGHTS

### Accumulated Surplus /Deficit and Net Financial Debt

At the end of the 2021 fiscal year, the Government is in a net debt position as liabilities exceeded financial assets and net debt increased during the fiscal year. This increase is primarily attributable to increase in liabilities related to public private partnerships (P3). The change in net debt is shown on the Consolidated Statement of Change in Net Debt within Section 1 of the Public Accounts.

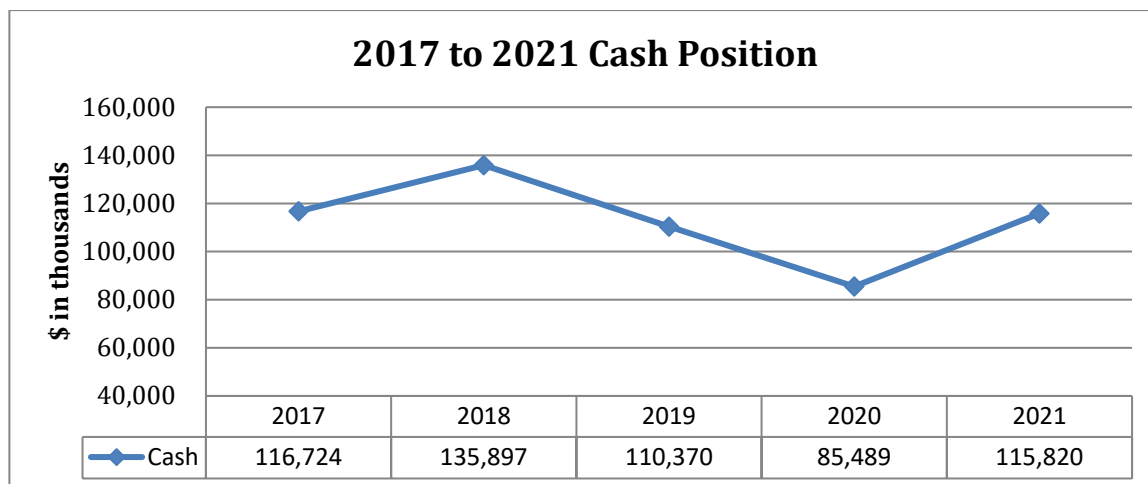
The graph below illustrates the Government’s net debt position and annual surplus/deficit at the end of each of the last five fiscal years.



Net assets result when there are financial assets remaining after deducting all liabilities of the Government. Net debt results when liabilities are more than financial assets. Net debt represents the debt burden on future generations that must be recovered through either future revenues or future service reductions.

## Cash Flow and Cash Position

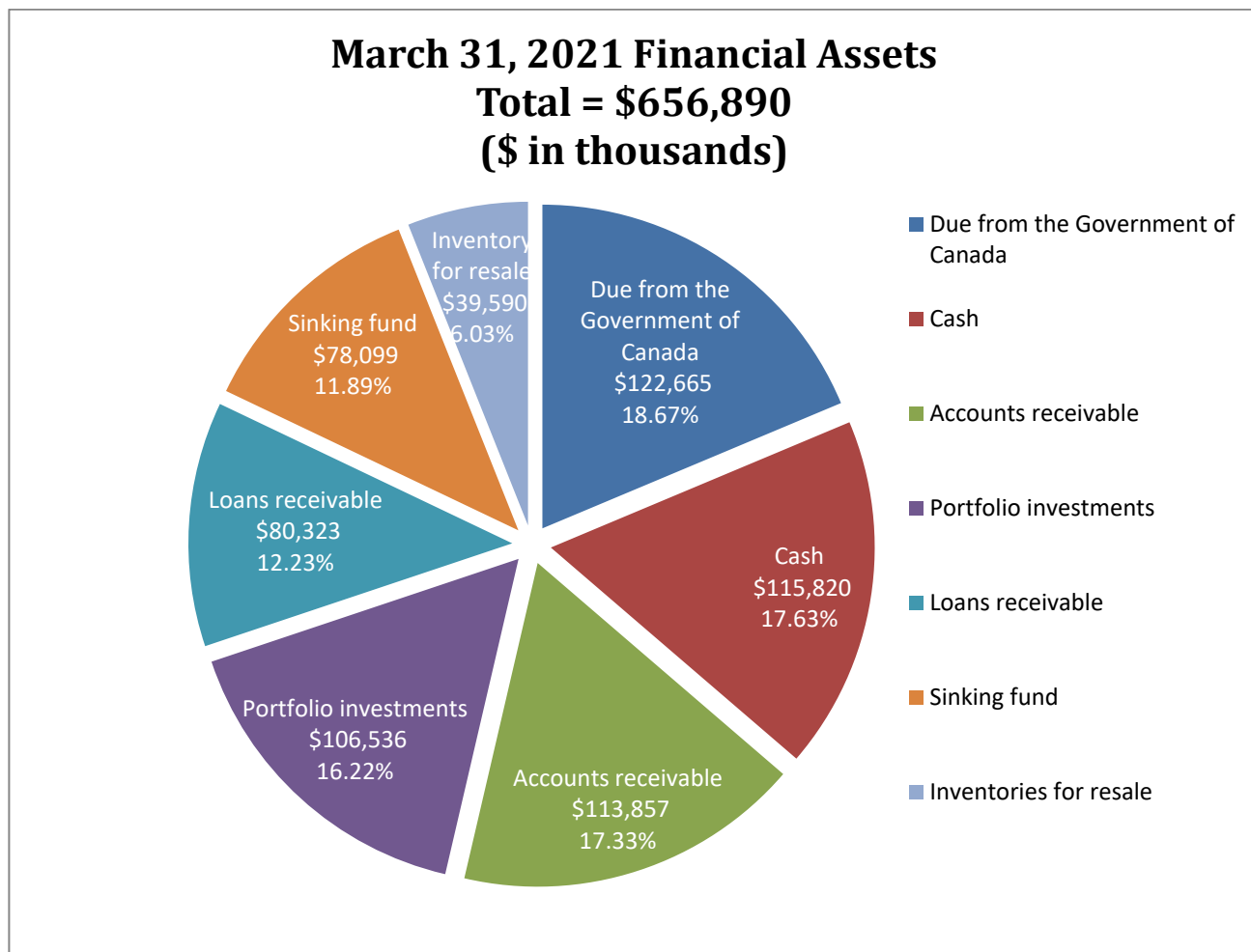
The Consolidated Statement of Cash Flow reports on the sources and uses of cash during the fiscal year. The Government’s cash position increased by \$30.4 million; from \$85.5 million in 2020 to \$115.8 million in 2021. The cash position improved in fiscal 2021 due to \$ 260.8 million cash flows from operations, and \$17.0 million cash flows from financing transactions. This was off set by \$ 55.2 million cash used in investing transactions and \$192.2 million used in capital transactions.



Cash is used to meet operational expenses, reduce liabilities and to pay for the Government’s investment in infrastructure. More detail is available on the Statement of Cash Flows within Section I of the Public Accounts.

## Financial Assets

Financial assets represent the amount of resources available to the Government that can be converted to cash to meet obligations or fund operations.

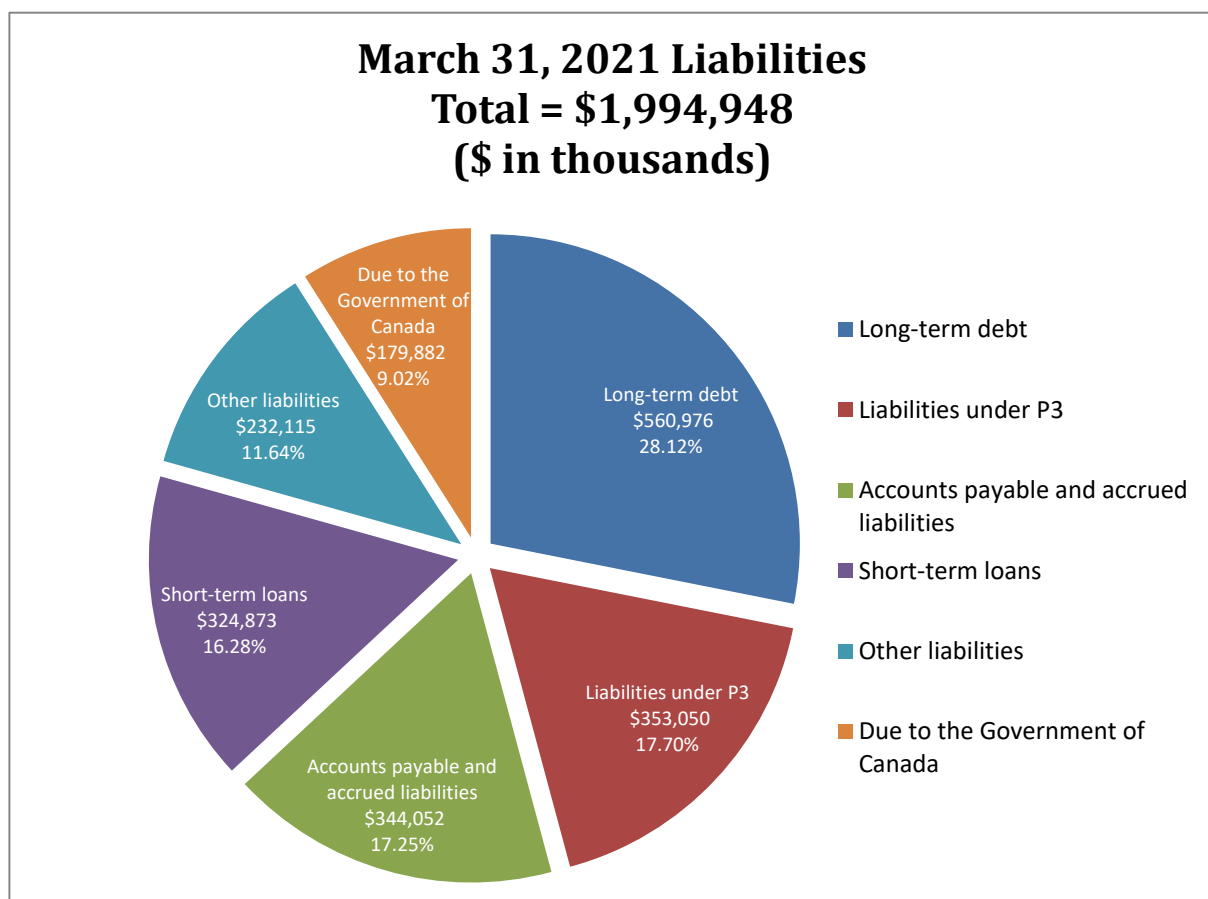


The above graph illustrates the composition of the Government's financial assets.

Approximately 17.6% of the Government's financial assets are cash. The 82.4% balance of the financial assets, varying from relatively short-term investments and inventory for resale to long-term loans receivable, is convertible to cash and will, over time, contribute to the Government's ability to discharge its liabilities.

## Liabilities

Liabilities represent the obligations the Government has to others. The graph below illustrates the composition of the Government's liabilities.



*Other liabilities of \$232,115 is comprised of: Environmental liabilities \$76,737, Deferred revenue \$63,754, other employee future benefits \$51,983, pensions \$23,286 and capital lease obligations \$16,355.*

The Government presently has \$656.9 million in financial assets available to discharge liabilities of \$2.0 billion. The gap between the Government's financial assets and its liabilities, also referred to as net debt, indicates that some of its future revenues will be required to meet these obligations.



### **Short-Term Loans**

The Government enters short-term borrowing arrangements. The short-term loans balance decreased by 31.0% from prior year as a result of short-term loans that were converted to long-term loans by issuing a debenture.

### **Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities include obligations to pay for goods and services acquired prior to year end. Accounts payable and accrued liabilities increased by \$10.9 million; from \$333.2 million in 2020 to \$344.1 million in 2021. The increase is mainly attributable to more expenses incurred in 2021 compared to 2020.

### **Pensions and Employee Future Benefits**

The Government administers Regular and Supplemental Pension Plans for Members of the Legislative Assembly (MLAs), Territorial Court Judges and the Employees, Superintendent and Assistant Superintendents of the Yellowknife Catholic Schools. The Government also administers Regular Pension Plans Employees of the Hay River Health and Social Services Authority. These plans are comprised of contributory and non-contributory defined benefit pension plans and are administrated by independent trust companies.

All eligible remaining Government employees participate in Canada's Public Service Pension plan, a contributory defined benefit pension plan that is administered by the Government of Canada.

At year end the pension liability was comparable with prior year and detailed information can be found within Section 1 of the Public Accounts (note 14).

Employee future benefits for sick, special, leaves as well as severance benefits for retirement, resignation, and removal, accrue for Government employees as service is rendered. Maternity and parental benefit leaves are non-accruing and paid when the leave commences. These benefits are paid to eligible employees on the occurrence of an event resulting in eligibility for benefits such as termination. An actuarial evaluation is completed periodically (generally every 3 years) to determine the value used for Employee future benefits in the Public Accounts for the GRE.

At year end the employee future benefits liability is \$51.9 million a decrease of 12.2% from prior year. The decrease is due to lower termination benefits by \$4.7 million, removal benefits by \$0.9 million and compensated absences by \$1.5

million resulting mainly from NTHSSA and Government departments: Health, Infrastructure and Justice. Benefit payments were higher than expected.

### **Environmental Liabilities**

The nature of the Government's programs and services exposes the Government to costs associated with remediation of any site contamination that occurred because of government operations. These costs make up the Environmental Liabilities amount disclosed within Section 1 of the Public Accounts (note 10). In addition, the liability may include contaminated sites where the Government does not own the site but has accepted responsibility. A summary of the Government's policy with respect to Environmental Liabilities can be found within Section 1 of the Public Accounts (note 2r).

The process used by the Government to include a contaminated site is based upon Public Sector Accounting Standards, as well as responsible stewardship. When a site is suspected of contamination, the first step is to determine if the contamination is in contravention of an environmental standard. If the investigation determines that an environmental standard has been exceeded, then the site is included within the Government's inventory of contaminated sites.

Only sites that are non-operating or high priority due to a risk to human health or property are assigned a value. Before the value can be calculated the Government must first determine the appropriate action to be taken for remediation, monitoring, or risk management. The Government's best estimates of the action to be taken are based upon further assessments performed by third parties or from similar remediation actions that Government can rely upon. If no basis exists to estimate full remediation costs, the value of the liability is limited to estimates of the known costs to be incurred for next steps.

Where the costs of remediation may be shared with a third party, such as Canada, only the Government's share of the remediation costs has been recorded. The Government works to address required remediation of contaminated sites in a systematic approach that considers risk, available resources, coordination of efforts and a short summer season.

At year end the environment liability balance was comparable to prior year as the cost of new sites added was comparable to the remediation expenditures incurred during the year.

## **Non-Financial Assets**

Non-financial assets are assets that typically represent resources that the Government can use to provide services in the future. The Government's non-financial assets consist primarily of tangible capital assets (TCAs) as well as inventories held for use and prepaid expenses. Non-financial assets held by the Government are disclosed in the Consolidated Statement of Financial Position of Section 1 of the Public Accounts.

## **Inventories**

Inventories held for use consist mainly of arts/crafts, materials, hospital supplies and are valued at weighted average cost or first in/first out depending on the type of inventory. Inventory is \$24.5 million at year end, an increase of \$7.4 million from prior year. The increase is mainly attributable to a \$7.7 million increase in hospital supplies due to the COVID-19 Pandemic.

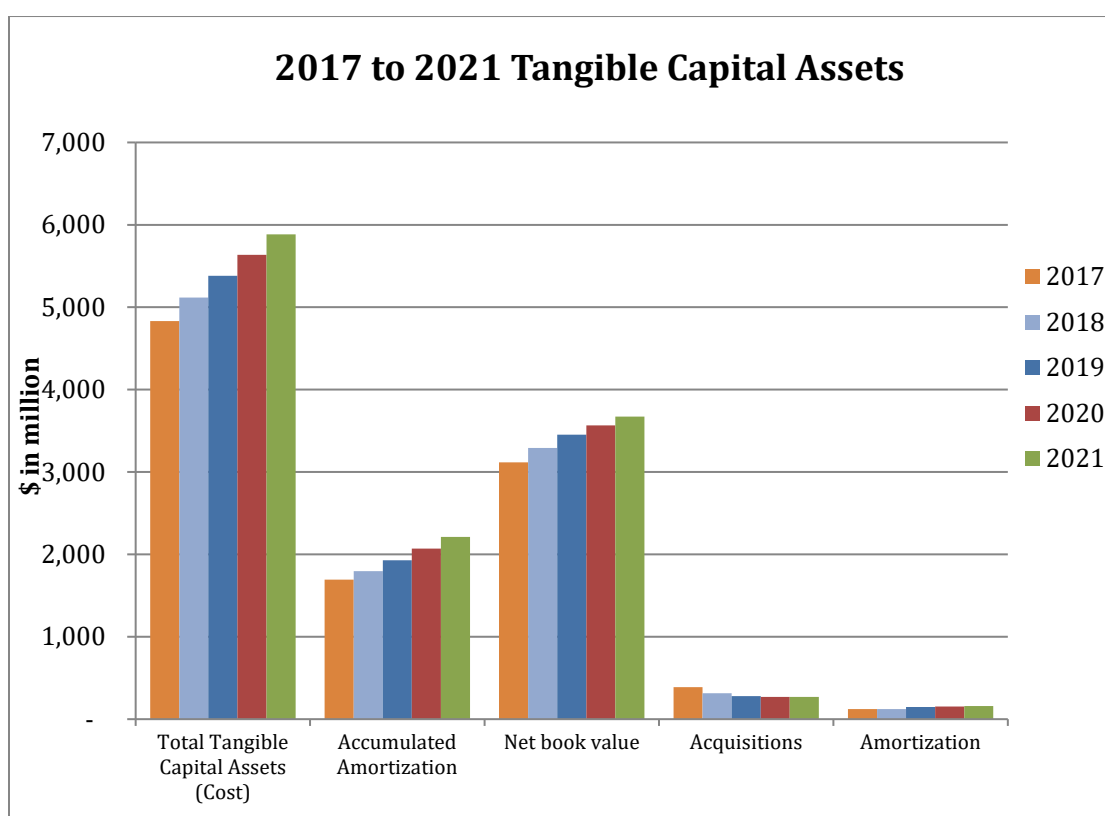
## **Prepaid Expenses**

Prepaid expenses result from the Government making advanced payments for goods or services to be received in the future. Most Government prepaid expenses are from software license and insurance premium. Prepaid expenses are \$11.7 million at year end and this balance is comparable to prior year.

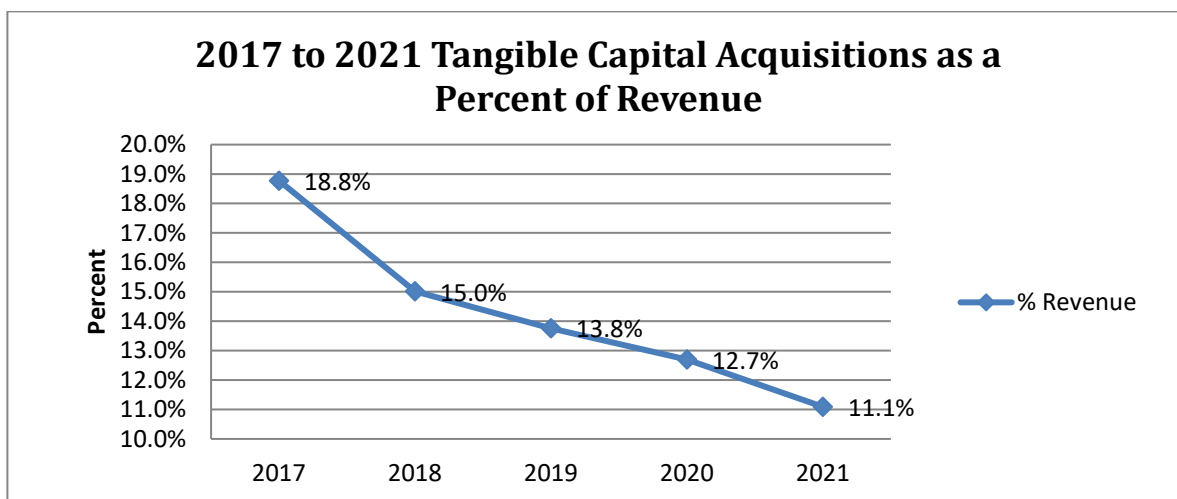
## Tangible Capital Assets

Under the Government’s capitalization policy, assets valued at \$50 thousand or more are capitalized and then amortized over time in the Consolidated Statement of Operations based on their estimated useful life. The Government plans capital expenditures to ensure that existing TCAs are replaced in a timely manner in conjunction with the Government’s direction, priorities, and fiscal management strategy.

As illustrated by the graph below, the net book value of TCAs recognized by the government has steadily increased over the last five years indicating that the government has been acquiring new or replacing existing TCAs.



A total of \$270.4 million was incurred to acquire assets during fiscal 2021. Significant acquisitions included \$90.9 million for work in progress on the Tlicho All Season Road and \$7.2 million for refurbishment of Stanton Legacy Building.



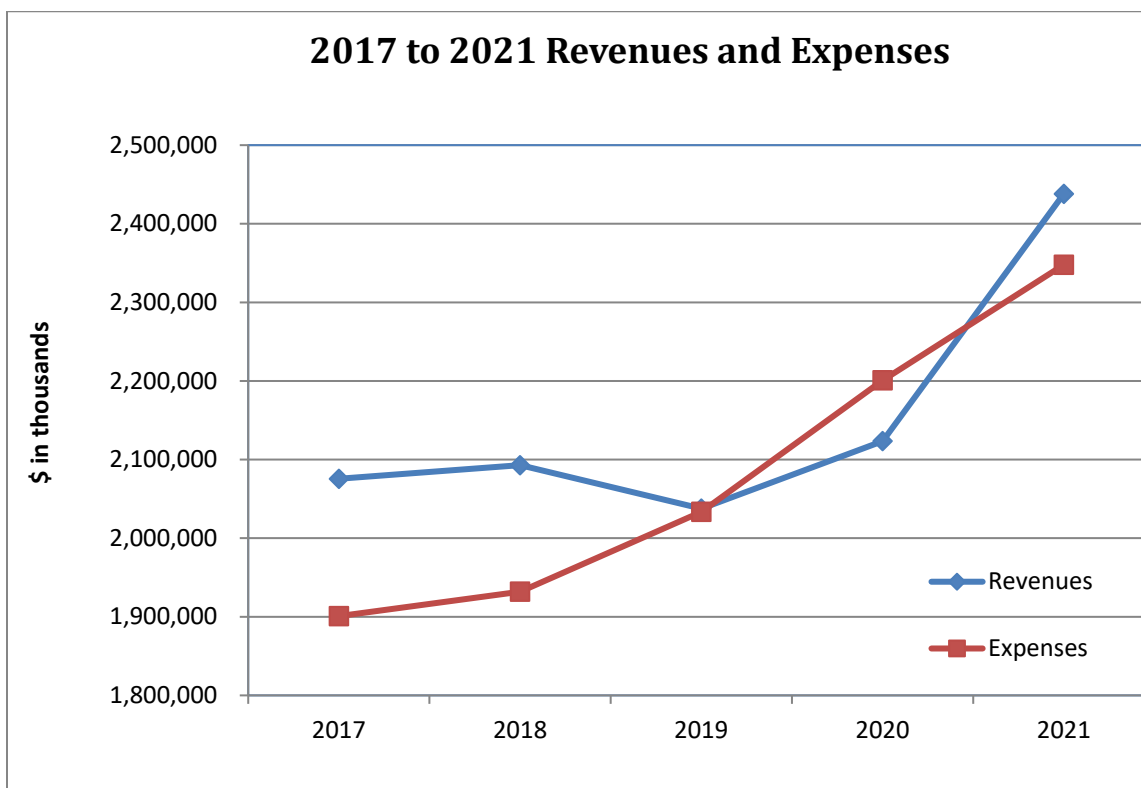
In the past five years the Government’s acquisition of tangible capital assets has remained consistent while revenue has been rising, resulting in the percentage decline from 18.8% in 2017 to 11.1% in 2021.

### **New Accounting Standards that impact Tangible Capital Assets**

#### **Asset Retirement Obligations**

The Public Sector Accounting Board issued a new accounting standard PS 3280, effective April 1, 2022 for Asset Retirement Obligations (ARO) establishing an accounting standard for public sector entities that addresses the accounting and reporting of legal obligations associated with the retirement of tangible capital assets (TCA) and guidance for obligations to retire tangible capital assets that are predictable and unavoidable. For future acquisitions of new tangible capital assets that have an ARO, a liability for retiring the asset will need to be recorded at the time of acquisition. For past tangible capital assets that have an ARO, public sector entities must determine the liability associated with retiring those assets and record an adjustment. The Government is assessing the impact of this standard on the consolidated financial statements and anticipates that it will significantly impact Liabilities, Tangible Capital Assets, Opening Accumulated Surplus and Accumulated Amortization.

## Revenues and Expenses



Revenue increased by \$314.6 million in current year mainly due to a \$103.5 million higher Territorial Formula Financing grant from Canada because of an increase in the Gross Expenditure Base, and \$123.2 million federal transfers to address expenditure pressures created by the COVID-19 pandemic.

Total expense was \$2.3 billion in 2020-21. This represents an increase of \$147.0 million, or 6.7% over the prior year. The biggest increases were in Health, Social Services and Housing, General Government, and Education primarily due to COVID-19 pandemic related expenses.

## Gross Domestic Product

Gross Domestic Product (GDP) is the final value of the goods and services produced within the geographic boundaries of a jurisdiction during a specified period of time, normally a year. GDP growth rate is an important indicator of the economic performance of a country, province or territory.

For the Northwest Territories (NWT), Statistics Canada estimated GDP is \$3.9 billion for 2020 (the latest year for which data is available), which represents a 10.4% decrease relative to 2019. The mining, oil and gas industry declined by 30.0% largely due to temporary closures in the sector, while industries typically associated with tourism also experienced significant declines in 2020. These were partially offset by an increase in construction and selected service industries such as retail trade, real estate and finance and insurance

## Canada, Provinces and Territories GDP Comparison

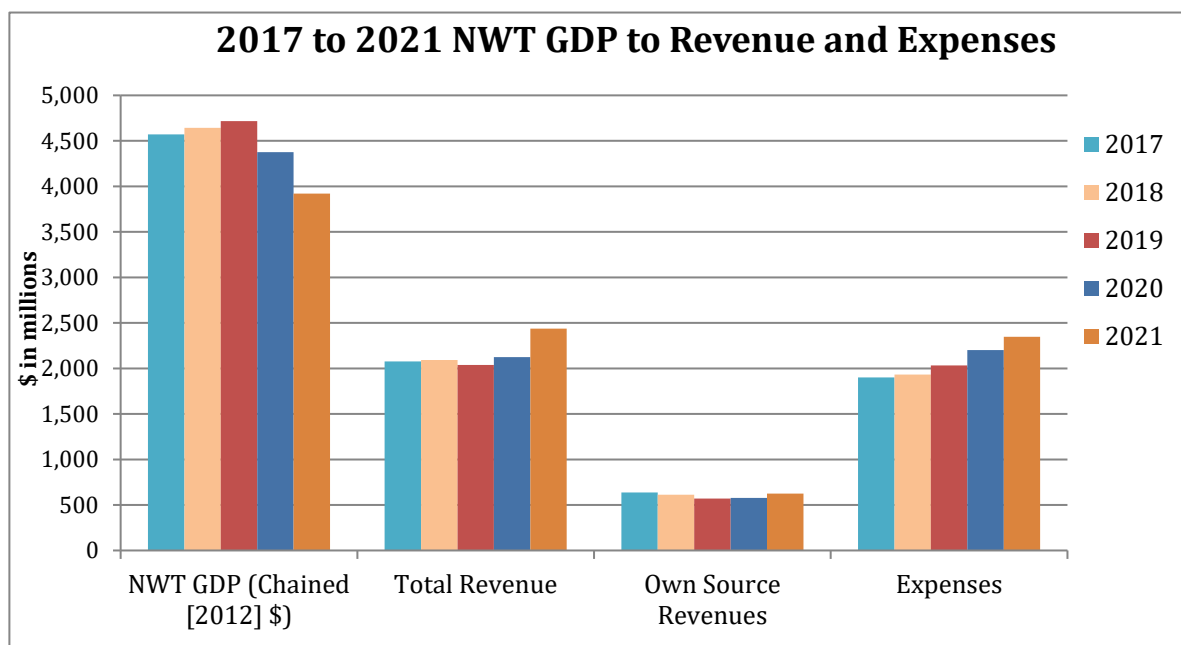
Real GDP at Basic Prices, calendar years 2019 and 2020  
Millions of Chained (2012) Dollars\*

	2020	2019	Percent Change
Canada	1,875,563	1,980,087	-5.3
Northwest Territories	3,920	4,376	-10.4
Nunavut	3,247	3,136	3.5
Yukon	2,679	2,651	1.1
British Columbia	242,411	252,064	-3.8
Alberta	307,126	334,471	-8.2
Saskatchewan	77,190	81,384	-5.2
Manitoba	60,244	63,279	-4.8
Ontario	710,049	747,589	-5.0
Quebec	357,829	377,811	-5.3
New Brunswick	29,581	30,721	-3.7
Nova Scotia	36,591	37,808	-3.2
Prince Edward Island	5,896	6,077	-3.0
Newfoundland and Labrador	30,128	31,803	-5.3

Source: Statistics Canada (2021) Gross domestic product (GDP) at basic prices, by industry, provinces, and territories.

\*Note: Chained dollars is a method of adjusting real dollar amounts for inflation over time, to allow the comparison of figures from different years. Data will not sum to totals since chained dollars are not additive

## NWT GDP to Revenues and Expenses Comparison



*Note: NWT GDP is based on a calendar year, while the balance of the information is based on the fiscal year end (March 31 of the following year).*

## PUBLIC PRIVATE PARTNERSHIPS AND ASSOCIATED LIABILITIES

The Government has entered into three contracts for the design, build, operation and maintenance of the Mackenzie Valley Fibre Link; the design, build, and maintenance of the Stanton Territorial Hospital Renewal, and the design, build and maintenance of the Tłı̄ch̄o All Season Road. Operations and maintenance provided by the partner cease at the repayment date at which time operational responsibility reverts to the Government.

### **P3 project under construction: Tłı̄ch̄o All-Season Road**

The Government entered into an agreement with North Star Infrastructure GP on February 13, 2019 to design, build and maintain the Tłı̄ch̄o All-Season Road (TASR). Construction is anticipated to be substantially complete in November 2021 with North Star Infrastructure GP operating and maintaining the new facility until 2047.

The cost to be paid to North Star Infrastructure GP to build the TASR is \$185.6 million and upon completion (before indexing for CPI) there will be average operations and maintenance costs of \$6.0 million per year, totaling \$150.0 million for the duration of the contract.



The Government established a Sinking fund in 2019, where cash is being held in a separate bank account for the purpose of retiring liabilities under the TASR contract. In 2022 the Government will make a lump sum payment of \$111.2 million from the Sinking fund to retire 60.0% of the TASR liability at the expected time of completion.

All-season roads are critical to adapting the NWT transportation system to the impacts of climate change, helping support more reliable infrastructure. By replacing the southern section of the existing winter road serving the region, the TASR will not only provide year-round access to the community of Whatì but will also increase the window of access to the communities of Gamètì and Wekweètì.

This project will maximize the involvement of Northern businesses as road construction and maintenance will result in employment and training opportunities for Tłı̄chǫ and Northern residents.

***The annual expenditures for TASR over last 6 years are as follows:***

(\$ in 000's)	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Annual Expenditures							
Government	279	2,271	4,682	3,546	2,198	5,583	18,559
P3 Partner	-	-	-	21,367	43,158	85,271	149,796
<b>Total Annual Expenditures</b>	<b>279</b>	<b>2,271</b>	<b>4682</b>	<b>24913</b>	<b>45356</b>	<b>90854</b>	<b>168355</b>
Project cost not yet in service	279	2,550	7,232	32,145	77,501	168,355	

***At March 31, 2021 the Public Private Partnerships (P3) liabilities were as follows:***

	2020 \$	Additions during the year \$	Principal Payments \$	2021 \$	Repayment date
Stanton Territorial Hospital Renewal	133,654	-	-3,200	130,454	2048
Mackenzie Valley Fibre Link	75,300	-	-2,500	72,800	2037
Tłı̄chǫ All Season Road	64,525	85,271	-	149,796	2047
<b>Total</b>	<b>273,479</b>	<b>85,271</b>	<b>-5,700</b>	<b>353,050</b>	

**The details of the contracts under P3s are as follows:**

	Partner	Date contract entered into	Scheduled/actual completion date	Interest rate
Stanton Territorial Hospital Renewal	Boreal Health Partnership	Sept 2015	Nov 2018	5.36%
Mackenzie Valley Fibre Link	Northern Lights General Partnership	Oct 2014	Jun 2017	6.52%
Tłı̄ch̄o All Season Road	North Star Infrastructure GP	Feb 2019	Nov 2021	6.53%

**Estimated payments for each of the next five years and thereafter to meet P3 principal repayments are as follows:**

	\$
2022	96,589*
2023	6,861
2024	7,200
2025	7,100
2026	7,061
2027 and beyond	<u>228,239</u>
	<b><u>353,050</u></b>

\*Of the \$96,589 payment, \$89,878 represents 60% of the current Tłı̄ch̄o All Season Road liability

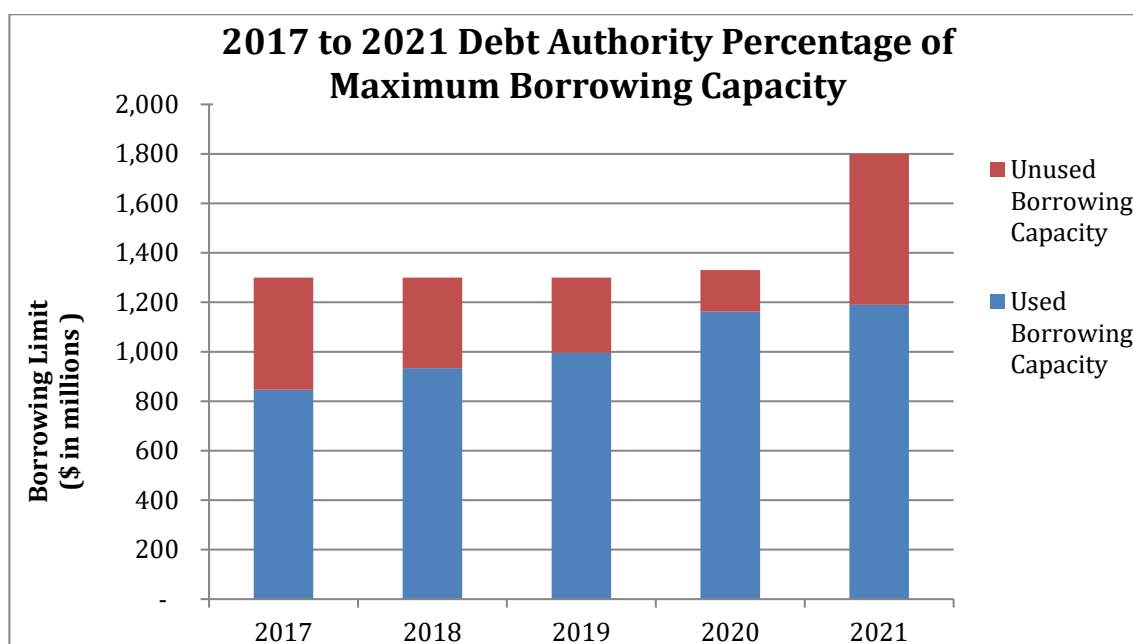
**The Government entered into operational and maintenance contracts for all the P3 projects and has capital commitments for the Tłı̄ch̄o All Season Road as follows:**

	Expiry Date	2022	2023	2024	2025	2026	2027+	Total
		\$	\$	\$	\$	\$	\$	\$
P3 Operational commitments	2049	11,973	15,394	16,624	17,548	18,265	455,522	535,326
P3 TCAs in progress at year end	2024	59,578	202	202	-	-	-	59,982
		<b>71,551</b>	<b>15,596</b>	<b>16,826</b>	<b>17,548</b>	<b>18,265</b>	<b>455,522</b>	<b>595,308</b>

## LONG TERM DEBT, BORROWING AND LIMITS

The Fiscal Responsibility Policy holds the Government accountable for its level of borrowing with the establishment of performance measures for debt management that ensure the total debt of the Government does not exceed the capacity of the Government to repay the debt as it becomes due. The current Capital Plan includes projects under the Government’s P3 policy or projects that will be fully funded by the Government’s revenues.

Consolidated debt, for purposes of the territorial borrowing limit, includes borrowings of all Government organizations that are included within the Consolidated Public Accounts. The borrowing limit is currently \$1.8 billion, established pursuant to subsection 28(4) of the *Northwest Territories Act*. Additional detail is reflected within Section 1 of the Public Accounts (note 12).



### Bond Issuance

In September 2020, the Government raised \$180.0 million through the sale of bonds to convert current short-term debt into long-term debt to take advantage of favourable market conditions and low interest rates. The bond has an annual coupon rate of 2.2%, paid semi-annually and the repayment of \$180.0 million is due September 29, 2051.

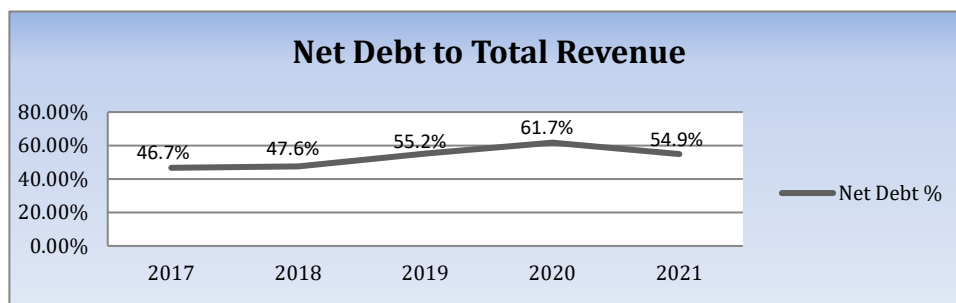
## INDICATORS OF FINANCIAL CONDITION/FINANCIAL HEALTH

Financial condition describes a government’s financial health or its ability to meet its existing financial obligations with respect to its service commitments to the public and its financial commitments to employees, creditors, and others.

The following assessment of the Government’s financial condition considers three elements: sustainability, flexibility and vulnerability. The elements show how the Government’s fiscal health measures up in the context of the overall economic and financial environment.

**Sustainability:** the degree to which a government can maintain existing programs and meet existing creditor requirements without increasing the debt burden on the economy.

- At the end of the 2021 fiscal year the Government has a net debt position of \$1.34 billion compared to net debt of \$1.31 billion at the end of the prior fiscal year. The net debt represents 54.9% of total revenue. Future investments in infrastructure and operations cannot be sustained at the present level without incurring more debt.

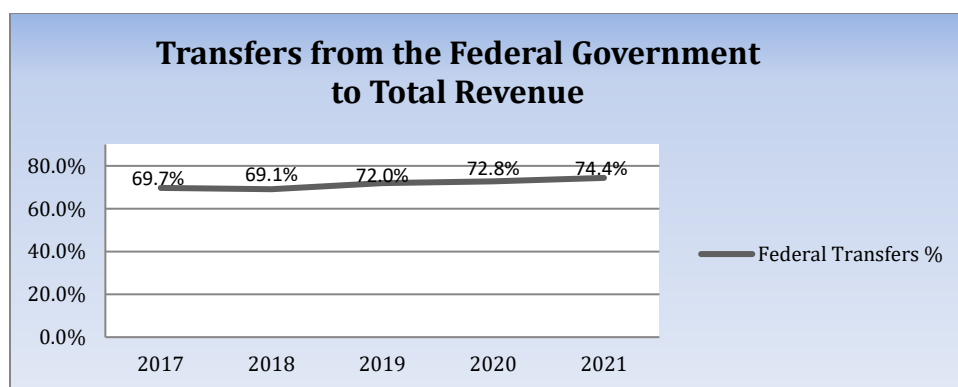


*Net debt to total revenue is an indicator of the change in debt in proportion to the change in revenue, where decreasing ratios are a positive indicator that the rate of increase in revenue is greater than the rate of increase in debt. A lower net debt to revenue ratio indicates higher sustainability, as less time is required to eliminate net debt.*

- As indicated above, the Government’s net debt to total revenue has decreased from 61.7% in 2020 to 54.9% in 2021 mainly due to the increase in the Grant from Government of Canada and Transfer Payments. A decrease in this ratio is occurring as the Government revenue increased, while net debt has increased marginally from prior year.

**Vulnerability:** the degree to which a government becomes dependent on, and therefore vulnerable to, sources of funding outside its control or influence, both domestic and international.

- The Government's largest source of revenue is the grant and transfer payments from Canada which represent 74.4% of total revenue for the current year. The formula determining the Territorial Formula Financing Grant is established under federal legislation and will remain in effect until March 31, 2024.

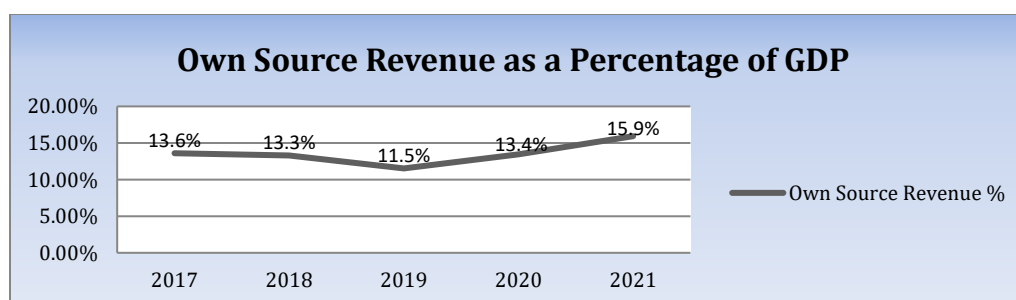


*Transfers from the federal government as a percentage of total revenue is an indicator of the degree of vulnerability the Government has as a result of relying on federal government transfers. A decreasing ratio typically reflects that a government is less reliant on transfers to fund its programs, making it less vulnerable.*

- As indicated in the graph above, total revenue from federal government transfers has increased slightly from 72.8% in 2020 to 74.4% in 2021. The total share of own source revenue increased by 8.0% from prior year, while transfers from Federal government increased by 17.4% from prior year.

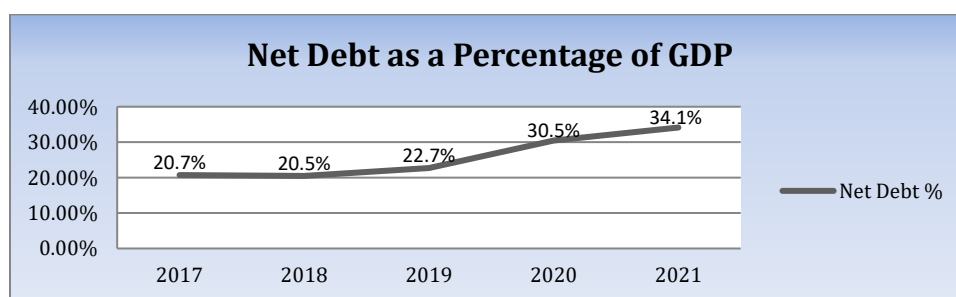
**Flexibility:** the degree to which a government can increase its financial resources to respond to rising commitments, by either expanding its revenues, or increasing its debt burden.

- Most of the revenue comes from the Territorial Formula Financing Grant from the Government of Canada. The Government’s own-source revenues, net of \$66.4 million in non-renewable resource revenues, decreased to 22.9% of total revenue in 2021 (26.1% - 2020). The Government has limited flexibility to increase taxes due to a small tax base.
- At March 31, 2021, the Government has a federally imposed borrowing limit of \$1.8 billion. The limit on the borrowing capacity precludes the use of debt to increase financial resources; however, an increase in debt would, at best, provide short term flexibility.



Own source revenue to GDP measures the extent to which the Government is taking income out of the economy. An increase in this ratio indicates that the Government’s own source revenue is growing faster than the economy, reducing the flexibility to increase revenue without slowing the growth of the economy.

- As indicated above, own source revenue as a percentage of GDP has remained relatively stable, with a small increase in 2021 due to the lower GDP and higher general revenue from 2020.



Net debt as a percentage of the Territories GDP is a measure of debt growth in relation to economic growth, where ideally, economic growth exceeds the growth rate of public debt. A decreasing ratio reflects a consistent improvement in financial position.

- As indicated above, Net debt for the Government increased as a percentage of GDP from 30.5% in 2020 to 34.1% in 2021. The increase in this ratio is a result of increasing net debt on a shrinking economy.

In summary, the Government cannot sustain the current level of investment in infrastructure and operations without incurring more debt. The Government has limited flexibility to raise new revenues and continues to be vulnerable to federal control over changes to its future revenues.

## **FISCAL MANAGEMENT STRATEGY**

The NWT requires a significant investment in infrastructure and as part of its fiscal management strategy the Government invests in infrastructure in three ways:

- Investing in Government-owned capital;
- Entering into public private partnerships (P3) agreements; or
- Providing transfers to third parties, including municipalities, for capital purposes. Assets funded in this manner are disclosed as contributions expense, not as Government capital assets.

Through the development of the Fiscal Responsibility Policy (FRP) detailed in the next section the Government is committed to responsible spending while focusing on infrastructure investments, prudent borrowing, and debt management to ensure long-term fiscal sustainability to support priorities of the Legislative Assembly.

### **Fiscal Responsibility Policy**

The Government's FRP provides guidance for borrowing decisions while ensuring flexibility to plan for its future infrastructure needs. The FRP assists in decisions that may relate to any future debt instruments that the Government considers and requires the Government to plan for and achieve sufficient operating surpluses to meet debt servicing payments and finance annual infrastructure investments.

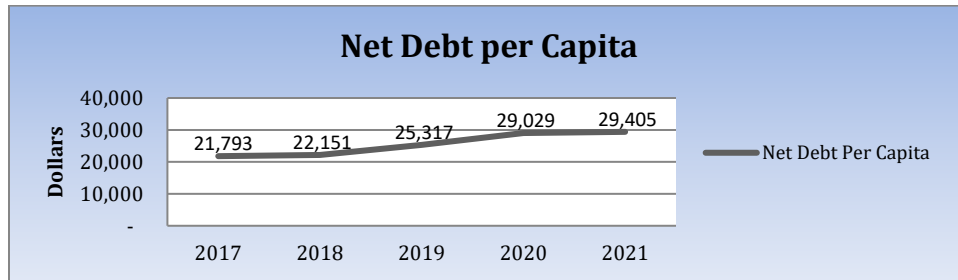
### **Specific Measures of the Fiscal Responsibility Policy**

The FRP establishes debt management performance measures which are to be assessed annually in the Public Accounts. The measures are required to be evaluated on a consolidated basis to ensure consideration is given to debt affordability of the entire GRE. The following section discloses this commitment to reporting on these performance measures.



**1. Net Debt per Capita Ratio**

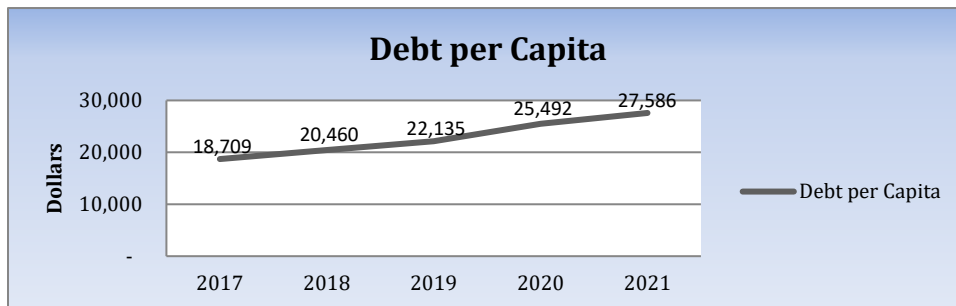
Net debt per capita for the Northwest Territories of \$29,405 in 2021 is comparable to 2020 at \$29,029 per capita.



Net debt per capita represents the net debt attributable to each Northwest Territories resident. A decrease in this ratio indicates the debt burden per resident has improved, while an increase means the debt burden per resident has worsened.

**2. Debt per Capita Ratio**

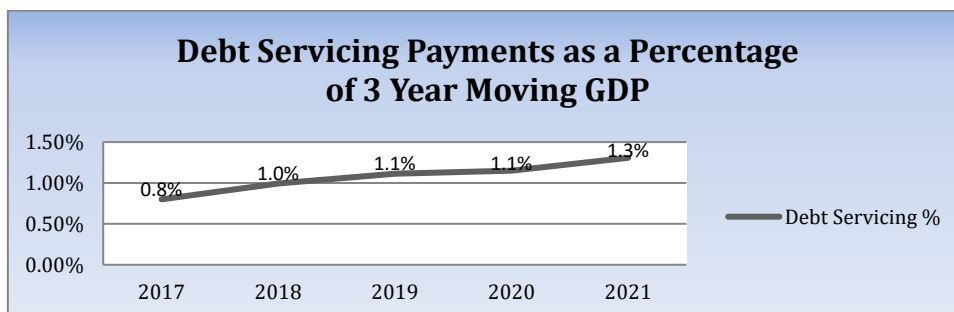
Debt per capita increased by 8.2%; from \$25,492 per capita in 2020 to \$27,586 per capita in 2021. This is mainly due to issuance of a Long-term bond and an increase in P3 obligations.



Debt per capita represents the debt attributable to each Northwest Territories resident. A decrease in this ratio indicates the debt burden per resident has been reduced, while an increase means the debt burden has risen.

### 3. Debt Servicing Payments as a percent of 3 year moving GDP average

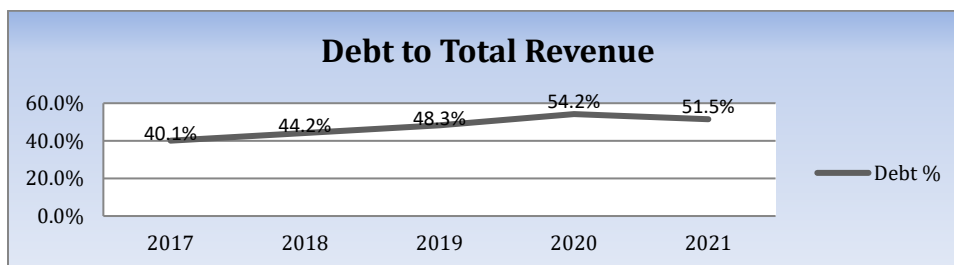
Debt servicing payments as a percentage of GDP for the Northwest Territories increased from 1.2% in 2020 to 1.3%, in 2021 due to the lower GDP in 2021.



Debt servicing payments (interest and principal) as a percent of a 3-year average Northwest Territories GDP is a measure of debt payments in relation to economic growth, where ideally, economic growth exceeds the growth rate of public debt payments. A decreasing ratio reflects a consistent improvement in financial position, while an increase reflects deterioration in the financial position.

### 4. Debt to Revenue Ratio

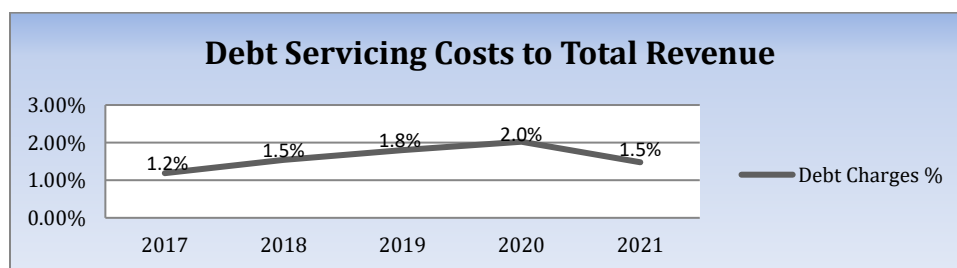
The Government's debt to total revenue has decreased from 54.2% in 2020 to 51.5% in 2021 mainly due to an increase in Grant and transfer payments from Canada partially offset by increase of P3 obligations and issuance of a Long-term bond.



Debt to total revenue is an indicator of the change in debt in proportion to the change in revenue, where decreasing ratios are positive indicators that the rate of increase in revenue is greater than the rate of increase in debt. A lower debt to revenue ratio indicates higher sustainability, as less time is required to eliminate debt.

### 5. Debt Servicing Costs as a percent of Revenue

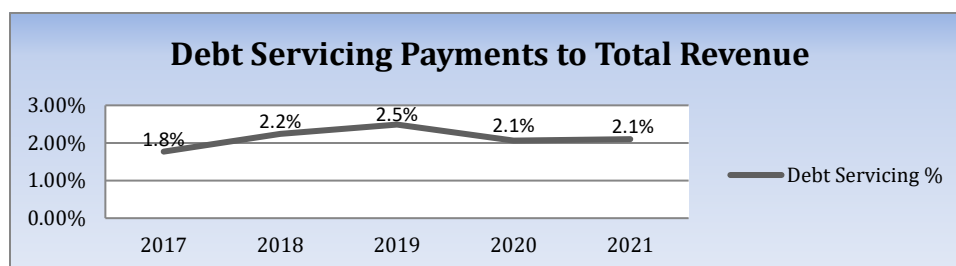
The Government's debt servicing costs to total revenue has decreased from 2.0% in 2020 to 1.5% in 2021 mainly due to lower interest rates in 2021.



*Debt servicing costs (interest) as a percentage of total revenue is a measure of the extent that Government revenues are being applied to debt charges, rather than to programs and services, or tax reduction. A lower debt charges ratio indicates an increased ability to borrow.*

### 6. Debt servicing Payments as a percent of Revenue

The Government's debt servicing payments to total revenue has remained consistent at 2.1% from prior year.



*Debt servicing payments (interest and principal) to total revenue ratio is a measure of the extent that Government revenues are being applied to debt repayment, rather than to programs and services, or tax reduction. A lower debt charges ratio indicates an increased ability to borrow.*

### 7. Credit rating

The Government has a long-term credit rating of Aa1 from Moody's Investors Service which has been stable since 2007; however, in October 2020 the outlook changed from stable to negative. The negative outlook rating is primarily due to limited Government own source revenues, an aging population which puts pressure on health care costs and a mature and declining diamond industry.

The Aa1 long term credit rating is the second highest rating available from Moody's and remains one of the highest among provinces and territories.

## Compliance with Fiscal Responsibility Policy

Under the Fiscal Responsibility Policy there are two additional objectives which are assessed to ensure the Government is able to meet its requirements. It is important to review the information on a *non-consolidated* basis to assess if these two policy objectives have been met. That is, if the Government itself, without including factors from public agencies, generated enough cash during the fiscal year to satisfy these objectives.

The Policy states the Government will restrict infrastructure investments, excluding P3 projects as follows:

- a) A minimum of fifty per cent (50%) from the operating surpluses generated within the *non-consolidated* Public Accounts; and
- b) A maximum of fifty percent from government debt.

The policy also states that the Government must ensure *non-consolidated* debt service payments shall not exceed five per cent (5%) of total non-consolidated annual revenues.

**Fiscal Responsibility Policy Compliance**

(All calculations based on Section II of the Public Accounts - Non Consolidated Financial Statements)

	2021	2020
	(\$ in Millions)	
<b>Policy Provision 6(5)(a)- Debt Servicing Payments</b>		
Revenues (Public Accounts - Section II, Schedule A, pg 37)	2,117	1,835
<b>Maximum Debt Servicing Payments- 5% of Revenues</b>	106	92
<b>Debt Servicing Payments</b>		
Short-Term Interest Expense (Public Accounts - Section II, note 7, pg 18)	2	8
Government bonds (Public Accounts - Section II, note 12, pg 23)	2	-
Deh Cho Bridge (Public Accounts - Section II, note 12, pg 23)	11	12
P3 Debt Servicing (Public Accounts - Section II, note 13, pg 25)	<u>18</u>	<u>18</u>
Total Debt Servicing Payments	33	38
<b>Actual Debt Servicing Payments as a % of Revenues</b>	<b>1.56%</b>	<b>2.06%</b>
<b>Provision 6(3)- Infrastructure Financing</b>		
Capital Acquisitions (Public Accounts - Section II, Schedule 4, pg 48)	183	200
Less: P3 Items - Out of Scope (Public Accounts - Section II, pg 23)		
Tlichon All Season Road (Public Accounts - Section II, pg 24)	<u>(85)</u>	<u>(43)</u>
<b>Cash Required for Infrastructure Investment Expenditures</b>	98	157
<b>Operating Cash Required</b>		
Minimum cash required from operating surplus (50% of Acquisitions less out of scope items)	49	78
<b>Total Operating Cash Requirement</b>	49	78
<b>Operating Cash Available</b>		
Operating Surplus (Public Accounts - Section II, Statement of Operations, pg 2)	67	(71)
Add Non Cash Item - Amortization (Public Accounts - Section II, Statement of Cash Flow, pg 4)	<u>121</u>	<u>117</u>
<b>Total Operating Cash Available</b>	188	46
<b>Net cash surplus (deficit) for 50% of Infrastructure Investment</b>	139	(32)

## **Conclusion**

The provisions of the Fiscal Responsibility Policy have been met for fiscal year 2020-21:

- Non-consolidated debt servicing costs are 1.6% of the non-consolidated revenue, which is less than the 5.0% limit.
- The infrastructure investments, excluding P3 met the required 50.0% minimum operating surplus generated from the non- consolidated Public Accounts
- Infrastructure investments during the year were less than 50.0% of Government debt as required by the Fiscal Responsibility Policy

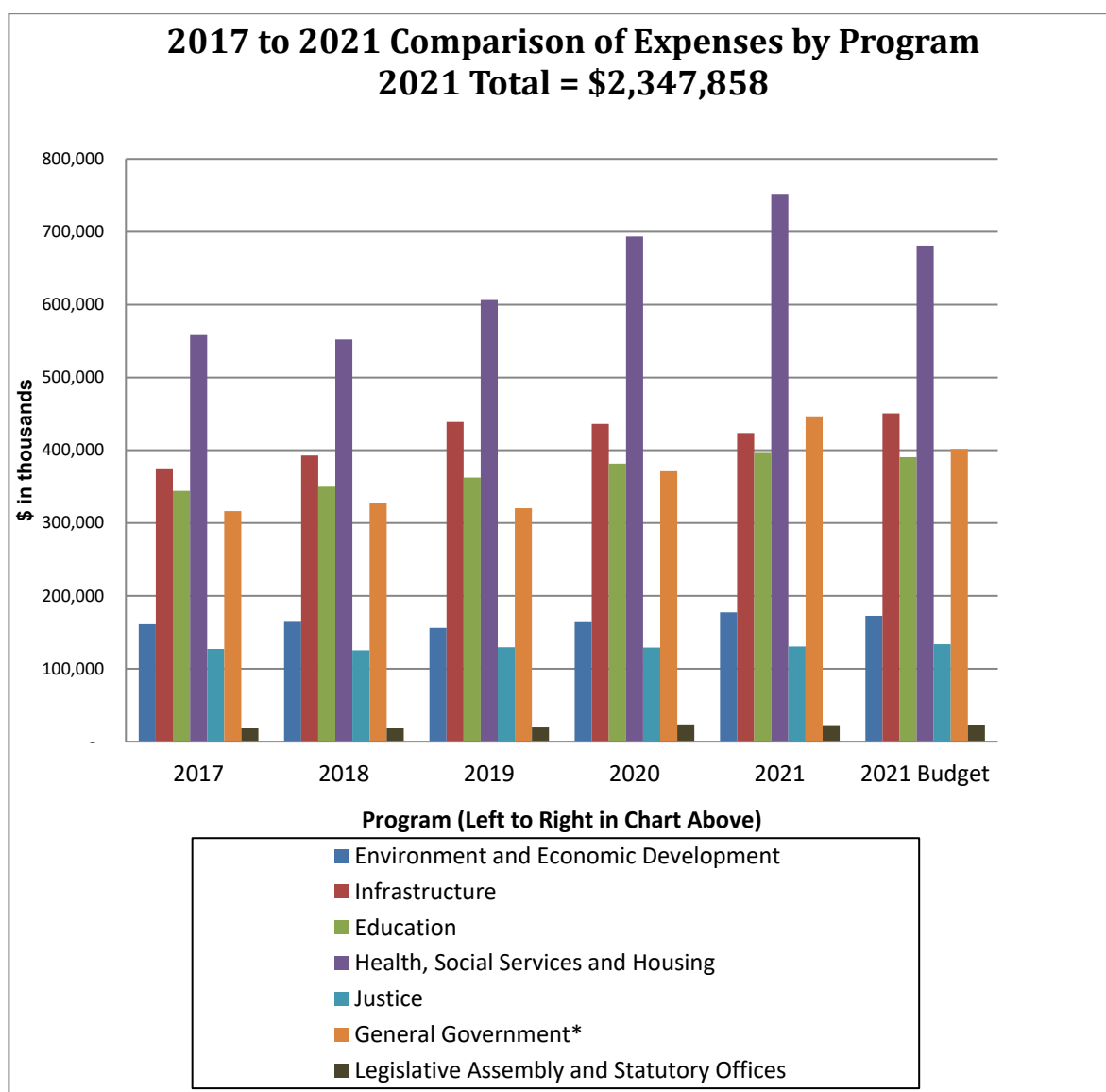
## FINANCIAL COMPARISONS AND VARIANCES

During the fiscal year the variance review process assesses the present level of programs and services by monitoring the growth rates of revenues and expenditures on an ongoing basis as this is a key indicator of the long-term sustainability of the Government. Several financial comparisons are completed and outlined in this section.

### Expense Variance Analysis

The following comparisons to budget are based on original approved budget and do not include supplementary appropriations/or approved budget adjustments:

#### *Actual Expenses compared to prior years and to Budget by Program*



- Environment and economic development expense is \$177.5 million in 2021. This was \$12.2 million or 7.4% more than 2020 and \$4.8 million or 2.8% more than budgeted due to increased costs related to the financial support programs to alleviate business from impacts of the COVID-19 pandemic.
- Infrastructure expense is \$423.7 million in 2021. This was \$12.5 million or 2.9% less than 2020 and \$27.0 million or 6.0% less than budgeted due to delay in executing deferred maintenance projects because of COVID-19 restrictions.
- Education expense is \$396.2 million in 2021. This was \$14.6 million or 3.8% more than 2020 and \$5.7 million or 1.5% more than budgeted mostly due to increased payments due to COVID-19 for programs like income assistance, student financial assistance, workforce development and support for safe return to classrooms.
- Health, social services and housing expense is \$752.1 million in 2021. This was \$58.5 million or 8.4% more than 2020 and \$71.1 million or 10.4% more than budgeted mainly due to increased expenditures for the response to COVID-19. This included expenses for costs of personal protective equipment and distribution of vaccines, assistance to long-term and designated supportive living facilities, critical worker benefits, addiction and mental health programming, rapid testing, and Covid Secretariate enforcement and compliance programs. This was partially offset by COVID-19 related service slowdowns where there were temporary lower utilization rates for certain services including out of territory, physician services provided to NWT residents outside of the NWT and other hospital services.
- Justice expense is \$130.5 million in 2021 which is comparable with prior year actuals as well as the budgeted amount.
- General government expense is \$446.5 million in 2021. This was \$75.2 million or 20.3% more than 2020 and \$44.7 million or 11.1% more than budgeted largely due to support for the aviation industry as well as spending in wage subsidy program and the safe restart funding for municipalities due to COVID-19.
- Legislative Assembly and statutory offices expense is \$21.4 million in 2021 which is comparable to prior year actuals as well as the budgeted amount.



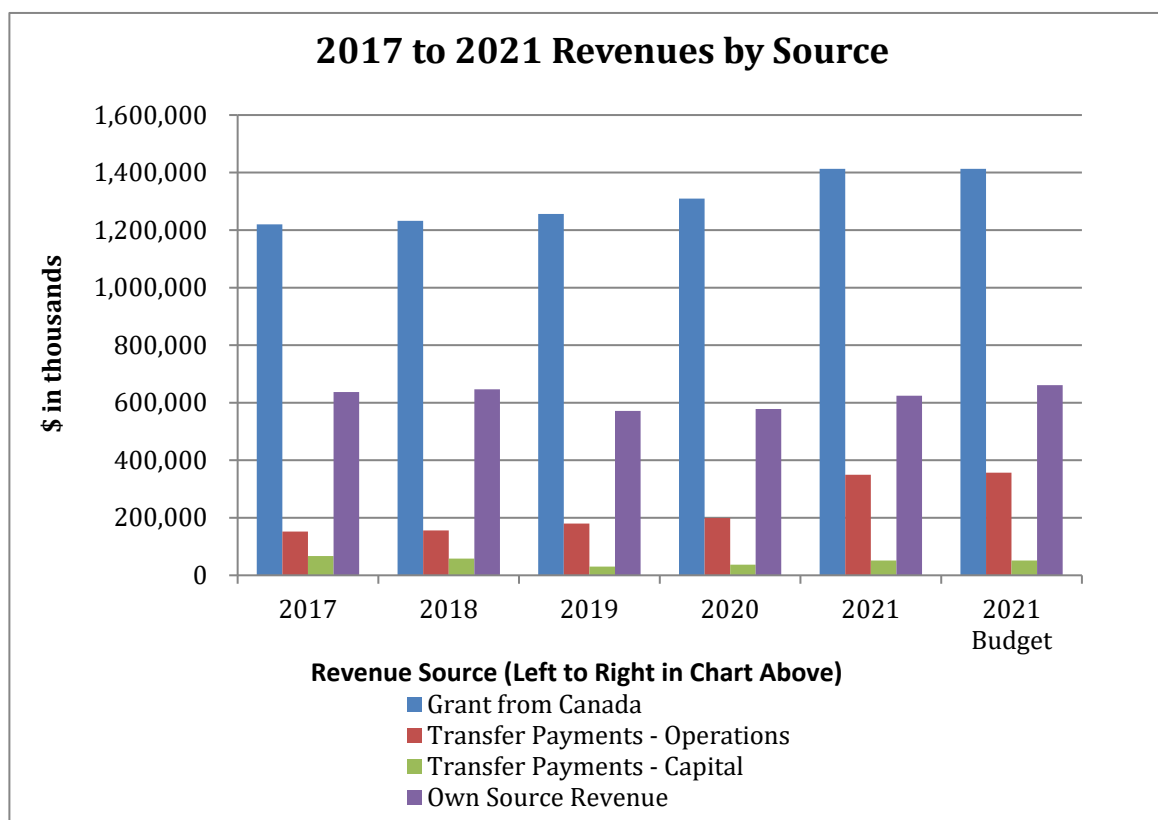
## Revenues

The Government funds programs and services through a combination of transfers from the federal government, own-source revenues, and non-renewable resource revenues.

Total revenue in 2021 is \$2.4 billion, a decrease of \$43.2 million or 1.7% from the original budget. This decrease is primarily due to lower than budgeted general revenues because of \$8.7 million in waived fees to cushion residents from COVID-19 and \$38.3 million less taxation revenues than budgeted as the economy was weakened by COVID-19.

The Government's major own-source revenues, corporate and personal income tax, tobacco tax, fuel tax, and payroll tax (excluding non-renewable resource revenues) were 22.9% of total revenues indicating a reliance on the Territorial Formula Financing Grant. Grants and transfer payments from Canada accounted for 74.4% of total revenues for the current year.

The Territorial Formula Financing Grant is \$1.4 billion in 2021, an increase of \$103.5 million from 2020. This is due to an increase in the Grant's Gross Expenditure Base. Resource revenues increased by \$42.7 million from prior year mainly due to work bid deposits that were forfeited by third parties during the year.



## **Territorial Formula Financing Grant from Canada**

The Territorial Formula Financing Grant is \$1.4 billion in 2021, an increase of \$103.5 million from 2020. This is due to an increase in the Grant's Gross Expenditure Base.

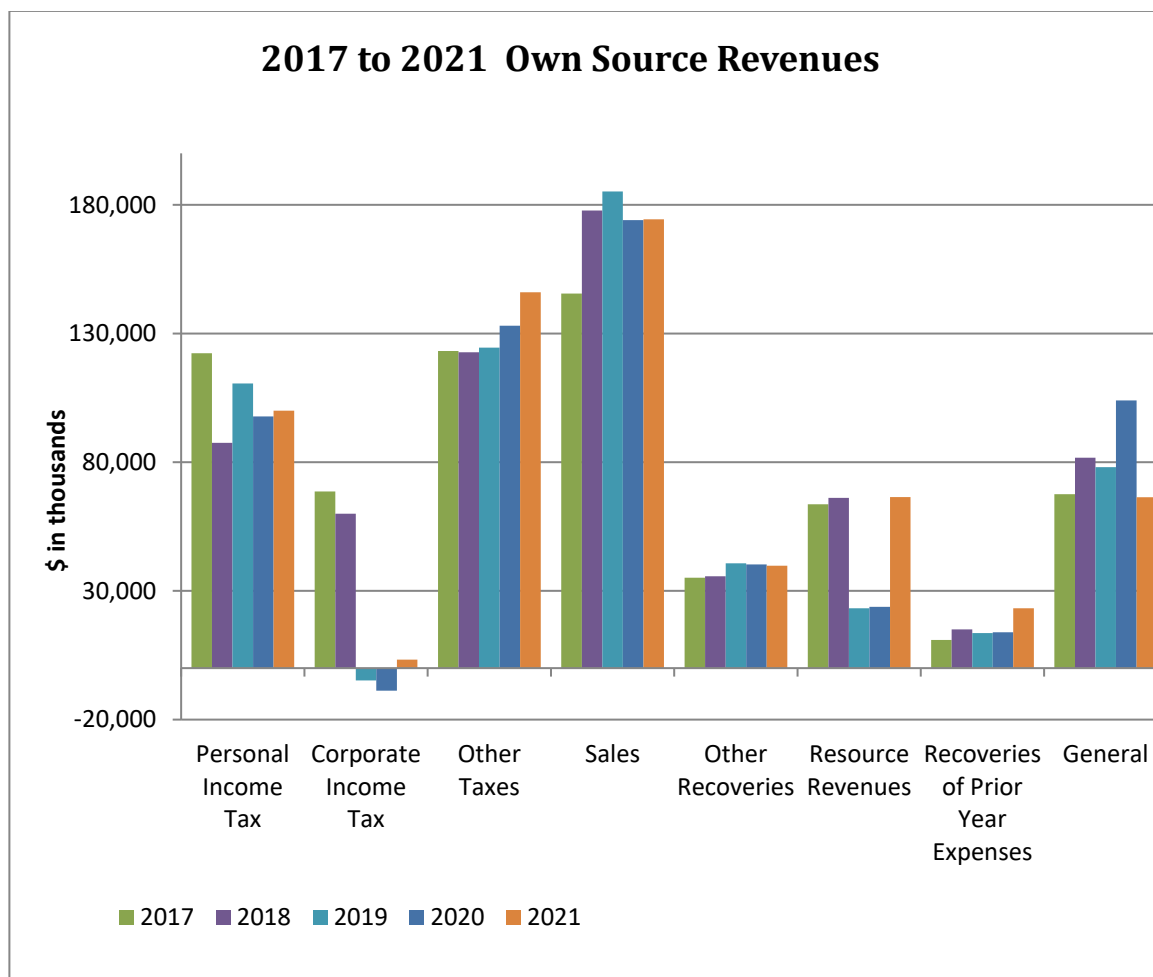
The Territorial Formula Financing Grant is an annual formula-based calculation based on a three-year moving average of data, which includes a two-year lag, to fill the fiscal gap between the Government's expenditure needs and its ability to raise revenues. The NWT's Grant equals the difference between its Gross Expenditure Base and a measure of revenue capacity known as eligible revenues.

The Gross Expenditure Base is an estimate of the expenditure requirements of the Government, which considers the higher costs and needs in the NWT to deliver public services of similar quality to those in the provinces. The Gross Expenditure Base is increased annually by the growth in Territorial and local government spending and the growth in the NWT population relative to the growth in the Canadian population. Eligible revenues are calculated by determining what the Government could have raised in revenues at national average tax rates and reducing that amount by a 30 per cent Economic Development incentive. The resource revenue offset reduces the amount of the grant by 50 per cent of resource revenues, lagged by two years.

Transfer payments revenues related to the purchase or construction of a tangible capital asset, whether fully funded or cost-shared, are recognized as revenue in the period during which the transfer is authorized and eligibility criteria are met, except when and to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. This is another significant factor that contributes to revenues being unpredictable. For large projects; this causes revenue to be higher than it would normally be as expenditures related to this are capital in nature. The impact on operational expenses will be over future years as the asset is amortized.

## Own-Source Revenue

Apart from corporate income tax, personal income tax, general and non-renewable resource revenues, other own-source revenues are proven to be consistent over the years. Corporate income tax revenue is volatile as it is dependent upon a small base of taxpayers.



Individual taxpayers are required to file their income tax returns by April 30<sup>th</sup> annually and corporate taxpayers file six months after the corporation fiscal year end for. To counter this delay, for a given tax year, the Government receives advance payments from Canada based on the federal estimate of the territorial tax to be collected by Canada Revenue Agency for that year. After taxpayers file their income taxes, the actual territorial taxes collected are compared against the advance payments the Government received in the previous year. If the taxes collected exceed the advance payments, the Government receives an extra payment for the difference. Conversely, if the taxes collected are less than the advance payments, the Government returns the difference to Canada.

## **Non-renewable resource revenues**

In 2021 Non-renewable resource revenues is \$ 66.5 million an increase of \$42.7 million or 179.4% over 2020 and \$33.2 million or 99.7% increase compared to budget This increase in 2021 to actual is mainly due to work bid deposits held by the Government that were forfeited by third parties during the year.

Non-renewable resource revenues are subject to volatility and the revenue streams fluctuate annually based on production and work bid deposits that are forfeited. In addition, non-renewable resource revenues are generated as the resources are extracted and are therefore finite. Non-renewable resource revenues, after sharing with the federal and Indigenous partners (signatories to the Northwest Territories Lands and Resources Devolution Agreement) are used to fund infrastructure, pay down debt and contribute to the NWT Heritage Fund.

## **Taxation Revenues**

Taxation revenue is \$249.4 million in 2021 an increase of \$27.3 million or 12.3% from 2020 and decreased by \$38.8 million or 13.5% from budget. The \$27.3 million increase from prior year is largely due to increase in corporate taxes and carbon taxes.

In 2021 corporate income tax revenues is \$3.3 million an increase of \$12.1 million or 137.6% from 2020. The increase is due to a \$24.3 million increase in payments based on prior year tax assessments offset by a \$12.1 million decline in advance payments related to the current tax year. In 2021 carbon tax collected is \$24.7 million, an increase of \$12.1 million or 95.2% over 2020. Carbon tax was introduced in September 2019 and its revenues were only realized for part of the year. A full year of carbon tax revenue was realized in 2021; which accounts for the increase from the prior year.

Other tax revenues remained comparable to prior year.

## **Other Own Source Revenues**

Other own source revenues include sales, general, income from portfolio investments and recoveries. In 2021 other own source revenues is \$285.4 million a decrease of \$32.9 million or 10.3% from 2020 and a decrease of \$50.8 million or 15.1% from budget. The decrease to both actual and budget is mainly due to decline in general revenues. In 2021 general revenues is \$66.4 million a decrease of \$31.6 million or 32.3% from 2020 and a decrease of \$70.5 million or 51.5% from budget. The decrease in actual general revenues was mainly due to regulatory and sundry and other revenues which decreased by \$26.8 million or 31.2% from 2020. The decrease in regulatory and sundry and other revenues over

prior year and budget is attributable to fees such as the Deh Cho bridge tolls, truck permits, NWT airport landing fees that were waived in 2021 due to the COVID-19 pandemic.

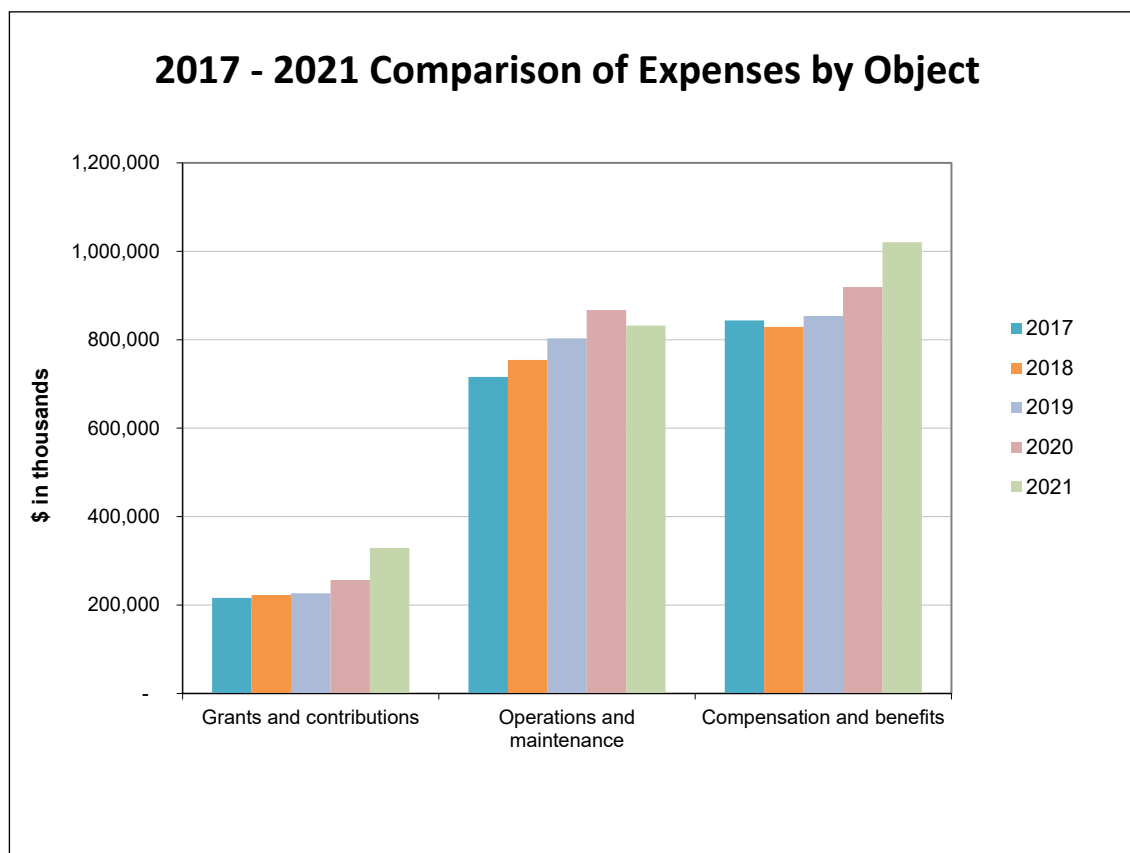
### **Expenses**

Balancing a budget entails not only controlling expenses but also finding the most effective and efficient mix of programs. The Government spends the majority of its budget on social programs (education, health, social services and housing, general government and infrastructure), with the remaining budget allocated to justice, environment and economic development, the legislative assembly and statutory offices.

Any additional resources to improve a service often have to be made at the expense of other important needs and recognizing that revenue generation tend to be more unpredictable than expenses in any given year due to the volatility in corporate income tax; as the majority of corporate income tax revenues are generated by a small number of resource based tax payers, whose taxable income fluctuates depending on production and global commodity prices.

## Expense by object

The Government report expense by object on Schedule B of the Consolidated Public Accounts. The most significant expense by object lines are depicted below.



Total expenses in 2021 are \$2.3 billion; this is 4.2% higher than budget and 6.7% higher than 2020. The increase in 2021 expenses over budget is mainly due the unbudgeted COVID-19 expenses.

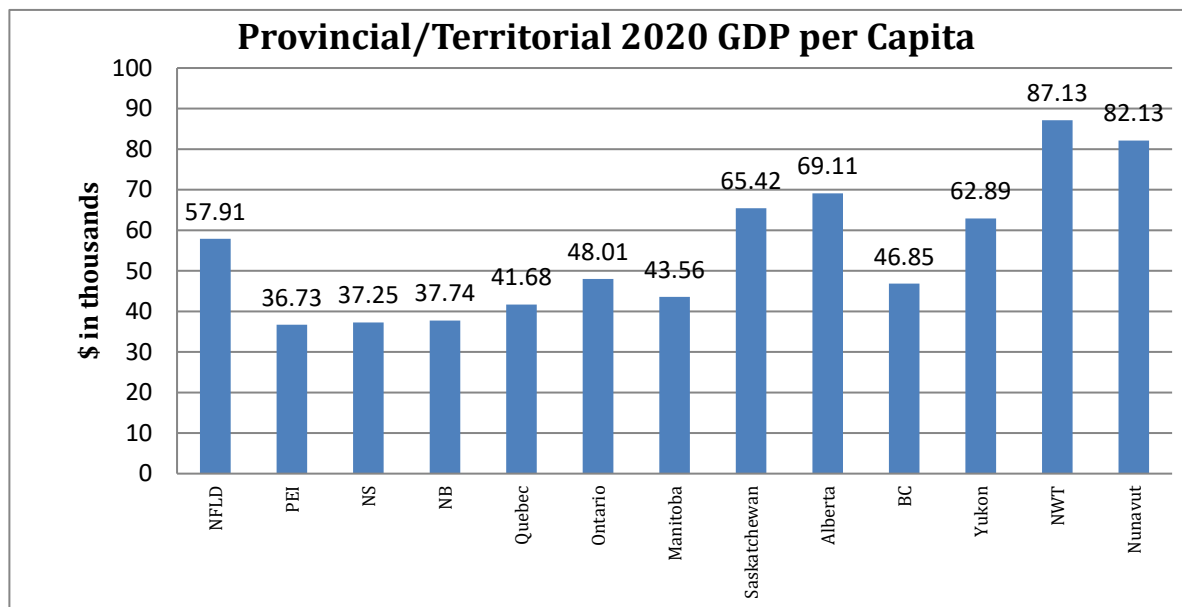
- Grants and contribution expense is \$359.4 million in 2021. This was \$102.7 million or 40.0% more than 2020 and \$8.7 million or 2.4% less than budgeted. The increase over prior year is attributable to Finance \$49.7 million COVID-19 support funding provided to businesses, including wage top up support; Health and Social Services \$11.6 million COVID-19 support funding for safe restart, shelter expenses and child and family services as well as funding of the Covid Secretariat; Housing Corporation \$14.2 million providing support to homelessness assistance grants and NTHSSA \$16.2 million funding provided for child and family initiative, Avens Community for seniors, work force planning initiative.

- Operation and Maintenance expense is \$800.8 million in 2021. This was \$66.5 million or 7.7% less than 2020 and \$29.5 million or 3.8% more than budgeted. The decrease is attributable to lower utilization of inpatient and outpatient hospital services and physician services provided to NWT residents outside the NWT \$13.8 million; and lower utilization of program and drug rebates received for the Supplementary Health Benefit program of \$2.5 million. Infrastructure deferred maintenance is less by \$2.0 million due to COVID-19 restrictions.
- Compensation and benefits expense is \$1.02 billion in 2021. This was \$99.2 million or 10.8% more than 2020 and \$70.85 million or 7.5% more than budgeted. The increase in compensation and benefits is attributable to a 2.0% collective agreement increase. There was also a \$5.7 million increase in NTHSSA locum expenses. The compensation expense for NTHSSA increased by \$30.3 million due to the huge demand for health care to address COVID-19 outbreak. The provision health and safety measures implemented by the government like proving testing, administering vaccines and enforcing public health orders resulted in increased compensation expense.

## Provincial Comparisons

### GDP Per Capita Comparison

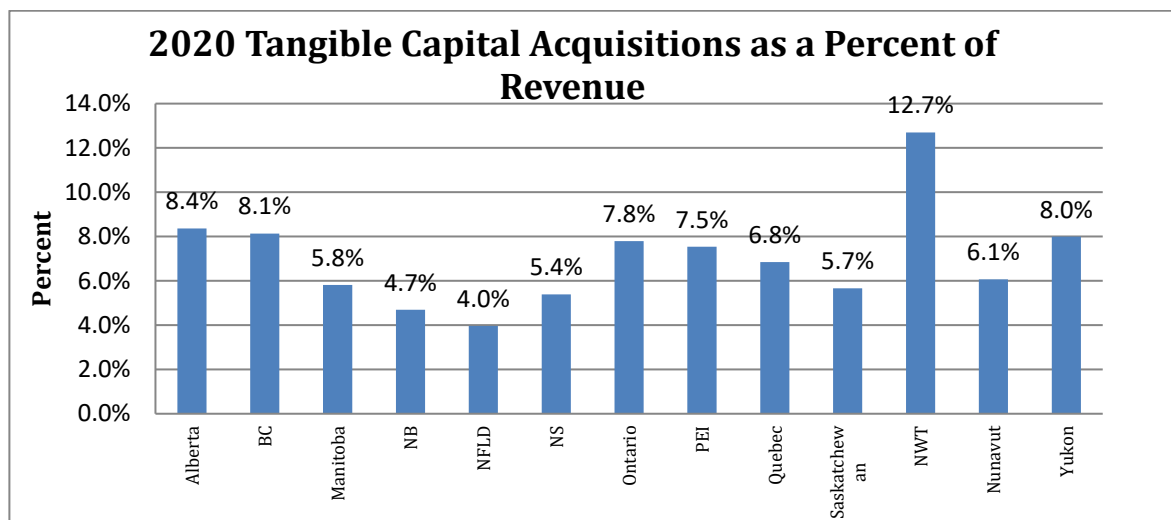
The NWT currently has the highest GDP per capita in Canada. This is an important indicator to note when considering GDP statistics as it shows that while the NWT has a relatively small population our GDP per capita is large by comparison.



Statistics Canada. Population estimates on Apr 1, 2021 and GDP Gross domestic product (GDP) at basic prices, by industry, provinces, and territories. Release date - May 3, 2021.

### TCA Acquisitions as Percentage of Revenue Comparison

In 2020, at 12.7%, the Government has the highest percentage of revenue invested in infrastructure compared to other Territories and Provinces.



Source: Figures calculated based on 2019-20 Provincial/Territorial Public Accounts of the various senior governments



## **RISKS AND UNCERTAINTIES**

The Government is subject to risks and uncertainties that arise from variables which the Government cannot directly control. These risks and uncertainties include:

- Changes in economic factors such as economic growth or decline, commodity and non-renewable resource prices, inflation, interest rates, marketplace competition, population change, personal income and retail sales;
- Exposure to interest rate risk, credit risk, and liquidity risk;
- Changes in transfers from the federal government;
- Utilization of government services;
- Other unforeseen developments including unusual weather patterns and natural and other disasters;
- Criminal or malicious attacks, both cyber and physical in nature, potentially resulting in business interruption, privacy breach and loss of, or damage to, information, facilities and equipment;
- Factors that could hinder the safe delivery of products and services;
- Outcomes from litigation, arbitration and negotiations with third parties;
- Changes in reported results where actual experience may differ from initial estimates as discussed in the Public Accounts – Section I (note 2) and
- Changes in accounting standards.

The Government uses information from banks and private industry when developing the underlying assumptions for fiscal forecasts during budget development and when updating the underlying assumptions throughout the fiscal year.

The COVID-19 Pandemic has caused disruption to businesses and caused economic slowdown. COVID-19 increases the risks and uncertainties to the Government's financial position and operations.

## **COVID-19 IMPACT**

The COVID-19 pandemic impacted the Government's fiscal results for the year ended March 31, 2021, the first full year operating in a COVID-19 environment since the global pandemic was declared. COVID-19 impacted the economy through increased cost of \$148.6 million for health and safety measures taken and the stimulus spending in the form of financial support programs to aid economic recovery and to ease the burden of the pandemic on the NWT business and residents. COVID-19 also resulted in increased transfer payments receipts for cost shared programs with the Government of Canada of \$123.2 million.

Health and safety measures, with assistance from the federal government, were implemented. The measures taken:

- provided testing and contact tracing;
- supplied personal protective equipment;
- delivered vaccines;
- addressed health care system capacity shortages;
- provided support for a safe return to classrooms;
- controlled and prevented infections in vulnerable populations;
- supported municipalities in their response to COVID-19; and
- Imposed public health orders and closures.

Financial support programs were delivered to sectors most impacted by pandemic-related public health orders and closures, including the:

- Licensed childcare program support;
- Labour Market Recovery Wage Program;
- Aviation Sector supports;
- COVID Secretariat programs;
- NWT Wage top up program and;
- Self isolation support program

The following fees were waived for residents and business:

- Deh Cho Bridge tolls;
- Truck permits;
- NWT airport landing fees and;
- Leases, licences, and concession fees at all NWT airports.

The Government benefited from increased transfer payments from Canada for financial support programs and health and safety measures.

The unprecedented and evolving nature of the COVID-19 pandemic continues to provide a level of uncertainty in the Government's financial position and operating results.

**APPENDIX A**

**COMPLETION OF ENTITIES CONSOLIDATED WITHIN THE PUBLIC ACCOUNTS**

The following table lists the consolidated entities and completion date of their audited financial statements.

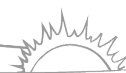
<b>Entity</b>	<b>Due Date</b>	<b>Extension Due Date</b>	<b>Completion Date</b>
<b>Beaufort Delta Divisional Education Council</b>	28-Sep-20		08-Aug-20
<b>Commission scolaire francophone Territoires du Nord-Ouest</b>	28-Sep-20		21-Sep-20
<b>Dehcho Divisional Education Council</b>	28-Sep-20		18-Sep-20
<b>Dettah District Education Authority</b>	28-Sep-20		25-Sep-20
<b>N'dilo Divisional Education Council</b>	28-Sep-20		24-Sep-20
<b>Sahtu Divisional Education Council</b>	28-Sep-20		20-Aug-20
<b>South Slave Divisional Education Council</b>	28-Sep-20		14-Aug-20
<b>Yellowknife Catholic Schools</b>	28-Sep-20		16-Sep-20
<b>Yellowknife No.1 District Education Authority</b>	28-Sep-20		08-Sep-20
<b>Aurora College</b>	28-Sep-20	27-Nov-20	26-Nov-20
<b>Northwest Territories Health and Social Services Authority</b>	29-Jun-21	27-Aug-21	18 Nov 21
<b>Hay River Health and Social Services Authority</b>	29-Jun-21		25-Jun-21
<b>Tłı̨chǫ Community Services Agency</b>	29-Jun-21		02-Jul-21
<b>Arctic Energy Alliance</b>	29-Jun-21		15-Jun-21
<b>Northwest Territories Hydro Corporation</b>	29-Jun-21	27-Aug-21	29-Jun-21
<b>Northwest Territories Business Development and Investment Corporation</b>	29-Jun-21	27-Aug-21	25-Aug-21
<b>Northwest Territories Heritage Fund</b>	29-Jun-21	29-Jul-21	7-Jul-21
<b>Northwest Territories Housing Corporation</b>	29-Jun-21	27-Aug-21	27-Aug-21
<b>Northwest Territories Human Rights Commission</b>	29-Jun-21		29-Jun-21
<b>Inuvialuit Water Board</b>	29-Jun-21		17-Jun-21
<b>Status of Women Council of the Northwest Territories</b>	29-Jun-21		23-Jun-21
<b>Northwest Territories Surface Rights Board</b>	29-Jun-21		28-Jun-21



# PUBLIC ACCOUNTS 2020-2021

## Section II: Non-consolidated Financial Statements

Government of  
Northwest Territories



**PUBLIC ACCOUNTS  
OF THE  
GOVERNMENT OF THE NORTHWEST TERRITORIES  
FOR THE YEAR ENDED MARCH 31, 2021**

**SECTION II  
NON-CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited)**

**HONOURABLE CAROLINE WAWZONEK**

**Minister of Finance**

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**NON-CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**

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**Government of the Northwest Territories****Non-Consolidated Statement of Financial Position (unaudited)**

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as at March 31, 2021

(thousands of dollars)

	2021 Actual \$	2020 Actual \$
<b>Financial assets</b>		
Portfolio investments (note 3)	37,519	35,187
Accounts receivable (note 4)	347,449	283,098
Due from the Government of Canada (note 10)	88,764	89,699
Inventories held for resale	39,250	35,052
Loans receivable (note 5)	91,042	45,456
Sinking fund (note 6)	78,099	29,680
	<b>682,123</b>	<b>518,172</b>
<b>Liabilities</b>		
Bank overdraft (note 3)	50,093	73,891
Short-term loans (note 7)	324,871	449,279
Accounts payable and accrued liabilities (note 8)	332,208	295,004
Deferred revenue (note 9)	55,834	33,776
Due to the Government of Canada (note 10)	179,522	169,933
Environmental liabilities (note 11)	51,295	49,204
Long-term debt (note 12)	352,291	176,925
Liabilities under public private partnerships (note 13)	353,050	273,479
Pensions (note 14)	38,264	38,320
Other employee future benefits and compensated absences (note 15)	24,940	26,633
	<b>1,762,368</b>	<b>1,586,444</b>
<b>Net Debt</b>	<b>(1,080,245)</b>	<b>(1,068,272)</b>
<b>Non-financial assets</b>		
Tangible capital assets (schedule C)	2,856,826	2,778,503
Inventories held for use	1,578	1,777
Prepaid expenses	7,592	6,352
	<b>2,865,996</b>	<b>2,786,632</b>
<b>Accumulated surplus</b>	<b>1,785,751</b>	<b>1,718,360</b>

Contractual obligations, rights, guarantees and contingencies (notes 18 and 19)

Approved:

  
Caroline Wawzonek  
Minister of Finance  
Julie Mujcin, CPA, CGA  
Comptroller General

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*The accompanying notes and Schedules A, B and C are an integral part of these non-consolidated financial statements.*

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## Government of the Northwest Territories

### Non-Consolidated Statement of Operations and Accumulated Surplus (unaudited)

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for the year ended March 31, 2021

(thousands of dollars)

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	2021 Main Estimates (note 1b) \$	2021 Actual \$	2020 Actual \$
<b>Revenues</b>			
Revenues by source (schedule A)	2,183,168	2,117,304	1,834,767
Recoveries of prior years' expenses (schedule 3)	3,000	24,001	14,044
	<b>2,186,168</b>	<b>2,141,305</b>	<b>1,848,811</b>
<b>Expenses (schedule B)</b>			
Environment and Economic Development	156,670	161,940	152,186
Infrastructure	338,625	306,710	302,104
Education	348,353	357,707	342,794
Health, Social Services and Housing	522,011	599,000	545,913
Justice	133,617	131,228	129,414
General Government	451,186	495,853	423,235
Legislative Assembly and statutory offices	22,720	21,476	23,788
	<b>1,973,182</b>	<b>2,073,914</b>	<b>1,919,434</b>
<b>Annual operating surplus (deficit)</b>	<b>212,986</b>	<b>67,391</b>	<b>(70,623)</b>
Petroleum Products Stabilization Fund Net loss for the year (note 16)	(200)	-	(146)
Projects on behalf of the Government of Canada, Nunavut and Others (schedule 10)			
Expenses	87,362	(77,249)	(110,635)
Recoveries	(87,362)	77,249	110,635
<b>Annual surplus (deficit)</b>	<b>212,786</b>	<b>67,391</b>	<b>(70,769)</b>
Accumulated surplus at beginning of year	1,718,360	1,718,360	1,789,129
<b>Accumulated surplus at end of year</b>	<b>1,931,146</b>	<b>1,785,751</b>	<b>1,718,360</b>

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The accompanying notes and Schedules A, B and C are an integral part of these non-consolidated financial statements.

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**Government of the Northwest Territories****Non-Consolidated Statement of Change in Net Debt (unaudited)**

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**for the year ended March 31, 2021**(thousands of dollars)

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	<b>2021 Main Estimates (note 1b) \$</b>	<b>2021 Actual \$</b>	<b>2020 Actual \$</b>
<b>Net debt at beginning of year</b>	<b>(1,068,272)</b>	<b>(1,068,272)</b>	<b>(921,420)</b>
Items affecting net financial resources:			
Annual surplus (deficit) for the year	212,786	67,391	(70,769)
Change in tangible capital assets, net book value (schedule C)	(196,235)	(78,323)	(78,739)
Change in inventories held for use	-	199	(1,359)
Change in prepaid expenses	-	(1,240)	4,015
<b>Net debt at end of year</b>	<b>(1,051,721)</b>	<b>(1,080,245)</b>	<b>(1,068,272)</b>

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*The accompanying notes and Schedules A, B and C are an integral part of these non-consolidated financial statements.*

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## Government of the Northwest Territories

### Non-Consolidated Statement of Cash Flow (unaudited)

---

for the year ended March 31, 2021

(thousands of dollars)

	2021 \$	2020 \$
<b>Cash provided by (used for)</b>		
<b>Operating transactions</b>		
Annual surplus (deficit) for the year*	67,391	(70,769)
Items not affecting cash:		
Provision for bad debts and forgivable loans	5,755	3,094
Recoveries of forgivable loans	522	297
Amortization of tangible capital assets	121,249	117,411
	194,917	50,033
Changes in non-cash assets and liabilities:		
Change in due to (from) Canada	10,524	14,835
Change in other financial assets	(70,107)	(57,516)
Change in other financial liabilities	52,613	37,287
Change in prepaid expenses	(1,240)	4,015
Change in inventories held for use	199	(1,358)
Change in inventories for resale	(4,198)	(3,088)
<b>Cash provided by operating transactions</b>	<b>182,708</b>	<b>44,208</b>
<b>Investing transactions</b>		
Designated cash and investments purchased	(10,623)	(10,998)
Designated cash and investments sold	8,291	8,098
Net loans receivable receipts (disbursements)	(46,107)	146
Sinking fund installments	(48,419)	(29,680)
<b>Cash used for investing transactions</b>	<b>(96,858)</b>	<b>(32,434)</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(193,363)	(192,979)
Disposal of tangible capital assets (net)	783	370
<b>Cash used for capital transactions</b>	<b>(192,580)</b>	<b>(192,609)</b>
<b>Financing transactions</b>		
Acquisition (repayment) of short-term financing	(124,408)	124,801
Repayment of capital lease obligations	-	(337)
Acquisition of long-term financing	254,936	37,799
<b>Cash provided by financing activities</b>	<b>130,528</b>	<b>162,263</b>
<b>Increase (decrease) in cash</b>	<b>23,798</b>	<b>(18,572)</b>
Cash at beginning of year	(73,891)	(55,319)
<b>Cash at end of year</b>	<b>(50,093)</b>	<b>(73,891)</b>

\*Total interest paid during the year \$19,745 (2020 - \$26,756)

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*The accompanying notes and Schedules A, B and C are an integral part of these non-consolidated financial statements.*

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# Government of the Northwest Territories

## Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2021

(All figures in thousands of dollars)

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### 1. AUTHORITY, OPERATIONS AND REPORTING ENTITY

#### (a) Authority and reporting entity

The Government of the Northwest Territories (the Government) operates under the authority of the *Northwest Territories Act* (Canada). The Government has an elected Legislative Assembly which authorizes all disbursements, advances, loans and investments unless specifically authorized by statute.

The Government prepares consolidated financial statements. They are presented in Section I of the Public Accounts and provide an accounting of the full nature and extent of the financial affairs and resources for which the Government is responsible. The reporting entity is defined in those statements. These financial statements have been prepared on a non-consolidated basis to show the operating results of the Government separate from the entities included in the consolidated financial statements.

These financial statements include the assets, liabilities and operating results of the Government and its revolving funds. Revolving funds are established by the Government to provide the required working capital to deliver goods and services to the general public and to Government departments.

The following related Territorial Crown Corporations, boards and agencies are included in these statements only to the extent of the Government's contributions to, or revenues from them:

- Arctic Energy Alliance
- Aurora College
- Divisional Educational Councils and District Education Authorities
- Health and Social Services Authorities
- Inuvialuit Water Board
- Northwest Territories Business Development and Investment Corporation
- Northwest Territories Heritage Fund
- Northwest Territories Housing Corporation
- Northwest Territories Human Rights Commission
- Northwest Territories Hydro Corporation
- Northwest Territories Surface Rights Board
- Status of Women Council of the Northwest Territories
- Tlicho Communities Services Agency

#### (b) Main estimates

The main estimates are the appropriations approved by the Legislative Assembly. They represent the Government's original fiscal plan for the year and do not reflect Supplementary Appropriations.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

---

March 31, 2021

(All figures in thousands of dollars)

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#### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

##### (a) Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these statements, the Government believes the estimates and assumptions to be reasonable.

The more significant management estimates relate to environmental liabilities, contingencies, revenue accruals, allowance for doubtful accounts for accounts receivable, valuation allowances for loans receivable, and amortization expense. Other estimates, such as the Canada Health Transfer, Canada Social Transfer payments, Corporate and Personal Income Tax revenues are based on estimates made by the Government of Canada's Department of Finance and are subject to adjustments in future years.

##### (b) Cash

Cash is comprised of bank account balances, net of outstanding cheques.

##### (c) Portfolio investments

Portfolio investments are long-term investments in organizations that do not form part of the government reporting entity and are accounted for by the cost or amortized cost method. Such investments are normally in shares and bonds of the investee. When there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss and it is included as a component of investment income. Interest income is recorded on the accrual basis, dividend income is recognized as it is declared, and capital gains and losses are recognized when realized.

##### (d) Inventories

Inventories for resale consist mainly of bulk fuels and liquor products. Bulk fuels are valued at the lower of weighted average cost and net realizable value. Liquor products are valued at the lower of cost and net realizable value. Inventories held for use are valued at the lower of cost, determined on a first in, first out basis and net replacement value. Impairments, when recognized, result in write-downs to net realizable value.

##### (e) Loans receivable

Loans receivable and advances are stated at the lower of cost and net recoverable value. Valuation allowances, determined on an individual basis, are based on past events, current conditions and all circumstances known at the date of the preparation of the financial statements and are adjusted annually to reflect the current circumstances by recording write downs or recoveries, as appropriate. Write downs are recognized when the assets have been deemed unrealizable and or uncollectable. Recoveries are recorded when loans previously written down are subsequently collected. Interest revenue is recorded on an accrual basis. Interest revenue is not accrued when the collectability of either principal or interest is not reasonably assured.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

---

March 31, 2021

(All figures in thousands of dollars)

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#### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (f) Sinking fund

The sinking fund is externally restricted cash held specifically for the purpose of repaying outstanding debt at maturity. The sinking fund is recorded at amortized cost.

##### (g) Liabilities

Liabilities are present obligations arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits.

Accounts payable and accrued liabilities primarily include obligations to pay for goods and services acquired prior to year-end and to provide authorized transfers where eligibility criteria are met.

Bonds and debentures included in debt are recognized at amortized cost (initial cost, less unamortized discount and issuance costs).

Long-term debt is recognized at cost and inflation adjusted.

##### (h) Tangible capital assets and leases

Tangible capital assets are buildings, roads, equipment, etc. whose life extends beyond the fiscal year, original cost exceeds \$50 and are intended to be used on an ongoing basis for delivering programs and services. Individual assets less than \$50 are expensed when purchased. Tangible capital assets (TCA) are recorded at cost (including qualifying interest expense), or where actual cost is not available, estimated current replacement cost discounted back to the acquisition date. Costs include contracted services, materials and supplies, direct labour, attributable overhead costs, and directly attributable interest. Capitalization of interest ceases when no construction or development is taking place or when a tangible capital asset is ready for use in producing goods or services. Assets, when placed in service are amortized on a straight line basis over their estimated useful life as follows:

<b>Asset category</b>	<b>Amortization period</b>
Land	Not amortized
Infrastructure and Other	40 years or less
Computers	10 years or less
Equipment	40 years or less
Roads and bridges	75 years or less
Buildings and Leasehold improvements	Buildings - 40 years or less; leasehold improvements - lesser of useful life or remaining lease term

The estimate of the useful life of tangible capital assets is reviewed on a regular basis and revised where appropriate on a prospective basis. The remaining unamortized portion of a tangible capital asset may be extended beyond its original estimated useful life when the appropriateness of such a change can be clearly demonstrated.

Write-downs and write-offs of tangible capital assets are recognized whenever significant events and changes in circumstances and use suggest that the asset can no longer contribute to program or service delivery at the level previously anticipated. A write-down is recognized when a reduction in the value of the asset can be objectively measured. A write-off is recognized when the asset is destroyed, stolen, lost, or obsolete to the Government.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2021

(All figures in thousands of dollars)

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#### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (h) Tangible capital assets and leases (continued)

Tangible capital assets under construction or development are recorded as work in progress with no amortization until the asset is placed in service. Capital lease agreements are recorded as a liability and a corresponding asset based on the present value of the minimum lease payments, excluding executory costs. The present value is based on the lower of the implicit rate or the Government's borrowing rate at the time the obligation is incurred. Operating leases are charged to expenses. All intangibles, works of art, and items inherited by right of Crown, such as Crown lands, forests, water and mineral resources are not recognized in these financial statements.

##### (i) Pensions and other employee future benefits and compensated absences

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Government's contributions are charged as an expense on a current year basis and represent the total pension obligations. The Government is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Pension Plan.

Pension benefits to Members of the Legislative Assembly and judges are reported on an actuarial basis. This is done to determine the current value of future entitlement and uses various estimates. When actual experience varies from estimates, or when actuarial assumptions change, the adjustments are amortized on a straight line basis over the estimated average remaining service lives of the contributors. Recognition of actuarial gains and losses commences in the year following the effective date of the related actuarial valuations. In addition, immediate recognition of a previously unrecognized net actuarial gain or loss may be required upon a plan amendment, curtailment or settlement.

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

##### (j) Contractual obligations and contingent liabilities

The nature of the Government's activities requires entry into contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual obligations pertain to funding commitments for operating, commercial and residential leases, and capital projects. Contractual obligations are obligations of a government to others that will become liabilities in the future when the terms of those contracts or agreements are met.

The contingent liabilities of the Government are potential liabilities, which may become actual liabilities when one or more future events occur or fail to occur. If the future event is considered likely to occur and is quantifiable, an estimated liability is accrued. If the occurrence of the confirming future event is likely but the amount of the liability cannot be reasonably estimated or if the occurrence of the confirming future event is not determinable, the contingent liability is disclosed.



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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2021

(All figures in thousands of dollars)

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#### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (k) Contractual rights and contingent assets

The nature of the Government's activities requires entry into contracts that are significant in relation to its current financial position or that will materially affect the level of future revenues. Contractual rights pertain to rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future when the terms of contracts or agreements are met.

The contingent assets of the Government are potential assets which may become actual assets when one or more future events occurs or fails to occur. If the future event is considered likely to occur and is quantifiable, an estimated asset is disclosed.

##### (l) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using exchange rates at year-end. Foreign currency transactions are translated into Canadian dollars using rates in effect at the time the transactions were entered into. All exchange gains and losses are included in net income for the year according to the activities to which they relate.

##### (m) Projects on behalf of third parties

The Government undertakes projects for the Government of Canada, the Government of Nunavut and others. Where the agreement allows, the Government receives accountable advances and any unexpended balances remaining at year-end are recorded as liabilities in accounts payable and accrued liabilities or due to Canada, as applicable. Recoveries are accrued when expenses as allowed under the project contract, exceed advances and are recorded as receivables in accounts receivables or due from Canada.

##### (n) Grant from the Government of Canada

Under *Federal-Provincial Fiscal Arrangements Act* (Canada), the Grant from the Government of Canada is calculated based on Territorial Formula Financing as the Gross Expenditure Base, offset by eligible revenues, which are based on a three-year moving average, lagged two years, of representative revenue bases at national average tax rates. Population growth rates and growth in provincial/local government spending are variables used to determine the growth in the Gross Expenditure Base. The Grant is calculated once for each fiscal year and is not revised, with all payments flowing to the Government prior to the end of the fiscal year.

##### (o) Transfer payments

Government transfers are recognized as revenue in the period in which the events giving rise to the transfer occurred, as long as the transfer is authorized, eligibility criteria have been met, stipulations that give rise to a liability have been satisfied and a reasonable estimate of the amount can be made. Transfers received before these criteria are fully met are recorded as deferred revenue. Transfers received for tangible capital assets are recognized as revenue when the tangible capital asset is put into service.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2021

(All figures in thousands of dollars)

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#### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (p) Taxes, regulatory, resource, and general revenues

Corporate and Personal Income tax revenue are recognized on an accrual basis, net of any tax concessions. Income tax is calculated net of tax deductions and credits allowed under the *Income Tax Act* (Canada). If an expense provides a financial benefit other than a relief of taxes, it is classified as a transfer made through the tax system. If an expense provides tax relief to a taxpayer and relates to revenue, this expense is considered a tax concession and is netted against tax revenues. Taxes, under the *Income Tax Act* (Canada), are collected by the Government of Canada on behalf of the Government under a tax collection agreement. The Government of Canada remits Personal Income taxes monthly throughout the year and Corporate Income tax monthly over a six month period beginning in February. Payments are based on Canada's Department of Finance's estimates for the taxation year, which are periodically adjusted until the income tax assessments or reassessments for that year are final. Income tax estimates, determined by the Government of Canada, combine actual assessments with an estimate that assumes that previous years' income tax allocations will be sustained and are subject to revisions in future years. Differences between current estimates and future actual amounts can be significant. Any such differences are recognized when the actual tax assessments are finalized.

Regulatory revenues, which are part of general revenues, are recognized on an accrual basis and include revenues for fines, fees, licenses, permits, and registrations. Amounts received prior to the end of the year, which relate to revenues that will be earned in a subsequent year, are recorded as deferred revenues and are recognized as revenue when earned.

Non-renewable resource revenues are recognized on an accrual basis and include mineral, quarry, oil and gas, and water revenues as defined in the Northwest Territories Lands and Resources Devolution Agreement. Mineral and quarry revenues are collected under the authority of the *NWT Lands Act*, water revenues are collected under the authority of the *Water Act* and oil and gas revenues are collected under the authority of the *Petroleum Resources Act*. The Government is entitled to 50 percent of the resource revenues collected (which is referred to as the net fiscal benefit), up to a maximum amount based on a percentage of the Gross Expenditure Base under Territorial Formula Financing. The Government of Canada will deduct its share of the resource revenues collected by the Government (the remaining amount) from the Territorial Formula Financing Grant (*note 2(n)*) payable to the Government two years hence. The Government has also committed to sharing up to 25 percent of the net fiscal benefit with Aboriginal governments that are signatories to the Northwest Territories Lands and Resources Devolution Agreement as per the *Northwest Territories Intergovernmental Resource Revenue Sharing Act*.

Fuel, carbon, tobacco, payroll and property taxes are levied under the authority of the *Petroleum Products and Carbon Tax Act*, the *Tobacco Tax Act*, the *Payroll Tax Act*, and the *Property Assessment and Taxation Act*, respectively. Fuel, carbon and tobacco tax revenues are recognized on an accrual basis, based on statements received from collectors. Payroll tax is recognized on an accrual basis, based on payroll tax revenues of the prior year. Property tax and school levies are recognized on an accrual basis based on assessments of the prior year. Adjustments arising from reassessments are recorded in revenue in the year they are finalized. All other revenues are recognized on an accrual basis.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2021

(All figures in thousands of dollars)

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#### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (q) Expenses

Grants and contributions are recognized as long as the grant or contribution is authorized and eligibility criteria have been met. Grants and contributions include transfer payments paid through programs to individuals, and to provide major transfer funding for communities under community government funding arrangements. Payments to individuals include payments for children's benefits, income support or income supplement. Assistance is based on age, family status, income, and employment criteria. Other transfer payments are provided to conduct research, to establish new jobs through support for training and to promote educational, health and cultural activities. Under the authority of the *Northwest Territories Intergovernmental Resource Revenue Sharing Act*, a transfer to the Aboriginal parties who are signatories to the Northwest Territories Intergovernmental Resource Revenue Sharing Agreement will be made of 25 percent of the net fiscal benefit from resource revenues that is received by the Government (*note 2 (p)*). All other expenses are recognized on an accrual basis.

##### (r) Environmental liabilities

Environmental liabilities are the result of contaminated sites, as a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized when all of the following criteria are satisfied: an environmental standard exists, contamination exceeds the environmental standard, the Government is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The liability reflects the Government's best estimate of the amount required to remediate the sites to the current minimum standard for its use prior to contamination.

Environmental liabilities consist of the estimated costs related to the management and remediation of environmentally contaminated sites, including costs such as those for future site assessments, development of remedial action plans, resources to perform remediation activities, land farms and monitoring. All costs associated with the remediation, monitoring and post-closing of the site are estimated and accrued. Where estimates are not readily available from third party analyses, an estimation methodology is used to record a liability when sufficient information is available. The methodology used is based on costs or estimates for sites of similar size and contamination when the Government is obligated, or is likely obligated, to incur such costs. If the likelihood of a future event that would confirm the Government's responsibility to incur these costs is either not determinable, or in the event it is not possible to determine if future economic benefits will be given up, or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the consolidated financial statements and no liability is accrued. The environmental liabilities for contaminated sites are reassessed on an annual basis.

##### (s) Recoveries of prior years' expenses

Recoveries of prior years' expenses and reversals of prior years' expense accruals in excess of actual expenditures are reported separately from other revenues on the statement of operations and accumulated surplus. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenses.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2021

(All figures in thousands of dollars)

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#### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (t) Restricted assets

Restricted assets result from external restrictions imposed by an agreement with an external party, or through legislation of another government, that specify the purpose or purposes for which resources are to be used. Externally restricted inflows are recognized as revenue in a government's financial statements in the period in which the resources are used for the purpose or purposes specified. An externally restricted inflow received before this criterion has been met is reported as a liability until the resources are used for the purpose or purposes specified.

##### (u) Public-Private Partnerships

The Government may, as an alternative to traditional forms of procurement governed by the Government's Contract Regulations, enter into public private partnership (P3) agreements with the private sector to procure services and public infrastructure when: the total projected threshold for procuring those services, including capital, operating and service costs over the life of the agreement, exceeds \$50,000; there is appropriate risk sharing between the Government and the private sector partners; the agreement extends beyond the initial capital construction of the project, and; the arrangement results in a clear net benefit to the Government as opposed to being merely neutral in comparison with standard procurement processes. The operating and service costs, that are clearly identified in the agreements, are expensed as they are incurred.

The Government accounts for P3 projects in accordance with the substance of the underlying agreements. In circumstances where the Government is determined to bear the risks and rewards of an asset under construction, the asset and the corresponding liability are recognized over time as the construction progresses. During construction, the capital asset (classified as work-in-progress) and the corresponding liability are recorded based on the estimated percentage of completion. In circumstances where the Government does not bear the risks and rewards of the asset until substantial completion the future associated agreement is disclosed.

The capital asset value is the total of progress payments made during construction and net present value of the future payments, discounted using the imputed interest rate for the agreement. Capital expenditures may occur throughout the project or at the capital in-service date. Service fees may occur throughout the project or when the project is operational; these fees will include both a service and operational component. All payments are adjusted to reflect performance standards as outlined in the specific agreement and penalties may be deducted for sub-standard performance.

A P3 agreement may encompass certain revenues, including those collected by the partner on behalf of the Government. In such instances the Government will report the gross revenue along with the asset, liability, and expenses as determined from the specific project.

##### (v) Future accounting changes

###### *Financial instruments*

The Public Sector Accounting Board (PSAB) issued PS 3450 Financial Instruments effective for fiscal years beginning on or after April 1, 2022. Items within the scope of the standard are assigned to one of two measurement categories: fair value, or cost or amortized cost. Fair value measurement will apply to derivatives and portfolio investments in equity instruments that are quoted in an active market. Also, when groups of financial assets and financial liabilities are managed on a fair value basis they may be reported on that basis. Other financial assets and financial liabilities will generally be measured at cost or amortized cost. Until an item is derecognized, gains and losses arising due to fair value remeasurement will be reported in the Statement of Remeasurement of Gains and Losses. There is no significant impact on the non-consolidated financial statements as a result of its application.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2021

(All figures in thousands of dollars)

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#### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (v) Future accounting changes (continued)

###### *Other New Standards*

Effective April 1, 2022, the Government will concurrently be required to adopt: PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments in the same fiscal period. Government organizations that apply PSAS were required to adopt these standards effective April 1, 2012, however there is no significant impact on the non-consolidated financial statements as a result of its application.

Effective April 1, 2022, the Government will be required to adopt PS 3280 Asset Retirement Obligations. This standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets. The Government is currently assessing the impact of this standard on the non-consolidated financial statements.

Effective April 1, 2023, the Government will be required to adopt PS 3400 Revenue. This standard provides guidance on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. There is no significant impact on the non-consolidated financial statements as a result of its application.

Effective April 1, 2023, the Government will be required to adopt PS 3160 Public Private Partnerships. This standard provides guidance on how to account for and disclose public private partnerships. There is no significant impact on the non-consolidated financial statements as a result of its application.

#### 3. CASH, RESTRICTED ASSETS AND DESIGNATED ASSETS

##### (a) Investment pool

The Government has lines of credit provided by two chartered banks, secured by the Consolidated Revenue Fund of the Government. There are no fixed repayment terms and the overdraft limits are negotiated over the year based on the forecasted cash flows and borrowing requirements of the Government. Interest is only charged when there is a net overdraft balance of the Government and its investment pool participants. As at March 31, 2021, the investment pool had no net overdraft balance (2020 - nil).

The surplus cash (deficit) of the Government is pooled with the surplus cash of certain Territorial Crown Corporations, and other public agencies. This investment pool is invested in a diversified portfolio of high grade, short and long term income producing assets.

As of March 31, 2021, on a cash basis, the Government's share in the investment pool is a deficit of \$42,790 (2020 - deficit of \$73,451). When taking into account \$966 classified from in-trust and \$6,336 of outstanding items, the bank balance, on an accounting basis, becomes a deficit of \$50,093 (2020 - deficit of \$73,891).

The Government's cash deficit related to the investment pool carried interest at an average rate of 2.45% (2020 - 1.89%).

The average portfolio yield range for the year is 0.70% - 0.89% (2020 was 0.00% - 2.38%). In 2021, the Government received interest on short-term investments of \$77 (2020 - \$1,374).

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2021

(All figures in thousands of dollars)

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#### 3. CASH, RESTRICTED ASSETS AND DESIGNATED ASSETS (continued)

##### (b) Restricted Assets

In July 2017, the Government entered into a Memorandum of Agreement with the Signatory Air Carriers for the collection of the Yellowknife Airport Improvement Fee (YKAIF) from Yellowknife originating passengers and remittance of these fees to the Government. The YKAIF revenues are used to pay for capital development of certain facilities at the Yellowknife Airport. Restricted assets at March 31, 2021 is \$7,793 (2020 - \$7,420) and is included in deferred revenue (note 9).

##### (c) Designated Assets

Designated assets are included in cash and portfolio investments.

Pursuant to the *Student Financial Assistance Act*, the assets of the Student Loan Fund are to be used to provide financial assistance to post-secondary students that meet certain eligibility criteria as prescribed in its regulations.

Pursuant to the *Waste Reduction and Recovery Act*, the assets of the Environment Fund are to be used for purposes specified in the *Waste Reduction and Recovery Act* including programs with respect to the reduction and recovery of waste.

Pursuant to the *Land Titles Act*, the assets of the Land Titles Assurance Fund are to be used to compensate owners for certain financial losses they incur due to real estate fraud or omissions and errors of the land registration system.

Portfolio investments, while forming part of the Consolidated Revenue Fund, are designated for the purpose of meeting the obligations of the Legislative Assembly Supplemental Retiring Allowance Pension Plan (*note 14*). Supplementary Retiring Allowance Regulations restrict the investments to those permitted under the *Pension Benefits Standards Act*.

The proportionate asset mix in the investment portfolio is as follows as at March 31:

	2021 %	2020 %
Canadian stocks	20.43	24.75
Cash and other assets	2.41	3.00
Fixed income mutual funds	40.99	31.80
Federal bonds	11.60	12.15
Foreign stocks	<u>24.57</u>	<u>28.30</u>
	<u>100.00</u>	<u>100.00</u>

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2021

(All figures in thousands of dollars)

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#### 3. CASH, RESTRICTED ASSETS AND DESIGNATED ASSETS (continued)

##### (c) Designated Assets (continued)

The Government has the following assets which are designated for specific purposes under legislation and regulations as follows:

	2021 \$	2020 \$
Student Loan Fund:		
Authorized limit for loans receivable	45,000	45,000
Less: Loans receivable balance	(41,924)	(40,799)
	<hr/>	<hr/>
Funds designated for new loans	<b>3,076</b>	<b>4,201</b>
	<hr/>	<hr/>
Environment Fund:		
Beverage Container Program net assets	<b>6,754</b>	<b>5,140</b>
	<hr/>	<hr/>
Land Titles Assurance Fund:		
Land Titles net assets	<b>5,092</b>	<b>4,923</b>
	<hr/>	<hr/>
Portfolio Investments for the Legislative Assembly Supplementary Retiring Allowance Pension Plan:		
Marketable securities (market value \$39,602; 2020 - \$33,056)	36,616	34,130
Money Market (market value approximates cost)	27	-
Cash and other assets (market value approximates cost)	876	1,057
	<hr/>	<hr/>
	<b>37,519</b>	<b>35,187</b>
	<hr/>	<hr/>
	<b>52,441</b>	<b>49,451</b>
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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2021

(All figures in thousands of dollars)

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#### 4. ACCOUNTS RECEIVABLE

	Accounts Receivable \$	Allowance for Doubtful Accounts \$	Net 2021 \$	Net 2020 \$
General	79,121	(23,723)	55,398	53,381
Government of Nunavut	12,363	-	12,363	8,130
Revolving fund sales	1,296	-	1,296	16,004
Non-renewable resource revenue	27,496	-	27,496	27,763
Workers ' Safety Compensation Commission	129	-	129	33
	<hr/>	<hr/>	<hr/>	<hr/>
	120,405	(23,723)	96,682	105,311
Receivables from related parties:				
Divisional Education Councils and District Education Authorities	13,703	-	13,703	6,819
Health and Social Services Authorities	225,750	-	225,750	161,636
Northwest Territories Business Development and Investment Corporation	219	-	219	252
Northwest Territories Housing Corporation	2,239	-	2,239	1,724
Tlicho Community Services Agency	4,289	-	4,289	1,857
Northwest Territories Hydro Corporation	201	-	201	221
Aurora College	5,392	-	5,392	5,160
Inuvialuit Water Board	243	-	243	118
	<hr/>	<hr/>	<hr/>	<hr/>
	252,036	-	252,036	177,787
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>372,441</b>	<b>(23,723)</b>	<b>348,718</b>	<b>283,098</b>

During the year, \$0 accounts receivable (2020 - \$0) were written off and \$0 (2020 - \$0) were forgiven.



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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2021

(All figures in thousands of dollars)

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#### 5. LOANS RECEIVABLE

	2021 \$	2020 \$
Working capital advances to the Northwest Territories Business Development and Investment Corporation. The term is indeterminate with the option to repay any portion of principal on any interest payment date. Interest is calculated at selected Government of Canada three-year bond rates at the end of each month.	26,798	21,228
Student Loan Fund loans due in installments to 2035, bearing fixed interest between 0.00% and 11.75%, unsecured.	41,924	40,799
Yellowknife Catholic School Board Advance, unsecured, repayable in monthly installments of \$10 (2020 - \$10). Interest is calculated monthly based upon the Government's current borrowing rate.	432	548
Northwest Territories Power Corporation loan, unsecured, repayable in semi-annual installments of \$922, bearing fixed interest at 2.265%.	39,527	-
Other	16	14
	<b>108,697</b>	<b>62,589</b>
Valuation allowance - Student Loan Fund	(17,655)	(17,133)
	<b>91,042</b>	<b>45,456</b>

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During the year, \$1,933 in student loans (2020 - \$2,005) was remised with proper authority.

Interest earned on loans receivable during the year is \$672 (2020 - \$604).

#### 6. SINKING FUND

The Sinking Fund was established on July 15, 2019 and includes cash held in a separate bank account for the purpose of retiring liabilities under public private partnerships for the Tli Cho All Season Road contract (note 13). As at March 31, 2021, the Sinking Fund balance is \$78,099 (2020 - \$29,680); the carrying value approximates the market value. The weighted average effective rate of return for the year is 0.85% (2020 - 2.35%). Interest earned on the sinking fund during the year is \$434 (2020 - \$381).

As part of the Tli Cho All Season Road contract, the Government will make a contribution of \$33,920 to the Sinking Fund in 2022. In 2022, at the time of expected completion, the Government will use the Sinking Fund to make a lump sum payment to retire a portion of the related liability under public private partnerships as described in note 13.

#### 7. SHORT-TERM LOANS

Based upon operational needs, the Government may enter into short term borrowing arrangements with its banks. Short term loans of \$324,871 (2020 - \$449,279) incurred interest at the weighted average year-end rate of 0.50% (2020 - 1.92%). Interest paid is \$2,078 (2020 - \$7,818).

The short-term borrowing limit under the *Appropriation Act* as at March 31, 2021 is \$565,000.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2021

(All figures in thousands of dollars)

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#### 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
	\$	\$
Trade	187,243	192,175
Government of Nunavut	-	2
Employee and payroll-related liabilities	85,507	74,302
Other liabilities	3,887	11,006
Non-renewable resource sharing	9,493	6,831
Workers' Safety and Compensation Commission (Northwest Territories and Nunavut)	2,979	19
	<b>289,109</b>	<b>284,335</b>
Payables to related parties:		
Aurora College	37	156
Divisional Education Councils and District Education Authorities	101	1,220
Health and Social Services Authorities	36,260	6,920
Northwest Territories Business Development and Investment Corporation	-	1
Status of Women Council of the Northwest Territories	13	13
Northwest Territories Housing Corporation	4,567	367
Northwest Territories Hydro Corporation	1,116	1,832
Tlicho Community Services Agency	981	157
Northwest Territories Human Rights Commission	24	3
	<b>43,099</b>	<b>10,669</b>
	<b>332,208</b>	<b>295,004</b>

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2021

(All figures in thousands of dollars)

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#### 9. DEFERRED REVENUE

	2021	2020
	\$	\$
Government of Canada	2,725	249
Government of Canada Agencies		
Canadian Northern Economic Development Agency	5,071	5,627
Crown - Indigenous Relations and Northern Affairs Canada	12,000	85
Department of National Defence	1,634	10
Finance Canada	702	1,055
Health Canada	3,987	1,459
Infrastructure Canada	-	4,476
Indigenous and Northern Affairs Canada	2,928	-
Ministry of Finance	1,995	3,310
Public Health Agency of Canada	191	85
Transport Canada	3,982	3,233
Arctic Research Foundation	609	-
Baggage Handling and Runway projects	1,895	1,582
Large Emitters Carbon Tax	2,048	331
Mining Recorders	521	927
NPR Limited Partnership	1,264	1,565
Restricted Assets (note 3b)	7,793	7,420
Ventura	4,800	-
Work deposits, commercial use permits and tourism licences	1,020	1,796
Other	669	566
	<b>55,834</b>	<b>33,776</b>

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2021

(All figures in thousands of dollars)

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#### 10.DUE TO (FROM) THE GOVERNMENT OF CANADA

	2021	2020
	\$	\$
Due from Canada:		
Projects on behalf of the Government of Canada	(34,191)	(34,430)
Miscellaneous receivables	(54,573)	(55,269)
	<b>(88,764)</b>	<b>(89,699)</b>
Due to Canada:		
Advances for projects on behalf of the Government of Canada	30,793	25,060
Excess income tax advanced	133,586	129,909
Miscellaneous payables	15,143	14,964
	<b>179,522</b>	<b>169,933</b>
	<b>90,758</b>	<b>80,234</b>

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The amounts due to the Government of Canada are non-interest bearing. The excess income tax advanced is repayable over the following years:

	\$
2022	69,753
2023	45,002
2024	18,831
	<b>133,586</b>

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2021

(All figures in thousands of dollars)

#### 11. ENVIRONMENTAL LIABILITIES

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which the Government is responsible. The Government has identified 240 (2020 - 244) sites as potentially requiring environmental remediation at March 31, 2021.

Type of Site	2020 Liability \$	Remediation Costs \$	New Sites in 2021 \$	Change in estimate \$	2021 Liability \$	Number of Sites
Abandoned mines <sup>(1)</sup>	10,205	(497)	-	1,368	11,076	8
Landfills <sup>(2)</sup>	8,864	(40)	-	2,148	10,972	42
Abandoned infrastructure and schools <sup>(3)</sup>	14,471	(756)	-	(390)	13,325	71
Airports, airport strips or reserves <sup>(4)</sup>	4,468	(174)	30	73	4,397	26
Sewage lagoons <sup>(5)</sup>	1,883	(3)	-	(13)	1,867	29
Fuel tanks and resupply lines <sup>(3)</sup>	2,419	-	-	-	2,419	12
Abandoned lots and maintenance facilities <sup>(3)</sup>	6,894	(385)	-	730	7,239	52
<b>Total environmental liabilities</b>	<b>49,204</b>	<b>(1,855)</b>	<b>30</b>	<b>3,916</b>	<b>51,295</b>	<b>240</b>

Possible types of contamination identified under each type of site include the following:

- (1) metals, hydrocarbons, asbestos, wood/metal debris, waste rock, old mine buildings, lead paint;
- (2) hydrocarbons, glycol, metals;
- (3) hydrocarbons, petroleum products;
- (4) hydrocarbons, vehicle lubricants, asbestos, glycol;
- (5) metals, e.coli, total coliforms.

One of the sites, Giant Mine, has been formally designated as contaminated under the *Environmental Protection Act* (NWT). In 2005, the Government recorded a liability for its share of the above ground remediation. The remaining balance of the Government's share of the Giant Mine remediation liability at March 31, 2021 is \$1,385 (2020 - \$1,882). There are 6 other abandoned non-operating mine sites that the Government will be remediating in conjunction with Canada based on cost allocations similar to that of Giant Mine.

5 (2020 - 9) sites were closed during the fiscal year as they were either remediated or no longer met all the criteria required to record a liability for contaminated sites. 1 (2020 - 2) site was added during the fiscal year.

Included in the 240 (2020 - 244) sites, the Government has identified 67 (2020 - 68) sites where no liability has been recognized. The contamination is not likely to affect public health and safety, cause damage, or otherwise impair the quality of the surrounding environment and there is likely no need for action unless new information becomes available indicating greater concerns, in which case, the site will be re-examined. These sites will continue to be monitored as part of the Government's ongoing environmental protection program.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2021

(All figures in thousands of dollars)

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#### 12.LONG-TERM DEBT

	2021 \$	2020 \$
Mortgage payable to Canada Mortgage and Housing Corporation, repayable in monthly installments of \$7 (2020 - \$7), maturing June 2024, bearing interest at 3.30% (2020 - 3.30%), secured with real property.	284	365
Deh Cho Bridge: Real return senior bonds with accrued inflation adjustment, maturing June 1, 2046, redeemable at the option of the issuer, bearing interest at 3.17% (2020 - 3.17%), payable semi-annually, unsecured.	174,533	176,560
Bond, due in September 2051, bearing interest at 2.20% semi-annually, unsecured.	180,022	-
	<b>354,839</b>	<b>176,925</b>
<b>Unamortized discount and issuance costs</b>	<b>(2,548)</b>	<b>-</b>
<b>Total long-term debt</b>	<b>352,291</b>	<b>176,925</b>

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Long-term debt principal repayments due in each fiscal year for the next five years and thereafter are as follows:

	\$
2022	3,933
2023	3,733
2024	4,429
2025	4,637
2026	4,905
Beyond 2026	330,654
	<b>352,291</b>

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Interest expense on long-term debt, included in operations and maintenance expenses, is \$9,362 (2020 - \$9,420).

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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(All figures in thousands of dollars)

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#### 13. LIABILITIES UNDER PUBLIC PRIVATE PARTNERSHIPS

The Government has entered into three contracts for the design, build, operate and maintenance of the Mackenzie Valley Fibre Link; the design, build, and maintenance of the Stanton Territorial Hospital Renewal, and the design, build, and maintenance of the Tlicho All Season Road. Operations and maintenance provided by the partner cease at the repayment date at which time operational responsibility reverts to the Government.

The calculation of the Public Private Partnerships (P3) liabilities is as follows:

	2020 \$	Additions during the year \$	Principal Payments \$	2021 \$	Repayment date
Stanton Territorial Hospital Renewal	133,654	-	(3,200)	130,454	2048
Mackenzie Valley Fibre Link	75,300	-	(2,500)	72,800	2037
Tlicho All Season Road	64,525	85,271	-	149,796	2047
<b>Total</b>	<b>273,479</b>	<b>85,271</b>	<b>(5,700)</b>	<b>353,050</b>	

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The details of the contracts under P3s are as follows:

	Partner	Date contract entered into	Scheduled/ actual completion date	Interest rate
Stanton Territorial Hospital Renewal	Boreal Health Partnership	September 2015	November 2018	5.36%
Mackenzie Valley Fibre Link	Northern Lights General Partnership	October 2014	June 2017	6.52%
Tlicho All Season Road	North Star Infrastructure GP	February 2019	November 2021	6.53%

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Estimated payments for each of the next five years and thereafter to meet P3 principal repayments are as follows:

	\$
2022	96,589 *
2023	6,861
2024	7,200
2025	7,100
2026	7,061
2027 and beyond	228,239
	<b>353,050</b>

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\*Of the \$96,589 payment, \$89,878 represents 60% of the current Tlicho All Season Road liability.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2021

(All figures in thousands of dollars)

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#### 13. LIABILITIES UNDER PUBLIC PRIVATE PARTNERSHIPS (continued)

The capital payments for the Mackenzie Valley Fibre Link and Stanton Territorial Hospital Renewal are fixed, equal monthly payments for the privately financed portion of the costs of building the infrastructure. The scheduled principal payments for Tlichó All Season Road will include the lump sum payment of \$111.2 million in 2022 at the expected time of completion and then fixed equal monthly payments thereafter. P3 interest expense for the year is \$12,100 (2020 - \$12,400). Interest capitalized in the period as a function of construction or developing tangible capital assets relating to the Tlichó All Season Road is \$3,500 (2020 - \$1,400).

Tangible capital assets, commitments, and contractual rights related to P3 projects are disclosed in note 18 and schedule C.

#### 14. PENSIONS

##### (a) Plans description

The Government administers Regular Pension Plans for Members of the Legislative Assembly (MLAs) and Territorial Court Judges. These Regular Pension Plans are contributory defined benefit registered pension plans and are pre-funded (Regular Funded). The funds related to these plans are administered by independent trust companies.

In addition to the Regular Pension Plans listed above, the Government administers Supplemental Pension Plans for the MLAs and Territorial Court Judges that are non-contributory defined benefit pension plans and are non-funded (Supplemental Unfunded). The Government has designated assets for the purposes of meeting the obligations of the MLA Supplemental Pension Plan (note 3).

The Government is liable for all benefits. All Plans provide death benefits to spouses and eligible dependents. All Plans are indexed. Plan assets consist of Canadian and foreign equities, and Canadian fixed income securities, bonds and mortgages.

Benefits provided under all Plans are based on years of service and pensionable earnings. Plan benefits generally accrue as a percentage of a number of years of best average pensionable earnings.

The remaining government employees participate in Canada's Public Service Pension Plan (PSPP). The PSPP provides benefits based on the number of years of pensionable service to a maximum of 35 years. Benefits are determined by a formula set out in the legislation; they are not based on the financial status of the pension plan. The basic benefit formula is 2 percent per year of pensionable service multiplied by the average of the best five consecutive years of earnings.

The public service pension plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the plan on or after January 1, 2013. For members with start dates before January 1, 2013, the normal retirement age remains age 60. Furthermore, contributions rates for current service for all members of the public service increased to an employer: employee cost sharing of 50:50 in 2017.

Other benefits include survivor pensions, minimum benefits in the event of death, unreduced early retirement pensions, and disability pensions.



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**Government of the Northwest Territories****Notes to Non-Consolidated Financial Statements (unaudited)**

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**March 31, 2021****(All figures in thousands of dollars)**

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**14.PENSIONS (continued)****(b) Pension liability (asset)**

	<b>Regular Funded \$</b>	<b>2021 Supplemental Non Funded \$</b>	<b>Total \$</b>
Accrued benefit obligation	26,732	41,610	68,342
Pension fund assets - market related value	(28,955)	-	(28,955)
Unamortized actuarial gains (losses)	34	(1,157)	(1,123)
<b>Pension liability (asset)</b>	<b>(2,189)</b>	<b>40,453</b>	<b>38,264</b>

	<b>Regular Funded \$</b>	<b>2020 Supplemental Non Funded \$</b>	<b>Total \$</b>
Accrued benefit obligation	24,089	38,453	62,542
Pension fund assets - market related value	(27,544)	-	(27,544)
Unamortized actuarial gains	2,222	1,100	3,322
<b>Pension liability (asset)</b>	<b>(1,233)</b>	<b>39,553</b>	<b>38,320</b>

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**Government of the Northwest Territories****Notes to Non-Consolidated Financial Statements (unaudited)**

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**March 31, 2021****(All figures in thousands of dollars)**

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**14.PENSIONS (continued)****(c) Change in pension liability (asset)**

	<b>Regular Funded \$</b>	<b>2021 Supplemental Non Funded \$</b>	<b>Total \$</b>
<b>Opening balance</b>	<b>(1,233)</b>	<b>39,553</b>	<b>38,320</b>
Change to pension liability (asset) from cash items:			
Contributions from plan members	(308)	-	(308)
Contributions from Government	(874)	-	(874)
Benefit payment to plan members	(1,674)	(1,795)	(3,469)
Drawdown from plan assets	1,674	-	1,674
<b>Net change to pension asset from cash items</b>	<b>(1,182)</b>	<b>(1,795)</b>	<b>(2,977)</b>
Change to pension liability (asset) from accrual items:			
Current period benefit cost	1,052	1,311	2,363
Amortization of actuarial gains	(691)	(353)	(1,044)
Interest on average accrued benefit obligation	1,092	1,736	2,828
Expected return on average plan assets	(1,226)	-	(1,226)
<b>Net change to pension liability from accrual items</b>	<b>227</b>	<b>2,694</b>	<b>2,921</b>
<b>Ending balance</b>	<b>(2,188)</b>	<b>40,452</b>	<b>38,264</b>

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2021

(All figures in thousands of dollars)

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#### 14.PENSIONS (continued)

##### (c) Change in pension liability (asset) (continued)

	Regular Funded \$	2020 Supplemental Non Funded \$	Total \$
<b>Opening balance</b>	<b>(581)</b>	<b>38,419</b>	<b>37,838</b>
Change to pension liability (asset) from cash items:			
Contributions from plan members	(318)	-	(318)
Contributions from Government	(635)	-	(635)
Benefit payment to plan members	(5,994)	(1,619)	(7,613)
Drawdown from plan assets	5,994	-	5,994
<b>Net change to pension asset from cash items</b>	<b>(953)</b>	<b>(1,619)</b>	<b>(2,572)</b>
Change to pension liability (asset) from accrual items:			
Current period benefit cost	1,066	1,333	2,399
Amortization of actuarial gains	(642)	(353)	(995)
Interest on average accrued benefit obligation	1,227	1,773	3,000
Expected return on plan assets	(1,350)	-	(1,350)
<b>Net change to pension liability from accrual items</b>	<b>301</b>	<b>2,753</b>	<b>3,054</b>
<b>Ending balance</b>	<b>(1,233)</b>	<b>39,553</b>	<b>38,320</b>

##### (d) Pension expense

The components of pension expense include current period benefit cost, amortization of actuarial net (gains)/losses and interest on average accrued benefit obligation net of the expected return on average plan assets and contributions from plan members. The total pension expense is \$2,613 (2020 - \$2,736). The interest cost on the accrued benefit obligation is determined by applying the discount rate determined at the beginning of the period to the average value of the accrued benefit obligation for the period. The expected return on plan assets is determined by applying the assumed rate of return on plan assets to the average market-related value of assets for the period. The difference between the expected and the actual return on plan assets is a gain of \$1,121 (2020 - \$998).

In addition to the above, the Government contributed \$31,716 (2020 - \$30,703) to the Public Service Superannuation Plan. The employees' contributions to this plan were \$30,314 (2020 - \$29,051).

##### (e) Changes to pension plans in the year

There have been no plan amendments, plan settlements and curtailments or temporary deviations from the plan in 2021 (no changes in 2020).

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2021

(All figures in thousands of dollars)

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#### 14.PENSIONS (continued)

##### (f) Valuation methods and assumptions used in valuing pension liability

The following reflects the date of valuation for each plan for accounting purposes:

Pension Plan	Last Actuarial Valuation Accounting Date	Last Extrapolation Date	Next Valuation Date
Legislative Assembly Retiring Allowance Plan	April 1, 2020	January 31, 2021	April 1, 2024
Judges Registered Plan	April 1, 2019	March 31, 2021	April 1, 2022

##### *Liability valuation method*

The actuarial valuations were performed using the projected accrued benefit method. The valuations are based on a number of actuarial assumptions about matters such as mortality, service, withdrawal, earnings and interest rates. The assumptions are based on the Government's best estimates of expected long-term rates and short-term forecasts.

##### *Asset valuation method*

The asset valuation method, for the MLA's plans is equal to a smoothed market value which spreads the difference between the actual and expected investment income over a four year period and is then adjusted for payments due to, and payable from, the pension plan. The fair market value of the MLA's regular plan is \$23,461 (2020 - \$19,430). The asset valuation method for the Judges' plans is market value. The market value of the Judges' regular plan is \$7,446 (2020 - \$6,009).

##### *Actuarial gains and losses*

Actuarial gains and losses occur when actual experience varies from estimates or when actuarial assumptions change. The adjustments needed are amortized on a straight line basis over the estimated average remaining service lives of the contributors. The estimated average remaining service lives of the contributors is 6.5 years (2020 -7.5 years) for the MLA's plans and 1.3 years (2020 - 2.3 years) for the Judges' plans.

##### *Actuarial assumptions*

	Judges' plans	MLAs' plans
Expected rate of return on plan assets	4.8%	4.4%
Rate of compensation increase	3.0%	2.0%
Annual inflation rate	2.0%	2.0%
Annual interest rate	4.8%	4.4%

##### *Retirement assumptions*

- Members of Legislative Assembly may retire at the earliest of age 60, thirty years of service or when age plus service equals 80.
- Judges may retire at the earlier of age 60 or when age plus service equals 80.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2021

(All figures in thousands of dollars)

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#### 15. OTHER EMPLOYEE FUTURE BENEFITS AND COMPENSATED ABSENCES

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

Compensated absence benefits generally accrue as employees 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. Benefits that accrue under compensated absence benefits, excluding maternity and parental leave, were actuarially valued using the expected utilization methodology. Non-accruing benefits include maternity and parental leave and are recognized when the leave commences.

#### Valuation results

The last actuarial valuation was completed as at February 15, 2019. The results were extrapolated to March 31, 2021. The effective date of the next actuarial valuation is March 31, 2022. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the Government.

	Severance and Removal \$	Compensated Absences \$	2021 \$	2020 \$
<b>Changes in Obligation</b>				
Accrued benefit obligations, beginning of year	17,547	4,947	22,494	26,443
Benefits earned	953	443	1,396	1,308
Interest	452	135	587	781
Benefits paid	(2,800)	(2,322)	(5,122)	(6,711)
Actuarial (gains)/losses	(1,231)	1,313	82	673
Accrued benefit obligations, end of year	14,921	4,516	19,437	22,494
Unamortized net actuarial gain/(loss)	2,485	(4,233)	(1,748)	(1,717)
Net future obligation	17,406	283	17,689	20,777
Other employee future benefits	5,877	-	5,877	5,248
Other compensated absences	-	1,374	1,374	608
Total employee future benefits and compensated absences	<b>23,283</b>	<b>1,657</b>	<b>24,940</b>	<b>26,633</b>

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**Government of the Northwest Territories****Notes to Non-Consolidated Financial Statements (unaudited)**

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**March 31, 2021****(All figures in thousands of dollars)**

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**15. OTHER EMPLOYEE FUTURE BENEFITS AND COMPENSATED ABSENCES (continued)**

	<b>Severance and Removal \$</b>	<b>Compensated Absences \$</b>	<b>2021 \$</b>	<b>2020 \$</b>
<b>Benefits Expense</b>				
Benefits earned	953	443	1,396	1,308
Implicit interest	452	135	587	781
Amortization of actuarial (gain)/loss	(423)	475	52	(29)
	<b>982</b>	<b>1,053</b>	<b>2,035</b>	<b>2,060</b>

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The discount rate used to determine the accrued benefit obligation is an average of 3.3% (2020 - 2.7%). The expected payments during the next five fiscal years are:

	<b>Severance and Removal \$</b>	<b>Compensated Absences \$</b>	<b>Total \$</b>
2022	2,805	665	3,470
2023	2,206	565	2,771
2024	1,827	492	2,319
2025	1,713	439	2,152
2026	1,498	424	1,922
	<b>10,049</b>	<b>2,585</b>	<b>12,634</b>

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**16. PETROLEUM PRODUCTS STABILIZATION FUND**

The Petroleum Products Stabilization Fund is included in the accumulated surplus. The purpose of the Fund is to stabilize the prices of petroleum products purchased, sold and distributed by the Government. The annual net profit or loss of the Petroleum Products Revolving Fund is charged to the Stabilization Fund. The accumulated surplus or deficit balance in the fund cannot exceed \$1,000.

	<b>2021 \$</b>	<b>2020 \$</b>
Surplus at beginning of the year	(999)	(853)
Add: Petroleum Products Stabilization Fund		
Net loss for the year	-	(146)
<b>Deficit at end of the year</b>	<b>(999)</b>	<b>(999)</b>

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## Government of the Northwest Territories

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March 31, 2021

(All figures in thousands of dollars)

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#### 17. TRUST ASSETS UNDER ADMINISTRATION

The Government administers trust assets of \$19,316 (2020 - \$17,138) on behalf of third parties, which are not included in the reported Government assets and liabilities. These consist of cash, term deposits, investments, real estate, and other sundry assets.

In addition to the trust assets under administration, the Government holds cash and bank guarantees in the form of letters of credit and surety bonds in the amount of \$666,425 (2020 - \$678,637). The majority of these guarantees are held against land use permits, environmental agreements and and water licenses issued to regulate the use of water and the deposit of waste.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2021

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#### 18. CONTRACTUAL OBLIGATIONS AND RIGHTS

The Government has entered into agreements for, or is contractually committed to the following expenses that will be incurred subsequent to March 31, 2021:

	Expiry Date	2022 \$	2023 \$	2024 \$	2025 \$	2026 \$	2027+ \$	Total \$
Operational commitments	2048	104,393	55,095	27,261	7,580	5,003	8,636	207,968
RCMP policing agreement	2032	49,196	49,196	49,196	49,196	49,196	286,887	532,867
Commercial leases	2052	19,980	19,008	17,008	12,728	10,623	124,353	203,700
Equipment leases	2026	408	288	181	76	8	-	961
TCAs in progress at year end	2030	69,121	28,147	2,709	1,185	345	555	102,062
P3 Operational commitments	2049	11,973	15,394	16,624	17,548	18,265	455,522	535,326
P3 TCAs in progress at year end	2024	59,578	202	202	-	-	-	59,982
		<b>314,649</b>	<b>167,330</b>	<b>113,181</b>	<b>88,313</b>	<b>83,440</b>	<b>875,953</b>	<b>1,642,866</b>

Included within Commercial leases is a lease commitment of \$3,500 per year over 30 years estimated to begin on November 21, 2022 that is subject to a CPI adjustment every five years. The adjustment will be equal to the average percentage increase or decrease in the CPI index over the preceding five years. As part of this lease commitment, the Government has a contractual right equal to annual profit sharing of 50% of the net income generated by the lessor less annual payments of \$528.

The Government has 2 (2020 - 2) cost recovery service agreements with the Government of Nunavut (GNU) for the provision of various corporate and program delivery services. The expenses for and costs recovered from these projects are estimated at \$1,725 for the fiscal year ended 2021 (2020 - \$582). The Government has an agreement with the GNU for the delivery and chargeback of health services for eligible Nunavut residents. The agreement with the GNU has no firm cost recovery amounts or end dates.

The Government has entered into agreements for, or is contractually entitled to, the following receipts subsequent to March 31, 2021:

	Expiry Date	2022 \$	2023 \$	2024 \$	2025 \$	2026 \$	2027+ \$	Total \$
Transfer Payments	2049	312,169	230,034	231,899	111,480	67,667	62,223	1,015,472
Regulatory Revenue	2026	1,610	1,151	983	347	9	-	4,100
Lease Revenue	2051	4,415	4,094	4,015	3,938	3,843	28,950	49,255
Licence Revenue	2047	595	451	357	192	81	582	2,258
Other	2043	1,208	1,208	642	642	642	5,942	10,284
		<b>319,997</b>	<b>236,938</b>	<b>237,896</b>	<b>116,599</b>	<b>72,242</b>	<b>97,697</b>	<b>1,081,369</b>

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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(All figures in thousands of dollars)

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#### 19. GUARANTEES AND CONTINGENCIES

##### (a) Guarantees

The Government is contingently liable for the following guarantees:

	2021
	\$
Debentures issued by the Northwest Territories Power Corporation:	
Debenture series issued by the Northwest Territories Power Corporation	
maturing December 18, 2032	8,000
maturing September 13, 2040	41,109
maturing May 1, 2025	2,807
maturing October 1, 2025	2,988
maturing July 11, 2025	15,000
maturing November 25, 2052	25,000
maturing September 1, 2026	3,737
maturing August 1, 2028	25,000
maturing December 15, 2034	25,000
maturing February 17, 2047	55,472
maturing September 30, 2050	39,527
Loans payable by the Northwest Territories Housing Corporation to	
Guaranteed residential housing loans of the Northwest Territories Housing Corporation	322

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<b>Total Guarantees</b>	<b>243,962</b>
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The Government has also provided a guarantee to the Canadian Blood Services and Canadian Blood Services Captive Insurance Company Ltd to cover a share of potential claims made by users of the national blood supply. The Government's share is limited to the ratio of the Northwest Territories' population to the Canadian population.

##### (b) Claims and litigation

There are a number of claims and pending and threatened litigation cases outstanding against the Government. In certain of these cases, pursuant to agreements negotiated prior to the division of the territories, the Governments of the Northwest Territories and Nunavut will jointly defend the suits. The cost of defending these actions and any damages that may eventually be awarded will be shared by the two Governments 55.66% and 44.34%, respectively.

The Government has recorded a provision for any claim or litigation where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. The provision is based upon estimates determined by the Government's legal experts experience or case law in similar circumstances. At year-end, the Government estimated the total claimed amount for any claims and litigation for which the outcome is not determinable at \$125,355 (2020 - \$106,460). No provision for such claims has been made in these financial statements as it is not determinable that any future event will confirm that a liability has been incurred as at March 31.

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## Government of the Northwest Territories

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March 31, 2021

(All figures in thousands of dollars)

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#### 20. RELATED PARTIES

Transactions with related parties and balances at year-end, not disclosed elsewhere in the financial statements, are disclosed in this note. During the year the Government provided grants and contributions to the following related parties.

	2021	2020
	\$	\$
Arctic Energy Alliance	5,283	5,148
Aurora College	35,891	36,215
Inuvialuit Water Board	674	913
Divisional Education Councils and District Education Authorities	162,806	148,035
Health and Social Services Authorities	369,090	330,228
Northwest Territories Hydro Corporation	27,725	18,492
Tlicho Community Services Agency	39,733	35,232
Northwest Territories Business Development and Investment Corporation	2,012	1,959
Northwest Territories Heritage Fund	2,538	1,856
Northwest Territories Housing Corporation	76,303	73,729
Northwest Territories Human Rights Commission	180	180
Northwest Territories Surface Rights Board	313	306
Status of Women Council of the Northwest Territories	498	453
	<b>723,046</b>	<b>652,746</b>

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The Government funds communities, boards and agencies and other organizations offering services to the public. These organizations operate independently of normal Government operations. The Government may be held responsible for any liabilities or deficits on behalf of related boards and agencies. An estimate of the potential liability, if any, cannot be determined.

Under agreements with related boards and agencies, the Government provides services at cost or for a service fee where direct costs cannot be determined. The fees charged for indirect costs are not necessarily the cost of providing those services. Services provided includes personnel, payroll, financial, procurement, accommodation, buildings and works, utilities, legal and interpretation services.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2021

(All figures in thousands of dollars)

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#### 21. OVEREXPENDITURE

During the year no departments (2020 - 1) exceeded their operations vote (2020 - \$23) and no departments (2020 - 0) exceeded their capital vote.

Overexpenditure of a vote contravenes subsection 71 of the *Financial Administration Act* which states that "No person shall incur an expenditure that causes the amount of the appropriation set out in the Estimates for a department to be exceeded".

These overexpenditures are deemed a supplementary appropriation in accordance with section 77 of the *Financial Administration Act* S.N.W.T 2015 which states that "Where the charging of expenditures to an appropriation would cause the appropriation to be exceeded, the Comptroller General may, at the end of a fiscal year, record the amount by which the liability exceeds the appropriation as a deemed appropriation for that fiscal year".

#### 22. COVID-19

On March 22, 2020, the Government declared a public health emergency in response to the COVID-19 global pandemic. The Government implemented various programs and publicly announced supports and financial relief to individuals, businesses and organizations in response to the COVID-19 pandemic. The impact of COVID-19 on the Government's Non-consolidated Statement of Operations for 2021:

	2021
	\$
Revenue	
Transfer Payments	122,683
<hr/>	
Expenses	
Economic Relief Programs:	
Aviation Sector Support	31,937
Community Futures Regional Relief and Recovery Fund	3,305
Contribution to Education Boards	8,377
Growth and Recovery Investment in Tourism	3,000
Safe Restart Funding	50,493
Wage Subsidy Program	3,562
Other Supports	10,872
Enforcement and Compliance	31,859
Personal Protective Equipment, Safety and Signage	3,322
Other Expenses	6,201
<hr/>	
	152,928
<hr/>	
	(30,245)
<hr/>	

## Government of the Northwest Territories

### Non-Consolidated Schedule of Revenues by Source (unaudited)

### Schedule A

for the year ended March 31, 2021

(thousands of dollars)

	2021 Main Estimates (note 1b) \$	2021 Actual \$	2020 Actual \$
<b>Revenue from the Government of Canada</b>			
Grant	1,412,734	1,412,734	1,309,278
Transfer Payments	372,237	320,173	193,766
	<b>1,784,971</b>	<b>1,732,907</b>	<b>1,503,044</b>
<b>Taxation</b>			
Corporate Income Tax	25,262	3,300	(8,781)
Personal Income Tax	106,129	100,031	97,791
Cannabis	331	343	168
Carbon Tax	28,739	24,666	12,611
Fuel	21,614	17,656	17,564
Tobacco	15,002	15,722	14,967
Payroll	44,670	43,000	42,906
Property and school levies	29,858	27,996	29,201
Insurance	5,400	5,997	5,664
	<b>277,005</b>	<b>238,711</b>	<b>212,091</b>
<b>Non-renewable Resource Revenue</b>			
Minerals, Oil and Gas Royalties	30,681	19,153	19,183
Licences, Rental and Other Fees	2,507	47,174	4,494
Quarry Fees	100	143	117
	<b>33,288</b>	<b>66,470</b>	<b>23,794</b>
<b>General</b>			
Program	17,995	23,448	21,625
Service and miscellaneous	2,181	2,683	13,570
Lease	4,009	470	4,193
Interest revenue	680	812	1,262
Revolving Funds net revenue	37,978	25,262	26,335
Regulatory revenue	24,921	22,444	24,388
Investment income	-	4,022	4,441
Grants in kind	140	75	23
	<b>87,904</b>	<b>79,216</b>	<b>95,837</b>
<b>Total Revenues</b>	<b>2,183,168</b>	<b>2,117,304</b>	<b>1,834,766</b>

**Government of the Northwest Territories**  
**Non-Consolidated Schedule of Expenses (unaudited)**

**Schedule B**

**for the year ended March 31, 2021**

(thousands of dollars)

	<b>Main Estimates (note 1b)</b>	<b>Compensation and Benefits</b>	<b>Grants and Contributions</b>	<b>Valuation Allowances</b>	<b>Other</b>	<b>Amortization</b>	<b>2021 Total Expenses</b>	<b>2020 Total Expenses</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Legislative Assembly	22,720	15,041	180	2	5,750	503	21,476	23,788
Executive and Indigenous Affairs	22,886	16,256	1,849	-	2,351	-	20,456	22,102
Finance	283,107	79,264	176,396	1,925	50,428	7,397	315,410	257,645
Municipal and Community Affairs	145,193	16,416	134,886	52	8,596	37	159,987	143,488
Infrastructure	315,261	65,224	27,192	285	130,622	61,535	284,858	279,371
Health and Social Services	522,011	38,907	411,448	140	124,030	24,475	599,000	545,913
Justice	133,617	63,615	3,073	5	61,289	3,246	131,228	129,414
Education, Culture and Employment	348,353	34,100	261,033	4,276	43,309	14,989	357,707	342,794
Environment and Natural Resources	97,085	42,378	11,427	20	41,571	3,451	98,847	93,977
Industry Tourism and Investment	59,585	25,041	24,942	5	11,109	1,996	63,093	58,209
Lands	23,364	16,908	644	26	4,148	126	21,852	22,733
	<b>1,973,182</b>	<b>413,150</b>	<b>1,053,070</b>	<b>6,736</b>	<b>483,203</b>	<b>117,755</b>	<b>2,073,914</b>	
<b>Prior Year Totals</b>	<b>1,742,781</b>	<b>388,744</b>	<b>900,254</b>	<b>4,025</b>	<b>512,096</b>	<b>114,315</b>		<b>1,919,434</b>

# Government of the Northwest Territories

## Non-Consolidated Schedule of Tangible Capital Assets (unaudited)

## Schedule C

As at March 31, 2021

(thousands of dollars)

	Land <sup>5</sup>	Buildings and Leasehold Improvements <sup>1</sup>	Infrastructure and Other <sup>2</sup>	Roads and Bridges	Equipment <sup>1</sup>	Computers	Work in Progress <sup>3,4</sup>	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost of tangible capital assets, opening balance	5,276	1,672,128	312,565	1,781,833	228,963	143,503	174,842	4,319,110	4,131,677
Transfers	583	11,125	4,513	41,981	42,923	3,047	(104,172)	-	-
Acquisitions	-	-	-	-	-	-	200,354	200,354	196,521
Disposals	-	(2,229)	(1,215)	(465)	(8,104)	(1,933)	-	(13,946)	(9,088)
Cost of tangible capital assets, closing	5,859	1,681,024	315,863	1,823,349	263,782	144,617	271,024	4,505,518	4,319,110
Accumulated amortization, opening	-	(584,345)	(137,318)	(605,973)	(118,505)	(94,466)	-	(1,540,607)	(1,431,914)
Amortization expense	-	(42,827)	(10,274)	(47,543)	(10,505)	(10,100)	-	(121,249)	(117,411)
Disposals	-	2,229	1,215	455	7,331	1,934	-	13,164	8,718
Accumulated amortization, closing	-	(624,943)	(146,377)	(653,061)	(121,679)	(102,632)	-	(1,648,692)	(1,540,607)
<b>Net book value</b>	<b>5,859</b>	<b>1,056,081</b>	<b>169,486</b>	<b>1,170,288</b>	<b>142,103</b>	<b>41,985</b>	<b>271,024</b>	<b>2,856,826</b>	<b>2,778,503</b>

<sup>1</sup> Included in buildings, leasehold improvements and equipment are assets under capital leases: cost, \$3,910 (2020 - \$5,285); accumulated amortization, \$2,061 (2020 - \$3,240); net book value, \$1,849 (2020 - \$2,045).

<sup>2</sup> Includes ferries, barges, airstrips, aprons, fuel distribution systems, park improvements, aircraft, water/sewer works, fences, and signs.

<sup>3</sup> Included in work in progress is P3 project: Tli Cho All Season Road \$168,355 (2020 - \$62,843).

<sup>4</sup> Included in work in progress are current year non-cash items of \$78,280 (2020 - \$32,042).

<sup>5</sup> Land with cost and net book value of \$0, market value \$266 (2020 - \$249) was contributed to third parties.

Change in net book value of tangible capital assets	2021	2020
	\$	\$
Assets transferred from work in progress	104,172	447,326
Disposals/write-downs/adjustments	(782)	(25,373)
Amortization	(121,249)	(117,411)
Increase (decrease) in work in progress	96,182	(250,806)
<b>Increase</b>	<b>78,323</b>	<b>53,736</b>

# Government of the Northwest Territories

## Non-Consolidated Schedule of Revenues by Department (unaudited)

## Schedule 1

for the year ended March 31, 2021

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
<b>Legislative Assembly</b>					
General Revenues					
Service and miscellaneous	5	-	5	8	3
Investment income	-	-	-	4,022	4,022
	5	-	5	4,030	4,025
	<b>5</b>	<b>-</b>	<b>5</b>	<b>4,030</b>	<b>4,025</b>
<b>Executive and Indigenous Affairs</b>					
Transfer Payments					
Federal cost shared	-	-	-	235	235
<b>Industry, Tourism and Investment</b>					
Transfer Payments					
Federal cost shared	140	6,245	6,385	5,671	(714)
Non-renewable Resource Revenue					
Minerals, oil and gas royalties	30,681	(30,681)	-	19,153	19,153
Licences, rental, and other fees	2,452	45,215	47,667	47,142	(525)
	33,133	14,534	47,667	66,295	18,628
General Revenues					
Regulatory revenue	875	(222)	653	672	19
Programs	-	-	-	175	175
Service and miscellaneous	1	(1)	-	-	-
	876	(223)	653	847	194
	<b>34,149</b>	<b>20,556</b>	<b>54,705</b>	<b>72,813</b>	<b>18,108</b>
<b>Environment and Natural Resources</b>					
Transfer Payments					
Federal cost shared	8,095	-	8,095	6,989	(1,106)
Non-renewable Resource Revenue					
Licences, rental, and other fees	55	-	55	32	(23)
General Revenues					
Regulatory revenue	1,277	(588)	689	2,289	1,600
Service and miscellaneous	32	-	32	32	-
Lease	-	-	-	(2)	(2)
	1,309	(588)	721	2,319	1,598
	<b>9,459</b>	<b>(588)</b>	<b>8,871</b>	<b>9,340</b>	<b>469</b>

# Government of the Northwest Territories

## Non-Consolidated Schedule of Revenues by Department (unaudited)

## Schedule 1 (continued)

for the year ended March 31, 2021

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
<b>Finance</b>					
Grant from Government of Canada	1,412,734	-	1,412,734	1,412,734	-
Transfer Payments					
Federal cost shared	-	112,149	112,149	112,495	346
Canada Health Transfer	48,981	998	49,979	47,938	(2,041)
Canada Social Transfer	17,575	359	17,934	19,975	2,041
	1,479,290	113,506	1,592,796	1,593,142	346
<b>Taxation</b>					
Corporate	25,262	(23,368)	1,894	3,300	1,406
Personal	106,129	(7,556)	98,573	100,031	1,458
Fuel	21,614	(4,106)	17,508	17,656	148
Tobacco	15,002	(200)	14,802	15,722	920
Cannabis	331	(14)	317	343	26
Carbon	28,739	(4,082)	24,657	24,666	9
Payroll	44,670	(4,029)	40,641	43,000	2,359
Property and school levies	29,858	(1,448)	28,410	27,996	(414)
Insurance	5,400	-	5,400	5,997	597
	277,005	(44,803)	232,202	238,711	6,509
<b>General Revenues</b>					
Service and miscellaneous	1,280	-	1,280	1,586	306
Program	60	-	60	556	496
Revolving funds net revenue	23,505	4,817	28,322	28,967	645
Interest income	400	-	400	656	256
Regulatory revenue	700	-	700	685	(15)
	25,945	4,817	30,762	32,450	1,688
	<b>1,782,240</b>	<b>73,520</b>	<b>1,855,760</b>	<b>1,864,303</b>	<b>8,543</b>
<b>Municipal and Community Affairs</b>					
Transfer Payments					
Federal cost shared	-	1,847	1,847	1,847	-
<b>General Revenues</b>					
Regulatory revenue	1,269	-	1,269	1,099	(170)
Service and miscellaneous	6	-	6	1,423	1,417
	<b>1,275</b>	<b>1,847</b>	<b>3,122</b>	<b>4,369</b>	<b>1,247</b>
<b>Justice</b>					
Transfer Payments					
Federal cost shared	7,556	-	7,556	9,016	1,460
<b>General Revenues</b>					
Program	3,145	-	3,145	1,311	(1,834)
Regulatory revenue	6,835	-	6,835	7,518	683
Grants in Kind	-	-	-	75	75
	9,980	-	9,980	8,904	(1,076)
	<b>17,536</b>	<b>-</b>	<b>17,536</b>	<b>17,920</b>	<b>384</b>



# Government of the Northwest Territories

## Non-Consolidated Schedule of Revenues by Department (unaudited)

## Schedule 1 (continued)

for the year ended March 31, 2021

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
<b>Infrastructure</b>					
Transfer Payments					
Federal cost shared	134,696	(72,145)	62,551	24,171	(38,380)
Capital transfers	86,634	(17,040)	69,594	13,645	(55,949)
	221,330	(89,185)	132,145	37,816	(94,329)
General Revenues					
Service and miscellaneous	845	-	845	466	(379)
Lease	1,270	(770)	500	477	(23)
Program	780	-	780	728	(52)
Regulatory revenue	13,503	(2,480)	11,023	9,998	(1,025)
Revolving fund net revenue	14,473	(22,957)	(8,484)	(3,705)	4,779
Grants in kind	140	-	140	-	(140)
	31,011	(26,207)	4,804	7,964	3,160
	<b>252,341</b>	<b>(115,392)</b>	<b>136,949</b>	<b>45,780</b>	<b>(91,169)</b>
<b>Health and Social Services</b>					
Transfer Payments					
Federal cost shared	45,334	10,528	55,862	49,253	(6,609)
Capital transfers	-	777	777	-	(777)
	45,334	11,305	56,639	49,253	(7,386)
General Revenues					
Program	14,010	-	14,010	20,678	6,668
Regulatory revenue	415	(280)	135	107	(28)
	14,425	(280)	14,145	20,785	6,640
	<b>59,759</b>	<b>11,025</b>	<b>70,784</b>	<b>70,038</b>	<b>(746)</b>
<b>Education, Culture and Employment</b>					
Transfer Payments					
Federal cost shared	22,857	3,771	26,628	28,625	1,997
	22,857	3,771	26,628	28,625	1,997
General Revenues					
Service and miscellaneous	12	-	12	4	(8)
Interest income	280	-	280	156	(124)
Regulatory revenue	27	-	27	27	-
Lease	32	(26)	6	-	(6)
	351	(26)	325	187	(138)
	<b>23,208</b>	<b>3,745</b>	<b>26,953</b>	<b>28,812</b>	<b>1,859</b>

**Government of the Northwest Territories**

**Non-Consolidated Schedule of Revenues by Department (unaudited)**

**Schedule 1 (continued)**

**for the year ended March 31, 2021**

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
<b>Lands</b>					
Transfer Payments					
Federal cost shared	369	7	376	313	63
Non-renewable Resource Revenue					
Quarry royalties, fees	100	-	100	143	43
General Revenues					
Regulatory revenue	20	-	20	49	29
Lease	2,707	(2,707)	-	(5)	(5)
Service and miscellaneous	-	-	-	221	221
	2,727	(2,707)	20	265	245
	3,196	(2,700)	496	721	351
	2,183,168	(7,987)	2,175,181	2,118,361	(56,694)

# Government of the Northwest Territories

## Non-Consolidated Schedule of Expenses by Department (unaudited)

## Schedule 2

for the year ended March 31, 2021

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
<b>Legislative Assembly</b>						
Office of the Clerk	8,650	-	-	8,650	8,783	(133)
Expenditures on Behalf of Members	9,530	-	-	9,530	8,900	630
Office of the Chief Electoral Officer	439	-	-	439	238	201
Statutory Offices	3,594	-	-	3,594	3,240	354
Office of the Speaker	507	-	-	507	315	192
	<b>22,720</b>	<b>-</b>	<b>-</b>	<b>22,720</b>	<b>21,476</b>	<b>1,244</b>
<b>Executive and Indigenous Affairs</b>						
Executive Council Offices	4,466	-	-	4,466	4,049	417
Directorate	6,588	-	-	6,588	6,507	81
Cabinet Support	2,632	-	-	2,632	2,137	495
Indigenous and Intergovernmental Affairs	7,727	300	-	8,027	6,083	1,944
Corporate Communications	1,473	-	-	1,473	1,680	(207)
	<b>22,886</b>	<b>300</b>	<b>-</b>	<b>23,186</b>	<b>20,456</b>	<b>2,730</b>
<b>Industry, Tourism and Investment</b>						
Economic Diversification and Business Support	17,966	4,383	-	22,349	21,478	871
Corporate Management	9,140	58	-	9,198	9,502	(304)
Tourism and Parks	16,349	1,500	259	18,108	17,637	471
Minerals and Petroleum Resources	16,130	510	-	16,640	14,476	2,164
	<b>59,585</b>	<b>6,451</b>	<b>259 *</b>	<b>66,295</b>	<b>63,093</b>	<b>3,202</b>
<b>Environment and Natural Resources</b>						
Wildlife and Fish	16,688	-	-	16,688	16,571	117
Forest Management	38,044	3,998	87	42,129	39,692	2,437
Corporate Management	14,464	380	-	14,844	15,531	(687)
Water Management and Monitoring	9,591	-	-	9,591	8,694	897
Environmental Stewardship and Climate Change	13,825	1,468	-	15,293	13,965	1,328
Environmental Protection and Waste Management	4,473	-	-	4,473	4,394	79
	<b>97,085</b>	<b>5,846</b>	<b>87 *</b>	<b>103,018</b>	<b>98,847</b>	<b>4,171</b>

\* Infrastructure investments that were not classified as capital have been transferred to operations. See schedule 8 for details.

# Government of the Northwest Territories

## Non-Consolidated Schedule of Expenses by Department (unaudited)

## Schedule 2 (continued)

For the year ended March 31, 2021

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
<b>Finance</b>						
Directorate	77,681	4,537	-	82,218	85,394	(3,176)
Management Board Secretariat	87,485	36,655	-	124,140	111,811	12,329
Office of the Comptroller General	73,169	3,561	-	76,730	76,519	211
Information Systems Shared Services	22,932	2,412	-	25,344	21,987	3,357
Human Resources	21,840	-	-	21,840	19,636	2,204
	<b>283,107</b>	<b>47,165</b>	<b>-</b>	<b>330,272</b>	<b>315,347</b>	<b>14,925</b>
Amortization of tangible capital assets of the NWT Liquor Commission	-	-	-	-	63	(63)
	<b>283,107</b>	<b>47,165</b>	<b>-</b>	<b>330,272</b>	<b>315,410</b>	<b>14,862</b>
<b>Municipal and Community Affairs</b>						
Regional Operations	125,577	10,890	-	136,467	136,322	145
Community Operations	2,277	-	-	2,277	2,119	158
Directorate	3,942	-	-	3,942	4,052	(110)
School of Community Government	2,933	-	-	2,933	1,716	1,217
Community Governance	2,118	-	-	2,118	1,916	202
Sport, Recreation and Youth	5,507	2,497	-	8,004	6,709	1,295
Public Safety	2,839	4,594	-	7,433	7,153	280
	<b>145,193</b>	<b>17,981</b>	<b>-</b>	<b>163,174</b>	<b>159,987</b>	<b>3,187</b>
<b>Justice</b>						
Corrections	38,511	-	-	38,511	39,493	(982)
Policing Services	47,832	450	-	48,282	48,170	112
Court Services	14,281	233	-	14,514	12,794	1,720
Services to Government	12,961	(339)	(56)	12,566	12,411	155
Legal Aid Services	7,013	-	-	7,013	6,913	100
Services to the Public	4,497	-	56	4,553	4,735	(182)
Community Justice and Policing	6,594	-	-	6,594	5,607	987
Office of the Regulator of Oil and Gas Operations	1,928	-	-	1,928	1,105	823
	<b>133,617</b>	<b>344</b>	<b>-</b>	<b>133,961</b>	<b>131,228</b>	<b>2,733</b>
<b>Health and Social Services</b>						
Administration and Support Services	52,038	1,263	(476)	52,825	55,114	(2,289)
Health and Social Programs	318,333	45,909	149	364,391	356,145	8,246
Long Term and Continuing Care Services	48,103	8,889	1,749	58,741	54,703	4,038
Out of Territory Services	73,528	3,458	-	76,986	75,006	1,980
Supplementary Health Benefits	30,009	841	359	31,209	31,736	(527)
COVID Secretariat	-	31,677	-	31,677	26,296	5,381
	<b>522,011</b>	<b>92,037</b>	<b>1,781 *</b>	<b>615,829</b>	<b>599,000</b>	<b>16,829</b>

\* Infrastructure investments that were not classified as capital have been transferred to operations. See schedule 8 for details.

# Government of the Northwest Territories

## Non-Consolidated Schedule of Expenses by Department (unaudited)

## Schedule 2 (continued)

for the year ended March 31, 2021

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
<b>Education, Culture and Employment</b>						
Corporate Management	10,059	-	208	10,267	9,711	556
Culture, Heritage and Languages	18,613	150	308	19,071	18,420	651
Early Childhood and School Services	210,891	15,074	68	226,033	220,344	5,689
Income Security	54,359	2,551	(23)	56,887	54,251	2,636
Labour Development and Advanced Education	54,431	3,232	(537)	57,126	54,981	2,145
	<b>348,353</b>	<b>21,007</b>	<b>24 *</b>	<b>369,384</b>	<b>357,707</b>	<b>11,677</b>
<b>Infrastructure</b>						
Corporate Management	11,263	-	-	11,263	14,857	(3,594)
Asset Management	21,254	367	16	21,637	24,588	(2,951)
Programs and Services	72,598	32,591	-	105,189	49,193	55,996
Regional Operations	210,146	3,425	-	213,571	196,220	17,351
	<b>315,261</b>	<b>36,383</b>	<b>16 *</b>	<b>351,660</b>	<b>284,858</b>	<b>66,802</b>
<b>Lands</b>						
Corporate Management	3,612	-	-	3,612	4,373	(761)
Operations	12,113	-	-	12,113	10,084	2,029
Planning and Coordination	7,639	-	-	7,639	7,395	244
	<b>23,364</b>	<b>-</b>	<b>-</b>	<b>23,364</b>	<b>21,852</b>	<b>1,512</b>
	<b>1,973,182</b>	<b>227,514</b>	<b>2,167 *</b>	<b>2,202,863</b>	<b>2,073,914</b>	<b>128,949</b>

\* Infrastructure investments that were not classified as capital have been transferred to operations. See schedule 8 for details.

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**Government of the Northwest Territories****Non-Consolidated Schedule of Recoveries of Prior Years' Expenses (unaudited)****Schedule 3****for the year ended March 31, 2021****(thousands of dollars)**

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<b>DEPARTMENT</b>	<b>Over-Accruals</b>	<b>Other</b>	<b>Total</b>
	<b>\$</b>	<b>Recoveries</b>	<b>\$</b>
		<b>\$</b>	<b>\$</b>
Legislative Assembly	2	190	192
Executive and Indigenous Affairs	-	25	25
Finance	2,182	910	3,092
Municipal and Community Affairs	34	392	426
Infrastructure	392	10,538	10,930
Health and Social Services	3,874	339	4,213
Justice	35	766	801
Education, Culture and Employment	160	2,719	2,879
Environment and Natural Resources	629	216	845
Industry, Tourism and Investment	355	46	401
Lands	6	191	197
	<b>7,669</b>	<b>16,332</b>	<b>24,001</b>

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**Government of the Northwest Territories****Non-Consolidated Schedule of Summary of Capital Acquisitions (unaudited)****Schedule 4****for the year ended March 31, 2021****(thousands of dollars)**

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<b>DEPARTMENT</b>	<b>Main Estimates \$</b>	<b>Supplementary Estimates \$</b>	<b>Total Appropriation \$</b>	<b>Actual Expenditure \$</b>
Legislative Assembly	3,000	-	3,000	2,034
Lands	234	114	348	264
Finance	4,277	6,874	11,151	2,635
Infrastructure	226,027	76,300	302,327	143,062
Health and Social Services	51,746	34,210	85,956	20,344
Justice	1,541	2,736	4,277	2,754
Education, Culture and Employment	26,698	14,601	41,299	7,607
Environment and Natural Resources	2,072	2,543	4,615	1,750
Industry, Tourism and Investment	3,526	13,447	16,973	2,837
	<b>319,121</b>	<b>150,825</b>	<b>469,946 *</b>	<b>183,287</b>

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Projects completed by Infrastructure on behalf of other Departments are reported as expenditures under the owner Department when completed to better reflect investments in Departmental Programs.

\*\$2,167 of the budget associated with infrastructure investments that were classified as non-capital in nature has been transferred to operations, as disclosed in Schedules 2 and 8.

**Government of the Northwest Territories**

**Non-Consolidated Schedule of Grants (unaudited)**

**Schedule 5**

**for the year ended March 31, 2021**

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
<b>Executive and Indigenous Affairs</b>						
Aboriginal Intergovernmental Meetings						
Fund	300	300	-	600	600	-
Arctic Inspiration Prize	100	-	-	100	100	-
Core Funding to Métis Locals	225	-	-	225	246	(21)
Special Events - Aboriginal Organizations	50	-	-	50	3	47
Wise Women Award	-	-	-	-	25	(25)
Women's Initiatives	50	-	-	50	45	5
	<b>725</b>	<b>300</b>	<b>-</b>	<b>1,025</b>	<b>1,019</b>	<b>6</b>

**Infrastructure**

Band Council Subsidized Leases	140	-	-	140	-	140
Deh Cho Bridge Opportunities	200	-	-	200	200	-
	<b>340</b>	<b>-</b>	<b>-</b>	<b>340</b>	<b>200</b>	<b>140</b>

**Finance**

Aviation Sector Support	-	12,381	-	12,381	12,403	(22)
Carbon Tax Offset	22,300	-	-	22,300	22,396	(96)
Cost of Living Tax Credit	22,150	-	-	22,150	20,344	1,806
NWT Child Benefit	2,200	-	-	2,200	2,325	(125)
Wage Top Up	-	4,740	-	4,740	3,562	1,178
	<b>46,650</b>	<b>17,121</b>	<b>-</b>	<b>63,771</b>	<b>61,030</b>	<b>2,741</b>

**Municipal and Community Affairs**

Communities Mandate Funding	-	2,594	-	2,594	2,594	-
Community Government Funding	49,853	-	-	49,853	49,853	-
Deline Self-Government	3,322	199	-	3,521	3,613	(92)
Designated Authority Additional Funding	624	-	-	624	571	53
Grant-in-Lieu of Taxes	12,913	-	-	12,913	12,956	(43)
High Performance Athlete Program	100	-	-	100	39	61
New Deal Taxation Revenue Program	565	-	-	565	539	26
Safe Restart Funding	-	7,107	-	7,107	7,107	-
Senior Citizens and Disabled Persons Property Tax Relief	1,005	-	-	1,005	866	139
	<b>68,382</b>	<b>9,900</b>	<b>-</b>	<b>78,282</b>	<b>78,138</b>	<b>144</b>



**Government of the Northwest Territories**

**Non-Consolidated Schedule of Grants (unaudited)**

**Schedule 5 (continued)**

**for the year ended March 31, 2021**

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
<b>Environment and Natural Resources</b>						
Disaster Compensation	15	-	-	15	400	(385)
Fire Damage Compensation	100	-	-	100	-	100
Fur Price Program	605	-	-	605	320	285
	<b>720</b>	<b>-</b>	<b>-</b>	<b>720</b>	<b>720</b>	<b>-</b>
<b>Health and Social Services</b>						
Medical Professional Development	40	-	-	40	41	(1)
<b>Justice</b>						
National Justice Issues	9	-	-	9	5	4
<b>Education, Culture and Employment</b>						
Early Childhood Program Grants	90	-	6	96	60	36
Early Childhood Program Operator Subsidy	4,253	2,710	-	6,963	5,689	1,274
Early Childhood Scholarship	165	-	-	165	135	30
Early Childhood Worker Grant Program	884	-	-	884	1,356	(472)
French Language Broadcasting	10	-	-	10	10	-
Indigenous Language Broadcasting	-	-	-	-	90	(90)
Indigenous Scholarships	-	-	-	-	10	(10)
NWT Arts Council	700	-	-	700	710	(10)
Senior Home Heating Subsidy	2,192	-	-	2,192	2,210	(18)
Student Grants	12,076	1,777	-	13,853	8,907	4,946
Support to Northern Performers	101	-	-	101	101	-
Trades and Occupations Wage Subsidy	1,072	-	-	1,072	625	447
Workforce Development Agreement	1,749	-	(227)	1,522	489	1,033
	<b>23,292</b>	<b>4,487</b>	<b>(221)</b>	<b>27,558</b>	<b>20,392</b>	<b>7,166</b>
<b>Total</b>	<b>140,158</b>	<b>31,808</b>	<b>(221)</b>	<b>171,745</b>	<b>161,545</b>	<b>10,200</b>

Land with cost and net book value of \$0, market value \$266 (2020 - \$249) was contributed to third parties.

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**Government of the Northwest Territories****Non-Consolidated Schedule of Contributions (unaudited)****Schedule 6**

for the year ended March 31, 2021

(thousands of dollars)

**Legislative Assembly**

Capital Area Development Fund	50	-	-	50	-	50
Human Rights Commission Core Funding	180	-	-	180	180	-
	<b>230</b>	<b>-</b>	<b>-</b>	<b>230</b>	<b>180</b>	<b>50</b>

**Executive and Indigenous Affairs**

Native Women's Association Core Funding	426	-	-	426	426	-
Nihtat Gwich'in Process and Schedule Agreement	-	-	-	-	10	(10)
Status of Women Council	394	-	-	394	394	-
	<b>820</b>	<b>-</b>	<b>-</b>	<b>820</b>	<b>830</b>	<b>(10)</b>

**Finance**

Aviation Sector Support	-	19,534	-	19,534	19,534	-
COVID-19 Return to Class Wisely	-	-	-	-	312	(312)
COVID-19 United Way	-	-	-	-	175	(175)
Net Fiscal Benefit Transfer to Aboriginal Parties	10,100	-	-	10,100	8,308	1,792
Northwest Territories Heritage Fund	7,600	-	-	7,600	2,538	5,062
Northwest Territories Housing Corporation Core Funding	71,672	4,537	-	76,209	76,210	(1)
Territorial Power Subsidy Program	7,153	-	-	7,153	7,703	(550)
Whati Fibre Project	-	-	-	-	586	(586)
	<b>96,525</b>	<b>24,071</b>	<b>-</b>	<b>120,596</b>	<b>115,366</b>	<b>5,230</b>

## Government of the Northwest Territories

### Non-Consolidated Schedule of Contributions (unaudited)

### Schedule 6

for the year ended March 31, 2021

(thousands of dollars)

#### Municipal and Community Affairs

A Brilliant North	565	-	-	565	394	171
Annual Non-Government-Organization Stabilization Fund	700	-	-	700	700	-
COVID-19 Emergency Support for Sports Organization	-	1,847	-	1,847	1,843	4
Children and Youth Resiliency Program	450	-	-	450	351	99
Community Governments:						
Assistance	-	-	-	-	20	(20)
Capital Formula Funding	29,000	-	-	29,000	29,000	-
Community Financial Services	135	-	-	135	-	135
Recreation Funding	825	-	-	825	744	81
Water and Sewer Services Funding	19,887	-	-	19,887	19,887	-
Get Active NWT	100	-	-	100	100	-
Ground Ambulance and Highway Rescue	185	-	-	185	185	-
Healthy Choices Initiative	765	-	-	765	587	178
Multisport Games	-	650	-	650	650	-
Pan Territorial Sport Program	272	-	-	272	272	-
Partners Contribution - Assessment Services	125	-	-	125	125	-
Partners Contributions	460	-	-	460	460	-
Recreation Contributions	450	-	-	450	58	392
Regional Youth Sport Events	400	-	-	400	141	259
Volunteer Contributions	70	-	-	70	17	53
Volunteer Recognition	30	-	-	30	5	25
Youth Centres	500	-	-	500	502	(2)
Youth Contribution Programs	225	-	-	225	45	180
Youth Corps - Regional Operations	500	-	-	500	132	368
Youth Corps - Sport, Recreation and Youth	675	-	-	675	530	145
	<b>56,319</b>	<b>2,497</b>	<b>-</b>	<b>58,816</b>	<b>56,748</b>	<b>2,068</b>

#### Lands

Consultation for Land Use Decisions	75	-	-	75	50	25
Land Use Planning Initiatives	265	-	-	265	178	87
Northwest Territories Surface Rights Board	303	-	-	303	313	(10)
Sustainable Land Use Management	230	-	-	230	103	127
	<b>873</b>	<b>-</b>	<b>-</b>	<b>873</b>	<b>644</b>	<b>229</b>

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**Government of the Northwest Territories****Non-Consolidated Schedule of Contributions (unaudited)****Schedule 6****for the year ended March 31, 2021****(thousands of dollars)**

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**Health and Social Services**

Anti-Poverty Fund and Day Shelter	1,075	-	(75)	1,000	1,000	-
Child and Family Services	217	-	-	217	226	(9)
Community Based Suicide Prevention	225	-	-	225	41	184
Community Wellness Initiatives Fund	1,014	-	-	1,014	781	233
Disabilities Fund	335	-	-	335	229	106
Early Childhood Development Action Plan	277	-	-	277	255	22
Early Childhood Development Breastfeeding Fund	65	-	-	65	30	35
Family Violence Prevention	395	-	-	395	147	248
French Language Services	970	-	-	970	618	352
Health and Social Services Authority Funding	347,591	45,286	5,614	398,491	394,913	3,578
Healthy Family Program	292	-	-	292	549	(257)
Infrastructure Contributions:						
Avens - Laundry and Kitchen Facilities Upgrade	-	2,555	-	2,555	3,745	(1,190)
Mental Health and Addictions Bilateral	250	-	(50)	200	164	36
Northern Wellness Initiatives	7,603	35	-	7,638	6,593	1,045
On the Land Healing Fund	1,825	-	-	1,825	1,266	559
Peer Support Program	-	180	-	180	-	180
Respite Fund	225	430	-	655	479	176
Seniors Fund	205	100	-	305	330	(25)
Tlicho Cultural Coordinator	35	-	-	35	41	(6)
	<b>362,599</b>	<b>48,586</b>	<b>5,489</b>	<b>416,674</b>	<b>411,407</b>	<b>5,267</b>

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**Government of the Northwest Territories**

**Non-Consolidated Schedule of Contributions (unaudited)**

**Schedule 6**

for the year ended March 31, 2021

(thousands of dollars)

**Environment and Natural Resources**

Adaptation Plan	25	-	-	25	-	25
Caribou Monitoring	56	-	-	56	243	(187)
Climate Change Community Adaptation	300	-	-	300	220	80
Community Harvester Assistance Program	1,074	172	-	1,246	1,126	120
Conservation Planning	415	-	-	415	368	47
Country Foods	50	-	-	50	23	27
Cumulative Impact Monitoring Program	1,871	-	-	1,871	1,739	132
Disease Contaminants	76	-	-	76	155	(79)
Industry Development	50	-	-	50	120	(70)
Interim Resource Management Assistance Program	1,655	-	-	1,655	1,738	(83)
Inuvialuit Water Board	924	-	-	924	674	250
Local Wildlife Committees	257	-	-	257	165	92
MacKenzie River Basin Board	50	-	-	50	-	50
Modelling and Remote Sensing	65	-	-	65	-	65
Nature Fund Protected Areas	2,105	-	-	2,105	1,729	376
NWT Water Strategy	175	-	-	175	414	(239)
On the Land Collaborative	-	-	-	-	85	(85)
Stewardship Program	330	-	-	330	107	223
Sustainable Livelihoods	-	110	-	110	351	(241)
Take A Kid Trapping	125	-	-	125	199	(74)
Traditional Knowledge	65	-	-	65	-	65
Water Regulatory	-	-	-	-	154	(154)
Water Research	-	-	-	-	287	(287)
Water Strategy Action Plan	250	-	-	250	120	130
Wildfire Research Support	25	-	-	25	-	25
Wildfire Risk Management Plan	75	100	-	175	462	(287)
Wildlife Management Boards	118	-	-	118	228	(110)
	<b>10,136</b>	<b>382</b>	<b>-</b>	<b>10,518</b>	<b>10,707</b>	<b>(189)</b>

**Government of the Northwest Territories**

**Non-Consolidated Schedule of Contributions (unaudited)**

**Schedule 6**

for the year ended March 31, 2021

(thousands of dollars)

**Industry, Tourism and Investment**

Business Development and Investment Corporation	2,012	-	-	2,012	2,012	-
Canadian Agricultural Partnership	488	-	-	488	606	(118)
Commercial Fisheries	450	100	-	550	595	(45)
Community Futures	825	-	-	825	828	(3)
Community Tourism Coordinators	150	-	-	150	150	-
Community Tourism Infrastructure	200	-	-	200	196	4
Community Transfers Initiative	1,681	-	-	1,681	1,471	210
Convention Bureau	100	-	-	100	100	-
Film Industry Rebate Program	100	-	-	100	84	16
Great Northern Arts Festival	25	-	-	25	25	-
Growth and Recovery by Investing in Tourism	-	1,500	1,500	3,000	2,983	17
Indigenous Mineral Development Support Program	100	-	-	100	152	(52)
Mining Incentive Program	1,000	-	-	1,000	1,094	(94)
Northern Food Development Program	550	-	-	550	519	31
Northwest Territories Chamber of Mines	30	-	-	30	80	(50)
Regional Relief and Recovery Fund	-	3,933	-	3,933	3,391	542
Support for Entrepreneur and Economic Development	3,866	-	-	3,866	4,526	(660)
Tourism 2020	400	-	(400)	-	100	(100)
Tourism Industry Funding	4,136	-	(600)	3,536	3,436	100
Tourism Product Diversification Program	1,086	-	-	1,086	1,038	48
Tourism Skills Development	50	-	-	50	-	50
Various Contributions Economic Diversification	-	-	-	-	748	(748)
Various Contributions Minerals and Petroleum Resources	-	-	-	-	601	(601)
Various Contributions Tourism and Parks	-	-	-	-	46	(46)
Yellowknife Visitors Services	161	-	-	161	161	-
	<b>17,410</b>	<b>5,533</b>	<b>500</b>	<b>23,443</b>	<b>24,942</b>	<b>(1,499)</b>

**Justice**

Community Justice Committees and Projects	1,818	-	-	1,818	1,623	195
Gun and Gang Strategy	200	-	-	200	185	15
Offender Reintegration	179	-	-	179	-	179
Victims Assistance Support Projects	1,208	-	-	1,208	1,155	53
YWCA of Yellowknife	105	-	-	105	105	-
	<b>3,510</b>	<b>-</b>	<b>-</b>	<b>3,510</b>	<b>3,068</b>	<b>442</b>

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**Government of the Northwest Territories****Non-Consolidated Schedule of Contributions (unaudited)****Schedule 6**

for the year ended March 31, 2021

(thousands of dollars)

**Infrastructure**

Alternative and Renewable Energy Research	70	-	-	70	60	10
Alternative Energy Program	150	-	-	150	200	(50)
Arctic Energy Alliance Core Funding	1,600	-	-	1,600	1,600	-
Aurora Research Institute Energy Projects	70	-	-	70	96	(26)
Biomass Energy Program	200	-	-	200	100	100
Business Support Program	200	-	-	200	200	-
Community Government Retrofits	200	-	-	200	190	10
Community Renewable Energy Program	100	-	-	100	100	-
Electricity System Analysis	30	-	-	30	-	30
Energy Efficiency Incentive Program	100	-	-	100	200	(100)
Energy Guide for Houses	190	-	-	190	150	40
Infrastructure Contributions						
Northwest Territories Power Corporation	38,232	31,564	-	69,796	19,664	50,132
Local Community Roads	1,480	-	-	1,480	1,236	244
Low Carbon Economy Leadership Fund	7,925	4,772	-	12,697	2,782	9,915
NWT Energy Corporation - Lease Agreement	-	-	-	-	98	(98)
NWT Energy Efficiency Projects	300	-	-	300	250	50
Students Against Drinking and Driving	12	-	-	12	10	2
Tulita Solar Project	-	-	-	-	56	(56)
	<b>50,859</b>	<b>36,336</b>	<b>-</b>	<b>87,195</b>	<b>26,992</b>	<b>60,203</b>

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**Government of the Northwest Territories**

**Non-Consolidated Schedule of Contributions (unaudited)**

**Schedule 6**

for the year ended March 31, 2021

(thousands of dollars)

**Education, Culture and Employment**

Arts Organizations Operating Funding	460	-	-	460	428	32
Aurora College Funding	34,176	-	-	34,176	34,176	-
Career Development and Training	80	-	(50)	30	-	30
Community Library Services	763	-	76	839	781	58
Cultural Organizations	424	-	-	424	462	(38)
Early Childhood Infrastructure Fund	-	500	-	500	500	-
Early Childhood Program	1,302	-	270	1,572	1,849	(277)
Economic Diversification and Business Support	-	-	-	-	75	(75)
Education Authority Funding	158,593	7,244	-	165,837	168,433	(2,596)
Education Renewal and Innovation	185	-	70	255	163	92
Healthy Food for Learning	650	-	-	650	650	-
Heritage Centres	491	-	-	491	491	-
Infrastructure Contributions:						
Early Childhood and School Services	8,085	3,060	-	11,145	6,566	4,579
Income Security Initiative	228	-	(228)	-	-	-
Indigenous Languages Revitalization	-	200	-	200	225	(25)
Language Proficiency Testing	-	-	-	-	46	(46)
Literacy Funding:						
Early Childhood and School Services	677	-	-	677	670	7
Labour Development and Advanced Education	1,679	-	-	1,679	1,656	23
Minority Language Education and Second Language Instruction (French)	2,539	711	-	3,250	3,591	(341)
Northern Distance Learning	1,818	215	-	2,033	1,505	528
Northern Youth Abroad	-	-	100	100	100	-
NWT Teachers' Association Professional Development Fund	2,019	-	-	2,019	2,066	(47)
Official Languages:						
Indigenous Languages	6,285	-	(820)	5,465	5,252	213
Indigenous Languages Broadcasting	1,028	-	-	1,028	878	150
Francophone Affairs	127	-	-	127	178	(51)
Other Post Secondary Contributions	-	-	-	-	700	(700)
Skills Canada	70	-	-	70	91	(21)
Small Community Employment	4,244	-	-	4,244	3,801	443
Supporting Child Inclusion and Participation	1,700	-	-	1,700	1,413	287
Tlicho Cultural Coordinator	35	-	-	35	35	-
Workforce Development Agreement	464	2,400	227	3,091	3,860	(769)
	<b>228,122</b>	<b>14,330</b>	<b>(355)</b>	<b>242,097</b>	<b>240,641</b>	<b>1,456</b>
<b>Total</b>	<b>827,403</b>	<b>131,735</b>	<b>5,634</b>	<b>964,772</b>	<b>891,525</b>	<b>73,247</b>



**SPECIAL WARRANTS**

There were no Special Warrants for the fiscal year ended March 31, 2021.

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**Government of the Northwest Territories****Non-Consolidated Schedule of Inter-activity Transfers Exceeding  
\$250,000 (unaudited)****Schedule 8****for the year ended March 31, 2021****(thousands of dollars)**

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	<b>Transfer to (from) \$</b>	<b>Explanation</b>
<b>OPERATIONS AND MAINTENANCE</b>		
<b>Health and Social Services</b>		
Health and Social Programs	(1,632)	Transfer from Health and Social Programs (HSP) to Administrative and Support Services for position related to O&M. Transfers from HSP to Long Term and Continuing Care Services (LTCCS) for COVID Safe Restart funding, AVENS collective agreement increases, and funding related to non-administrative supplies. Transfer from HSP to Supplementary Health Benefits for COVID Safe Restart funding. These are offset by transfers from Administrative and Support Services to HSP for one-time funding to offset costs associated with the HH Williams Hospital and position related to O&M, LTCCS to HSP for Early Childhood Development contributions, the functions relating to a dental contract, and family violence shelters.
Administrative and Support Services	(113)	
Long Term and Continuing Care	1,370	
Supplementary Health Benefits	375	
Infrastructure Project Classification	1,781	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
<b>Education, Culture and Employment</b>		
Labour Development and Advanced Education	(537)	Transfer of Indigenous Language Revitalization funding from Labour Development and Advanced Education to Culture, Heritage and Languages. Transfer of Technology Service Centre chargeback expenses for new positions to Corporate Management. Transfer of Northern Youth Abroad funding and Employment Standards Appeal funding from Labour Development and Advanced Education to Early Childhood and School Services.
Corporate Management	28	
Culture, Heritage and Languages	450	
Early Childhood and School Services	59	
Infrastructure Project Classification	24	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
<b>Infrastructure</b>		
Infrastructure Project Classification	16	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
<b>Environmental and Natural Resources</b>		
Infrastructure Project Classification	87	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
<b>Industry, Tourism, and Investment</b>		
Infrastructure Project Classification	259	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.

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**Government of the Northwest Territories****Non-Consolidated Schedule of Inter-activity Transfers Exceeding  
\$250,000 (unaudited)****Schedule 8 (continued)****for the year ended March 31, 2021****(thousands of dollars)**

---

	Transfer to (from) \$	Explanation
<b>CAPITAL INVESTMENT</b>		
<b>Environmental and Natural Resources</b>		
Forest Management Wildlife and Fish	(320) 320	Transfer of the cancelled Lightning Network Betterment project budget to the Workshop in Fort Resolution. Transfer of the Workshop in Fort Resolution project to the activity where it will be administered.
Infrastructure Project Classification	(87)	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
<b>Health and Social Services</b>		
Administrative and Support Services Health and Social Programs	(7,333) 7,333	Transfer of the Inuvik Regional Hospital - Phone/Communications Systems/Building Access, 3 Body Holding Spaces, Mechanical Upgrades, Communications Systems Retrofit, Dental Room Addition, 2 Flooring Upgrades and the Medical Equipment (Biomedical Evergreening) projects to the activity where they will be administered.
Infrastructure Project Classification	(1,781)	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
<b>Industry, Tourism and Investment</b>		
Infrastructure Project Classification	(259)	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
<b>Infrastructure</b>		
Asset Management Corporate Management	(31,396) 31,396	Transfer of the Mackenzie Valley Highway Environmental Assessment, Mount Gaudet Access Road, Slave Geological Province Corridor and Prohibition Creek Access Road projects to the activity where they will be administered.
Infrastructure Project Classification	(16)	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
<b>Education, Culture and Employment</b>		
Infrastructure Project Classification	(24)	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.

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**Government of the Northwest Territories**

**Non-Consolidated Schedule of Bad Debt Write-offs, Forgiveness and  
Remissions (unaudited)**

**Schedule 9**

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**for the year ended March 31, 2021**

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**ACCOUNTS RECEIVABLE WRITTEN OFF**

No amounts were written off during the fiscal year ended March 31, 2021.

**FORGIVENESS OF DEBT**

No amounts were forgiven during the fiscal year ended March 31, 2021.

**REMISSION OF STUDENT LOANS**

The total student loans remised during the fiscal year ended March 31, 2021 was \$1,932,506.

**REMISSION OF TAXES AND PENALTY**

No amounts were remised during the fiscal year ended March 31, 2021.

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**Government of the Northwest Territories****Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and  
Others - Expenditures Recovered (unaudited)****Schedule 10****for the year ended March 31, 2021**

---

\$

**Executive and Indigenous Affairs**

Gwich'in Land Claim Implementation	28,411
Inuvialuit Land Claim Implementation	316,006
Sahtu Land Claim Implementation	47
Tlicho Land Claim Implementation	227,088

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**571,552**

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**Municipal and Community Affairs**

Clean Water and Waste Water Fund	3,143,585
Design and Construction Oversight - Sambaa K'e Sewage Lagoon and Solid Waste	1,654
Emergency Management Development	83,192
Gas Tax	17,962,000
Inuvialuit Land Claim Implementation	25,271
Investing in Canada Infrastructure	6,813,691
Pan Territorial Strategy	231,150
Small Community Fund	802,717

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**29,063,260**

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**Infrastructure**

Aurora College - Adult Education Building	12,799
Gwich'in Land Claim Implementation	5,029
Hay River Access Corridor	95,840
National Safety Code	153,140
Office Lease - Beaufort Delta Education Council	146,100
Royal Canadian Mounted Police Facilities Maintenance and Utilities	4,486,858
Royal Canadian Mounted Police Janitorial Services	170,232
Royal Canadian Mounted Police Minor Capital Services	1,249,497
Sahtu Land Claim Implementation	5,027
The Alberta Road Maintenance	187,783
Tlicho Land Claim Implementation	13,936
Wood Buffalo National Park Highway 5 Road Maintenance	1,521,127
Yellowknife Education District No 1 - Wood Pellet Boiler Installation	42,500

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**8,089,868**

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**Government of the Northwest Territories****Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and  
Others - Expenditures Recovered (unaudited) Schedule 10 (continued)**

---

**for the year ended March 31, 2021**

---

	\$
<b>Justice</b>	
Court Ordered Counsel	2,698
Estates Clerk	148,547
Family Information Liaison Unit	381,000
Gwich'in Land Claim Implementation	24,946
Sahtu Land Claim Implementation	24,946
Tlicho Land Claim Implementation	37,977

---

**620,114**

---

**Health and Social Services**

Canadian Chronic Disease Surveillance System	159,270
Canadian Congenital Anomalies Survey System	82,200
Home and Community Care Enhancement	629,024
Non Insured Health Benefits	20,980,131
Non Insured Health Benefits - Dental	16,210
Northern Wellness	12,191
Territorial Health Investment Fund Cultural Competencies	892,516
Territorial Health Investment Fund Medical Travel	5,000,000
Territorial Health Investment Fund Oral Health	695,230
Toll-Free Tobacco Quitline Services	103,790

---

**28,570,562**

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**Education, Culture and Employment**

Gwich'in Land Claim Implementation	23,400
Labour Market Development Agreement	3,712,535
Tlicho Land Claim Implementation	65,877

---

**3,801,812**

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**Government of the Northwest Territories****Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and  
Others - Expenditures Recovered (unaudited) Schedule 10 (continued)**

---

**for the year ended March 31, 2021**

---

	\$
<b>Environment and Natural Resources</b>	
Alberta and NWT Bilateral Water Management Agreement	217,228
Bison Control Program	45,177
Blue Nose West Caribou Survey	50,000
Climate Change - Preparedness in the North	250,067
Conservation Data Centre Data Development	31,399
Cumulative Effects on Barren Ground Caribou	15,000
FMD Boarder Zone Agreements	13,722
Gwich'in Land Claim Implementation	53,249
Inuvialuit Land Claim Implementation	4,698,069
Legacy Contamination	53,747
Muskox Survey	25,000
Northern Richardson Mountains Dall Study	20,000
Sahtu Land Claim Implementation	209,886
Tlicho Land Claim Implementation	159,484
Yukon and NWT Bilateral Water Management Agreement	12,500
	<b>5,854,528</b>
<b>Industry, Tourism and Investment</b>	
Canadian Agricultural Partnership	642,596
Tlicho Land Claim Implementation	4,601
Sahtu Land Claim Implementation	29,725
	<b>676,922</b>
<b>Total</b>	<b>77,248,618</b>

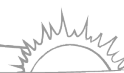
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# PUBLIC ACCOUNTS 2020-2021

## Section III: Supplementary Financial Statements – Other Entities

Government of  
Northwest Territories





**PUBLIC ACCOUNTS**  
**OF THE**  
**GOVERNMENT OF THE NORTHWEST TERRITORIES**  
**FOR THE YEAR ENDED MARCH 31, 2021**

**SECTION III**  
**SUPPLEMENTARY FINANCIAL STATEMENTS**  
**OTHER ENTITIES**

**HONOURABLE CAROLINE WAWZONEK**  
**Minister of Finance**

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**Public Accounts of the  
Government of the Northwest Territories**

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**SECTION III**

**SUPPLEMENTARY FINANCIAL STATEMENTS – OTHER ENTITIES**

**Entities**

Aurora College  
Arctic Energy Alliance  
Inuvialuit Water Board  
Northwest Territories Business Development and Investment Corporation  
Northwest Territories Heritage Fund  
Northwest Territories Housing Corporation  
Northwest Territories Human Rights Commission  
Northwest Territories Hydro Corporation  
Northwest Territories Surface Rights Board  
Status of Women Council of the Northwest Territories

**Revolving Funds**

Fur Marketing Service Revolving Fund  
Marine Transportation Services  
Northwest Territories Liquor Licensing Board and Liquor Enforcement  
Northwest Territories Liquor & Cannabis Commission  
Fuel Services Division  
Public Stores Revolving Fund  
Yellowknife Airport Revolving Fund

**Special Purpose Funds**

Environment Fund  
Legislative Assembly Retiring Allowance Fund  
The Natural Resources Conservation Trust Fund  
Public Trustee for the Northwest Territories  
Students Loan Fund  
Territorial Court Judges Registered Pension Plan Fund  
Physical Activity, Sport and Recreation Fund

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# 2019-20

# ANNUAL REPORT

## AURORA COLLEGE



COLLÈGE  
AURORA  
COLLEGE

## PURPOSE

The purpose of Aurora College is to deliver adult education and post-secondary education, including the delivery of university-level programs and the granting of prescribed university degrees and applied bachelor programs.

## MISSION STATEMENT

Aurora College is focused on student success and is committed to supporting the development of our Northern society through excellence in education, training and research that are culturally sensitive and responsive to the people we serve.

## OUR VALUES

Together, we are creating a vibrant, Northern college that is committed to excellence in education and research and fosters understanding and respect among all Northern people.

We will continue to do this by:

- Serving students in the best way possible, offering a seamless transition between high school, work, college and university;
- Nurturing critical thinking skills and problem-solving abilities;
- Offering a full spectrum of post-secondary education, qualifying Northerners to work or to go on to further education anywhere in Canada;
- Respecting and celebrating Indigenous cultures and linking modern and traditional lifestyles;
- Supporting innovation in education and research;
- Ensuring research and post-secondary education are well integrated, through strong partnerships with industry, communities, governments and other educational institutions;
- Recognizing our role in supporting the governance and economic development of Northern communities;
- Attracting and retaining highly qualified Northern staff and faculty; and
- Fostering an environment of excellence in which staff, faculty and students can work and learn.

New vision, mission and values are being developed as part of the 2020-2023 Strategic Plan.

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2019-2020

# AT A GLANCE

## STUDENTS



**29 Degrees**  
granted in 2019-20



**38 Certificates**  
granted in 2019-20

**63 Diplomas**  
granted in 2019-20



## RESEARCH

**RANKED**

**29<sup>th</sup> & 7<sup>th</sup>**

Overall out of Canada's  
Top 50 Research College

In Research Intensity  
(dollars per researcher)  
out of Canada's Top  
50 Research Colleges



**250+**

**EXTERNAL  
RESEARCHERS**

received support and/or  
services from the Western  
Arctic Research Centre



**2,502**

**ACCOMMODATION**  
nights provided to external  
researchers

## STEM OUTREACH

**161  
STEM**

(Science, technology,  
engineering and  
mathematics) events  
took place with

**2966**

**NORTHERN YOUTH**  
and residents in attendance





## EMPLOYEES

Aurora College Team

**288**  
**STRONG**

**16** have doctorate degrees

**29** have masters degrees

## NEWSWORTHY INSTITUTION

**46**

### NEWS ARTICLES

about Aurora College in NWT print and electronic media

**4471**

### FACEBOOK

followers - that's 10% of the NWT population!



## COVID RESPONSE

**12**

### PROGRAMS

went from in-person to online in two weeks



**62**



students received computers to assist with learning from a distance

**130**



### STUDENTS

graduated on schedule in April 2020 after successfully transitioning to online course work

**\$69,562**

is the total amount received from Natural Sciences and Engineering Research Council (NSERC) and the GNWT to support NWT small businesses and residents to safely deliver products to market to support reducing the impact of COVID-19



**400**

face mask ear protectors produced in partnership with the Inuvik Robotics Club



**250**

production prototype face shields produced in collaboration with local business

# ADMINISTRATOR'S MESSAGE



When we started the 2019-20 academic year, we were ready for the challenges that every new academic year brings. None of us could have foreseen what we would be facing early in 2020 when the COVID-19 pandemic was declared or how we would respond. In our new global reality, the Aurora College team and students have proven they can meet any challenge head on, find solutions and execute them.

Not only did we meet the challenges of teaching and learning from a distance during a global pandemic, we built on our innovative solutions to drive the success of transformation to a polytechnic university. We have learned how to adjust to rapid change, how to find solutions to some very complex issues and most importantly we have seen what a team working together with passion and purpose can accomplish.

As we continued to focus on delivering quality education, we also increased our planning efforts for the transformation of Aurora College to a polytechnic university. During this academic year we laid the groundwork for the development of a new 3-Year Strategic Plan – 2020-2023 Strengthening The Foundation and Planning for Change, that was informed by our College team, our partners and our stakeholders. As a team, we will develop our vision, our mission and the values that will guide us through the next three years.

These are exciting times for Aurora College, and I am proud to be the Administrator for an institution that supports the people of the North and life-long learners everywhere.

*Denny Rodgers*  
**Administrator**

# PRESIDENT'S MESSAGE



The 2019 -20 academic year was unprecedented – from the shift to online teaching and learning when the COVID-19 pandemic was declared, to taking significant steps towards our transformation to a polytechnic university. Throughout all this change I have been continually humbled by and proud of the adaptability, flexibility and resiliency of both our students and the College team.

The College team has worked hard to support the NWT response to the pandemic, including supporting the manufacturing market of personal protective equipment, volunteering to support emergency response, contributing to clinical experience on the front line where it was needed most, providing College facilities to support isolation needs, and working with school authorities to provide access for JK- 12 classes to use College facilities.

Our students successfully transitioned to online learning and completed their coursework despite the interruption of moving to a completely different delivery model. That kind of resiliency bodes well for the future of those students who have graduated and for success in their new careers. Some of our students chose to take a step back during the pandemic and we will continue to support their re-entry into our post-secondary institution when they are ready.

The academic year was one of planning for the future and the establishment of transformation working groups, made up of College employees, has ensured that transformation to a polytechnic university has stayed on track.

In summary, it has been a transformational year for the world, the NWT, and the College. As an institution we worked hard to meet the challenges before us. As a result, we are stronger as a team and as an institution and I am very proud of our response.

*Andy Bevan*  
**President**

# FACTS & FIGURES

## STUDENTS

### Number of Students by Campus

CAMPUS / YEAR	2019-20		2018-19		2017-18		2016-17	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Aurora	84	394	124	450	107	410	105	483
Thebacha	161	494	161	669	217	610	164	765
Yellowknife North Slave	224	471	201	404	203	442	174	488
<b>TOTAL</b>	<b>469</b>	<b>1359</b>	<b>486</b>	<b>1523</b>	<b>527</b>	<b>1462</b>	<b>443</b>	<b>1736</b>

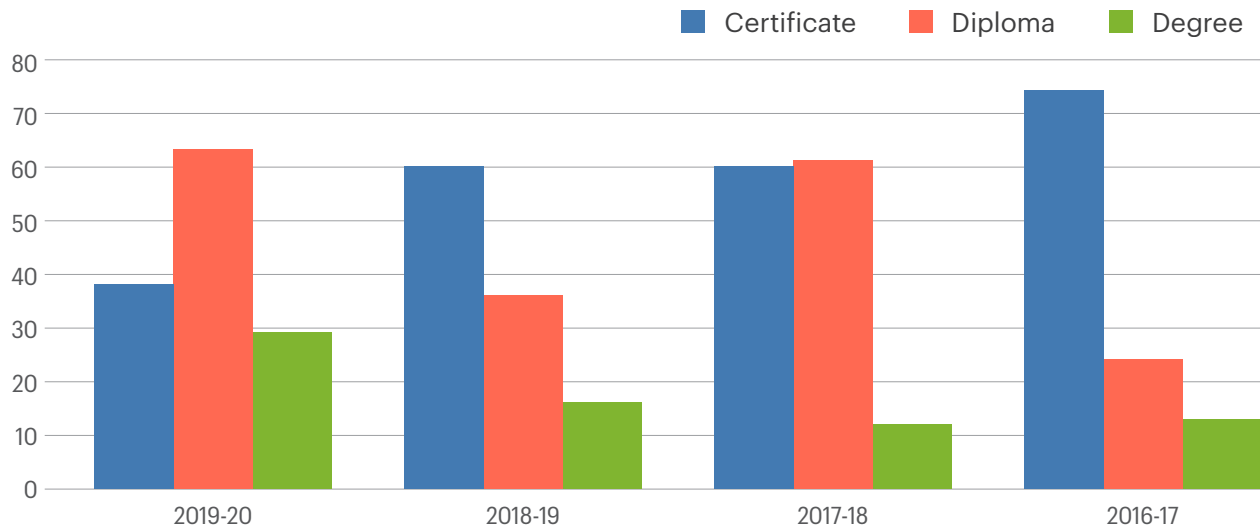
### Full-Time Equivalent (FTE) Students by Campus

CAMPUS / YEAR	2019-20	2018-19	2017-18	2016-17
Aurora	107.1	189.5	166.9	183.9
Thebacha	209.1	275.4	300.7	310.7
Yellowknife North Slave	283.4	274.3	315.3	285.2
<b>TOTAL</b>	<b>599.6</b>	<b>739.2</b>	<b>782.9</b>	<b>779.8</b>

### FTE Students by Program and Division

PROGRAM-DIVISION / YEAR	2019-20	2018-19	2017-18	2016-17
Continuing Education	35	79	56.4	54.8
Developmental Studies	240.2	287.2	332.8	342.9
Arts & Science	18	23.5	42	49.1
Business & Leadership	72.9	90.3	74.6	61.7
Education	43.2	56.4	42.7	64
Health & Human Services	131.6	124.7	160	148.2
Trades, Apprenticeships and Industrial Training	58.7	78.1	74.4	59.1
<b>TOTAL</b>	<b>599.6</b>	<b>739.2</b>	<b>782.9</b>	<b>779.8</b>

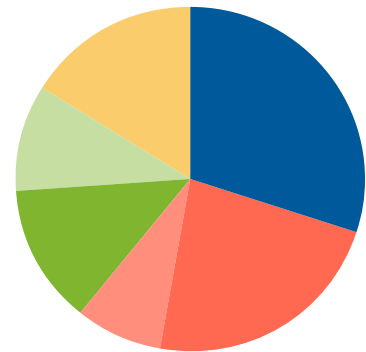
## GRADUATES



## RESEARCH

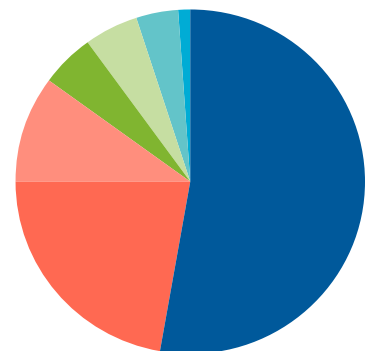
### 2019 Research Licences by NWT Region

Inuvialuit	30%
North Slave	23%
Deh Cho	8%
South Slave	13%
Sahtu	10%
Gwich'in	16%



### 2019 Research Licences by Research Category

Physical Science	53%
Social Sciences	22%
Health	10%
Contaminants	5%
Biology	5%
Engineering	4%
Traditional Knowledge	1%



# COVID-19 RESPONSE

College life as we knew it changed in the spring of 2020 when the COVID-19 pandemic was declared.

When students departed for their reading week on March 13, we had no idea how the COVID-19 pandemic would alter the course of their education. In a matter of days the Aurora College team transitioned from classroom-based teaching and learning to a distance learning format for all of our full-time certificate, diploma and degree programs. Instructors and students rose to the challenge resulting in graduation rates similar to a non-pandemic year.

Here are some of the changes we made:

## Programming and Student Supports

- The College team worked quickly to restructure and move the majority of our programs to online and distance learning. Instructors revamped curriculum, assignments and exams to accommodate the new format and support students.
- The College collaborated with Computers for Schools/Smart Communities Society in Yellowknife to provide computers to students who required them to complete their online studies.
- Instructors and the student services team found innovative ways to stay connected to students and support their academic, emotional, and physical wellbeing.

## Response to Community Needs

- Some student housing at our Thebacha Campus was used to accommodate self-isolating travelers returning to the NWT.

- The residence building at our Aurora Campus was temporarily used to house Inuvik's Warming Centre, to assist with emergency isolation needs of the town's vulnerable population.
- The Centre for Mine and Industry Training building at Thebacha Campus was repurposed as a drive-through COVID-19 testing site for the Department of Health and Social Services.
- Bachelor of Science in Nursing medical equipment and supplies were inventoried and designated for health authorities if required.
- Students in the Bachelor of Science in Nursing, Practical Nursing, and Personal Support Worker programs participated in the COVID-19 response through their scheduled practicums, casual employment, or volunteer efforts.
- Several Aurora College employees were redeployed to other GNWT departments to support emergency services.

## Arts, Crafts, and Technology Micro-manufacturing Centre Response

- Supported Inuvik Robotics & Engineering Club in the creation of face mask ear strain reliefs for use across the NWT.
- Worked with a local business to support the manufacturing of face shields that were approved by the CPHO for use by front-line medical workers.
- Continued to provide training and support to regional artists through virtual workshops in button-making and t-shirt design.

# 2019-20 HIGHLIGHTS

# TRANSFORMING TO A POLYTECHNIC UNIVERSITY

## Student Information System (SIS)

A new Student Information System (SIS) was launched in March this year - strengthening the foundation of the College by improving students' educational experience and providing data to inform decision-making as Aurora College transforms to a polytechnic university.

The new system, PowerCampus, allows students to access timely information about their own academic journey, and to manage more of their interactions with Aurora College including: applying for programs; selecting classes; checking marks; paying tuition and rent; and viewing their schedule.

The report generation function of the system will provide the College team with information throughout the various stages of the student lifecycle, to inform timely decision-making which, in turn, will improve the efficiency and effectiveness of the College and improve the student experience.

The timeliness of the launch provided students the ability 2019-20 to manage these processes online throughout the COVID-19 pandemic.

SIS was a collaborative project with the Government of the Northwest Territories.

## Working Groups Created

Members of the Aurora College team began to support and guide the transformation to a polytechnic university. Working groups were formed to work on transformation projects related to operations, academic program management, accountability, and recruitment and retention of students.

## Equity, Diversity and Inclusion Strategy

Aurora College was one of 15 post-secondary institutions to receive a Natural Sciences and Engineering Research Council of Canada (NSERC) Equity, Diversity and Inclusion (EDI) Institutional Capacity-Building Grant. The grant is to research, develop, and implement an EDI plan for a polytechnic university and to plan, develop, and implement a new, updated Traditional Knowledge policy.

The project was scheduled to run January 2020 – March 2021 but has been extended to June 2021 because of delays related to COVID-19. The funding will be instrumental in Aurora College's transformation to a polytechnic university.

## Strategic Plan Ground Work

A new 3-year strategic plan was underway this year to provide focus as we transform into a polytechnic university. The Aurora College team and students at all campuses and community learning centres are playing a central role in shaping the 3-year plan. The strategic plan set for release in the fall of 2020 was informed by engagements with several community leaders, businesses, industry organizations, non-governmental organizations, affiliated academic institutions and members of the public.



# 2019-20 HIGHLIGHTS

# TEACHING & LEARNING

## Certificate in Indigenous Language Revitalization Pilot

Two cohorts completed the Certificate in Indigenous Language Revitalization (CILR) pilot program in March 2020. The program provides a strong foundation of knowledge and the skills to develop strategies for local language revitalization initiatives that are culturally appropriate and responsive to the unique needs of each community.

Students came from a wide range of backgrounds including community-based language teachers, local government workers, cultural workers, and community members working or interested in language preservation and revitalization initiatives. Classes were designed for everyone from young adults to Elders; this inter-generational aspect added tremendous value for all.

Feedback has been overwhelmingly positive and interest is high for the CILR program to continue.

The Certificate in Indigenous Language Revitalization Pilot was a joint project with the Department of Education, Culture and Employment's Indigenous Languages & Education Secretariat, the University of Victoria, Continuing Studies, and the Department of Linguistics, En'owkin Centre.

## Personal Support Worker Pilot Project

During the winter semester, a distance education pilot with Personal Support Worker courses was run in five communities. A total of 30 students consistently attended the distance courses at the participating Community Learning Centres. Interest remains high and several students in the pilot have applied to the full-time Personal Support Worker program.



*CILR student, Stacey Sundberg (left) and Indigenous languages mentor, Alizette Lockhart (right)*

## Baby Friendly Initiative - A Canadian First

Aurora College is believed to be the first nursing school in Canada to formally incorporate UNICEF's and the World Health Organization's Baby Friendly initiative recommendations for breastfeeding and improved maternal health into a Bachelor of Science in Nursing (BSN) program. These graduates now receive special accreditation, increasing the number of employment opportunities at health care facilities. The certification ensures nurses can provide women from all walks of life the same information and messages about breastfeeding and maternal health.

## Bachelor of Nursing Accreditation

The Bachelor of Science in Nursing program was re-accredited for five years by the Canadian Association of Schools of Nursing. The quality of graduates, as noted by stakeholders, and the satisfaction of graduates with the program were noted by the review team.





*BSN simulation lab.*

### **Nursing Simulation Lab Renovation**

Renovations to the BSN's Learning Resource Centre (skills lab) were completed in the summer of 2019. Ten stations now have hospital beds/stretchers, equipped with simulation control supported by Laerdal SimMan computer software. A projection system into a separate room maximizes learning and debriefing with students.

### **Reconciliation in Education**

Highlighted by keynote speaker Dr. Niigaanwewidam Sinclair, one of the leading voices in driving cross-Canadian conversation about manifesting reconciliation in educational spaces, two workshops were held for our Community & Extensions team on the theme of Indigenizing Education. The goal was to provide understanding of how to indigenize and decolonize adult education in the NWT.

### **Promoting Culture, Language and Heritage in Early Learning**

The Early Learning and Child Care diploma program has a new on-the-land training program to promote professional development in outdoor play strategies based on northern culture. Students attended the Arctic Indigenous Wellness Centre monthly to participate in traditional Indigenous healing practices such as sharing circles, smudging, and on-the-land learning. An Elder in Residence initiative includes monthly visits from local Elders to speak on topics related to early learning and child care.

Interns also attended Bushkids Camp where they participated in an on-the-land training program that teaches students to adapt outdoor play to indigenous ways of knowing.

# 2019-20 HIGHLIGHTS RESEARCH

## Permafrost Hub

The overall goals of the Permafrost Information Hub are to improve collaboration and information sharing between permafrost researchers and northern stakeholders, conduct northern relevant research projects, and increase capacity for permafrost research. Permafrost provides a foundation for northern ecosystems, infrastructure and communities. Permafrost conditions are inextricably linked to climate, so information on permafrost is increasingly critical for environmental monitoring and research, assessing effects of climate change and for planning and managing resilient infrastructure and communities.

## Indigenous Mapping Workshops

Aurora Research Institute (ARI) – in partnership with the Inuvialuit Regional Corporation, the Gwich'in Tribal Council, The Firelight Group, ESRI Canada, Natural Resources Canada, and Google – hosted the 2019 Indigenous Mapping Workshop in Inuvik. Indigenous mapping is a practice where Indigenous communities own, control, access, and possess both the geographic information and mapping processes. It is rooted in Indigenous data sovereignty. The four-day workshop, held in Inuvik in October 2019, attracted more than 100 Western Arctic community members to provide innovative hands-on training, share best practices and apply geo-spatial tools that complement community-based monitoring activities. The workshop increased Northern capacity and empowered northern communities to inform evidence-based decision making.



*Western Arctic Research Centre Permafrost Specialist, Alice Wilson, drills permafrost cores to gather data to support climate change research*

## Research by the Numbers

Aurora Research Institute facilities support researchers across the NWT. In 2019-20, Western Arctic Research Centre (WARC) provided 2,502 days of accommodation, 381 days of short-term facility use, and 426 days of long-term facility use. The WARC is a partner in the International Network for Terrestrial Monitoring in the Arctic (INTERACT), a circumpolar network of field site leaders who work cooperatively to improve environmental research and monitoring efforts at Arctic field stations.

## Study to Reduce Deaths Due to Domestic Violence



Dr. Pertice Moffitt (left), Aurora Research Institute's Manager of Health Research Programs, is a co-investigator and Pan-Territorial Coordinator of the Canadian Domestic

Homicide Prevention Initiative for Vulnerable Populations ([www.cdhpi.ca](http://www.cdhpi.ca)).

This work is supported by the Status of Women Council of the NWT and the YWCA NWT. The study is focused on one or more of these four groups – Indigenous Peoples; immigrants and/or refugees; people living in rural, remote, and/or northern communities; and children exposed to domestic violence or parents/caregivers of children killed in the context of domestic violence.

To help reduce domestic homicides, researchers plan to interview 200 survivors of severe domestic violence, as well as family members and friends who have lost someone to domestic homicide between 2006 and 2016, for which there are no current or pending court or coroner investigations. The research team, funded by the Social Sciences and Humanities Research Council's (SSHRC) Partnership Development Grant program, is trying to reduce these deaths through research, broader public awareness, and professional training. This research study will offer a perspective on behalf of victims and survivors of domestic violence. The team is led by University of Guelph sociology professor Dr. Myrna Dawson and Western University education professor Dr. Peter Jaffe; the study has been approved by the University of Guelph and Western University Research Ethics Boards.

## STEM Outreach

Western Arctic Research Centre (WARC) offered 135 science, technology, engineering and mathematics (STEM) outreach events, reaching more than 2,400 northern youth and residents in the Beaufort Delta. These included: 65 STEM outreach visits to school classes with 1,160 student participants; six teacher outreach events with 67 educator participants; dozens of one-on-one consultations regarding STEM instruction; 50 STEM outreach events for community groups and public events with 874 participants; 14 public research talks, with 18 researchers sharing their work and 154 participants; as well as dozens of research facility tours highlighting ARI's role in northern research with an estimated 150 participants.

South Slave Research Centre offered 26 STEM outreach events, reaching 566 northern youth and residents. These included nine STEM outreach visits to school classes across the South Slave with 151 student participants; seven teacher outreach events with 32 educator participants; several one-on-one and small group consultations regarding STEM instruction; 11 STEM outreach events for community groups and large public events with 218 participants; three public research talks with 63 participants at the events; and seven remote workshops delivered in both Fort Smith and Hay River reaching 124 youth, teachers and families.



*Aurora College continues to support STEM outreach including programming, robotics, and electronics using mBots.*



# 2019-20 HIGHLIGHTS

# STUDENT SUCCESS

## Hotii Ts'eeda Studentship Awards

Edets'seèhdzà Studentships were awarded to third-year Aurora College Bachelor of Science in Nursing students Erica Abel and Marisa McArthur, both residents of Yellowknife. Each Edets'seèhdzà Studentship is a \$20,000 stipend that supports a returning Aurora College student to be involved in health research during their studies.

The Edets'seèhdzà Studentship award is funded by Hotii ts'eeda, and provided through a partnership between Hotii ts'eeda and Aurora College/Aurora Research Institute. Hotii ts'eeda is funded by the Canadian Institutes for Health Research (CIHR) and is a research support unit hosted by the Tłıchq̓ Government. Edets'seèhdzà (eh-DEY-tsay-zah) means "stepping forward to challenge yourself" in the Tłıchq̓ language.

The Edets'seèhdzà Studentship supports the two nursing students to be meaningfully involved in health and wellness research in the NWT. The studentships are intended to foster Northerners' skills as researchers and health professionals to contribute to NWT health research. The opportunity to engage in health-related research while pursuing studies provides Aurora College students a rich opportunity to anchor learning in Northern communities.

Abel is a proud member of the Yellowknives Dene First Nation (YKDFN) who plans "to aid those who require medical assistance, and to possess both sides of the modern and traditional teachings in healing" while maintaining her Northern roots. She says that it is important to work in the areas of "traditional teachings, demonstrating respect, and passing knowledge to the next generation."

McArthur has an appreciation for how "locally-driven Indigenous health research has the power to cultivate meaningful change in the communities in which we live." She has an interest in social epidemiology and believes strongly in the role people can play in facilitating meaningful change through health research in the NWT.

Both Abel and McArthur are working with Aurora Research Institute Manager of Health Research Programs Dr. Pertice Moffitt. Moffitt is part of a team that recently received funding from the Canadian Institutes of Health Research for the project "Welcoming the Sacred Spirit", a three-year collaborative project looking at Indigenous maternal health care in Canada.

## Aurora College Student highlighted in Maclean's Colleges Guidebook



Victoria Wedzin (Pat Kane)

### Victoria Wedzin

As Wedzin sees it, her journey to becoming a PSW began when, as an infant, she was adopted by a woman who was nearly 50. "She was the best mother I could have asked for," she says. "But as I got older, so did she." Wedzin, who grew up in Behchoko, a First Nations community about 110 km northwest of Yellowknife, lived with her mother and cared for her during the last years of her life. When she died in 2019, Wedzin felt lost. But she realized that she had years of experience in caregiving and moved to Yellowknife for the nearest training program. She worried that she wouldn't make it through the program: a close friend died early in Wedzin's studies. "I asked for guidance when I was struggling and asked for my mom's help," she says. She graduated this spring. She enjoys the little tasks that improve a person's quality of life. "It's things like helping them out of bed, or even when they want you to change the channel," she says. "They thank you over and over again...And they ask, 'When will you be back? When will you be working next?'"

<https://www.macleans.ca/education/personal-care-workers-describe-what-led-them-to-their-jobs/>



*Blake Gardebois*

## A Student’s Journey— From Fort Good Hope to Kenya

Encouraging learners to ladder their educational journeys – building upon each success – has been a hallmark of Aurora College since its inception. Alumnus Blake Gardebois of Fort Good Hope is a shining example of the value of this approach. Gardebois is a motivated, determined learner and with supports offered by the Aurora College team was ready for success. One of his instructors says that “as a learner, Blake is a teacher’s dream”.

Gardebois began his Aurora College journey at the Community Learning Centre in Fort Good Hope, where he took Adult Literacy and Basic Education (ALBE) courses. With encouragement from the Community Adult Educator he gained the prerequisites for the Occupations and College Access Program (OCAP) at our Thebacha Campus.

Moving from Fort Good Hope (pop. 500) to Fort Smith (pop. 2,500) was a new challenge and

during his second year on campus, Gardebois found his stride academically.

Gardebois was chosen from a national competition to participate in a four-month internship program in Kenya, Africa. As a participant in the International Aboriginal Youth Internships (IAYI) program he assisted with programs related to clean water and environmental conservation, as well as community sustainability.

Now back in Canada, Gardebois continues on his educational journey, and is set to complete his Office Administration Diploma in April 2021.

## Jane Glassco Fellowship Recipients

Two Aurora College students/alumni were named to the list of 2019-20 Jane Glassco Northern Fellowships. Ashely Okrainec and Alyssa Carpenter were recognized. The fellowships link young northerners with support to build their own futures and amplify their voices on public policy issues.

# 2019-20 HIGHLIGHTS

# PARTNERSHIPS

## Programming partnerships with Indigenous Governments

Aurora College works closely with various Indigenous governments, communities, and organizations to deliver programming in response to local and regional needs.

- In the spring of 2020, three students completed Practical Nursing Diplomas at Aurora Campus in Inuvik, offered in partnership with the Inuvialuit Regional Corporation (IRC).
- The Tłı̨chǫ Government and Aurora College collaborated to deliver the Camp Cook program for Tłı̨chǫ residents in the fall of 2019.

## Northern Leadership Development Program (NLDP)

2019-20 saw the largest NLDP cohort since the program began in 2011, with 24 participants. Employers involved included Dominion Diamond Mines, Diavik Diamond Mines, DeBeers Group, Deton'Cho Corporation, Yellowknives Dene First Nation and the Tłı̨chǫ Government. COVID-19 interrupted the program and the remaining modules will be delivered by distance in fall 2020.

## Grants to aid climate change and wind power research

Two grants were received in 2019-20 supporting the use of light detection and ranging (LiDAR) technology. The first was an Applied Research Tools and Instruments grant worth \$150,000 through the Natural Sciences and Engineering Research Council of Canada's (NSERC) College and Community Innovation Program. The grant supports the purchase of research equipment for the Application of UAV LiDAR Systems to the Monitoring and Mapping of the Effects of Climate-Driven Changes on Western Arctic Communities project. Equipment purchased included an unmanned aerial vehicle (UAV) and a LiDAR system to support the investigation, mapping, recording and monitoring of the effects of climate-driven changes on northern communities. Used together, the UAV and LiDAR system is a geomatics tool that has multiple applications, including the production of high-resolution 3D maps of urban and remote areas, measuring snow depth, monitoring permafrost thaw, measuring ice thickness, and monitoring ice road maintenance.

The second grant was \$170,375 through the Canada Foundation for Innovation's College-Industry Innovation Fund, to conduct research using a LiDAR wind monitoring unit. LiDAR technology is ideal for use in remote locations as it is mobile and can be deployed more quickly and at less cost than traditional wind towers that are used in wind assessment studies. These investments will help further understanding of the benefits of using LiDAR technology in remote and northern conditions.



# 2019-20 HIGHLIGHTS

# AURORA COLLEGE TEAM



*Erika Hille*

## Polar Northern Resident Scholarship

Erika Hille, left, special projects coordinator and librarian at Aurora Research Institute, was awarded a POLAR Northern Resident Scholarship by the Association of Canadian Universities of Northern Studies (ACUNS) for her PhD research project, entitled “The geochemical responses of Arctic freshwater systems to regional variability in permafrost thaw across the Canadian Arctic”. Scholarship recipients must demonstrate the benefits of their proposed research, considerable commitment to the North and northern studies, and community outreach in combination with a strong academic record, written application, and references.



*Dr. Kathie Pender, left, Dr. Kerry Lynn Durnford, right, at Western University*

## Advanced Degree and Post-graduate Credentials

Professional development is a key component of any post-secondary institution. The following members of the Aurora College team recently earned advanced degrees and credentials:

**Dr. Sheila Cruz**, Instructor, BSN: Doctorate of Nursing Practice, Loma Linda University

**Dr. Kerry Lynn Durnford**, Senior Instructor, BSN: Doctorate of Educational Leadership, Western University

**Dr. Betty Ann Marriott**, Instructor, BSN: Master of Nursing-Nurse Practitioner, Athabasca University

**Dr. Kathie Pender**, Instructor, BSN: Doctorate of Educational Leadership, Western University

**Gloria Bott**, Instructor, BSN: National certification as Nurse Educator, Canadian Association of Schools of Nursing.

**Bev Hussey**, Developmental Studies Instructor: Master of Science in Biology, University of New Brunswick

**Tammy Soanes-White**, Instructor, Business Administration: Master of Business Administration, University of Alberta

**Jessica Dell**, Developmental Studies Instructor: Adult and Community Education Certificate, University of Calgary

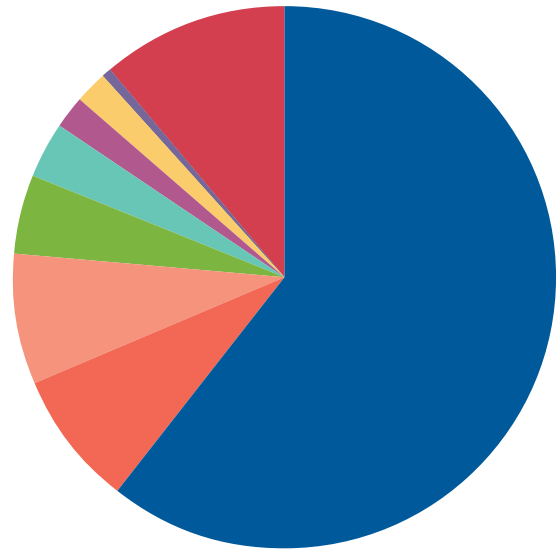
**Melanie Adams**, Librarian/Student Success Coordinator: Library and Information Technician Diploma, Mohawk College.

# 2019-20 HIGHLIGHTS

# FINANCES AT A GLANCE

## REVENUE

Government base	60.7%
Other GNWT	8.2%
Government of Canada	7.9%
Other 3rd party	4.6%
Tuition fees	3.3%
Room and board	2.0%
Recoveries and other	1.9%
Interest income	0.7%
Services provided without charge	10.8%



## EXPENDITURES

Financial and accounting services	3.7%
Pooled services	14.2%
Student services	21.3%
Education and Training	32.4%
Community and Extensions	19.2%
Aurora Research Institute	9.2%







AURORA COLLEGE  
**AUDITED FINANCIAL  
STATEMENTS**

AS OF JUNE 30, 2020

## AURORA COLLEGE

### MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Aurora College (the "College") and all information in this annual report are the responsibility of the College's management and have been reviewed and approved by the Public Administrator. The financial statements have been prepared in accordance with Canadian public sector accounting standards and include some amounts that are necessarily based on management's best estimates and judgment. Financial information presented elsewhere in the annual report is consistent with that contained in the financial statements.

In discharging its responsibility for financial reporting, management maintains and relies on financial and management control systems and practices which are designed to provide reasonable assurance that transactions are authorized and recorded, proper records are maintained, assets are safeguarded, and the College complies with applicable laws. These controls and practices ensure the orderly conduct of business, the timely preparation of reliable financial information and adherence to the College's statutory requirements and policies.

The Public Administrator is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Public Administrator meets regularly with management and the external auditors. The external auditors also have full and free access to the Public Administrator.

The College's external auditor, the Auditor General of Canada, audits the financial statements and issues her report thereon to the Minister of Education, Culture and Employment.



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Andy Bevan  
President



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Celestine Starling  
Director of Finance/Chief Financial Officer

Fort Smith, Canada  
November 26, 2020



## INDEPENDENT AUDITOR'S REPORT

To the Minister of Education, Culture and Employment

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Aurora College (the College), which comprise the statement of financial position as at 30 June 2020, and the statement of operations and accumulated surplus, statement of change in net financial assets and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at 30 June 2020, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the College's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 College's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

report. However, future events or conditions may cause the College to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Compliance with Specified Authorities**

#### *Opinion*

In conjunction with the audit of the financial statements, we have audited transactions of Aurora College coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Financial Administration Act* of the Northwest Territories and regulations, the *Aurora College Act* and regulations, and the by-laws of Aurora College.

In our opinion, the transactions of Aurora College that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Aurora College Act*, we report that, in our opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year. In addition, in our opinion, proper books of account have been kept by Aurora College and the financial statements are in agreement therewith.

#### *Responsibilities of Management for Compliance with Specified Authorities*

Management is responsible for Aurora College's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable Aurora College to comply with the specified authorities.

#### *Auditor's Responsibilities for the Audit of Compliance with Specified Authorities*

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.



Lana Dar, CPA, CA  
Principal  
for the Auditor General of Canada

Vancouver, Canada  
26 November 2020

**AURORA COLLEGE**  
**STATEMENT OF FINANCIAL POSITION**  
**as at June 30, 2020**  
(in thousands of dollars)

	<u>2020</u>	<u>2019</u>
<b>Financial assets</b>		
Cash	\$ 22,702	\$ 19,061
Accounts receivable (Note 3)	<u>1,940</u>	<u>2,528</u>
	<u><b>24,642</b></u>	<u><b>21,589</b></u>
 <b>Liabilities</b>		
Accounts payable and accrued liabilities	1,329	1,883
Payroll liabilities	2,084	2,114
Deferred revenue	1,748	1,996
Due to the Government of the Northwest Territories (Note 9)	6,129	3,106
Employee future benefits (Note 4)	1,505	1,602
Professional development fund (Note 5)	<u>2,344</u>	<u>2,209</u>
	<u><b>15,139</b></u>	<u><b>12,910</b></u>
 <b>Net financial assets</b>	<u><b>9,503</b></u>	<u><b>8,679</b></u>
 <b>Non-financial assets</b>		
Prepaid expenses	365	380
Tangible capital assets (Note 6)	<u>6,268</u>	<u>6,232</u>
	<u><b>6,633</b></u>	<u><b>6,612</b></u>
 <b>Accumulated surplus (Note 7)</b>	<u><b>\$ 16,136</b></u>	<u><b>\$ 15,291</b></u>

Commitments and contractual rights (Notes 11 and 12)

The accompanying notes and schedule are an integral part of the financial statements.

Approved by:



\_\_\_\_\_  
Denny Rodgers  
Public Administrator



\_\_\_\_\_  
Andy Bevan  
President

**AURORA COLLEGE**  
**STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**for the year ended June 30, 2020**  
(in thousands of dollars)

	<b>2020</b>	<b>2019</b>
	<b>Budget</b>	<b>Actual</b>
<b>Revenues</b>		<b>Actual</b>
Government contributions (Note 8)	\$31,999	\$31,618
Project income		
Government of the Northwest Territories	4,328	4,373
Government of Canada	3,454	2,491
Other third party contributions	3,969	2,479
Own source revenues		
Tuition fees	1,428	2,070
Room and board	1,161	1,306
Recoveries and other	411	972
Interest income	95	397
Services provided without charge (Note 10)	5,907	5,992
	<u>52,752</u>	<u>51,698</u>
<b>Expenses</b>		
Financial and accounting services	2,131	1,938
Pooled services	7,767	6,130
Student services	10,282	10,914
Education and training	19,795	17,508
Community and extensions	11,150	9,880
Aurora Research Institute	4,527	3,525
	<u>55,652</u>	<u>49,895</u>
<b>Annual surplus (deficit)</b>	<b>(2,900)</b>	<b>1,803</b>
<b>Accumulated surplus at beginning of year</b>	<u>15,291</u>	<u>13,488</u>
<b>Accumulated surplus at end of year</b>	<u><b>\$12,391</b></u>	<u><b>\$15,291</b></u>

The accompanying notes and schedule are an integral part of the financial statements.

**AURORA COLLEGE**  
**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**for the year ended June 30, 2020**  
(in thousands of dollars)

	<b>2020</b>		<b>2019</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Annual surplus (deficit)</b>	\$(2,900)	\$ 845	\$ 1,803
Acquisition of tangible capital assets	-	(1,297)	(2,172)
Amortization of tangible capital assets	463	1,261	983
	<u>463</u>	<u>(36)</u>	<u>(1,189)</u>
(Increase) decrease in prepaid expenses	<u>-</u>	<u>15</u>	<u>(50)</u>
<b>Increase in net financial assets</b>	173	824	564
<b>Net financial assets at beginning of year</b>	<u>8,679</u>	<u>8,679</u>	<u>8,115</u>
<b>Net financial assets at end of year</b>	<u><b>\$ 8,852</b></u>	<u><b>\$ 9,503</b></u>	<u><b>\$ 8,679</b></u>

The accompanying notes and schedule are an integral part of the financial statements.



**AURORA COLLEGE**  
**STATEMENT OF CASH FLOW**  
**for the year ended June 30, 2020**  
(in thousands of dollars)

	<u>2020</u>	<u>2019</u>
<b>Operating transactions</b>		
Cash received from:		
Government of the Northwest Territories	\$37,083	\$35,751
Students and other third parties	6,376	6,942
Government of Canada	3,541	3,369
Interest	382	397
Cash paid for/to:		
Compensation and benefits	(29,050)	(27,973)
Suppliers	(13,518)	(13,293)
<b>Cash provided by operating transactions</b>	<u><b>4,814</b></u>	<u><b>5,193</b></u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(1,173)	(2,172)
<b>Cash used for capital transactions</b>	<u><b>(1,173)</b></u>	<u><b>(2,172)</b></u>
<b>Increase in cash</b>	<b>3,641</b>	<b>3,021</b>
<b>Cash at beginning of year</b>	<u>19,061</u>	<u>16,040</u>
<b>Cash at end of year</b>	<u><b>\$22,702</b></u>	<u><b>\$19,061</b></u>

The accompanying notes and schedule are an integral part of the financial statements.

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2020**

**1. AUTHORITY AND MANDATE**

**a) Authority and purpose**

Aurora College (“College”) was established under the *Aurora College Act* and is named as a territorial corporation under the *Financial Administration Act* of the Northwest Territories. The College is exempt from income taxes.

The College is a multi-campus institution designed to provide a wide variety of educational services to adult learners of the Northwest Territories (NWT). The programs are directed specifically to the northern environment and the needs of individual northerners, the workforce and northern communities. To accomplish this, courses and services are delivered at campuses and communities throughout the NWT. Through the work of the Aurora Research Institute, the College is also responsible for research activities in the NWT.

**b) Contributions from the Government of the Northwest Territories**

The College receives monthly contributions from the Government of the Northwest Territories (“Government”) based on appropriations consistent with the Government’s Main Estimates and adjusted for supplementary appropriations. The contributions are to be utilized for the administration and delivery of the College’s adult and post-secondary education programs in the NWT. The College is allowed to retain all surpluses and is responsible for all deficits.

The College is economically dependent upon the contributions received from the Government for its ongoing operations.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards (“PSAS”).

The following is a summary of the significant accounting policies.

**a) Measurement uncertainty**

The preparation of financial statements in accordance with PSAS requires the College to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**a) Measurement uncertainty (continued)**

significant, although, at the time of preparation of these statements, the College believes the estimates and assumptions to be reasonable. Some of the more significant management estimates relate to the allowance for doubtful accounts, employee future benefits, amortization, and revenue accruals.

**b) Cash**

Cash is comprised of bank account balances, net of outstanding cheques.

**c) Tangible capital assets**

Tangible capital assets transferred to the College when it was established were recorded at their estimated fair market value. Subsequent acquisitions are recorded at cost. Tangible capital assets are amortized over their estimated remaining useful lives on a straight-line basis at the following annual rates:

Mobile equipment	3 to 20 years
Building additions and renovations	20 years
Furniture and equipment	2 to 10 years
Leasehold improvements	lesser of useful life or lease term (3 to 12 years)

**d) Employee future benefits**

**i) Pension benefits**

All eligible employees participate in the Public Service Pension Plan (the "Plan") administered by the Government of Canada. The College's contributions reflect the full cost as employer. This amount is currently based on a multiple of an employee's required contributions and may change over time depending on the experience of the Plan. The College's contributions are expensed during the year in which the services are rendered and represent the total pension obligation of the College. The College is not required under present legislation to make contributions with respect to actuarial deficiencies of the Plan.

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d) Employee future benefits (continued)**

**ii) Severance, removal and compensated absences**

Under the terms and conditions of employment, employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment.

Eligibility is based on variety of factors including place of hire, date employment commenced, and reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. Termination benefits are also recorded when employees are identified for lay-off. Compensated absences include sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits (except maternity and parental leave) has been prepared using data provided by management and assumptions based on management's best estimates.

**e) Government contributions**

Government contributions are recognized as revenue when the funding is authorized and all eligibility criteria are met, except to the extent that funding stipulations give rise to an obligation that meets the definition of a liability.

The College receives its appropriations on a monthly basis from the Government of the Northwest Territories, as the College has a different fiscal year. These contributions are recognized as revenue in the period in which the funding relates once all eligibility criteria have been met and it has been authorized.

**f) Own source revenues**

Tuition fees, room and board, and recoveries and other are reported as revenue at the time the services are substantially provided, or the products are delivered. Tuition fees received in advance of courses being delivered are deferred and recognized when the courses are delivered.

Interest income is recognized on an accrual basis.

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**g) Project income and deferred revenue**

The College provides education and research services to private companies, federal and territorial government departments, agencies, and corporations through contractual arrangements. Payments received under these contracts for which the development and delivery of courses and projects are not completed are recorded as deferred revenue until completion in accordance with the stipulations of these agreements.

Revenue from federal and territorial government departments, agencies and corporations is recorded once the eligibility criteria are met; the payments are authorized, except to the extent that funding stipulations give rise to an obligation that meets the definition of a liability.

**h) Contract services**

Contract services acquired by the College include printing services, food service contracts, instruction contracts, leases and rental agreements. These amounts are recognized as expenses in the year the services are rendered.

**i) Contingent liabilities**

A contingent liability is a potential liability which may become an actual liability when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

**j) Prepaid expenses**

Prepaid expenses are charged to expense over the year the services are rendered.

**k) Funds and reserves**

Certain amounts, as approved by the Public Administrator, are set aside as reserves in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are recorded when approved.

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**l) Financial instruments**

Financial instruments are identified by financial asset and financial liability classifications.

The College's financial assets include cash and accounts receivable which are both measured at cost. Financial liabilities include accounts payable and accrued liabilities, payroll liabilities, due to Government of the Northwest Territories and professional development fund which are all measured at cost.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the Statement of Operations and Accumulated Surplus. The allowance for doubtful accounts is based on management's best estimate of probable losses. The allowance is calculated based on a percentage of specific aged receivables where management believes an impairment has occurred. The allowance is shown as a reduction to accounts receivable. Management recommends write-offs of student accounts that are deemed uncollectible. Student and other receivable write-offs are submitted to the Public Administrator for approval.

**m) Budget**

Canadian public sector accounting standards require a government organization to present in its financial statements a comparison of the results of operations and changes in net financial assets for the period with those originally planned. The budgeted figures represent the College's original fiscal plan for the year approved by the College's Public Administrator and do not reflect any subsequent adjustments made during the course of the year.

**n) Related party transactions**

Canadian public sector accounting standards require a government organization to disclose related party and inter-entity transactions. The College is related to all Government departments, territorial corporations and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. Related party transactions other than inter-entity transactions are recorded at the exchange amount.

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions are recorded on a gross basis and are measured at the carrying amount, except for the following: when inter-entity transaction are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length, or where costs provided are recovered, they are measured at the exchange amount.

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**n) Related party transactions (continued)**

The College receives certain services provided by the Government without charge (Note 10). The Government's cost for these services, measured at the carrying amount are recognized as an expense with an offsetting credit to Services provided without charge revenues in order to reflect the cost of the College's operations in its financial statements.

**3. ACCOUNTS RECEIVABLE**

	<b>2020</b>		<b>2019</b>	
	(in thousands)			
<b>Accounts</b>	<b>Receivable Allowance</b>		<b>Net</b>	
<b>Receivable Allowance</b>	<b>Net</b>		<b>Net</b>	
Government of the Northwest Territories	\$ 562	\$ 0	\$ 562	\$ 1,318
Government of Canada	691	0	691	449
Other	642	145	497	720
Students	292	102	190	41
	<b>\$ 2,187</b>	<b>\$ 247</b>	<b>\$ 1,940</b>	<b>\$ 2,528</b>

**4. EMPLOYEE FUTURE BENEFITS**

**a) Pension benefits**

The College and all eligible employees contribute to the Public Service Pension Plan (the "Plan"), a multi-employer contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the College. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The general contribution effective at year end was \$1.01 (2019 - \$1.01) for every dollar contributed by the employee, and \$3.80 (2019 - \$3.79) for every dollar contributed by the employee for the portion of the employee's salary above \$173,000 (2019 - \$169,000).

The public service pension plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the plan on or after January 1, 2013. For members with start dates before January 1, 2013, the normal retirement age remains 60. For new employees who

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2020**

**4. EMPLOYEE FUTURE BENEFITS (continued)**

**a) Pension benefits (continued)**

are participating in the Plan on or after January 1, 2013, the College contributes \$1.00 (2019 - \$1.00) for every dollar contributed by the employee, and \$3.80 (2019 - \$3.79) for every dollar contributed by the employee for the portion of the employee's salary above \$173,000 (2019 - \$169,000).

The College's and employees' contributions to the Plan for the year were as follows:

	<u>2020</u>	<u>2019</u>
	(in thousands)	
College's contributions	\$ 2,135	\$ 2,099
Employees' contributions	<u>2,120</u>	<u>2,088</u>
	<u>\$ 4,255</u>	<u>\$ 4,187</u>

**b) Severance, removal and compensated absences**

The College 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 College'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 location of hire, employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

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



**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2020**

**4. EMPLOYEE FUTURE BENEFITS (continued)**

**b) Severance, removal and compensated absences (continued)**

Valuation results

The actuarial valuation was completed as at February 15, 2019. The results were extrapolated to June 30, 2020. The effective date of the next actuarial valuation is June 30, 2022. The liabilities are actuarially determined as the present value of the accrued benefits at June 30, 2020. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the College.

**Changes in Obligation**

	<b><u>Severance and Removal</u></b>	<b><u>Compensated Absences</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
			(in thousands)	
Accrued benefit liability, beginning of year	\$1,134	\$380	\$1,514	\$1,459
Current period benefit cost	48	37	85	102
Interest accrued	36	12	48	54
Benefits payments	(207)	(3)	(210)	(118)
Actuarial (gains)/losses	7	(45)	(38)	17
Accrued benefit liability, end of year	1,018	381	1,399	1,514
Unamortized net actuarial losses	84	22	106	88
<b>Accrued benefit obligation</b>	<b>\$1,102</b>	<b>\$403</b>	<b>\$1,505</b>	<b>\$1,602</b>

	<b><u>Severance and Removal</u></b>	<b><u>Compensated Absences</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
			(in thousands)	
<b>Benefits Expense</b>				
Current period benefit cost	\$48	\$37	\$85	\$102
Interest accrued	36	13	49	54
Amortization of net actuarial gain (loss)	(25)	5	(20)	(22)
<b>Total</b>	<b>\$59</b>	<b>\$55</b>	<b>\$114</b>	<b>\$134</b>

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2020**

**4. EMPLOYEE FUTURE BENEFITS (continued)**

**b) Severance, removal and compensated absences (continued)**

Assumptions

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Discount rate	2.7% per annum	3.2% per annum
Rate of compensation increase	2.0% per annum	2.0% per annum
Inflation rate (removal benefits)	Nil	Nil

The expected payments during the next five fiscal years are:

	<u>Severance and Removal</u>	<u>Compensated Absences</u> (in thousands)	<u>Total</u>
2021	\$122	\$38	\$160
2022	110	37	147
2023	110	40	150
2024	92	39	131
2025	95	40	135
<b>Total</b>	<b>\$529</b>	<b>\$194</b>	<b>\$723</b>

**5. PROFESSIONAL DEVELOPMENT FUND**

Under collective agreements, the College is required annually to make contributions to the professional development fund, in the amount of a) 3% of eligible instructor's salaries, and b) \$1,500 for each eligible instructor. Contributions made to the professional development fund are recorded as an expense in the Statement of Operations and accumulated Surplus.

The professional development fund represents accumulated annual provisions for professional development activities, less accumulated eligible professional development expenses. The College expects to settle the obligation based on future eligible expense claims.

	<u>2020</u>	<u>2019</u>
	(in thousands)	
Professional development fund, beginning of year	\$ 2,209	\$ 2,072
Contributions	515	395
Professional development paid during the year	(380)	(258)
Professional development fund, end of year	<u>\$ 2,344</u>	<u>\$ 2,209</u>

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2020**

**6. TANGIBLE CAPITAL ASSETS**

June 30, 2020 (in thousands)	Mobile equipment	Building additions and renovations	Furniture and equipment	Leasehold improvements	2020 Total	2019 Total
<b>Cost</b>						
Opening balance	\$ 5,926	\$ 1,991	\$ 8,170	\$ 2,009	\$18,096	\$16,775
Additions	26	-	1,213	58	1,297	2,172
Disposals	<u>(102)</u>	<u>-</u>	<u>(946)</u>	<u>(335)</u>	<u>(1,383)</u>	<u>(852)</u>
Closing balance	<u>5,850</u>	<u>1,991</u>	<u>8,437</u>	<u>1,732</u>	<u>18,010</u>	<u>18,095</u>
<b>Accumulated amortization</b>						
Opening balance	3,439	1,991	4,999	1,434	11,863	11,732
Amortization	314	-	819	128	1,261	983
Disposals	<u>(102)</u>	<u>-</u>	<u>(945)</u>	<u>(335)</u>	<u>(1,382)</u>	<u>(852)</u>
Closing balance	<u>3,651</u>	<u>1,991</u>	<u>4,873</u>	<u>1,227</u>	<u>11,742</u>	<u>11,863</u>
<b>Net book value</b>	<b><u>\$ 2,199</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 3,564</u></b>	<b><u>\$ 505</u></b>	<b><u>\$ 6,268</u></b>	<b><u>\$ 6,232</u></b>

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2020**

**7. ACCUMULATED SURPLUS**

The accumulated surplus balance includes the net book value of tangible capital assets transferred to the College when it was established and the results of operations since that date. The following appropriations have been made from accumulated surplus:

(in thousands)

<b>Reserves</b>	<b>Balance, opening July 1, 2019</b>	<b>Net results of operations</b>	<b>Appropriated</b>	<b>Used in operations</b>	<b>Balance, ending June 30, 2020</b>
a) Northern strategic research reserve	625	-	-	-	625
b) Program delivery	300	-	-	-	300
c) Research & development	181	-	97	-	278
d) Restricted donations	35	-	-	-	35
<b>Total reserves</b>	<b>1,141</b>	<b>-</b>	<b>97</b>	<b>-</b>	<b>1,238</b>
<b>Operating surplus (deficit)</b>	<b>14,150</b>	<b>845</b>	<b>(97)</b>	<b>-</b>	<b>14,898</b>
<b>Total accumulated surplus</b>	<b>\$ 15,291</b>	<b>\$ 845</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,136</b>

**a) Northern strategic research reserve**

This appropriation was established from the surplus of the Methane Hydrate Research project to set funds aside for strategic research conducted in the north which will benefit northerners.

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2020**

**7. ACCUMULATED SURPLUS (continued)**

**b) Program delivery**

This appropriation is established to cover program costs contemplated in the annual Programs and Services Proposal prepared by the College, for which Government funding has not been approved. Allocations to and from this appropriation must be approved by the Public Administrator.

**c) Research & development**

This appropriation is established to help fund research and development of the Research Associate and Fellowship programs at the Aurora Research Institute (ARI). Annually all unencumbered ARI administration revenue after fulfillment of third party contracts is transferred to this appropriation. Use of the appropriation must be approved by the Research Advisory Council.

**d) Restricted donations**

From time to time, the College receives donations from individuals and corporations with conditions attached to them. In order to ensure that the wishes of the contributors are carried out, the donations are transferred to restricted donations until the conditions are met.

**8. GOVERNMENT CONTRIBUTIONS**

	<u>2020</u>	<u>2019</u>
	(in thousands)	
Operating contributions	\$31,999	\$ 31,318
Capital contributions	-	300
	<u>\$31,999</u>	<u>\$ 31,618</u>

**9. RELATED PARTIES**

The College has Government receivables from tuition revenue, contract revenue and the base funding contribution. The College also owes funds to the Government from administrative agreements for facility operating and utility costs, employee benefits, payroll, and other expenses. The transactions giving rise to these balances are recorded at the exchange amount.

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2020**

**9. RELATED PARTIES (continued)**

	<u>2020</u>	<u>2019</u>
	(in thousands)	
Due from the Government of the Northwest Territories (Note 3) \$	562	\$ 1,318
Due to the Government of the Northwest Territories		
Liability for payroll services provided	\$ 5,786	\$ 2,995
Other & Repayable program advances	<u>\$ 343</u>	<u>\$ 111</u>
Total amount due to GNWT	<u>\$ 6,129</u>	<u>\$ 3,106</u>

The above liabilities are non-interest bearing and payable on demand.

**Expenses**

The employees of the College are paid by the Government of the Northwest Territories. The College reimbursed the Government for payroll expenses paid (Schedule A) of \$31,771,000 during 2020 (2019 - \$29,285,000) which are recorded at the exchange amount.

Under the terms of administrative agreements, the Government charges for certain support services provided to the College. The College reimbursed the Government \$831,000 (2019 – \$801,000) for facility operating and utility costs, employee benefits and other expenses, which are recorded at the exchange amounts in these statements.

**10. SERVICES PROVIDED WITHOUT CHARGE**

During the year, the College received without charge from the Government services including utilities \$2,383,000 (2019 – \$2,352,000) and repairs and maintenance \$1,440,000 (2019 – \$1,493,000), which are based on the carrying amount confirmed by the Government.

Payroll processing, insurance and risk management, legal counsel, construction management, records storage, computer operations, asset disposal, project management, and translation services were also provided to the College without charge. These services would have cost the College an estimated \$162,000 (2019 – \$172,000) based on the carrying amount confirmed by the related parties.

The College also receives from the Government, without any rental charges, the use of facilities for two of its campuses, certain student housing units and community learning centers. The use of these facilities would have cost the College an estimated

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2020**

**10. SERVICES PROVIDED WITHOUT CHARGE (continued)**

\$1,716,000 (2019 – \$1,975,000) based on the Government's amortization expense for these assets, which is the carrying amount.

The Government also pays for medical travel costs for the College. The medical travel costs paid by the Government on behalf of the College for the period cannot be quantified because in 2017 the government ceased tracking each individual medical travel assistance claim by type of originating department, and could not reasonably measure the dollar value of all services provided by the Financial and Employee Shared Services.

	<u>2020</u>	<u>2019</u>
	(in thousands)	
Contract services	\$ 162	\$ 172
Repairs and maintenance	1,440	1,493
Building utilities	2,383	2,352
Building leases	<u>1,716</u>	<u>1,975</u>
	<u>\$ 5,701</u>	<u>\$ 5,992</u>

**11. COMMITMENTS**

In addition to facilities provided by the Government, the College has operating leases and service agreements for student accommodation, classroom space, office equipment and other services and is committed to basic payments as follows:

	<u>Service</u> <u>agreements</u>	<u>Operating</u> <u>leases</u>
	(in thousands)	
2021	\$ 385	\$ 3,256
2022	92	2,515
2023	87	405
2024	52	-
Thereafter	<u>3</u>	<u>-</u>
	<u>\$ 619</u>	<u>\$ 6,176</u>

**12. CONTRACTUAL RIGHTS**

The College has binding agreements with funding partners to implement programs/projects, and for which the following payments will be received subsequent to June 30, 2020:

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2020**

**12. CONTRACTUAL RIGHTS (continued)**

Funding Partner	2020-2021	2021-2024	Total
(in thousands)			
Government of the Northwest Territories	\$2,973	\$226	\$3,199
Government of Canada	2,282	852	3,144
Other	1,889	873	2,762
	<b>\$7,144</b>	<b>\$1,951</b>	<b>\$9,095</b>

**13. FINANCIAL RISK MANAGEMENT**

The College's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, payroll liabilities, due to Government of the Northwest Territories and the professional development fund, which are all measured at cost. The College has exposure to the following risks from its use of financial instruments:

**a) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with its financial liabilities. The College manages its liquidity risk by regularly monitoring forecasted and actual cash flows. The College does not believe that it will encounter difficulty in meeting its future obligations associated with its financial liabilities.

**b) Credit risk**

The College is exposed to credit risk on its cash and accounts receivable.

**Cash**

Credit risk on cash is minimized as these assets are held with a Canadian Chartered bank, the maximum exposure to credit risk is \$22,702,000 (2019 - \$19,061,000).

**Accounts receivable**

Credit risk on accounts receivable arises from the possibility that the customer fails to meet their obligations. This risk is influenced by the type of debtor and at June 30, 2020, the College's debtors are the Government of the Northwest Territories, the federal government, students, and others.



**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2020**

**13. FINANCIAL RISK MANAGEMENT (continued)**

**b) Credit risk (continued)**

In order to manage this risk, the College monitors the age of accounts receivable and initiates collection action. Credit exposure is minimized by dealing mostly with creditworthy counterparties such as government agencies and the College also enforces approved collection policies for student accounts. The maximum exposure to credit risk is \$1,940,000 (2019 - \$2,528,000).

At June 30, 2020 the student accounts receivable amounts past due but not impaired are: 91-365 days \$78,000; 1 to 2 years \$24,000; and over 2 years \$100,000.

These amounts for the Government and for other parties are shown below.

	91-365 days	1 to 2 years	over 2 years
Government of the Northwest Territories	\$230,000	\$4,000	\$-
Other third parties	463,000	26,000	40,000
Federal Government	442,000	6,000	4,000
	\$1,135,000	\$36,000	\$44,000

The College establishes an allowance for doubtful accounts that reflects the estimated impairment of accounts receivable. The allowance is based on a percentage of specific amounts and is determined by considering the College's knowledge of the financial condition of customers, the aging of accounts receivable, current business conditions and historical experience.

**c) Interest rate risk**

The College is exposed to interest rate risk in that changes in market interest rates will cause fluctuations in the interest revenue from cash. This risk is not significant due to the short terms to maturity of cash.

Although management monitors exposure to interest rate fluctuations, it does not employ any interest rate management policies to counteract interest rate fluctuations.

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2020**

**14. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**

The fair values of cash, accounts receivable, accounts payable and accrued liabilities, payroll liabilities, due to Government of the Northwest Territories, and professional development fund approximate their carrying amounts because of the short term to maturity.

**15. SEGMENT DISCLOSURE**

The College is a multi-campus institution designed to provide a wide variety of educational services to adult learners of the Northwest Territories (NWT). For management reporting purposes the College's operations and activities are organized and reported by funds (Schedule A). Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with the budget, strategy and work plan, restrictions or limitations. The College's services are provided by departments and their activities are reported in these funds.

Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

**Finance and accounting**

Finance's role is to ensure the long term viability of the College including the preparation and controls over the budgets, financial reporting, the implementation and oversight of financial controls, and management of the cash flows. Finance includes the functioning of the head office and regional offices.

**Pooled services**

This represents College wide expenditures which are required for the global operation. These represent allocation of costs related to professional development, amortization, cost of employee future benefits, and costs for the President's Office. The Office of the President includes services related to the operations of the College, plus communications and public relations. The Office of the President is mandated to manage the daily operations of the College, pursue its missions and vision, and develop and implement a strategic plan to ensure the long term success of the College.

**Student services**

Student services include Fort Smith, Yellowknife, and Inuvik locations facilities and the registrar and regional admission offices.

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2020**

**15. SEGMENT DISCLOSURE (continued)**

**Education and training**

Education and training includes the Vice-President Education and Training, School of Trades, School of Education, School of Business and Leadership, School of Health and Human Services, School of Arts and Science, information systems and technology, and the library.

**Community and extensions**

Community and extensions represents special programs and additional resources provided to the communities through the College. This includes the School of Developmental Studies, the Beaufort Delta region, the Sahtu region, the Dehcho region, the Tlicho region, and the Akaitcho and South Slave region.

**Aurora Research Institute**

Through the work of the Aurora Research Institute, the College is also responsible for conducting and facilitating research activities in the NWT.

**16. IMPACT OF COVID-19 PANDEMIC RESPONSE**

On March 11, 2020, the World Health Organization declared the coronavirus disease 2019 (“COVID-19”) a global pandemic. On March 22, 2020, the Government of the Northwest Territories declared a public health emergency in response to the pandemic.

The operations of the College have been impacted by COVID-19. There was a temporary stop to in-class education programs and a movement to online course offerings. There is no material impact to the amounts recognized in the 2020 financial statements as a result of COVID-19.

The duration and extent of COVID-19 are unknown at this time and it is not possible to reliably estimate the impact that the severity and length of COVID-19 will have on the operations, financial results and condition of the College in future periods. The College continues to assess and monitor the impact of the pandemic on its future financial statements.

**Aurora College**  
**Segmented disclosures**  
**June 30, 2020**

Schedule A

	Financial and accounting	Pooled services **	Student services	Education and training	Community and extensions	Aurora Research Institute	2020 Total	2020 Budget	2019 Total
<b>For the period ended June 30, 2020</b> (in thousands)									
<b>Revenues</b>									
Government Contributions	\$ 2,036	\$ 2,863	\$ 8,990	\$9,952	\$ 5,941	\$ 2,217	\$ 31,999	\$ 31,999	\$ 31,618
Project income	-	-	91	1,786	2,165	274	4,316	4,328	4,373
Government of the Northwest Territories	2	-	7	1,584	197	618	2,408	3,969	2,479
Other third party contributions	-	-	-	29	1,856	2,268	4,153	3,454	2,491
Federal government	-	-	-	-	-	-	-	-	-
Own Source Revenue	-	-	48	1,028	645	2	1,723	1,428	2,070
Tuition fees	75	179	289	203	15	232	993	411	972
Recoveries and other	-	-	990	-	-	77	1,067	1,161	1,306
Room and board	382	-	-	-	-	-	382	95	397
Interest income	-	1,602	-	4,099	-	-	5,701	5,907	5,992
Services Provided without Charge	-	-	-	-	-	-	-	-	-
	<u>2,495</u>	<u>4,644</u>	<u>10,415</u>	<u>18,681</u>	<u>10,819</u>	<u>5,688</u>	<u>52,742</u>	<u>52,752</u>	<u>51,698</u>
<b>Expenses</b>									
Compensation and benefits	1,735	3,263	4,942	10,801	7,785	3,245	31,771	33,744	29,285
Building leases	-	10	4,994	1,716	34	-	6,754	6,615	7,050
Materials and supplies	15	281	165	606	271	230	1,568	2,331	2,012
Utilities	-	-	102	2,417	3	12	2,534	2,566	2,536
Contract services	10	318	251	53	974	805	2,411	2,737	1,931
Repairs and maintenance	11	1,440	205	225	80	23	1,984	1,751	2,121
Small equipment	8	5	19	57	31	38	158	182	271
Fees and payments	91	609	28	239	46	56	1,069	1,288	1,089
Travel and accommodation	33	82	21	389	215	214	954	1,610	996
Professional services	-	1	2	114	438	1	556	1,677	670
Amortization of tangible capital assets	-	1,261	-	-	-	-	1,261	463	983
Communication, postage and freight	13	91	313	209	77	174	877	688	951
	<u>1,916</u>	<u>7,361</u>	<u>11,042</u>	<u>16,826</u>	<u>9,954</u>	<u>4,798</u>	<u>51,897</u>	<u>55,652</u>	<u>49,895</u>
<b>Annual surplus (deficit)</b>	<b>\$ 579</b>	<b>\$ (2,717)</b>	<b>\$ (627)</b>	<b>\$ 1,855</b>	<b>\$ 865</b>	<b>\$ 890</b>	<b>\$ 845</b>	<b>\$ (2,900)</b>	<b>\$ 1,803</b>

\*\* Pooled Services includes the revenues and expenses for the President's Office

## APPENDIX A

# UNAUDITED WRITE-OFFS

A total of \$1,263.22 has been approved to be written off in 2019-20. This figure includes seven-year write-offs, write-offs of debts less than \$30, credits less than \$10 and write-offs for customers who filed for bankruptcy.

<b>Balance exceeds seven years</b>		
<b>Customer Name</b>	<b>Accounting Date</b>	<b>Amount</b>
Look, Jamie	03/17/2014	231.00
Naval Research Laboratory	06/30/2014	299.10
R & M Propane Service Ltd.	06/30/2014	40.95
Wegernoski, Susie	11/29/2013	430.00
Lennie, Alden Joseph	10/10/2013	178.84
<b>Total</b>		<b>\$ 1,179.89</b>

<b>Credit balance under \$30</b>		
<b>Customer Name</b>	<b>Accounting Date</b>	<b>Amount</b>
Horassi, Kellie	01/07/2020	-1.25
Hysert, Brent	10/16/2019	-29.84
Jacobson, Deanna Marie	01/28/2020	-10.00
Kangegana, Rebecca	11/29/2019	-1.25
Launinger, Carla	02/21/2020	-1.57
Leguerrier, Micaella	01/06/2020	-0.20
Manuel, Tyler	03/09/2020	-22.30
Watier, Mary	02/19/2020	-10.50
<b>Total</b>		<b>\$ -76.91</b>

<b>Balance under \$30</b>		
<b>Customer Name</b>	<b>Accounting Date</b>	<b>Amount</b>
Colorado State University	09/30/2019	0.10
Environment & Natural Resources – YK	11/26/2019	0.01
Gwich'in Tribal Council	12/31/2019	0.01
Rabesca, Josephine	5/23/2019	25.00
University of Edinburgh	6/24/2019	15.00
University of Edinburgh	10/01/2018	15.00
Charlton, Colton	01/06/2020	17.58
Cochrane-Macdonald, Mary E	07/23/2019	28.32
Conley, Billie-Jean	01/29/2020	12.00
Daniels, Theoron	01/06/2020	17.62
Frise, William	03/12/2020	0.65
Mcneely, Shane	03/09/2020	3.95
Vital, Joy	03/04/2020	25.00
<b>Total</b>		<b>160.24</b>
<b>Grand Total</b>		<b>\$1,263.22</b>

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COLLÈGE  
AURORA  
COLLEGE



**ARCTIC ENERGY ALLIANCE**  
Yellowknife, NT

**FINANCIAL STATEMENTS**  
For the year ended March 31, 2021

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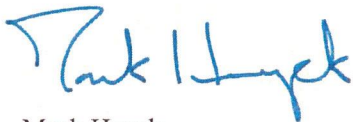
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## MANAGEMENT'S RESPONSIBILITY FOR REPORTING

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian public sector accounting standards applicable for government not-for-profit organizations. Where necessary the statements include amounts that are based on informed judgments and estimates by management, giving appropriate consideration to reasonable limits of materiality.

In discharging its responsibility for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal control designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained. These controls include quality standards in hiring and training employees, written policies and procedures manuals, and accountability for performance within appropriate and well-defined areas of responsibility. The Board's management recognizes its responsibility for conducting the Board's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate.

The accounting firm of Avery Cooper & Co. Ltd., Chartered Professional Accountants, 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.



Mark Heyck  
Executive Director

June 15, 2021

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Arctic Energy Alliance

### *Opinion*

We have audited the financial statements of Arctic Energy Alliance (the "Society"), which comprise the Statement of Financial Position as at March 31, 2021, and the Statements of Operations, Changes in Net Assets, and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Emphasis of Matter*

Without modifying our opinion, we draw attention to note 11 to the financial statements, concerning the worldwide spread of a novel coronavirus known as COVID-19 and its effect on the global economy. Our opinion is not modified in respect of this matter.

### *Other Information*

Management is responsible for the other information. The other information comprises:

- ◆ The Annual Report, but does not include the financial statements and our auditor's report thereon.

The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.



## INDEPENDENT AUDITOR'S REPORT, continued

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Avery, Cooper & Co. Ltd.*

Avery Cooper & Co. Ltd.  
Chartered Professional Accountants  
Yellowknife, NT

June 15, 2021

# ARCTIC ENERGY ALLIANCE

## STATEMENT OF FINANCIAL POSITION

March 31, 2021

### ASSETS

	2021	2020
<b>CURRENT</b>		
Cash	\$ 998,417	\$ 393,022
Short term investments (note 3)	90,011	734,903
Accounts receivable (note 4)	767,750	664,456
Government remittances receivable (note 6)	17,356	50,811
	1,873,534	1,843,192
<b>TANGIBLE CAPITAL ASSETS (note 5)</b>	<b>33,861</b>	<b>33,850</b>
	<b>\$ 1,907,395</b>	<b>\$ 1,877,042</b>

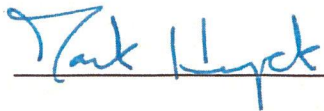
### LIABILITIES

<b>CURRENT</b>		
Wages and benefits payable	\$ 51,882	\$ 30,660
Government remittances payable (note 6)	90,353	76,217
Trade payables and accruals (note 7)	133,557	218,453
Contributions payable	105,523	65,523
Deferred revenue (note 8)	50,000	172,670
	431,315	563,523
<b>DEFERRED GOVERNMENT ASSISTANCE (note 10)</b>	<b>15,546</b>	<b>19,223</b>
	446,861	582,746
<b>CONTINGENT LIABILITIES (note 11)</b>		

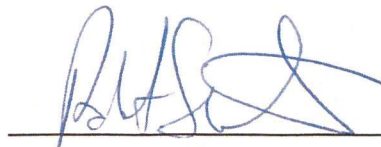
### NET ASSETS

<b>ACCUMULATED SURPLUS per page 3</b>	464,261	402,629
<b>RESERVES per page 3</b>	985,958	885,040
<b>INVESTED IN TANGIBLE CAPITAL ASSETS per page 3</b>	10,315	6,627
	1,460,534	1,294,296
	<b>\$ 1,907,395</b>	<b>\$ 1,877,042</b>

Approved:



Director



Director

# ARCTIC ENERGY ALLIANCE

## STATEMENT OF OPERATIONS

For the year ended March 31, 2021

	(note 16) 2021 <u>Budget</u>	2021 <u>Actual</u>	2020 <u>Actual</u>
<b>REVENUES</b>			
Contributions from GNWT	\$ 6,319,455	\$ 4,924,216	\$ 4,979,981
Membership fees (note 13)	217,500	227,500	217,500
Contributions from Canada	195,000	138,000	-
Other source income	77,200	80,091	97,556
Interest income	<u>20,000</u>	<u>10,988</u>	<u>51,984</u>
	<u>6,829,155</u>	<u>5,380,795</u>	<u>5,347,021</u>
<b>EXPENSES</b>			
Advertising and promotion	123,880	166,337	72,720
Amortization	3,978	5,981	8,434
Bad debts	-	86,969	-
Consulting fees	286,250	117,378	116,915
Equipment rental	5,280	3,279	3,279
Facility rental and tradeshow fees	36,750	8,599	9,341
Fees and dues	10,120	15,313	10,434
Hospitality	42,415	8,874	13,758
Insurance	13,000	12,949	13,043
Interest and bank charges	5,500	7,175	4,814
Office and general	75,890	62,854	71,965
Professional development	63,798	6,204	22,613
Professional fees	34,000	32,061	31,082
Rebates	2,667,836	1,800,771	1,915,582
Rent and utilities	178,450	166,410	174,656
Telephone, Internet and Website	40,400	46,591	42,774
Travel and accommodation	316,650	113,097	220,949
Wages and benefits	<u>2,446,249</u>	<u>2,553,715</u>	<u>2,305,495</u>
	<u>6,350,446</u>	<u>5,214,557</u>	<u>5,037,854</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 478,709</u>	<u>\$ 166,238</u>	<u>\$ 309,167</u>

# ARCTIC ENERGY ALLIANCE

## STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2021

	2021			
	Accumulated Surplus	Reserves	Invested in Tangible Capital Assets	Total
<b>BALANCE, opening</b>	\$ 402,629	\$ 885,040	\$ 6,627	\$ 1,294,296
Excess of revenues over expenses	166,238	-	-	166,238
Transfer to reserves (note 20)	(100,918)	100,918	-	-
Purchase of tangible capital assets	(5,993)	-	5,993	-
Amortization of tangible capital assets	5,981	-	(5,981)	-
Amortization of deferred government assistance	(3,676)	-	3,676	-
<b>BALANCE, closing</b>	<b>\$ 464,261</b>	<b>\$ 985,958</b>	<b>\$ 10,315</b>	<b>\$ 1,460,534</b>
	2020			
	Accumulated Surplus	Reserves	Invested in Tangible Capital Assets	Total
<b>BALANCE, opening</b>	\$ 99,448	\$ 877,283	\$ 8,398	\$ 985,129
Excess of revenues over expenses	309,167	-	-	309,167
Transfer to reserves (note 20)	(7,757)	7,757	-	-
Purchase of tangible capital assets	(14,854)	-	14,854	-
Amortization of tangible capital assets	6,268	-	(6,268)	-
Write-off of tangible capital assets	2,166	-	(2,166)	-
Write-off of deferred government assistance	(1,500)	-	1,500	-
Deferred government assistance additions	14,853	-	(14,853)	-
Amortization of deferred government assistance	(5,162)	-	5,162	-
<b>BALANCE, closing</b>	<b>\$ 402,629</b>	<b>\$ 885,040</b>	<b>\$ 6,627</b>	<b>\$ 1,294,296</b>

See accompanying notes



# ARCTIC ENERGY ALLIANCE

## STATEMENT OF CASH FLOWS

For the year ended March 31, 2021

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES (note 20)</b>		
<b>Cash received from:</b>		
GNWT contributions	\$ 4,670,751	\$ 5,025,804
Other source income	234,714	141,121
Membership fees	172,500	167,500
Canada contributions	89,274	105,175
Interest income	22,207	47,412
	5,189,446	5,487,012
<b>Cash paid for:</b>		
Wages and benefits	2,518,357	2,311,152
Materials and services	2,706,303	2,763,162
Contributions repaid	-	987,100
	5,224,660	6,061,414
	(35,214)	(574,402)
<b>CASH FLOWS FROM CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(5,993)	(14,854)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Redemption of short term investments	646,613	4,758,804
Purchase of short term investments	(11)	(4,000,000)
	646,602	758,804
<b>INCREASE IN CASH</b>	605,395	169,548
<b>CASH, opening</b>	393,022	223,474
<b>CASH, closing</b>	\$ 998,417	\$ 393,022

# ARCTIC ENERGY ALLIANCE

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

### 1. NATURE OF OPERATIONS

Arctic Energy Alliance (the "Society") is a government not-for-profit organization of the Government of the Northwest Territories ("GNWT") and was incorporated July 29, 1997, under the *Societies Act* of the Northwest Territories. As a public service entity, the Society's function is to support the objectives of the GNWT by promoting awareness and conservation of energy and utility use and to identify, promote, and implement opportunities to reduce energy and utility costs in the Northwest Territories.

The Society is exempt from income tax under paragraph 149(1)(c) of the *Income Tax Act* (Canada). The Society is economically dependent on funding received from the GNWT.

### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS) applicable to government not-for-profit organizations as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The significant policies are detailed as follows:

#### (a) Cash equivalents

The Society considers all investments with maturities of three months or less and bank loans with no fixed terms of repayment to be cash equivalents.

#### (b) Financial instruments

The Society measures all its financial assets and financial liabilities at amortized cost.

#### (c) Tangible capital assets

Tangible capital assets are recorded at cost. The Society provides for amortization using the following methods at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. One half of the year's amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal. The annual amortization rates and methods are as follows:

Computer equipment	60% Declining balance
Computer software	5 years Straight-line
Heating equipment	20 years Straight-line
Office equipment	40% Declining balance

Amortization of leasehold improvements is recorded over the remaining term of the lease plus one renewal option.

The Society considers capital expenditures with individual items costing \$5,000 or more to be tangible capital assets.

# ARCTIC ENERGY ALLIANCE

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (d) Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue when received or receivable and the amount can be reasonably estimated and collection is reasonably assured.

The Society recognizes revenue from customers upon completion of customer orders and/or completion of services. Estimated losses, if any, are recorded when they become apparent.

Contributions of materials and services are recognized in the financial statements at fair value at the date of contribution, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations, and would otherwise have been purchased.

Interest income that is not externally restricted is recognized in the Statement of Operations when earned.

#### (e) Government assistance

Restricted contributions for the purchase of tangible capital assets that will be amortized are accounted for as deferred government assistance and recognized as revenue on the same basis as the amortization expense related to the acquired tangible capital assets.

#### (f) Allocated expenses

The Society allocates certain general support expenses by identifying the appropriate basis of allocating each component of expense, and applies that basis consistently each year in accordance with applicable contribution agreements. Wages and benefits expenses are allocated to programs, as applicable, based on actual hours worked.

#### (g) Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards applicable to government not-for-profit organizations, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. These estimates are reviewed periodically, and as adjustments become necessary they are reported in the period in which they become known.

Significant estimates include the determination of the useful lives of tangible capital assets, credit losses, and asset retirement obligations, the allocation of administrative expenses to programs, and the allocation of certain wages and benefits expenses to programs.

# ARCTIC ENERGY ALLIANCE

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

### 3. SHORT TERM INVESTMENTS

Short term investments consist of guaranteed investment certificates (GICs) held with the Bank of Nova Scotia as detailed below:

	2021	2020
0.50% interest, non-redeemable, matures January 24, 2022	\$ 90,000	\$ -
Accrued interest	11	11,230
2.10% interest, redeemable, matured June 15, 2020	-	633,673
2.08% interest, matured March 9, 2021	-	90,000
	\$ 90,011	\$ 734,903

### 4. ACCOUNTS RECEIVABLE

	2021	2020
Contributions receivable:		
Government of the Northwest Territories	\$ 459,002	\$ 291,701
Government of Canada	48,726	-
Total contributions receivable	507,728	291,701
Members	230,000	175,000
Other	116,991	197,755
Allowance for doubtful accounts	(86,969)	-
	\$ 767,750	\$ 664,456

### 5. TANGIBLE CAPITAL ASSETS

	2021		2020	
	Cost	Accumulated amortization	Net	Net
Computer equipment	\$ 36,010	\$ 36,010	\$ -	\$ -
Computer software	26,224	18,797	7,427	10,398
Heating equipment	36,242	14,602	21,640	23,452
Leasehold improvements	27,396	27,396	-	-
Office equipment	48,452	43,658	4,794	-
	\$ 174,324	\$ 140,463	\$ 33,861	\$ 33,850

# ARCTIC ENERGY ALLIANCE

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

### 5. TANGIBLE CAPITAL ASSETS, continued

During the year, the Society wrote off computer software relating to EEIP database with a net book value of \$nil (2020 - \$2,166). The resulting loss of \$nil (2020 - \$2,166) is included in the amortization expense in the Statement of Operations.

Net assets invested in tangible capital assets as at March 31, 2021, are as follows:

	2021	2020
Tangible capital assets	\$ 33,861	\$ 33,850
Asset retirement obligation (note 7)	(8,000)	(8,000)
Deferred government assistance (note 10)	(15,546)	(19,223)
Net assets invested in tangible capital assets per page 3	\$ 10,315	\$ 6,627

### 6. GOVERNMENT REMITTANCES

	2021	2020
Goods & Services Tax rebates receivable	\$ 17,356	\$ 50,811
	2021	2020
Payroll remittances payable	\$ 78,646	\$ 65,365
Related parties:		
Workers' Safety and Compensation Commission payable	5,472	5,472
GNWT Finance - NWT Payroll Tax payable	6,235	5,380
	\$ 90,353	\$ 76,217

### 7. TRADE PAYABLES AND ACCRUALS

	2021	2020
Accrued liabilities:		
Pellet boiler asset retirement obligation	\$ 8,000	\$ 8,000
Other	42,466	38,865
	-	-
	50,466	46,865
Trade payables	83,091	171,588
	\$ 133,557	\$ 218,453

# ARCTIC ENERGY ALLIANCE

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

### 8. DEFERRED REVENUE

During the year, the Society entered into contribution agreements with the GNWT, Department of Infrastructure (INF). Contribution agreements stipulate that any unexpended funds must be repaid on demand.

Deferred revenue represents unspent restricted contributions for which the related expenses will not be recognized until a later period. Changes in deferred revenue balances during the year are summarized below and detailed in Schedule I.

	<u>2021</u>	<u>2020</u>
Restricted contributions balance, opening	\$ 122,670	\$ -
Receipts	4,421,000	4,810,950
Funding receivable	420,547	291,701
Transfer to funding repayable	(40,000)	-
Funding expended	<u>(4,924,217)</u>	<u>(4,979,981)</u>
Restricted contributions balance, closing	-	122,670
Membership fees received in advance: GNWT-ENR	<u>50,000</u>	<u>50,000</u>
Total deferred revenue, closing	<u>\$ 50,000</u>	<u>\$ 172,670</u>

### 9. PROVISION FOR REBATES

Under the Energy Efficiency Incentive Program (EEIP) with the GNWT, the Society assists homeowners and consumers in the purchase of new, more efficient models of products used every day to help reduce their energy costs and greenhouse gas emissions.

In accordance with the program guidelines, rebates are issued where qualifying products are applied for within the required time frame of purchasing eligible products and have been approved by the Society. Rebates are available as long as funds allocated by the Legislative Assembly of the Northwest Territories remain available for the program during the year.

In 2019, the Society changed the guidelines for rebates whereby rebate applications received after year-end pertaining to qualifying products purchased in the prior year, are recorded in the year received. Previously, the Society provided for unreported rebates by using best estimates based on previous past purchases history. There are no provisions for rebates in the current and prior years.

# ARCTIC ENERGY ALLIANCE

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

### 10. DEFERRED GOVERNMENT ASSISTANCE

			2021	2020
	Cost	Accumulated amortization	Net	Net
GNWT-ENR - Alternative Energy Technology: Wood pellet boiler	\$ 14,121	\$ 6,002	\$ 8,119	\$ 8,826
GNWT-ENR - Energy Efficiency Incentive Program: Database	14,853	7,426	7,427	10,397
	\$ 28,974	\$ 13,428	\$ 15,546	\$ 19,223

### 11. CONTINGENT LIABILITIES

On March 11, 2020, there was a global outbreak of a novel coronavirus known as COVID-19, which has had a significant impact on organizations through the restrictions put in place by the Canadian and international governments regarding travel, business operations and isolation/quarantine orders. The extent of the impact the COVID-19 outbreak may have on the Society will depend on future developments that are highly uncertain, and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, the duration of the outbreak, including the length of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are, or may, be put in place by Canada or other countries to fight the virus. The Society's activities have not been significantly impacted thus far; however, the Society continues to assess the impact COVID-19 will have on its operations.

# ARCTIC ENERGY ALLIANCE

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

### 12. RESERVES

During the year, Arctic Energy Alliance transferred \$100,918 (2020 - \$7,757) from unrestricted net assets to meet its capital management objectives as described in Note 19. The reserves at March 31, 2021, of \$985,958 (2020 - \$885,040) represent the minimum required net assets to support the reserves. These internally restricted reserves are not available for unrestricted purposes without approval of the Board of Directors.

The Society continually monitors net financial assets to measure the future revenues required to pay for past transactions and events, and the extent to which the costs of services provided in the year have been met by the revenues recognized in the year. Net financial assets at year end represents the difference between the Society's financial assets and its liabilities.

Changes in net financial assets during the year are as follows:

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Excess of revenues over expenses per page 2	\$ 478,709	\$ 166,238	\$ 309,167
	-	-	-
Amortization of tangible capital assets	3,978	5,981	6,268
Purchase of tangible capital assets	-	(5,993)	(14,854)
Write-off of tangible capital assets	-	-	2,166
Amortization - deferred government assistance	-	(3,676)	(5,162)
Write-off of deferred government assistance	-	-	(1,500)
Deferred government assistance additions	-	-	14,853
	482,687	162,550	310,938
Increase (decrease) in net financial assets			
Net financial assets, opening	<u>1,279,669</u>	<u>1,279,669</u>	<u>968,731</u>
Net financial assets, closing (note 20)	<u>\$ 1,762,356</u>	<u>\$ 1,442,219</u>	<u>\$ 1,279,669</u>



# ARCTIC ENERGY ALLIANCE

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

### 13. MEMBERSHIP FEES

Membership fees revenue for the year consist of the following:

	2021	2020
Government of the Northwest Territories	\$ 150,000	\$ 150,000
GNWT - Crown Corporations	67,500	62,500
Other	10,000	5,000
	\$ 227,500	\$ 217,500

Included in membership fees are amounts from the following related parties:

	2021	2020
GNWT:		
Department of Environment and Natural Resources	\$ 50,000	\$ 50,000
Department of Infrastructure	50,000	50,000
Department of Municipal and Community Affairs	50,000	50,000
	150,000	150,000
GNWT - Crown Corporations:		
Northwest Territories Housing Corporation	50,000	50,000
Northwest Territories Power Corporation	5,000	-
Public Utilities Board of the Northwest Territories	12,500	12,500
	67,500	62,500
	\$ 217,500	\$ 212,500

### 14. SUBSEQUENT EVENTS

Subsequent to year-end, the Society had the following event:

Contractual rights

- Entered into a contribution agreement with GNWT, Department of Infrastructure, for 2021-22 core and program funding for a maximum of \$2,740,000 of which \$2,500,000 is received.

# ARCTIC ENERGY ALLIANCE

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

### 15. TRUSTS UNDER ADMINISTRATION

At March 31, 2021, the Society holds \$14,343 (2020 - \$38,316) in a bank account in trust on behalf of the Tlicho Government. As trustee, the Society administers these funds in accordance with a partnership agreement under the Wood Stove program. These funds are excluded from the financial statements.

### 16. BUDGET

The 2021 budget amounts on the Statement of Operations are presented for information purposes only and are unaudited. The budget was approved by the Board of Directors on June 23, 2020.

The approved budget is prepared on a modified cash basis which differs from budget amounts reported in the financial statements, which are prepared in accordance with Canadian public sector accounting standards applicable to government not-for-profit organizations on the full accrual basis of accounting. There were no significant differences during the current year.

### 17. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash, accounts receivable, GIC investment, trade payables and accruals, and wages and benefits payable. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest rate, market, currency, credit, liquidity or cash flow risks. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

### 18. COMMITMENTS

The Society has entered into operating leases for office space for the Dehcho, Inuvik, and Norman Wells offices, expiring between May 31, 2022 and August 31, 2022 and office equipment expiring August 18, 2025 in Yellowknife. Future minimum lease payments are as follows.

	<u>Office Space</u>	<u>Office Equipment</u>	<u>Total</u>
2022	\$ 50,365	\$ 3,200	\$ 53,565
2023	13,951	3,200	17,151
2024	-	3,200	3,200
2025	-	3,200	3,200
2026	-	1,600	1,600
	<u>\$ 64,316</u>	<u>\$ 14,400</u>	<u>\$ 78,716</u>

# ARCTIC ENERGY ALLIANCE

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

### 18. COMMITMENTS, continued

The lease for office space in Norman Wells carries an extension of term option for two years from September 1, 2022 to August 31, 2024.

The lease for office space in Inuvik carries an extension of term option for two years from June 1, 2022 to May 31, 2024.

The lease for the office space in Yellowknife was renewed for one year from March 1, 2021 to February 28, 2022. Base rent is \$64,800 plus GST per annum, in monthly installments of \$5,400 plus GST each, payable in advance on the first day of each and every month. The lease carries an extension of term option for one year from March 1, 2022 to February 28, 2023.

During the year, included in other source income revenue are in-kind contributions with a total fair value of \$11,975 (2020- \$nil). These services are in connection with the Natural Resources Canada - Clean Energy in Rural and Remote Communities (CERRC) Program, and consist of salaries and benefits of \$6,375 (2020 - \$nil), and facility rental of \$5,600 (2020 - \$nil).

### 19. CONTRACTUAL RIGHTS

During the year, the Society signed a multi-year non-repayable contribution agreement with the Federal Government's Department of Natural Resources under the Renewable Energy and Smart Grid Deployment Programs. Maximum contribution remaining under the Agreement is as follows:

	Clean Energy in Rural and Remote Communities Deployment Program
2021-2022	\$ 264,000
2022-2023	311,000
2023-2024	<u>27,000</u>
	<u>\$ 602,000</u>

# ARCTIC ENERGY ALLIANCE

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

### 20. CAPITAL MANAGEMENT

In managing capital, the Society focuses on liquid resources available for operations. The Society's objective is to have sufficient liquid resources to continue operating despite adverse financial events and to provide it with the flexibility to take advantage of opportunities that will advance its purpose.

The Society manages funding risk by establishing internally restricted net assets. Funding risk may result from an inability to obtain government funding in a timely manner during contribution agreement negotiations. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to budget.

At March 31, 2021, the Society has not met its objectives of having sufficient liquid resources to meet its current obligations. The Society's net financial assets at March 31, 2021, are as follows:

	<u>2021</u>	<u>2020</u>
Accumulated surplus	\$ 464,261	\$ 402,629
Reserves	985,958	885,040
Invested in tangible capital assets	<u>10,314</u>	<u>6,627</u>
Net assets per page 3	<u>1,460,533</u>	<u>1,294,296</u>
Tangible capital assets	33,860	33,850
Deferred government assistance	<u>(15,546)</u>	<u>(19,223)</u>
	<u>18,314</u>	<u>14,627</u>
Net financial assets (note 12)	<u>\$ 1,442,219</u>	<u>\$ 1,279,669</u>

The Society's three internally restricted reserves and changes therein are as follows:

Operating Reserve - To support the minimum required net assets of at least three months of operating costs.

Credit Card Reserve - To secure the Society's credit card limit funded by short term investments as described in Note 3.

Contingency Reserve - To set aside funds for contingencies which may arise. This \$70,000-capped reserve is increased annually as applicable based on one half of one percent of the Society's total revenue for the year.

# ARCTIC ENERGY ALLIANCE

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

### 20. CAPITAL MANAGEMENT, continued

	Opening Balance	Transfers	Closing Balance
Operating Reserve	\$ 725,040	\$ 100,918	\$ 825,958
Credit Card Reserve	90,000	-	90,000
Contingency Reserve	70,000	-	70,000
	\$ 885,040	\$ 100,918	\$ 985,958

### 21. SUPPLEMENTAL CASH FLOW INFORMATION

A reconciliation of the excess of revenues over expenses during the year to cash flows from (used for) operating activities is as follows:

	2021	2020
Excess of revenues over expenses per page 2	\$ 166,238	\$ 309,167
Items not affecting cash:		
Amortization of tangible capital assets	5,981	6,268
Amortization of deferred government assistance	(3,676)	(5,162)
Write-off of tangible capital assets	-	2,166
Write-off of deferred government assistance	-	(1,500)
Increase in deferred government assistance	-	14,854
Change in accrued interest from GICs	11,219	(4,571)
Interest income received relating to short-term investments	(12,929)	(42,478)
Bad debt expense	86,969	-
	253,802	278,744
Net change in non-cash operating working capital accounts:		
Decrease (increase) in accounts receivable	(190,263)	(42,961)
Decrease (increase) in GST receivable	33,455	(20,651)
Increase (decrease) in wages and benefits payable	21,222	(53,007)
Increase in government remittances payable	14,136	47,352
Increase (decrease) in trade payables and accruals	(84,896)	30,551
Increase (decrease) in contribution repayable	40,000	(987,100)
Increase (decrease) in deferred revenue	(122,670)	172,670
	(289,016)	(853,146)
Cash flows used for operating activities per page 5	\$ (35,214)	\$ (574,402)

# ARCTIC ENERGY ALLIANCE

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

### 22. RELATED PARTIES

The Society is related in terms of common ownership to all Government of the Northwest Territories created departments, territorial corporations and public agencies. The Society enters into transactions with these entities in the normal course of operations and on normal trade terms applicable to all parties. The Workers' Safety and Compensation Commission is significantly influenced by the GNWT. The amounts due to and from related parties are unsecured, non-interest bearing and due on demand.

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

	<u>2021</u>	<u>2020</u>
Revenue - Northwest Territories Housing Corporation	\$ <u>17,450</u>	\$ <u>24,700</u>
Expenses		
Aurora College:		
Rent, hospitality, office, telephone, and professional development	\$ 600	\$ 1,544
Workers' Safety and Compensation Commission	<u>21,319</u>	<u>14,559</u>
	<u>\$ 21,919</u>	<u>\$ 16,103</u>
Receivables from related parties:		
GNWT - Environment & Natural Resources (ENR)	\$ 37,176	\$ 37,176
GNWT - Health and Social Services	13,965	20,950
GNWT - Infrastructure	607,862	422,031
Northwest Territories Power Corporation	20,000	15,000
Northwest Territories Housing Corporation	<u>94,333</u>	<u>89,135</u>
	<u>\$ 773,336</u>	<u>\$ 584,292</u>
Payables to related parties: Aurora College	<u>\$ -</u>	<u>\$ 3,479</u>

ARCTIC ENERGY ALLIANCE

SCHEDULE OF DEFERRED REVENUE

For the year ended March 31, 2021

Schedule I

Program	Opening balance	Cash funding received	Funding Receivable	Repayments	Transfers	Total funding available	Funding expended	Closing balance
<b>CONTRIBUTIONS</b>								
<b>GOVERNMENT OF CANADA</b>								
<b>Department of Natural Resources (NRCan)</b>								
Clean Energy in Rural and Remote Communities (CERRC) Program	\$ -	\$ 89,274	\$ 48,726	\$ -	\$ -	\$ 138,000	\$ 138,000	\$ -
<b>GOVERNMENT OF THE NORTHWEST TERRITORIES (GNWT)</b>								
<b>Department of Infrastructure - Core and Program Funding</b>								
Core Funding	\$ 82,670	\$ 1,360,000	\$ 240,000	\$ -	\$ 82,366	\$ 1,765,036	\$ 1,765,036	\$ -
Alternative Energy Technologies Program (AETP)	-	300,000	-	-	21,963	321,963	321,963	-
Energy Rating Services Support Program (ERS)	-	150,000	-	-	-	150,000	150,000	-
Energy Efficiency Incentive Program (EEIP)	-	200,000	-	-	234	200,234	200,234	-
Biomass Energy	-	100,000	-	-	(10,028)	89,972	89,972	-
Commercial Energy Conservation & Efficiency Program (CECEP)	-	200,000	-	-	14,205	214,205	214,205	-
Community Government Retrofits (CGERP)	-	190,000	-	-	(108,741)	81,259	81,259	-
	82,670	2,500,000	240,000	-	-	2,822,670	2,822,670	-
<b>Department of Infrastructure - Low Carbon Economy Leadership Fund (LCELFL)</b>								
Alternative Energy Technologies Program (AETP)	-	238,325	-	-	59,882	298,207	298,207	-
Energy Efficiency Incentive Program (EEIP)	-	341,155	136,885	-	10,044	488,084	488,084	-
Commercial Energy Conservation & Efficiency Program (CECEP)	-	202,770	-	-	(10,202)	192,568	192,568	-
Community Government Building Energy Retrofit (CGBERP)	-	145,000	-	-	(43,231)	101,769	101,769	-
Deep Home Energy Retrofit	-	202,065	-	-	(1,374)	200,690	200,690	-
Low Income Energy Assistance	-	104,000	-	-	5,356	109,356	109,356	-
Energy Efficiency and Conservation Retrofits - NGO	-	233,000	-	-	(37,400)	195,600	195,600	-
Electric Heat Incentive South Slave	-	42,685	515	-	8,463	51,663	51,663	-
Community Energy Plan Implementation	-	41,000	388	-	8,463	49,851	49,851	-
Community Wood Stoves	-	350,000	28,794	-	-	378,794	378,794	-
	-	1,900,000	166,582	-	-	2,066,582	2,066,582	-
Total INF	82,670	4,400,000	406,582	-	-	4,889,251	4,889,251	-
<b>Department of Health &amp; Social Services (H&amp;SS)</b>								
Low Income Energy Retrofits	-	21,000	13,965	-	-	34,965	34,965	-
<b>Department of Municipal and Community Affairs (MACA)</b>								
Stabilizing Non-Government Organization Operations Grant	40,000	-	-	40,000	-	-	-	-
Total GNWT	122,670	4,421,000	420,547	40,000	-	4,924,216	4,924,216	-
<b>Other Revenue</b>								
Membership fees received in advance from ENR	50,000	50,000	-	-	-	100,000	50,000	50,000
Total contributions	\$ 172,670	\$ 4,560,274	\$ 469,273	\$ 40,000	\$ -	\$ 5,162,216	\$ 5,112,216	\$ 50,000

**ARCTIC ENERGY ALLIANCE**  
**SCHEDULE OF CORE FUNDING AND ENERGY PROGRAMS**  
For the year ended March 31, 2021

Schedule II

	Total	Core Funding	Alternative Energy Technologies Program (AETP)	Energy Rating Services Support Program	Biomass Energy
<b>REVENUES</b>					
Contributions from GNWT	\$ 4,924,216	\$ 1,765,036	321,963	150,000	89,972
Contributions from Canada	138,000	-	-	-	-
Membership fees	227,500	227,500	-	-	-
Other source income	76,415	10,690	-	53,750	-
Interest income	10,988	10,988	-	-	-
	<u>5,377,119</u>	<u>2,014,214</u>	<u>321,963</u>	<u>203,750</u>	<u>89,972</u>
<b>EXPENDITURES</b>					
Advertising and promotion	166,337	143,671	308	-	-
Bad debts	86,969	86,969	-	-	-
Consulting fees	117,379	39,219	-	-	30,343
Equipment rental	3,279	3,279	-	-	-
Facility rental and tradeshow fees	8,599	1,038	-	-	-
Fees and dues	15,313	14,785	-	-	528
Hospitality	8,875	5,292	-	-	-
Insurance	12,949	12,949	-	-	-
Interest and bank charges	7,175	7,175	-	-	-
Office and general	62,855	47,579	-	3,003	169
Professional development	6,204	12,263	-	-	-
Professional fees	32,061	32,061	-	-	-
Rebates	1,800,771	-	247,443	-	-
Rent and utilities	166,410	166,410	-	-	-
Telephone, Internet and Website	46,591	46,591	-	-	-
Travel and accommodation	113,097	53,369	-	1,160	-
Wages and benefits	2,553,712	1,182,659	74,212	190,539	58,932
	<u>5,208,577</u>	<u>1,855,309</u>	<u>321,963</u>	<u>194,702</u>	<u>89,972</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>168,543</u>	<u>158,905</u>	<u>-</u>	<u>9,048</u>	<u>-</u>
<b>TRANSFERS</b>					
Amortization of tangible capital assets	(5,981)	(5,981)	-	-	-
Acquisition of prepaid expenses	-	-	-	-	-
Use of prepaid expenses	-	-	-	-	-
Amortization of government assistance	3,677	3,677	-	-	-
	<u>(2,304)</u>	<u>(2,304)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 166,238</u>	<u>\$ 156,601</u>	<u>-</u>	<u>\$ 9,048</u>	<u>\$ -</u>

See accompanying notes.



**ARCTIC ENERGY ALLIANCE**  
**SCHEDULE OF CORE FUNDING AND ENERGY PROGRAMS**

Schedule II

For the year ended March 31, 2021

	Commercial Energy Conservation & Efficiency Program (CECEP)	Community Government Retrofits (CGERP)	Energy Efficiency Incentive Program (EEIP)	Alternative Energy Technologies LCELF	Energy Efficiency Incentive Program LCELF
<b>REVENUES</b>					
Contributions from GNWT	214,205	81,259	200,234	\$ 298,207	\$ 488,084
Contributions from Canada	-	-	-	-	-
Membership fees	-	-	-	-	-
Other source income	-	-	-	-	-
Interest income	-	-	-	-	-
	<u>214,205</u>	<u>81,259</u>	<u>200,234</u>	<u>298,207</u>	<u>488,084</u>
<b>EXPENDITURES</b>					
Advertising and promotion	-	-	1,456	2,269	7,802
Bad debts	-	-	-	-	-
Consulting fees	-	625	-	-	-
Equipment rental	-	-	-	-	-
Facility rental and tradeshow fees	-	-	-	-	-
Fees and dues	-	-	-	-	-
Hospitality	-	-	-	-	-
Insurance	-	-	-	-	-
Interest and bank charges	-	-	-	-	-
Office and general	-	746	-	-	-
Professional development	-	-	-	-	-
Professional fees	-	-	-	-	-
Rebates	122,934	1,153	153,058	239,912	411,235
Rent and utilities	-	-	-	-	-
Telephone, Internet and Website	-	-	-	-	-
Travel and accommodation	38	-	-	-	-
Wages and benefits	91,233	78,735	45,721	56,026	69,047
	<u>214,205</u>	<u>81,259</u>	<u>200,235</u>	<u>298,207</u>	<u>488,084</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TRANSFERS</b>					
Amortization of tangible capital assets	-	-	-	-	-
Acquisition of prepaid expenses	-	-	-	-	-
Use of prepaid expenses	-	-	-	-	-
Amortization of government assistance	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ARCTIC ENERGY ALLIANCE**  
**SCHEDULE OF CORE FUNDING AND ENERGY PROGRAMS**

Schedule II

For the year ended March 31, 2021

	Commercial Energy Conservation & Efficiency LCELF	Community Government Building Energy Retrofit LCELF	Deep Home Energy Retrofit LCELF	Low Income Home Energy Assistance LCELF	Energy Efficiency & Conservation Retrofits NPOs LCELF
<b>REVENUES</b>					
Contributions from GNWT	\$ 192,568	\$ 101,769	\$ 200,690	\$ 109,356	\$ 195,600
Contributions from Canada	-	-	-	-	-
Membership fees	-	-	-	-	-
Other source income	-	-	-	-	-
Interest income	-	-	-	-	-
	<u>192,568</u>	<u>101,769</u>	<u>200,690</u>	<u>109,356</u>	<u>195,600</u>
<b>EXPENDITURES</b>					
Advertising and promotion	79	-	4,712	29	2,745
Bad debts	-	-	-	-	-
Consulting fees	613	-	-	-	823
Equipment rental	-	-	-	-	-
Facility rental and tradeshow fees	-	-	-	604.39	-
Fees and dues	-	-	-	-	-
Hospitality	-	-	-	1,156	-
Insurance	-	-	-	-	-
Interest and bank charges	-	-	-	-	-
Office and general	353	-	2,985	2,727	-
Professional development	-	-	-	-	-
Professional fees	-	-	-	-	-
Rebates	119,388	52,306	56,821	292	100,799
Rent and utilities	-	-	-	-	-
Telephone, Internet and Website	-	-	-	-	-
Travel and accommodation	-	-	11,734	16,242	3,449
Wages and benefits	72,136	49,463	124,438	88,306	87,784
	<u>192,568</u>	<u>101,769</u>	<u>200,690</u>	<u>109,356</u>	<u>195,600</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TRANSFERS</b>					
Amortization of tangible capital assets	-	-	-	-	-
Acquisition of prepaid expenses	-	-	-	-	-
Use of prepaid expenses	-	-	-	-	-
Amortization of government assistance	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ARCTIC ENERGY ALLIANCE**  
**SCHEDULE OF CORE FUNDING AND ENERGY PROGRAMS**  
For the year ended March 31, 2021

Schedule II

	Electric Heat Incentive South Slave LCELF	Community Energy Plan Implementation LCELF	Community Wood Stoves LCELF	Low Income Home Winterization GNWT	CERRC Canada
<b>REVENUES</b>					
Contributions from GNWT	\$ 51,663	\$ 49,851	\$ 378,794	\$ 34,965	-
Contributions from Canada	-	-	-	-	138,000
Membership fees	-	-	-	-	-
Other source income	-	-	-	-	11,975
Interest income	-	-	-	-	-
	<u>51,663</u>	<u>49,851</u>	<u>378,794</u>	<u>34,965</u>	<u>149,975</u>
<b>EXPENDITURES</b>					
Advertising and promotion	2,047.76	-	-	-	1,218
Bad debts	-	-	-	-	-
Consulting fees	973	-	-	-	44,783
Equipment rental	-	-	-	-	-
Facility rental and tradeshow fees	-	-	1,100.63	-	5,856
Fees and dues	-	-	-	-	-
Hospitality	-	-	1,920.61	-	507
Insurance	-	-	-	-	-
Interest and bank charges	-	-	-	-	-
Office and general	3,628.45	-	-	1,665	-
Professional development	(6,060)	-	-	-	-
Professional fees	-	-	-	-	-
Rebates	-	-	262,131	33,300	-
Rent and utilities	-	-	-	-	-
Telephone, Internet and Website	-	-	-	-	-
Travel and accommodation	-	-	25,179	-	1,927
Wages and benefits	51,074	49,851	88,462	-	95,095
	<u>51,663</u>	<u>49,851</u>	<u>378,794</u>	<u>34,965</u>	<u>149,387</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	-	-	588
<b>TRANSFERS</b>					
Amortization of tangible capital assets	-	-	-	-	-
Acquisition of prepaid expenses	-	-	-	-	-
Use of prepaid expenses	-	-	-	-	-
Amortization of government assistance	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 588</u>

**Inuvialuit Water Board**

**Financial Statements**

**March 31, 2021**

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# Inuvialuit Water Board

## Financial Statements

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March 31, 2021

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## **Management's Responsibility for Financial Reporting**

**June 17, 2021**

**To the Directors of  
Inuvialuit Water Board**

The accompanying financial statements were prepared by management in accordance with Canadian Public Sector Accounting Standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent with the information in the financial statements.

Inuvialuit Water Board maintains internal financial and management systems and practices to provide reasonable assurance that reliable financial and non-financial information is available timely and that the Board acts under the laws of the Northwest Territories. The Board's management recognizes its responsibility for conducting the Board's affairs in accordance with the requirements of applicable laws and sound business principles and for maintaining standards of conduct that are appropriate to an organization of this type.

The external auditors annually provide an independent, objective audit for expressing an opinion on the financial statements. They also consider whether transactions that come to their notice in this audit are, in all significant respect, in accordance with the specified legislation.



**Mardy Semmler  
Executive Director  
Inuvialuit Water Board**

## Independent Auditors' Report

### To the Directors of Inuvialuit Water Board

We have audited the accompanying financial statements of the Inuvialuit Water Board, which comprise of the statement of financial position as at March 31, 2021, and the statements of operations, change in accumulated surplus, change in net financial resources and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Inuvialuit Water Board as at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

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

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**Yellowknife, Northwest Territories  
June 17, 2021**

**Chartered Professional Accountants**



## Inuvialuit Water Board

### Statement of Operations

For the year ended March 31,	Budget (Unaudited)	2021	2020
<b>Revenue</b>			
Contributions from GNWT	\$ 924,000	\$ 924,000	\$ 913,000
Donation in-kind (Note 11)	61,693	61,693	61,693
<b>Total revenues before repayable contributions</b>	-	<b>985,693</b>	<b>974,693</b>
Repayable contributions (Note 6)	-	(283,890)	(121,489)
<b>Total revenues</b>	<b>985,693</b>	<b>701,803</b>	<b>853,204</b>
<b>Expenses</b>			
Advertising	2,000	1,956	9,798
Amortization	10,000	11,942	14,360
Board travel and training	16,000	439	5,421
Communications	30,500	35,146	29,665
Communication Strategy Implementation	75,000	638	22,259
Community Capacity Initiative	45,000	10	36,587
Community Tour	20,000	9,863	11,408
Conferences (recovery)	4,000	(3,065)	4,986
Consulting	5,000	600	-
Equipment maintenance	5,500	2,457	3,827
Equipment rental	5,000	3,965	5,206
Honoraria	78,300	63,227	78,263
Hospitality	-	907	457
Interest and bank charges	1,000	335	535
Office supplies	3,200	1,162	3,320
Postage	2,000	159	961
Professional fees	66,000	56,657	59,093
Rent (Note 11)	61,693	61,693	61,693
Salaries and benefits	517,000	465,637	479,507
Implications of In House Staffing - Ph II	5,000	-	11,853
Staff travel	12,500	17	7,800
Staff training	4,000	-	-
Staff recruitment and relocation	17,000	-	-
<b>Total expenses</b>	<b>985,693</b>	<b>713,745</b>	<b>846,999</b>
<b>Surplus (deficit) before other items</b>	-	<b>(11,942)</b>	<b>6,205</b>
<b>Loss on disposal of tangible capital assets</b>	-	<b>1,982</b>	-
<b>Operating surplus (deficit)</b>	-	<b>(13,924)</b>	<b>6,205</b>
<b>Transfer to tangible capital assets</b>	-	<b>13,924</b>	<b>(6,205)</b>
<b>Surplus</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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**Inuvialuit Water Board****Statement of Accumulated Surplus**

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<b>For the year ended March 31,</b>	<b>2021</b>			<b>2020</b>
	<b>Capital Asset Fund</b>	<b>Operating Fund</b>	<b>Total</b>	<b>Total</b>
<b>Balance, beginning of year</b>	<b>\$ 38,042</b>	<b>\$ 290,964</b>	<b>\$ 329,006</b>	<b>\$ 322,801</b>
<b>Operating surplus (deficit)</b>	<b>-</b>	<b>(13,924)</b>	<b>(13,924)</b>	<b>6,205</b>
<b>Tangible capital assets disposal losses</b>	<b>(1,982)</b>	<b>1,982</b>	<b>-</b>	<b>-</b>
<b>Amortization of tangible capital assets</b>	<b>(11,942)</b>	<b>11,942</b>	<b>-</b>	<b>-</b>
<b>Balance, end of year</b>	<b>\$ 24,118</b>	<b>\$ 290,964</b>	<b>\$ 315,082</b>	<b>\$ 329,006</b>

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## Inuvialuit Water Board

### Statement of Change in Net Financial Resources

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<b>For the year ended March 31,</b>	<b>Budget (Unaudited)</b>	<b>2021</b>	<b>2020</b>
Operating surplus (deficit)	\$ -	\$ (13,924)	\$ 6,204
Acquisition of tangible capital assets	-	-	(20,564)
Amortization of tangible capital assets	10,000	11,942	14,360
Tangible capital asset loss on disposals	-	1,982	-
<b>Net change in financial resources</b>	<b>10,000</b>	<b>-</b>	<b>-</b>
<b>Net financial resources, beginning of year</b>	<b>290,964</b>	<b>290,964</b>	<b>290,964</b>
<b>Net financial resources, end of year</b>	<b>\$ 300,964</b>	<b>\$ 290,964</b>	<b>\$ 290,964</b>

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**Inuvialuit Water Board**

**Statement of Financial Position**

**As at March 31,** **2021** **2020**

**Financial Assets**

Cash	\$ 515,031	\$ 538,956
Temporary investments (Note 10)	200,000	-
Accounts receivable (Note 4)	3,084	5,058
	<b>718,115</b>	<b>544,014</b>

**Liabilities**

Accounts payable and accrued liabilities (Note 5)	143,261	131,561
Repayable contributions (Note 6)	283,890	121,489
	<b>427,151</b>	<b>253,050</b>
<b>Net financial resources</b>	<b>290,964</b>	<b>290,964</b>

**Non-Financial Assets**

Tangible capital assets (Note 7)	24,118	38,042
	<b>24,118</b>	<b>38,042</b>

**Accumulated surplus** **\$ 315,082** **\$ 329,006**

**Commitments (Note 9)**

**Approved on behalf of the Board**

 Director

 Director

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## Inuvialuit Water Board

### Statement of Cash Flows

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For the year ended March 31,	2021	2020
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Operating surplus (deficit)	\$ (13,924)	\$ 6,205
Item not affecting cash:		
Amortization of tangible capital assets	11,942	14,360
Loss on disposal of tangible capital assets	1,982	-
<b>Changes in non-cash operating working capital</b>		
Accounts receivable	1,974	(1,484)
Accounts payable and accrued liabilities	11,700	(35,895)
Repayable contributions	162,402	(64,357)
	<b>176,076</b>	<b>(81,171)</b>
<b>Investing activity</b>		
Purchase of temporary investments	(200,000)	-
<b>Capital activity</b>		
Acquisition of tangible capital assets	-	(20,564)
<b>Decrease in cash</b>	<b>(23,924)</b>	<b>(101,735)</b>
<b>Cash, beginning of year</b>	<b>538,956</b>	<b>640,691</b>
<b>Cash, end of year</b>	<b>\$ 515,032</b>	<b>\$ 538,956</b>

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# Inuvialuit Water Board

## Notes to Financial Statements

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March 31, 2021

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### 1. Organization and Jurisdiction

The Inuvialuit Water Board (the "Board") is established under the *Northwest Territories Waters Act (Canada)* and continued under the *Waters Act (Northwest Territories)*. The Board monitors and approves water use and disposal of waste in that portion of the Northwest Territories in the Inuvialuit Settlement Region.

The Board is exempt from income tax under paragraph 149(1)(c) of the *Income Tax Act (Canada)*.

### 2. Significant Accounting Policies

The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards ("PSAS") as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. The following is a summary of the significant accounting policies used by management in preparing these financial statements.

#### (a) Financial Instruments

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

This category includes cash, temporary investments, accounts receivable, accounts payable and accrued liabilities, and repayable contributions. 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.

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments with maturities of three months or less from acquisition that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

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.

#### (b) Tangible Capital Assets

Tangible capital assets are recorded in the Capital Asset Fund at cost. Amortization is recorded in the capital asset fund using the declining balance method at the annual rates set out in Note 7.

#### (c) Fund Accounting

The Board uses fund accounting to segregate transactions between the Operating Fund and the Capital Asset Fund. The Operating Fund accounts for the Board's operating and administrative activities. The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to tangible capital assets.

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# Inuvialuit Water Board

## Notes to Financial Statements

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March 31, 2021

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### 2. Accounting Policies (continued)

#### (d) Revenue Recognition

The Board follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the transfer is authorized, and the related expenses are incurred. Unrestricted contributions are recognized as revenue when the transfer is authorized, and all eligibility criteria have been met if the amount to be received can be reasonably estimated, and its collection is reasonably assured. Restricted contributions which are not fully used during the contribution term are repayable contributions and must be repaid to the contributor.

The Board receives rent in-kind, which is recognized at fair value as donations in-kind revenue.

Other revenue is recognized when services and goods are provided.

#### (e) Measurement uncertainty

The preparation of 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 updated amounts of revenues and expenses during the period. Actual results could differ from those estimates. Significant accounts subject to measurement uncertainty include allowances for doubtful accounts, and the useful lives of tangible capital assets.

### 3. Future Accounting Standards

#### (a) Asset Retirement Obligations, Section PS 3280

This Section will be effective for fiscal years beginning on or after April 1, 2022. Earlier adoption is permitted. The Section is intended to enhance comparability of financial statements among public sector entities by establishing uniform criteria for recognition and measurement of asset retirement obligations, including obligations that may not have been reported. This Section would require public sector entities to review existing contract, legislation, etc., to identify retirement activities associated with its controlled capital assets. If any, the impact of the transition to this proposed accounting standard has not yet been determined.

#### (b) Revenue, Section PS 3400

This Section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations referred to as "non-exchange transactions." This Section applies to fiscal years beginning on or after April 1, 2023. Earlier adoption is permitted.

The impact of the transition to these accounting standards is not expected to be significant.

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## Inuvialuit Water Board

### Notes to Financial Statements

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March 31, 2021

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#### 4. Accounts Receivable

	2021	2020
Expense recoveries receivable	\$ 175	\$ 12
Goods and Services Tax rebate	2,909	5,046
	<b>\$ 3,084</b>	<b>\$ 5,058</b>

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As at March 31, 2021, the allowance for doubtful accounts is \$nil (2020 - \$nil).

#### 5. Accounts Payable and Accrued Liabilities

	2021	2020
Government of the Northwest Territories - wages payable	\$ 126,536	\$ 117,772
Accrued liabilities	10,711	10,711
Credit card payable	1,747	1,728
Other accounts payable	4,267	1,350
	<b>\$ 143,261</b>	<b>\$ 131,561</b>

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#### 6. Repayable Contributions

	2021	2020
Government of the Northwest Territories: - Department of Environment and Natural Resources	\$ 283,890	\$ 121,489

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#### 7. Tangible Capital Assets

	Rate	Cost	Accumulated Amortization	2020 Net Book Value	2020 Net Book Value
Furniture and equipment	20%	\$ 45,222	\$ 27,187	\$ 18,035	\$ 22,924
Computer equipment	30%	43,892	37,809	6,083	15,118
Computer software	100%	-	-	-	-
		<b>\$ 89,114</b>	<b>\$ 64,996</b>	<b>\$ 24,118</b>	<b>\$ 38,042</b>

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#### 8. Economic Dependence

The Board depends on funding as contributions from the Government of the Northwest Territories ("GNWT"). Management is of the opinion that if the funding were reduced or altered, operations would be significantly affected.



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## Inuvialuit Water Board

### Notes to Financial Statements

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March 31, 2021

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#### 9. Commitments

The Board's total commitments under various operating leases for office equipment are as follows:

2022	\$	4,945
2023		4,945
2024		206
	\$	10,096

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#### 10. Risk Management

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

(i) Credit risk

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

Accounts receivable are due from various governments, government agencies and corporations. Credit risk related to accounts receivable is mitigated by internal controls and policies and oversight over arrears for the ultimate collection. Management has determined that no accounts receivable required impairment.

The Board's maximum exposure to credit risk is represented by the balance of the financial assets of \$718,115 (2020 - \$544,014).

(ii) Concentration of credit risk

Concentrations of credit risk is the risk that a customer(s) has a significant portion of the total accounts receivable balance, and thus, there is a higher risk to the Board in the event of a default. The Board does not have a concentration of credit risk.

A significant portion of the Board's cash is held with one financial institution, exposing the Board to the risk that this institution may not have the liquidity to honour withdrawals of the Board's funds. At March 31, 2021, 100% (2020 - 100%) of the Board's cash and temporary investments were held within one of Canada's chartered banks. This risk has not changed from the prior year.

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## **Inuvialuit Water Board**

### **Notes to Financial Statements**

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**March 31, 2021**

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#### **10. Risk Management (Continued)**

##### **(iii) Liquidity risk**

Liquidity risk is the risk that the Board will not meet all cash outflow obligations as they come due. The Board has a liquidity risk in accounts payable and accrued liabilities of \$427,151 (2020 - \$253,050). The Board 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. All the Board's financial assets and financial liabilities at March 31, 2021, mature within the next six months.

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

Included in temporary investments at March 31, 2021, of \$200,000 (2020 - \$nil) are two one-year \$100,000, 0.60% interest per annum, non-redeemable guaranteed investment certificates with the Canadian Imperial Bank of Commerce, which mature November 9, 2021.

#### **11. Related Party Transactions**

During the year, honoraria and travel expenditures were paid to members of the Board of Directors. These expenditures were in the ordinary course of the Board's operations and were measured at the exchange amount.

The Board is controlled by, and regularly transacts with, the Government of the Northwest Territories. Transactions include contribution funding, salaries and wages, donation in-kind and related rent expense. These transactions were in the normal course of the Board's operations. Transactions were measured at the exchange amount, which is the amount of consideration paid and agreed to by related parties.

#### **12. Budget Amounts**

The budget figures presented are unaudited and are those approved by the Board.

**Northwest Territories Business Development and Investment Corporation**

**Consolidated Financial Statements**

**For the year ended**

**March 31, 2021**

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## Northwest Territories Business Development and Investment Corporation

### Management's Responsibility for Financial Reporting

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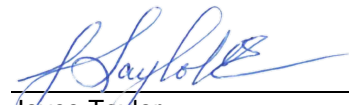
The accompanying consolidated financial statements of the Northwest Territories Business Development and Investment Corporation (the Corporation) are the responsibility of the Corporation's management and have been reviewed and approved by its board of directors.

Management is responsible for preparing these consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS). Where PSAS permits alternative accounting methods, management has chosen those that are most appropriate. Where required, management's best estimates and judgement have been applied in the preparation of these consolidated financial statements.

In discharging its responsibility for the integrity, fairness and quality of the consolidated financial statements, management is responsible for maintaining financial and management control systems and practices designed to provide reasonable assurance that transactions are properly authorized and recorded, assets are safeguarded, proper records are maintained, and the Corporation complies with applicable laws and conflict of interest rules. These controls and practices help to ensure the orderly conduct of business, the accuracy of the accounting records, the timely preparation of financial information, and adherence to the Corporation's policies and statutory requirements.

The board of directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. It exercises this responsibility through the Audit Committee, which is comprised of members who are not employees of the Corporation. The Audit Committee meets with management on a regular basis. The external auditors also have full and free access to the Audit Committee.

The Corporation's independent external auditor, the Auditor General of Canada, is responsible for auditing the transactions and consolidated financial statements of the Corporation and for issuing her report thereon.



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Joyce Taylor  
Chief Executive Officer



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Leonard Kwong  
Director, Finance and Programs

August 25, 2021



## INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Northwest Territories Business Development and Investment Corporation

### *Opinions*

We have audited the consolidated financial statements of the Northwest Territories Business Development and Investment Corporation and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 31 March 2021, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net financial assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

### *Qualified Opinion on the Results of Operations and Changes in Net Financial Assets*

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated statement of operations and accumulated surplus and consolidated statement of change in net financial assets present fairly, in all material respects, the consolidated results of operations and consolidated changes in net financial assets of the Group for the year ended 31 March 2021 in accordance with Canadian public sector accounting standards.

### *Opinion on the Financial Position and Cash Flows*

In our opinion, the accompanying consolidated statement of financial position and consolidated statement of cash flows present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2021 and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinions, Including Basis for Qualified Opinion on the Results of Operations and Changes in Net Financial Assets*

On 11 March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). As a result, measures were put in place that impacted our ability to observe the counting of physical inventories as at 31 March 2020. We were also unable to satisfy ourselves concerning those inventory quantities by alternative means. Since opening inventories affect the determination of the results of operations and changes in net financial assets, we were unable to determine whether adjustments to the results of operations and changes in net financial assets might have been necessary in the consolidated statement of operations and accumulated surplus and in the consolidated statement of changes in net financial assets, respectively, for the year ended 31 March 2021.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the

consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified opinion on the financial position and cash flows and our qualified opinion on the results of operations and changes in net financial assets.

#### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



David Irving, CPA, CA  
Principal  
for the Auditor General of Canada

Edmonton, Canada  
25 August 2021

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**Northwest Territories Business Development and Investment Corporation****Consolidated Financial Statements (March 31, 2021)**

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**Northwest Territories Business Development and Investment Corporation****Consolidated Statement of Financial Position (000's)**

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	March 31, 2021	March 31, 2020
	\$	\$
<b>Financial Assets</b>		
Cash (Note 3)	18,229	19,436
Accounts receivable	130	186
Inventories for sale (Note 4)	340	498
Loans receivable (Notes 5, 6 and 7)	43,511	36,723
	<hr/> 62,210	<hr/> 56,843
<b>Liabilities</b>		
Accounts payable and accrued liabilities	1,061	921
Post-employment benefits (Note 9)	297	345
Advances from the Government (Note 10)	26,798	21,228
Asset retirement obligations	31	31
	<hr/> 28,187	<hr/> 22,525
<b>Net financial assets</b>	<hr/> 34,023	<hr/> 34,318
<b>Non financial assets</b>		
Tangible capital assets (Schedule A)	244	318
Prepaid expenses	12	1
	<hr/> 256	<hr/> 319
<b>Accumulated surplus</b>	<hr/> <b>34,279</b>	<hr/> <b>34,637</b>

Venture investments (Note 8)

Commitments and contingencies (Notes 13 and 14)

*The accompanying notes and Schedule A are an integral part of these consolidated financial statements.***Approved by:**

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**Denny Rodgers**  
Chairperson of the Board of Directors

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**Northwest Territories Business Development and Investment Corporation****Consolidated Statement of Change in Net Financial Assets (000's)**

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<b>For the year ended March 31</b>	<b>Budget 2021</b>	<b>Actual 2021</b>	<b>Actual 2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Annual (deficit) surplus	344	(358)	1,192
Acquisition of tangible capital assets	-	-	(89)
(Gain) on disposal of tangible capital assets	-	-	(41)
Amortization of tangible capital assets	77	74	79
Proceeds received from disposal of tangible capital assets	-	-	71
	77	74	20
Acquisition of prepaid expenses	-	(12)	(16)
Use of prepaid expenses	-	1	20
	-	(11)	4
(Decrease) increase in net financial assets	421	(295)	1,216
<b>Net financial assets, beginning of year</b>	<b>34,318</b>	<b>34,318</b>	<b>33,102</b>
<b>Net financial assets, end of year</b>	<b>34,739</b>	<b>34,023</b>	<b>34,318</b>

*The accompanying notes and Schedule A are an integral part of these consolidated financial statements.*

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**Northwest Territories Business Development and Investment Corporation****Consolidated Statement of Operations and Accumulated Surplus (000's)**

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<b>For the year ended March 31</b>	<b>Budget 2021</b>	<b>Actual 2021</b>	<b>Actual 2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenues</b>			
Interest on loans receivable	2,300	2,212	2,511
Sales and other income	766	468	831
Gain on disposal of tangible capital assets	-	-	41
Interest on pooled cash (Note 3)	132	139	399
	3,198	2,819	3,782
Government transfers (Note 11)	2,909	2,954	2,922
	6,107	5,773	6,704
<b>Expenses (Note 12)</b>			
Lending and investments	4,366	5,171	4,086
Retail and manufacturing	1,397	960	1,426
	5,763	6,131	5,512
<b>Annual (deficit) surplus</b>	<b>344</b>	<b>(358)</b>	<b>1,192</b>
<b>Accumulated surplus, beginning of year</b>	<b>34,637</b>	<b>34,637</b>	<b>33,445</b>
<b>Accumulated surplus, end of year</b>	<b>34,981</b>	<b>34,279</b>	<b>34,637</b>

*The accompanying notes and Schedule A are an integral part of these consolidated financial statements.*

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**Northwest Territories Business Development and Investment Corporation****Consolidated Statement of Cash Flows (000's)**

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<b>For the year ended March 31</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Operating transactions</b>		
Cash received from:		
Governments	2,109	2,056
Customers	491	886
Interest	1,352	2,811
	<hr/> 3,952	<hr/> 5,753
Cash paid for:		
Compensation and benefits	1,953	3,169
Payments to suppliers	743	1,319
Grants and contributions	199	153
	<hr/> 2,895	<hr/> 4,641
<b>Cash provided by operating transactions</b>	<hr/> <b>1,057</b>	<hr/> <b>1,112</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	-	(255)
Proceeds from disposal of tangible capital assets	-	77
	<hr/> -	<hr/> 77
<b>Cash used for capital transactions</b>	<hr/> <b>-</b>	<hr/> <b>(178)</b>
<b>Investing transactions</b>		
Loans receivable disbursed	(9,649)	(3,351)
Loans receivable repaid	1,885	4,608
	<hr/> (7,764)	<hr/> 1,257
<b>Cash (used for) provided by investing transactions</b>	<hr/> <b>(7,764)</b>	<hr/> <b>1,257</b>
<b>Financing transactions</b>		
Advances from the Government	5,500	-
	<hr/> 5,500	<hr/> -
<b>Cash provided by financing transactions</b>	<hr/> <b>5,500</b>	<hr/> <b>-</b>
<b>(Decrease) increase in cash</b>	<hr/> <b>(1,207)</b>	<hr/> <b>2,191</b>
Cash, beginning of year	19,436	17,245
<b>Cash, end of year</b>	<hr/> <b>18,229</b>	<hr/> <b>19,436</b>

*The accompanying notes and Schedule A are an integral part of these consolidated financial statements.*

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# Northwest Territories Business Development and Investment Corporation

## Notes to the Consolidated Financial Statements March 31, 2021

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### 1. The Corporation

#### (a) Authority

The Northwest Territories Business Development and Investment Corporation (the Corporation) was established on April 1, 2005 pursuant to the *Northwest Territories Business Development and Investment Corporation Act* (the Act).

The Corporation is a territorial corporation of the Government of the Northwest Territories (the Government) named in Schedule B of the *Financial Administration Act* (the FAA). Accordingly, the Corporation operates in accordance with Part 3 of the FAA, the Act and its regulations, and any directives issued to it by the Minister responsible for the Corporation (the Minister) under Section 4 of the Act.

#### (b) Mandate

The mandate of the Corporation is to support the economic objectives of the Government by encouraging the creation and development of business enterprises in the Northwest Territories and by providing information and financial assistance to, and making investments in, such enterprises.

#### (c) Government transfers and advances

In accordance with Section 30 of the Act, the Corporation must annually submit a corporate plan, operating budget and capital budget identifying the transfers requested from the Government for approval by the Financial Management Board (the FMB) prior to the commencement of the fiscal year. The transfers received from the Government are for the purposes of financing the Corporation's general operations; making capital investments in, and providing working capital advances and operating subsidies to, business enterprises based on need; providing transfers for business development projects; and purchasing tangible capital assets for the Corporation. The transfers are repayable to the Government if not completely spent within the fiscal year in which they were provided.

The Corporation and its organizations are economically dependent upon the transfers received from the Government for their ongoing operations (Note 17).

Section 26 of the Act also authorizes the Government to advance to the Corporation an amount out of the Consolidated Revenue Fund not exceeding \$150 million for the purposes of providing financial assistance to, or making investments in, business enterprises. These advances are repayable to the Government on demand.

#### (d) Taxes

The Corporation and its organizations are exempt from the payment of municipal and territorial taxes pursuant to Section 35 of the Act and federal income tax pursuant to Section 149(1)(d) of the *Income Tax Act* of Canada.

#### (e) Budget

The consolidated budget figures have been derived from the budgets approved by the FMB and the Corporation's board of directors. Other budgeted amounts have been approved by the Corporation's senior management.

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# Northwest Territories Business Development and Investment Corporation

## Notes to the Consolidated Financial Statements March 31, 2021

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### 2. Summary of significant accounting policies

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS) as issued by the Public Sector Accounting Board (the PSAB).

#### (a) Measurement uncertainty

The preparation of the consolidated financial statements, in accordance with PSAS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect on the consolidated financial statements of changes to such estimates and assumptions in future periods could be significant, although at the time of preparation of these consolidated financial statements, management believes the estimates and assumptions to be reasonable.

At the time of preparation of these consolidated financial statements, management believes the estimates and the assumptions to be reasonable under the continued effect from the COVID-19 situation.

The more significant estimates relate to the determination of the allowance for credit losses, the provision for termination and removal benefits, and services received without charge. A variation in the quality of the loan portfolio or economic conditions under which these estimates are made could result in significant changes in these management estimates.

The significant accounting policies followed by the Corporation in the preparation of these consolidated financial statements are summarized below:

#### (b) Principles of consolidation

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity, which includes the Corporation and the organizations it controls. All inter-entity transactions and balances have been eliminated upon consolidation. These consolidated financial statements include the accounts of the following organizations:

Organization	Location	Percentage Ownership	Incorporation Date
<b>Light manufacturing</b>			
913044 N.W.T. Ltd. (o/a Fort McPherson Tent & Canvas)	Fort McPherson, NT	100%	September 25, 1991
Aklavik & Tuktoyaktuk Furs Ltd.	Tuktoyaktuk, NT	100%	June 30, 1997
Dene Fur Clouds Ltd.	Fort Providence, NT	100%	December 18, 1997
<b>Fine arts and crafts</b>			
Acho Dene Native Crafts Ltd.	Fort Liard, NT	100%	October 15, 1992
5983 N.W.T. Ltd. (o/a Ulukhaktok Arts Centre)	Ulukhaktok, NT	100%	February 12, 2008
<b>Wholesale/retail stores</b>			
Arctic Canada Trading Co. Ltd.	Yellowknife, NT	100%	June 28, 1997
<b>Muskox Harvesting</b>			
6355 N.W.T. Ltd.	Sachs Harbour, NT	100%	May 12, 2011

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## Northwest Territories Business Development and Investment Corporation

### Notes to the Consolidated Financial Statements March 31, 2021

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#### 2. Summary of significant accounting policies (continued)

##### (c) Cash

Cash is comprised of bank account balances (net of outstanding cheques). Surplus cash is pooled with the Government's surplus cash that is invested in a diversified portfolio of high grade, short-term income producing assets which can be withdrawn at any time, and are not restricted by maturity dates on investments made by the Government. Cash also includes funds and reserves subject to restrictions as described in Note 3.

##### (d) Inventories for sale

Inventories for sale consist of finished goods, work-in-process and raw material and are carried at the lower of cost and net realizable value, with cost being determined on a first in, first out basis.

##### (e) Loans receivable

Loans receivable are initially recognized at cost. Valuation allowances are used to adjust the carrying amount of loans receivable to the lower of cost and net recoverable value. Concessionary loans are recorded at net present value at issue, and related present value discounts are expensed. Loans are classified as impaired when, in management's opinion, there is no longer reasonable assurance of the timely collection of the full amount of principal and interest. Previously, loans were considered in default when payment is three months past due (unless the loan is fully secured), or six months past due (regardless of whether or not the loan is fully secured), the underlying loan is classified as impaired. However, under the COVID-19 economic relief programs, clients were able to obtain low interest loans and/or reduce or defer their loan payments for the 2020-2021 fiscal year without penalty or additional interest charges. Impairment for these loans were assessed differently. The Corporation conducted client surveys, reviewed loan extension requests, loan restructuring requests and loan payments received subsequent to year-end to determine if loans were performing or impaired.

When a loan is classified as impaired, the carrying amount of the loan is reduced to its estimated net recoverable value through an adjustment to the allowance for credit losses. Changes in the estimated net recoverable value arising subsequent to initial impairment are adjusted through the allowance for credit losses.

Concessionary loans are recorded at the discounted value of the loan after the grant portion has been charged to interest expense and cost of interest rate reduction. For concessionary loans, subsequent to initial valuation, the loans are carried at amortized costs using the effective interest method. The discounted value and the effective interest rate are determined using the prime rate adjusted for risk at the date of issuance. The grant portion is calculated as the difference between the face value and the discounted value of the loan and is recorded as interest expense and cost of interest rate reduction at the date of issue.

Interest income is recognized on an accrual basis using the effective interest rate method until such time as the loan is classified as impaired. All payments received (i.e. recoveries) on an impaired loan are credited against the carrying amount of the loan and recognized as an adjustment to the allowance for credit losses. The loan reverts to performing status when all provisions for credit losses are reversed and, in management's opinion, the ultimate collection of principal and interest is reasonably assured. At that time, previously non-accrued interest income is recognized as interest income.

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## Northwest Territories Business Development and Investment Corporation

### Notes to the Consolidated Financial Statements March 31, 2021

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#### 2. Summary of significant accounting policies (continued)

##### (e) Loans receivable (continued)

In accordance to the updated FAA that came into effect on April 1, 2016, the Corporation's board of directors may approve the write-off of debts owing to the Corporation. An account that has been written off is still subject to collection action. An account can only be approved for forgiveness by the board of directors (\$500 or less) or the FMB (over \$500). Once an account has been forgiven, no further collection action is possible.

##### (f) Allowance for credit losses

The allowance for credit losses represents management's best estimate of the probable credit losses existing in the loan portfolio. In determining the allowance for credit losses, management segregates probable credit losses into two components: specific and general.

The specific allowance is established on an individual loan basis to recognize credit losses. When a loan is considered impaired, the carrying amount of the loan is reduced to its estimated net recoverable value by discounting the expected future cash flows at the effective interest rate inherent in the loan. If the expected future cash flows cannot be reasonably determined, the fair value of the underlying security of the loan is used to determine net recoverable value.

The general allowance is established using management's best judgement to reflect the probable losses on performing loans which cannot yet be specifically identified as impaired. The general allowance is based on the Corporation's historical loan loss experience, aggregate exposure to particular industries or geographical regions and prevailing economic conditions.

The allowance for credit losses is an accounting estimate based on historical loan loss experience and an assessment of current economic conditions. Events may occur that render the underlying assumptions invalid and thus cause actual credit losses to vary significantly from management's best estimate.

The allowance is increased or decreased by changes in the estimated net recoverable values during the current period and is reduced by recoveries and loan write-offs.

##### (g) Venture investments

Venture investments are recognized at cost less any write-downs to reflect impairment in value.

Gains and losses on disposal are recognized in income when realized. Where there has been a significant and other than temporary decline in value, the investment is written down to recognize the loss. Dividends from venture investments are included in revenue when received. When they are received, they are deposited to the Venture Investment Fund to be used for additional investments in venture activities.

There is no active quoted market.

##### (h) Asset retirement obligations

The fair value of an asset retirement obligation is recognized in the period in which the obligation is incurred and is discounted from the expected date of settlement back to its present value using the



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# Northwest Territories Business Development and Investment Corporation

## Notes to the Consolidated Financial Statements March 31, 2021

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### 2. Summary of significant accounting policies (continued)

#### (h) Asset retirement obligations (continued)

Corporation's credit-adjusted risk-free rate. The fair value of the estimated obligation is recognized as a liability, with a corresponding increase in the carrying amount of the related asset.

The costs capitalized to the related assets are amortized to earnings in a manner consistent with the amortization of the underlying asset. The liability amount is increased in each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. Revisions to the estimated timing of cash flows or to the original estimated undiscounted costs could also result in an increase or decrease to the obligation. Actual costs incurred upon settlement of a retirement obligation are charged against the obligation to the extent of the liability recognized.

#### (i) Government transfers

Government transfers are recognized as revenue 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. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

The Government provides certain services without charge to the Corporation. The estimated cost of these services is recognized as services received without charge, which is included in government transfers, and is included in the Corporation's expenses.

#### (j) Post-employment benefits

**i) Pension benefits:** Substantially all of the employees of the Corporation are covered by the public service pension plan (the Plan), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation to cover current service cost. Pursuant to legislation currently in place, the Corporation has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Corporation.

**ii) Termination and removal benefits:** Employees are entitled to termination benefits and reimbursement of removal costs, as provided for under labour contracts and conditions of employment, based upon years of service. The benefits are paid upon resignation, retirement or death of an employee. The cost of these benefits is accrued as employees render the services necessary to earn them. Termination benefits are also recognized when employees are identified for lay-off. The cost of the benefits has been determined based on an actuary assessment.

#### (k) Tangible capital assets

Tangible capital assets are carried at cost less accumulated amortization and write-downs. Amortization is recognized on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	20 years
Vehicle and equipment	4 years
Leasehold improvements	4 years
Computer equipment	4 years

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## Northwest Territories Business Development and Investment Corporation

### Notes to the Consolidated Financial Statements March 31, 2021

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#### 2. Summary of significant accounting policies (continued)

##### (k) Tangible capital assets (continued)

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

##### (l) Financial instruments

The Corporation's financial instruments consists of cash, accounts receivable, loans receivable, venture investments, accounts payable and accrued liabilities, and the advances from the Government. These financial instruments are measured at cost.

##### (m) Non financial assets

Non financial assets are not available to discharge existing liabilities and are held for use in 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 revenues over expenses, provides the change net financial assets during the year.

##### (n) Segment disclosure

The Corporation presents segment information for lending and investment and retail and manufacturing activities. Lending and investment represent the activities of the Corporation and retail and manufacturing represents the activities of the organizations the Corporation controls. All revenues except for sales and other income are generated from lending and investment activities.

##### (o) Future accounting changes

The PSAB issued the following two new sections effective on or after April 2022 and 2023. The Corporation is currently assessing the impact of the two sections.

**Section PS 3280, "Asset Retirement Obligation":** This section establishes standards on how to account for and report for assets retirement obligations. This section is effective for fiscal year beginning on or after April 1, 2022 with earlier adoption permitted.

**Section PS 3400, "Revenue":** This section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. This section is effective for fiscal year beginning on or after April 1, 2023 with earlier adoption permitted.

#### 3. Cash

Cash is comprised of cash held by the Corporation for operations, in funds and reserves established under the Act, and for post-employment benefits, as well as cash held by the Corporation's organizations. Cash is pooled with the Government's surplus cash that is invested in a diversified portfolio of high grade, short-term income producing assets. Cash can be withdrawn at any time and is not restricted by maturity dates on investments made by the Government. The eligible classes of securities, categories of issuers,

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## Northwest Territories Business Development and Investment Corporation

### Notes to the Consolidated Financial Statements March 31, 2021

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#### 3. Cash (continued)

limits and terms are approved by the Department of Finance. All instruments, depending on the investment class, are rated R-2 High or better from the Dominion Bond Rating Service Limited. The Corporation earned \$139,000 in interest at an average investment yield of 0.83% during the year (2020: \$399,000 at an average investment yield of 2.30%).

In accordance with Section 27 of the Act, the Corporation is required to establish a Loan and Investments Fund for its lending and investing activities. The Program, Projects and Services Continuation Regulations (Regulations) of the Corporation specifies in Part 1 Section 4 (2), that a Loans and Bonds

Fund will be used to record the lending operations while in Part 2 Section 19 (2), a Venture Investment Fund will be used to record the venture investment operations. Furthermore, under the Regulations Part 2 Section 18 (2), the Corporation has the obligation to continue to maintain a Capital Fund and the Subsidy Fund.

In addition to these funds, the Corporation is required under the Regulations Part 2 Sections 18 (6) and 19 (5) to establish a Capital Reserve Fund and Venture Reserve Fund respectively. The Corporation will continue to deposit to the reserve funds an amount equal to 10% of each capital or venture investment made. The Corporation may use the reserve funds for further investment or financing for its organizations and venture investments through approved drawdowns.

The Corporation is responsible for administering post-employment benefits including the cash held (Note 9b).

	000's	
	2021	2020
	\$	\$
Cash held by the Corporation for operations	5,284	4,723
Cash held by the Corporation's organizations	1,924	1,606
Cash held for post-employment benefits	297	345
	7,505	6,674
Venture Investment Fund	4,190	4,190
Capital Fund	873	873
Subsidy Fund	435	434
Venture Reserve Fund	486	486
Loans and Bonds Fund	4,593	6,632
Capital Reserve Fund	147	147
	10,724	12,762
	<b>18,229</b>	<b>19,436</b>

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## Northwest Territories Business Development and Investment Corporation

### Notes to the Consolidated Financial Statements March 31, 2021

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#### 4. Inventories for sale

	000's	
	2021	2020
	\$	\$
Arts and crafts	146	289
Canvas products	194	209
	<b>340</b>	<b>498</b>

During the year, \$101,000 of inventories were written down (2020: \$124,000) and no inventories were pledged as security. Also, during the year, the Corporation had \$35,000 recoveries on inventory that had been previously written down (2020: \$28,000). Inventory write-downs and recoveries are included in the cost of goods sold.

#### 5. Impact of COVID-19

On March 11, 2020 the World Health Organization declared COVID-19 a global pandemic. Global business and investment markets were immediately and substantively affected. Within the Corporation's portfolio, industries have been impacted differently. In response to the pandemic, the Government announced on March 20, 2020 certain economic relief measures through the Corporation effective April 1, 2020. The Corporation's two economic relief programs are considered to provide concessionary terms to qualified businesses.

##### Economic relief programs

- Interest Rate Differential

The Corporation offered low interest working capital loans during the pandemic. Loans up to \$25,000 or higher in certain circumstances, were provided to qualified businesses at a rate of 1.75% on unsecured loans, which normally have an interest rate of 6.45% (prime + 4%). Ninety-one loans totaling \$2,319,000 were disbursed under this program. At March 31, 2021, allowance for credit losses on these loans total \$111,000.

The Corporation has recognized the total estimated cost of the economic relief loans with concessionary terms to be \$271,000 as an expense in the current year.

- Compound Interest on Deferred Loans

The Corporation allowed clients that applied to have their loan repayments reduced or deferred until March 31, 2021 without penalty or additional interest charges. Approval was provided for interest and payment deferrals throughout the year for all qualified loans receivable.

The Corporation has recognized the total estimated cost of the economic relief program for this concessionary term to be \$32,000 as an expense in the current year.

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## Northwest Territories Business Development and Investment Corporation

### Notes to the Consolidated Financial Statements March 31, 2021

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#### 5. Impact of COVID-19 (continued)

##### Economic relief programs extended

With the continued impact of COVID-19 affecting the Northwest Territories' economy, in March 2021, the Corporation's Application Review Committee approved twenty-four loan clients (with a total of thirty-two loans) additional deferral options for up to six months to the end of September 2021. The additional deferrals approved include:

- fifteen loans totalling \$5,026,000 have principal and interest deferred,
- nine loans totalling \$2,962,000 are interest only deferrals, and
- eight loans totalling \$2,499,000 have decreased fixed payments.

These deferrals have no concessionary terms and will include penalty and/or additional interest charges. Of these loans a total of \$4,491,000 have been classified as impaired due to the increased risk of default on account and \$1,220,000 are included in specific allowance.

#### 6. Loans receivable

The Corporation provides variable and fixed rate loans for periods up to five years with the amortization period not to exceed twenty-five years.

The Corporation charges its clients prime plus 2%, 3%, or 4%, depending on the security provided, client's management ability, the client's investment, and the amortization period. The Corporation holds various types of security on its loans, including real property, equipment, guarantees and general security agreements. Loans receivable are expected to mature as follows:

		000's			
		2021		2020	
		Rate Range	Balances	Rate Range	Balances
		%	\$	%	\$
Performing loans due within:	1 year	4.70-7.95	7,657	4.70-7.95	3,135
	1-2 years	4.70-6.70	7,857	2.00-7.95	9,246
	2-3 years	5.45-7.45	3,591	4.70-6.70	8,108
	3-4 years	2.95-6.95	4,501	3.00-6.95	6,204
	over 4 years*	1.75-6.95	12,790	2.95-7.95	7,270
			36,396		33,963
	Accrued loan interest receivable		1,154		196
	Impaired loans		11,160		6,054
			48,710		40,213
	Less: allowance for credit losses (Note 7)		5,199		3,490
			<b>43,511</b>		<b>36,723</b>

\* These loans receivables have been reduced by \$303,000 under the concessionary terms (Note 5)

## Northwest Territories Business Development and Investment Corporation

### Notes to the Consolidated Financial Statements March 31, 2021

#### 6. Loans receivable (continued)

During the year, the Corporation issued \$7,330,000 in new loans and \$2,319,000 in economic relief working capital loans.

In 2021, no accounts (including impaired interest) were written off by the board of directors (2020: nil) and no accounts were forgiven (2020: nil) by the FMB. Recoveries on loans previously written off from both loans receivable and allowance totalled \$38,000 (2020: \$33,000).

#### Concentration of credit risk

Concentration of credit risk may arise from exposure to groups of debtors having similar characteristics such that their ability to meet their obligations may be affected similarly by changes in economic or other conditions. The concentrations of performing loans and impaired loans by industry sector and geographic concentrations are displayed in the following tables:

#### Industry sector concentration

Sectors	000's			
	2021		2020	
	Performing	Impaired	Performing	Impaired
	\$	\$	\$	\$
Accommodations, food and beverage	5,493	1,791	4,575	1,041
Agriculture	1,715	388	281	-
Arts and craft	6	375	281	84
Business services	185	304	144	304
Communication	-	559	559	-
Construction	6,345	2,870	8,437	1,073
Educational services	25	-	-	-
Entertainment and recreation	39	58	-	-
Finance and insurance	318	-	339	-
Fisheries and wildlife	22	30	86	-
Forestry and logging	89	-	172	-
Health care	82	-	-	-
Information and cultural industries	84	-	-	-
Management of companies	1,232	-	398	-
Manufacturing	1,113	8	1,092	9
Mining	127	-	127	-
Oil and gas	-	359	-	400
Other services	2,073	82	1,421	82
Professional, scientific and technical services	385	-	1	-
Real estate	6,752	155	5,340	161
Retail	6,058	1,243	6,129	731
Transportation and storage	2,961	897	2,723	901
Travel and tourism	565	2,041	1,131	1,268
Wholesale	727	-	727	-
	<b>36,396</b>	<b>11,160</b>	<b>33,963</b>	<b>6,054</b>

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**Northwest Territories Business Development and Investment Corporation**

**Notes to the Consolidated Financial Statements  
March 31, 2021**

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**6. Loans receivable (continued)**

**Geographic concentration**

<b>Regions</b>	<b>000's</b>			
	<b>2021</b>		<b>2020</b>	
	<b>Performing</b>	<b>Impaired</b>	<b>Performing</b>	<b>Impaired</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Beaufort-Delta	3,536	856	2,284	862
Dehcho	5,634	1,658	5,658	850
North Slave	6,920	4,185	5,301	1,652
Sahtu	2,176	133	2,234	204
South Slave	18,130	4,328	18,486	2,486
	<b>36,396</b>	<b>11,160</b>	<b>33,963</b>	<b>6,054</b>

The following table illustrates performing loans outstanding classified by the Corporation's credit risk rating system:

<b>Credit risk rating</b>	<b>000's</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Low	19,040	18,016
Medium	15,020	15,042
High	2,336	905
	<b>36,396</b>	<b>33,963</b>

The Corporation considers a loan past due when a client has not made a payment in accordance with the payment terms. The following table presents the carrying value of loans that are past due but not classified as impaired because they did not meet the criteria of impairment. There were no accounts in arrears during the year as a result of the loan deferment initiative mentioned in 2(e):

<b>Loans past due but not impaired</b>	<b>000's</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
31 – 60 days	-	21
61 – 90 days	-	7
Over 90 days	-	-
	<b>-</b>	<b>28</b>

The risk exposure relating to loans is directly impacted by the clients' ability to meet their obligations. Among other factors, this ability is impacted by the clients' exposure to fluctuations in the economy of the Northwest Territories. To mitigate this risk, the Corporation limits the concentration of loans with any individual client. Under its regulations, the maximum the Corporation can lend to or invest in any one

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**Northwest Territories Business Development and Investment Corporation****Notes to the Consolidated Financial Statements  
March 31, 2021**

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**6. Loans receivable (continued)**

business enterprise or group of related enterprises is \$2 million. Amounts greater than \$2 million must be approved by the FMB. There were no loans approved by the FMB in 2021 (2020: nil)

**7. Allowance for credit losses**

	000's	
	2021	2020
	\$	\$
Balance, beginning of year	3,490	3,527
Provision for credit losses	1,878	121
Loans written off	-	-
Recoveries from repayments of allowance	(169)	(158)
<b>Balance, end of year</b>	<b>5,199</b>	<b>3,490</b>
Comprised of:		
Specific allowance*	4,471	2,808
General allowance	728	682
<b>Balance, end of year</b>	<b>5,199</b>	<b>3,490</b>

\* The specific allowance includes \$111,000 for the economic relief working capital loans that were distributed throughout the year (Note 5).

**8. Venture investments**

The Corporation's portfolio of venture investments is focused on providing financing in the form of preferred shares and debt to companies in the Northwest Territories. As at March 31, 2021, the Corporation does not have significant influence in the companies in which it has invested.

The total cumulative venture investments at March 31, 2021 were \$593,000 (2020: \$593,000) with accumulated write-downs of \$593,000 (2020: \$593,000). In 2021, no venture investments were approved for write-off (2020: nil) by the board or for forgiveness by the FMB (2020: nil).

**Preferred shares and dividends**

Investments in preferred shares carry the right of conversion to common shares. This right, if exercised, may result in the holding of a controlling interest under certain circumstances. Preferred shares are redeemable at the option of the Corporation and earn dividends at variable rates. Investment yields vary from year to year due to the amount and timing of the dividends received.

**9. Post-employment benefits****(a) Pension benefits**

Substantially all of the employees of the Corporation are covered by the Plan (Note 2(j)(i)). Contributions are required by both the employees and the Corporation. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required



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**Northwest Territories Business Development and Investment Corporation****Notes to the Consolidated Financial Statements  
March 31, 2021**

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**9. Post-employment benefits (continued)****(a) Pension benefits (continued)**

contribution. The required employer contribution rate is dependent on the employee's employment start date. For employment start dates before January 1, 2013, the Corporation's contribution rate effective at year-end was 1.01 times (2020: 1.07) the employee's contribution; and for employment start dates after December 31, 2012, the Corporation's contribution rate effective at year-end was 1.0 times (2020: 1.0) the employee's contribution. Total contributions of \$126,000 (2020: \$148,000) were recognized as an expense in the current year. The Corporation's and employees' contributions to the Plan for the year were as follows:

	000's	
	2021	2020
	\$	\$
Corporation's contributions	126	148
Employees' contributions	125	141

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2% of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada Pension Plan and they are indexed to the increase in the Consumer Price Index.

**(b) Termination, removal benefits and leave**

The Corporation provides termination benefits to employees based on years of service and final salary (Note 2(j)(ii)). It also provides removal assistance, along with sick and special leave to employees, as provided under labour contracts. This benefit plan is pre-funded from current contributions and recognized as part of cash.

The most recent actuarial valuation was completed in March 2021 and the information has been extrapolated to year-end. The values presented below are for the benefits under the severance, removal and compensated absences for the Corporation.

Change in Obligation	000's	
	2021	2020
	\$	\$
Accrued benefit obligation, beginning of year	249	424
Current period benefit cost	11	11
Interest cost	5	11
Benefit payments	(58)	(8)
Actuarial (gain)	(65)	(189)
Accrued benefit obligation, end of year	142	249
Unamortized net actuarial gain	155	96
<b>Accrued benefit liability*</b>	<b>297</b>	<b>345</b>

\*Total retirement, post-employment, and other leave benefits includes \$262,922 (2020 - \$317,180) related to severance and removal and \$34,376 (2020 - \$28,195) related to compensated absences.

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**Northwest Territories Business Development and Investment Corporation****Notes to the Consolidated Financial Statements  
March 31, 2021**

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**9. Post-employment benefits (continued)****(b) Termination, removal benefits and leave (continued)**

<b>Benefit Expense</b>	<b>000's</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Current period benefit cost	11	11
Interest cost	5	11
Amortization of actuarial (gain) loss	(6)	16
<b>Post-employment benefits</b>	<b>10</b>	<b>38</b>

The discount rate used in determining the accrued benefit obligation is an average of 3.30% (2020: 2.70%). The assumed rate of compensation increase is 2% (2020: 2%). Unamortized actuarial gains and losses are amortized straight line over the expected average remaining service lives of active employees which is 8.3 years (2020: 8.3 years). No inflation was applied.

**10. Advances from the Government**

For the purpose of providing financial assistance to or making investments in business enterprises, the Act authorizes the Corporation to borrow up to \$150 million from the Government through advances. Increases to the outstanding balance of the advances must be approved by the FMB based on the needs of the Corporation. The balance was not to exceed \$45 million (2020: \$45 million) as at March 31, 2021.

Interest on the advances is based on the rate set during the last week of each month for the Government of Canada 3-year bonds, compounded annually. The rate varied from 0.19% to 0.49% (2020: 0.70% to 1.66%) during the year.

	<b>000's</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Balance, beginning of year	21,228	20,934
Interest charged on Advances	70	294
Advances from the Government	5,500	-
<b>Balance, end of year</b>	<b>26,798</b>	<b>21,228</b>

During the year, the Government advanced \$5,500,000 to the Corporation to cover new loans and economic relief working capital loans (Notes 5 and 6).

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**Northwest Territories Business Development and Investment Corporation****Notes to the Consolidated Financial Statements  
March 31, 2021**

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**11. Government transfers**

	000's					
	Lending/ Invest- ments	2021 Retail/ Manufac- turing	Total	Lending/ Invest- ments	2020 Retail/ Manufac- turing	Total
	\$	\$	\$	\$	\$	\$
Government:						
Operations and maintenance	1,410	602	<b>2,012</b>	1,339	620	<b>1,959</b>
Services received without charge (Note 16)	845	-	<b>845</b>	866	-	<b>866</b>
	2,255	602	<b>2,857</b>	2,205	620	<b>2,825</b>
Federal programs	97	-	<b>97</b>	97	-	<b>97</b>
	<b>2,352</b>	<b>602</b>	<b>2,954</b>	<b>2,302</b>	<b>620</b>	<b>2,922</b>

A stipulation included in the agreement is for any unspent funds to be repaid to the Government. There were no unspent amounts in 2021 (2020: nil).

## Northwest Territories Business Development and Investment Corporation

### Notes to the Consolidated Financial Statements March 31, 2021

#### 12. Consolidated budgeted figures and expenses by object

The consolidated budgeted figures have been approved by the Minister and the FMB.

	Consolidated (000's)							
	2021				2020			
	Total Budget	Lending / Investments	Retail / Manufacturing	Total	Total Budget	Lending / Investments	Retail / Manufacturing	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Advertising and promotion	31	10	2	12	32	16	6	22
Amortization	77	52	22	74	40	53	26	79
Asset retirement	-	-	1	1	-	-	1	1
Bad debts	-	-	5	5	-	-	6	6
Bank charges and interest	26	18	21	39	26	2	27	29
Board members	52	37	2	39	37	31	1	32
Business Development Fund	200	199	-	199	200	153	-	153
Business Service Centre	240	223	-	223	248	247	-	247
Compensation and benefits	2,598	2,154	209	2,363	2,643	2,979	214	3,193
Computers and communications	133	102	21	123	129	96	21	117
Cost of goods sold	794	-	497	497	777	-	914	914
Insurance	27	-	23	23	27	-	22	22
Interest expense and cost of interest rate reduction*	425	373	-	373	450	293	-	293
Office and general	70	44	11	55	83	42	14	56
Provision for (recovery of) credit losses (net)	400	1,709	-	1,709	350	(37)	-	(37)
Professional services	350	68	39	107	156	38	60	98
Rent	216	169	15	184	192	154	15	169
Repairs and maintenance	10	-	29	29	12	-	29	29
Training and workshops	-	13	-	13	-	2	-	2
Travel	55	-	2	2	59	17	2	19
Utilities	59	-	61	61	52	-	68	68
	<b>5,763</b>	<b>5,171</b>	<b>960</b>	<b>6,131</b>	<b>5,513</b>	<b>4,086</b>	<b>1,426</b>	<b>5,512</b>

\* Cost of interest rate reduction totalling \$303,000 is a result of concessionary terms (Note 5).

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## Northwest Territories Business Development and Investment Corporation

### Notes to the Consolidated Financial Statements March 31, 2021

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#### 13. Commitments

As at March 31, 2021, loans to businesses approved but not yet disbursed, totalled \$3,592,000 at a weighted average interest rate of 5.0% (2020: \$4,503,000 at a weighted average interest rate of 5.7%). These loans do not form part of the loans receivable balance until disbursed. Also, as at March 31, 2021, there was one venture approved to one business in the amount of \$350,000 which was not disbursed (2020: nil) and all contributions to businesses approved have been disbursed (2020: nil).

#### 14. Contingencies

##### Loans

The Corporation has one outstanding loan to a Northern Community Futures organization for their own lending purposes totalling \$318,000 (2020: one loan totalling \$339,000). Loans provided by this organization may be assigned to the Corporation when impaired. If assigned, the Corporation would then write off the Northern Community Futures organization loan balance and would attempt to recuperate its loss directly from the borrowers. In 2021, no accounts were assigned to the Corporation (2020: one account in the amount of \$10,000).

##### Letters of credit

The Corporation has one outstanding irrevocable standby letter of credit in the amount of \$2,000,000 (2020: \$2,100,000) and expire in fiscal 2022. Payment by the Corporation is due from this letter in the event that the applicants are in default of the underlying debt. To the extent that the Corporation has to pay out to third parties as a result of these agreements, these payments will be owed to the Corporation by the applicants. Each letter of credit is secured by promissory note, general security agreement, guarantee or collateral mortgage. During the year, no payments were made (2020: nil).

#### 15. Related party transactions

The Corporation is related in terms of common ownership to all Government of the Northwest Territories created departments, territorial corporations, public agencies, its board of directors and key management personnel and their close family members. The Corporation enters into transactions with these entities in the normal course of business and on normal trade terms applicable to all individuals and enterprises except that certain services are provided without charge (Note 16).

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**Northwest Territories Business Development and Investment Corporation****Notes to the Consolidated Financial Statements**  
**March 31, 2021**

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**15. Related party transactions (continued)**

Transactions with related parties during the year and balances at year end are as follows:

	<b>000's</b>	
	<b>2021</b>	<b>2020</b>
	\$	\$
<b>Revenues</b>		
Sales	3	86
Government transfers (Note 11)	2,857	2,825
<b>Expenses</b>		
Purchases	225	189
Interest on advances from the Government	70	294
<b>Balances at year end</b>		
Accounts receivable	9	67
Accounts payable and accrued liabilities	129	264
Advances from the Government	26,798	21,228

**16. Services received without charge**

The Corporation records the estimated cost of services provided by the Government without charge. Services received without charge from the Government include regional and human resource services and office accommodation. The estimated cost of such services is as follows:

	<b>000's</b>	
	<b>2021</b>	<b>2020</b>
	\$	\$
Staff support	623	665
Accommodation	222	201
	<b>845</b>	<b>866</b>

**17. Economic dependence**

The Corporation received 49.5% (2020: 42.1%) of its revenues in the form of a contribution and services without charge from the Government. The Corporation's continued operations are dependent on these arrangements.

**18. Risk management**

The Corporation is exposed to the following risks as a result of holding financial instruments:

**Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet its obligations.

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## Northwest Territories Business Development and Investment Corporation

### Notes to the Consolidated Financial Statements March 31, 2021

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#### 18. Risk management (continued)

The risk associated with cash is minimized substantially by ensuring that these financial assets are placed with well-capitalized financial institutions.

Credit granting and loan management are based on established credit policies. The maximum exposure to credit risk from borrowers and investees is limited to the carrying amount of the loans and investments. The Corporation's management of credit exposures from borrowers and investees includes:

- a standardized credit risk rating classification system established for all loans;
- credit policies and directives, communicated to lending officers whose activities and responsibilities include credit granting and monitoring client performance;
- Application Review Committee (consisting of senior management) reviews and approves loans over \$500,000; and
- limiting the concentration of loans and investments with any one business enterprise or group of related enterprises to \$2 million. Amounts greater than \$2 million must be approved by the FMB.

The principal collateral held as security and other credit enhancements for loans include real property, equipment, guarantees; and general security agreement .

As at March 31, 2021, \$3,378,000 (2020: \$2,344,000) of the impaired loans are fully secured by assets the Corporation has the ability to sell in order to satisfy borrowers' commitments. There were no significant changes to the Corporation's credit risk management policies and practices from the prior year. However, under the economic relief that provided working capital loans to qualified businesses with a 1.75% interest rate creates an increase to credit risk as these loans did not require any security or financial support (Note 5).

The table below illustrates the maximum credit exposure to the Corporation if all counterparties defaulted on March 31, 2021:

	000's	
	2021	2020
Cash	18,229	19,436
Accounts receivable	130	186
Loans receivable	43,511	36,723
Letters of credit	2,000	2,100

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk in that changes in market interest rates will cause fluctuations in the future cash flows of the advances from the Government, fluctuations in the fair value and future cash flows of loans receivable, and interest revenue from cash.

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## Northwest Territories Business Development and Investment Corporation

### Notes to the Consolidated Financial Statements March 31, 2021

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#### 18. Risk management (continued)

##### Interest rate risk (continued)

The Corporation's borrowing from the Government is based on a variable market rate and it lends to the majority of its clients at fixed term rates. The Corporation's interest rate margin or spread widens when interest rates fall and it narrows when interest rates rise.

The Corporation manages its interest rate risk by paying down the advances from the Government with cash available from the Loans and Bonds fund. During the year, no payments were made (2020: nil) to the Government.

Based on the Corporation's advances from the Government as at March 31, 2021 and the monthly cash balance on hand, a 100-basis point increase in interest rates would decrease annual surplus by \$85,000 (2020: \$22,000). A 100-basis point decrease in interest rates would decrease annual surplus by \$57,000 (2020: increase of \$51,000).

##### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with its financial liabilities. The Corporation manages its liquidity risk by regularly monitoring forecasted and actual cash flows.

The advances from the Government are due on demand with no fixed repayment terms. Repayment on advances is made whenever the Corporation has sufficient cash on hand which is not earmarked for lending purposes.

Accounts payable and accrued liabilities are expected to be settled within the next 12 months.



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**Northwest Territories Business Development and Investment Corporation**

**Consolidated Schedule of Tangible Capital Assets**  
**March 31, 2021**

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Schedule A  
000's

	Land	Buildings	Vehicle and Equipment	Leasehold Improvements	Computer Equipment	March 31, 2021	March 31, 2020
Cost of tangible capital assets, opening	\$ 78	\$ 1,789	\$ 684	\$ 540	\$ 9	\$ 3,100	\$ 3,217
Acquisitions	-	-	-	-	-	-	89
Disposals	-	-	(16)	-	-	(16)	(206)
Cost of tangible capital assets, closing	78	1,789	668	540	9	3,084	3,100
Accumulated amortization, opening	-	1,686	662	426	8	2,782	2,879
Amortization expense	-	12	8	53	1	74	79
Disposals	-	-	(16)	-	-	(16)	(176)
Accumulated amortization, closing	-	1,698	654	479	9	2,840	2,782
<b>Net book value</b>	<b>78</b>	<b>91</b>	<b>14</b>	<b>61</b>	<b>-</b>	<b>244</b>	<b>318</b>

**NORTHWEST TERRITORIES HERITAGE FUND**

**Financial Statements**

**For The Year Ended March 31, 2021**

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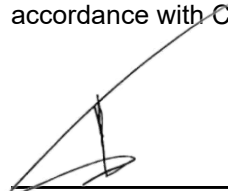
## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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The financial statements of the Northwest Territories Heritage Fund have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of the Northwest Territories Heritage Fund's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The financial statements have been audited on behalf of the members by Metrix Group LLP, in accordance with Canadian public sector accounting standards.



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Mr. Sandy Kalgutkar  
Secretary, Financial Management Board

Yellowknife, Northwest Territories  
July 07, 2021

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## INDEPENDENT AUDITORS' REPORT

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To the Members of Northwest Territories Heritage Fund

### *Opinion*

We have audited the financial statements of Northwest Territories Heritage Fund (the "Fund"), which comprise the statement of financial position as at March 31, 2021, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Matter*

The financial statements for the year ended March 31, 2021 were prepared by management and are unaudited.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

(continues)



*Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**METRIX GROUP LLP**

Chartered Professional Accountants

Edmonton, Alberta

July 7, 2021

**NORTHWEST TERRITORIES HERITAGE FUND**

**Statement of Financial Position**

**As at March 31, 2021**

	<u>2021</u>	<u>2020</u>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 1,361,947	\$ 129,677
Interest receivable	143,998	293,883
Portfolio investments (Note 2)	<u>28,676,851</u>	<u>26,347,965</u>
	<u>30,182,796</u>	<u>26,771,525</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	<u>30,674</u>	<u>18,696</u>
<b>NET FINANCIAL ASSETS</b>	<u>30,152,122</u>	<u>26,752,829</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 30,152,122</u>	<u>\$ 26,752,829</u>

**APPROVED BY**



Chair of the Financial Management Board



Deputy Secretary of the Financial Management Board

**NORTHWEST TERRITORIES HERITAGE FUND**  
**Statement of Operations and Accumulated Surplus**  
**For The Year Ended March 31, 2021**

	2021 (Budget)	<b>2021 (Actual)</b>	2020 (Actual)
<b>REVENUES</b>			
Contributions from the Government of the Northwest Territories	\$ 7,600,000	\$ <b>2,538,486</b>	\$ 1,856,484
Investment income	-	<b>877,857</b>	618,015
Gain on sale of investments	-	<b>52,038</b>	122,001
	7,600,000	<b>3,468,381</b>	2,596,500
<b>EXPENSES</b>			
Professional fees	-	<b>69,088</b>	58,751
	7,600,000	<b>3,399,293</b>	2,537,749
<b>ANNUAL SURPLUS</b>			
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	<b>26,752,829</b>	24,215,080
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 7,600,000</b>	<b>\$ 30,152,122</b>	<b>\$ 26,752,829</b>

**NORTHWEST TERRITORIES HERITAGE FUND**  
**Statement of Changes in Net Financial Assets**  
**For the Year Ended March 31, 2021**

	2021 (Budget)	<b>2021 (Actual)</b>	2020 (Actual)
<b>ANNUAL SURPLUS</b>	\$ 7,600,000	<b>\$ 3,399,293</b>	\$ 2,537,749
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>26,752,829</u>	<b><u>26,752,829</u></b>	<u>24,215,080</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b><u>\$ 34,352,829</u></b>	<b><u>\$ 30,152,122</u></b>	<u>\$ 26,752,829</u>



**NORTHWEST TERRITORIES HERITAGE FUND****Statement of Cash Flows****For The Year Ended March 31, 2021**

	<b>2021</b>	2020
<b>OPERATING ACTIVITIES</b>		
Annual surplus	<b>\$ 3,399,293</b>	\$ 2,537,749
Items not affecting cash:		
Gain on disposal of investments	<b>(52,038)</b>	(122,001)
Amortization of investment premiums/discounts	<b>(91,613)</b>	(186,239)
	<b>3,255,642</b>	2,229,509
Changes in non-cash working capital:		
Interest receivable	<b>149,885</b>	(245,649)
Accounts payable and accrued liabilities	<b>11,978</b>	18,696
	<b>161,863</b>	(226,953)
	<b>3,417,505</b>	2,002,556
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	<b>(16,402,656)</b>	(40,153,420)
Proceeds from disposals and redemptions of investments	<b>14,217,421</b>	14,113,695
	<b>(2,185,235)</b>	(26,039,725)
<b>INCREASE (DECREASE) IN CASH FLOWS</b>	<b>1,232,270</b>	(24,037,169)
CASH, BEGINNING OF YEAR	<b>129,677</b>	24,166,846
<b>CASH, END OF YEAR</b>	<b>\$ 1,361,947</b>	\$ 129,677

# NORTHWEST TERRITORIES HERITAGE FUND

## Notes to Financial Statements

Year Ended March 31, 2021

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### PURPOSE OF FUND

The Northwest Territories Heritage Fund (the "Fund") was established under the authority of the Northwest Territories Heritage Fund Act.

The Fund has been established for the benefit and use of the people of the Northwest Territories. A portion of resource revenues is to be set aside to provide financial resources for the Government of the Northwest Territories (the "Government") to fund long-term investments that would allow Northwest West Territories residents to receive benefits from the development of the territory's non-renewable resources.

The Fund is not subjected to taxation under the Income Tax Act of Canada.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Fund are the representations of management and were prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Fund are as follows.

#### Portfolio investments

Portfolio investments are long-term investments in organizations that do not form part of the government reporting entity and are accounted for by the cost or amortized cost method. Investment premiums and discounts are amortized over the term of the respective investments. Where there is a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss.

Interest income is recorded on the accrual basis, dividend income is recognized as it is declared, and gains and losses on disposal and redemption of investments are recognized when realized.

#### Government transfers

Government transfers are transfer of assets from other levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

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

#### Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

*(continues)*

# NORTHWEST TERRITORIES HERITAGE FUND

## Notes to Financial Statements

Year Ended March 31, 2021

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

#### Future changes in significant accounting policies

The following summarizes upcoming changes to the Canadian public sector accounting standards. The Fund will continue to assess the impact and prepare for the adoption of these standards.

#### (i) Financial Statement Presentation

PS 1201, Financial Statement Presentation, requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This standard is applicable for fiscal years beginning on or after April 1, 2022.

#### (ii) Foreign Currency Translation

PS 2601, Foreign Currency Translation, requires that monetary assets and liabilities denominated in a foreign currency be adjusted to reflect the exchange rates in effect at the financial statement dates. Unrealized gains and losses are to be presented in the new statement of re-measurement gains and losses. This standard must be adopted in conjunction with PS 2601 and PS 3450 and is applicable for fiscal years beginning on or after April 1, 2022.

#### (iii) Portfolio Investments

PS 3041, Portfolio Investments, has removed the distinction between temporary and portfolio investments and amended to conform to PS 3405. This standard must be adopted in conjunction with PS 1201, PS 2601, and PS 3450 and is applicable for fiscal years beginning on or after April 1, 2022.

#### (iv) Financial Instruments

PS 3450, Financial Instruments, established recognition, measurement and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivative and equity instruments; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities. This standard is applicable for fiscal years beginning on or after April 1, 2022.

#### (v) Revenue

PS 3400, Revenue, establishes standards on how to account for and report revenue differentiating between revenue arising from transactions that include performance obligations and transactions that do not. This standard is applicable to fiscal years beginning on or after April 1, 2023.

# NORTHWEST TERRITORIES HERITAGE FUND

## Notes to Financial Statements

Year Ended March 31, 2021

### 2. PORTFOLIO INVESTMENTS

	2021 Cost	2021 Market value	2020 Cost	2020 Market value
Canadian papers	\$ 18,923,427	\$ 19,209,094	\$ 7,992,700	\$ 7,749,527
Equities and other financial instruments	5,976,693	6,798,282	6,253,283	4,710,233
Bonds	3,776,731	3,919,234	3,685,118	3,813,050
Guaranteed investment certificates	-	-	8,416,864	8,416,864
	<b>\$ 28,676,851</b>	<b>\$ 29,926,610</b>	<b>\$ 26,347,965</b>	<b>\$ 24,689,674</b>

Bonds are recorded at amortized cost. Bond premiums and discounts are amortized over the term of the bond. The effective interest rate method is used to determine investment income. Total bond amortization in the year amounted to \$91,613 (2020 - \$186,239).

Any declines in market value below cost are considered to be temporary and therefore no write-downs have been recorded.

### 3. FINANCIAL INSTRUMENTS

The Fund is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Fund's risk exposure and concentration as of March 31, 2021.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Fund is mainly exposed to other price risk.

#### Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Fund is exposed to other price risk through its investment in equities and other financial instruments.

Unless otherwise noted, it is management's opinion that the Fund is not exposed to significant other price risks arising from these financial instruments.

### 4. BUDGET

Budget figures presented in these financial statements are based on the 2020-2021 Government of Northwest Territories "Main Estimates".

**Northwest Territories Housing Corporation**  
**Consolidated Financial Statements**  
**March 31, 2021**

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for preparing these accompanying consolidated financial statements in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the consolidated financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are properly authorized and recorded, proper records are maintained, assets are safeguarded, and the Corporation complies with applicable laws and regulations. These controls and practices ensure the orderly conduct of business, the preparation of reliable financial information, and adherence to the Corporation's statutory requirements and policies.

The Corporation's external auditor, the Auditor General of Canada, conducts an independent audit, in accordance with Canadian general accepted auditing standards, and expresses her opinion on the consolidated financial statements. The Corporation's external auditor has full and free access to financial management of Northwest Territories Housing Corporation.

On behalf of the Northwest Territories Housing Corporation



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Jim Martin, FCPA, FCGA, MBA, MA Acting for  
Eleanor Young  
President and CEO



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Konstantin Khasanov, CPA, CGA Acting for  
Vice President  
Finance and Infrastructure Services



Office of the  
Auditor General  
of Canada

Bureau du  
vérificateur général  
du Canada

## INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Northwest Territories Housing Corporation

### *Opinion*

We have audited the consolidated financial statements of the Northwest Territories Housing Corporation and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 31 March 2021, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net financial assets and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2021, and the consolidated results of its operations, consolidated changes in its net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

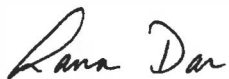
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Lana Dar, CPA, CA  
Principal  
for the Auditor General of Canada

Vancouver, Canada  
27 August 2021

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Consolidated Statement of Financial Position As at March 31, 2021 (in thousands)

	2021	2020
<b>Financial assets</b>		
Cash and cash equivalents	\$ 48,996	\$ 45,274
Portfolio investments (Note 3)	37,406	43,394
Accounts receivable (Note 4)	41,775	11,897
Mortgages and loans receivable (Note 5)	2,787	3,075
	130,964	103,640
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	25,920	19,659
Deferred revenue	261	409
Loans and mortgages payable to Canada Mortgage and Housing Corporation (Note 7)	5,270	5,858
Environmental liabilities (Note 8)	1,106	558
Retirement, post-employment, and other leave benefits (Note 9)	2,383	2,766
	34,940	29,250
<b>Net financial assets</b>	96,024	74,390
<b>Non-financial assets</b>		
Tangible capital assets (Schedule A)	325,550	319,498
Inventories held for use	2,635	2,568
Prepaid expenses	69	70
	328,254	322,136
<b>Accumulated surplus</b>	\$ 424,278	\$ 396,526
Contractual rights, obligations and contingencies (Notes 11, 12 and 13)		

Approved by:




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Hon. Paulie Chinna  
Minister Responsible for the  
Northwest Territories Housing Corporation




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Jim Martin, FCPA, FCGA, MBA, MA Acting for  
Eleanor Young  
President and CEO

The accompanying notes and schedule form an integral part of the consolidated financial statements.

## NORTHWEST TERRITORIES HOUSING CORPORATION

### Consolidated Statement of Change in Net Financial Assets For the year ended March 31, 2021 (in thousands)

	2021 Budget	2021 Actual	2020 Actual
<b>Net financial assets, beginning of the year</b>	\$ 74,390	\$ 74,390	\$ 74,393
Items affecting net financial assets:			
Annual (deficit) surplus	(6,564)	27,752	6,149
Acquisition of tangible capital assets	(12,984)	(22,043)	(21,937)
Amortization	15,388	15,373	14,528
Proceeds from disposal of tangible capital assets	-	249	97
Loss from disposal of tangible capital assets	-	369	492
Grants in kind	-	-	549
Acquisition of inventories held for use	-	(1,428)	(1,090)
Consumption of inventories held for use	-	1,361	1,193
Acquisition of prepaid expenses	-	(54)	(59)
Consumption of prepaid expenses	-	55	75
Increase/(Decrease) in net financial assets	(4,160)	21,634	(3)
<b>Net financial assets, end of the year</b>	\$ 70,230	\$ 96,024	\$ 74,390

The accompanying notes and schedule form an integral part of the consolidated financial statements.

## NORTHWEST TERRITORIES HOUSING CORPORATION

### Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2021

(in thousands)

	2021 Budget	2021 Actual	2020 Actual
<b>Revenues</b>			
Government funding:			
Government of the Northwest Territories	\$ 71,672	\$ 76,600	\$ 73,889
Canada Mortgage and Housing Corporation (Note 10)	19,587	45,086	19,854
Other Transfers (Note 16)	-	583	5,191
	<u>91,259</u>	<u>122,269</u>	<u>98,934</u>
Generated revenues:			
Rental revenue	9,688	10,654	10,673
Recoveries from mortgages and loans (Note 5)	475	605	508
Income from portfolio investments	691	686	1,666
Other revenue and recoveries	419	1,808	1,594
Interest revenue on mortgages and loans	120	94	111
	<u>11,393</u>	<u>13,847</u>	<u>14,552</u>
	<u>102,652</u>	<u>136,116</u>	<u>113,486</u>
<b>Expenses (Note 14)</b>			
Public housing program	67,942	63,335	62,073
Unilateral CMHC programs and other programs	2,465	2,199	2,807
HELP and market housing	7,024	9,243	9,565
Non-residential building operations	280	971	1,054
Rent subsidy program	600	749	260
Homelessness fund program	2,991	3,874	3,601
Homeownership assistance grants	9,167	6,558	7,511
Housing operations and support	18,747	21,435	20,466
	<u>109,216</u>	<u>108,364</u>	<u>107,337</u>
<b>Annual (deficit) surplus</b>	<u>\$ (6,564)</u>	<u>\$ 27,752</u>	<u>\$ 6,149</u>
<b>Accumulated surplus, beginning of year</b>	<u>396,526</u>	<u>396,526</u>	<u>390,377</u>
<b>Accumulated surplus, end of year</b>	<u>\$ 389,962</u>	<u>\$ 424,278</u>	<u>\$ 396,526</u>

The accompanying notes and schedule form an integral part of the consolidated financial statements.

## NORTHWEST TERRITORIES HOUSING CORPORATION

### Consolidated Statement of Cash Flow

For the year ended March 31, 2021

(in thousands)

	2021	2020
<b>Operating transactions</b>		
Annual surplus	\$ 27,752	\$ 6,149
Items not affecting cash:		
Amortization	15,373	14,528
Other transfers	(583)	(5,146)
Building from foreclosure	(110)	-
Loss from disposal of tangible capital assets	369	492
Grant in kind	-	549
Non-cash portfolio investment income	47	60
Non-cash mortgage funding	(45)	(171)
Change in valuation allowance for doubtful accounts	180	22
Change in valuation allowance for mortgages and loans receivable	<u>-</u>	<u>(100)</u>
	15,231	10,234
Change in non-cash assets and liabilities:		
Change in accounts receivable	(29,878)	(1,538)
Change in inventories held for use	(67)	103
Change in prepaid expenses	1	16
Change in accounts payable and accrued liabilities	4,308	(1,619)
Change in deferred revenue	(148)	5
Change in environmental liabilities	548	45
Change in retirement, post-employment, and other leave benefits	<u>(383)</u>	<u>26</u>
	<u>(25,619)</u>	<u>(2,962)</u>
Cash provided by operating transactions	<u>17,364</u>	<u>13,421</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(19,501)	(15,629)
Proceeds from disposal of tangible capital assets	<u>249</u>	<u>97</u>
Cash used for capital transactions	<u>(19,252)</u>	<u>(15,532)</u>
<b>Financing transactions</b>		
Repayment of loans payable to CMHC	<u>(588)</u>	<u>(597)</u>
Cash used for financing transactions	<u>(588)</u>	<u>(597)</u>

The accompanying notes and schedule form an integral part of the consolidated financial statements.

## NORTHWEST TERRITORIES HOUSING CORPORATION

### Consolidated Statement of Cash Flow (continued)

For the year ended March 31, 2021

(in thousands)

	2021	2020
<b>Investing transactions</b>		
Proceeds from sale of portfolio investments	44,421	-
Acquisition of portfolio investments	(38,511)	(277)
Repayments of mortgages and loans receivable	288	422
Cash provided by investing transactions	6,198	145
<b>Increase (decrease) in cash and cash equivalents</b>	3,722	(2,563)
<b>Cash and cash equivalents at beginning of the year</b>	45,274	47,837
<b>Cash and cash equivalents at end of the year</b>	\$ 48,996	\$ 45,274

Total interest paid during the year was \$354 (2020 - \$398).

Total interest received during the year was \$879 (2020 - \$1,423).

Interest received includes interest revenue on mortgages and loans and interest revenue included in income from portfolio investments.

Cash and cash equivalents are comprised of \$28,165 (2020 - \$26,745) of cash and \$20,831 (2020 - \$18,529) of cash equivalents.

The accompanying notes and schedule form an integral part of the consolidated financial statements.

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(in thousands)

### 1. PURPOSE OF THE ORGANIZATION

#### (a) Authority and reporting entity

The Northwest Territories Housing Corporation (the "Corporation") is a territorial corporation, established under the *Northwest Territories Housing Corporation Act* (the "Act") and named in Schedule B of the *Financial Administration Act* (FAA) of the Northwest Territories (NWT). Accordingly, the Corporation operates in accordance with its Act and regulations, the FAA, and any directives issued to it by the Minister responsible for the Corporation. The Corporation is exempt from income tax but is subject to Goods and Services Tax.

The Corporation's mandate is to ensure, where appropriate and necessary, that there is a sufficient supply of affordable, adequate, and suitable housing stock to meet the housing needs of residents in the NWT. The Corporation works in partnership with the local communities in the NWT to ensure residents have access to housing that supports a healthy, secure, independent, and dignified lifestyle.

#### (b) Economic dependence

The Corporation's public housing program is delivered by twenty-four community-based local housing organizations (LHOs). Each LHO has a board of directors and management and staff who are responsible for the day-to-day activities associated with the delivery of the program in the communities. Agreements are in place between the Corporation and the LHOs which outline the roles and responsibilities of each party.

The Corporation and the LHOs are economically dependent upon the Government of the NWT (the "Government") for the funds required to finance the net cost of their operations and capital acquisitions.

#### (c) Budget

Budgeted figures have been provided for comparison purposes and have been derived from the Main Estimates approved by the Legislative Assembly.

### 2. SIGNIFICANT ACCOUNTING POLICIES

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

The significant accounting policies are as follows:

#### (a) Measurement uncertainty

The preparation of the consolidated financial statements in accordance with Canadian public sector accounting standards requires the Corporation to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the consolidated financial statements and accompanying notes. By their nature, these estimates are subject to measurement uncertainty. Actual results could differ significantly from the estimates. The more significant management estimates relate to the valuation of tangible capital assets transfers, the allowance for impaired mortgages and loans receivable, the useful lives of tangible capital assets, retirement, post-employment and other leave benefits, and contingencies.

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements For the year ended March 31, 2021 (in thousands)

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (b) Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses, change in net financial assets and cash flows of the reporting entity. The reporting entity is comprised of the Corporation and the accounts of the following twenty-three LHOs, via consolidation, which are controlled by the Corporation:

Aklavik Housing Association	Lutsel K'e Housing Authority
Behchokö Kö Gha K'àodèe	Norman Wells Housing Authority
Deline Housing Association	Paulatuk Housing Association
Fort Liard Housing Authority	Radlilh Koe Housing Association
Fort McPherson Housing Association	Sachs Harbour Housing Association
Fort Providence Housing Association	Tsiigehtchic Housing Association
Fort Resolution Housing Authority	Tuktoyaktuk Housing Association
Fort Simpson Housing Authority	Tulita Housing Association
Fort Smith Housing Authority	Ulukhaktok Housing Association
Gameti Housing Authority	Whati Housing Authority
Hay River Housing Authority	Yellowknife Housing Authority
Inuvik Housing Authority	

The Yellowknife Dene First Nation (Housing Division) has been excluded from the reporting entity since it is considered to be part of a separate level of government.

All inter-entity balances and transactions have been eliminated in the preparation of the consolidated financial statements.

#### (c) Revenue recognition

The Corporation receives funding for operating and capital purposes from the Government of the Northwest Territories (Government).

The Corporation also receives funding from the Canada Mortgage and Housing Corporation (CMHC) under the Social Housing Agreement and other agreements between CMHC and the Corporation for the operation and maintenance of the various public housing programs, the acquisition of public housing and to provide assistance to eligible homeowners and landlords for repair and rehabilitation of properties.

Government transfer revenues, including funding provided by the Government and CMHC, are recognized as revenue in the period in which events giving rise to the transfer occurred as long as:

- i. the transfer is authorized;
- ii. eligibility criteria have been met;
- iii. there are no stipulations that give rise to a liability; and,
- iv. a reasonable estimate of the amount can be made.

Transfers received before these criteria are fully met are recorded as a liability.

The Corporation also sometimes receives transfers of housing units from government entities and third parties for a nominal fee, which are recognized as "Other Transfers" on the Consolidated Statement of Operations and Accumulated Surplus. The Corporation records these transfers consistent with its policy for government transfer revenues above at estimated fair value. Where the Corporation owns or leases the land that housing units are being constructed on, the Corporation records the assets and the related transfer



# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(in thousands)

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Revenue recognition (continued)

revenues as the housing units are being built on a percentage of completion basis.

Rental revenue is recognized on a monthly accrual basis. An allowance is recognized for any rental amounts owing which are deemed uncollectible.

#### (d) Programs

##### i) Contributions for public and affordable housing (HELP and market housing programs)

The Corporation provides income-based subsidies for the rental of housing for residents in need. The Corporation provides financial, administrative, maintenance, construction and repair to its public and affordable housing units. The Corporation operates multiple public housing units located in NWT communities.

##### ii) Contributions for unilateral CMHC programs and other programs

The Corporation provides subsidy assistance to various non-profit housing sponsor groups and co-operatives in accordance with operating agreements, which set out the basis on which eligibility for subsidy assistance will be determined. These expenditures are recognized based on actual or estimated costs incurred by each sponsor group in the year.

##### iii) Homeownership assistance grants

The Corporation, under section 44(1) of its Act, may make a homeownership assistance grant in the form of a forgivable loan to eligible homeowners on terms and conditions that may be imposed by the Corporation. The property must remain the principal residence and the annual income must remain below the core need income threshold for the term of the agreement. The conditional grants, which vary in amount depending on the income or community of the applicant and are not expected to be repaid unless certain conditions are not met, are expensed in the year the grant is approved. Any recoveries on the conditional grants are recognized in the year the amount is recovered from the borrower (Note 5).

The Corporation has not since 2007 provided any new repayable mortgages/loans or loan guarantees to eligible homeowners under its Homeownership Assistance program.

#### (e) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances net of outstanding cheques and short-term investments that have terms to maturity of less than or equal to 90 days from the date of acquisition. Included in cash are tender and security deposits from contractors on construction projects and rental housing damage deposits held in trust.

#### (f) Portfolio investments

Portfolio investments are investments in debt securities of organizations that do not form part of the reporting entity and are accounted for using the amortized cost method.

Investment income is recognized on the accrual basis; premiums and discounts arising on purchase are amortized over the term of the respective investment, and capital gains and losses are recognized when realized. When there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss.

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(in thousands)

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (g) Mortgages and loans receivable

The net carrying amount of the mortgages and loans receivable represents the present value of the expected future principal and interest payments to be received, net of the grants provided to the borrowers, any restructuring costs, and the allowance for impairment. Interest income on mortgages and loans receivable is recognized when earned. The effective interest method is used to recognize interest income. The costs related to a mortgage or loan restructuring, if any, are expensed in the year of the restructuring.

A mortgage or loan is considered to be impaired when, in management's opinion, there is reasonable doubt as to the collection of principal and interest or when six months of arrears have accumulated. When a mortgage or loan has six months of arrears an allowance for impairment of 100% is established to reduce the carrying amount to an estimated recoverable value of nil based on management's best judgment and the Corporation's historical loss experience. The recognition of interest income also ceases on a mortgage or loan identified as impaired.

The Corporation also performs an annual assessment of mortgages and loans with payments in arrears between one and six months. A partial allowance is recorded on restructured mortgages and loans based on the average collection rate on similar mortgages and loans.

A mortgage or loan receivable reverts to performing status when, in management's opinion, the ultimate collection of principal and interest is reasonably assured and in the case of a mortgage or loan restructuring, when at a minimum twelve months has passed since the restructuring and payments are not more than six months in arrears.

Borrowers in arrears may choose to settle their obligation with a quit claim. A quit claim is an agreement between the owner of a housing unit and the Corporation to transfer ownership of the housing unit back to the Corporation for a nominal fee. The fair value of the housing unit acquired through the quit claims process is determined to be the original purchase price or construction costs (if available) less amortization from the original purchase date to the date the quit claim occurred. This is considered to be a reasonable estimate of the fair value of the assets recovered. Quit claim units are evaluated for suitability for delivery of programs and if suitable are added to tangible capital assets at a value as described above. Where suitability criteria are not met the units are disposed of by sale to a third party or demolished and are written down to their residual value if any.

#### (h) Loan guarantees

An obligation and expense is recognized related to a loan guarantee when it is likely that a loss will be incurred, and the amount of the loss can be reasonably estimated. When estimating the amount of contingent loss, management considers the value of any security (properties) which could be sold to cover the loan guarantee. Provisions for losses are reviewed annually.

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(in thousands)

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) Tangible capital assets

##### i) Land and buildings

Land and housing units constructed or purchased by the Corporation are recorded at cost. Housing materials are also recorded at cost and included in construction in progress.

Tangible capital assets transfers are recorded at their estimated fair value at the date of contribution.

When the Corporation enters into lease agreements where the risks and benefits of ownership are transferred to the Corporation, the Public and affordable (HELP and market) housing units are recorded as capital leases. In such cases, the cost of the asset is determined as the discounted net present value of the minimum lease payments and is amortized using the straight-line method over the lease term. Obligations recorded under capital leases are reduced by rental payments net of imputed interest and executory costs.

Housing units are amortized at an annual rate of 5% on a declining balance basis. Amortization begins in the year the housing unit is placed into service. Work in progress is not amortized.

##### ii) Property and equipment

Property and equipment are stated at cost. Amortization is provided using the following methods and annual rates:

Warehouses and offices	Declining balance	5%
Office furniture and equipment	Declining balance	20%
Mobile equipment	Declining balance	20%
Software	Straight-line over 10 years	
Leasehold improvements	Straight-line over term of lease	

##### (j) Inventories held for use

Inventory held for use consists of materials and supplies to be used for the maintenance or minor modifications of buildings. The inventory is valued on a weighted average basis at the lower of cost and replacement value.

##### (k) Employee future benefits

###### i) Pension benefits

All eligible employees of the Corporation are covered in the Public Service Pension Plan (the "Plan") a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation to cover current service cost. The Corporation's contributions are charged as an expense on a current year basis and represent the total pension obligations. The Corporation is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Pension Plan.

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements For the year ended March 31, 2021 (in thousands)

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Employee future benefits (continued)

##### ii) Retirement, post-employment, and other leave benefits

Under the terms and conditions of employment, government employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. Eligibility is based on a variety of factors including place of hire, date employment commenced, and reason for termination. Benefits entitlements are paid upon resignation, retirement or death of an employee.

The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for lay-off. Compensated absences including sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits (except maternity and parental leave) has been prepared using data provided by management and assumptions based on management's best estimates.

##### iii) Northern Employee Benefits Service (NEBS) Pension Plan

Eligible employees of the following LHOs are covered by the Northern Employee Benefits Services Pension Plan ("NEBS"). This plan is a multi-employer contributory defined benefit plan and accordingly contributions are expensed as incurred. NEBS is a member-owned, not-for-profit, corporation that sponsors an insurance and health care benefits plan and a pension plan for public sector employees in the north.

Behchokö Kö Gha K'òdèe	Inuvik Housing Authority
Deline Housing Association	Lutsel K'e Housing Authority
Fort McPherson Housing Association	Radlilh Koe Housing Association
Fort Resolution Housing Authority	Tulita Housing Association
Fort Simpson Housing Authority	Whati Housing Authority
Fort Smith Housing Authority	Yellowknife Housing Authority
Gameti Housing Authority	

NEBS establishes contribution rates for participating employers/employees, and contributions are remitted to NEBS on a regular basis throughout the year.

#### (I) Environmental liabilities

Contaminated sites are a result of contamination that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. the Corporation:
  - is directly responsible; or
  - accepts responsibility;
- iv. it is expected that future economic benefits will be given up; and
- v. a reasonable estimate of the amount can be made.

The liability is recognized net of any expected recoveries.

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements For the year ended March 31, 2021 (in thousands)

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (m) Related party transactions

The Corporation is related to all Government of the Northwest Territories departments, territorial corporations and public agencies; and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation. Significant transactions with related parties and balances at year-end are disclosed separately in the consolidated financial statements and notes thereto.

#### i) Inter-entity transactions

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions are recorded on a gross basis and are measured at the carrying amount, except for the following: when inter-entity transactions are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length, or where costs provided are recovered, they are measured at the exchange amount.

#### ii) Other related party transactions

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

#### iii) Services provided without charge

The Corporation receives services provided by the Government without charge which include legal, human resource and other services. The Corporation does not recognize any amounts related to these services.

#### (n) Future accounting changes

Effective April 1, 2022, the Corporation will be required to adopt PS 3280 Asset Retirement Obligations. This standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets. The Corporation is currently assessing the potential future impact of this standard. The Corporation will not early adopt this standard.

Effective April 1, 2023, the Corporation will be required to adopt PS 3400 Revenue. This standard provides guidance on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. The Corporation is assessing the impact of this standard however does not expect the adoption will have a significant impact on the consolidated financial statements.

## NORTHWEST TERRITORIES HOUSING CORPORATION

### Notes to Consolidated Financial Statements For the year ended March 31, 2021 (in thousands)

#### 3. PORTFOLIO INVESTMENTS

Issuer	2021			2020
	Stated interest rate	Remaining term	Carrying amount	Carrying amount
Banker's acceptances, fixed rate	0.40% to 1.25%	< 1 year	\$ 5,628	\$ 13,707
Banker's acceptances, fixed rate	1.25%	1 to 2 years	346	473
Banker's acceptances, fixed rate	1.50% to 1.60%	2 to 5 years	30,000	14,484
Banker's acceptances, fixed rate	2.40% to 2.85%	6 years	-	12,350
Provincial government bonds, fixed rate	2.30%	1 to 2 years	-	991
Ontario Hydro Zero Coupon Bonds, fixed rate	2.70%	2 years	<u>1,432</u>	<u>1,389</u>
			<u>\$ 37,406</u>	<u>\$ 43,394</u>

The weighted average effective yield of this portfolio was 1.53% (2020 – 2.18%). Investments in bankers' acceptances are investments with terms to maturities of greater than 90 days. Fair value of investments was \$37,463 (2020 – \$43,218).

#### 4. ACCOUNTS RECEIVABLE

	2021	2020
Trade accounts receivable	\$ 5,110	\$ 4,900
Tenant rents receivable	<u>12,407</u>	<u>12,277</u>
	17,517	17,177
Less allowance for doubtful accounts	<u>(12,334)</u>	<u>(11,872)</u>
	5,183	5,305
Receivables from CMHC	31,903	6,283
Receivables from related parties:		
Government of the Northwest Territories	<u>4,689</u>	<u>309</u>
	<u>\$ 41,775</u>	<u>\$ 11,897</u>

Of the allowance for doubtful accounts balance disclosed above, \$950 (2020 - \$950) relates to trade accounts receivable and \$11,384 (2020 - \$10,922) relates to tenant rents receivable. Tenant rents receivable of \$1,009 were forgiven (2020 - Nil) during the year.

## NORTHWEST TERRITORIES HOUSING CORPORATION

### Notes to Consolidated Financial Statements For the year ended March 31, 2021 (in thousands)

#### 5. MORTGAGES AND LOANS RECEIVABLE

##### (a) Mortgages and loans receivable

	2021	2020
Corporate loans, repayable in monthly installments at interest rates of 0.00% and 3.00%, secured, with a term over a maximum of 10 years	\$ 319	\$ 365
Mortgages based on Income Assessment before valuation allowance of \$279 (2020 - \$119), repayable in monthly installments at interest rates varying between 6.35% and 10.50%, secured by registered charges against real property, with a term over a maximum of 15 years	296	137
Loans based on Income Assessment before valuation allowance of \$2,995 (2020 - \$2,926), repayable in monthly installments at an interest rate varying between 0.00% and 12.00%, unsecured, with a term over a maximum of 15 years	3,130	3,180
Restructured mortgages before valuation allowance of \$890 (2020 - \$874), repayable in monthly installments at interest rates of 3.00%, secured by registered charges against real property, with a term over a maximum of 25 years	1,240	1,158
Restructured loans before valuation allowance of \$5,432 (2020 - \$5,619), repayable in monthly installments at interest rates varying between 0.00% and 7.20%, unsecured, with a term over a maximum of 25 years	7,398	7,773
Mortgages and loans receivable	12,383	12,613
Less allowance for impaired mortgages and loans receivable	(9,596)	(9,538)
	\$ 2,787	\$ 3,075

There were two write-offs in the current year totalling \$37 (2020 - none).

##### (b) Net recoveries on mortgages, loans receivable, and conditional grants

	2021	2020
Recoveries on impaired mortgages and loans	\$ 431	\$ 464
Adjustment to allowance for impaired mortgages and loans	(45)	(172)
Recoveries from conditional grants (Note 2)	219	216
	\$ 605	\$ 508

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements For the year ended March 31, 2021 (in thousands)

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
Trade payables	\$ 13,874	\$ 8,535
Contractor holdbacks	1,830	2,063
Tender and security deposits	442	401
Wages and employee benefits	2,438	1,984
Accrued interest	79	89
Damage deposits	2,469	2,387
Payables to related parties:		
Government of the Northwest Territories	4,788	4,200
	\$ 25,920	\$ 19,659

### 7. LOANS AND MORTGAGES PAYABLE TO CANADA MORTGAGE AND HOUSING CORPORATION

	2021		2020	
	Debt balance	CMHC funded portion	Net debt balance	Net debt balance
Mortgages payable to CMHC (NHA Section 79 debt), repayable in monthly or quarterly installments, maturing from 2022 to 2038, at interest rates from 6.88% to 19.00% (2020 - 5.94% to 19.00%).	\$ 19,979	\$ (19,979)	\$ -	\$ -
Loans payable to CMHC (NHA Section 82 debt), repayable in annual installments until the year 2033, bearing interest of 6.97% (2020 - 6.97%). These loans are guaranteed by the Government.	9,993	(5,552)	4,441	4,893
Mortgages payable to CMHC for three housing projects acquired from third parties in accordance with the provisions of the SHA related to third party loans, maturing in 2026 and 2027, at interest rates from 0.68% to 1.05%, (2020 - 1.05% to 3.13%).	829	-	829	965
	\$ 30,801	\$ (25,531)	\$ 5,270	\$ 5,858



# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(in thousands)

### 7. LOANS AND MORTGAGES PAYABLE TO CANADA MORTGAGE AND HOUSING CORPORATION (continued)

Under the terms of the 1999 Social Housing Agreement (SHA), CMHC originally provided funding to the Corporation to build public housing assets in the form of long-term mortgages payable to CMHC (referred to as *National Housing Act* (NHA) Section 79 debt under the SHA) and loans payable to CMHC (referred to as NHA) Section 82 debt under the SHA). Under the SHA, CMHC also agreed to provide additional funding to the Corporation to reduce 100% of the NHA Section 79 debt and to reduce by 5/9th the NHA Section 82 debt, and to fund the related interest repayments that the Corporation would make each year to CMHC. This additional funding receivable from CMHC and the related payments due by the Corporation each year on the long-term debt payable to CMHC are offset, resulting in no exchange of cash between the Corporation and CMHC.

Had CMHC not funded the repayments of the long-term debt principal and interests payable to CMHC, the Corporation would have incurred additional interest expense of \$3,048 (2020 - \$3,183) and would have made additional principal long-term debt repayments to CMHC of \$1,467 (2020 - \$1,406).

The above mortgages and loans payable to CMHC are not secured.

Principal repayments and interest requirements over the life of the outstanding loans are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 624	\$ 321	\$ 945
2023	661	286	947
2024	699	248	947
2025	711	207	918
2026	695	166	861
2027-2031	1,732	321	2,053
2032-2038	<u>148</u>	<u>14</u>	<u>162</u>
	<u>\$ 5,270</u>	<u>\$ 1,563</u>	<u>\$ 6,833</u>

### 8. ENVIRONMENTAL LIABILITIES

The Corporation has identified eleven fuel spill sites and no other contaminated sites (2020 - nine fuel spills sites and no other contaminated sites) for which an environmental liability has been recorded. There was one site (2020 - one) closed during the fiscal year as it has been remediated. Responsibility for one site (2020 - nil) was transferred to another entity and four new sites (2020 - two) were identified during the year. The liability is calculated as costs remaining to remediate the sites to the required environmental standard. The sites are expected to be remediated within the two years subsequent to year end. The estimated amount of recoveries is nil (2020 - nil). The Corporation has not identified any sites where an environmental liability may exist but no liability has been recorded.

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements For the year ended March 31, 2021 (in thousands)

### 9. RETIREMENT, POST-EMPLOYMENT, AND OTHER LEAVE BENEFITS

#### Pension benefits

Employees of the Corporation participate in Canada's Public Service Pension Plan (the "Plan"). The Plan provides benefits based on the number of years of pensionable service to a maximum of 35 years. Benefits are determined by a formula set out in legislation; they are not based on the financial status of the pension plan. The basic benefit formula is two percent per year of pensionable service multiplied by the average of the best five consecutive years of earnings.

The plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the plan on or after January 1, 2013. For members with start dates before January 1, 2013, the normal retirement age remains age 60. Furthermore, contributions rates for current service for all members of the public service increased to an employer: employee cost sharing of 50:50 in 2017. The Corporation contributed \$1,170 (2020 - \$1,233) to the Public Service Pension Plan. The employees' contributions to this plan were \$1,121 (2020 - \$1,134). Total contributions were recognized as an expense in the current year.

Other benefits include survivor pensions, minimum benefits in the event of death, unreduced early retirement pensions, and disability pensions.

#### Other employee future benefits and compensated absences

In addition to pension benefits, the Corporation 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 Corporation's employees based on the type of termination (e.g. resignation versus retirement) and 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 location of hire, employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

Compensated absence benefits generally accrue as employees 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. Accrued compensated absence benefits were valued actuarially using the expected utilization methodology.

#### Valuation results

The most recent actuarial valuation was completed as at March 31, 2021. This valuation was based on data completed as at February 15, 2019 that has been extrapolated to year-end. The effective date of the next actuarial valuation is March 31, 2022. The values presented below are for all of the benefits under the severance and removal and compensated absences for the Corporation.

## NORTHWEST TERRITORIES HOUSING CORPORATION

### Notes to Consolidated Financial Statements For the year ended March 31, 2021 (in thousands)

#### 9. RETIREMENT, POST-EMPLOYMENT, AND OTHER LEAVE BENEFITS (continued)

Changes in Obligation	2021	2020
Accrued benefit obligation, beginning of year	\$ 2,509	\$ 2,907
Current period benefit cost	94	400
Accrued interest	29	45
Benefits payments	(462)	(425)
Actuarial (gains)	<u>(243)</u>	<u>(418)</u>
Accrued benefit obligation, end of year	1,927	2,509
Unamortized net actuarial loss	<u>456</u>	<u>257</u>
Retirement, post-employment, and other leave benefits*	<u>\$ 2,383</u>	<u>\$ 2,766</u>

\*Total retirement, post-employment, and other leave benefits includes \$2,278 (2020 – \$2,539) related to severance and removal and \$105 (2020 – \$227) related to compensated absences.

Benefits Expense	2021	2020
Current period benefit cost	\$ 94	\$ 400
Accrued interest	29	45
Actuarial (gains)/losses	<u>(44)</u>	<u>6</u>
	<u>\$ 79</u>	<u>\$ 451</u>

The discount rate used to determine the accrued benefit obligation is an average of 3.30% (2020 - 2.70%). The assumed rate of compensation increase is 2% (2020 – 2%). Unamortized actuarial gains and losses are amortized straight line over the expected average remaining service lives of active employees which is 8 years (2020 – 8 years). No inflation rate was applied.

#### Northern Employees Benefits Services (NEBS) Pension Plan

Eligible employees of member LHOs are covered by the Northern Employee Benefits Services (NEBS) Pension Plan, a contributory defined benefit plan. NEBS is a member owned, not-for profit corporation that sponsors an insurance and health care benefits plan and a pension plan for public sector employees in the north. The employer and employee contribution rates effective at year end were both 8% (2020 - 8%). The Corporation's and employees' contribution to the NEBS Pension Plan for the year were \$414 and \$406 (2020 - \$420 and \$420 respectively).

The plan serves 1,930 Employee Members and 111 Employer Members. As of April 2004, the Office of the Superintendent of Financial Institutions (OSFI) exempted NEBS from compliance with the *Pension Benefits Standards Act* (PBSA). NEBS has agreed to voluntarily comply with PBSA until the plan can be registered under Territorial legislation. The Governments of the NWT and Nunavut passed the *NEBS Pension Plan Protection Act* in February 2014 which sets rules to protect Plan Members funds. As of December 31, 2020, the plan had a surplus of \$64,776 (December 31, 2019 - \$42,537).

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements For the year ended March 31, 2021 (in thousands)

### 10. FUNDING FROM CANADA MORTGAGE AND HOUSING CORPORATION

	2021	2020
Funding received from CMHC recognized as government funding under the:		
Social Housing Agreement (Note 11):		
Contributions for public housing rental subsidies	\$ 8,659	\$ 8,840
Contributions to non-profit housing sponsor groups and cooperatives	3,600	3,722
Repairs, maintenance and other costs	1,132	1,223
Co-Investment Fund Agreement	25,500	-
Bilateral Agreement (Note 11)	<u>6,195</u>	<u>6,069</u>
	<u>\$ 45,086</u>	<u>\$ 19,854</u>

Under the terms of the 1999 Social Housing Agreement with CMHC, the Corporation assumed full responsibility for the management of various public housing programs specified in the SHA. CMHC provides annual funding to the Corporation to manage these programs. The SHA and the funding expire in 2038.

On March 31, 2021, the Corporation signed the Co-Investment Fund Agreement under National Housing Co-Investment Fund. Funding under this agreement is provided to assist with financing the construction of a portfolio of new construction projects of 60 housing units.

On April 1, 2018, the Corporation signed the Bilateral Agreement under the 2017 National Housing Strategy. Funding under this agreement is provided to increase access to housing, reduce housing needs, and achieve better housing solutions. An action plan for the 3 year period 2019-2022 has been developed, within the Bilateral Agreement parameters, with a priority of focusing on maintaining or increasing social housing stock, replacing existing housing stock, and providing homeownership repair programs.

### 11. CONTRACTUAL RIGHTS

	Expiry Date	2022	2023	2024	2025	2026	2027+	Total
CMHC SHA	2039	\$ 12,814	\$ 11,868	\$ 11,068	\$ 9,659	\$ 8,394	\$ 33,863	\$ 87,666
CMHC Bilateral	2028	7,014	8,016	8,450	10,090	11,351	26,927	71,848
RCMP Lease	2041	<u>101</u>	<u>101</u>	<u>101</u>	<u>101</u>	<u>101</u>	<u>1,511</u>	<u>2,016</u>
		<u>\$ 19,929</u>	<u>\$ 19,985</u>	<u>\$ 19,619</u>	<u>\$ 19,850</u>	<u>\$ 19,846</u>	<u>\$ 62,301</u>	<u>\$161,530</u>

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements For the year ended March 31, 2021 (in thousands)

### 12. CONTRACTUAL OBLIGATIONS

The Corporation leases office space and rents supplemental public housing units and is committed to basic rental payments. The leases contain escalation clauses for operating costs and property taxes, which may cause the payments to exceed the basic rental. Also included in the 2022 contractual obligations are capital construction commitments for housing construction projects with contracts signed in 2021.

	Expiry Date	2022	2023	2024	2025	2026	2027+	Total
Lease	2031	\$ 4,612	\$ 4,393	\$ 3,735	\$ 2,431	\$ 554	\$ 1,490	\$ 17,215
Capital obligation	2022	<u>10,659</u>	-	-	-	-	-	<u>10,659</u>
		<u>\$ 15,271</u>	<u>\$ 4,393</u>	<u>\$ 3,735</u>	<u>\$ 2,431</u>	<u>\$ 554</u>	<u>\$ 1,490</u>	<u>\$ 27,874</u>

### 13. CONTINGENCIES

The Corporation provided guarantees to banks in financing certain new or renovated residential housing construction. The Corporation has the authority to provide loan guarantees to a limit of \$30,000 as established by Regulation made pursuant to the *Northwest Territories Housing Corporation Act*. As at March 31, 2021 a total of 7 (2020 - 9) loan guarantees were in effect, and the outstanding balance of loans guaranteed was \$322 (2020 - \$380). In 2021, there was no corporate loan guarantee (2020 - \$12). All of these loans are secured by registered charges against real property. The period covered by these guarantees extends up to 2028.

Under the terms of the Social Housing Agreement with CMHC, the Corporation is responsible for the administration of a number of loans to third parties, where CMHC is the lender or insurer of these loans. The agreement provides that the Corporation shall indemnify and reimburse CMHC for and save it harmless from all losses, cost and expenses related to these loans. The outstanding balance of these third party loans as at March 31, 2021 was \$6,426 (2020 - \$8,203). The period covered by these related loans extends up to 2029.

The outstanding balances represent the maximum amount of future loan principal payments under the guarantees and indemnities. In the event of default by the borrowers, the lenders could request payment from the Corporation. The obligation under loan guarantees as at March 31, 2021 is nil (2020 - nil).

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements For the year ended March 31, 2021 (in thousands)

### 14. EXPENSES BY OBJECT

	<b>2021</b>	<b>2020</b>
Amortization	\$ 15,373	\$ 14,528
Compensation and benefits	28,928	29,203
Computer costs	54	91
Contract services	6,633	6,006
Controllable assets	341	95
Fees and payments	157	260
Grants and contributions	14,195	14,944
Interest on long-term debt	354	398
Loss on TCA Disposal	369	535
Materials and supplies	2,563	2,479
Minor modernization and improvements	5,489	4,261
Other expenses	928	624
Property taxes and land leases	2,245	2,204
Purchased services	841	792
Rental leasing	3,738	3,919
Travel	420	868
Utilities	25,556	26,207
Valuation allowances	180	(77)
	<b>\$ 108,364</b>	<b>\$ 107,337</b>

### 15. FINANCIAL RISK MANAGEMENT

The Corporation's financial instruments consist of cash and cash equivalents, portfolio investments, accounts receivable, mortgages and loans receivable, accounts payable and accrued liabilities, and loans payable to CMHC and are measured at amortized cost. The Corporation has exposure to the following risks from its use of financial instruments:

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities or cash outflow obligations as they come due. The Corporation manages its liquidity risk by regularly monitoring forecasted and actual cash flows. The Corporation does not believe that it will encounter difficulty in meeting its future obligations associated with its financial liabilities. The table below shows when various financial liabilities mature.

	<u>Up to 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Accounts payable and accrued liabilities	\$ 25,920	\$ -	\$ -	\$ 25,920
Loans payable to CMHC	624	2,766	1,880	5,270
Total financial liabilities	<b>\$ 26,544</b>	<b>\$ 2,766</b>	<b>\$ 1,880</b>	<b>\$ 31,190</b>

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements For the year ended March 31, 2021 (in thousands)

### 15. FINANCIAL RISK MANAGEMENT (continued)

#### Credit risk

The Corporation is exposed to credit risk on its cash and cash equivalents, portfolio investments, accounts receivable and mortgages and loans receivable.

#### Cash and cash equivalents and portfolio investments

Credit risk on cash equivalents and portfolio investments arises from the possibility that the counter-party to the instrument fails to meet their obligations. In order to manage this risk, the Corporation only invests in high quality fixed income investments. The maximum exposure to credit risk held in cash and cash equivalents and portfolio investments is \$58,237 (2020 - \$61,923).

#### Accounts receivable

Credit risk on accounts receivable arises from the possibility that the customer fails to meet their obligations. In order to manage this risk, the Corporation actively monitors the age of accounts receivable and initiates collection action. The maximum exposure to credit risk is \$41,775 (2020 - \$11,897).

#### Mortgages and loans receivable

Credit risk on mortgages and loans receivable arises from the possibility that the borrower fails to meet their obligations. In order to manage this risk, the Corporation actively monitors mortgage and loan payments and works with borrowers to develop payment plans to resolve outstanding arrears issues. In 2013 the Corporation developed the Revised Mortgage Approach to determine new repayable loan amounts. The maximum exposure to credit risk is \$2,787 (2020 - \$3,075).

As at March 31, 2021, \$1,142 (2020 - \$953) of the impaired mortgages and loans are secured by homes the Corporation has the ability to sell or use in its operations in order to satisfy borrowers' commitments. The fair value of the security is not readily determinable.

As at March 31, 2021, the following financial assets were past due but not impaired:

Financial assets	30 days	60 days	90 days	120+ days
Tenants rent receivable	\$ 300	\$ 182	\$ 95	\$ 110
Trade accounts receivable	19	-	-	109
Mortgages and loans receivable	39	87	137	220

The Corporation does not face cash flow interest rate risk on its loans payable to the Canada Mortgage and Housing Corporation because these interest rates are fixed for the full term of the loans. Because the Corporation accounts for these loans at amortized cost, a change in interest rates would not affect the consolidated statement of operations and accumulated surplus with respect to these loans payable.

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements For the year ended March 31, 2021 (in thousands)

### 16. OTHER TRANSFERS

In accordance with agreements signed in 2017 and 2018, the Corporation has and will receive public housing units from the Inuvialuit Regional Corporation (IRC). The IRC constructs the units on land owned or leased by the Corporation using funding provided directly to the IRC by Indigenous and Northern Affairs Canada. The units are transferred to the Corporation on completion for a nominal fee. The Corporation treats these tangible capital assets received as government transfers and accrues the tangible capital asset (including work in progress) and the related government transfer revenues as the units are constructed. During the year, IRC constructed and transferred to the Corporation one public housing unit (2020 - five units) with one unit still under construction (2020 - two units).

### 17. RELATED PARTY TRANSACTIONS

The Corporation is related in terms of common ownership to all Government of Northwest Territories created departments, agencies and territorial Corporations. The Corporation enters into transactions with these entities in the normal course of business under terms and conditions similar to those with unrelated parties. Balances receivable and payable resulting from transactions that the Corporation had with related parties during the year are disclosed in Notes 4 and 6.

	<u>2021</u>	<u>2020</u>
<b>Related party expenses</b>		
Arctic Energy Alliance	\$ 50	\$ 58
Aurora College	2	5
Fuel Services Division	3,183	3,491
Government of the Northwest Territories Departments	2,099	1,396
Marine Transportation Services	-	24
Northwest Territories Power Corporation	<u>7,244</u>	<u>7,204</u>
	<u>\$ 12,578</u>	<u>\$ 12,178</u>

### 18. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.



# NORTHWEST TERRITORIES HOUSING CORPORATION

## Consolidated Schedule of Tangible Capital Assets As at March 31, 2021 (in thousands)

Schedule A

**Lands and Buildings:**

	Cost					Accumulated amortization				Net Book Value (NBV)	
	Opening balance	Acquisitions	Transfers <sup>1</sup>	Disposals	Closing balance	Opening balance	Amortization	Disposals	Closing balance	2021	2020
Land	\$ 9,349	\$ 26	\$ -	\$ -	\$ 9,375	\$ -	\$ -	\$ -	\$ -	\$ 9,375	\$ 9,349
Public Housing <sup>2</sup>	388,481	84	17,288	(2,581)	403,272	176,680	10,928	(2,094)	185,514	217,758	211,801
HELP and market housing	98,799	-	3,246	(312)	101,733	32,263	3,474	(181)	35,556	66,177	66,536
Non-residential properties	8,246	-	-	-	8,246	4,006	212	-	4,218	4,028	4,240
Work in Progress <sup>2</sup>	19,349	21,630	(20,534)	-	20,445	-	-	-	-	20,445	19,349
<b>Sub-total</b>	<b>524,224</b>	<b>21,740</b>	<b>-</b>	<b>(2,893)</b>	<b>543,071</b>	<b>212,949</b>	<b>14,614</b>	<b>(2,275)</b>	<b>225,288</b>	<b>317,783</b>	<b>311,275</b>
<b>Property and equipment:</b>											
Warehouses and offices	12,890	-	-	-	12,890	6,459	322	-	6,781	6,109	6,431
Mobile equipment	3,394	303	-	-	3,697	2,288	252	-	2,540	1,157	1,106
Leasehold improvements	1,030	-	-	-	1,030	778	50	-	828	202	252
Office furniture and equipment	6,073	-	-	-	6,073	5,676	124	-	5,800	273	397
Software	114	-	-	-	114	77	11	-	88	26	37
<b>Sub-total</b>	<b>23,501</b>	<b>303</b>	<b>-</b>	<b>-</b>	<b>23,804</b>	<b>15,278</b>	<b>759</b>	<b>-</b>	<b>16,037</b>	<b>7,767</b>	<b>8,223</b>
<b>Total</b>	<b>\$ 547,725</b>	<b>\$ 22,043</b>	<b>\$ -</b>	<b>\$ (2,893)</b>	<b>\$566,875</b>	<b>\$ 228,227</b>	<b>\$ 15,373</b>	<b>\$ (2,275)</b>	<b>\$ 241,325</b>	<b>\$ 325,550</b>	<b>\$ 319,498</b>

(1) Includes tangible capital assets transfers received from IRC with a value of \$18,469 (2020 - \$16,147) in Public Housing and \$2,519 (2020 - \$4,258) in Work in Progress.

(2) Not included in acquisition of tangible capital assets on the Consolidated Statement of Cash Flow are non-cash items of \$2,063 (2020 - \$1,133)

**Northwest Territories Human Rights Commission**

**Financial Statements**

**March 31, 2021**

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# Northwest Territories Human Rights Commission

## Financial Statements

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March 31, 2021

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Management's Responsibility for Financial Reporting	3
Independent Auditors' Report	4 - 5
Statement of Operations	6
Statement of Changes in Net Assets	7
Statement of Financial Position	8
Statement of Cash Flows	9
Notes to Financial Statements	10 - 13

## Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations. When necessary, the statements include amounts that are based on informed judgments and estimates by management, giving appropriate consideration to reasonable limits of materiality.

In discharging its responsibility for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained. These controls include quality standards in hiring and training employees, written policies and procedures manuals, and accountability for performance within appropriate and well-defined areas of responsibility. The Commission's management recognizes its responsibility for conducting the Commission's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to charitable foundations.

The auditors annually provide an independent, objective audit for the purpose of expressing an opinion on the financial statements prepared in accordance with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations.

**Northwest Territories Human Rights Commission**



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**Executive Director**  
**Yellowknife, Northwest Territories**  
**June 29, 2021**

## Independent Auditors' Report

### To the Commission Members of Northwest Territories Human Rights Commission

#### *Opinion*

We have audited the accompanying financial statement of Northwest Territories Human Rights Commission ("the Commission"), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Northwest Territories Human Rights Commission as at March 31, 2021 and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards for not-for-profit organizations.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

## Independent Auditors' Report (continued)

### *Auditors's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Yellowknife, Northwest Territories  
June 29, 2021

  
Chartered Professional Accountants

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## Northwest Territories Human Rights Commission

### Statement of Operations

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For the year ended March 31, 2021 2020

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#### Revenue

Legislative Assembly of the Northwest Territories

- Operating grant \$ 180,000 \$ 180,000

- Expense reimbursement (Note 5) (7,592) (39,752)

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**172,408** 140,248

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#### Expenses

Accounting 7,015 7,373

Advertising and promotion 7,333 20,702

Benefits and pension 707 1,659

Catering - 1,419

Contracts - administration 560 530

Events 123 9,444

Honorarium - commission chair 15,461 21,848

Honorarium - commission members 10,454 32,641

Legal expenses 14,066 23,054

Membership fees 3,700 2,200

Office and administration 1,810 8,126

Professional development 10,468 5,615

Telephone 475 156

Travel - staff - 1,210

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**72,172** 135,977

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**Excess revenue** **\$ 100,236** **\$ 4,271**

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## Northwest Territories Human Rights Commission

### Statement of Changes in Net Assets

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For the year ended March 31,	2021	2020
	Total	Total
Balance, beginning of year	\$ 179,772	\$ 175,501
Excess revenue	100,236	4,271
Balance, end of year	\$ 280,008	\$ 179,772

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**Northwest Territories Human Rights Commission**

**Statement of Financial Position**

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**As at March 31,** **2021** **2020**

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**Assets**

**Current**

Cash	\$ 262,226	\$ 181,459
Due from the Legislative Assembly of the Northwest Territories	24,408	2,748
Prepaid expenses	-	2,600
	<b>\$ 286,634</b>	<b>\$ 186,807</b>

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**Liabilities**

**Current**

Accounts payable and accrued liabilities	\$ 6,626	\$ 7,035
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**Net Assets**


General Fund	280,008	179,772
	<b>\$ 286,634</b>	<b>\$ 186,807</b>

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**Contingency (Note 7)**

**Approved on behalf of NWT Human Rights Commission**

  
\_\_\_\_\_  
Commission Chair

  
\_\_\_\_\_  
Commission Member

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## Northwest Territories Human Rights Commission

### Statement of Cash Flows

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For the year ended March 31, 2021 2020

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#### Cash provided by (used in)

##### Operating activities

Excess revenue \$ 100,236 \$ 4,271

##### Change in non-cash operating working capital

Due from the Legislative Assembly of the Northwest Territories (21,660) 301

Prepaid expenses 2,600 349

Accounts payable and accrued liabilities (409) (53)

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**Increase in cash** **80,767** **4,868**

**Cash, opening** **181,459** **176,591**

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**Cash, closing** **\$ 262,226** **\$ 181,459**

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# Northwest Territories Human Rights Commission

## Notes to Financial Statements

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March 31, 2021

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### 1. Nature of Operations

The Northwest Territories Human Rights Commission (the "Commission") was established to promote human rights through education and advocacy and to provide the administration of the complaints process. The Commission was established by the *Human Rights Act* of the Northwest Territories which came into effect on July 1, 2004. The Commission is exempt from income taxes and GST on the basis that they are an entity of the Government of the Northwest Territories ("GNWT").

### 2. COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Commission's environment and in the global markets due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Commission's operations.

The pandemic and related containment measures have resulted in lower level of operations for the Commission. No significant influence has been noted on the Commission's ability to receive funding from the GNWT. The Commission does not expect significant impact from the pandemic on its ongoing operations.

### 3. Accounting Policies

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations ("PSA-GNPO") as issued by the Public Sector Accounting Board ("PSAB"). The following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

#### (a) Financial Instruments

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

This category includes cash, due from Legislative Assembly of the Northwest Territories, and accounts payable and accrued liabilities. They are initially recognized at cost and subsequently measured at amortized cost.

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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# Northwest Territories Human Rights Commission

## Notes to Financial Statements

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March 31, 2021

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### 3. Accounting Policies (continued)

#### (b) Revenue recognition

The Commission follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### (c) Measurement uncertainty

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations 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 updated amounts of revenues and expenses during the period. Actual results could differ from those estimates.

#### (d) Contributed services

These financial statements only report the funding and expenses relating to the contribution funding from the Legislative Assembly of the Northwest Territories. The Legislative Assembly makes expenses on behalf of the Commission and the expenses are not included in these financial statements. The salaries for Director, Deputy Director, and staff, rent, legal and office expenses are paid directly by the Legislative Assembly and are not reflected in these financial statements.

#### (e) Tangible capital assets

The GNWT retains ownership of all tangible capital assets (TCA) used by the Commission. The GNWT's financial statements include these TCAs and as such, the Commission has no TCAs recognized in its financial statements.

### 4. Future Accounting Changes

#### Revenue, Section PS 3400

This new section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations.

This section is effective for fiscal periods beginning on or after April 1, 2022. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

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## Northwest Territories Human Rights Commission

### Notes to Financial Statements

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March 31, 2021

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#### 5. Expense Reimbursement

The Commission gave the Legislative Assembly of the Northwest Territories a portion from its funding to pay for travel expenses on behalf of the Commission. In the current year, \$32,000 of the \$180,000 funding was given to the Legislative Assembly of the Northwest Territories for travel. The GNWT spent \$7,592 on behalf of the Commission and \$24,408 is shown as a receivable.

5785 - Travel Commission Member

5893 - Registration - Commission Chair

Misc - Miscellaneous

	Account 5785	Account 5893	Account Misc	<b>TOTAL 2021</b>	TOTAL 2020
Administration	\$ -	\$ 1,320	\$ 1,627	\$ <b>2,947</b>	\$ 6,002
HR Meetings	-	-	-	-	10,385
CASHRA	-	-	-	-	13,368
Legal	-	-	1,645	<b>1,645</b>	-
Community Visits	-	-	-	-	1,885
Community Events	658	-	1,034	<b>1,692</b>	8,024
Publishing	-	-	987	<b>987</b>	-
Materials	-	-	321	<b>321</b>	88
<b>Total</b>	<b>\$ 658</b>	<b>\$ 1,320</b>	<b>\$ 5,614</b>	<b>\$ 7,592</b>	<b>\$ 39,752</b>

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# Northwest Territories Human Rights Commission

## Notes to Financial Statements

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March 31, 2021

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### 6. Financial Instruments

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

#### (a) Credit risk

Credit risk is the risk of financial loss to the Commission if a debtor fails to make payments of interest and principal when due. The Commission is exposed to this risk relating to its, cash and due from the Legislative Assembly of the Northwest Territories.

The Commission has a credit risk in cash \$262,226 (2020 - \$181,459) as a result of having funds in excess of insurable limit with one financial institution.

Credit risk related to amount due from the Legislative Assembly of the Northwest Territories is mitigated by internal controls as well policies and oversight over arrears for ultimate collection. Management has determined that no impairment was required.

The Commission's maximum exposure to credit risk is represented by the financial assets for a total of \$286,634 (2020 - \$184,207).

#### (b) Concentration of credit risk

The Commission does have concentration of credit risk. At March 31, 2021, receivables from one government agency comprised \$24,408 (2020 - \$2,748), representing 100% (2020 - 100%) of the total outstanding accounts receivables.

### 7. Contingency

The Commission has received statements of claim related to matters arising in the ordinary course of business. These matters are at various stages and their outcome and an estimate of loss, if any, is not determinable. Liabilities related to these matters, if any, will be recorded when the matters are resolved.

### 8. Comparative amounts

Certain comparative amounts have been reclassified to conform with the presentation adopted for the current year.

**NORTHWEST TERRITORIES HYDRO CORPORATION  
CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2021**

## **NORTHWEST TERRITORIES HYDRO CORPORATION**

### **Management's Responsibility for Financial Reporting**

The accompanying consolidated financial statements were prepared by management in accordance with Canadian public sector accounting standards (PSAS). Where PSAS permits alternative accounting methods, management has chosen those it deems most appropriate in the circumstances. A summary of significant accounting policies are described in Note 2 to the consolidated financial statements. Financial statements include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects. Management has prepared financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the consolidated financial statements.

The Northwest Territories Hydro Corporation (NT Hydro) maintains financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis, that assets are acquired economically, are used to further NT Hydro's objectives, are protected from loss or unauthorized use and that NT Hydro acts in accordance with the laws of the Northwest Territories and Canada. Management recognizes its responsibility for conducting NT Hydro's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to an agent of the territorial government. An internal auditor reviews the operation of financial and management systems to promote compliance and to identify changing requirements or needed improvements.

The Auditor General of Canada provides an independent, objective audit for the purpose of expressing her opinion on the consolidated financial statements. She also considers whether the transactions that come to her notice in the course of the audit are, in all significant respects, in accordance with the specified legislation.

The Board of Directors appoints certain members to serve on the Audit and Efficiency Committee. This Committee oversees management's responsibilities for financial reporting and reviews and recommends approval of the consolidated financial statements. The internal and external auditors have full and free access to the Audit and Efficiency Committee.

The consolidated financial statements have been approved by the Board of Directors.



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**Cory Strang**

Interim Chief Executive Officer



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**Mark Matheson**

Acting Controller

Hay River, NT  
June 29, 2021





## INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Northwest Territories Hydro Corporation

### Report on the Audit of the Consolidated Financial Statements

#### *Opinion*

We have audited the consolidated financial statements of the Northwest Territories Hydro Corporation and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 March 2021, and the consolidated statement of operations and accumulated surplus, consolidated statement of changes in net debt and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2021, and the consolidated results of its operations, consolidated changes in its net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other Information*

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the Management Discussion and Analysis section included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Report on Compliance with Specified Authorities**

### *Opinion*

In conjunction with the audit of the consolidated financial statements, we have audited transactions of the Northwest Territories Hydro Corporation coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Financial Administration Act* of the Northwest Territories and regulations, the *Northwest Territories Hydro Corporation Act* and regulations, and the by-laws of the Northwest Territories Hydro Corporation.

In our opinion, the transactions of the Northwest Territories Hydro Corporation that came to our notice during the audit of the consolidated financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Northwest Territories Hydro Corporation Act*, we report that, in our opinion, proper books of account have been kept by the Northwest Territories Hydro Corporation and the consolidated financial statements are in agreement therewith.

### *Responsibilities of Management for Compliance with Specified Authorities*

Management is responsible for the Northwest Territories Hydro Corporation's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Northwest Territories Hydro Corporation to comply with the specified authorities.

*Auditor's Responsibilities for the Audit of Compliance with Specified Authorities*

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the consolidated financial statements are in compliance with the specified authorities referred to above.

A handwritten signature in cursive script that reads "Lana Dar".

Lana Dar, CPA, CA  
Principal  
for the Auditor General of Canada

Vancouver, Canada  
29 June 2021

# NORTHWEST TERRITORIES HYDRO CORPORATION

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31

(in thousands of dollars)

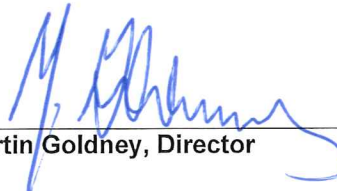
	2021	2020
<b>Financial assets</b>		
Cash	\$ 4,748	\$ 2,003
Revenues receivable (Note 3)	13,292	14,077
Government contributions receivable (Note 17)	2,364	3,965
Loan receivable (Note 4)	9,741	11,076
Investment in Aadrii Ltd.	440	479
	<b>30,585</b>	<b>31,600</b>
<b>Liabilities</b>		
Operating line of credit (Note 5)	2	20,959
Accounts payable and accrued liabilities	20,342	28,551
Debenture debt (Note 6)	242,942	207,984
Asset retirement obligations (Note 7)	8,959	8,878
Environmental liabilities (Note 8)	14,368	16,521
Capital lease obligations (Note 4)	16,355	16,768
Other employee future benefits (Note 9)	2,831	2,937
Deferred government contributions (Note 17)	5,343	3,741
	<b>311,142</b>	<b>306,339</b>
<b>Net debt</b>	<b>(280,557)</b>	<b>(274,739)</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 10)	433,910	408,098
Inventories (Note 11)	9,025	9,127
Prepaid expenses	1,554	1,328
	<b>444,489</b>	<b>418,553</b>
<b>Accumulated surplus / equity (Note 12)</b>	<b>\$ 163,932</b>	<b>\$ 143,814</b>

Contractual obligations (Note 19)

The accompanying notes are an integral part of these consolidated financial statements.

Approved on behalf of the Board:

  
 \_\_\_\_\_  
 Stephen Loutiff, Chairperson of the Board

  
 \_\_\_\_\_  
 Martin Goldney, Director

# NORTHWEST TERRITORIES HYDRO CORPORATION

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS FOR THE YEAR ENDED MARCH 31 *(in thousands of dollars)*

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
<b>Revenues</b>			
Sale of power (Note 13)	\$ 109,692	\$ 109,536	\$ 109,806
Insurance proceeds (Note 17)	1,500	-	5,000
Fuel rider revenue	2,008	2,120	1,906
Other revenue and customer contributions (Note 14)	1,911	1,521	1,791
Interest income (Note 16)	1,081	1,091	1,213
(Loss) income from investment in Aadrii Ltd.	75	(39)	76
	<u>116,267</u>	<u>114,229</u>	<u>119,792</u>
<b>Expenses (Note 15)</b>			
Thermal generation	67,272	63,265	67,362
Hydro generation	22,245	20,646	19,486
Corporate services	15,247	14,465	15,152
Transmission, distribution and retail	11,576	11,036	10,849
Purchased power	2,806	2,063	3,229
Alternative power generation	249	218	240
	<u>119,395</u>	<u>111,693</u>	<u>116,318</u>
<b>Surplus (Deficit) for the year before government contributions</b>	<u>(3,128)</u>	<u>2,536</u>	<u>3,474</u>
<b>Government contributions</b>			
Other government contributions (Note 17)	45,584	17,582	13,745
	<u>45,584</u>	<u>17,582</u>	<u>13,745</u>
<b>Surplus for the year</b>	<u>\$ 42,456</u>	<u>\$ 20,118</u>	<u>\$ 17,219</u>
Accumulated surplus / equity, beginning of year	143,814	143,814	126,595
<b>Accumulated surplus / equity, end of year</b>	<u>\$ 186,270</u>	<u>\$ 163,932</u>	<u>\$ 143,814</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

# NORTHWEST TERRITORIES HYDRO CORPORATION

## CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT For the year ended March 31 (in thousands of dollars)

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Surplus for the year	\$ 42,456	\$ 20,118	\$ 17,219
Tangible capital assets			
Additions	(102,504)	(39,796)	(44,224)
Capitalized overhead	(13,597)	(5,597)	(3,205)
Capitalized interest (Note 16)	(965)	(1,288)	(1,015)
Disposals	10,199	1,185	1,942
Amortization (Note 10)	19,897	19,684	17,676
	<u>(86,970)</u>	<u>(25,812)</u>	<u>(28,826)</u>
Additions of inventories	(7,500)	(7,687)	(5,259)
Use of inventories	7,500	7,789	5,447
Additions to prepaids	(1,700)	(2,992)	(2,238)
Use of prepaids	1,700	2,766	2,301
	<u>-</u>	<u>(124)</u>	<u>251</u>
<b>Increase in net debt for the year</b>	<b>\$ (44,514)</b>	<b>\$ (5,818)</b>	<b>\$ (11,356)</b>
<b>Net debt, beginning of year</b>	<b>(274,739)</b>	<b>(274,739)</b>	<b>(263,383)</b>
<b>Net debt, end of year</b>	<b>\$ (319,253)</b>	<b>\$ (280,557)</b>	<b>\$ (274,739)</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

# NORTHWEST TERRITORIES HYDRO CORPORATION

## CONSOLIDATED STATEMENT OF CASH FLOWS For the year ended March 31 (in thousands of dollars)

	2021	2020
<b>Cash provided by operating activities</b>		
Cash receipts from customers	\$ 113,766	\$ 112,101
Insurance proceeds (Note 17)	-	5,000
Government contributions received (Note 17)	20,786	10,586
Cash paid to suppliers	(56,940)	(47,440)
Cash paid to employees	(30,448)	(31,949)
Interest paid	(10,011)	(10,272)
Interest received	85	86
	<b>37,238</b>	<b>38,112</b>
<b>Cash provided by investing activities</b>		
Loan receivable receipts (Note 4)	397	343
Distribution from Aadrii Ltd.	-	50
	<b>397</b>	<b>393</b>
<b>Cash used in capital activities</b>		
Acquisition and development of tangible capital assets	(48,978)	(46,182)
Proceeds on sale of tangible capital assets	139	26
	<b>(48,839)</b>	<b>(46,156)</b>
<b>Cash provided by financing activities</b>		
Issuance of debenture debt	40,000	-
Repayment of capital lease obligation (Note 4)	(8)	(48)
Repayment of debenture debt	(5,086)	(4,363)
(Repayment) proceeds from operating line of credit	(20,957)	11,918
	<b>13,949</b>	<b>7,507</b>
<b>Increase (decrease) in cash</b>	<b>\$ 2,745</b>	<b>\$ (144)</b>
Cash, beginning of year	2,003	2,147
<b>Cash, end of year</b>	<b>\$ 4,748</b>	<b>\$ 2,003</b>

*The accompanying notes are an integral part of these consolidated financial statements*



## NORTHWEST TERRITORIES HYDRO CORPORATION

### 1. The Corporation

#### a) Authority and corporate information

The Northwest Territories Hydro Corporation (NT Hydro) was established under the *Northwest Territories Hydro Corporation Act*. NT Hydro is a public agency under Schedule B of the *Financial Administration Act* of the Northwest Territories and is exempt from income tax. The Government of the Northwest Territories (GNWT) owns all shares of NT Hydro (Note 12).

NT Hydro's primary asset is its 100% ownership interest in Northwest Territories Power Corporation (NTPC), which owns and operates hydroelectric, diesel, natural gas and photovoltaic generation facilities to provide utility services in the Northwest Territories. NTPC is a regulated company, established under the *Northwest Territories Power Corporation Act* and controls one wholly-owned subsidiary, the Northwest Territories Energy Corporation Ltd. (NWTEC). NWTEC, under the authority of the *Northwest Territories Power Corporation Act*, financed the Dogrib Power Corporation in 1996 for the construction of a 4.3 MW hydro facility (Note 4). NWTEC is also responsible for the joint operation and shared ownership (50%) in one residual heat project in Fort McPherson, Aadrii Ltd.

NT Hydro has another subsidiary, the Northwest Territories Energy Corporation (03) Ltd. (NT Energy). NT Energy is unregulated and involved in construction and development of energy related capital projects. NT Energy is also undertaking any work to develop prices and respond to requests for electricity pricing for potential mining operations.

#### b) Regulated activities

The activities of NTPC are regulated by the Public Utilities Board (PUB) of the Northwest Territories pursuant to the *Public Utilities Act*. The PUB regulates matters covering rates, financing, accounting for regulatory purposes, construction, operation and service area. As the PUB is a board appointed by the GNWT, and NTPC is a public agency of the GNWT, NTPC and the PUB are related parties.

The PUB is required to review the affairs, earnings and accounts of NTPC a minimum of every three years. The regulatory hearing process used to establish or change rates typically begins when NTPC makes a General Rate Application (GRA) for its proposed electricity rate changes. Normally, NTPC applies for rates in advance of the applicable fiscal years (Test Years) to which the new rates will apply. In addition to GRAs, interim rate applications may be used between GRAs to deal with circumstances which could result in the use of interim rates or riders until the next GRA, when rates are reviewed and set as final.

The PUB uses cost of service regulation to regulate NTPC's earnings on a return on equity basis. NTPC filed its 2016/19 GRA on June 30, 2016. This application requested a change to NTPC's amortization rates as well as its energy rates, which include a return on equity component. In Decision 16-2017 the PUB approved amortization rates and a return on equity for 2018-19 of 8%. The approved return on equity will remain in effect until it is reassessed at the time of the next GRA. As actual operating conditions will vary from forecast, actual returns achieved may differ from approved returns.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 1. The Corporation (continued)

On March 15, 2019, NTPC filed a collection rider application with the PUB to reduce the balance of the regulated Territory-wide Rate Stabilization Fund as a result of high fuel costs as well as reduced access to lower cost generation through purchased power in Norman Wells and liquefied natural gas generation in Inuvik in the last two years. PUB Decision 4-2019 approved the rider effective May 1, 2019. The rider ranges between 0.69 c/kWh to 0.99 c/kWh for all firm power customers with the exception of Northland Utilities (NWT) Limited.

#### c) Economic dependence

NT Hydro has historically been dependent on the GNWT to maintain its operations and meet its liabilities. It is expected that the ongoing operations of NT Hydro will depend on continued financial support from the GNWT.

### 2. Significant accounting policies

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Public Sector Accounting Board (PSAB). The accounting policies set out below have been applied in preparing the consolidated financial statements.

#### a) Basis of consolidation

The consolidated financial statements of NT Hydro consist of the transactions and balances of NT Hydro and its wholly owned subsidiaries from the date that control commences until the date that control ceases. Inter-entity transactions and balances with wholly owned subsidiaries are eliminated upon consolidation. NT Hydro's investment in government business partnerships are accounted for under the modified equity method to record its investment, net income and other changes in equity. Inter-entity transactions and balances are not eliminated.

The consolidated budget figures presented in these consolidated financial statements were approved by the Board of Directors and include adjustments to eliminate budgeted inter-entity revenues and expenses. The budget figures do not reflect any forecast changes made throughout the year.

#### b) Measurement uncertainty

To prepare these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, and the disclosure of contingent liabilities. Significant estimates include the estimated useful life, impairment and the value of future economic benefits associated with the tangible capital assets, the provision for other employee future benefits and the provisions for asset retirement obligations and environmental liabilities.

Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available.

Measurement uncertainty exists in these consolidated financial statements. Actual results could differ significantly from these estimates.



## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 2. Significant accounting policies (continued)

#### c) Inventories

Inventories are only held for use and consist mainly of materials, supplies, lubricants, critical spare parts and fuel. Inventories are recorded at cost. Cost is determined using the weighted average cost method. Impairments, when recognized, result in write-downs to net realizable value.

#### d) Financial instruments

The financial instruments of NT Hydro are classified and measured at amortized cost using the effective interest method and include the following: cash, revenues receivable, government contributions receivable, loan receivable, due from related party, operating line of credit, accounts payable and accrued liabilities, debenture debt, and capital lease obligations.

A provision for impairment of revenues receivable, government contributions receivable, and the loan receivable is established when there is objective evidence that NT Hydro will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganization, and default or delinquency in payment are considered indicators that revenues receivables are impaired. The carrying amount of the receivable is reduced through the use of an allowance account, and the amount of the loss is recognized in the consolidated statement of operations and accumulated surplus as bad debt expense. When a receivable is deemed uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognized in the consolidated statement of operations and accumulated surplus.

All financial assets are tested annually for impairment or more frequently if indicators of impairment exist. When these financial assets are impaired, impairment losses are recorded in the consolidated statement of operations and accumulated surplus. Such impairment is not reversed following a subsequent increase in value. Transaction costs, with respect to financial assets and liabilities carried at amortized cost, are added to the initial cost of the acquired financial asset or financial liability.

#### e) Tangible capital assets

Tangible capital assets represent property, plant and equipment and are recorded at historical cost less accumulated amortization. Costs include amounts that are directly related to the acquisition, design, construction, development, improvement and betterment of the assets. Costs include contracted services, materials and supplies, direct labour, attributable overhead costs, capitalized interest directly attributable to construction or development (IDC) and legal obligations associated with the retirement of tangible capital assets. Capitalization of interest ceases when no construction or development is taking place or when a tangible capital asset is ready for use.

The IDC rate for 2020-21 was 4.97% (2019-20 – 4.97%). Gains or losses on disposition are included in the consolidated statement of operations and accumulated surplus.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 2. Significant accounting policies (continued)

*i) Leased tangible capital assets*

Leases that transfer substantially all of the benefits and risks incidental to ownership of tangible capital assets are accounted for as leased tangible capital assets and a lease liability. The value of the leased tangible capital asset and lease liability is recorded at the inception of the lease based upon the present value of the minimum lease payments, excluding executory costs.

*ii) Transfers of tangible capital assets*

Tangible capital assets received as contributions from third parties are recorded as assets and revenue at their fair value at the date of receipt, except in circumstances where fair value cannot reasonably be determined, in which case they are recognized at nominal value.

*iii) Impairment*

When conditions indicate that a tangible capital asset no longer contributes to NT Hydro's ability to provide services, or that the value of the future economic benefits associated with the tangible capital asset is less than its net book value, the carrying value of the tangible capital asset is reduced to reflect that a permanent decline in the value of the asset has occurred. The related expense is recorded in the consolidated statement of operations and accumulated surplus and is not reversed if conditions subsequently change.

*iv) Amortization*

Management has utilized amortization rates approved by the PUB in Decision 8-2018 (Note 1(b)). The cost, less residual value, of tangible capital assets, excluding land, is amortized on the straight-line average group useful life basis. 2020-21 rates remain unchanged since 2016-17.

Annual amortization rates are as follows:

	<b>2020-21</b>	<b>2019-20</b>
	<b>Rates (%)</b>	<b>Rates (%)</b>
Electric power plants	1.00 – 4.86	1.00 – 4.86
Transmission and distribution systems	1.54 – 6.67	1.54 – 6.67
Warehouse, equipment, motor vehicles and general facilities	1.31 – 20.00	1.31 – 20.00
Electric power plant under capital lease	1.00 – 4.86	1.00 – 4.86

Assets under construction are not amortized until they are ready for their intended productive use. NT Hydro uses amortization studies and other information to assess amortization rates and substantiate amortization rate changes. Amortization rate changes are accounted for on a prospective basis.



## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 2. Significant accounting policies (continued)

#### f) Government contributions

Government contributions are recognized as revenue when the contributions are authorized and any eligibility criteria are met, except to the extent that stipulations of a contribution give rise to an obligation that meets the definition of a liability, in which case the contribution is recorded as a deferred government contribution and subsequently recognized as revenue when the stipulations are met.

#### g) Customer contributions in aid of construction

Certain tangible capital asset additions are made with the assistance of cash contributions from customers. These contributions are recorded as revenues when all external restrictions or stipulations imposed by an agreement with the external party related to the contribution have been satisfied, generally when the resources are used for the purposes intended.

#### h) Public service pension plan

All eligible employees participate in the Public Service Pension Plan (the Plan), administered by the Government of Canada. The Plan is a multi-employer contributory defined benefit plan established through legislation. NT Hydro's contributions to the Plan are charged as an expense on a current year basis and represent the total pension obligations. NT Hydro is not required under present legislation to make contributions with respect to actuarial deficiencies of the Plan.

#### i) Other employee future benefits

The expected cost of providing these benefits is actuarially determined using assumptions based on management's best estimates and are recognized as employees render service. The benefit plans are not funded and thus have no assets, resulting in plan deficits equal to the accrued benefit obligation.

##### *i) Severance and ultimate removal benefits*

Under the terms and conditions of employment, eligible employees may earn severance and removal benefits based on employee start dates, years of service, final salary and point of hire. The benefits are paid upon resignation, retirement or death of an employee.

##### *ii) Sick leave benefits*

NT Hydro provides certain sick leave benefits that are available to be used in future periods when claimed by the employee upon becoming sick. The sick leave benefits accumulate but do not vest and are not paid out to employees upon resignation, retirement or death of an employee.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 2. Significant accounting policies (continued)

#### j) Asset retirement obligations (ARO)

Liabilities are recognized for statutory, contractual or legal obligations, associated with the retirement of property, plant and equipment when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related asset. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The amortization method utilized on ARO costs is consistent with the rates as outlined under Tangible Capital Assets *iv) Amortization*.

NT Hydro has identified other sites where NT Hydro expects to maintain and operate these assets indefinitely and therefore no related ARO has been recognized. NT Hydro reviews its estimates of ARO on an annual basis.

#### k) Environmental liabilities

A contaminated site is a site where physical, chemical, biological or radiological substances have been introduced in air, soil, water or sediment and have an adverse effect. A liability for remediation of contaminated sites is recognized when all of the following criteria are satisfied: an environmental standard exists, contamination exceeds the environmental standard, NT Hydro is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The liability reflects NT Hydro's best estimate of the amount required to remediate the sites to the current minimum standard for its use prior to contamination.

Environmental liabilities consist of the estimated costs related to the monitoring, maintenance and remediation of environmentally contaminated sites. Environmental liabilities are discounted for the time value of money. NT Hydro reviews its estimates of environmental liabilities on an annual basis.

#### l) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using exchange rates at year-end. Foreign currency transactions are translated into Canadian dollars using rates in effect at the time the transactions were entered into. All realized exchange gains and losses are included in surplus for the year according to the activities to which they relate.

#### m) Revenues

Revenues for the sale of power and fuel riders are recognized in the period earned based on cyclical meter readings. Sale of power revenues and fuel riders include accruals for electricity sales not yet billed.

Interest, other revenue and customer contributions are recognized on an accrual basis.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 2. Significant accounting policies (continued)

#### n) Expenses

Expenses are recognized on an accrual basis.

#### o) Contractual obligations and contingencies

The nature of NT Hydro's activities require entry into contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual obligations pertain to funding commitments for operating and capital projects. Contractual obligations are obligations of NT Hydro to others that will become liabilities in the future when the terms of those contracts or agreements are met.

The contingencies of NT Hydro are potential liabilities, which may become actual liabilities when one or more future events occur or fail to occur. If the future event is considered likely to occur and is quantifiable, an estimated liability is accrued. If the occurrence of the confirming future event is likely but the amount of the liability cannot be reasonably estimated, the contingency is disclosed. If the occurrence of the confirming future event is not determinable, the contingency is disclosed.

#### p) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in 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 revenues over expenses, provides the change in net debt during the year.

#### q) Future accounting changes

PSAB issued new standards effective April 1, 2022: PS 1201 Financial statement presentation, PS 2601 Foreign currency translation, PS 3041 Portfolio investments and PS 3450 Financial instruments.

PSAB issued a new standard PS 3400 Revenues in November 2018. This standard has an effective date of April 1, 2023.

PSAB issued a new standard in November 2018 on Asset Retirement Obligations (PS 3280). This standard has an effective date of April 1, 2022.

NT Hydro continues to evaluate the potential impacts on its consolidated financial statements from the future adoption of these standards.



**NORTHWEST TERRITORIES HYDRO CORPORATION**

**3. Revenues receivable**

At March 31, 2021, the aging of revenues receivable was as follows:

	2021			
	Current (less than 28 days)	29-90 days	Over 90 days	Total
Utility	\$ 12,256	\$ 857	\$ 449	\$ 13,562
Non-utility	246	15	48	309
Allowance for doubtful accounts	-	(82)	(497)	(579)
	<u>\$ 12,502</u>	<u>\$ 790</u>	<u>\$ -</u>	<u>\$ 13,292</u>

At March 31, 2020, the aging of revenues receivable was as follows:

	2020			
	Current (less than 28 days)	29-90 days	Over 90 days	Total
Utility	\$ 12,820	\$ 1,035	\$ 311	\$ 14,166
Non-utility	386	6	1	393
Allowance for doubtful accounts	-	(170)	(312)	(482)
	<u>\$ 13,206</u>	<u>\$ 871</u>	<u>\$ -</u>	<u>\$ 14,077</u>

The changes in the allowance for doubtful accounts were as follows:

	2021	2020
Balance, beginning of the year	\$ (482)	\$ (256)
Receivables written off	74	139
Change to allowance	(171)	(365)
Balance, end of the year	<u>\$ (579)</u>	<u>\$ (482)</u>

Revenues receivable on utility and non-utility accounts are generally due in 45 days and interest is charged after 28 and 30 days, respectively, at rates in the terms of service agreement. As at March 31, 2021, NT Hydro provided an allowance for doubtful accounts for its revenues receivable accounts with amounts outstanding longer than 90 days. Additional disclosures on NT Hydro's exposure and management of credit risk associated with revenues receivable can be found in Note 20.



## NORTHWEST TERRITORIES HYDRO CORPORATION

### 4. Loan receivable and capital lease obligations

#### Loan receivable

NWTEC loaned \$22,900 to the Dogrib Power Corporation (DPC) to finance the construction of a hydroelectric generating plant on the Snare River (Snare Cascades) in the NWT between 1994 and 1996. The loan bears interest at an annual rate of 9.6%, which is the average rate of interest on NWTEC's debenture debt issued to finance the loan. It is due July 2026 and is repayable in equal monthly blended principal and interest payments of \$195.

Loan receivable payments and the capital lease payments for the Snare Cascades are settled on a net basis and are presented on a net basis on the consolidated statement of cash flows. Loan receivable principal payments of \$1,335 (2019-20 - \$1,214) and interest income of \$1,005 (2019-20 - \$1,127) were offset by capital lease principal payments of \$405 (2019-20 - \$405) and interest expense of \$1,538 (2019-20 - \$1,593). As a result, the net cash receipt of \$397 (2019-20 - \$343) is disclosed in the consolidated statement of cash flows as loan receivable receipts.

#### Capital lease obligations

##### *Snare Cascades*

NTPC has an initial 65-year lease from the DPC for the Snare Cascades at a variable interest rate based on the weighted average return of equity and cost of debt. The interest rate on the lease as of March 31, 2021 was 8.92% (2019-20 - 9.03%). This rate is recalculated as part of the general rate application process (Note 1(b)). The lease can be renewed at NTPC's option subject to the same covenants, obligations and agreements except for the monthly rental price which shall be determined by arbitration. The renewal term will be based on the end of the useful life of the property or the expiry of the Ground Lease, whichever comes first. To reflect the effective acquisition and financing nature of the lease, the Snare Cascades is included in electric power plant under capital lease (Note 10).

A \$4,000 guarantee from DPC's parent company, the Tlicho Investment Corporation and a blocked account agreement established by DPC provide collateral for the loan receivable. NWTEC has signing authority and full control over the blocked account in the event of default. At the beginning of each fiscal year, the balance in the blocked account must be equal to the top up payments (the difference between the loan payment made by DPC to NWTEC and the lease payment received by DPC from NTPC) required for the next 12 months.

**NORTHWEST TERRITORIES HYDRO CORPORATION**

**Note 4. Loan receivable and capital lease obligations (continued)**

*Present value of minimum lease payments*

The undiscounted contractual obligations, the effects of discounting and the present values of the minimum lease payments required for the capital lease obligations over the next five years and thereafter are as follows:

	2022	\$	1,886
	2023		1,827
	2024		1,764
	2025		1,698
	2026		1,629
	Thereafter		36,140
			<u>44,944</u>
Less: amounts representing imputed interest			<u>(28,589)</u>
<b>Total capital lease obligations</b>		<b>\$</b>	<b><u>16,355</u></b>

Additional disclosures on NT Hydro's exposure and management of risk associated with the loan receivable and capital lease obligations can be found in Note 20.

*Colville Lake Office*

In 2016, NTPC entered into a capital lease arrangement for an office in Colville Lake with minimum monthly payments of \$4 until June 1, 2020. The office was purchased in 2021 after the end of the lease term.

**5. Operating line of credit**

NTPC has a \$50,000 (2019-20 - \$40,000) operating line of credit with its bank. The operating line of credit allows NTPC to borrow using Bankers' Acceptances or other advances directly against the line of credit.

As at March 31, 2021, NTPC has borrowed \$2 (2019-20 - \$20,959) against the line of credit. In 2019-20 NTPC issued two letters of credit totalling \$3,645 against its operating line of credit. These commitments terminate on March 31, 2022 and March 31, 2023.

**NORTHWEST TERRITORIES HYDRO CORPORATION**

**6. Debenture debt**

	<b>2021</b>	<b>2020</b>
3.982% amortizing debenture, due February 17, 2047 repayable semi-annually in blended payments of \$1,722	\$ 55,472	\$ 56,671
5.16% amortizing debenture, due September 13, 2040 repayable semi-annually in blended payments of \$1,684	41,109	42,310
2.265% amortizing debenture, due September 30, 2050 repayable semi-annually in blended payments of \$922 (Note 18)	39,527	-
5.443% debenture, due August 1, 2028	25,000	25,000
5.995% debenture, due December 15, 2034	25,000	25,000
3.818% debenture, due November 25, 2052	25,000	25,000
5% debenture, due July 11, 2025	15,000	15,000
6.42% amortizing debenture, due December 18, 2032 repayable semi-annually. The first payment is interest only, the second payment is interest plus \$667 principal	8,000	8,667
9.11% debenture series 3, due September 1, 2026 repayable in blended monthly payments of \$73	3,737	4,248
9.75% debentures series 2, due October 1, 2025 repayable in blended monthly payments of \$69	2,988	3,493
10% debenture series 1, due May 1, 2025 repayable in blended monthly payments of \$70	2,807	3,337
	\$ 243,640	\$ 208,726
Less: unamortized premium, discount and issuance costs	(698)	(742)
	\$ 242,942	\$ 207,984

The GNWT guarantees all of the third party debenture debt.

Principal repayments for future years are as follows:

<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>Thereafter</b>	<b>Total</b>
\$ 5,834	\$ 6,143	\$ 6,473	\$ 6,834	\$ 20,995	\$197,361	\$ 243,640



## NORTHWEST TERRITORIES HYDRO CORPORATION

### 7. Asset retirement obligations

ARO include costs related to the disposal of generating plants on leased land, storage tank systems and the associated piping for petroleum products in all communities served by NTPC and the remediation of contaminated sites.

Following is a summary of the key assumptions upon which the carrying amount of the ARO is based:

- Total expected future cash flows - \$15,103 (2019-20 - \$15,194).
- Expected timing of payments of the cash flow – asset removal and/or site remediation is expected to occur between 1 and 31 years with the majority occurring after 2039.
- The discount rate is the year-end cost of borrowing of 2.40% (2019-20 – 2.48%) for those obligations to be settled in less than 10 years and 3.12% (2019-20– 3.11%) for those obligations to be settled in 10 years or longer.

Following is a summary of the asset retirement obligations:

	2021	2020
Opening balance	\$ 8,878	\$ 8,456
Liabilities settled	-	(100)
Accretion expense	259	254
Valuation adjustment	(334)	(135)
Additions	156	403
Balance, end of year	<u>\$8,959</u>	<u>\$ 8,878</u>

### 8. Environmental liabilities

Environmental protection legislation (Environmental Guideline for Contaminated Site Remediation, Northwest Territories Department of Environment and Natural Resources, 2003) establishes maximum standards for concentrations of petroleum hydrocarbons and other substances in soil to protect environmental quality and human health from the long-term effect of exposure to them. Legislation requires a responsible party to perform remediation activities if the concentrations exceed standard levels. NT Hydro estimates that it has 23 sites (2019-20 - 23 sites) which have contaminated soil that exceed the accepted maximum standard in the Northwest Territories. NT Hydro is responsible for remediation of the contaminated site upon sale of the land or termination of the lease.

Management estimates that over 75% of the contamination occurred prior to May 5, 1988 when the Government of Canada controlled Northern Canada Power Commission (NTPC's predecessor company). There is no provision recorded in these consolidated financial statements for a potential recovery from the Government of Canada.

**NORTHWEST TERRITORIES HYDRO CORPORATION**

**Note 8. Environmental liabilities (continued)**

Following is a summary of the key assumptions upon which the carrying amount of the environmental liabilities is based:

- Total expected future cash flows - \$35,779 (2019-20 - \$37,910).
- Expected timing of payments of the cash flow – asset removal and/or site remediation is expected to occur between 1 and 69 years with the majority occurring after 2044.
- The discount rate is the year-end cost of borrowing of 2.40% (2019-20 – 2.48%) for those obligations to be settled in less than 10 years and 3.12% (2019-20 – 3.11%) for those obligations to be settled in 10 years or longer.

Following is a summary of the estimated environmental liabilities:

	<u>2021</u>	<u>2020</u>
Opening balance	\$ 16,521	\$ 13,465
Liabilities settled	(171)	(126)
Valuation adjustment	(1,982)	3,182
Balance, end of year	<u>\$ 14,368</u>	<u>\$ 16,521</u>

The valuation adjustment relates to changes in the discount rate applied and changes to expected future cash flows. The valuation adjustment is recognized in supplies and services expense (Note 15).

**9. Other employee future benefits**

**a) Public Service Pension Plan**

The employees of NTPC participate in the Plan. The Plan provides benefits based on the number of years of pensionable service to a maximum of 35 years. Benefits are determined by a formula set out in the legislation; they are not based on the financial status of the Plan. The basic benefit formula is two percent per year of pensionable service multiplied by the average of the five consecutive years of highest paid service. The employer contribution rate effective at the end of the year was 1.01 times (2019-20 – 1.00) the employees' contributions for employees who started prior to January 2013 and 1.00 times (2019-20 – 1.00) the employees' contributions for all other employees. The employer contribution rate at the end of the year for the portion of the employee's salary above \$182 (2019-20 - \$173) was 3.59 times (2019-20 – 3.80) the employees' contributions. Employer contributions of \$2,306 (2019-20 - \$2,349) were recognized as an expense in the current year. The employees' contribution to this plan was \$2,188 (2019-20 - \$2,219).

The Plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the Plan on or after January 1, 2013. For existing members, the normal retirement age remains age 60.

**NORTHWEST TERRITORIES HYDRO CORPORATION**

**Note 9. Other employee future benefits (continued)**

**b) Other employee future benefits**

Summary of other employee future benefit liabilities:

	2021			2020		
	Severance and Removal Obligation	Accumulated Sick time Obligation	Total	Severance and Removal Obligation	Accumulated Sick time Obligation	Total
Accrued benefit obligation, beginning of year	\$ 3,089	\$ 250	\$ 3,339	\$ 3,534	\$ 299	\$ 3,833
Benefits earned	295	21	316	284	20	304
Interest	80	6	86	95	8	103
Benefits paid	(415)	(158)	(573)	(525)	(140)	(665)
Actuarial (gains) losses	(250)	102	(148)	(299)	63	(236)
Accrued benefit obligation, end of year	2,799	221	3,020	3,089	250	3,339
Unamortized net actuarial gain/(loss)	144	(333)	(189)	(127)	(275)	(402)
Net future obligation	\$ 2,943	\$ (112)	\$ 2,831	\$ 2,962	\$ (25)	\$ 2,937

NT Hydro provides accumulating sick leave employee benefits of one and one quarter days of sick leave per month which will require funding in future periods when claimed upon an employee becoming sick. Sick leave can only be used for paid time off for illness of the employee. Sick leave taken is paid at the employee's normal rate of pay. The sick leave benefits are not paid out to an employee upon termination of employment, resignation or retirement. Unused sick days accumulate and there are no limits to the accumulation. Sick leave benefits accumulate over the periods of service provided by employees and are recognized as services are performed to earn them.

**NORTHWEST TERRITORIES HYDRO CORPORATION**

**Note 9. Other employee future benefits (continued)**

Total expenses related to the severance, removal benefit and sick leave plan include the following components:

	<b>2021</b>	<b>2020</b>
Current benefits earned	\$ 316	\$ 304
Interest	86	103
Plan amendments	-	-
Amortization of net actuarial loss	65	93
	\$ 467	\$ 500

The actuarial valuation reflects management's best estimate based upon a number of assumptions about a number of future events including:

	<b>2021</b>	<b>2020</b>
Expected inflation rates	2%	2%
Discount rate used to determine the accrued benefit obligation	2.7%	2.6%
Expected average remaining service life of related employee groups (EARSL)	8.5 years	8.5 years



Notes to the Consolidated Financial Statements  
For the year ended March 31, 2021  
(in thousands of dollars)

**NORTHWEST TERRITORIES HYDRO CORPORATION**

**10. Tangible capital assets**

March 31, 2021						
	Electric power plants	Transmission and Dist. systems	Warehouse equipment, motor vehicles, and general facilities	Electric power plant under capital lease	Construction work in progress	Total
<b>Cost</b>						
Opening balance	\$ 366,414	\$ 104,929	\$ 73,833	\$ 28,733	\$ 58,222	\$ 632,131
Additions	156	-	-	-	46,525	46,681
Transfers – completed projects	34,404	3,098	3,954	-	(41,456)	-
Disposals and adjustments	(1,958)	(211)	(307)	-	-	(2,476)
Closing balance	399,016	107,816	77,480	28,733	63,291	676,336
<b>Accumulated amortization</b>						
Opening balance	(138,003)	(37,784)	(38,565)	(9,681)	-	(224,033)
Amortization	(11,574)	(2,597)	(5,053)	(460)	-	(19,684)
Disposals and adjustments	915	102	274	-	-	1,291
Closing balance	(148,662)	(40,279)	(43,344)	(10,141)	-	(242,426)
<b>Net book value</b>	<b>\$ 250,354</b>	<b>\$ 67,537</b>	<b>\$ 34,136</b>	<b>\$ 18,592</b>	<b>\$ 63,291</b>	<b>\$ 433,910</b>
March 31, 2020						
	Electric power plants	Transmission and Dist. systems	Warehouse equipment, motor vehicles, and general facilities	Electric power plant under capital lease	Construction work in progress	Total
<b>Cost</b>						
Opening balance	\$ 356,368	\$ 102,989	\$ 71,497	\$ 28,733	\$ 28,125	\$ 587,712
Additions	268	-	-	-	48,176	48,444
Transfers – completed projects	11,576	2,542	3,961	-	(18,079)	-
Disposals and adjustments	(1,798)	(602)	(1,625)	-	-	(4,025)
Closing balance	366,414	104,929	73,833	28,733	58,222	632,131
<b>Accumulated amortization</b>						
Opening balance	(128,300)	(35,432)	(35,487)	(9,221)	-	(208,440)
Amortization	(10,527)	(2,517)	(4,172)	(460)	-	(17,676)
Disposals and adjustments	824	165	1,094	-	-	2,083
Closing balance	(138,003)	(37,784)	(38,565)	(9,681)	-	(224,033)
<b>Net book value</b>	<b>\$ 228,411</b>	<b>\$ 67,145</b>	<b>\$ 35,268</b>	<b>\$ 19,052</b>	<b>\$ 58,222</b>	<b>\$ 408,098</b>



## NORTHWEST TERRITORIES HYDRO CORPORATION

### 11. Inventories

	<u>2021</u>	<u>2020</u>
Materials, supplies and lubricants	\$ 5,253	\$ 4,802
Critical spare parts	3,483	4,046
Fuel	289	279
	<u>\$ 9,025</u>	<u>\$ 9,127</u>

Inventories are used to make repairs, complete overhauls or generate electricity. Production fuel inventory is held in five of NTPC's operating plants. The liquefied natural gas (LNG) fuel requirement for NTPC's Inuvik plant is managed under the LNG fuel supply agreement described in Note 19. Diesel fuel requirements for the remaining 20 plants are managed under the fuel management services agreement described in Note 19.

### 12. Accumulated surplus / equity

	<u>2021</u>	<u>2020</u>
Share capital, common and preferred shares	\$ 43,129	\$ 43,129
Accumulated operating surplus / equity	120,803	100,685
	<u>\$ 163,932</u>	<u>\$ 143,814</u>

The authorized share capital of NT Hydro is comprised of one common share without par value and one preferred, non-cumulative share without par value. As at March 31, 2021, 1 common share (2019-20 – 1 common share), at \$43,129 per share (2019-20 – \$43,129 per share), has been issued and fully paid, and one preferred share at one dollar. NT Hydro may only issue its shares to the GNWT.

### 13. Sale of power

	<u>2021</u>	<u>2020</u>
Power sales to external customers	\$ 81,954	\$ 81,527
Power sales to GNWT and related parties	16,441	17,638
GNWT TPSP payments	6,442	6,198
GNWT HSP payments	4,699	4,443
	<u>\$ 109,536</u>	<u>\$ 109,806</u>

Sale of power includes GNWT support program payments received by NTPC on behalf of customers. The GNWT offers these support programs to both NTPC and Northland Utilities Ltd. customers.

The GNWT Territorial Power Support Program (TPSP) payments subsidize residential power rates to the rate paid in Yellowknife for energy used within a specified threshold.

The GNWT Housing Support Program (HSP) payments subsidize the difference between the specified rate paid by GNWT residential customers living in public housing and the PUB residential rate for that community.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 13. Sale of power (continued)

NTPC administers these support programs on behalf of the GNWT and invoices the GNWT monthly for the payments. The support payments are subject to the same terms as other utility customers as per NTPC's Terms and Conditions of Service.

### 14. Other revenue and customer contributions

	<u>2021</u>	<u>2020</u>
Heat revenues	\$ 370	\$ 398
Pole rental	346	346
Contract work	343	411
Connection fees	302	456
Contributions in aid of construction	160	180
	<u>\$ 1,521</u>	<u>\$ 1,791</u>

### 15. Expenses

The following is a summary of the expenses for the year by object:

	<u>2021</u>	<u>2020</u>
Salaries and wages	\$ 30,320	\$ 27,370
Fuel and lubricants (Note 19)	27,178	31,024
Amortization (Note 10)	19,684	17,676
Supplies and services	19,471	22,295
Interest expense (Note 16)	11,569	11,906
Travel and accommodation	2,033	2,279
Loss on disposal of assets	1,179	3,514
Accretion on ARO (Note 7)	259	254
	<u>\$ 111,693</u>	<u>\$ 116,318</u>

### 16. Interest expense and interest income

#### Interest expense

	<u>2021</u>	<u>2020</u>
Interest on debenture debt and capital leases (Notes 4, 6)	\$ 12,526	\$ 12,445
Short-term debt financing costs	331	476
Capitalized interest during construction	(1,288)	(1,015)
	<u>\$ 11,569</u>	<u>\$ 11,906</u>

#### Interest income

	<u>2021</u>	<u>2020</u>
Income on loan receivable (Note 4)	\$ 1,005	\$ 1,127
Income from overdue accounts and bank balances	86	86
	<u>\$ 1,091</u>	<u>\$ 1,213</u>

## NORTHWEST TERRITORIES HYDRO CORPORATION

### 17. Other government contributions

#### *Investing in Canada Infrastructure Program*

In 2019-20 NT Hydro's wholly owned subsidiaries entered into three agreements with the GNWT under the Government of Canada's Investing in Canada Infrastructure Program (ICIP) for the following projects:

#### Taltson Hydroelectric Facility Major Overhaul

This agreement is to support 75% of the cost of completing upgrades to various hydro, mechanical and electrical components of the facility in addition to the installation of a tailrace gate to a maximum of \$17,820. The agreement expires March 31, 2022. During the year, NTPC received payments of \$11,269 (2019-20 - \$0). As of March 31, 2021, NTPC has incurred \$13,575 of eligible expenditures. The amount of eligible expenditures incurred in excess of the amount received, \$2,306 (2019-20 - \$3,469), has been recorded as a receivable.

#### Lutsel K'e – New Diesel Power Plant Facility Project

This agreement is to support 75% of the cost of replacing the existing power plant in the community to a maximum of \$8,775. The agreement expires March 31, 2022. During the year, NTPC received payments of \$2,775 (2019-20 - \$0). As of March 31, 2021, NTPC has incurred \$2,077 of eligible expenditures. The amount received in excess of eligible expenditures incurred, \$698, has been recorded as a deferred liability. As at March 31, 2020, the amount of eligible expenditures incurred exceeded the amount received and the remainder, \$303, was recorded as a receivable.

#### Fort Simpson – Liquefied Natural Gas Power Generation Facility

This agreement is to support 75% of the cost to complete construction, installation and commissioning of a gas generation plant, as well as sufficient LNG storage and regasification to a maximum of \$11,250. The agreement expires March 31, 2023. During the year, NTPC received payments of \$2,350 (2019-20 - \$0). As of March 31, 2021, NTPC has incurred \$719 of eligible expenditures. The amount received in excess of eligible expenditures incurred, \$1,631, has been recorded as a deferred liability. As at March 31, 2020, the amount of eligible expenditures incurred exceeded the amount received and the remainder, \$136, was recorded as a receivable.



## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 17. Other government contributions (continued)

In 2018-19 NT Hydro's wholly owned subsidiaries entered into three agreements with the GNWT under the Government of Canada's Investing in Canada Infrastructure Program for the following projects:

#### Snare Forks Overhauls on Units 1 and 2

This agreement is to support 75% of the cost of completing turbine and generator upgrades on two units at NTPC's Snare Forks powerhouse to a maximum of \$14,100. During the year, the agreement's expiry date was extended to May 30, 2022.

In October 2018, Unit 1 experienced a mechanical failure prior to the start of the planned overhaul. NTPC initiated an insurance claim related to the Unit 1 failure including the costs associated with additional diesel generation. In 2019-20, NTPC received \$5,000 in a preliminary installment on the insurance claim and recognized this amount as revenue. Further insurance proceeds may be receivable in the future and the amount, if any, will be recognized as revenue and a portion of the ICIP funding may be repayable. As of March 31, 2021, the amount of additional insurance proceeds cannot be reasonably estimated.

During the year NTPC received payments of \$0 (2019-20 - \$2,190). Lifetime payments of \$8,190 have been received. As of March 31, 2021, NTPC has incurred \$7,464 of eligible expenditures. The amount received in excess of eligible expenditures incurred, \$726 (2019-20 - \$1,994), has been recorded as a deferred liability.

#### Sachs Harbour Plant Replacement

This agreement is to support 75% of the costs to fund the installation and commissioning of a new power plant and fuel storage tanks in Sachs Harbour to a maximum of \$7,481. During the year, the agreement's expiry date was extended to March 31, 2022. During the year, NTPC received payments of \$1,200 (2019-20 - \$4,400). Lifetime payments of \$5,600 have been received. As of March 31, 2021, NTPC has incurred \$5,083 of eligible expenditures. The amount received in excess of eligible expenditures incurred, \$517 (2019-20 - \$1,186), has been recorded as a deferred liability.

#### Inuvik Wind

This agreement between NT Energy and the GNWT is to support 100% of the costs of the design, construction and commissioning of the Inuvik High Point Wind project, to a maximum of \$30,000. During the year, the agreement expiry date was extended to March 31, 2023. During the year, NT Energy received payments of \$2,588 (2019-20 - \$3,600). As of March 31, 2021, NT Energy has incurred \$5,698 (2019-20 - \$4,320) of eligible expenditures. The amount received in excess of eligible expenditures incurred, \$1,750, (2019-20 - \$540) has been recorded as a deferred liability.

**NORTHWEST TERRITORIES HYDRO CORPORATION**

**Note 17. Other government contributions (continued)**

The following table summarizes NT Hydro's budget and the actual eligible costs incurred on the respective projects. The actuals reflect the amounts that NT Hydro has recorded as other government contributions:

	2021 Budget	2021 Actuals	2020 Actuals	Total Lifetime Costs
<b>Taltson Hydroelectric Overhaul</b>				
Salaries and wages	\$ 19	\$ 5	\$ 24	
Supplies and services		10,084	3,431	13,515
Transportation costs		3	33	36
	<b>\$ 7,322</b>	<b>\$ 10,106</b>	<b>\$ 3,469</b>	<b>\$ 13,575</b>
<b>Lutsel K'e Diesel Plant</b>				
Salaries and wages	\$ 8	\$ 5	\$ 13	
Supplies and services		1,765	295	2,060
Transportation costs		1	3	4
	<b>\$ 2,011</b>	<b>\$ 1,774</b>	<b>\$ 303</b>	<b>\$ 2,077</b>
<b>Fort Simpson LNG</b>				
Salaries and wages	\$ 91	\$ 20	\$ 111	
Supplies and services		490	116	606
Transportation costs		2		2
	<b>\$ 2,983</b>	<b>\$ 583</b>	<b>\$ 136</b>	<b>\$ 719</b>
<b>Snare Forks Overhauls</b>				
Salaries and wages	\$ 114	\$ 18	\$ 350	
Supplies and services		1,070	2,802	6,644
Transportation costs		84	312	470
	<b>\$ 8,060</b>	<b>\$ 1,268</b>	<b>\$ 3,132</b>	<b>\$ 7,464</b>
<b>Sachs Harbour Plant Replacement</b>				
Salaries and wages	\$ 17	\$ 4	\$ 40	
Supplies and services		1,841	3,157	4,998
Transportation costs		11	34	45
	<b>\$ 3,242</b>	<b>\$ 1,869</b>	<b>\$ 3,195</b>	<b>\$ 5,083</b>
<b>Inuvik Wind</b>				
Salaries and wages	\$ 270	\$ 85	\$ 554	
Supplies and services		1,110	3,005	5,077
Transportation costs		(2)	44	66
	<b>\$ 21,618</b>	<b>\$ 1,378</b>	<b>\$ 3,134</b>	<b>\$ 5,697</b>
<b>Total ICIP contributions</b>	<b>\$ 45,236</b>	<b>\$ 16,978</b>	<b>\$ 13,369</b>	<b>\$ 34,615</b>

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 17. Other government contributions (continued)

#### *Other agreements*

In 2020-21, NT Energy entered into three single year agreements with the GNWT. The first is for bridge funding costs associated with establishing an unregulated entity to facilitate the expansion of the electricity system through alternative energy development. The total agreement was for \$250, all of which was received and recognized as revenue in 2020-21.

The second agreement was to support lease costs for the NT Energy office in Hay River. The total agreement was for \$98, all of which was received and \$98 was recognized as revenue in 2020-21.

The third agreement was to fund a shortfall in the exploration of mining customers in 2016. There was an outstanding balance of \$256 received in full and recognized as revenue in 2020-21.

### 18. Related party transactions and balances

NT Hydro is a Territorial public agency and consequently is related to the GNWT and its agencies and corporations. NT Hydro, through NTPC, provides utility services to, and purchases fuel and other services from, these related parties. These transactions are in the normal course of operations and are at the same rates and terms as those with similar unrelated customers and suppliers.

Transactions with related parties and balances at year-end not disclosed elsewhere in these consolidated financial statements are as follows:

<b>Revenues</b>	<b>2021</b>	<b>2020</b>
Other revenue	\$ 341	\$ 439
Fuel rider revenue	458	426
	\$ 799	\$ 865
 <b>Expenses</b>		
Purchases of fuel from Fuel Services Division of the GNWT (FSD) (Note 19)	\$ 21,418	\$ 25,405
Other operating expenses	1,128	1,017
	\$ 22,546	\$ 26,422
 <b>Financial assets</b>		
<b>Revenues receivable</b>		
Utility	\$ 966	\$ 1,613
Non-utility	2	14
	\$ 968	\$ 1,627
 <b>Liabilities</b>		
Accounts payable to FSD for fuel (Note 19)	\$ 3,007	\$ 7,333
Other accounts payable and accrued liabilities	44	56
	\$ 3,051	\$ 7,389
 <b>Debenture Debt</b>		
Due to GNWT	\$ 39,527	\$ -



## NORTHWEST TERRITORIES HYDRO CORPORATION

### 19. Contractual obligations

NT Hydro is contractually committed for the following expenses with non-related parties that will be incurred subsequent to March 31, 2021.

	<u>Expiry</u>	<u>2022</u>	<u>2023 and subsequent</u>
Operational and lease commitments	2022	\$ 11,061	\$ 234

#### *Capital projects*

NT Hydro has contractual obligations totalling \$33,365 related to capital projects, of which all payments are expected to be made in 2021-22.

In addition, NT Hydro had entered into the following contractual obligations with related parties:

#### *Fuel management services agreement*

NTPC had a fuel management services agreement with the FSD. Under this agreement, fuel inventory and maintenance of fuel tank farms of 20 communities served by NTPC were provided by FSD. The price of fuel under this agreement changed with the change in market price, the cost of freight, the GNWT fuel tax rate and the amount of fuel purchased by NTPC from FSD in a given year. There was an annual minimum purchase requirement of 13,000 liters averaged over a 2 year period. The contract expired March 31, 2021 and a new contract is currently under negotiation.

#### *LNG purchases*

NTPC had an agreement with FSD to supply NTPC's Inuvik facilities with LNG that expired on March 31, 2020. The price of LNG under this agreement varied with FSD's costs, which included LNG fuel costs, which were subject to changes in the market price, transportation costs and an administrative fee. There were no minimum purchase requirements under the old contract. NTPC is currently in negotiations with FSD to sign a new agreement.

### 20. Financial instruments and risk management

NT Hydro's financial instruments include cash, revenues receivable, government contributions receivable, loan receivable, accounts payable and accrued liabilities, capital lease obligations, the operating line of credit and debenture debt.

NT Hydro is exposed to the following risks from its use of financial instruments: credit risk, liquidity risk, and interest rate risk. NT Hydro manages these risk exposures on an ongoing basis.

**NORTHWEST TERRITORIES HYDRO CORPORATION**

**Note 20. Financial instruments and risk management (continued)**

**a) Credit risk**

Credit risk is the risk that a third party will cause a financial loss for NT Hydro by failing to discharge its obligation. The following table sets out NT Hydro's maximum exposure to credit risk under a worst case scenario and does not reflect results expected.

	<b>2021</b>	<b>2020</b>
Revenues receivable	\$ 13,292	\$ 14,077
Government contributions receivable	2,364	3,965
Loan receivable	9,741	11,076
Cash	4,748	2,003
	<u>\$ 30,145</u>	<u>\$ 31,121</u>

*Revenues receivable*

NTPC minimizes revenues receivable credit risk by taking cash deposits from customers. The size of the deposit varies depending on the risk exposure. Established customers or those with good credit are waived from having to provide a deposit. Thirty-seven percent (2019-20 - 37%) of NTPC's sales are to two other utilities. Twenty-six percent (2019-20 - 26%) of sales, including HSP and TPSP are to the GNWT.

*Government contributions receivable*

The GNWT accounts for 100% of the government contributions receivable.

*Loan receivable*

The credit risk for the loan receivable for the Snare Cascades hydro project was minimized by security in place. See Note 4 for additional details.

*Cash*

NT Hydro minimizes the credit risk of cash by dealing with only reputable financial institutions and investing in securities that meet minimum credit ratings as stipulated by its investment policy and limiting exposure to any one security or asset class. An ongoing review is performed to evaluate changes in the status of counterparties.

**b) Liquidity risk**

Liquidity risk is the risk that NT Hydro will encounter difficulty in meeting its obligations associated with its financial liabilities. Debt liquidity risk is managed by the use of amortization provisions. NT Hydro arranges its financing in such a manner that the total amount of debt maturing in any given year does not exceed its ability to borrow in any given year. This practice gives NT Hydro the maximum flexibility over the use of its cash flow such that both its existing capital expenditure program and its ability to consider any future investment opportunities will not be constrained.



**NORTHWEST TERRITORIES HYDRO CORPORATION**

**Note 20. Financial instruments and risk management (continued)**

Liquidity risk is also managed by continuously monitoring actual and forecast cash flows, having the opportunity to borrow on a short-term basis from its shareholder and by maintaining a \$50,000 operating line of credit with a reputable financial institution. The following table shows the maturities of the debenture debt, operating line of credit, Snare capital lease obligation and the associated loan receivable:

	March 31, 2021				
	1 year or less	Greater than 1 year and not later than 6 years	Greater than 6 years and not later than 20 years	Greater than 20 years	Total
Debenture debt	\$ 5,834	\$ 45,687	\$ 133,212	\$ 58,907	\$ 243,640
Operating line of credit	2	-	-	-	2
Capital lease obligation	1,886	8,482	18,564	16,012	44,944
Loan receivable	(2,341)	(10,144)	-	-	(12,485)
	<b>\$ 5,381</b>	<b>\$ 44,025</b>	<b>\$ 151,776</b>	<b>\$ 74,919</b>	<b>\$ 276,101</b>

	March 31, 2020				
	1 year or less	Greater than 1 year and not later than 6 years	Greater than 6 years and not later than 20 years	Greater than 20 years	Total
Debenture debt	\$ 4,613	\$ 41,284	\$ 115,323	\$ 47,506	\$ 208,726
Operating line of credit	20,959	-	-	-	20,959
Capital lease obligation	1,952	8,804	19,007	17,133	46,896
Loan receivable	(2,341)	(11,704)	(780)	-	(14,825)
	<b>\$ 25,183</b>	<b>\$ 38,384</b>	<b>\$ 133,550</b>	<b>\$ 64,639</b>	<b>\$ 261,756</b>

**c) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Changes in market interest rates will cause fluctuations in fair value of the loan receivable and debenture debt as these have fixed interest rates. Changes in market interest rates will cause fluctuations in cash flows of the capital lease obligation and operating line of credit as these have variable interest rates.

**NORTHWEST TERRITORIES  
SURFACE RIGHTS BOARD  
AUDITED FINANCIAL STATEMENTS  
March 31, 2021**

**NORTHWEST TERRITORIES SURFACE RIGHTS BOARD**  
**Financial Statements**  
**Year ended March 31, 2021**

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**INDEPENDENT AUDITOR'S REPORT**

**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

**FINANCIAL STATEMENTS**

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YELLOWKNIFE  
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PROFESSIONAL CORPORATION

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## Independent Auditor's Report

Board of Directors, Northwest Territories Surface Rights Board

### **Opinion**

We have audited the accompanying financial statements of Northwest Territories Surface Rights Board., which comprise the statement of financial position as at March 31, 2021, the statement of changes in net financial asset, statement of operations, statements of accumulated surplus and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Northwest Territories Surface Rights Board. as at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Northwest Territories Surface Rights Board. in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Northwest Territories Surface Rights Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Northwest Territories Surface Rights Board. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Northwest Territories Surface Rights Board's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Northwest Territories Surface Rights Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Northwest Territories Surface Rights Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Northwest Territories Surface Rights Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*EPR Yellowknife Accounting Prof. Corp.*

**EPR Yellowknife Accounting Professional Corporation**  
**Chartered Professional Accountants**  
Yellowknife, Northwest Territories  
June 28, 2021



## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Northwest Territories Surface Rights Board are the responsibility of management and have been approved by the Board.

The financial statements have been prepared by management in accordance with Public Sector Accounting Standards (PSAS) as recommended by the board of the Canadian Institute of Chartered Professional Accountants and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the financial statements.

The Board meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditor's report.

The external auditors, EPR Yellowknife Accounting Professional Corporation, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Northwest Territories Surface Rights Board and meet when required.

On behalf of Northwest Territories Surface Rights Board



**Doug Rankin, Executive Director**  
**Northwest Territories Surface Rights Board**  
**June 8, 2021**

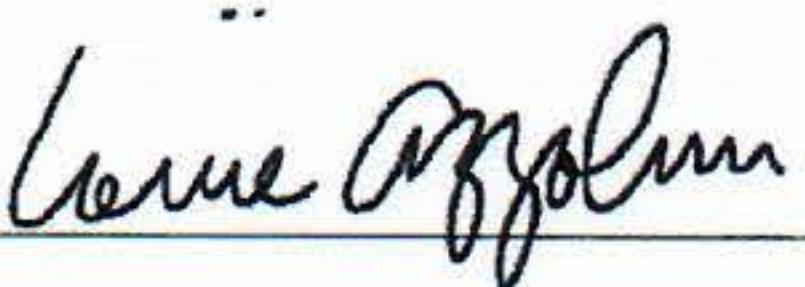



**NORTHWEST TERRITORIES SURFACE RIGHTS BOARD**  
**STATEMENT OF FINANCIAL POSITION**  
 As At March 31, 2021

Statement 1

	2021	2020
<b>FINANCIAL ASSETS</b>		
Cash & cash equivalents	\$ 182,008	\$ 116,292
Accounts receivable (Note 4)	52	58
<b>TOTAL FINANCIAL ASSETS</b>	<b>182,060</b>	<b>116,350</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts Payable (Note 5)	132,973	99,622
Deferred Revenue (Note 6)	51,116	18,371
	<b>184,089</b>	<b>117,993</b>
<b>NET FINANCIAL ASSETS</b>	<b>(2,029)</b>	<b>(1,643)</b>
<b>NON FINANCIAL ASSETS</b>		
Prepaid Expenses	2,029	1,643
	2,029	1,643
<b>ACCUMULATED SURPLUS</b>	<b>\$ -</b>	<b>\$ -</b>

APPROVED ON BEHALF OF BOARD

 Director

 Director

The accompanying notes and schedules form an integral part of the financial statements.



**NORTHWEST TERRITORIES SURFACE RIGHTS BOARD**  
**STATEMENT OF OPERATIONS**  
**For the Year Ended March 31, 2021**

**Statement II**

	<b>2021</b>	<b>2020</b>
<b>REVENUE</b>		
Government of NWT Contributions	313,189	306,490
Prior year surplus	18,372	33,945
Interest revenue	325	623
Transferred to deferred revenue	(51,117)	(18,371)
<b>TOTAL REVENUE</b>	<b>280,769</b>	<b>322,687</b>
<b>OPERATING EXPENSES</b>		
Advertising and external communication	900	1,862
Bank charges and interest	531	519
Board travel and other costs	2,024	14,939
Honorarium	54,429	44,849
Insurance	2,008	1,991
Information technology and computer costs	995	35,673
Office and other supplies	29,723	5,750
Professional fees	74,511	135,817
Rent	51,604	13,758
Staff Travel and training	3,423	6,042
Telephone, fax and Internet	2,723	3,404
Wages and Benefits	57,898	58,083
<b>TOTAL EXPENSES</b>	<b>280,769</b>	<b>322,687</b>
<b>OPERATING SURPLUS FOR THE YEAR</b>	<b>-</b>	<b>-</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>

The accompanying notes and schedules form an integral part of the financial statements.

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**NORTHWEST TERRITORIES SURFACE RIGHTS BOARD  
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS  
For The Year Ended March 31, 2021**

**Statement III**

	<b>2021</b>		<b>2020</b>	
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>\$</b>	<b>(1,643)</b>	<b>\$</b>	<b>(1,444)</b>
Items Affecting Net Financial Asset:				
Operating surplus for the year		-		-
Acquisition of Prepaid		(386)		(199)
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$</b>	<b>(2,029)</b>	<b>\$</b>	<b>(1,643)</b>

The accompanying notes and schedules form an integral part of the financial statements

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**NORTHWEST TERRITORIES SURFACE RIGHTS BOARD  
STATEMENT OF CASH FLOWS  
For the Year Ended March 31, 2021**

**Statement IV**

	<b>2021</b>	<b>2020</b>
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Operating surplus (deficit) for the year	\$ -	\$ -
<b>Items not involving cash:</b>		
Amortization of deferred capital contributions	-	-
Deferred capital contributions recognized as revenue in the year	-	-
<hr/>		
<b>Net change in non-cash working capital balances:</b>		
Decrease (increase) in accounts receivable	6	(6)
Increase in prepaid expenses	(387)	(199)
Increase in accounts payable	33,352	15,370
Increase (decrease) in deferred revenue	32,745	(15,574)
<hr/>		
	65,716	(409)
<hr/>		
Net increase (decrease) in cash and equivalents	65,716	(409)
Cash and equivalents, beginning of year	116,292	116,701
<hr/>		
<b>CASH AND EQUIVALENTS, END OF YEAR</b>	<b>182,008</b>	<b>116,292</b>
<hr/>		
<b>Cash consists of :</b>		
Cash in bank	182,008	91,292
GIC	-	25,000
<hr/>		
	<b>\$ 182,008</b>	<b>\$ 116,292</b>
<hr/>		

The accompanying notes and schedules form an integral part of the financial statements.



## **1. NATURE OF ORGANIZATION**

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD (The "Board") is an institution of public government established pursuant to the Surface Right Board (SRB) Act of the NWT. The purpose of the Board is to fairly resolve matters in dispute regarding access to lands in the NWT and waters overlying those lands in the Mackenzie Valley and the compensation to be paid for that access. These lands include Gwich'in Land Claim Settlement lands, Sahtu land claim settlement lands, Tlicho land claim settlements lands, as well as private, commissioner's and crown lands. It also includes Inuvialuit land claim settlement lands.

The Board is exempt from income taxes under Section 149 of the Income Tax Act.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Public Sector Accounting Standards (PSAS).

### **2a) Use of Estimates**

The preparation of financial statements necessarily involves the use of estimates, which have been made using careful judgment. Actual results could differ from these estimates and any differences will be reflected in the financial statements in the period in which they are known. The financial statements have, in the opinion of management, been properly prepared within the reasonable limits of materiality and the framework of the significant accounting policies summarized below.

### **2b) Tangible Capital Assets**

Tangible capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contributions. The minimum threshold for capitalization of assets is \$50,000. Amortization is calculated and recorded on a monthly basis, on a straight line basis in accordance with the asset categories. When a tangible capital asset belongs to a category that offers a range of useful lives, the board shall determine the useful life in a rational and systematic manner, appropriate to the nature and use of the tangible capital assets.

When a tangible capital asset no longer contributes to the Board's ability to provide goods and services, or the value of future economic benefits or service potential associated with the tangible capital asset is less than its net carrying amount, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost.

### **2c) Revenue Recognition**

#### **Government Contracts and Contribution Agreements:**

The Board follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

### **2d) Financial Instruments**

All significant financial assets, financial liabilities and equity instruments of the organization are either recognized or disclosed in the Financial Statements together with available information for a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable, the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

#### **i) Interest Rate Risk**

The Board is exposed to Interest rate risk on its fixed and floating rate financial instruments. Fixed interest financial instruments subject the Board to a fair value risks while the floating rate instruments subject it to cash flow risk. The Board is not subject to significant interest rate risk as it does not have any long term debt or interest bearing liabilities.

#### **ii) Liquidity Risk**

Liquidity risk is the risk that the Board will not be able to meet its financial obligations as they become due. The Board manages liquidity risk by reviewing forecasted cash flows from operating activities, forecasted financing activities and forecasted investing activities including budgeted capital expenditures and related financing.



**NORTHWEST TERRITORIES SURFACE RIGHTS BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2021**

**Financial Instruments (Contd...)**

**iii) Fair Values**

The methods and assumptions followed to disclose fair value are inherently matters of judgment. Accordingly, fair values do not necessarily reflect the amounts that would be recovered or paid under the circumstances that immediate settlement of the financial instruments were required. The use of different methods of estimating and different assumptions could have a material effect on the estimated fair value amounts. Due to the short-term nature of accounts receivable, accounts payable and accrued liabilities the carrying amounts approximate fair value.

**2e) Risk Management**

The Board reviews financial risks and sets appropriate limits and controls when necessary.

**3. FUTURE ACCOUNTING CHANGES**

**PS 3280-Asset retirement obligations:** This new section establishes standards on how to account for and report a liability for asset retirement obligations. This section is effective for fiscal periods beginning on or after April 1, 2021. The impact of the transition to these accounting standards has not yet been determined.

**PS 3400-Revenue:** This new section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. This section is effective for fiscal years beginning on or after April 1, 2022. Earlier adoption is permitted.

**4. ACCOUNTS RECEIVABLE**

	2021	2020
GNWT	\$ -	\$ 5
Interest Receivable	52	53
	<b>\$ 52</b>	<b>\$ 58</b>

**5. ACCOUNTS PAYABLE**

	2021	2020
Trades payable	\$ 88,481	\$ 63,109
Wages and honoraria fee payable	28,639	35,099
Vacation payable	321	903
WCB payable	211	275
Payroll remittances payable	14,374	-
GNWT payroll tax payable	947	236
	<b>\$ 132,973</b>	<b>\$ 99,622</b>



**NORTHWEST TERRITORIES SURFACE RIGHTS BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2021**

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**6. DEFERRED REVENUE**

Pursuant to Contribution Agreement Paragraph 7.3, any unspent amount of the Contribution, or amount repayable in accordance with the Agreement, shall be recorded as a liability in the accounts and records of the Board until the amounts have been spent in accordance with the Agreement or repaid to the GNWT, as applicable. The deferred revenue amount of \$51,116 is repayable to GNWT.

---

	<b>2021</b>		<b>2020</b>
Balance, beginning of year	\$ 18,371	\$	33,945
Deferred Revenue recognized as revenue during for the year	(18,371)		(33,945)
Deferred revenue for processing applications	51,116		18,371
<b>Balance, end of year</b>	<b>\$ 51,116</b>	<b>\$</b>	<b>18,371</b>

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**7. COVID-19 IMPACT**

In January 2020, the World Health Organization declared a public health emergency due to the spread of the COVID-19. By March 2020, a series of outbreaks in Canada, led the federal government to implement various restrictive measures designed to curb the spread of the virus. Following suit, the Territorial Government of Northwest Territories enacted measures of similar intent. The impact of the measures has led to widespread economic uncertainty.

Management has assessed the impact of the COVID-19 and the impact of the Federal and Territorial Government's restrictive measures, and has determined that there is no impact on the amounts and information reported in the financial statements as at March 31, 2021 and that subsequent to year end, the impact of the measures to combat the spread of the virus have not caused a significant change to the assets and liabilities of the Board. Management does not foresee there will be any going concern issue as the Board is fully funded by the Government of Northwest Territories.

**8. ECONOMIC DEPENDENCE**

**Revenues**

The Board derives a material amount of its revenues from contribution agreements with the Government of the Northwest Territories. Interruption of this funding would materially affect the operations of the Board.

**Supplies and Expenditures**

The Board may purchase all of the resources necessary for its operations at fair market values from available vendors deemed to provide best value to the Board.

The Board does not engage in the employment services of skilled individuals who could not be replaced in the labour market.

**9. CONTINGENT LIABILITIES**

The Board has determined that there have been no events that confirm that an asset has been impaired or liability incurred as at the financial statement date. The continued operations of the Board is dependent upon the Board securing financing by maintaining a volume of contribution funding. The Board has entered into a long term funding agreement with the Government of the Northwest Territories ending on March 31, 2021.



**NORTHWEST TERRITORIES SURFACE RIGHTS BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2021**

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**10. COMMITMENTS**

The Board is committed to estimated annual payments under rental lease agreement over the next five years as follows.

2022	\$26,430
2023	\$26,430
2024	\$26,430
2025	\$26,430
2026	\$26,430
	-----
	\$132,150

**STATUS OF WOMEN COUNCIL OF THE NWT**  
**Yellowknife, NT**

**FINANCIAL STATEMENTS**  
**For the year ended March 31, 2021**

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## MANAGEMENT'S RESPONSIBILITY FOR REPORTING

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian public sector accounting standards applicable to government not-for-profit organizations. Where necessary the statements include amounts that are based on informed judgements and estimates by management, giving appropriate consideration to reasonable limits of materiality.

In discharging its responsibility for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained. These controls include quality standards in hiring and training employees, written policies and procedures manuals, and accountability for performance within appropriate and well-defined areas of responsibility. The Board's management recognizes its responsibility for conducting the Board's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate.

Avery Cooper & Co. Ltd., Chartered Professional Accountants annually provides an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards.



Executive Director

June 23, 2021

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Status of Women Council of the NWT

### *Report on the Audit of the Financial Statements*

#### *Opinion*

We have audited the financial statements of Status of Women Council of the NWT (the "Council"), which comprise the Statement of Financial Position as at March 31, 2021, and the Statements of Operations, Changes in Fund Balances, and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at March 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Emphasis of Matter*

Without modifying our opinion, we draw attention to note 10 to the financial statements, concerning the worldwide spread of a novel coronavirus known as COVID-19 prior to year-end and its effect on the global economy. Our opinion is not modified in respect of this matter.

#### *Other Information*

Management is responsible for the other information. The other information comprises:

- ♦ Annual Report, but does not include the financial statements and our auditor's report thereon

The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement of this other information, we are required to report the matter to those charged with governance.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

## INDEPENDENT AUDITOR'S REPORT, continued

In preparing the financial statements, management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit 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 Council's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## INDEPENDENT AUDITOR'S REPORT, continued

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

As required by the *Financial Administration Act* ("FAA Act") of the Northwest Territories, we report that, in our opinion, the accounting principles in the Canadian public sector accounting standards have been applied.

Further, in our opinion, proper books of account have been kept by the Council and the financial statements are in agreement therewith. In addition, the transactions of the Council have, in all significant respects, been in accordance with the FAA Act and regulations; the *Status of Women Council Act* (the "Act") and regulations; the by-laws of the Council; and any directives issued to the Council by the Minister under the FAA or Act.

*Avery Cooper & Co. Ltd.*

Avery Cooper & Co. Ltd.  
Chartered Professional Accountants  
Yellowknife, NT

June 23, 2021

# STATUS OF WOMEN COUNCIL OF THE NWT

## STATEMENT OF FINANCIAL POSITION

March 31, 2021

### ASSETS

	<u>2021</u>	<u>2020</u>
<b>CURRENT</b>		
Cash	\$ 8,185	\$ 136,492
Accounts receivable (note 3)	<u>114,515</u>	<u>13,835</u>
	122,700	150,327
<b>DESIGNATED CASH</b>	81,745	81,732
<b>TANGIBLE CAPITAL ASSETS (note 4)</b>	<u>7,601</u>	<u>8,878</u>
	<u>\$ 212,046</u>	<u>\$ 240,937</u>

### LIABILITIES

<b>CURRENT</b>		
Trade payables and accruals (note 5)	\$ 28,354	\$ 64,983
Wages and benefits payable (note 6)	36,367	35,258
Deferred revenue (note 7)	28,057	59,049
Government remittances payable	<u>16,129</u>	<u>11,110</u>
	<u>108,907</u>	<u>170,400</u>
<b>CONTINGENCIES (note 8)</b>		

### FUND BALANCES

<b>UNRESTRICTED SURPLUS (DEFICIT) per page 3</b>	13,806	(20,073)
<b>INVESTED IN TANGIBLE CAPITAL ASSETS per page 3</b>	7,601	8,878
<b>CONTINGENCY FUND per page 3</b>	51,732	51,732
<b>BENEFITS FUND per page 3</b>	<u>30,000</u>	<u>30,000</u>
	<u>103,139</u>	<u>70,537</u>
	<u>\$ 212,046</u>	<u>\$ 240,937</u>

Approved:

  
\_\_\_\_\_  
Member

  
\_\_\_\_\_  
Member

# STATUS OF WOMEN COUNCIL OF THE NWT

## STATEMENT OF OPERATIONS

For the year ended March 31, 2021

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Core - Schedule 1	\$ 515,693	\$ 475,108
Family Violence Prevention Month - Schedule 2	53,000	53,000
Gender Equity - Schedule 3	48,468	83,115
NGO Stabilization Fund - Schedule 4	-	22,262
Leadership Forums - Schedule 5	-	39,613
Wise Women Awards - Schedule 6	23,456	22,225
Workplace Sexual Harassment - Schedule 7	255,530	8,338
Crime Week - Schedule 8	-	8,500
Campaign School - Schedule 9	-	419
Vigil - Schedule 10	2,500	1,114
Elimination of Violence - Schedule 11	20,068	16,932
Lens and Language - Schedule 12	24,150	-
Missing and Murdered Indigenous Women and Girls - Schedule 13	70,250	-
Women's Gatherings - Schedule 14	-	625
	<u>1,013,115</u>	<u>731,251</u>
<b>EXPENSES</b>		
Core - Schedule 1	483,104	478,159
Family Violence Prevention Month - Schedule 2	53,000	53,000
Gender Equity - Schedule 3	48,468	83,115
NGO Stabilization Fund - Schedule 4	-	22,262
Leadership Forums - Schedule 5	-	39,613
Wise Women Awards - Schedule 6	23,456	22,225
Workplace Sexual Harassment - Schedule 7	255,525	8,338
Crime Week - Schedule 8	-	8,500
Campaign School - Schedule 9	-	419
Vigil - Schedule 10	2,499	1,114
Elimination of Violence - Schedule 11	20,068	16,932
Lens and Language - Schedule 12	24,143	-
Missing and Murdered Indigenous Women and Girls - Schedule 13	70,250	-
Women's Gatherings - Schedule 14	-	625
	<u>980,513</u>	<u>734,302</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ 32,602</u>	<u>\$ (3,051)</u>



# STATUS OF WOMEN COUNCIL OF THE NWT

## STATEMENT OF CHANGES IN FUND BALANCES

For the year ended March 31, 2021

	2021				
	Unrestricted Surplus (Deficit)	Invested in Tangible Capital Assets	Contingency Fund	Benefits Fund	Total
<b>BALANCE, opening</b>	\$ (20,073)	\$ 8,878	\$ 51,732	\$ 30,000	\$ 70,537
Excess of revenues over expenses	32,602	-	-	-	32,602
Amortization of tangible capital assets	<u>1,277</u>	<u>(1,277)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>BALANCE, closing</b>	<u>\$ 13,806</u>	<u>\$ 7,601</u>	<u>\$ 51,732</u>	<u>\$ 30,000</u>	<u>\$ 103,139</u>
	2020				
	Unrestricted Deficit	Invested in Tangible Capital Assets	Contingency Fund	Benefits Fund	Total
<b>BALANCE, opening</b>	\$ (7,978)	\$ 12,684	\$ 38,882	\$ 30,000	\$ 73,588
Deficiency of revenues over expenses	(3,051)	-	-	-	(3,051)
Transfers	(12,850)	-	12,850	-	-
Amortization of tangible capital assets	<u>3,806</u>	<u>(3,806)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>BALANCE, closing</b>	<u>\$ (20,073)</u>	<u>\$ 8,878</u>	<u>\$ 51,732</u>	<u>\$ 30,000</u>	<u>\$ 70,537</u>

# STATUS OF WOMEN COUNCIL OF THE NWT

## STATEMENT OF CASH FLOWS

For the year ended March 31, 2021

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from contributions and donations	\$ 810,430	\$ 632,192
Cash paid for materials and services	(550,910)	(308,027)
Cash paid for wages and benefits	<u>(387,814)</u>	<u>(321,080)</u>
	(128,294)	3,085
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Decrease in marketable securities	<u>-</u>	<u>81,732</u>
<b>(DECREASE) INCREASE IN CASH</b>	(128,294)	84,817
<b>CASH, opening</b>	<u>218,224</u>	<u>133,407</u>
<b>CASH, closing</b>	<u><u>\$ 89,930</u></u>	<u><u>\$ 218,224</u></u>
 <b>REPRESENTED BY:</b>		
Cash	\$ 8,185	\$ 136,492
Designated cash	<u>81,745</u>	<u>81,732</u>
	<u><u>\$ 89,930</u></u>	<u><u>\$ 218,224</u></u>

# STATUS OF WOMEN COUNCIL OF THE NWT

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

### 1. NATURE OF OPERATIONS

Status of Women Council of the NWT (the "Council") is a government not-for-profit organization of the Government of the Northwest Territories ("GNWT") and was established under the *Status of Women Council Act* of the Northwest Territories dated April 4, 1990.

The objectives of the Council are:

- 1) to develop public awareness of issues affecting the status of women;
- 2) to promote a change in attitudes within the community in order that women may enjoy equality;
- 3) to encourage discussion and expression of opinion by residents of the Northwest Territories on issues affecting the status of women;
- 4) to advise the Minister on issues that the Minister may refer to the council for consideration;
- 5) to review policies and legislation affecting women and to report its findings to the relevant government departments or agencies;
- 6) to provide assistance to the Minister in promoting changes to ensure the attainment of equality of women; and
- 7) to provide the appropriate assistance to organizations and groups whose objectives promote the equality of women.

The Council may:

- 1) receive and hear submissions and suggestions from individuals and groups concerning the status of women;
- 2) research matters relating to the status of women;
- 3) suggest research areas in relation to matters relating to the status of women that may be studied by any interested persons;
- 4) recommend and participate in programs concerning the status of women;
- 5) recommend legislation, policies and practices to improve the equality of opportunity for women and to improve the status of women;
- 6) publish any reports, studies or recommendations that the Council considers advisable;
- 7) present reports to the Minister to be laid before the Legislative Assembly;
- 8) contract and be contracted in the name of the Council; and
- 9) make bylaws to regulate the affairs of the Council.

The Council is exempt from income tax under subsection 149(1) of the *Income Tax Act* (Canada).

### 2. SIGNIFICANT ACCOUNTING POLICIES

The Council follows accounting principles generally accepted in Canada in preparing its financial statements. The significant accounting policies used are as follows:

# STATUS OF WOMEN COUNCIL OF THE NWT

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (a) Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

#### (b) Financial instruments

The Council initially measures its financial assets and liabilities at fair value. The Council subsequently measures its financial assets and financial liabilities at amortized cost.

#### (c) Tangible capital assets

Tangible capital assets are recorded at cost. The Council provides for amortization using the declining balance method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. One half of the year's amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal. The annual amortization rates are as follows:

Equipment	20%
Computer equipment	30%

#### (d) Employee future benefits

Employees are entitled to severance benefits, as provided under labour contracts and conditions of employment, based on years of service. The benefits are paid upon resignation, lay off or death of employee.

The cost of the severance benefits upon resignation are accrued annually based on a minimum of four years of service, to a payout of 12 weeks maximum. The additional cost of severance benefits paid upon lay off are recorded in the year paid.

#### (e) Revenue recognition

The Council follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue when received or receivable and the amount can be reasonably estimated and collection is reasonably assured.

Contributions of materials and services are recognized in the financial statements at fair value at the date of contribution, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations, and would otherwise have been purchased.

Interest income that is not externally restricted is recognized in the Statement of Operations when earned.

# STATUS OF WOMEN COUNCIL OF THE NWT

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (f) Contributed materials and services

Directors and volunteers volunteer their time to assist in the Council's activities. While these services benefit the Council considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

The GNWT provides the Council with office premises without charge. The estimated value of these rental premises are recognized as expenses with a corresponding credit to revenues to reflect the full cost of the Council's operations in the financial statements.

#### (g) Allocated expenses

The Council allocates certain general support expenses according to the contribution agreement to which the expenditure relates. The expenditures are any direct cost related to the fulfillment of the contribution agreement. The costs are then allocated to the contribution agreement based on the actual amount of the expenditure.

Office administrative costs are allocated to contribution agreements that allow such costs to be allocated.

#### (h) Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary they are reported in income in the period in which they become known. Estimates are used when accounting for certain items such as allowance for doubtful accounts, the useful life of tangible capital assets, and employee future benefits.

### 3. ACCOUNTS RECEIVABLE

	<u>2021</u>	<u>2020</u>
GNWT - Health & Social Services	\$ 25,076	\$ 13,000
Canada - Justice Partnership and Innovation Program	<u>89,439</u>	<u>835</u>
	<u>\$ 114,515</u>	<u>\$ 13,835</u>

# STATUS OF WOMEN COUNCIL OF THE NWT

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

### 4. TANGIBLE CAPITAL ASSETS

			<u>2021</u>	<u>2020</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>	<u>Net</u>
Equipment	\$ 4,870	\$ 4,870	\$ -	\$ 645
Computer equipment	<u>58,081</u>	<u>50,480</u>	<u>7,601</u>	<u>8,233</u>
	<u>\$ 62,951</u>	<u>\$ 55,350</u>	<u>\$ 7,601</u>	<u>\$ 8,878</u>

### 5. TRADE PAYABLES AND ACCRUALS

	<u>2021</u>	<u>2020</u>
Trade payables	\$ 1,940	\$ 41,426
Scotiabank Visa	8,289	8,325
Accrued liabilities	<u>18,125</u>	<u>15,232</u>
	<u>\$ 28,354</u>	<u>\$ 64,983</u>

### 6. WAGES AND BENEFITS PAYABLE

	<u>2021</u>	<u>2020</u>
Wages payable	\$ 12,449	\$ 6,971
Severance liability	5,365	10,142
Vacation and lieu payable	<u>18,553</u>	<u>18,145</u>
	<u>\$ 36,367</u>	<u>\$ 35,258</u>

# STATUS OF WOMEN COUNCIL OF THE NWT

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

### 7. DEFERRED REVENUE

Deferred revenue as at March 31, 2021, consists of the following:

	<u>2021</u>	<u>2020</u>
Elimination of Violence	\$ -	\$ 68
Government of Canada - Gender Equity	-	48,468
Wise women	8,819	7,275
NGO Stabilization	<u>19,238</u>	<u>3,238</u>
	<u>\$ 28,057</u>	<u>\$ 59,049</u>
Deferred revenue, opening	\$ 59,049	\$ 102,628
Receipts	41,000	25,568
Funding expended	<u>(71,992)</u>	<u>(69,147)</u>
	<u>\$ 28,057</u>	<u>\$ 59,049</u>

### 8. CONTINGENCIES

Before year-end, there was a global outbreak of a novel coronavirus known as COVID-19, which has had a significant impact on organizations through the restrictions put in place by the Canadian and U.S. governments regarding travel, business operations and isolation/quarantine orders. The extent of the impact the COVID-19 outbreak may have on the Council will depend on future developments that are highly uncertain, and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, the duration of the outbreak, including the length of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are, or may, be put in place by Canada, U.S. or other countries to fight the virus. The Council's activities have not been significantly impacted thus far; however, the Council continues to assess the impact COVID-19 will have on its operations.

### 9. CONTRACTUAL RIGHTS

As at March 31, 2021, the Council had entered into contribution agreements with the GNWT - Department of Status of Women with the term April 1, 2021 - March 31, 2026, and Canada - Justice Partnership and Innovation Program with the term January 6, 2020 - March 31, 2024. The future maximum contributions are as follows:



# STATUS OF WOMEN COUNCIL OF THE NWT

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

### 9. CONTRACTUAL RIGHTS, continued

	GNWT - Department of Status of Women	Canada Justice Partnership and Innovation Program	Total
2022	\$ 444,000	\$ 310,218	\$ 754,218
2023	444,000	503,426	947,426
2024	444,000	490,615	934,615
2025	444,000	-	444,000
2026	444,000	-	444,000
	<u>\$ 2,220,000</u>	<u>\$ 1,304,259</u>	<u>\$ 3,524,259</u>

### 10. ECONOMIC DEPENDENCE

The Council receives the majority of its revenues from various GNWT departments. If the GNWT ceased to fund the Council, this would significantly affect operations.

### 11. REVENUES BY OBJECT

	2021	2020
Government grants and contributions	\$ 892,579	\$ 644,029
Contributed rent	71,000	71,000
Sponsorship, donations and events	2,986	6,115
Administration fees	46,538	9,054
Interest income	12	1,053
	<u>\$ 1,013,115</u>	<u>\$ 731,251</u>

# STATUS OF WOMEN COUNCIL OF THE NWT

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

### 12. COMMITMENT

As at March 31, 2021, the Council has outstanding quarterly commitments of \$1,356 with respect to an office equipment lease expiring March 31, 2026 as follows:

2022	\$	5,424
2023		5,424
2024		5,424
2025		5,424
2026		<u>5,424</u>
	\$	<u>27,120</u>

### 13. BENEFITS FUND

The Council, under its core contribution agreement, is allowed to create a Maternity and Parental Leave Benefits Fund, using a maximum of \$5,000 of unexpended core contribution per year, to a maximum of \$30,000. Changes during the year in the Benefits Fund are as follows:

	<u>2021</u>	<u>2020</u>
Benefits Fund	<u>\$ 30,000</u>	<u>\$ 30,000</u>

The Council maintains designated cash to cover the required fund balance. There is a sufficient balance to cover the fund balance in the current year.

### 14. CONTINGENCY FUND

The Council created a Contingency Fund to be fiscally responsible in discharging its responsibilities to make payments and to cover any future technology requirements. Changes during the year in the Contingency Fund are as follows:

	<u>2021</u>	<u>2020</u>
Contingency Fund	\$ 51,732	\$ 38,882
Transfer from unrestricted surplus	<u>-</u>	<u>12,850</u>
Contingency Fund, closing	<u>\$ 51,732</u>	<u>\$ 51,732</u>

The Council maintains designated cash to cover the required fund balance. There are sufficient funds to cover the balance in the current year.

# STATUS OF WOMEN COUNCIL OF THE NWT

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

### 15. FINANCIAL INSTRUMENTS

The Council's financial instruments consist of cash, marketable securities, accounts receivable, trade payables and accruals, and wages and benefits payable. Unless otherwise noted, it is management's opinion that the Council is not exposed to significant interest rate, market, currency, credit, liquidity, cash flow risks, nor is the Council exposed to significant concentrations of such risks. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

As March 31, 2021, the Council has a \$20,000 (2020 - \$20,000) credit card facility with the Bank of Nova Scotia.

### 16. RELATED PARTY TRANSACTIONS

The Council is related in terms of common ownership to all GNWT-created departments, territorial corporations and public agencies. The Council enters into transactions with these entities in the normal course of operations and on normal trade terms applicable to all parties. The amounts due to and from related parties are unsecured, non-interest bearing and due on demand.

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

	<u>2021</u>	<u>2020</u>
Revenue		
GNWT - Executive & Indigenous Affairs	\$ 417,456	\$ 431,780
GNWT - Department of Justice	47,067	44,000
GNWT - Health & Social Services	50,150	26,000
GNWT - Municipal & Community Affairs	-	22,262
GNWT - Infrastructure (Contributed rent)	71,000	71,000
GNWT - Women's Initiative Grant	<u>-</u>	<u>7,375</u>
	<u>\$ 585,673</u>	<u>\$ 602,417</u>
Expenses		
GNWT - Infrastructure (Contributed rent)	\$ 71,000	\$ 71,000
GNWT - Financial Shared Services	3,077	7,269
Northwest Territories Health and Social Services Authority	<u>1,250</u>	<u>1,250</u>
	<u>\$ 75,327</u>	<u>\$ 79,519</u>

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

# **STATUS OF WOMEN COUNCIL OF THE NWT**

## **NOTES TO THE FINANCIAL STATEMENTS**

March 31, 2021

### **17. COMPARATIVE FIGURES**

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

# STATUS OF WOMEN COUNCIL OF THE NWT

## SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

### SCHEDULE - CORE

### Schedule 1

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
GNWT - Executive & Indigenous Affairs	\$ 393,999	\$ 394,000
GNWT - Infrastructure - Contributed Rent	71,000	71,000
Administration Recovery	46,538	7,907
Miscellaneous	<u>4,156</u>	<u>2,201</u>
	<u>515,693</u>	<u>475,108</u>
<b>EXPENSES</b>		
Advertising & Promotion	2,970	453
Amortization	1,277	3,806
Catering	-	1,048
Computer Services	7,498	7,015
Contributed Rent	71,000	71,000
Equipment Rental	7,554	9,066
Honoraria	7,250	12,550
Interest & Bank Charges	77	154
Mail Service	995	1,320
Meetings	1,996	169
Professional Development - Staff	7,441	7,094
Professional/Contract Services	39,004	32,505
Resources/Subscriptions	2,198	2,245
Supplies	5,253	2,051
Technology	1,927	4,413
Telecommunications	10,050	8,168
Travel	5,500	18,402
Wages & Benefits	<u>311,114</u>	<u>296,700</u>
	<u>483,104</u>	<u>478,159</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ 32,589</u>	<u>\$ (3,051)</u>

# STATUS OF WOMEN COUNCIL OF THE NWT

## SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

### SCHEDULE - FAMILY VIOLENCE PREVENTION MONTH

### Schedule 2

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
GNWT - Justice	\$ 27,000	\$ 27,000
GNWT - Health & Social Services	<u>26,000</u>	<u>26,000</u>
	<u>53,000</u>	<u>53,000</u>
<b>EXPENSES</b>		
Administration	3,169	3,045
Community Events	34,545	34,950
FV Resource Package	9,828	6,825
Marketing & Communications	2,605	4,495
Postage & printing	1,752	2,669
YK Event	<u>1,101</u>	<u>1,016</u>
	<u>53,000</u>	<u>53,000</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

# STATUS OF WOMEN COUNCIL OF THE NWT

## SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

### SCHEDULE - GENDER EQUITY

### Schedule 3

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Government of Canada	\$ -	\$ 50,000
Deferred Revenue	<u>48,468</u>	<u>33,115</u>
	<u>48,468</u>	<u>83,115</u>
<b>EXPENSES</b>		
Administration	5,105	6,103
Facility Rental	2,500	-
Marketing & Communications	30,640	-
Materials & Supplies	223	103
Professional Fees	-	5,000
Project Management	-	25,000
Project Travel	-	28,909
Wages & Benefits	<u>10,000</u>	<u>18,000</u>
	<u>48,468</u>	<u>83,115</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ -</u>



# STATUS OF WOMEN COUNCIL OF THE NWT

## SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

### Schedule - NGO STABILIZATION FUND

### Schedule 4

	<u>2021</u>	<u>2020</u>
<b>REVENUE</b>		
GNWT - Municipal & Community Affairs	\$ -	\$ 25,500
Deferred Revenue	<u>-</u>	<u>(3,238)</u>
	<u>-</u>	<u>22,262</u>
<b>EXPENSES</b>		
Professional Fees	-	20,000
Project Travel	<u>-</u>	<u>2,262</u>
	<u>-</u>	<u>22,262</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ -</u>

# STATUS OF WOMEN COUNCIL OF THE NWT

## SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

### Schedule - LEADERSHIP FORUMS

### Schedule 5

	<u>2021</u>	<u>2020</u>
<b>REVENUE</b>		
INAC	\$ -	\$ 36,738
Grants	<u>-</u>	<u>2,875</u>
	<u>-</u>	<u>39,613</u>
<b>EXPENSES</b>		
Catering	-	2,888
Facility Rental	-	2,865
Honoraria	-	1,001
Marketing & Communications	-	484
Materials & Supplies	-	632
Printing & Postage	-	379
Professional Fees	-	23,000
Project Travel	-	8,104
Volunteer Appreciation	<u>-</u>	<u>260</u>
	<u>-</u>	<u>39,613</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

# STATUS OF WOMEN COUNCIL OF THE NWT

## SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

### Schedule - WISE WOMEN AWARDS

### Schedule 6

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Deferred Revenue	\$ 7,275	\$ 12,725
Grants, Sponsorships	<u>16,181</u>	<u>9,500</u>
	<u>23,456</u>	<u>22,225</u>
<b>EXPENSES</b>		
Awards & Recognition	4,372	3,146
Catering	9,816	3,886
Freight/Transportation	168	-
Marketing & Communications	6,139	4,003
Materials & Supplies	15	-
Print/Publication & Distribution	50	-
Program Delivery	1,000	-
Project Travel	<u>1,896</u>	<u>11,190</u>
	<u>23,456</u>	<u>22,225</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ -</u>

# STATUS OF WOMEN COUNCIL OF THE NWT

## SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

### Schedule - WORKPLACE SEXUAL HARASSMENT

### Schedule 7

	<u>2021</u>	<u>2020</u>
<b>REVENUE</b>		
Justice Canada	\$ 255,530	\$ 8,338
<b>EXPENSES</b>		
Accounting & Legal	5,000	2,000
Administration	33,330	1,088
Honoraria	3,000	-
Marketing & Communications	20,000	-
Office Equipment	8,820	-
Operating	5,220	250
Print/Publication & Distribution	1,840	-
Professional Fees	43,500	-
Program Delivery	69,000	-
Project Travel	415	-
Wages & Benefits	<u>65,400</u>	<u>5,000</u>
	<u>255,525</u>	<u>8,338</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 5</u>	<u>\$ -</u>

# STATUS OF WOMEN COUNCIL OF THE NWT

## SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

### Schedule - CRIME WEEK

### Schedule 8

	<u>2021</u>	<u>2020</u>
<b>REVENUE</b>		
Justice Canada	\$ -	\$ 8,500
<b>EXPENSES</b>		
Administration	-	132
Catering	-	3,636
Marketing & Communications	-	2,243
Materials & Supplies	-	775
Printing & Postage	-	231
Speaker Fees	-	1,483
	<u>-</u>	<u>8,500</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ -</u>

**STATUS OF WOMEN COUNCIL OF THE NWT**

**SCHEDULES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2021

**Schedule - CAMPAIGN SCHOOL**

**Schedule 9**

	<u>2021</u>	<u>2020</u>
<b>REVENUE</b>		
Deferred Revenue	\$ -	\$ 419
<b>EXPENSES</b>		
Administration	<u>-</u>	<u>419</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ -</u>

# STATUS OF WOMEN COUNCIL OF THE NWT

## SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

<b>Schedule - VIGIL</b>	<b>2021</b>	<b>Schedule 10</b>
	<u>2021</u>	<u>2020</u>
<b>REVENUE</b>		
Sponsorship, Donations & Events	\$ <u>2,500</u>	\$ <u>1,114</u>
<b>EXPENSES</b>		
Catering	16	-
Facility Rental	-	300
Marketing & Communications	1,175	557
Materials & Supplies	<u>1,308</u>	<u>257</u>
	<u>2,499</u>	<u>1,114</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	\$ <u><u>1</u></u>	\$ <u><u>-</u></u>

# STATUS OF WOMEN COUNCIL OF THE NWT

## SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

### Schedule - ELIMINATION OF VIOLENCE

### Schedule 11

	<u>2021</u>	<u>2020</u>
<b>REVENUE</b>		
GNWT - Justice	\$ 20,000	\$ 17,000
Deferred Revenue	<u>68</u>	<u>(68)</u>
	<u>20,068</u>	<u>16,932</u>
<b>EXPENSES</b>		
Administration	1,000	1,700
Catering	-	4,124
Freight/Transportation	680	167
Marketing & Communications	-	298
Materials & Supplies	18,388	8,259
Project Travel	<u>-</u>	<u>2,384</u>
	<u>20,068</u>	<u>16,932</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



# STATUS OF WOMEN COUNCIL OF THE NWT

## SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

<b>Schedule - LENS AND LANGUAGE</b>		<b>Schedule 12</b>
	<u>2021</u>	<u>2020</u>
<b>REVENUE</b>		
GNWT - Health and Social Services	<u>\$ 24,150</u>	<u>\$ -</u>
<b>EXPENSES</b>		
Administration	1,150	-
Marketing & Communications	3,993	-
Professional Fees	4,000	-
Program Delivery Costs	<u>15,000</u>	<u>-</u>
	<u>24,143</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u><u>\$ 7</u></u>	<u><u>\$ -</u></u>



# STATUS OF WOMEN COUNCIL OF THE NWT

## SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

### Schedule - WOMEN'S GATHERINGS

### Schedule 14

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
GNWT - Executive & Indigenous Affairs	\$ -	\$ 2
Deferred Revenue	<u>-</u>	<u>623</u>
	-	625
<b>EXPENSES</b>		
Administration	<u>-</u>	<u>625</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

# STATUS OF WOMEN COUNCIL OF THE NWT

## SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

### Schedule - EXPENSES BY OBJECT

### Schedule 15

	<u>2021</u>	<u>2020</u>
Advertising & Promotion	\$ 76,552	\$ 12,533
Amortization	1,277	3,806
Administration Fees	50,104	13,689
Awards/Volunteer Appreciation	4,372	3,146
Computer	18,324	11,428
Community Events	64,974	58,709
Equipment Rental	7,554	9,066
Equipment Use	3,766	2,442
Freight/Postage	3,345	4,767
Office and administration	5,220	250
Honoraria	10,250	13,550
Interest & Bank Charges	77	154
Office Supplies	5,476	1,566
Print/Publication & Distribution	1,890	-
Professional/Contract Services	208,687	105,064
Resources & Subscriptions	35,828	19,004
Rent	71,000	71,300
Telecommunications	10,051	8,167
Travel and Accommodation	7,811	68,867
Wages & Benefits	<u>393,955</u>	<u>326,794</u>
	<u>\$ 980,513</u>	<u>\$ 734,302</u>

Fur Marketing Service Revolving Fund

**Purpose:** To provide working capital for the operation of a fur advance system. Trappers receive interest free advances on fur sent to southern auction houses. Approximately 1,000 trappers take advantage of this program.

( thousands of dollars )

	2020/21 Actuals	2020/21 Revised Estimates	2020/21 Main Estimates	2019/20 Actuals
Authorized Limit	1,500	1,500	1,500	1,500
Opening Accounts Receivable	1,281	1,281	1,495	1,659
Advances to Trappers	488	328	790	466
Repayment of Fur Account Loans	(538)	(332)	(795)	(844)
Closing Accounts Receivable	1,231	1,277	1,490	1,281
Cash	(2,505)			(2,930)
Other Asset Accounts	3			1
Asset (Liability) Accounts	190			335
Clearing Accounts	63			63
<b>Closing Balance Fund 12</b>	<b>(1,018)</b>			<b>(1,250)</b>
Authorized limit	1,500			1,500

The information provided within this working paper addresses all requirements of YE Directive #50 with regards to content, format, completeness, analysis and reconciliation to SAM data, and its due date of May 13th, 2021.



Jessica St. Arnaud, DFA

May 12, 2021

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**Marine Transportation Services  
(Marine Transportation Services Revolving Fund)**

**Financial Statements**

**March 31, 2021**

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**Marine Transportation Services**  
**(Marine Transportation Services Revolving Fund)**

**Financial Statements**

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## **Management's Responsibility for Financial Reporting**

**To the Minister of Infrastructure**

**Government of the Northwest Territories**

Management is responsible for the reliability, integrity and objectivity of the data in the accompanying financial statements, which have been prepared in accordance with Canadian public sector accounting standards. Where appropriate, the financial statements include estimates and judgments based on careful consideration of the information available to management.

In discharging its responsibility for financial reporting, management maintains and relies on internal control systems and practices, which are designed to provide reasonable assurance that the transactions are authorized, the assets are safeguarded and proper records are maintained. These control systems and practices ensure the orderly conduct of business, the accuracy of the accounting records, reliability of financial information and compliance to legislation governing the Marine Transportation Services revolving fund (the "Fund").

The auditor provides an independent, objective audit for the purpose of expressing an opinion on the financial statements. The auditor also considers whether the transactions that come to their notice during the course of the audit are, in all significant respects, in accordance with specified legislation.



**Steve Hagerman, Director  
Marine Transportation Services Revolving Fund  
Yellowknife, Northwest Territories  
June 29, 2021**



## **Independent Auditors' Report**

**To the Minister of Infrastructure  
Government of the Northwest Territories Marine Transportation Services Revolving Fund**

### *Qualified Opinion*

We have audited the financial statements of Marine Transportation Services Revolving Fund (the "Fund"), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net debt, accumulated surplus (deficit) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Qualified Opinion*

Compensation and related benefits paid to employees of the Fund that are administrated by the Government of the Northwest Territories and are audited as part of the Government of the Northwest Territories' audit. Our audit scope was limited as we did not audit the compensation of compensation and benefits expenses and related balances. Accordingly, we were not able to determine whether any adjustments might be necessary to compensation and benefits expenses for the year ended March 31, 2021 and for the year ended March 31, 2020, and payroll liabilities, employee future benefits, net financial resources, and accumulated surplus (deficit) as at March 31, 2021 and March 31, 2020, as well as note disclosures associated with transactions and year end balances relating to compensation and benefits.

We were not able to observe the counting of the physical inventories at March 31, 2020 and were unable to satisfy ourselves regarding opening inventory quantities by means of other audit procedures. Accordingly we were unable to determine if further adjustments may be necessary to expenses, deficiency of revenue over expenses and cash flow from operations for the year ended March 31, 2021.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

## Independent Auditors' Report (continued)

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Yellowknife, Canada  
June 29, 2021

*Crowe Mackay LLP*

**Chartered Professional Accountants**

**Marine Transportation Services**  
**(Marine Transportation Services Revolving Fund)**

**Statement I**

**Statement of Financial Position**

March 31,	2021	2020
<b>Financial Assets</b>		
Cash	\$ -	\$ 6,173,883
Accounts receivable (note 4)	8,340,313	2,536,855
Employee future benefits (note 5)	15,312	-
	<b>8,355,625</b>	<b>8,710,738</b>
<b>Liabilities</b>		
Bank indebtedness (note 6)	16,346,629	-
Accounts payable and accrued liabilities (note 7)	2,421,081	6,119,364
Deferred revenue	608,417	-
Employee future benefits (note 5)	-	22,666
Due to Government of Northwest Territories - Revolving fund (note 8)	30,070,809	29,623,794
Due to Government of Northwest Territories - long-term loan (note 9)	10,260,438	9,616,947
<b>Net financial debt</b>	<b>(51,351,749)</b>	<b>(36,672,033)</b>
<b>Non-financial assets</b>		
Tangible capital assets (note 10)	50,106,852	33,955,761
Prepaid expenses and deposits (note 11)	341,254	460,921
Inventory (note 12)	903,643	2,255,351
	<b>51,351,749</b>	<b>36,672,033</b>
<b>Surplus (deficit)</b>	<b>\$ -</b>	<b>\$ -</b>

Contributed capital (note 13)  
 Contingent liabilities (note 14)  
 Contractual rights (note 15)

Approved:   
 Director  
 Marine Transportation Services

  
 Comptroller  
 Marine Transportation Services

**Marine Transportation Services**  
**(Marine Transportation Services Revolving Fund)**

**Statement II**

**Statement of Changes in Net Financial Debt**

For the year ended March 31,	2021 Budget	2021 Actual	2020 Actual
<b>Net financial debt, beginning of year</b>	\$ (36,672,033)	\$ (36,672,033)	\$ (15,926,324)
Deficiency of revenues over expenses	(1,210,000)	-	-
Amortization	1,210,000	1,473,500	830,380
Consumption (acquisition) of inventories	-	1,351,708	(1,063,772)
Use of (acquisition) of prepaid expenses	-	119,667	(5,124)
Purchase of tangible capital assets	-	(17,624,591)	(20,507,193)
<b>Change in net financial debt</b>	-	(14,679,716)	(20,745,709)
<b>Net financial debt, end of year</b>	\$ (36,672,033)	\$ (51,351,749)	\$ (36,672,033)

**Marine Transportation Services**  
**(Marine Transportation Services Revolving Fund)**

**Statement III**

**Statement of Operations**

For the year ended March 31,	2021 Budget	2021 Actual	2020 Actual
<b>Revenues</b>			
Cargo delivery revenue	\$ 4,957,000	\$ 2,567,694	\$ 5,470,153
Fuel delivery revenue	12,508,000	10,977,713	13,803,411
Fuel sales	7,035,000	3,085,334	7,762,937
Shipyard services	3,300,000	2,255,397	2,168,124
Charter revenue	-	283,895	970,648
Rental and other revenue	340,000	202,409	347,036
	<b>28,140,000</b>	<b>19,372,442</b>	<b>30,522,309</b>
<b>Expenses (note 16)</b>			
Fuel cost of sales	7,035,000	3,292,069	7,760,165
Maintenance	7,627,000	10,222,566	8,432,520
Marine operations	9,438,000	12,145,802	10,435,300
Shipyard service	4,158,000	1,742,444	2,302,541
Terminal operations	5,642,000	3,001,021	3,123,998
General and administrative	7,240,000	3,279,438	7,065,388
	<b>41,140,000</b>	<b>33,683,340</b>	<b>39,119,912</b>
<b>Deficiency of revenue over expenses before other expenses and items</b>	<b>(13,000,000)</b>	<b>(14,310,898)</b>	<b>(8,597,603)</b>
<b>Other expenses</b>			
Amortization	1,210,000	1,473,500	830,380
Finance charges (note 17)	-	1,057,192	832,854
	<b>1,210,000</b>	<b>2,530,692</b>	<b>1,663,234</b>
<b>Deficiency of revenue over expenses before other item</b>	<b>(14,210,000)</b>	<b>(16,841,590)</b>	<b>(10,260,837)</b>
<b>Other item</b>			
Grant contributions (note 18)	13,000,000	16,841,590	10,260,837
<b>Deficiency of revenue over expenses</b>	<b>\$ (1,210,000)</b>	<b>\$ -</b>	<b>\$ -</b>

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**Marine Transportation Services  
(Marine Transportation Services Revolving Fund)**

**Statement IV**

**Statement of Accumulated Surplus (Deficit)**

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<b>For the year ended March 31,</b>	<b>2021</b>	<b>2020</b>
<b>Accumulated surplus (deficit), beginning of year</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>-</b>	<b>-</b>
<b>Accumulated surplus (deficit), end of year</b>	<b>\$ -</b>	<b>\$ -</b>

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**Marine Transportation Services**  
**(Marine Transportation Services Revolving Fund)**

**Statement V**

**Statement of Cash Flows**

<b>For the year ended March 31,</b>	<b>2021</b>	<b>2020</b>
<b>Cash provided by (used for)</b>		
<b>Operating activities</b>		
Deficiency of revenues over expenses	\$ -	\$ -
Items not affecting cash		
Amortization	1,473,500	830,380
Finance charges	1,057,193	832,854
	<b>2,530,693</b>	<b>1,663,234</b>
Changes in non-cash working capital items		
Accounts receivable	(5,803,458)	3,175,635
Accounts payable and accrued liabilities	(3,698,283)	567,238
Deferred revenue	608,417	-
Employee future benefits	(37,978)	(31,039)
Inventory	1,351,708	(1,063,772)
Prepaid expenses and deposits	119,667	(5,124)
	<b>(4,929,234)</b>	<b>4,306,172</b>
<b>Financing activity</b>		
Proceeds from Government of Northwest Territories	33,313	101,979
<b>Investing activity</b>		
Purchase of tangible capital assets	(17,624,591)	(20,587,650)
<b>Decrease in cash</b>	<b>(22,520,512)</b>	<b>(16,179,499)</b>
<b>Cash, beginning of year</b>	<b>6,173,883</b>	<b>22,353,382</b>
<b>Cash (bank indebtedness), end of year</b>	<b>\$ (16,346,629)</b>	<b>\$ 6,173,883</b>

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# Marine Transportation Services (Marine Transportation Services Revolving Fund)

## Notes to the Financial Statements

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March 31, 2021

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### 1. Nature of operations

Marine Transportation Services Revolving Fund (the Fund) was established on June 2, 2017 after the closure of the Northern Transportation Company Limited (NTCL) in December 2016. The Fund was established with the main purpose of meeting the capital, operating and maintenance requirements of providing marine transportation services for the movement of cargo to communities on Great Slave Lake, the Mackenzie River and throughout the Arctic coastal region.

Under the Government of the Northwest Territories *Revolving Funds Act* (the "Act"), the Fund can receive working capital advances from the Consolidated Revenue Fund (CRF) to finance inventory, accounts receivable and operating expenses. The authorized limit of the Fund, being the maximum amount by which the assets may exceed the liabilities, is \$35 million. There is no limit for instances where liabilities may exceed assets. The balance of the Fund is reported as due to or from the Government of the Northwest Territories (the "GNWT") on the statement of financial position.

### 2. Significant accounting policies

The Fund follows Canadian Public Sector Accounting Standards (PSAS) generally accepted in Canada in preparing its financial statements. The significant accounting policies used are as follows:

#### (a) Revenue recognition

Revenue is recognized when it is probable that all economic benefits will flow to the Fund and delivery of service has occurred, or when the price is fixed or determinable and when collectability is reasonably assured.

Fuel sales revenue is recognized in the period in which the fuel is delivered to the customer premises. Revenue is recognized on the actual volume of fuel delivered at predetermined rates between the Fund and the customer, and when all discharge documents have been acknowledged and signed by the customer.

Cargo and fuel delivery revenue is recognized in the period when the Fund fulfills delivery requirements and when both fuel and cargo have been delivered at the customer premises and all discharge documents acknowledged and signed by the customer. Both fuel and cargo delivery rates are pre-determined.

Charter revenue is recognized when there is use of the Fund's vessels for a specified period of time under specified conditions at pre-determined prices. Revenue is recognized in the period when the Fund provides the required vessels to the customer as specified in the contract.

Shipyard services revenue is recognized in the period when the Fund performs services for any other customer outside the normal Fund's activities. Revenue is recognized in the period that the Fund completes and delivers such services to the customer.

Grant contribution revenue recognized when the funds are receivable or become receivable under the agreement signed between the Government of Canada, the Government of Northwest Territories and the Fund.



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## **Marine Transportation Services (Marine Transportation Services Revolving Fund)**

### **Notes to the Financial Statements**

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**March 31, 2021**

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#### **2. Significant accounting policies (continued)**

##### **(a) Revenue recognition (continued)**

Other revenue is recognized as goods are delivered or services are provided.

##### **(b) Government transfers**

Government transfers are the transfer of monetary assets or tangible capital assets from a government for which the government making the transfer does not:

- receive any goods or services directly in return;
- expect to be repaid in the future; or
- expect a direct financial return.

Government transfers are recognized as revenue in the period during which the transfer is authorized and eligibility criteria are met, except when and to the extent that the transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers meeting the definition of a liability are recognized as revenue as the liability is settled.

##### **(c) Inter-entity transactions**

Inter-entity transactions are transactions between commonly controlled entities, Government departments.

Inter-entity transactions are recorded at the exchange amount when they are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length. The cost allocations are recorded on a gross basis.

##### **(d) Measurement uncertainty**

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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## **Marine Transportation Services (Marine Transportation Services Revolving Fund)**

### **Notes to the Financial Statements**

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**March 31, 2021**

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#### **2. Significant accounting policies (continued)**

##### **(e) Financial instruments**

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

This category includes cash, bank indebtedness, accounts receivable, accounts payable and accrued liabilities, and amounts due to the Government of the Northwest Territories. 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.

##### **(f) Cash and bank indebtedness**

The Fund maintains an account with the Royal Bank of Canada. All funds received are recorded and banked to this account. All payments made are recorded to this account with exception of payments made directly by the Government of Northwest Territories on behalf of the Fund. Payments made by the Government of Northwest Territories are recorded on the revolving fund loan account with the Government of Northwest Territories. The balance in the financial statements reflects the Funds cash and bank indebtedness by the end of the year.

##### **(g) Inventory**

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the weighted average method.

##### **(h) Employee future benefits**

Under the terms and conditions of labour contracts, employees may qualify and earn employment benefits for annual leave, retirement, severance and removal costs based on years of service and salary.

The Fund and its employees, who are part of the Government of the Northwest Territories, make contributions to the Public Service Superannuation Plan administered by the Government of Canada. The Fund and the employees contribute to the cost of the plan. The Fund contributes an amount equal to the employees' contribution. During the year, the Fund contributed \$65,797 (2020 - \$97,027). During the year employees contributed \$65,797 (2020 - \$97,027).

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## **Marine Transportation Services (Marine Transportation Services Revolving Fund)**

### **Notes to the Financial Statements**

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**March 31, 2021**

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#### **2. Significant accounting policies (continued)**

##### **(h) Employee future benefits (continued)**

The contributions are expensed on a current year basis. Any changes to the balance in subsequent years will be reflected as an expense in the subsequent year. The Fund is not required under the present legislation to make contributions with respect to actuarial deficiencies to the Public Service Superannuation Account.

The estimated liability for these benefits is recorded as the benefits are earned by the employees. The benefit plan is not pre-funded.

##### **(i) Related parties**

The Fund initially measures related party balances in accordance with the substance of the transactions that gave rise to them. The Fund subsequently measures related party balances in accordance with the Fund's policies for financial instruments, as set out in note (e).

The Fund is related in terms of common control to all Government of the Northwest Territories departments, boards and agencies.

The Fund enters into transactions with these entities in the normal course of business at the specified market rates for services with the exception of Fuel Services Division (FSD) which is the part of the Department of Infrastructure. FSD is charged for fuel deliveries made by the Fund at non-market rates prepared by the Fund's management and communicated to FSD management.

##### **Departments**

- Department of Education, Culture and Employment
- Department of Environment and Natural Resources
- Department of Executive and Indigenous Affairs
- Department of Finance
- Department of Health and Social Services
- Department of Industry, Tourism and Investment
- Department of Infrastructure
- Department of Justice
- Department of Lands
- Department of Municipal and Community Affairs
- Legislative Assembly

##### **Boards and Agencies**

- Arctic Energy Alliance
- Aurora College
- Education Authorities
- Health and Social Services Authority
- Inuvialuit Water Board
- Northwest Territories Heritage Fund

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## Marine Transportation Services (Marine Transportation Services Revolving Fund)

### Notes to the Financial Statements

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March 31, 2021

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#### 2. Significant accounting policies (continued)

##### (i) Related parties (continued)

###### Boards and Agencies (continued)

Northwest Territories Power Corporation  
NWT Business Development & Investment Corporation  
NWT Environmental Studies Research Fund  
NWT Housing Corporation  
NWT Human Rights Commission  
NWT Liquor and Cannabis Commission  
NWT Liquor Licensing Board  
NWT Surface Rights Board  
Stanton Foundation  
Status of Women Council of the NWT  
Tlicho Community Services Agency  
Workers' Safety and Compensation Commission

##### (j) Tangible capital assets

Tangible capital assets are accounted for at cost. Amortization is based on their useful life using the straight-line methods.

Machinery and equipment	15 years Straight-line
Vessels and barges	12.5 and 55 years Straight-line

Self-constructed assets: cost includes expenditure on materials, direct labour and allocated proportion of project overheads. Any gain or loss on disposal or retirement of a tangible asset is determined as the difference between proceeds from disposal and the carrying amount of the asset and is recognised in net surplus or deficit.

Major overhauls and inspections costs are capitalized and amortized over the remaining useful life of the asset. Maintenance and repair costs that do not improve productivity or extend the useful life of the assets are expensed in the period incurred.

Useful life for marine assets is determined using industry standards and professional judgment. The used assets are amortized over 12.5 years, barges acquired after 2016 are amortized over 55 years. Additions to existing assets are amortized over the remaining useful life of the assets.

##### (k) Capital work in progress

Capital work in progress represents capital projects under construction but not completed and are valued at cost. Capital work in progress is accumulated until ready to use.

Amortization is recorded when the asset has been put to use.

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## **Marine Transportation Services (Marine Transportation Services Revolving Fund)**

### **Notes to the Financial Statements**

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**March 31, 2021**

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#### **2. Significant accounting policies (continued)**

##### **(l) Liability for contaminated sites**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The Fund recognises liability for remediation of contaminated sites when the following criteria have been met:

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

The best estimate of the liability includes all costs directly attributable to remediation activities and reduced by the expected net recoveries based on information available. At each financial reporting date, management reviews the carrying amounts of the liability. Any revision required to the amount previously recognised is accounted for in the period revisions are made.

Government of Northwest Territories contaminated sites division of the Department of Environment and Natural Resources completed an assessment through a contractor. As of March 31, 2021, there was no liability related to contaminated sites.

##### **(m) Budget**

Budget figures are not audited and intended for information purposes only.

##### **(n) Services provided by the Government of the Northwest Territories**

The Fund does not record the following services provided without charge by the Government of Northwest Territories: the procurement of goods and services, administration of insurance and risk management, the processing of payroll, legal counsel, record storage and computer operations and internal audit services, as it is difficult to estimate them.

#### **3. Future changes to significant accounting policies**

##### **Revenue, Section PS 3400**

This Section is effective for fiscal periods beginning on or after April 1, 2023. This section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations.

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

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## Marine Transportation Services (Marine Transportation Services Revolving Fund)

### Notes to the Financial Statements

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March 31, 2021

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#### 3. Future changes to significant accounting policies (continued)

##### Asset Retirement Obligations, Section PS 3280

This section will be effective for fiscal years beginning on or after April 1, 2022 and is intended to enhance comparability of financial statements among public sector entities by establishing uniform criteria for recognition and measurement of asset retirement obligations, including obligations that may not have previously been reported. This section would require public sector entities to review existing contract, legislation, regulations, and other sources to identify retirement activities associated with its controlled tangible capital assets.

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

#### 4. Accounts receivable

	2021	2020
Customer receivable	\$ 308,855	\$ 3,022,162
Government of Canada - Transport Canada	8,150,384	-
Government of Canada - Fisheries and Oceans	216,008	-
Government of Northwest Territories		
Department of Infrastructure - Fuel Services Division	-	850,000
Department of Environmental and Natural Resources	-	5,443
Health Authority	-	1,917
Northwest Territories Housing Corporation	-	253
	<b>8,675,247</b>	<b>3,879,775</b>
Less: Allowance for doubtful accounts	<b>334,934</b>	<b>1,342,920</b>
	<b>\$ 8,340,313</b>	<b>\$ 2,536,855</b>

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**Marine Transportation Services**  
**(Marine Transportation Services Revolving Fund)**

**Notes to the Financial Statements**

**March 31, 2021**

**5. Employee future benefits**

	2021	2020
Accrued benefit liabilities, beginning of year	\$ (70,287)	\$ (98,535)
Current service cost	(4,751)	(4,465)
Interest cost	(1,770)	(2,701)
Benefit paid	50,887	43,606
Actuarial loss	(29,857)	(8,192)
Accrued benefit liabilities, end of year	(55,778)	(70,287)
Unamortized net actuarial gain	71,090	47,621
Employee future benefit asset (liability), end of year	\$ 15,312	\$ (22,666)

The discount rate used in the 2021 fiscal year to determine the accrued benefit obligation was an average of 3.3% (2020 - 2.7%).

The expected contributions during the next five fiscal years are as follows:

	Total
2021	\$ 11,850
2022	8,375
2023	5,389
2024	5,140
2025	4,157
2026 - 2030	19,534
<b>Total</b>	<b>\$ 54,445</b>

**6. Bank indebtedness**

The Funds bank account is one of numerous Government of Northwest Territories accounts included in a consolidated balance arrangement with the Royal Bank of Canada. There are no fixed repayment terms and the overdraft limits are negotiated based on the forecasted cash flows and borrowing requirements of the Government of Northwest Territories. The Government of Northwest Territories does not pay out or recover interest from the Fund.

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## Marine Transportation Services (Marine Transportation Services Revolving Fund)

### Notes to the Financial Statements

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March 31, 2021

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#### 7. Accounts payable and accrued liabilities

	2021	2020
Trade accounts payable and accrued liabilities	\$ 1,669,890	\$ 4,412,481
Government of Canada - goods and services tax payable	188,994	143,077
Government of Canada - federal excise tax payable	87,153	-
Government of Northwest Territories		
Department of Infrastructure - Fuel Services Division	473,248	1,557,695
Department of Infrastructure	1,796	2,330
Aurora College	-	3,781
	<b>\$ 2,421,081</b>	<b>\$ 6,119,364</b>

#### 8. Due to Government of Northwest Territories – Revolving Fund

As per the *Revolving Fund Act* (the "Act") there shall be an authorized fund to meet the capital, operating and maintenance requirements of the Fund. The Due to Government of Northwest Territories - Revolving fund has no specific term of repayment and bears interest at the Bank of Canada prime rate per annum plus 0.35%. During the year the Government of Northwest Territories charged financing charges of \$861,729 (2020 - \$654,468).

#### 9. Due to Government of Northwest Territories – long-term loan

The GNWT purchased assets from NTCL at a cost of \$11,300,000 in 2017. The assets comprised tangible capital assets worth \$10,656,509 and controllable assets worth \$643,491. A repayment plan was prepared based on the loan amount of \$11,300,000. Long-term loan bears interest at an interest rate of 1.84% per annum. During the year the GNWT charged financing charges of \$195,463 (2020 - \$178,386).

Fund made \$nil (2020 - \$nil) payment against the Government of Northwest Territories long-term loan.



## Marine Transportation Services (Marine Transportation Services Revolving Fund)

### Notes to the Financial Statements

March 31, 2021

#### 9. Due to Government of Northwest Territories – long-term loan (continued)

	2021	2020
Government of Northwest Territories long-term loan, due in December 2027	\$ 10,260,438	\$ 9,616,947
Estimated principle repayments are as follows:		
2022	\$ 3,234,867	
2023	1,118,211	
2024	1,138,786	
2025	1,159,740	
2026	1,181,079	
Subsequent years	2,427,755	
	<b>\$ 10,260,438</b>	

#### 10. Tangible capital assets

For the year ended March 31,					2021	2020
	Land	Vessels and barges	Machinery and equipment	Capital work in progress	Total	Total
<b>Cost</b>						
Balance, beginning of the year	\$ 2,212,843	\$ 12,407,112	\$ 1,090,581	\$ 20,180,065	\$ 35,890,601	\$ 15,383,408
Addition during the year	-	30,720,944	87,680	17,624,591	48,433,215	22,306,717
Capitalized from capital work in progress	-	-	-	(30,808,624)	(30,808,624)	(1,799,524)
<b>Balance, end of year</b>	<b>2,212,843</b>	<b>43,128,056</b>	<b>1,178,261</b>	<b>6,996,032</b>	<b>53,515,192</b>	<b>35,890,601</b>
<b>Accumulated amortization</b>						
Balance, beginning of the year	-	1,792,816	142,024	-	1,934,840	1,104,460
Annual amortization	-	1,385,991	87,509	-	1,473,500	830,380
<b>Balance, end of year</b>	<b>-</b>	<b>3,178,807</b>	<b>229,533</b>	<b>-</b>	<b>3,408,340</b>	<b>1,934,840</b>
<b>Net book value</b>	<b>\$ 2,212,843</b>	<b>\$ 39,949,249</b>	<b>\$ 948,728</b>	<b>\$ 6,996,032</b>	<b>\$ 50,106,852</b>	<b>\$ 33,955,761</b>

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## Marine Transportation Services (Marine Transportation Services Revolving Fund)

### Notes to the Financial Statements

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March 31, 2021

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#### 11. Prepaid expenses and deposits

	2021	2020
Insurance	\$ 237,694	\$ 175,471
Other	103,560	285,450
	\$ 341,254	\$ 460,921

#### 12. Inventory

	2021	2020
Fuel	\$ 546,860	\$ 1,962,042
Parts and supplies	356,783	293,309
	\$ 903,643	\$ 2,255,351

#### 13. Contributed capital

The Fund recognized grant contribution from the Government of Northwest Territories for the operating losses charged to an appropriation at the end of each fiscal year as specified in *Financial Administration Act* in Section 104(c). As of March 31, 2021 the Government of Northwest Territories made accumulated contributions of \$8,608,287 (2020 - \$6,378,429).

#### 14. Contingent liabilities

Three lawsuits and claims totaling \$2,779,000 are pending against the Fund as at financial statements release date. The claims are for undelivered goods during the 2018 bargaining season. The likelihood of any liability under these lawsuits cannot be reasonably determined and as such no liability has been accrued in these financial statements.

The contingent losses, if any, would be recognized as expense in a year when the lawsuits and claims are resolved.

## Marine Transportation Services (Marine Transportation Services Revolving Fund)

### Notes to the Financial Statements

March 31, 2021

#### 15. Contractual rights

The Fund had a contract since August 27, 2019 for the use of the MV 2011-03 vessel for the duration of nineteen (19) years with the estimated price of \$400,000 per year for the first ten years and \$500,000 per year for the next ten years.

The expected revenue over the next five fiscal years are as follows:

	<b>Total</b>
2022	\$ 400,000
2023	400,000
2024	400,000
2025	400,000
2026	400,000
Subsequent years	6,368,767
	<b>\$ 8,368,767</b>

The Fund has a grant contribution agreement for the amount of \$1,050,000 with the Government of Canada for construction of four double hulled barges to be received in the fiscal year ended March 31, 2022.

#### 16. Expenses

	Fuel cost of sales	Maintenance	Marine operations	Shipyard service	Terminal operations	General and administrative	2021 Actual
Fuel cost of sales	\$ 3,292,069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,292,069
Shipyard service cost of sales	-	-	-	1,742,444	-	-	1,742,444
Wages and benefits	-	8,021,620	6,395,356	-	2,001,481	1,875,746	18,294,203
Fuel consumption	-	199,326	3,388,678	-	77,032	-	3,665,036
Insurance	-	122,378	906,185	-	312,930	184,958	1,526,451
Other	-	1,879,242	1,455,583	-	609,578	1,218,734	5,163,137
	<b>\$ 3,292,069</b>	<b>\$ 10,222,566</b>	<b>\$ 12,145,802</b>	<b>\$ 1,742,444</b>	<b>\$ 3,001,021</b>	<b>\$ 3,279,438</b>	<b>\$ 33,683,340</b>

#### 17. Financing charges

	2021	2020
Interest on revolving fund - due to Government of Northwest Territories	\$ 861,729	\$ 654,468
Interest on long-term loan - due to Government of Northwest Territories	195,463	178,386
	<b>\$ 1,057,192</b>	<b>\$ 832,854</b>

## Marine Transportation Services (Marine Transportation Services Revolving Fund)

### Notes to the Financial Statements

March 31, 2021

#### 18. Grant contributions

	2021	2020
Government of Canada		
Transport Canada - Ocean Protection Fund - 75% of doubled hulled barges	\$ 13,554,540	\$ 4,630,250
Low Carbon Economy Leadership Fund - capital expenditure for the refit of the Jock McNiven vessel	-	1,719,031
Government of Northwest Territories - Department of Infrastructure		
Operating losses	2,229,858	2,117,922
Finance charges	1,057,192	832,854
Land acquisition	-	960,780
	<b>\$ 16,841,590</b>	<b>\$ 10,260,837</b>

#### 19. Related party transactions

During the year the Fund incurred the following transactions with the related parties:

	2021	2020
Revenue		
Government of Northwest Territories		
Department of Infrastructure - Fuel Services Division	\$ 6,289,571	\$ 8,633,805
Northwest Territories Power Corporation	227,005	201,781
Department of Environmental and Natural Resources	65,856	129,944
Department of Infrastructure	17,317	24,803
Department of Infrastructure - Yellowknife Airport Revolving Fund	17,066	-
NWT Housing Corporation	15,925	1,113
Sahtu Divisional Education Council	2,390	-
Department of Justice	2,041	-
Department of Industry, Tourism and Investment	1,529	-
NWT Liquor and Cannabis Commission	888	-
Northwest Territories Health and Social Services Authorities	-	3,277
	<b>\$ 6,639,588</b>	<b>\$ 8,994,723</b>
Expenses		
Government of Northwest Territories		
Department of Finance	\$ 246,801	\$ -
Department of Infrastructure - Fuel Services Division	45,529	1,590,557
Northwest Territories Power Corporation	22,946	-
Department of Infrastructure	-	11,035
	<b>\$ 315,276</b>	<b>\$ 1,601,592</b>

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## Marine Transportation Services (Marine Transportation Services Revolving Fund)

### Notes to the Financial Statements

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March 31, 2021

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#### 19. Related party transactions (continued)

Accounts receivable from related parties are disclosed in note 4.  
Accounts payable and accrued liabilities to related parties are disclosed in note 7.  
Finance charges are disclosed in note 17.  
Grant contributions are disclosed in note 18.

#### 20. Risk management

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

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

##### (a) Credit risk

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

Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection.

The Fund's maximum exposure to credit risk is represented by its accounts receivable for a total of \$8,340,313 (2020 - \$2,536,855). At March 31, 2021, the Fund's management has determined that \$334,934 (2020 - \$1,342,920) accounts receivable was impaired. Management's assessment was based on specific identification and age of receivables.

	0 to 30 Days	31 to 60 Days	61 to 90 Days	+ 90 Days	TOTAL
Accounts receivable	\$ 219,608	\$ -	\$ -	\$ 8,455,639	\$ 8,675,247
Allowance for doubtful accounts	-	-	-	(334,934)	(334,934)
	\$ 219,608	\$ -	\$ -	\$ 8,120,705	\$ 8,340,313

##### Concentration of credit risk

Concentration of credit risk is the risk that a customer(s) has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the Fund in the event of a default. The Fund does have concentration risk. At March 31, 2021, receivables from one customer comprised 98% (2020 - 96%) of the total outstanding accounts receivables. The risk is considered low since the receivable is from a customer who is considered creditworthy by the Fund management. The Fund reduces this risk by monitoring overdue balances.

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

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## **Marine Transportation Services**

### **(Marine Transportation Services Revolving Fund)**

#### **Notes to the Financial Statements**

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**March 31, 2021**

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#### **20. Risk management (continued)**

##### **(b) Liquidity risk**

Liquidity risk is the risk that the Fund will not be able to meet all cash outflow obligations as they come due. The Fund mitigates this risk by monitoring cash activities and expected outflows and utilizing the overdraft availability on the Funds bank account to cover unexpected cash outflow should they arise.

The Fund's maximum exposure to liquidity risk is represented by the financial liabilities for a total of \$59,098,957 (2020 - \$45,382,771). Financial liabilities consist of bank indebtedness, accounts payable and accrued liabilities, employee future benefits, due to the Government of Northwest Territories - Revolving fund and due to the Government of the Northwest Territories – long-term loan. All financial liabilities with the exception of the amounts due to the Government of Northwest Territories are considered current and mature within 6 months.

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

##### **(c) Interest rate risk**

The Fund is exposed to interest rate risk. Interest rate risk is the risk that the Fund has interest rate exposure on its due to the Government of Northwest Territories – Revolving fund, and due to Government of Northwest Territories - long-term loan, which are variable based on the Bank of Canada prime rate. This exposure may have an effect on its earnings in future periods. The Fund reduces its exposure to interest rate risk by regularly monitoring published bank prime interest rates which have been relatively stable over the period presented. The Fund does not use derivative instruments to reduce its exposure to interest rate risk. In the opinion of management the interest rate risk exposure to the Fund low and is not material.

##### **(d) Other price risk**

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. The Fund is exposed to other price risks as it purchases and sells petroleum products which are sensitive to price fluctuations. The Fund reduces its exposure to this risk by purchasing and selling the petroleum products at pre-approved rates.

There have been no significant changes from the previous year in the exposure to risk.

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## **Marine Transportation Services (Marine Transportation Services Revolving Fund)**

### **Notes to the Financial Statements**

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**March 31, 2021**

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#### **21. COVID-19**

On March 11, 2020, the World Health Organization declared a global pandemic. The outbreak of the novel strain of the coronavirus, COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility. Governments and central banks including Canadian federal, provincial, territorial and municipal governments have responded with significant monetary and fiscal interventions designed to stabilize economic conditions.

At the time of approval of these financial statements, in response to the COVID-19 pandemic:

- Management of the Fund has been proactive and diligent in addressing the implementation of infection prevention and other precautionary measures, guided by public health authorities, to limit the spread of COVID-19 and the impact of the pandemic and the related economic contraction on the Fund.
- The impact to operations has been minimal.
- The Fund has not pursued nor received government assistance specifically related to COVID-19.

The rapidly evolving event, including health and safety conditions, economic environment and resulting government measures, creates a high level of uncertainty and risk that may result in significant impacts to the Fund's activities, results of operations and financial condition. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. As such it is not possible to estimate the length and severity of these developments and the impact on the financial results and condition on the Fund and its operations in future periods.

#### **22. Comparative figures**

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

**NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND  
LIQUOR ENFORCEMENT**

**Financial Statements**

**Year ended March 31, 2021**



# NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the financial statements of the Northwest Territories Liquor Licensing Board and Liquor Enforcement (Board) is the responsibility of the Board's management.

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants. Where alternative accounting methods are permitted, management has chosen those that are most appropriate. Where required, management's best estimates and judgments have been applied in the preparation of these financial statements.

Management fulfills its financial reporting responsibilities by maintaining financial management and control systems and practices which are designed to provide reasonable assurance that transactions are properly authorized, proper records are maintained, accurate financial information is prepared on a timely basis, assets are safeguarded, and the Board complies with all statutory requirements.

Our auditor performs an annual audit on the financial statements in order to express an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the Liquor Licensing Board and Liquor Enforcement, the results of its operations, the change in its net financial resources and its cash flows for the year. During the course of the audit, they also examined transactions that have come to their notice, to ensure they are, in all significant respects, in accordance with the statutory authorities of the Board.



Adelle Guigon, A/ Chairperson  
NWT Liquor Licensing Board  
June 30, 2021

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## INDEPENDENT AUDITOR'S REPORT

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To the Ministers of Northwest Territories Liquor Licensing Board and Liquor Enforcement

*Report on the Financial Statements*

*Qualified Opinion*

We have audited the financial statements of Northwest Territories Liquor Licensing Board and Liquor Enforcement (the Board), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

*Basis for Qualified Opinion*

The Government of the Northwest Territories is responsible for the calculation and distribution of the Commission's salaries, wages and employee benefits expense for public service employees, the accuracy of which is not susceptible to complete audit verification. We have satisfied ourselves that the payroll information provided by the GNWT is properly reflected in the Commission's records. As a result, we were not able to determine whether any adjustments might be necessary to expenses, liabilities or accumulated surplus.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Board in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

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

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

(continues)

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Hay River, Northwest Territories  
June 30, 2021

Chartered professional accountants

# NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

## Statement of Financial Position

As at March 31, (\$000)	2021	2020
<b>Financial Assets</b>		
Accounts Receivable	\$ 5	\$ 5
Due from NWT Liquor Commission (note 3)	138	61
Pension and other employee benefits (note 4)	30	34
	173	100
<b>Financial Liabilities</b>		
Accounts payable (Note 6)	140	70
Deferred revenue	33	30
	173	100
<b>Net Financial Assets (debt)</b>	-	-
<b>Non-financial Assets</b>		
Prepaid Expenses	-	-
<b>Accumulated surplus</b>	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

Approved by the Northwest Territories Liquor Licensing Board:

  
 \_\_\_\_\_  
 Adelle Guigon, A/Chairperson  
 Liquor Licensing Board

**NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND  
LIQUOR ENFORCEMENT**

**Statement of Operations**

<b>For the year ended March 31 (\$000)</b>	<b>2021</b>		<b>2021</b>		<b>2020</b>	
	<b>Budget</b>		<b>Actual</b>		<b>Actual</b>	
<b>Revenue</b>						
License fees and permits	\$	63	\$	28	\$	53
Government contribution - services provided without charge (note 6)		-		1		5
		63		29		58
<b>Expenses (notes 5 and 6)</b>						
Salaries, wages and employee benefits		503		396		401
Honoraria		50		13		23
Inspector's fees		68		34		34
Rent		29		29		30
Travel		75		11		36
Professional fees		29		21		16
Administration		43		33		35
		797		537		575
<b>Annual loss</b>	<b>\$</b>	<b>(734)</b>	<b>\$</b>	<b>(508)</b>	<b>\$</b>	<b>(517)</b>

The accompanying notes are an integral part of the financial statements.

## NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

### Statement of Accumulated Surplus

<b>For the year ended March 31 (\$000)</b>	<b>2021</b>		<b>2021</b>		<b>2020</b>	
	<b>Budget</b>		<b>Actual</b>		<b>Actual</b>	
<b>Accumulated surplus, beginning of the year</b>	\$	-	\$	-	\$	-
Annual loss		(734)		(508)		(517)
Amounts transferred from the NWT Liquor & Cannabis Commission		734		508		517
Change in accumulated surplus		-		-		-
<b>Accumulated surplus, end of year</b>	\$	-	\$	-	\$	-

The accompanying notes are an integral part of the financial statements.

**NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND  
LIQUOR ENFORCEMENT**

**Statement of Change in Net Financial Assets (debt)**

<b>For the year ended March 31 (\$000)</b>	<b>2021</b>		<b>2021</b>	<b>2020</b>
	<b>Budget</b>		<b>Actual</b>	<b>Actual</b>
<b>Net financial assets (debt), beginning of year</b>	\$ -	\$ -	\$ -	\$ (8)
Items affecting net financial assets (debt):				
Increase (decrease) in accumulated surplus	-		-	-
Decrease (increase) in prepaid expenses	-		-	8
<b>Net financial assets (debt), end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

The accompanying notes are an integral part of the financial statements.



# NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

## Statement of Cash Flow

<b>For the year ended March 31 (\$000)</b>	<b>2021</b>	<b>2020</b>
<b>Operating activities</b>		
Cash received from customers	\$ 31	\$ 57
Cash paid to employees and suppliers	(462)	(617)
Cash provided by operating activities	(431)	(560)
<b>Financing activities</b>		
Cash transferred from the NWT Liquor & Cannabis Commission	431	560
<b>Change in cash</b>	-	-
<b>Cash, beginning of year</b>	-	-
<b>Cash, end of Year</b>	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

# NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

## Notes to Financial Statements

March 31, 2021 (\$000)

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### 1. Authority and operations

The Northwest Territories Liquor Licensing Board (the "Board") was established under the *Liquor Act* (the "Act") for the purposes of regulating the sale of liquor in licensed premises, issuing liquor licenses and overseeing the issuing of special occasion permits and other permits in the NWT. The Minister appoints a member of the Public Service to be the Executive Secretary to the Board. Liquor Enforcement is separate from the Liquor Licensing Board and is managed by different staff. The Liquor & Cannabis Commission (the "Commission") provides financial administrative support to the Board.

In accordance with the Act and the *Revolving Funds Act*:

- The operations of the Commission and the Board are accounted for through the Liquor Revolving Fund (the "Fund"). All monies received by the Commission and the Board must be deposited into the Fund and all expenditures incurred by the Commission and the Board must be paid out of the Fund. The Commission provides for the financial administrative support to the Board and may receive a working capital advance from the Consolidated Revenue Fund (the "CRF") of the Government of the Northwest Territories ("GNWT") to finance its operations.
- The authorized limit of the Fund, defined as the maximum amount by which the assets (cash, accounts receivable and inventories) exceed the liabilities, must not exceed \$12,000.
- The Commission must periodically transfer amounts from the Fund to the CRF to ensure that the Fund does not exceed its authorized limit. As at March 31, 2021, the Fund's assets exceeded the liabilities by \$6,075 (2020 - \$4972).

Neither the Commission nor the Board is separate legal entities apart from the Department of Finance of the NWT and neither is subject to the requirements of the *Income Tax Act*.

The operations of enforcement are managed separately from the Board. For the purpose of financial reporting the assets, liabilities, and expenses are combined in these financial statements as both are funded from the Liquor Revolving Fund. The Board is a Schedule A (Financial Administration Act) public agency and Liquor Enforcement is not.

# **NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT**

## **Notes to Financial Statements**

**March 31, 2021 (\$000)**

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### **2. Significant accounting policies**

#### **(a) Basis of accounting**

The financial statements of the Board are prepared in accordance with Canadian generally accepted accounting principles (GAAP) for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants. These financial statements include the activities of the Enforcement Program which have been disclosed separately and combined with the activities of the Board in the statement of operations.

#### **(b) Measurement uncertainty**

The preparation of financial statements 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 reported amounts of revenues and expenses during the year. Actual results could differ significantly from those estimates. The more significant management estimates include the calculation of the liability for employee future benefits and deferred revenue.

#### **(c) Revenue recognition**

License fees and permits are recorded in revenue in the year that the fee or permit relates. If cash is received in advance of the fee or permit period, it is recorded in deferred revenue.

#### **(d) Services provided without charge**

Liquor Enforcement records the estimated cost of the legal services it receives without charge from the Department of Justice. The services are recorded as a government contribution – services provided without charge and included in the expenses on the statement of operations.

#### **(e) Tangible capital assets**

The Board receives the use of tangible capital assets from the Commission without charge.

#### **(f) Pension benefits**

The appointed employees of the Board are covered by the public service pension plan (the “Plan”), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Board to cover current service cost. Pursuant to legislation currently in place, the Board has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Commission.

# NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

## Notes to Financial Statements

March 31, 2021 (\$000)

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### 2. Significant accounting policies; continued,

#### (g) Other employee benefits

Employees are entitled to severance benefits, reimbursement of removal costs and other compensated absences, as provided for under labour contracts and conditions of employment, based upon years of service. The cost of these benefits is accrued as the employees render the services necessary to earn them. The costs of these benefits were actuarially determined using the projected unit credit valuation methodology and expected utilization methods.

### 3. Due from NWT Liquor Commission

As explained in note 1, the Commission provides financial administrative support to the Board. The Commission receives all amounts receivable to the Board and pays all amounts payable by the Board. The Board does not keep separate cash accounts nor does it directly own any tangible capital assets. Any amounts owing from the Board to the Commission (or vice versa) are settled through transfers to/from accumulated surplus.

The Commission provides tangible capital assets for the use by the Board without charge.

### 4. Pension and other employee benefits

#### a) Pension benefits

The employees of the Board participate in the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. The Plan provides benefits based on the number of years of pensionable service to a maximum of 35 years. Benefits are determined by a formula set out in the legislation; they are not based on the financial status of the Plan. The basic benefit formula is two percent per year of pensionable service multiplied by the average of the five consecutive years of highest paid service. The employer contribution rate effective at the end of the year was 1.01 times (2019 - 1.01) the employees' contributions for employees who started prior to January 2013 and 1.0 times (2019 - 1.0) the employees' contributions for all other employees. The Employers contributions and the Board & Enforcement's employees' contribution for the year were as follows:

		2021		2020
Commission's contributions (recognized as expense)	\$	27	\$	36
Employees' contribution		27		34

The plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the Plan on or after January 1, 2013. For existing members, the normal retirement age remains age 60.

# NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

## Notes to Financial Statements

March 31, 2021 (\$000)

### 4. Pension and other employee benefits (continued)

#### b) Other employee benefits

	2021			2020		
	Severance and Removal	Compensated Absences	Total	Severance and Removal	Compensated Absences	Total
Accrued benefit obligation, beginning of the year	\$ 6	\$ 3	\$ 9	\$ 5	\$ 3	\$ 8
Current Service Costs	-	-	-	-	-	-
Interest Cost	-	-	-	-	-	-
Benefits paid during the year	-	(3)	(3)	(13)	(7)	(19)
Actuarial (gain)/loss	(1)	3	2	13	7	20
Accrued benefit obligation, end of the year	\$ 5	\$ 3	\$ 8	\$ 5	\$ 3	\$ 9
Unamortized net actuarial gain (loss)	(12)	(26)	(38)	(15)	(28)	(43)
Accrued benefit (liability)/asset	\$ (7)	\$ (23)	\$ (30)	\$ (10)	\$ (25)	\$ (34)

The Board provides severance benefits to its employees based on years of service and final salary. The Board also provides removal assistance to eligible employees, as provided under labour contracts. These benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

The Board provides accumulating sick and special leave employee benefits. Sick leave accrues at a rate of one and a one quarter day per month and special leave accumulates at a rate of one-half day per month. These leave balances require funding in future periods when employees become sick or require special leave. Sick leave can only be used for paid time off for illness of the employee. Special leave can only be claimed in certain circumstances (e.g. sick family members, family deaths, marital leave). Sick and special leave taken is paid at the employee's normal rate of pay. Sick and special leave benefits are not paid out to an employee upon termination of employment, resignation or retirement. Unused sick and special days accumulate and there are no limits to the accumulation.

An actuarial valuation for accounting purposes was prepared at March 31, 2021 for the Board's other employee future benefit plans using the projected benefits method prorated on services.

# NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

## Notes to Financial Statements

March 31, 2021 (\$000)

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### 4. Pension and other employee benefits (continued)

#### b) Other employee benefits (continued)

The actuarial valuation at March 31, 2021 reflects management's best estimate based upon a number of future orientated assumptions including:

	2021	2020
Expected inflation rate	2.0%	2.0%
Discount rate used to determine the accrued benefit obligation	3.3%	2.7%
Expected average remaining service life of related employee groups (EARSL)	8.3	8.3
Timing of expected payments for other employee benefits are as follows:		
2022	\$	0
2023		0
2024		0
2025		0
2026		0
2027 and beyond		5
	\$	5

# NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

## Notes to Financial Statements

**March 31, 2021 (\$000)**

### 5. Expenses

As explained in note 1, the liquor enforcement activities are included in total expenses as follows:

	Enforcement		
	2021 Budget	2021 Actual	2020 Actual
<b>For the year ended March 31 (\$000)</b>			
<b>Expenses (notes 5 and 6)</b>			
Salaries, wages and employee benefits	\$ 304	\$ 189	\$ 203
Inspector's fees	54	34	29
Rent	17	17	17
Travel	18	11	11
Professional fees	5	1	5
Administration	15	26	19
	413	278	284
<b>Annual loss</b>	\$ (413)	\$ (278)	\$ (284)

### 6. Related party transactions

The Board is related in terms of common ownership to all GNWT created departments, agencies and corporations. The Board enters into transactions with these entities in the normal course of business and these transactions are measured at the exchange amount.

The Board incurred \$396 (2020 - \$401) related to salaries, wages, and employee benefits for the Board's employees and \$13 (2020 - \$23) related to honoraria for Board members. The Board reimburses the Department of Finance for these costs.

The Department of Justice provides Liquor Enforcement with legal services without charge. The total cost of these services has been estimated to be \$1 (2020 - \$5). The cost of the services noted above has been recognized on the statement of operations.

Included in accounts payable and accrued liabilities is an amount of \$94 (2020 - \$162) for salaries, wages, board honoraria, employee benefits including Worker's Compensation and Medical Travel, payable to the Government of the NWT.

# NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

## Notes to Financial Statements

**March 31, 2021 (\$000)**

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### 7. Contractual obligations

The Board has a five-year lease agreement ending April 30, 2021 for its Office premises. The minimum annual lease payments for the leases over the next five year(s) are:

2021/22	\$ 2
2022/23	\$ NIL
2023/24	\$ NIL
2024/25	\$ NIL

Annual lease payments for the office premises include estimated operating costs and property taxes.

### 8. Financial instruments

The Board's financial instruments consist of accounts receivable, cash due from the NWT Liquor Commission, accounts payable and accrued liabilities, pension and other employee benefits. It is management's opinion that the Board is not exposed to significant interest or currency risks arising from these financial instruments.

The carrying value of the financial instrument approximates fair value.



**NORTHWEST TERRITORIES LIQUOR & CANNABIS  
COMMISSION**

**Financial Statements**

**Year ended March 31, 2021**

# NORTHWEST TERRITORIES LIQUOR & CANNABIS COMMISSION

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**March 31, 2021**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the financial statements of the Northwest Territories Liquor & Cannabis Commission (Commission) is the responsibility of the Commission's management.

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles for the public sector, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants. Where alternative accounting methods are permitted, management has chosen those that are most appropriate. Where required, management's best estimates and judgments have been applied in the preparation of these financial statements.

Management fulfills its financial reporting responsibilities by maintaining financial management and control systems and practices which are designed to provide reasonable assurance that transactions are properly authorized, proper records are maintained, accurate financial information is prepared on a timely basis, assets are safeguarded, and the Commission complies with all statutory requirements.

Our auditor performs an annual audit on the financial statements in order to express an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the Commission, the results of its operations, the change in its net financial resources and its cash flows for the year. During the course of the audit, they also examine transactions that have come to their notice to ensure they are, in all significant respects, in accordance with the statutory authorities of the Commission.



Carrie Herring-Cooper  
Director, Liquor & Cannabis Operations  
NWT Liquor & Cannabis Commission  
June 30, 2021

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## INDEPENDENT AUDITOR'S REPORT

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To the Ministers of NWT Liquor & Cannabis Commission

*Report on the Financial Statements*

*Qualified Opinion*

We have audited the financial statements of NWT Liquor & Cannabis Commission (the Commission), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

*Basis for Qualified Opinion*

The Government of the Northwest Territories is responsible for the calculation and distribution of the Commission's salaries, wages and employee benefits expense for public service employees, the accuracy of which is not susceptible to complete audit verification. We have satisfied ourselves that the payroll information provided by the GNWT is properly reflected in the Commission's records. As a result, we were not able to determine whether any adjustments might be necessary to expenses, liabilities or accumulated surplus.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Commission in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

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

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

(continues)

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hay River, Northwest Territories  
June 30, 2021



Ashton Chartered Professional Accountants

# NORTHWEST TERRITORIES LIQUOR & CANNABIS COMMISSION

## Statement of Financial Position

<b>As at March 31 (\$000)</b>	<b>2021</b>	<b>2020</b>
<b>Financial Assets</b>		
Cash	\$ 5,015	\$ 6,355
Accounts receivable	142	97
Inventories for resale (note 3)	3,698	3,072
	<u>8,855</u>	<u>9,524</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities (note 7)	2,573	4,437
Pension and other employee benefits (note 4)	69	54
Due to the NWT Liquor Licensing Board (note 5)	138	61
	<u>2,780</u>	<u>4,552</u>
<b>Net Financial Assets</b>	<u>6,075</u>	<u>4,972</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (note 6)	553	626
Prepaid expenses	37	24
	<u>590</u>	<u>650</u>
<b>Accumulated Surplus</b>	<u>\$ 6,665</u>	<u>\$ 5,622</u>

The accompanying notes are an integral part of the financial statements.

Approved by the Northwest Territories Liquor & Cannabis Commission:



Carrie Herring-Cooper  
Director of Liquor & Cannabis Operations

# NORTHWEST TERRITORIES LIQUOR & CANNABIS COMMISSION

## Statement of Operations

For the year ended March 31 (\$000)	2021		2021		2020	
	Budget		Actual		Actual	
<b>Sales</b>						
Beer	\$	18,588	\$	19,467	\$	18,760
Spirits		26,889		27,814		22,285
Wine		8,105		8,848		8,375
Coolers and Ciders		5,052		4,736		3,087
Cannabis		4,439		5,141		3,252
		63,073		66,006		55,759
<b>Cost of goods sold</b>						
Beer		7,767		7,937		7,616
Spirits		7,916		8,275		6,506
Wine		3,658		4,011		3,727
Coolers and ciders		2,236		2,004		1,348
Cannabis		2,785		3,560		2,052
		24,362		25,787		21,249
<b>Gross profit on sales</b>		38,711		40,219		34,510
<b>Other income</b>						
Government contribution - services provided without charge (note 7)		-		13		19
Import fees and Income		8		6		9
		8		19		28
<b>Expenses (notes 7)</b>						
Commissions to agents - Liquor		6,619		6,779		6,119
Commissions to agents - Cannabis		675		534		494
Licensee Discounts		-		396		526
Salaries, wages and employee benefits		1,127		1,094		1014
Administration - Liquor		562		682		655
Administration - Cannabis		200		200		200
Travel		30		21		39
Rent		242		242		238
Amortization of tangible capital assets (note 6)		208		243		196
		9,663		10,191		9,481
<b>Annual surplus</b>	\$	29,056	\$	30,047	\$	25,057

The accompanying notes are an integral part of the financial statements.

## NORTHWEST TERRITORIES LIQUOR & CANNABIS COMMISSION

### Statement of Accumulated Surplus

<b>For the year ended March 31 (\$000)</b>	<b>2021</b>		<b>2021</b>		<b>2020</b>	
	<b>Budget</b>		<b>Actual</b>		<b>Actual</b>	
<b>Accumulated surplus, beginning of the year</b>	\$	5,622	\$	5,622	\$	5,622
Annual surplus		29,056		30,047		25,057
Amounts transferred to the Consolidated Revenue Fund		(28,322)		(28,496)		(24,540)
Amounts Transferred to the NWT Liquor Licensing Board (note 5)		(734)		(508)		(517)
Increase in accumulated surplus		-		1,043		-
<b>Accumulated surplus, end of year</b>	\$	5,622	\$	6,665	\$	5,622

The accompanying notes are an integral part of the financial statements.



## NORTHWEST TERRITORIES LIQUOR & CANNABIS COMMISSION

### Statement of Changes in Net Financial Assets

<b>For the year ended March 31 (\$000)</b>	<b>2021</b>		<b>2021</b>		<b>2020</b>	
	<b>Budget</b>		<b>Actual</b>		<b>Actual</b>	
<b>Net financial assets, beginning of year</b>	\$	4,972	\$	4,972	\$	4,840
Items affecting net financial assets:						
Increase (decrease) in accumulated surplus		-		1,043		-
Net investment in tangible capital assets:						
Acquisitions		-		(170)		(80)
Amortization expense		208		243		196
Change in prepaid expenses		-		(13)		16
<b>Net financial assets, end of year</b>	\$	5,180	\$	6,075	\$	4,972

The accompanying notes are an integral part of the financial statements.

# NORTHWEST TERRITORIES LIQUOR & CANNABIS COMMISSION

## Statement of Cash Flow

<b>For the year ended March 31 (\$000)</b>	<b>2021</b>	<b>2020</b>
<b>Operating activities</b>		
Cash received from customers	\$ 65,967	\$ 55,167
Cash paid to employees and suppliers	(38,210)	(29,226)
Cash provided by operating activities	27,757	25,941
<b>Capital activities</b>		
Purchase of tangible capital assets	(170)	(80)
<b>Financing activities</b>		
Cash transferred to the Consolidated Revenue Fund	(28,496)	(24,406)
Cash transferred to the NWT Licensing Board	(431)	(560)
Cash provided by financing activities	(28,927)	(24,966)
<b>Change in cash</b>	(1,340)	895
<b>Cash, beginning of year</b>	6,355	5,460
<b>Cash, end of Year</b>	\$ 5,015	\$ 6,355

The accompanying notes are an integral part of the financial statements.

# NORTHWEST TERRITORIES LIQUOR & CANNABIS COMMISSION

## Notes to Financial Statements

**March 31, 2021 (\$000)**

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### 1. Authority and operations

The Northwest Territories Liquor & Cannabis Commission (the "Commission") was established under the *Liquor Act* (the "Act") for the purposes of operating liquor stores and distributing liquor in the Northwest Territories (the "NWT"). The Northwest Territories Liquor Licensing Board (the "Board") was also established under the same Act for the purposes of regulating the sale of liquor in licensed premises, issuing liquor licenses and overseeing the issuing of special occasion permits and other permits in the NWT. The activities of the Board are administered by the Commission.

In accordance with the Act and the *Revolving Funds Act*:

- The operations of the Commission and the Board are accounted for through the Liquor Revolving Fund (the "Fund"). All monies received by the Commission and the Board must be deposited into the Fund and all expenditures incurred by the Commission and the Board must be paid out of the Fund. The Commission may also receive a working capital advance from the Consolidated Revenue Fund (the "CRF") of the Government of the Northwest Territories ("GNWT") to finance its operations.
- The authorized limit of the Fund, defined as the maximum amount by which the assets (cash, accounts receivable and inventories) exceed the liabilities, must not exceed \$12,000.
- The Commission must periodically transfer amounts from the Fund to the CRF to ensure that the Fund does not exceed its authorized limit. As at March 31, 2021 the Fund's assets exceeded the liabilities by \$6,075 (2020 - \$4,972).

Neither the Commission nor the Board are separate legal entities apart from the Department of Finance of the NWT and neither are subject to the requirements of the *Income Tax Act*.

### 2. Significant accounting policies

#### (a) Basis of accounting

The financial statements of the Commission are prepared in accordance with Canadian generally accepted accounting principles (GAAP) for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants.

#### (b) Measurement uncertainty

The preparation of financial statements 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 reported amounts of revenues and expenses during the year. Actual results could differ significantly from those estimates. The more significant management estimates include the calculation of the liability for employee future benefits and estimation of the useful life of the tangible capital assets.

# NORTHWEST TERRITORIES LIQUOR & CANNABIS COMMISSION

## Notes to Financial Statements

March 31, 2021 (\$000)

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### 2. Significant accounting policies (continued)

#### (c) Revenue recognition

The Commission recognizes revenue on an accrual basis (i.e. when the goods are shipped, and the customer assumes all risks of ownership and the collection of any amounts receivable is considered probable).

#### (d) Services provided without charge

The Commission records the estimated cost of the legal services it receives without charge from the Department of Justice. The services are recorded as a government contribution – services provided without charge and included in the expenses in the statement of operations.

#### (e) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Cost includes invoiced cost, freight, duties and taxes.

#### (f) Tangible capital assets

Tangible capital assets are recorded at cost. Amortization is determined on a straight-line basis using the following rates:

Asset	Rate
Furniture and fixtures	20%
Computer hardware and software	30%
Leasehold improvements	Over the life of the lease plus any additional renewal period

#### (g) Pension benefits

The employees of the Commission are covered by the public service pension plan (the “Plan”), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Commission to cover current service cost. Pursuant to legislation currently in place, the Commission has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Commission.

#### (h) Reclassification

Certain comparative figures have been reclassified to conform to the current year presentation.

# NORTHWEST TERRITORIES LIQUOR & CANNABIS COMMISSION

## Notes to Financial Statements

March 31, 2021 (\$000)

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### 2. Significant accounting policies (continued)

#### (i) Other employee benefits

Employees are entitled to severance benefits, reimbursement of removal costs and other compensated absences, as provided for under labour contracts and conditions of employment, based upon years of service. The cost of these benefits is accrued as the employees render the services necessary to earn them. The cost of these benefits was actuarially determined using the projected unit credit valuation methodology and expected utilization methods.

### 3. Inventories for resale

	2021	2020
Spirits	\$ 1,244	\$ 993
Beer	904	826
Wine	548	578
Coolers and ciders	230	158
Cannabis	772	518
	\$ 3,698	\$ 3,072

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### 4. Pension and other employee benefits

#### a) Pension benefits

The employees of the Commission participate in the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. The Plan provides benefits based on the number of years of pensionable service to a maximum of 35 years. Benefits are determined by a formula set out in the legislation; they are not based on the financial status of the Plan. The basic benefit formula is two percent per year of pensionable service multiplied by the average of the five consecutive years of highest paid service. The employer contribution rate effective at the end of the year was 1.01 times (2020 - 1.01) the employees' contributions for employees who started prior to January 2013 and 1.00 times (2020 - 1.00) the employees' contributions for all other employees. The Employers contributions and the Commission's employees' contribution for the year were as follows:

	2021	2020
Commission's contributions (recognized as expense)	\$ 90	\$ 113
Employees' contribution	89	120

The plan was amended during 2013 which raised the normal retirement age and other age-related thresholds from age 60 to age 65 for new members joining the Plan on or after January 1, 2013. For existing members, the normal retirement age remains age 60.

# NORTHWEST TERRITORIES LIQUOR & CANNABIS COMMISSION

## Notes to Financial Statements

March 31, 2021 (\$000)

### 4. Pension and other employee benefits (continued)

#### b) Other employee benefits

	2021			2020		
	Severance and Removal Obligation	Accumulated Sick & Special Obligation	Total	Severance and Removal Obligation	Accumulated Sick & Special Obligation	Total
Accrued benefit obligation, beginning of the year	\$ 95	\$ 16	\$ 111	\$ 102	\$ 15	\$ 117
Current Service Costs	4	1	5	3	1	4
Interest Cost	2	0	2	3	1	4
Benefits paid during the year	-	-	-	-	(30)	(30)
Actuarial (gain)/loss	(42)	(2)	(44)	(12)	29	17
Accrued benefit obligation, end of the year	\$ 59	\$ 15	\$ 74	\$ 96	\$ 16	\$ 112
Unamortized net actuarial gain (loss)	38	(43)	(5)	(6)	(52)	(58)
Accrued benefit (liability)/asset	\$ 97	\$ (28)	\$ 69	\$ 90	\$ (36)	\$ 55

The Commission provides severance benefits to its employees based on years of service and final salary. The Commission also provides removal assistance to eligible employees, as provided under labour contracts. These benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

The Commission provides accumulating sick and special leave employee benefits. Sick leave accrues at a rate of one and a one quarter day per month and special leave accumulates at a rate of one-half day per month. These leave balances require funding in future periods when employees become sick or require special leave. Sick leave can only be used for paid time off for illness of the employee. Special leave can only be claimed in certain circumstances (e.g. sick family members, family deaths, marital leave). Sick and special leave taken is paid at the employee's normal rate of pay. Sick and special leave benefits are not paid out to an employee upon termination of employment, resignation, or retirement. Unused sick and special days accumulate and there are no limits to the accumulation.

An actuarial valuation for accounting purposes was prepared at March 31, 2021 for the Commission's other employee future benefit plans using the projected benefits method prorated on services.

# NORTHWEST TERRITORIES LIQUOR & CANNABIS COMMISSION

## Notes to Financial Statements

**March 31, 2021 (\$000)**

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### 4. Pension and other employee benefits (continued)

#### b) Other employee benefits (continued)

The actuarial valuation at March 31, 2021 reflects management's best estimate based upon a number of future orientated assumptions including:

	<u>2021</u>	<u>2020</u>
Expected inflation rate	2.0%	2.0%
Discount rate used to determine the accrued benefit obligation	3.3%	2.7%
Expected average remaining service life of related employee groups (EARSL)	8.3	8.3

Timing of expected payments for other employee benefits are as follows:

2022	\$	27
2023		14
2024		10
2025		6
2026		5
2027 and beyond		<u>16</u>
	\$	<u>78</u>

# NORTHWEST TERRITORIES LIQUOR & CANNABIS COMMISSION

## Notes to Financial Statements

March 31, 2021 (\$000)

### 5. Due to/from the NWT Liquor Licensing Board

As explained in Note 1, the financial activities of the Board are administered by the Commission. The Commission receives all amounts receivable to the Board and pays all amounts payable by the Board. The Board does not keep separate cash accounts, nor does it directly own any tangible capital assets. Any amounts owing from the Board to the Commission (or vice versa) are settled through transfers to/from accumulated surplus.

The Commission provides capital assets for use by the Board and Enforcement without charge.

### 6. Tangible capital assets

	Furniture and fixtures	Computer hardware and software	Leasehold improvements	2021	2020
<b>Cost:</b>					
Opening balance	\$ 126	\$ 916	\$ 855	\$ 1,897	\$ 2,109
Acquisitions	7	158	5	170	80
Disposals and write-downs	-	-	-	-	(293)
Closing balance	133	1,074	860	2,067	1,896
<b>Accumulated Amortization:</b>					
Opening balance	(115)	(668)	(487)	(1,270)	(1,367)
Amortization	(6)	(204)	(34)	(243)	(196)
Disposals and write-downs	-	-	-	-	293
	(121)	(872)	(520)	(1,513)	(1,270)
<b>Net book value</b>	<b>\$ 12</b>	<b>\$ 203</b>	<b>\$ 339</b>	<b>\$ 553</b>	<b>\$ 626</b>



# NORTHWEST TERRITORIES LIQUOR & CANNABIS COMMISSION

## Notes to Financial Statements

**March 31, 2021 (\$000)**

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### 7. Related party transactions

The Commission is related, in terms of common ownership, to all GNWT created departments, agencies and corporations. The Commission enters into transactions with these entities in the normal course of business and these transactions are measured at the exchange amount.

The Commission incurred \$1,094 (2020 – \$1,014) related to salaries, wages, and employee benefits for the Commission’s employees. The Commission reimburses the Department of Finance for these costs.

The Department of Justice provides the Commission with legal services without charge. The total cost of these services has been estimated to be \$13 (2020 – \$19). The cost of the services noted above has been recognized on the statement of operations.

Included in accounts payable and accrued liabilities is an amount of \$168 (2020 – \$157) for bottle deposits payable to the Department of Environment and Natural Resources, \$261 (2020 – \$128) for \salaries, wages, and employee benefits payable to the Department of Finance, and \$12 (2020 - \$1,682) other various Government Departments.

### 8. Contractual obligations

The Commission has a five-year lease agreement ending April 30, 2021 for its office premises. The Commission also has a ten-year lease agreement ending January 31, 2022 with the option of extending the lease for two further terms of five years for the Hay River Liquor Store. The minimum annual lease payments for the leases over the next five year(s) are:

2021/22	\$ 141
2022/23	\$ NIL
2023/24	\$ NIL
2024/25	\$ NIL
2025/26	\$ NIL

Annual lease payments for the office premises include estimated operating costs and property taxes.

### 9. Financial instruments

The Commission’s financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, pension and other employee benefits due to the NWT Liquor Licensing Board. It is management’s opinion that the Commission is not exposed to significant interest or currency risks arising from these financial instruments.

The commission is subject to credit risk with respect to accounts receivable. Credit risk arises from the possibility that debtors may experience financial difficulty and be unable to fulfill their obligations. Credit risk is considered minimal as most sales are done on a cash-on-delivery basis.

The carrying value of the financial instrument approximates fair value.

**Fuel Services Division**

**Financial Statements**

**March 31, 2021**

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## Fuel Services Division

### Financial Statements

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## **Management's Responsibility for Financial Reporting**

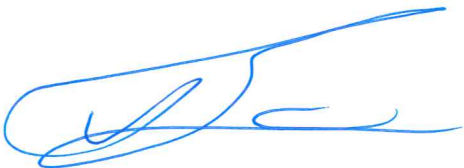
### **To the Minister of Infrastructure Government of the Northwest Territories**

Management is responsible for the reliability, integrity and objectivity of the data in the accompanying financial statements, which have been prepared in accordance with Canadian public sector accounting standards. Where appropriate, the financial statements include estimates and judgments based on careful consideration of the information available to management.

In discharging its responsibility for financial reporting, management maintains and relies on internal control systems and practices, which are designed to provide reasonable assurance that the transactions are authorized, the assets are safeguarded and proper records are maintained. These control systems and practices ensure the orderly conduct of business, the accuracy of the accounting records, reliability of financial information and compliance to legislation governing the Fuel Services Division revolving fund (the "Fund").

The Fund operated during the COVID-19 pandemic, and management took measures to reduce petroleum product prices for consumers during this time of pricing volatility.

The auditor provides an independent, objective audit for the purpose of expressing an opinion on the financial statements. The auditor also considers whether the transactions that come to their notice during the course of the audit are, in all significant respects, in accordance with specified legislation.



Lorne Browne, Director  
Fuel Services Division  
Yellowknife, Northwest Territories  
**July 29, 2021**

## Independent Auditors' Report

### To the Minister of Infrastructure Government of the Northwest Territories

#### *Opinion*

We have audited the financial statements of Fuel Services Division, which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net financial assets (debt), accumulated deficit, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Fuel Services Division as at March 31, 2021, and its results of operations, changes in net financial assets (debt), statement of accumulated deficit, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Fuel Services Division's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Fuel Services Division or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Fuel Services Division's financial reporting process.

## Independent Auditors' Report

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit 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 Fuel Services Division's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Fuel Services Divisions ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Fuel Services Division to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Yellowknife, Canada  
July 29, 2021



Chartered Professional Accountants

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**Fuel Services Division**

**Statement of Financial Position**

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<b>March 31,</b>	<b>2021</b>	<b>2020</b>
<b>Financial Assets</b>		
Accounts receivable (note 5)	\$ 10,072,941	\$ 16,666,897
Inventory for resale (note 6)	35,551,751	30,777,250
	<b>45,624,692</b>	<b>47,444,147</b>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities (note 7)	6,076,311	6,249,652
Employee future benefits payable (note 8)	217,174	215,578
Due to the Government of the Northwest Territories (note 9)	40,383,388	41,983,527
	<b>46,676,873</b>	<b>48,448,757</b>
<b>Net Debt</b>	<b>\$ (1,052,181)</b>	<b>\$ (1,004,610)</b>
<b>Non-financial Assets</b>		
Prepaid expenses	52,182	4,611
<b>Accumulated Deficit</b>	<b>\$ (999,999)</b>	<b>\$ (999,999)</b>

**Subsequent events**

Approved

  
\_\_\_\_\_  
Lorne Browne  
Director  
Fuel Services Division

  
\_\_\_\_\_  
Renalyn Pascua-Matte,  
Comptroller  
Fuel Services Division

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## Fuel Services Division

### Statement of Changes in Net Financial Assets (Debt)

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<b>For the year ended March 31,</b>	<b>2021 Budget</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Annual deficit</b>	\$ (200,000)	\$ -	\$ (149,999)
<b>Change in prepaid expenses</b>	-	<b>(47,571)</b>	(4,611)
<b>Increase in net financial assets (debt)</b>	(200,000)	<b>(47,571)</b>	(154,610)
<b>Net financial assets (debt), beginning of year</b>	684,000	<b>(1,004,610)</b>	(850,000)
<b>Net financial assets (debt), end of year</b>	\$ 484,000	<b>\$ (1,052,181)</b>	\$ (1,004,610)

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## Fuel Services Division

### Statement of Operations

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<b>For the year ended March 31,</b>	<b>2021 Budget</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Revenues</b>			
Sales of petroleum products (note 11)	\$ 37,500,000	\$ 38,021,618	\$ 42,786,266
<b>Cost of sales</b>			
Cost of goods sold (note 6)	30,850,000	30,886,096	35,233,898
Loss due to evaporation	-	6,024	276,565
Commissions	2,500,000	2,893,668	2,330,052
	33,350,000	33,785,788	37,840,515
<b>Gross margin</b>	4,150,000	4,235,830	4,945,751
<b>Gross margin percentage</b>	11.1 %	11.1 %	11.6 %
<b>Expenses</b>			
Bad debts	-	100,635	136,267
Contracts and purchased services	-	700,301	1,074,604
Operating and maintenance costs	2,350,000	2,630,130	2,706,186
Miscellaneous	-	36,637	90,122
Salaries, wages and employee benefits	2,000,000	2,263,810	2,243,723
Travel	-	438,529	526,623
Utilities	-	507,391	524,038
	4,350,000	6,677,433	7,301,563
<b>Annual deficit before Other items</b>	(200,000)	(2,441,603)	(2,355,812)
<b>Other revenue (expenses)</b>			
Grant contribution (note 12)	-	1,616,234	2,313,516
Grant-in-kind, Government assets provided at no cost (note 13)	-	2,136,817	2,540,034
Tangible capital assets - rent expenses (note 13)	-	(1,670,887)	(1,672,661)
Financing charges (note 13)	-	(465,930)	(867,373)
Other revenues and expenses (note 16)	-	825,369	(107,703)
	-	2,441,603	2,205,813
<b>Annual deficit</b>	\$ (200,000)	\$ -	\$ (149,999)

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**Fuel Services Division****Statement of Accumulated Deficit**

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<b>For the year ended March 31,</b>	<b>2021</b>	<b>2020</b>
<b>Accumulated deficit, beginning of year</b>	<b>\$ (999,999)</b>	<b>\$ (850,000)</b>
<b>Annual deficit</b>	<b>-</b>	<b>(149,999)</b>
<b>Accumulated deficit, end of year</b>	<b>\$ (999,999)</b>	<b>\$ (999,999)</b>

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## Fuel Services Division

### Statement of Cash Flows

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For the year ended March 31,	2021	2020
<b>Cash provided by (used for)</b>		
<b>Operating activities</b>		
Annual deficit	\$ -	\$ (149,999)
Change in non-cash working capital items		
Accounts receivable	6,593,956	(3,718,538)
Inventory for resale	(4,774,501)	(3,514,034)
Accounts payable and accrued liabilities	(173,341)	(1,330,977)
Employee future benefits payable	1,596	(21,026)
Due to the Government of the Northwest Territories	(1,600,139)	8,729,396
Prepaid expenses	(47,571)	5,178
<b>Increase in cash</b>	-	-
<b>Cash, beginning of year</b>	-	-
<b>Cash, end of year</b>	\$ -	\$ -

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## Fuel Services Division

### Notes to the Financial Statements

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March 31, 2021

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#### 1. Authority and Operations

Fuel Services Division revolving fund (the "Fund") was established in 1973 for the distribution of petroleum products in the Northwest Territories. The Fund operates under the authority of the *Revolving Funds Act* (the "Act") and the Northwest Territories *Financial Administration Act*. The Fuel Services Division of the Department of Infrastructure of the Government of the Northwest Territories (the "Government") is responsible for the administration of the Fund.

Under the Act, the Fund receives working capital advances from the Consolidated Revenue Fund (the "CRF") to finance inventory, accounts receivable and operating expenses. The Fund's purchases of petroleum products and operating expenses are paid from the CRF and funds received by the Fund are deposited in the CRF. The authorized limit of the Fund, being the maximum amount by which the assets may exceed the liabilities is \$55 million. The balance of the fund is reported as a liability due to the Government of the Northwest Territories.

The prices for the Fund's petroleum products are approved by the Government. It is the expectation of the Government that the Fund's cost of goods sold and operating expenses will be recovered through the price structure to achieve a break-even operation. Under the Act, there is a special account in the CRF called the Petroleum Products Stabilization Fund to which profits of the Fund shall be credited and losses shall be charged. The debit or credit amount in the Stabilization Fund shall not exceed \$1,000,000 at the end of any fiscal year. The balance in the Stabilization Fund at March 31, 2021 is a deficit of \$999,999 (2020 - deficit of \$999,999).

#### 2. COVID-19

In March 11, 2020, the World Health Organization declared a global pandemic. The outbreak of the novel strain of the coronavirus, COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility. Governments and central banks including Canadian federal, provincial, territorial and municipal governments have responded with significant monetary and fiscal interventions designed to stabilize economic conditions.

At the time of approval of these financial statements, in response to the COVID-19 pandemic:

- The management of the Fund has been proactive and diligent in addressing the implementation of infection prevention and other precautionary measures, guided by public health authorities, to limit the spread of COVID-19 and the impact of the pandemic and the related economic contraction on the Fund.
- The impact to operations has not been significant.
- The Fund has not pursued nor received government assistance specifically related to COVID-19.

The rapidly evolving event, including health and safety conditions, economic environment and resulting government measures, creates a high level of uncertainty and risk that may result in significant impacts to the Fund's activities, results of operations and financial condition. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. As such, it is not possible to estimate the length and severity of these developments and the impact on the financial results and condition on the Fund and its operations in future periods.

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## Fuel Services Division

### Notes to the Financial Statements

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March 31, 2021

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#### 3. Significant accounting policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board. The significant accounting policies used are as follows

##### (a) Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of inventory cost and valuation, assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

##### (b) Tangible capital assets

Tangible capital assets are the property of the Government of the Northwest Territories and accordingly are not reported on the financial statements. Use of assets, such as fuel storage facilities and fuel delivery vehicles are accounted for as rent offset by a grant in kind from the Government which is calculated based on the amortization of the assets as described in Note 13.

##### (c) Financing charges

Financing charges for the use of working capital provided by the Government of the Northwest Territories are estimated based upon a rolling monthly average prime corporate interest plus 0.35% per annum as described in Note 13.

##### (d) Services provided without charge

The Fund does not record the following services provided without charge by the Government: the procurement of goods and services, the processing of payroll, legal counsel, records storage and computer operations, and internal audit services, as it is difficult to estimate them.

##### (e) Employee future benefits payable

Under the terms and conditions of labour contracts, employees may qualify and earn employment benefits for annual leave, retirement, severance and removal costs based on years of service and salary. The estimated liability for these benefits is recorded as the benefits are earned by the employees. The benefit plan is not pre-funded.

##### (f) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the weighted average method.

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## Fuel Services Division

### Notes to the Financial Statements

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March 31, 2021

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#### 3. Significant accounting policies (continued)

##### (g) Pension and employee future benefits

The Fund and its employees, who are deemed to be employees of the Government of the Northwest Territories, make contributions to the Public Service Superannuation Plan administered by the Government of Canada. The Fund and the employees contribute to the cost of the plan. The Fund contributes at a rate of 1.4 times that of the employees. During the year the Fund contributed \$161,890 (2020 - \$133,420) to the plan which was recognized as an expense while employees contributed \$115,636 (2020 - \$103,725). These contributions represent the total pension obligation of the Fund and are expensed on a current year basis. The Fund is not required under present legislation to make contributions with respect to actuarial deficiencies, if any, to the Public Service Superannuation Account.

##### (h) Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard.

As the Government of the Northwest Territories owns the assets of the Fund, it also accepts responsibility for any contaminated sites. As a result, the Fund does not record any liabilities associated with contaminated sites or their remediation.

##### (i) Revenue recognition

Revenue from the sale of petroleum products is recognized when the fuel is dispensed or delivered to the customers. The customer assumes all risks of ownership and the collection of any amounts receivable is considered probable.

Grant contribution revenue is recognized when the funds are receivable or become receivable under the Government of Northwest Territories *Revolving Funds Act*.

Other revenue is recognized as goods are delivered or services are provided.

##### (j) Government transfers

Government transfers are the transfer of monetary assets or tangible capital assets from a government for which the government making the transfer does not:

- receive any goods or services directly in return;
- expect to be repaid in the future; or
- expect a direct financial return.

Government transfers are recognized as revenue in the period during which the transfer is authorized and eligibility criteria are met, except when and to the extent that the transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers meeting the definition of a liability are recognized as revenue as the liability is settled.

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## Fuel Services Division

### Notes to the Financial Statements

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March 31, 2021

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#### 3. Significant accounting policies (continued)

##### (k) Inter-entity transactions

Inter-entity transactions are transactions between commonly controlled entities, Government departments.

Inter-entity transactions are recorded at the exchange amount when they are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length. The cost allocations are recorded on a gross basis.

##### (l) Financial instruments

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

This category includes accounts receivable, accounts payable and accrued liabilities and amounts due to the Government of the Northwest Territories. 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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## Fuel Services Division

### Notes to the Financial Statements

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March 31, 2021

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#### 3. Significant accounting policies (continued)

##### (m) Related parties

The Fund initially measures related party balances in accordance with the substance of the transactions that gave rise to them. The Fund subsequently measures related party balances in accordance with the Fund's policies for financial instruments, as set out in note (l).

The Fund is related in terms of common control to all Government of the Northwest Territories departments, boards and agencies. These include:

##### Departments

- Department of Education, Culture and Employment
- Department of Environment and Natural Resources
- Department of Executive and Indigenous Affairs
- Department of Finance
- Department of Health and Social Services
- Department of Industry, Tourism and Investment
- Department of Infrastructure
- Department of Justice
- Department of Lands
- Department of Municipal and Community Affairs

##### Boards and Agencies

- Arctic Energy Alliance
- Aurora College
- Education Authorities
- Health and Social Services Authorities
- Inuvialuit Water Board
- Marine Transportation Services - Revolving Fund
- Northwest Territories Heritage Fund
- Northwest Territories Power Corporation
- NWT Business Development & Investment Corporation
- NWT Environmental Studies Research Fund
- NWT Housing Corporation
- NWT Human Rights Commission
- NWT Liquor Commission
- NWT Liquor Licensing Board
- NWT Sports and Recreation
- NWT Surface Rights Board
- Stanton Foundation
- Status of Women Council of the NWT
- Tlicho Community Services Agency
- Workers' Safety and Compensation Commission

The Fund enters into transactions with these entities in the normal course of business, with the exception of sales to the Northwest Territories Power Corporation ("NTPC"). In accordance with an agreement with the Government of the Northwest Territories, NTPC is charged the weighted average cost of petroleum products consumed.



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## Fuel Services Division

### Notes to the Financial Statements

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March 31, 2021

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#### 4. Future changes to significant accounting policies

##### Revenue, Section PS 3400

This Section is effective for fiscal periods beginning on or after April 1, 2023. This section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations.

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

##### Asset Retirement Obligations, Section PS 3280

This section will be effective for fiscal years beginning on or after April 1, 2022 and is intended to enhance comparability of financial statements among public sector entities by establishing uniform criteria for recognition and measurement of asset retirement obligations, including obligations that may not have previously been reported. This section would require public sector entities to review existing contract, legislation, regulations, and other sources to identify retirement activities associated with its controlled tangible capital assets.

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

#### 5. Accounts receivable

	2021	2020
Non-Government	\$ 1,314,296	\$ 4,062,375
Government of Canada	10,223	19,308
Government of Canada - Goods and services tax	-	104,059
Government of the Northwest Territories		
Boards and Agencies		
Education Authorities	6,503	752
Health and Social Services Authorities	3,508	12,430
Marine Transportation Services - Revolving Fund	473,248	1,557,695
Northwest Territories Housing Corporation	1,350,956	1,677,168
Northwest Territories Power Corporation	5,741,642	7,332,890
Tlicho Community Services Agency	1,527	2,586
Departments		
Department of Education, Culture and Employment	170,301	241,321
Department of Environment and Natural Resources	4,946	2,181
Department of Infrastructure	235,269	419,813
Local (Municipalities, Community Governments)	907,471	1,374,566
	10,219,890	16,807,144
Less: Allowance for doubtful accounts	146,949	140,247
	<b>\$ 10,072,941</b>	<b>\$ 16,666,897</b>

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## Fuel Services Division

### Notes to the Financial Statements

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March 31, 2021

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#### 6. Inventory for resale

	2021	2020
Diesel	\$ 29,586,471	\$ 23,868,679
Gasoline	3,972,220	4,371,644
Jet A1	1,896,632	2,488,707
Naphtha	96,428	48,220
	<b>\$ 35,551,751</b>	<b>\$ 30,777,250</b>

Inventory in the amount of \$30,886,096 (2020 - \$35,233,898) was expensed during the year.

An inventory write-down of \$6,024 (2020 - \$276,565) was expensed during the year. This represents product loss primarily due to evaporation. It is a factor of inventory on hand throughout the year, the type of fuel tanks in which the inventory is held, and weather conditions throughout the year.

An additional inventory write-down of \$86,445 (2020 - \$389,658) was expensed during the year (note 16). This represents a reduction in the net realizable value for diesel in Tsiigehtchic, Tuktoyaktok and Uluhaktok (in 2020 - Paulatuk and Uluhaktok).

#### 7. Accounts payable and accrued liabilities

	2021	2020
Non-Government	\$ 5,801,304	\$ 5,290,756
Government of Canada	43,667	38,361
Government of Canada - Goods and services tax	203,552	-
Government of the Northwest Territories Boards and Agencies		
Northwest Territories Power Corporation	27,788	70,535
Marine Transportation Services - Revolving Fund	-	850,000
	<b>\$ 6,076,311</b>	<b>\$ 6,249,652</b>

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## Fuel Services Division

### Notes to the Financial Statements

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March 31, 2021

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#### 8. Employee future benefits payable

Removal benefits, resignation benefits, sick leave accrual and special leave accrual are recorded based on an actuarial valuation. The most recent actuarial valuation was completed as at March 31, 2021. The effective date of the next actuarial valuation is March 31, 2022.

	2021	2020
Removal Benefits	\$ 23,096	\$ 30,270
Resignation Benefits	18,584	24,358
Sick Leave Accrual	13,997	18,346
Special Leave Accrual	1,099	1,440
Annual Leave Accrual	130,107	108,507
Lieu Time Accrual	30,291	32,657
	<b>\$ 217,174</b>	<b>\$ 215,578</b>

The discount rate used in the 2021 fiscal year to determine the accrued benefit obligation was an average of 2.7% (2020 - 2.7%). The expected payments during the next five fiscal years are as follows:

	Severance and Removal	Compensated Absences	Total
2022	\$ 11,881	\$ 4,783	\$ 16,664
2023	7,047	2,734	9,781
2024	4,402	1,847	6,249
2025	2,834	989	3,823
2026	2,076	571	2,647
2027-2031	6,733	2,886	9,619
	<b>\$ 34,973</b>	<b>\$ 13,810</b>	<b>\$ 48,783</b>

#### 9. Due to the Government of the Northwest Territories

The amount due to the Government of the Northwest Territories represents the balance in the revolving fund as follows:

	2021	2020
Balance, beginning of year	\$ 41,983,527	\$ 30,940,615
Plus: Payments made by the Government		
Purchases of petroleum products	35,094,819	39,155,838
Other cash disbursements	8,011,320	6,973,642
Less: Cash paid to the Government of Northwest Territories	<b>(44,706,278)</b>	<b>(35,086,568)</b>
	<b>\$ 40,383,388</b>	<b>\$ 41,983,527</b>

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## Fuel Services Division

### Notes to the Financial Statements

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March 31, 2021

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#### 10. Commitments

##### Fuel resupply contracts

The Fund has entered into contracts with Imperial Oil Limited, Bassett Petroleum Distributors Ltd., Cryopeak LNG Solutions Corporation, E Gruben's Transport Ltd., AFD Petroleum Inc, Midnight Petroleum Ltd., and Campus Energy Partners Infrastructure LP, for the supply and transportation of bulk petroleum destined for delivery to communities served by road by tanker truck; the carrier for these contracts is Bassett Petroleum Ltd. There are varying contracts with different termination dates; the earliest contract terminates in March 2022 and the latest contract terminates in September 2023.

##### Community fuel delivery contracts

The Fund provides local fuel delivery services in 16 communities across the Northwest Territories. The contracts for sales, dispensing and delivery services are awarded based on a competitive request for proposal (RFP) process. Contracts are awarded to local residents or businesses. Under these contracts, fixed commission rates are paid.

The total value of all commitments is estimated at \$51,112,404 (2020- \$34,871,608) as follows:

2022	\$	31,345,668
2023		16,264,704
2024		3,502,032
		<hr/>
		<b>\$ 51,112,404</b>

#### 11. Sales of petroleum products

	2021	2020
Non-Government	\$ 8,288,188	\$ 9,927,617
Government of Canada	341,290	49,361
Government of the Northwest Territories		
Boards and Agencies		
Education Authorities	15,001	24,410
Health and Social Services Authorities	39,056	54,568
Northwest Territories Housing Corporation	3,181,768	3,428,102
Northwest Territories Power Corporation	19,990,699	23,235,240
Tlichon Community Services Agency	9,632	11,697
Marine Transportation Services - Revolving Fund	1,088,092	1,590,557
Departments		
Department of Education, Culture and Employment	788,160	820,602
Department of Environment and Natural Resources	19,291	18,139
Department of Infrastructure	586,974	319,324
Local (Municipalities, Community Governments)	3,673,467	3,306,649
		<hr/>
		<b>\$ 38,021,618</b>
		<b>\$ 42,786,266</b>

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## Fuel Services Division

### Notes to the Financial Statements

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March 31, 2021

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#### 12. Grant contribution

The Fund recognized grant contribution revenue under the Government of Northwest Territories *Revolving Funds Act* Section 8(3), which states that when the deficit balance exceeds \$1,000,000, the excess shall be charged to an appropriation.

#### 13. Grant in kind

##### Financing charges

Management estimated that the Fund required up to \$42 million (2020 - \$44 million) in working capital with an estimated annual financing cost of \$465,930 (2020 - \$867,373).

##### Tangible capital assets - rent expenses

Tangible capital assets, i.e. fuel storage facilities and fuel delivery vehicles, are owned by the Government of the Northwest Territories. Tangible capital assets are amortized over the estimated useful life of the assets at the following rates and the expense is recognized as rent:

Buildings	40 years straight line, no salvage
Fuel storage facilities	30 years straight line, no salvage
Fuel delivery vehicles	10 years straight line, no salvage

	Cost	Accumulated Amortization	2021	2020
Fuel storage facilities	\$ 61,088,721	\$ 30,882,850	\$ 30,205,871	\$ 31,162,888
Fuel delivery vehicles	4,814,353	3,305,410	1,508,943	1,714,476
Construction in process	516,838	-	516,838	215,743
Buildings	870,138	150,773	719,365	741,121
	<b>\$ 67,290,050</b>	<b>\$ 34,339,033</b>	<b>\$ 32,951,017</b>	<b>\$ 33,834,228</b>

Rent expense for 2021 is \$1,670,887 (2020 - \$1,672,661).

#### 14. Budget information

The budget figures are from the 2020-2021 Main Estimate approved by the Legislative Assembly of the Northwest Territories and are unaudited.

#### 15. Comparative figures

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

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## Fuel Services Division

### Notes to the Financial Statements

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March 31, 2021

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#### 16. Other revenues and expenses

Other revenues are transactions that generally occur outside of normal operations. They are generally comprised of transactions that have a flow-through effect such as direct expenses that are fully charged back to another party, as well as one-time transactions. Other transactions can include charged back revenue where the revenue is not directly related to expenses, and other miscellaneous revenue transactions such as returned cheque fees.

The transactions consist of the following:

	2021	2020
Other revenues		
Northwest Territories Power Corporation - Tank maintenance	\$ 907,565	\$ -
Recovery of prior year expenses	-	104,495
Other recoveries	4,249	177,460
	<b>911,814</b>	281,955
Other expenses		
Write-down of inventory to net realizable value (note 6)	(86,445)	(389,658)
	<b>\$ 825,369</b>	<b>\$ (107,703)</b>

#### 17. Related party transactions

Amounts receivable from related parties are disclosed in note 5.

Amounts payable to related parties are disclosed in note 7.

Sales of petroleum products to related parties are disclosed in note 11.

Significant expenses incurred from related parties are as follows:

	2021	2020
Government of the Northwest Territories		
Department of Infrastructure - Cost of goods sold	\$ 6,289,571	\$ 8,633,805
Department of Infrastructure - Contracts and purchased services	12,641	537,707
Northwest Territories Power Corporation - Utilities	489,253	337,096
	<b>\$ 6,791,465</b>	<b>\$ 9,508,608</b>

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## Fuel Services Division

### Notes to the Financial Statements

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March 31, 2021

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#### 18. Risk management

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

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

The Fund is managed to ensure that the cost of goods sold and operating expenses are recovered through the price structure to achieve a break-even operation.

##### (a) Credit risk

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

Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection.

The Fund's maximum exposure to credit risk is represented by its accounts receivable for a total of \$10,072,941 (2020-\$16,666,897). At March 31, 2021, the Fund's management has determined that \$146,949 (2020-\$140,247) of accounts receivable was impaired. Management's assessment was based on specific identification and age of receivables.

##### Concentration of credit risk

Concentration of credit risk is the risk that a customer(s) has a significant portion of the total accounts receivable balance and thus there is a higher risk to the Fund in the event of a default. The Fund does have concentration risk. At March 31, 2021, receivables from three customers comprised 78% of the total outstanding accounts receivables (2020-80%). The Fund reduces this risk by monitoring overdue balances.

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

At March 31, 2021, the following accounts receivable were past due:

	30 days	60 days	90 days	Total
Accounts receivable	\$ 3,142,656	\$ 718,048	\$ 643,379	4,504,083
Allowance for doubtful accounts	-	-	(146,949)	(146,949)
	\$ 3,142,656	\$ 718,048	\$ 496,430	4,357,134

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## Fuel Services Division

### Notes to the Financial Statements

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March 31, 2021

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#### 18. Risk management (continued)

##### (b) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet all cash outflow obligations as they come due. The Fund mitigates this risk by monitoring cash activities and expected outflows through budgeting.

The Fund's maximum exposure to liquidity risk is represented by the financial liabilities for a total of \$46,676,873 (2020 - \$48,448,757). Financial liabilities consist of accounts payable and accrued liabilities and amounts due to the Government of the Northwest Territories. All financial liabilities are considered current and mature within 6 months.

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

##### (c) Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. The Fund is exposed to other price risks as it purchases and sells petroleum products which are sensitive to price fluctuations. The Fund reduces its exposure to this risk by purchasing and selling the petroleum products at pre-approved rates.

There have been no significant changes from the previous year in the exposure to risk however there has been a change in the policies, procedures, and methods to manage the risk as in the prior year the Fund used derivatives to hedge other price risk and in the current year the Fund did not use derivatives.



**PUBLIC STORES REVOLVING**  
**FOR THE YEAR ENDED MARCH 31, 2021**

Unaudited

**Schedule of Public Stores Revolving Fund Inventories  
for the year ended March 31, 2021**

<b>Public Stores</b>	<b>Balance March 31, 2020</b>	<b>Net Receipts</b>	<b>Net Issues</b>	<b>Board of Survey</b>	<b>Inventory (Write- downs) Write- ups</b>	<b>Balance March 31, 2021</b>
	\$	\$	\$	\$	\$	\$
Yellowknife	227,537			0	0	227,537
		24,850	(75,243)	0	0	(50,392)
	<b>227,537</b>	<b>24,850</b>	<b>(75,243)</b>	<b>0</b>	<b>0</b>	<b>177,144</b>

Prepared by: Alex Mulooki



Finance and Administration Manager (NSRO)

*Oct. 27, 2021*

Approved: Cameron Wilson



Regional Superintendent (NSRO)

# **Yellowknife Airport Revolving Fund**

**Financial Statements**

**March 31, 2021**

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# Yellowknife Airport Revolving Fund

## Financial Statements

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March 31, 2021

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## **Management's Responsibility for Financial Reporting**

**To the Minister of Infrastructure  
Government of the Northwest Territories**

The accompanying financial statements are the responsibility of management. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and necessarily include estimates which are based on management's best judgements.

In discharging its responsibility for financial reporting, management maintains and relies on internal control systems and practices, which are designed to provide reasonable assurance that the transactions are authorized, the assets are safeguarded and proper records are maintained. These control systems and practices ensure the orderly conduct of business, the accuracy of the accounting records, reliability of financial information and compliance to legislation governing the Yellowknife Airport Revolving Fund (the "Fund").

The auditor provides an independent, objective audit for the purpose of expressing an opinion on the financial statements. The auditor also considers whether the transactions that come to their notice during the course of the audit are, in all significant respects, in accordance with specified legislation.



**Randy Straker, Regional Airport Manager  
Yellowknife Airport Revolving Fund  
Yellowknife, Northwest Territories  
August 11, 2021**



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## Independent Auditors' Report

**To the Minister of Infrastructure  
Government of Northwest Territories**

### *Qualified Opinion*

We have audited the accompanying financial statements of Yellowknife Airport Revolving Fund, which comprise the statement of financial position as at March 31, 2021, and the statement of operations and accumulated surplus, the statement of changes in net financial assets, the statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material aspects, the financial position of the Yellowknife Airport Revolving Fund as at March 31, 2021, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Qualified Opinion*

Compensation and related benefits paid to employees of the Yellowknife Airport Revolving Fund are administered by the Government of the Northwest Territories and are audited as part of the Government of the Northwest Territories' audit. Our audit scope was limited as we did not audit the components of compensation and benefits expenses and related balances. Accordingly, we were not able to determine whether any adjustments might be necessary to compensation and benefits expenses, annual surplus and cashflows from operations for the years ended March 31, 2021 and March 31, 2020 and payroll liabilities, employee future benefits, net financial assets, and accumulated surplus as at April 1 and March 31 for both the 2021 and 2020 years as well as note disclosures associated with transactions and period-end balances relating to compensation and benefits. Our audit opinion on the financial statements for the year ended March 31, 2019 was modified accordingly because of the possible effect of this limitation in scope.

Tangible capital assets of the Yellowknife Airport acquired prior to the establishment of the Fund, July 1, 2017, were the property of the Government of the Northwest Territories ("the Government") Department of Infrastructure and were transferred to the Fund at their carrying amounts at July 1, 2017, excluding runways which were transferred April 1, 2018 and additional capital assets which were identified and transferred April 1, 2019. The tangible capital assets recorded were limited to those assets identified in the Government's accounting records and have not been verified. As such, the tangible capital asset amounts and related amortization expense reported may not be complete. Accordingly, we were not able to determine whether any adjustments might be necessary to tangible capital assets and accumulated surplus as at April 1 and March 31 for both the 2021 and 2020 years and amortization expense and annual surplus for the years ended March 31, 2021 and March 31, 2020. Our audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effect of this limitation in scope.

## Independent Auditors' Report (continued)

We were unable to observe the inventory count at March 31, 2020 and we were not able to satisfy ourselves concerning the quantity of inventory by alternative means. Since opening inventories affect the determination of the results of operations and cash flows, we were unable to determine whether adjustments to the results of operations and cash flows might be necessary for the year ended March 31, 2021. Our audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this limitation in scope. As a result, our opinion on the current year's results of operations and cash flows is modified because of the possible effects of this matter on the comparability of the current period's figures and the comparative information.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Yellowknife Airport Revolving Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### *Emphasis of Matter - Amended Financial Statements*

We draw attention to Note 2 to the financial statements, which describes that the financial statements that we originally reported on July 13, 2021 have been amended and describes the matter that gave rise to the amendment of the financial statements. Our opinion is not modified in respect of this matter.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

### *Auditors's Responsibilities for the Audit of the Financial Statements (continued)*

- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Yellowknife, Northwest Territories  
July 13, 2021, except as to Note 2,  
which is as of August 11, 2021**

*Crowe Mackay LLP*

**Chartered Professional Accountants**



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## Yellowknife Airport Revolving Fund

### Statement of Financial Position


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As at March 31,	2021	2020
<b>Financial Assets</b>		
Accounts receivable (note 6)	\$ 825,108	\$ 1,551,364
Due from the Government of the Northwest Territories (note 7)	12,855,990	14,226,513
	<b>13,681,098</b>	<b>15,777,877</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	211,906	1,423,556
Deferred revenue (Note 9)	9,687,863	9,012,200
Employee future benefits (note 10)	391,574	275,876
Security deposits	81,769	81,769
	<b>10,373,112</b>	<b>10,793,401</b>
<b>Net Financial Assets</b>	<b>3,307,986</b>	<b>4,984,476</b>
<b>Non-Financial Assets</b>		
Inventories held for use	497,290	497,290
Tangible capital assets (note 11)	38,643,838	39,989,813
Prepaid expenses	11,390	6,421
	<b>39,152,518</b>	<b>40,493,524</b>
<b>Accumulated Surplus</b>	<b>\$ 42,460,504</b>	<b>\$ 45,478,000</b>

Contractual Obligations (note 15)  
Contractual Rights (note 16)

Approved:

  
R. Straker  
Reg. Airport Mgr, YK Airport

  
E. Bleichert  
A/Comptroller, YK Airport

AUG 19 2021

AUG 19 2021

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## Yellowknife Airport Revolving Fund

### Statement of Changes in Net Financial Assets

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For the year ended March 31,	Budget (Unaudited)	2021	2020
<b>Annual Surplus (Deficit)</b>	\$ 712,630	\$ (3,017,496)	\$ 15,834,448
Change in prepaid expenses	-	4,969	(352)
Change in inventories held for use	-	-	(255,902)
Contribution of tangible capital assets	-	-	(12,053,851)
Acquisition of tangible capital assets	-	(1,178,781)	(5,646,191)
Proceeds on disposal of tangible capital assets	-	125,000	-
Amortization of tangible capital assets	-	2,389,818	2,702,628
<b>Increase (decrease) in Net Financial Assets</b>	712,630	(1,676,490)	580,780
<b>Net Financial Assets, beginning of year</b>	4,984,476	4,984,476	4,403,696
<b>Net Financial Assets, end of year</b>	\$ 5,697,106	\$ 3,307,986	\$ 4,984,476

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## Yellowknife Airport Revolving Fund

### Statement of Operations and Accumulated Surplus

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For the year ended March 31,	Budget (Unaudited)	2021	2020
<b>Revenue</b>			
Aeronautical revenue (Note 19)	\$ 7,385,000	\$ 1,367,941	\$ 6,905,123
Non-aeronautical revenue (Note 19)	3,553,000	878,521	3,149,068
	10,938,000	2,246,462	10,054,191
Government transfers (Note 12)		3,524,684	13,833,577
Airport improvement fees	4,739,000	415,973	2,173,461
	15,677,000	6,187,119	26,061,229
<b>Expenses (Note 20)</b>			
Airport capital	2,342,000	2,390,091	2,738,507
Finance and administration	1,013,000	939,683	1,394,498
Operations and maintenance	3,733,000	3,135,630	3,652,620
Safety and security	3,116,000	2,813,580	2,702,628
	10,204,000	9,278,984	10,488,253
<b>Operating Surplus (Deficit) before other items</b>	5,473,000	(3,091,865)	15,572,976
<b>Other Items</b>			
Grant-in-kind, Occupancy costs (Note 13)		985,043	1,221,058
Occupancy costs (Note 13)		(985,043)	(1,221,058)
Recovery of prior year expenses		74,369	261,472
	-	74,369	261,472
<b>Annual Surplus (Deficit)</b>	5,473,000	(3,017,496)	15,834,448
<b>Accumulated Surplus, beginning year</b>	45,478,000	45,478,000	29,643,552
<b>Accumulated Surplus, end year</b>	\$ 50,951,000	\$ 42,460,504	\$ 45,478,000

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## Yellowknife Airport Revolving Fund

### Statement of Cash Flows

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For the year ended March 31,	2021	2020
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Operating Surplus (deficit)	\$ (3,017,496)	\$ 15,834,448
Items not affecting cash:		
Amortization	2,389,818	2,702,628
Government transfer - tangible capital assets	-	(12,053,851)
	<b>(627,678)</b>	<b>6,483,225</b>
<b>Changes in non-cash assets and liabilities</b>		
Accounts receivable	726,256	617,680
Inventories held for use	-	(255,901)
Accounts payable and accrued liabilities	(1,211,650)	426,495
Deferred revenue	675,663	3,533,912
Employee future benefits	115,698	(53,272)
Prepaid expenses	(4,969)	(352)
Due from the Government of the Northwest Territories	1,370,523	(5,105,596)
<b>Cash from operating activities</b>	<b>1,043,843</b>	<b>5,646,191</b>
<b>Capital activity</b>		
Acquisition of tangible capital assets	(1,178,781)	(5,646,191)
Disposal of capital assets	134,938	-
<b>Cash used in capital activities</b>	<b>(1,043,843)</b>	<b>(5,646,191)</b>
<b>Increase in cash</b>	<b>-</b>	<b>-</b>
<b>Cash, beginning and end of period</b>	<b>\$ -</b>	<b>\$ -</b>

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# Yellowknife Airport Revolving Fund

## Notes to Financial Statements

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March 31, 2021

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### 1. Nature of operations

The Yellowknife Airport Revolving Fund revolving fund (the "Fund") was established July 1, 2017 for the purpose of meeting the capital, operating and maintenance requirements of the Yellowknife Airport. The Fund operates under the authority of the *Revolving Funds Act* (the "Act") and the *Northwest Territories Financial Administration Act*. The Yellowknife Airport Division of the Department of Infrastructure of the Government of the Northwest Territories (the "Government") is responsible for the administration of the Fund.

Under the Act, the Fund can receive working capital advances from the Consolidated Revenue Fund (the "CRF") to finance inventory, accounts receivable and operating expenses. The authorized limit of the Fund, being the maximum amount by which the assets may exceed the liabilities is \$36 million. The balance of the fund is reported as due to or from the Government on the Statement of Financial Position, as applicable.

### 2. Amendment to Financial Statements

Subsequent to the issuance of the previously reported financial statements for the year ended March 31, 2021 management determined that supplementary funding of \$3,300,000 for the Fund was not recorded and reflected in the financial statements. The financial statements have been amended to record government transfer revenues of \$3,300,000 and an increase in Due from the Government of the Northwest Territories.

### 3. COVID-19

On March 11, 2020, the World Health Organization declared a global pandemic. The outbreak of the novel strain of the coronavirus, COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility. Governments and central banks including Canadian federal, provincial, territorial and municipal governments have responded with significant monetary and fiscal interventions designed to stabilize economic conditions.

At the time of approval of these financial statements, in response to the COVID-19 pandemic:

- In response to the COVID-19 outbreak the Government of the Northwest Territories imposed travel restrictions which resulted in a significant decrease in air traffic in and out of Yellowknife, Northwest Territories which has impacted the Fund's operations. To assist airlines, tenants, lessees and licensees of the Airport, the Fund under the direction of the Government of the Northwest Territories has waived all lease, license, concession, and landing fees from April 1 to December 31, 2020. The Fund received \$3,300,000 in supplementary funding from the GNWT.
- The entity has implemented remote work arrangements for those able to do so.
- The entity has implemented stringent health and safety procedures.

The rapidly evolving event, including health and safety conditions, economic environment and resulting government measures, creates a high level of uncertainty and risk that may result in significant impacts to the entity's activities, results of operations and financial condition. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. As such it is not possible to estimate the length and severity of these development and the impact on the financial results and condition on the Fund and its operations in future periods.

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# Yellowknife Airport Revolving Fund

## Notes to Financial Statements

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March 31, 2021

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### 4. Significant accounting policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board. The significant accounting policies used are as follows:

#### (a) Cash

The Fund does not maintain a bank account. All funds received are recorded and deposited to the Government's general bank account and are maintained by the Government's Treasury. Similarly, all payments for the Fund are made from the Government's general bank account. The balance in Treasury attributable to the Fund is reflected in the financial statements as amount due from the Government and is disclosed in note 7.

#### (b) Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Fund and delivery or service has occurred, when the price is fixed or determinable and when collectability is reasonable assured.

Landing and terminal fees, apron fees, and parking revenues are recognized when the Airport facilities are utilized.

Concession fee revenue is recognized based on the highest of the agreed upon percentage of reported concessionaire sales or the specified minimum rentals in the period in which the rentals occur. Lease revenues are recognized straight-line basis over the duration of the underlying agreements.

Recoveries are recognized when the service is performed or the goods are provided.

Airport improvement fee revenue is recognized as income in the period that eligible capital airport improvement costs are incurred.

#### (c) Government transfers

Government transfers are the transfer of monetary assets or tangible capital assets from a government for which the government making the transfer does not:

- receive any goods or services directly in return;
- expect to be repaid in the future; or
- expect a direct financial return.

Government transfers are recognized as revenue in the period during which the transfer is authorized and eligibility criteria are met, except when and to the extent that the transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers meeting the definition of a liability are recognized as revenue as the liability is settled.

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## Yellowknife Airport Revolving Fund

### Notes to Financial Statements

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March 31, 2021

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#### 4. Significant accounting policies (continued)

##### (d) Tangible capital assets

Tangible capital assets of the Yellowknife Airport acquired prior to the establishment of the Fund, July 1, 2017, were the property of the Government and were transferred to the fund at July 1, 2017, April 1, 2018 and April 1, 2019 at their carrying amounts, accordingly the tangible capital assets are reflected in these financial statements. The Fund amortizes the tangible capital assets over their estimated useful lives at the rates established in the Financial Administration Manual over the following terms:

Buildings	40 years straight line, no salvage
Water/sewer works	15-25 years straight line, no salvage
Machinery, equipment and vehicles	5-15 years straight line, no salvage
Airstrips/Runways	10-40 years straight line, no salvage
Fuel tanks	15-40 years straight line, no salvage

Tangible capital assets acquired by the Fund after July 1, 2017 are the property of the Fund and are recorded at cost which includes all amounts directly attributable to the acquisition, construction, development or betterment of the asset.

The cost of self-constructed assets includes expenditures on materials, direct labour, financing costs and an allocated proportion of project overheads. When the cost of replacing part of a tangible capital asset is capitalized, the carrying amount of the replaced part is derecognized. Any gain or loss on disposal or retirement of a tangible capital asset is determined as the difference between the proceeds from disposal and the carrying amount of the asset and is recognized in surplus.

Maintenance and repair expenses that do not improve or extend productive life are expensed in the period incurred.

Work in progress represents capital projects under construction but not completed and are valued at cost. Capital assets under construction are transferred to tangible capital assets when the asset is available for use and amortization will commence at that time.

##### (e) Inventories of supplies

Inventories of supplies are valued at the lower of cost and replacement value, with cost being determined using the weighted average cost method. Inventories of supplies include chemicals, fuel, parts and supplies.

##### (f) Non-pension employee future benefits and compensated absences

Under the terms and conditions of labour contracts, employees may qualify and earn employment benefits for annual leave, retirement, severance and removal costs based on years of service and salary. The estimated liability for these benefits is recorded as the benefits are earned by the employees. The benefit plan is not pre-funded.

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## Yellowknife Airport Revolving Fund

### Notes to Financial Statements

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March 31, 2021

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#### 4. Significant accounting policies (continued)

##### (g) Pension employee future benefits

The Fund and its employees, who are deemed to be employees of the Government, make contributions to the Public Service Superannuation Plan administered by the Government of Canada. The Fund and the employees contribute to the cost of the plan. The Fund contributes at a rate of 1.4 times that of the employees. During the year the Fund contributed \$314,082 (2020 - \$308,941) to the plan which was recognized as an expense. These contributions are expensed on a current year basis. The total pension obligation of the Fund is reflected in the statement of financial position with any changes from the prior year recognized as an expense (recovery) in the current year. The Fund is not required under present legislation to make contributions with respect to actuarial deficiencies to the Public Service Superannuation Account.

##### (h) Financial instruments

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial value is adjusted for financing fees and transactions 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.

The Fund subsequently measures all its financial assets and financial liabilities at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Financial instruments measured at amortized cost include accounts receivable, due from the Government of the Northwest Territories and accounts payable and accrued liabilities.

There are no financial instruments subsequently measured at fair value.

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.



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# Yellowknife Airport Revolving Fund

## Notes to Financial Statements

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March 31, 2021

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### 4. Significant accounting policies (continued)

#### (i) Inter-entity transactions

Inter-entity transactions are transactions between commonly controlled entities, Government departments.

Inter-entity transactions are recorded at the exchange amount when they are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length. The cost allocations are recorded on a gross basis.

The Fund does not record the estimated cost of services provided by Government departments for no charge. The Fund receives the following services provided at no charge; payroll processing, insurance and risk management, legal counsel, records storage and computer operations.

#### (j) Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- an environmental standard exists,
- contamination exceeds the environmental standard,
- the Fund is directly responsible or accepts responsibility;
- it is expected that future economic benefits will be given up, and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site. There are no liabilities to be recorded as at March 31, 2021.

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## Yellowknife Airport Revolving Fund

### Notes to Financial Statements

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March 31, 2021

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#### (k) Related parties

The Fund initially measures related party balances in accordance with the substance of the transactions that gave rise to them. The Fund subsequently measures related party balances in accordance with the Fund's policies for financial instruments, as set out in note (h). The Fund is related in terms of common control to all Government of the Northwest Territories departments, boards and agencies. These include:

##### Departments

- Department of Education, Culture and Employment
- Department of Environment and Natural Resources
- Department of Executive and Indigenous Affairs
- Department of Finance
- Department of Health and Social Services
- Department of Industry, Tourism and Investment
- Department of Infrastructure
- Department of Justice
- Department of Lands
- Department of Municipal and Community Affairs
- Legislative Assembly

##### Boards and Agencies

- Education Authorities
- Health and Social Services Authorities
- Aurora College
- NWT Business Development & Investment Corporation
- NWT Housing Corporation
- Northwest Territories Power Corporation
- Tlicho Community Services Agency
- Northwest Territories Heritage Fund
- Status of Women Council of the NWT
- NWT Human Rights Commission
- Arctic Energy Alliance
- Inuvialuit Water Board
- NWT Surface Rights Board
- NWT Environmental Fund
- NWT Liquor Commission
- NWT Liquor Licensing Board

The Fund enters into transactions with these entities in the normal course of business and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

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## Yellowknife Airport Revolving Fund

### Notes to Financial Statements

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March 31, 2021

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#### 5. Future accounting changes

##### (a) Asset Retirement Obligations, Section PS 3280

This section will establish the reporting of legal obligations associated with the retirement of certain tangible capital assets and solid waste landfill sites. This section applies to fiscal years beginning on or after April 1, 2022. The impact of the transition to these accounting standards has not yet been determined.

##### (b) Revenue, Section PS 3400

This section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions". This section applies to fiscal years beginning on or after April 1, 2023. Earlier adoption is permitted.

#### 6 Accounts receivable

	Accounts Receivable	Allowance for Doubtful Accounts	Net 2021	Net 2020
Accounts receivable	\$ 920,246	\$ (95,138)	\$ 825,108	\$ 1,551,364

#### 7. Due from the Government of the Northwest Territories

The amount due from the Government of the Northwest Territories represents the balance attributable to the Fund held by the Government Treasury. The changes in the Fund's balance is as follows:

	2021	2020
Balance, beginning of year	\$ 14,226,513	\$ 9,120,917
Add: Cash received by Treasury on behalf of the Fund	3,687,744	27,506,867
Less: Payments made by Treasury on the Fund's behalf	(8,358,267)	(22,401,271)
Add: Government transfers receivable from GNWT	3,300,000	-
Balance, end of year	\$ 12,855,990	\$ 14,226,513

The funds held by the Government Treasury are part of the consolidated revenue fund and are non-interest bearing with no set terms of repayment.

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## Yellowknife Airport Revolving Fund

### Notes to Financial Statements

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March 31, 2021

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#### 8. Airport improvement fees

The GNWT, acting on behalf of the Fund, entered into a Memorandum of Agreement ("the Agreement") dated July 1, 2017 with Signatory Air Carriers operating from the Airport. The Agreement provides for a consultative process with air carriers regarding the improvement to and expansion of airport facilities and the collection of airport improvement fees ("AIF") by air carriers through their ticketing processes. AIF revenues can only be used for the Yellowknife Airport Capital Program.

AIF fees are charged at \$10 per departing passenger in the Northwest Territories and \$20 per departing passenger outside the Northwest Territories

Airport improvement fee summary since implementation, July 1, 2017:

	2021	2020
Cumulative AIF revenue	\$ 11,896,093	\$ 11,107,124
Cumulative AIF expenses	(4,102,973)	(3,687,000)
Surplus of revenue over expenses	<u>\$ 7,793,120</u>	<u>\$ 7,420,124</u>

The excess of AIF revenues over expenses is recorded as deferred revenue.

#### 9. Deferred revenue

Deferred revenue is comprised of:

	2021	2020
Airport improvement fees	\$ 7,793,120	\$ 7,420,124
Government transfers - Runway Lighting Upgrade project	1,894,743	1,592,076
	<u>\$ 9,687,863</u>	<u>\$ 9,012,200</u>

#### 10 Employee future benefits

The employee future benefits liability is as follows:

	2021	2020
Ultimate removal	\$ 21,905	\$ 25,685
Severance	14,197	17,182
Sick leave	25,530	29,418
Special leave	2,410	2,877
Annual leave and lieu time	327,532	200,714
	<u>\$ 391,574</u>	<u>\$ 275,876</u>

Removal benefits are recorded based on an actuarial valuation. The current actuarial valuation was completed as at March 31, 2021. The effective date of the next actuarial valuation is March 31, 2022.

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## Yellowknife Airport Revolving Fund

### Notes to Financial Statements

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March 31, 2021

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#### 11. Tangible capital assets

	Cost	Accumulated Amortization	March 31, 2021	March 31, 2020
Buildings	\$ 29,938,382	\$ 3,469,864	\$ 26,468,518	\$27,993,004
Water/sewer works	453,919	95,983	357,936	381,932
Machinery, equipment and vehicles	7,864,843	1,477,190	6,387,653	5,281,835
Airstrips/runways	4,222,175	1,764,983	2,457,192	3,066,008
Work in progress	2,862,615	-	2,862,615	3,267,034
Fuel Tanks	109,924	-	109,924	-
	<b>\$ 45,451,858</b>	<b>\$ 6,808,020</b>	<b>\$ 38,643,838</b>	<b>\$39,989,813</b>

Schedule 1 provides a breakdown of tangible capital assets and work in progress.

#### 12. Government transfers

The Fund received and recorded as revenue the following grants:

Received from	Type of transfer	Project	2021	2020
Canadian Air Transport Security Authority	Capital	Baggage Handling System	\$ 224,684	\$ 1,779,726
Government of Northwest Territories	Capital	Tangible capital assets	-	12,053,851
Government of Northwest Territories	Operating	Supplementary funding - COVID-19	3,300,000	-
			<b>\$ 3,524,684</b>	<b>\$ 13,833,577</b>

#### 13. Grant In Kind

Cost allocations recorded by the Fund relate to the utility costs associated with the Airport facilities incurred by the Department of Infrastructure, and recognized as occupancy costs and a grant in kind from the Government. The utilities are based on actual costs to the Department of Infrastructure.

#### 14. Budget Information

The budget figures are from the 2020-2021 Main Estimate approved by the Legislative Assembly of the Northwest Territories and are unaudited.

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## Yellowknife Airport Revolving Fund

### Notes to Financial Statements

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March 31, 2021

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#### 15. Contractual obligation

The Fund has commitments for leases and service agreements that will require payment in future years. As at March 31, 2021 the commitments amounted to \$6,648,634. The annual payments for these commitments are as follows:

	2022	2023	2024	2025
Equipment leases	\$ 1,929	\$ 1,887	\$ -	\$ -
Service contracts	1,340,347	245,773	165,404	5,333
Construction projects	4,887,962	-	-	-
	<u>\$ 6,230,238</u>	<u>\$ 247,660</u>	<u>\$ 165,404</u>	<u>\$ 5,333</u>

#### 16. Contractual rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The Fund's contractual rights arise because of contracts entered into for leases and licenses. The contractual rights of the Fund are as follows:

	2022	2023	2024	2025	2026 and subsequent years
Leases	\$ 2,077,417	\$ 1,860,569	\$ 1,827,200	\$ 21,060,652	
Licenses	392,873	293,416	239,860	393,858	
	<u>\$ 2,470,290</u>	<u>\$ 2,153,985</u>	<u>\$ 2,067,060</u>	<u>\$ 21,454,510</u>	

#### 17. Comparative Amounts

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

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## Yellowknife Airport Revolving Fund

### Notes to Financial Statements

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March 31, 2021

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#### 18. Risk management

The Fund is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risks from the Fund's financial instruments is provided below:

(a) Credit risk

Credit risk is the risk of financial loss to the Fund if a debtor fails to make payments of interest and principal when due. The Fund is exposed to this risk relating to its accounts receivable and due from the Government of the Northwest Territories.

The Fund's maximum exposure to credit risk is represented by the financial assets balance for a total of \$13,681,098 (2020 - \$15,777,877). Accounts receivable are due from various corporations. Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection. At March 31, 2021, the accounts receivable past due are as follows:

	30 days	60 days	90 days	Over 120 days	Total
Accounts receivable	\$ 699,548	\$ 24,146	\$ 6,428	\$ 235,456	\$ 965,578

The Fund's management has determined that a portion of accounts receivable is impaired. Management's assessment was based on specific identification and age of receivables. The portion impaired is \$95,138 (2020 - \$223,777).

Management believes the risk exposure related to amounts due from the Government of Northwest Territories is minimal given the Government's stability and strong credit worthiness

*Concentration of credit risk*

Concentration of credit risk is the risk that a customer(s) has a significant portion of the total accounts receivable balance and thus there is a higher risk to the Fund in the event of a default. The Fund does have concentration risk. At March 31, 2021, receivables from two (2020 - two) customers comprised 52% (2019 - 40%) of the total outstanding accounts receivables. The Fund reduces this risk by monitoring overdue balances. The Fund also has concentration risk related to the amount due from the Government of the Northwest Territories, which is stable and credit worthy, as stated above.

The Fund derives a substantial portion of its revenues from airlines through airfield and passenger processing fees and through airlines' collection of airport improvement fees on its behalf. The air transportation traffic that drives these revenues is from inter-territorial, domestic and cargo traffic from multiple airlines. Due to this diversification, the concentration risk is considered minimal.

(b) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet all cash outflow obligations as they come due. The Fund 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 Fund's maximum exposure to liquidity risk is represented by its financial liabilities for a total of \$10,373,112. Financial liabilities consist of accounts payable and accrued liabilities. All of the Fund's financial assets and financial liabilities as at March 31, 2021 mature within the next six months.

The Fund has disclosed future financial liabilities and commitments in Note 15.

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## Yellowknife Airport Revolving Fund

### Notes to Financial Statements

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March 31, 2021

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#### 19. Revenue by object

The following is a summary of revenues by object.

For the year ended March 31	2021 Actual	2020 Actual
Apron fees	\$ 33,359	\$ 139,934
Concession fees	30,217	252,248
Landing and terminal fees	1,069,306	6,285,834
Leases	693,001	2,615,247
Parking	47,756	238,179
Recoveries	366,811	424,437
Other	6,012	98,312
<b>Total Revenue</b>	<b>\$ 2,246,462</b>	<b>\$ 10,054,191</b>

#### 20. Expenses by object

For the year ended March 31	2021 Budget (Unaudited)	2021 Actual	2020 Actual
Amortization	\$ 2,342,000	\$ 2,389,818	\$ 2,702,628
Bad debts (recovery)	2,000	(128,688)	223,304
Computer hardware and software	140,000	223,361	247,580
Contract services	2,100,000	1,476,108	1,569,095
Fees and payments	20,000	46,484	8,222
Materials and supplies	700,000	586,057	882,015
Purchased Services	110,000	62,436	136,138
Travel	30,000	108	5,723
Utilities	160,000	104,927	128,409
Salaries and benefits	4,600,000	4,518,373	4,585,139
<b>Total Expenses</b>	<b>\$ 10,204,000</b>	<b>\$ 9,278,984</b>	<b>\$ 10,488,253</b>



**Yellowknife Airport Revolving Fund**

**SCHEDULE 1**

**Schedule of Tangible Capital Assets**

For the Year Ended March 31, 2021

Cost	Buildings	Fuel Tanks	Machinery, equipment and Water & sewer vehicles	Airstrips	Work in progress	Total 2021	Total 2020
Balance, beginning of the year	\$30,264,510	\$ -	\$ 6,293,545	\$ 4,222,175	\$ 3,267,034	\$ 44,501,183	\$26,791,141
Add: contributed tangible capital assets received	-	-	-	-	-	-	12,053,851
Add: additions during year	-	109,924	408,241	-	661,127	1,179,292	5,656,191
Add: transfers to tangible capital assets	(326,128)	-	1,383,207	-	(1,065,545)	(8,466)	-
Less: disposals during the year	-	-	(220,150)	-	-	(220,150)	-
Balance, end of year	29,938,382	109,924	7,864,843	4,222,175	2,862,616	45,451,859	44,501,183
<b>Accumulated Amortization</b>							
Balance, beginning of year	2,271,506	-	1,001,710	1,156,167	-	4,501,370	1,798,742
Add: amortization	1,198,358	-	558,648	608,816	-	2,389,818	2,702,628
Less: accumulated amortization on disposals	-	-	(83,167)	-	-	(83,167)	-
Balance, end of the year	<b>3,469,864</b>	-	<b>1,477,191</b>	<b>1,764,983</b>	-	<b>6,808,021</b>	<b>4,501,370</b>
<b>Net Book Value</b>	<b>\$26,468,518</b>	<b>109,924</b>	<b>6,387,652</b>	<b>2,457,192</b>	<b>2,862,616</b>	<b>38,643,838</b>	<b>39,999,813</b>
2020 Net Book Value	\$27,993,004	\$ -	\$ 5,291,835	\$ 3,066,008	\$ 3,267,034	\$ 39,999,813	

**GNWT ENR - Environment Fund**

**Financial Statements**

**March 31, 2021**

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## **GNWT ENR - Environment Fund**

### **Financial Statements**

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**March 31, 2021**

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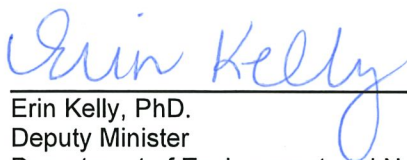
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## Management Responsibility Statement

Management is responsible for the reliability, integrity and objectivity of the data in the accompanying financial statement, which has been prepared in accordance with Canadian public sector accounting standards for not-for-profit organizations. Management takes responsibility for the presentation of these financial statements. Where appropriate, the financial statements include estimates and judgments based on careful consideration of the information available to management.

In discharging its responsibility for financial reporting, management maintains and relies on internal control systems and practices, which are designated to provide reasonable assurance that the transactions are authorized, the assets are safeguarded and proper records are maintained. These control systems and practices ensure the orderly conduct of business, the accuracy of the accounting records, reliability of financial information and compliance to legislation governing the Environment Fund.

The auditor provides an independent, objective audit for the purpose of expressing an opinion on the financial statements. The auditor also considers whether the transactions that come to their notice during the course of the audit are, in all significant respects, in accordance with specified legislation.



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Erin Kelly, PhD.  
Deputy Minister  
Department of Environment and Natural Resources



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Jessica St. Arnaud, CPA, CA,  
Director, Finance and Capital Planning  
Department of Environment and Natural Resources

June 28, 2021

## Independent Auditor's Report

### To the Minister of GNWT ENR - Environment Fund

#### *Qualified Opinion*

We have audited the financial statements of GNWT ENR - Environment Fund, which comprise the statement of financial position as at March 31, 2021, and the statements of operations and changes in fund balances for the then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of GNWT ENR - Environment Fund as at March 31, 2021 and the results of its operations for the then ended in accordance with Canadian public sector accounting standards.

#### *Basis for Qualified Opinion*

The Environment Fund relies on reports prepared by distributors, processing centres and depots for the recording of beverage container program fee revenues \$6,090,631 (2020 - \$5,307,973), depot handling fees \$904,229 (2020 - \$860,181), processing fees \$291,310 (2020 - \$471,135) and refundable deposits \$2,288,484 (2020 - \$2,373,662). The reports provided by distributors, processing centres and depots are not independently verifiable, and consequently, our review of these accounts was limited to the amounts reported on the filed claims. As a result we are unable to determine if adjustments would be required to revenues or expenses for the years ended March 31, 2021 and 2020, accounts receivable, accounts payable or fund balances as at March 31, 2021 and 2020.

The Environment Fund includes a liability for unredeemed containers in the amount of \$912,432 (2020 - \$796,196) that is derived from 15% of total beverage container program fees. The 15% could not be independently verified, and consequently, our review of this liability was limited to the value provided by management. As a result, we are unable to determine if adjustments would be required to the liability for the years ended March 31, 2021 and 2020.

Wages and benefits of \$1,167,870 (2020 - \$815,510) were paid to employees of the Fund are administered by the Government of the Northwest Territories and are audited as part of the Government of the Northwest Territories' audit. Our audit scope was limited as we did not audit the components of wages and benefits expenses and related balances. Accordingly, we were not able to determine whether any adjustments might be necessary to wages and benefits expenses for the years ended March 31, 2021 and 2020, liabilities and fund balances as at March 31, 2021 and 2020.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## Independent Auditor's Report (continued)

### *Other Matter*

Management is responsible for the other information. The other information comprises the annual report. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



## Independent Auditor's Report (continued)

- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Yellowknife, Canada  
June 28, 2021

*Crowe Mackay LLP*  
Chartered Professional Accountants

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## GNWT ENR - Environment Fund

### Statement of Operations

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For the ended March 31,	2021	2020
<b>Revenues</b>		
Beverage Container Program (schedule 1)	\$ 6,398,865	\$ 5,688,498
Electronic Recycling Program (schedule 2)	315,975	235,255
Other Programs and Initiatives (schedule 3)	552,862	599,534
	<b>7,267,702</b>	6,523,287
<b>Expenses</b>		
Beverage Container Program (schedule 1)	4,662,516	5,011,534
Electronic Recycling Program (schedule 2)	260,398	283,144
Other Programs and Initiatives (schedule 3)	730,857	332,158
	<b>5,653,771</b>	5,626,836
<b>Excess of revenues over expenses</b>	<b>\$ 1,613,931</b>	\$ 896,451

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## GNWT ENR - Environment Fund

### Statement of Changes in Fund Balances

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For the ended March 31, 2021

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	Unrestricted	Equipment replacement reserve	Total 2021	Total 2020
<b>Balance, beginning of period</b>	\$ 4,716,608	\$ 423,679	<b>\$ 5,140,287</b>	\$ 4,243,836
Excess of revenues over expenses	1,613,931	-	<b>1,613,931</b>	896,451
Transfer to reserve (Note 3c)	(30,396)	30,396	-	-
<b>Balance, end of period</b>	<b>\$ 6,300,143</b>	<b>\$ 454,075</b>	<b>\$ 6,754,218</b>	\$ 5,140,287

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## GNWT ENR - Environment Fund

### Statement of Financial Position

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March 31, 2021 2020

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#### Assets

Accounts receivable	\$ 876,953	\$ 909,304
Due from Treasury (note 4)	7,189,347	5,207,662
Loan receivable (note 5)	15,250	14,464
	<hr/>	<hr/>
	\$ 8,081,550	\$ 6,131,430

#### Liabilities

Accounts payable and accrued liabilities	\$ 414,900	\$ 194,947
Unredeemed container liability (note 6)	912,432	796,196
	<hr/>	<hr/>
	1,327,332	991,143

#### Fund balances

Unrestricted	6,300,143	4,716,608
Equipment replacement reserve	454,075	423,679
	<hr/>	<hr/>
	6,754,218	5,140,287
	<hr/>	<hr/>
	\$ 8,081,550	\$ 6,131,430

Approved on behalf of the board:

  
Deputy Minister

  
Director, Finance and Capital Planning

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# GNWT ENR - Environment Fund

## Notes to the Financial Statements

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March 31, 2021

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### 1. Nature of operations

The Environment Fund ("the Fund") contains all fees and surcharges collected from programs established under the authority of the Waste Reduction and Recovery Act ("the Act") of the Northwest Territories. The Act was enacted in October 2003 during the 6th session of the 16th Legislative Assembly. The Act came into force in July 2005 with the establishment of the Fund.

The financial assets of the Fund may be used to pay for:

- the establishment, operation and evaluation of programs in respect of the reduction or recovery of waste
- education programs related to the reduction or recovery of waste
- research and development activities related to the reduction or recovery of waste
- the appropriate disposal of a designated or prohibited material as waste
- expenses associated with the work of the advisory committee established by the Minister to provide advice and assistance relating to the establishment of programs and operation of programs in respect of the reduction and recovery of waste
- other costs associated with programs, initiatives, or activities in respect of the reduction or recovery of waste

#### Environment Fund Programs

The Beverage Container Program, which came into effect November 1, 2005, is one of three established programs operating within the Environment Fund. Administration of this program rests with the Chief Environmental Protection Officer appointed under the Environmental Protection Act.

The Single Use Retail Bag Program, which came into effect January 15, 2010, is the second of three established programs operating within the Environment Fund. Administration of this program rests with the Chief Environmental Protection Officer appointed under the Environmental Protection Act.

The Electronics Recycling Program, which came into effect on February 1, 2016, is the third of three established programs operating within the Environment Fund. Administration of this program rests with the Chief Environmental Protection Officer appointed under the Environmental Protection Act.

The Department of Environment and Natural Resources advised it will be examining other waste reduction and recovery programs that could, in the future, become part of the Fund.

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## GNWT ENR - Environment Fund

### Notes to the Financial Statements

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March 31, 2021

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#### 2. COVID-19

On March 11, 2020, the World Health Organization declared a global pandemic global due to an outbreak of a novel coronavirus identified as "COVID-19". In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal, provincial, and territorial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

Depots and processing centres were closed in March 2020 and began reopening in June 2020. Once travel was permitted between communities and regions, the Environment Fund organized satellite depots in communities where local operators faced difficulties reopening.

During the period, there was an amendment to the Single use Retail Bag regulation that resulted in no surcharges being incurred on sale of single use bags from March 28, 2020 to June 30, 2020.

#### 3. Significant accounting policies

The financial statements are prepared by management in accordance with Canadian public sector accounting standards.

The significant accounting policies used are as follows:

##### (a) Revenue recognition

Beverage Container Program revenue, Single-use Retail Bag Program, and Electronics Recycling Program revenue is recognized when beverage containers, single use retail bags or electronics are sold by distributors to retailers. Recoveries and salvage revenue from recycled materials are recognized when cash is received or receivable.

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.

Interest revenue is recognized as it is earned.

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## GNWT ENR - Environment Fund

### Notes to the Financial Statements

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March 31, 2021

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#### 3. Significant accounting policies (continued)

##### (b) Capital assets

The capital assets managed by the Fund are not included in these financial statements as they are not capital assets of the Fund.

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard.

As the Government of the Northwest Territories owns the assets of the Fund, it also accepts responsibility for any contaminated sites. As a result, the Fund does not record any liabilities associated with contaminated sites or their remediation.

##### (c) Reserve funds

Restrictions have been placed on surplus to reserve funds for future operations:

This reserve was approved by the Government of the Northwest Territories to be set up for future capital equipment purchases/replacement. The Equipment replacement reserve is equal to 1/10 of the cost of capital equipment, including capital equipment purchased with start-up funds, has been reserved annually for future replacements of capital equipment. The 2021 transfer is \$30,396 (2020 - \$30,396). During the year the Department of Environment and Natural Resources purchased equipment of \$0 (2020 - \$61,897) on behalf of the Fund.

##### (d) Contributed services

The Department of Environment and Natural Resources maintains the accounts of the Fund. The costs associated with administering and maintaining the accounts are not reflected in these financial statements as they are reported on in the consolidated financial statements of the Government of the Northwest Territories.

##### (e) Start-up funding

The Department of Environment and Natural Resources received \$1,143,000 in start-up funding from the Government of the Northwest Territories to cover the costs of implementing the Beverage Container Program. The start-up costs, which were incurred before the Beverage Container Program came into force on November 1, 2005, are not reflected in the financial statements as they are reported on in the consolidated financial statements of the Government of the Northwest Territories.

##### (f) Cash flow statement

As the Fund does not maintain a bank account, but rather receives working capital advances and finances accounts receivable and operating expenses through the Government's Consolidated Revenue Fund (the "CRF"); as a result a Statement of Cash Flows has not been presented.

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## GNWT ENR - Environment Fund

### Notes to the Financial Statements

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March 31, 2021

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#### 3. Significant accounting policies (continued)

##### (g) Financial instruments

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

This category includes accounts receivable, loans receivable, due from treasury, accounts payable and accrued liabilities, and unredeemed container liability. 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.

##### (h) Related party transactions

Related party transactions are in the normal course of operations and have been measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

##### (i) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards for not-for-profit organizations 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 balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates

#### 4. Due from Treasury

The Fund is a special purpose fund as defined in subsection 1(1) of the *Financial Administration Act* that forms part of the Government of the Northwest Territories Consolidated Revenue Fund.

In April 2006, the Fund joined the Government of the Northwest Territories investment pool, which consolidates and invests the cash balances for all participants. The monies for these investments flow out of the CRF and do not affect the cash balances of the participants. The investment pool revenues are prorated and allocated to the participants.

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## GNWT ENR - Environment Fund

### Notes to the Financial Statements

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March 31, 2021

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#### 5. Loan receivable

The Fund loaned two (2020 - one) bottle depot operators funds to be used to pay persons returning empty beverage containers to the depots.

	2021	2020
Loan receivable, non-interest bearing and repayable in monthly installments of \$536 starting on May 1, 2018. Final payment due on November 1, 2021.	\$ 11,250	\$ 14,464
Loan receivable #2, non-interest bearing and repayable in monthly installments of \$250, starting on June 1, 2022. Final payment is due on November 1, 2022.	4,000	-
	<b>\$ 15,250</b>	<b>\$ 14,464</b>

#### 6. Unredeemed container liability

The unredeemed container liability is an amount that is equal to 15% (2020 - 15%) of the beverage container surcharges of the current year. It has been recognized to cover the future redemption of containers that are currently in circulation. This liability has been disclosed in accordance with the *Waste Reduction and Recovery Act*.

#### 7. Comparative figures

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

#### 8. Related party transactions

The Fund is related in terms of common control of all Government of the Northwest Territories departments, agencies and Crown Corporations. The Fund receives human resource management, legal services and risk management from the Government of the Northwest Territories without charge. The Fund also receives management services from the Department of Environment and Natural Resources, as outlined in Note 3 (d).

The Fund entered into transactions with the following entities:

NWT Liquor Commission, Common control  
Government of the Northwest Territories - Human Resources , Common control  
Marine Transportation Services, Common control  
Chief Julian Yendo School Education Authority, Common control

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## GNWT ENR - Environment Fund

### Notes to the Financial Statements

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March 31, 2021

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#### 8. Related party transactions (continued)

	2021	2020
Revenue		
NWT Liquor Commission - Beverage container program fees	<b>\$ 1,911,742</b>	\$ 2,008,473
Expenses		
Wrigley District Education Authority - Chief Julian Yendo School - Grants and contributions	<b>\$ 2,063</b>	\$ 4,813
Government of the Northwest Territories - Human Resources - Payroll	<b>1,167,870</b>	815,509
Marine Transportation Services - Freight	<b>52,451</b>	73,458
	<b>\$ 1,222,384</b>	\$ 1,787,560
Accounts receivable		
NWT Liquor Commission	<b>\$ 168,229</b>	\$ 156,603

#### 9. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

##### (a) Credit risk

Credit risk is the risk of financial loss to the Fund if a debtor fails to make payments of interest and principal when due.

The Fund is exposed to this risk relating to its accounts receivable, loans receivable, and due from Treasury. Accounts receivable are due from government agencies and participating retailers of the Beverage Container Program. Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection. Management has determined that no accounts receivable required impairment.

The Fund's maximum exposure to credit risk is represented by the financial assets for a total of \$8,066,300 (2020 - \$6,131,430). All financial assets are considered current except for the loan receivable referenced in Note 5.



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## **GNWT ENR - Environment Fund**

### **Notes to the Financial Statements**

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**March 31, 2021**

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#### **9. Financial instruments (continued)**

##### **(b) Concentration of credit risk**

Concentration of credit risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the business in the event of a default by one of these customers. The Fund does have a concentration of credit risk.

Concentrations of credit risk relates to groups of counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

At March 31, 2021, receivables from 3 (3 - 2020) customers comprised approximately 47% (2020 - 50%) of the total outstanding receivables. The Fund reduces this risk by regularly assessing the credit risk associated with these accounts.

#### **10. Subsequent events**

Subsequent to year end, the Environment Fund re-opened the Waste Reduction and Recycling Initiative which provides up to \$50,000 per project to Northwest Territories based entities to complete projects related to reduction, reuse and recycling of materials.

At the time of approval for the financial statements, the Environment Fund had not approved any projects relating to the Waste Reduction and Recycling Initiative.

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## GNWT ENR - Environment Fund

### Schedules to the Financial Statements

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For the ended March 31,

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#### Schedule of Beverage Container Program

Schedule 1

	2021	2020
<b>Revenues</b>		
Beverage container program fees	\$ 6,090,631	\$ 5,307,973
Salvage	254,531	295,214
Interest revenue	52,298	84,386
Recoveries	1,405	925
	<b>6,398,865</b>	<b>5,688,498</b>
<b>Expenses</b>		
Advertising and promotion	11,653	2,263
Contract service - satellite depot	78,950	102,498
Depot handling fees	904,229	860,181
Equipment, supplies and maintenance	107,531	125,999
Freight	254,136	320,763
Grants and contributions	91,250	92,103
Insurance	13,759	14,271
Office and software	5,027	6,109
Processing centre handling fees	291,310	471,135
Processing centre salvage	48,025	54,377
Quality control fees	35,902	42,716
Refundable deposit fees	2,288,484	2,373,662
Storage	50,000	35,335
Travel and training	7,300	4,355
Wages and benefits	474,960	505,767
	<b>4,662,516</b>	<b>5,011,534</b>
<b>Excess of revenues over expenses</b>	<b>\$ 1,736,349</b>	<b>\$ 676,964</b>

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## GNWT ENR - Environment Fund

### Schedules to the Financial Statements

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For the ended March 31,

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#### Schedule of Electronic Recycling Program

Schedule 2

	2021	2020
<b>Revenues</b>		
Electronic recycling program fees	\$ 315,975	\$ 235,255
<b>Expenses</b>		
Advertising and promotion	5,000	13,693
Contract service - satellite depot	13,500	10,950
Depot, processing centre and recycling fees	68,768	87,786
Equipment, supplies and maintenance	-	12
Freight	9,402	24,448
Professional fees	36,445	36,369
Storage	4,800	6,000
Travel and training	-	1,947
Wages and benefits	122,483	101,939
	<b>260,398</b>	<b>283,144</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ 55,577</b>	<b>\$ (47,889)</b>

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## GNWT ENR - Environment Fund

### Schedules to the Financial Statements

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For the ended March 31,

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#### Schedule of Other Programs and Initiatives

Schedule 3

	2021	2020
<b>Revenues</b>		
Single-use retail bag program fees	\$ 552,862	\$ 599,534
<b>Expenses</b>		
Advertising and promotion	20,112	29,620
Grants and contributions	64,080	5,000
Contract services - satellite depot	28,368	21,945
Office	12,786	2,662
Professional fees	32,000	48,388
Travel and training	3,084	16,739
Wages and benefits	113,154	74,604
Wages and benefits – Policy development	419,945	115,531
Wages and benefits - Waste reduction and recycling	37,328	17,669
	<b>730,857</b>	<b>332,158</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ (177,995)</b>	<b>\$ 267,376</b>

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**LEGISLATIVE ASSEMBLY  
RETIRING ALLOWANCE FUND  
Yellowknife, NT**

**FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2021

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

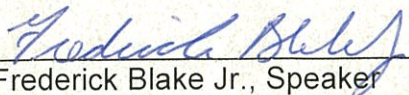
The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian accounting standards for pension plans. Where necessary the statements include amounts that are based on informed judgements and estimates by management, giving appropriate consideration to reasonable limits of materiality.


In discharging its responsibility for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained. These controls include quality standards in hiring and training employees, written policies and procedures manuals, and accountability for performance within appropriate and well-defined areas of responsibility. The Board's management recognizes its responsibility for conducting the Fund's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate.

The Accounting firm of Ashton Chartered Accountants has provided an independent objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian accounting standards for pension plans. The auditor also considers whether the transactions that come to his notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the NWT Legislative Assembly.

Aon Hewitt, an independent firm of consulting actuaries, has been engaged to provide an opinion on the adequacy and appropriateness of actuarial valuations of accrued pension benefits of the board.

On behalf of the Board of Management:

  
Frederick Blake Jr., Speaker

  
Glen Rutland, Acting Clerk

August 24, 2021



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## INDEPENDENT AUDITOR'S REPORT

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To the Shareholders of Legislative Assembly Retiring Allowance Fund

### *Opinion*

We have audited the financial statements of Legislative Assembly Retiring Allowance Fund (the Fund), which comprise the balance sheet as at March 31, 2021, and the statements of earnings, retained earnings and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for pension plans.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(continues)



Independent Auditor's Report to the Shareholders of Legislative Assembly Retiring Allowance Fund  
(continued)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hay River, Northwest Territories  
August 24, 2021



Ashton, Chartered Professional Accountants


**LEGISLATIVE ASSEMBLY RETIRING  
ALLOWANCE FUND**

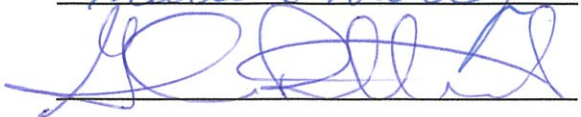
**STATEMENT OF FINANCIAL POSITION**

March 31, 2021

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Accounts Receivable (Note 3)	\$ 16,500	\$ 33,498
Accrued Interest Income	<u>17,600</u>	<u>19,512</u>
	34,100	53,010
<b>INVESTMENTS</b> (Note 4)	<u>23,558,600</u>	<u>19,521,755</u>
	<u>\$ 23,592,700</u>	<u>\$ 19,574,765</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts Payable	<u>\$ 39,880</u>	<u>\$ 50,940</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b> per page 2	23,552,820	19,523,825
<b>PENSION OBLIGATIONS</b> per page 3 (Note 5)	<u>19,306,300</u>	<u>16,822,200</u>
<b>PENSION PLAN FUND SURPLUS</b>	<u>\$ 4,246,520</u>	<u>\$ 2,701,625</u>

**APPROVED**

  
\_\_\_\_\_  
Speaker

  
\_\_\_\_\_  
Clerk

**LEGISLATIVE ASSEMBLY  
RETIRING ALLOWANCE FUND**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
For the Year Ended March 31, 2021

	<u>2021</u>	<u>2020</u>
<b>INCREASE IN ASSETS</b>		
<b>Contributions:</b>		
Members	224,492	228,253
Government of the NWT	785,000	550,000
In-Kind Contributions	<u>7,500</u>	<u>7,000</u>
	<u>1,016,992</u>	<u>785,253</u>
<b>Investment Income:</b>		
Interest	271,404	336,830
Dividends	265,376	325,973
Gain on Sale of Investments	<u>1,319,373</u>	<u>1,811,991</u>
	1,856,153	2,474,794
Current Period Change in Fair Values of Investments	<u>2,358,481</u>	<u>(2,513,988)</u>
Net Investment Income	<u>4,214,634</u>	<u>(39,194)</u>
Total Increase in Assets	<u>5,231,626</u>	<u>746,059</u>
<b>DECREASE IN ASSETS</b>		
Benefits		
Pension Payments	1,029,039	1,011,420
Termination/Lump sum Payments	<u>-</u>	<u>5,030,728</u>
Total Benefits	<u>1,029,039</u>	<u>6,042,148</u>
Administrative		
Actuary Fees	50,448	38,539
Audit Fees	7,500	7,000
Investment Management Fees	85,233	71,842
Meeting Travel & Accommodation	-	11,703
Trustee Fees	<u>30,411</u>	<u>33,452</u>
Total Administrative	<u>173,592</u>	<u>162,536</u>
Total Decrease in Assets	<u>1,202,631</u>	<u>6,204,684</u>
<b>INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS</b>	<b>\$ 4,028,995</b>	<b>\$ (5,458,625)</b>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>		
<b>BEGINNING OF YEAR</b>	<u>19,523,825</u>	<u>24,982,450</u>
<b>END OF YEAR</b>	<u>\$ 23,552,820</u>	<u>\$ 19,523,825</u>

**LEGISLATIVE ASSEMBLY  
RETIRING ALLOWANCE FUND**

**STATEMENT OF CHANGES IN PENSION OBLIGATIONS**  
For the Year Ended March 31, 2021

	<u>2021</u>	<u>2020</u>
<b>INCREASE IN PENSION OBLIGATIONS</b>		
Interest Accrued on Benefits	\$ 748,000	\$ 890,900
Benefits Accrued	813,000	838,000
Experience Loss	<u>2,174,100</u>	<u>-</u>
	<u>3,735,100</u>	<u>1,728,900</u>
 <b>DECREASE IN PENSION OBLIGATIONS</b>		
Benefits Paid	\$ 1,251,000	\$ 5,649,000
Experience Gains	<u>-</u>	<u>-</u>
	<u>1,251,000</u>	<u>5,649,000</u>
<b>INCREASE IN PENSION OBLIGATIONS</b>	2,484,100	(3,920,100)
 <b>PENSION OBLIGATIONS, BEGINNING OF YEAR</b>	 <u>16,822,200</u>	 <u>20,742,300</u>
<b>PENSION OBLIGATIONS, END OF YEAR</b>	<u>\$ 19,306,300</u>	<u>\$ 16,822,200</u>
 <b>AS REPRESENTED BY</b>		
Active Members	\$ 3,364,500	\$ 1,790,300
Pensioners & Terminated Members	<u>15,941,800</u>	<u>15,031,900</u>
	<u>\$ 19,306,300</u>	<u>\$ 16,822,200</u>

**LEGISLATIVE ASSEMBLY  
RETIRING ALLOWANCE FUND**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2021

**1. DESCRIPTION OF PLAN**

**a) General**

The Fund was established pursuant to the Legislative Assembly Retiring Allowances Act (NWT) and is administered by the Board of Management. The Act provides retiring allowances on a contributory, defined benefit basis to Members of the Legislative Assembly of the Northwest Territories who have been Members at any time for six or more years prior to October 16, 1995 or four or more years after October 16, 1995, commencing March 10, 1975, the date of the first fully elected Legislative Assembly.

b) The following description of the Legislative Assembly Retiring Allowance Plan is a summary only. For more complete information, reference should be made to the Plan agreement.

**1) Funding Policy**

The Legislative Assembly Retiring Allowance (NWT) Act requires that the plan sponsor, the Government of the Northwest Territories, must fund the benefits determined under the Plan. The determination of the value of these benefits is made on the basis of an actuarial valuation for the fund that must be completed no less frequently than as of the day on which each general election is held.

The Legislative Assembly Retiring Allowances Act (NWT) requires Plan members to contribute 6.5% of their pensionable remuneration and earnings to the Plan. Employer contributions required are equal to the amount certified by the Actuary as being necessary to fully fund the benefits accruing under the Plan, less the amount of required employee contributions. Any surplus existing in the Plan may be used to reduce the required employer contributions. Any deficit existing in the Plan must be specifically funded in accordance with the requirements of the Pension Benefits Standards Act.

**2) Normal Retirement Age**

a. Service Prior to 1992

Age 55

b. Service After 1991

The earliest of:

- age 60
- 30 years of service
- age plus service equals 80

**LEGISLATIVE ASSEMBLY  
RETIRING ALLOWANCE FUND**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2021

**1. DESCRIPTION OF PLAN - cont'd**

**3) Retirement Pension**

Two percent of the average best total earnings over four years multiplied by Credited Services as a Member

Note that prior to the amendment in 2011, the retirement pension was determined as follows:

Two percent of the average best earnings over four years as an MLA multiplied by Credited Services as an MLA.

PLUS

2% of the average best earnings over four consecutive years in that capacity of Minister, Speaker or Chairperson multiplied by Credited Service for each position. A position must be held for at least one year for a pension to be paid, and the pension for each position is calculated separately.

**4) Early Retirement**

A member may retire at any time upon ceasing to be a member of the Assembly. A Member retiring prior to Normal Retirement Age shall receive:

a. Service prior to 1992

A pension which is actuarially equivalent to the pension calculated as if the member was 55.

b. Service after 1991.

A pension which is reduced by .25% for each month a member retires before the Normal Retirement Age.

**5) Late Retirement**

Up to age 71.

**6) Maximum Allowance**

For benefits earned after 1991, the annual retirement pension payable shall not exceed the lesser of:

a. the defined limit as prescribed under the Income Tax Act of Canada for the year in which the pension commences, times the years of credited service after 1991;

b. 2% of the average annual indexed pensionable remuneration, times the years of credited service after 1991.

**LEGISLATIVE ASSEMBLY  
RETIRING ALLOWANCE FUND**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2021

**1. DESCRIPTION OF PLAN - cont'd**

**7) Form of Pension**

a. Service Prior to 1992

The normal form of payment is a joint and 75% survivor pension reducing on the death of the Member.

Each dependent will receive a pension of 10% of the retirement pension (to a maximum total of 25%) if the spouse survives. If there is no surviving spouse, a benefit of 25% of the retirement pension (to a maximum total of 100%) will be paid to each dependent.

b. Service After 1991

The normal form of payment for service after 1991 is a joint and 66-2/3% survivor pension reducing on the death of the Member with a guarantee of 100% of the first 60 monthly payments in any event.

Each Dependent will receive a pension of 10% of the retirement pension (to a maximum total of 33-1/3%) if the spouse survives. If there is no surviving spouse, a benefit of 100% shall be divided by the number of children for the first 60 monthly payments after the Member's pension commencement and then 25% of the benefit thereafter (to a maximum total of 100%).

**8) Increases in Pension**

Pensions in pay and deferred pensions are increased every January 1st based on increases in the Consumer Price Index up to the preceding September 30th.

**9) Pre-Retirement Death Benefits**

If a Member or Former Member dies before retirement and is not eligible to receive a pension, his accumulated contributions with interest will be returned to the beneficiary. If he was eligible to receive a pension, it will be assumed that the Member retired on the day preceding his death and elected the normal form of pension.

**10) Withdrawal Benefits**

A Member who terminates with four or more years of service or serves at least one full term as a Member of the Assembly is entitled to a retirement pension. All other Members who terminate will receive a lump sum payment of their accumulated contributions with interest.

**LEGISLATIVE ASSEMBLY  
RETIRING ALLOWANCE FUND**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2021

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with Canadian accounting standards for pension plans. The Significant policies are detailed as follows:

**a) Basis of Presentation**

These financial statements are prepared on the going concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity independent of the sponsor and plan members. The financial statements are prepared to assist plan members and others in reviewing the activities of the Plan for the fiscal period but they do not portray the funding requirements of the plan or the benefit security of individual plan members. As such, participants may also need to review, amongst other things, actuarial reports, and to take into account the financial health of the sponsor.

**b) Investments**

Investments for the Pension Fund are measured at fair value and categorized according to the fair value hierarchy using the market approach valuation technique. The Fund determines fair value of investments based on information supplied by the Investment Manager. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. Transaction costs are expensed as incurred. Investment income is recognized on an accrual basis. The current year change in fair value of investments is the difference between the fair value and the cost of investments at the beginning and end of each year, adjusted for realized gains and losses during the year.

**c) Fair Value Hierarchy**

The company classifies its financial assets and liabilities at fair value using a fair value hierarchy made up of three levels, according to the inputs used in making the measurements.

Level 1: This level includes assets and liabilities measured at fair value based on unadjusted quoted prices for identical assets and liabilities in an active market that the company can access at the measurement date.

Level 2: This category includes measurements that use, either directly or indirectly, observable inputs other than quoted prices included in level 1. Derivative instruments in this category are measured using models or other standard valuation techniques using observable market data.

Level 3: The measurements in this category depend upon inputs that are less observable, not available or for which observable inputs do not justify most of the instruments' fair value



**LEGISLATIVE ASSEMBLY  
RETIRING ALLOWANCE FUND**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2021

**2. SIGNIFICANT ACCOUNTING POLICIES, continued**

**d) Pension Obligations**

Pension obligations of the defined benefit pension plan are measured using the actuarial present value of accrued pension benefits determined by applying best estimate assumptions and the projected benefit method prorated on services. Net assets available for benefits is the difference between the Plan's assets and its liabilities, excluding the accrued pension benefits.

**e) Revenue Recognition**

Revenue from contributions and investment income are recognized on an accrual basis.

**f) Contributed Services**

The Fund recognizes in-kind contributions of materials and services in these financial statements, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Fund's operations and would otherwise have been purchased.

**g) Pension Benefits**

Pension benefits are shown as expenses in the year of payment.

**h) Measurement Uncertainty**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results may differ from these estimates.

Significant estimates are used in determining pension obligations. The Fund's actual experience may differ significantly from assumptions used in the calculation of the Plan's pension obligations. While best estimates have been used in the valuation of the Plan's actuarial value of accrued benefits, management considers that it is possible, based on existing knowledge, that changes in future conditions in the short term could require a material change in the recognized amounts. Differences between actual results and expectations are disclosed in these financial statements as actuarial gains or losses on Actuarial Benefit Obligations in the Statement of Changes in Pension Obligations in the year when actual results are known.

**LEGISLATIVE ASSEMBLY  
RETIRING ALLOWANCE FUND**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2021

**3. ACCOUNTS RECEIVABLE**

	2021	2020
Member Contributions	\$ 9,000	\$ 26,498
In-Kind Contributions- GNWT	7,500	7,000
	\$ 16,500	\$ 33,498

In-kind contributions arise from the payment of audit fees by GNWT on the Fund's behalf and are also included in Accounts Payable and Accrued Liabilities.

These balances, which are unsecured, non-interest bearing, and due on demand, are measured at fair value

**4. INVESTMENTS**

The Plan's investments are categorized according to the fair value hierarchy as follows:

	Cost	2021 Market	Cost	2020 Market
Cash & Cash Equivalents	17,267	17,267	2,709	2,709
Canadian Equity Mutual Funds	3,703,060	4,358,241	4,553,097	3,751,781
International Equity Mutual Funds	6,244,787	8,085,509	6,081,047	6,476,341
Temporary Investments	90,448	90,448	89,062	89,062
Canadian Fixed Income Funds	8,570,649	8,101,672	6,296,353	6,385,282
Government of Canada Bonds	1,957,327	2,237,129	1,882,906	2,178,484
Province of Ontario Bonds	430,653	668,334	430,653	638,096
	\$ 21,014,191	\$ 23,558,600	\$ 19,335,827	\$ 19,521,755

The above listed investments are managed by CIBC Mellon Global Securities and invested by MFS Investment Management Canada Limited and Connor, Clark & Lunn Investment Management Ltd. The investments will not be redeemed in the subsequent period.

**LEGISLATIVE ASSEMBLY  
RETIRING ALLOWANCE FUND**

**TO THE FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2021

**4. INVESTMENTS, continued**

The fair value hierarchy as described in not 2(c) requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified at the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The total investment portfolio by fair value hierarchy is as follows:

	2021	2020
Level 1	\$ 23,558,600	\$ 19,521,755

**5. OBLIGATIONS FOR PENSION BENEFITS**

The actuarial present value of accrued pension benefits was determined by Aon Hewitt, a firm of consulting actuaries. Their going concern valuation results are reflected in an extrapolation that was based on their last actuarial valuation conducted as at April 1, 2020.

The data and assumptions used for the March 31, 2021 obligations are the same as those used to determine the Best Estimate going-concern valuation results in the most recent valuations at April 1, 2020.

The actuarial liability and cost of benefits accruing after the valuation date have been determined using the Projected Accrued Benefit (or Unit Credit) Actuarial Cost Method.

The following were the assumptions used in determining the actuarial value of accrued pension benefits. They were developed by reference to expected long term market conditions.

	2021	2020
Valuation Interest Rate (net of expenses)	4.40%	4.75%
Remuneration Projection Rate	2.00%	2.00%
Interest Credited on Contributions	4.40%	4.75%
Inflation Rate	2.00%	2.00%

The actuarial valuation is performed on a going concern basis to determine the funded status and the funding requirements of the pension plan.

The latest actuarial valuation was conducted for the period April 1, 2020 and the related report completed in April 2021. The next actuarial valuation will be completed for April 1, 2024.

As provided by the Actuary, the value of pension benefit obligations as at March 31, 2021 has been obtained using a measurement date of January 31, 2021 by increasing the April 1, 2020 liability by the cost of accruing benefits and interest and subtracting the estimated benefit payments.

**LEGISLATIVE ASSEMBLY  
RETIRING ALLOWANCE FUND**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2021

**6. FINANCIAL INSTRUMENTS**

The Fund's investments are recorded at fair value based on information provided by the investment manager. Other financial instruments consist of accounts receivable, accrued interest income and accounts payable. The fair value of these other financial instruments approximates their carrying values.

The fair values of investments are exposed to credit, liquidity, and market risks. Asset diversification and investment eligibility requirements serve as a basic risk-management tool for the investment portfolio as a whole. The Fund's investment strategy requires that investments be held in a diversified mix of asset types and also sets out investment eligibility requirements. The diversification of assets serves to lower the variations in the expected return performance of the portfolio. Eligibility requirements serve to ensure that Fund assets, to the extent possible, are not placed at undue levels of risk and can meet the obligations of the Fund as necessary. While the above policies aid in risk management, the Fund's investments and performance remain subject to risks, the extent to which is discussed below:

**a) Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The Fund is exposed to currency risk arising from its holdings to investments denominated in foreign currencies, as well as investments that, although not denominated in foreign currencies, have underlying foreign currency exposure. This exposure lies principally within foreign equity funds. The Plan manages these risks through its investment policy, which limits the proportion of foreign assets within the portfolio.

**b) Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is composed of interest rate, currency, and other price risk. The extent of market risk exposure is dependent on the nature of the investment.

**LEGISLATIVE ASSEMBLY  
RETIRING ALLOWANCE FUND**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2021

**6. FINANCIAL INSTRUMENTS, continued**

**c) Credit Risk**

Credit risk is the risk that a counterparty to a financial contract will fail to discharge its obligations in accordance with agreed-upon terms. The Fund is exposed to credit risk through its investments in money market instruments (excluding cash), and fixed-income securities. The Fund's credit risk on money market instruments and fixed-income securities is managed by setting concentration limits on exposure to any single issuer, as well as by setting minimum credit-rating criteria for investment.

**d) Concentration Risk**

Concentrations of credit risk exist when a significant proportion of the portfolio is invested in securities subject to credit risk with similar characteristics or subject to similar economic, political, or other conditions. The investment portfolio as a whole is subject to maximum exposure limits and asset allocation targets that are designed to manage exposure to concentrated credit risk.

**e) Liquidity Risk**

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Fund's financial liabilities consist of Accounts Payable. These amounts are short term in duration and are set to mature within one year. Liquidity risk is managed through ensuring that sufficient liquid assets are maintained to meet anticipated payments and investment commitments in general. With respect to the Fund's financial liabilities and the actuarial value of accrued pension benefits, management believes that the Fund is not subject to any significant liquidity risk. The actuarial value of accrued pension benefits is not considered a financial liability; however, it is the most significant liability of the Fund in the Statement of Financial Position. The government of Northwest Territories (GNWT), as Plan sponsor, is required to contribute all funds necessary to meet any funding shortfalls of the Plan should they occur.

**LEGISLATIVE ASSEMBLY  
RETIRING ALLOWANCE FUND**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2021

**6. FINANCIAL INSTRUMENTS, continued**

**f) Interest Rate Risk**

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate owing to changes in market interest rates. The Fund is exposed to interest rate risk through its investment holdings in interest-bearing assets. These principally include money market instruments and fixed-income securities. The Fund manages its exposure to interest rate risk through holding a diversified mix of assets, both interest-bearing and non-interest bearing. This approach lowers the impact of variations in overall portfolio performance owing to factors arising from interest rate risk. The fair value of the Fund's assets, specifically the fixed-income securities, is affected by changes in the nominal interest rate. Investments subject to interest rate risk bear fixed rates of interest. Therefore, short-term fluctuations in prevailing interest rates would not normally subject the Fund to fluctuating cash flows. In the event of a sale or redemption prior to maturity, proceeds would be affected by the impact of prevailing interest rates on the fair value of the investment. The actuarial value of accrued pension benefits is not considered a financial instrument; however, these benefits are sensitive to changes in long-term interest rates. The Fund is exposed to interest rate risk because of mismatches between the impacts of interest rates on the actuarial value of accrued pension benefits and their corresponding impact on the investment portfolio as a whole. Given the nature of pension benefits, such risks cannot be eliminated but are addressed through the funding of the Plan and through regular review of the characteristics of the Fund's investment portfolio related to the accrued pension benefit liability.

**g) Other Price Risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Fund is exposed to other price risk through its holdings in Canadian equities. The Fund manages these risks through maximum proportions of equities in its investment portfolio and through concentration limits on investments in any one issuer, as outlined in the investment policies and procedures. Future cash flows relating to the sale of an investment exposed to other price risk will vary depending on market prices at the time of sale. Concentrations of other price risk exists when a significant portion of the portfolio is invested in equities with similar characteristics or subject to similar economic, market, political, or other conditions.

**LEGISLATIVE ASSEMBLY  
RETIRING ALLOWANCE FUND**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2021

**7. CAPITAL MANAGEMENT**

The purpose of the Fund is to provide benefits to plan members. As such, when managing capital, the objective is to preserve assets in a manner that provides the Fund with the ability to continue as a going concern, to have sufficient assets to meet future obligations for benefits and to have sufficient liquidity to meet all benefit and expense payments. The capital of the Fund consists of its surplus. Excluding the impact of investment income, the Fund is financed through member contributions. The surplus represents the difference between the net assets available for benefits and the actuarially determined accrued pension benefits on a going-concern basis. Actuarial valuations, which aid in the determination of the extent of the Fund's capital, are performed every four years following the general election. Surpluses, as well as other relevant aspects of the Plan, are managed in order to comply with the externally imposed requirements of the Income Tax Act and the PBSA.

As at March 31, 2021, the Plan is not in violation of any externally imposed legal or regulatory requirements.

**8. AUTHORIZATION**

On August 24, 2021, the Board of Management authorized the issue of the financial statements for the year ended March 31, 2021.

**THE NATURAL RESOURCES  
CONSERVATION TRUST FUND**  
Yellowknife, NT

**FINANCIAL STATEMENTS**  
For the year ended March 31, 2021



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## MANAGEMENT'S RESPONSIBILITY FOR REPORTING

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with the *Natural Resources Conservation Trust Act* of the Northwest Territories ("the Act"). Where necessary the statements include amounts that are based on informed judgments and estimates by management, giving appropriate consideration to reasonable limits of materiality.

In discharging its responsibility for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained. These controls include quality standards in hiring and training employees, written policies and procedures manuals, and accountability for performance within appropriate and well-defined areas of responsibility. The Board's management recognizes its responsibility for conducting the Board's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate.

The accounting firm Avery Cooper & Co. Ltd. Chartered Professional Accountants provide an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards.



Jessica St. Arnaud, CPA, CA  
Director, Financial and Capital Planning  
Department of Environment and Natural Resources

June 9, 2021



**VERY COOPER & CO. LTD.**  
Chartered Professional Accountants

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## INDEPENDENT AUDITOR'S REPORT

To the Minister of the Department of Environment and Natural Resources of  
The Natural Resources Conservation Trust Fund

### *Opinion*

The Natural Resources Conservation Trust Fund have audited the financial statements of The Natural Resources Conservation Trust Fund (the "Fund"), which comprise the Statement of Financial Position as at March 31, 2021, and the Statements of Operations and Changes in Fund Balances for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the *Natural Resources Conservation Trust Act* of the Northwest Territories (the "Act").

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the *Natural Resources Conservation Trust Act* of the Northwest Territories, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## INDEPENDENT AUDITOR'S REPORT, continued

- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves presentation per the Act.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Avery Cooper & Co. Ltd.*

Avery Cooper & Co. Ltd.  
Chartered Professional Accountants  
Yellowknife, NT

June 9, 2021

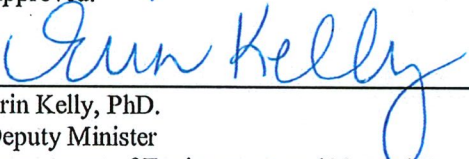
# THE NATURAL RESOURCES CONSERVATION TRUST FUND

## STATEMENT OF FINANCIAL POSITION

March 31, 2021


ASSET		2021	2020
<b>CURRENT</b>			
Cash		\$ 240,583	\$ 241,460
<b>LIABILITY</b>			
<b>CURRENT</b>			
Accounts payable and accrued liabilities		\$ 2,700	\$ 2,700
<b>FUND BALANCES</b>			
<b>CAPITAL PORTION</b> per page 3		187,828	187,828
<b>INTEREST PORTION</b> per page 3		50,055	50,932
		237,883	238,760
		\$ 240,583	\$ 241,460

Approved:



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Erin Kelly, PhD.  
Deputy Minister  
Department of Environment and Natural Resources



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Jessica St. Arnaud, CPA, CA,  
Director, Finance and Capital Planning  
Department of Environment and Natural Resources

# THE NATURAL RESOURCES CONSERVATION TRUST FUND

## STATEMENT OF OPERATIONS

For the year ended March 31, 2021

	<u>2021</u>	<u>2020</u>
<b>REVENUE</b>		
Interest income	\$ 2,011	\$ 5,217
<b>EXPENSES</b>		
Professional fees	<u>2,888</u>	<u>2,700</u>
<b>(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ (877)</u>	<u>\$ 2,517</u>

# THE NATURAL RESOURCES CONSERVATION TRUST FUND

## STATEMENT OF CHANGES IN FUND BALANCES

For the year ended March 31, 2021

	2021		
	Capital Portion	Interest Portion	Total
<b>BALANCE, opening</b>	\$ 187,828	\$ 50,932	\$ 238,760
Deficiency of revenue over expenses	-	(877)	(877)
<b>BALANCE, closing</b>	<b>\$ 187,828</b>	<b>\$ 50,055</b>	<b>\$ 237,883</b>
	2020		
	Capital Portion	Interest Portion	Total
<b>BALANCE, opening</b>	\$ 187,828	\$ 48,415	\$ 236,243
Excess of revenue over expenses	-	2,517	2,517
<b>BALANCE, closing</b>	<b>\$ 187,828</b>	<b>\$ 50,932</b>	<b>\$ 238,760</b>

# THE NATURAL RESOURCES CONSERVATION TRUST FUND

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

### 1. NATURE OF OPERATIONS

The Natural Resources Conservation Trust Fund (the "Fund") was established under the *Natural Resources Conservation Trust Act* of the Northwest Territories (the "Act"). The purpose of the Fund is to promote, through education, research and demonstration, the:

- (a) wise use of renewable resources;
- (b) awareness, enhancement and protection of the environment; and
- (c) use of the most efficient and most effective methods of trapping wildlife.

A Board of Trustees (the "Board") was appointed by the Minister of Resources, Wildlife and Economic Development, Government of the Northwest Territories ("GNWT"). Commencing April 1, 2005, the responsibilities were transferred to the Minister of Environmental and Natural Resources to administer the Fund.

The Fund is established as a Special Purpose Fund as defined under subsection 1 (1) of the *Financial Administration Act* of the Northwest Territories. As such, the Fund is a part of the Consolidated Revenue Fund of the GNWT.

### 2. BASIS OF ACCOUNTING

The Fund follows accounting principles generally accepted in Canada in preparing its financial statements. The significant accounting policies used are as follows:

#### (a) Fund accounting

In accordance with the Act, the Fund is administered into two portions, the Capital portion, and the Interest portion.

##### *Capital portion*

The Capital portion consists of donations, bequests and other payments for deposit accepted by the Board. The Board may not make payments from the capital portion without prior approval of the Minister; unless the payment is for designated purpose that has been specified by the benefactor. There are no designated funds in the capital portion of the Fund.

##### *Interest portion*

The Interest portion consists of interest earned by the Fund. The Financial Management Board fixes the rate of interest earned by the Fund. The Board of Trustees may make payments from the Interest portion of the Fund to persons, groups and programs.



# THE NATURAL RESOURCES CONSERVATION TRUST FUND

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

### 2. BASIS OF ACCOUNTING, continued

#### (b) Revenue recognition

The Fund follows the deferral method of accounting for contributions. Contributions subject to conditions are recognized as revenue in the year in which the related expenses are incurred. The Board of Trustees may accept donations, bequests or payments that are subject to conditions if the conditions are, in the opinion of the Board, appropriate to the purposes of the Fund. Where the Board accepts such items that are subject to conditions, the Board is bound to comply with those conditions.

Contributions not subject to conditions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recognized as revenue when earned.

#### (c) Contributed materials and services

The Department of Environment and Natural Resources maintains the Fund's accounts. The cost of administering the Fund are borne by the Department. The Fund has elected not to recognize contributed materials and services in these financial statements.

#### (d) Expenses

Payments from the Interest portion and the Capital portion of the Fund are recognized as expenses in the period in which the events giving rise to the payment occurred, as long as the payment is authorized, eligibility criteria have been met and a reasonable estimate of the amount can be made. All other expenses are recognized on an accrual basis.

### 3. FINANCIAL INSTRUMENTS

#### (a) Fair value

The Fund's financial instruments consist of cash, and accounts payable and accrued liabilities. In the opinion of the Board, the Fund is not exposed to significant interest rate, market, currency, liquidity or credit risks from these financial instruments. The carrying value of these instruments approximates their fair value.

### 4. FUND PAYMENTS

In accordance with subsection 101 of the Act, the recipient and amount of each payment made from the Fund during the year is as follows:

Not Applicable - No payments in current or prior year.

**Report to the Commissioner of the  
Northwest Territories  
on the examination of the accounts  
and financial statements of the**

**PUBLIC TRUSTEE FOR THE  
NORTHWEST TERRITORIES**

For the year ended March 31, 2021

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The Public Trustee for the Northwest Territories (the "Public Trustee") is responsible for the preparation, integrity and objectivity of the financial statements. The financial statements have been prepared in accordance with the *Public Trustee Act* of the Northwest Territories (the "Act"). Where appropriate, the preparation of financial information contained in this report includes estimates and judgements based on careful consideration of information available to management.

The Public Trustee has developed and maintained books of account, records, financial and management controls and management practices. These are designed to provide reasonable assurance as to the reliability of financial information in accordance with the Act.

The accounting firm of Avery Cooper & Co. Ltd. Chartered Professional Accountants, annually provide an independent, objective audit for the purpose of expressing their opinion on the financial statements in accordance with Canadian generally accepted auditing standards.

### Public Trustee for the Northwest Territories

Brian J. Asmundson  
Public Trustee

May 19, 2021

## INDEPENDENT AUDITOR'S REPORT

To the Commissioner

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of the Office of the Public Trustee for the Northwest Territories ("Public Trustee"), which comprise the balance sheet as at March 31, 2021, and the statement of operations, and the statement changes in estate and trust fund balance for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Public Trustee for the year ended March 31, 2021, are prepared, in all material respects, in accordance with the *Public Trustee Act* of the Northwest Territories (the "Act").

#### *Basis of Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Public Trustee in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Emphasis of Matter - Basis of Accounting*

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Public Trustee to meet the requirements of the Act. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### *Emphasis of Matter – COVID 19*

Without modifying our opinion, we draw attention to note 8 to the financial statements, concerning the worldwide spread of a novel coronavirus known as COVID-19 subsequent to year-end and its effect on the global economy. Our opinion is not modified in respect of this matter.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation of the financial statements in accordance with the Act and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Public Trustee's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Public Trustee or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Public Trustee's financial reporting process.

## INDEPENDENT AUDITOR'S REPORT, continued

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to audit 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 Public Trustee's internal control.
- Conclude on the appropriateness of management's use of the going concern basis of accounting used, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Public Trustee's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Public Trustee to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

We further report that in our opinion, proper books of account have been kept by the Public Trustee, 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 the Public Trustee.

*Avery Cooper & Co. Ltd.*

Avery Cooper & Co. Ltd.  
Chartered Professional Accountants

Yellowknife, NT  
May 19, 2021

## STATEMENT I

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES  
ESTATE & TRUST FUND**

**BALANCE SHEET  
March 31, 2021**

**ASSETS**

	<u>2021</u>	<u>2020</u>
Cash (Note 3)	\$7,851,627	\$7,780,534
Other assets at nominal value (Note 2b)	<u>1</u>	<u>1</u>
	<u>\$7,851,628</u>	<u>\$7,780,535</u>

**NET ASSETS**

Undistributed Common Fund earnings per Statement II (Note 4)	\$ 27,916	\$ 66,855
Public Trustee Management Fund (Note 6)	24,115	28,741
Estate & Trust Fund per Statement III (Note 5)	<u>7,799,597</u>	<u>7,684,939</u>
	<u>\$7,851,628</u>	<u>\$7,780,535</u>

Approved:



Public Trustee for the Northwest Territories

See the accompanying notes.

## STATEMENT II

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES  
ESTATE & TRUST FUND**

**STATEMENT OF OPERATIONS**  
For the year ended March 31, 2021

	<u>2021</u>	<u>2020</u>
<b>Undistributed Common Fund earnings, opening</b>	<u>\$ 66,855</u>	<u>\$ 72,309</u>
<b>Add:</b>		
Common Fund earnings	<u>66,024</u>	<u>151,094</u>
<b>Less:</b>		
Interest paid to estates and trusts (Statement III)	98,448	139,127
Excess interest paid to the Government of the Northwest Territories	-	-
Transfers to Public Trustee Management Fund (Note 6)	<u>6,516</u>	<u>17,421</u>
	<u>104,964</u>	<u>156,548</u>
<b>Increase (decrease) in Undistributed Common Fund earnings balance</b>	<u>(38,940)</u>	<u>(5,454)</u>
<b>Undistributed Common Fund earnings, closing (Note 4)</b>	<u>\$ 27,915</u>	<u>\$ 66,855</u>

See the accompanying notes.



**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES  
ESTATE & TRUST FUND**

**STATEMENT OF CHANGES IN ESTATE & TRUST FUND BALANCE**  
For the year ended March 31, 2021

	<u>2021</u>	<u>2020</u>
<b>Estate &amp; trust funds provided:</b>		
Estate and trust assets received	\$ 1,583,936	\$ 3,317,267
Common Fund interest paid to estates and trusts (Statement II)	<u>98,448</u>	<u>139,127</u>
	<u>1,682,384</u>	<u>3,456,394</u>
<b>Estate &amp; trust funds applied:</b>		
Payments to beneficiaries	652,000	1,138,545
Disbursements made on behalf of estates and trusts	854,318	863,587
Administration fees (Note 2c)	57,843	162,891
GST on Administration fees	2,889	8,145
Court fees	<u>676</u>	<u>1,178</u>
	<u>1,567,726</u>	<u>2,174,346</u>
<b>Increase in Estate &amp; Trust Fund balance</b>	114,658	1,282,048
<b>Estate &amp; Trust Fund balance, opening</b>	<u>7,684,939</u>	<u>6,402,891</u>
<b>Estate &amp; Trust Fund balance, closing (Note 5)</b>	<u>\$ 7,799,597</u>	<u>\$ 7,684,939</u>

See the accompanying notes.

## **PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES**

### **NOTES TO THE FINANCIAL STATEMENTS**

March 31, 2021

#### **NOTE 1 AUTHORITY**

The Office of the Public Trustee for the Northwest Territories (the “Public Trustee”), for the Department of Justice, Government of the Northwest Territories (GNWT), operates under the authority of the *Public Trustee Act*, Revised Statutes of the Northwest Territories 1988, Chapter P-19 as amended.

#### **NOTE 2 BASIS OF ACCOUNTING**

The financial statements have been prepared in accordance with the significant accounting policies set out below to comply with the *Public Trustee Act* of the Northwest Territories. The basis of accounting used in these financial statements materially differs from Canadian public sector accounting standards because estate and trust funds provided and applied, and Common Fund earnings distributions otherwise accrued at year-end, are not included until paid. Estate & Trust Fund assets other than cash have been recorded at nominal value. Significant accounting policies are as follows:

- a) These financial statements have been prepared on the cash basis of accounting except as otherwise stated.
- b) All Estate & Trust Fund assets other than cash, which include business interests, mortgages, stocks, bonds, term deposits, real estate and other assets, are carried at a nominal value of one dollar (\$1).
- c) Expenditures for the operation of the Public Trustee are paid from the Consolidated Revenue Fund of the Government of the Northwest Territories (“GNWT”) and, except for \$57,843 (2020 - \$162,891) paid to the Consolidated Revenue Fund as administration fees and the transfer of interest earned, are not reflected in these financial statements. Management fees paid to the Public Trustee out of the excess interest earned by the Common Fund are credited to the Public Trustee Management Fund. The costs incurred in respect of the annual audit may be deducted from the management fees.

#### **NOTE 3 CASH IN BANK**

The Public Trustee is a member of the GNWT investment pool.

The GNWT consolidates and invests the cash balances of all investment pool participants in money market securities. The money for these investments flows out of the GNWT main revenue account and, accordingly, does not affect the participants’ cash balances. Investment pool revenues are prorated and paid to participants monthly.

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES**

**NOTES TO THE FINANCIAL STATEMENTS**

March 31, 2021

**NOTE 4      UNDISTRIBUTED COMMON FUND EARNINGS**

Common Fund earnings are distributed half-yearly, on April 30th and October 31st each year, as interest paid to estates and trusts, and excess interest paid to the GNWT.

Interest earned on the Common Fund is utilized to pay prescribed interest on estates and trusts and any deficiency between the aggregate amounts of sums invested in the Common Fund and the actual value of the Common Fund's investments. Where the interest earned on the investment of the Common Fund exceeds the amount required to make these payments and management fees paid to the Public Trustee, the excess is paid to the Consolidated Revenue Fund of the GNWT.

The balance of Undistributed Common Fund earnings represents the Common Fund's cumulative earnings between November 1st and March 31st, which will be distributed on April 30th of the next fiscal year.

**NOTE 5      ESTATE & TRUST FUND**

The Estate & Trust Fund reflects all known assets of the estates and trusts administered by the Public Trustee. The Estate & Trust Fund is comprised of the following amounts:

	<u>2021</u>	<u>2020</u>
Common Fund	\$7,799,597	\$7,684,938
Other assets at nominal value	<u>1</u>	<u>1</u>
	<u>\$7,799,598</u>	<u>\$7,684,939</u>

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES**

**NOTES TO THE FINANCIAL STATEMENTS**

March 31, 2021

**NOTE 6 PUBLIC TRUSTEE MANAGEMENT FUND**

The change during the year in the Public Trustee Management Fund is as follows:

	<u>2021</u>	<u>2020</u>
<b>Public Trustee Management Fund balance, opening</b>	\$28,741	\$21,820
<b>Add:</b>		
Management fees transferred to the Public Trustee out of the excess interest earned (Statement II)	6,516	17,421
<b>Less:</b>		
Costs incurred in respect of the annual audit	<u>(11,000)</u>	<u>(10,500)</u>
<b>Public Trustee Management Fund balance, closing</b>	<u>\$24,115</u>	<u>\$28,741</u>

**NOTE 7 FINANCIAL INSTRUMENTS**

The financial instruments of the Fund consist of cash, undistributed Common Fund earnings, and the Common Fund. It is management's opinion that the Public Trustee is not exposed to significant interest rate, currency, market, credit or liquidity risks and that the fair value of these financial instruments approximates their carrying value.

**NOTE 8 COVID-19**

On March 11, 2020, there was a global outbreak of a novel coronavirus known as COVID-19, which has had a significant impact on organizations through the restrictions put in place by the Canadian and international governments regarding travel, business operations and isolation/quarantine orders. The extent of the impact the COVID-19 outbreak may have on the Organization will depend on future developments that are highly uncertain, and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, the duration of the outbreak, including the length of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are, or may, be put in place by Canada or other countries to fight the virus. The Organization's activities have not been significantly impacted thus far; however, the Organization continues to assess the impact COVID-19 will have on its operations.


Government of the Northwest Territories  
 Students Loan Fund  
 Statement of Operations  
 for the year ended March 31, 2021

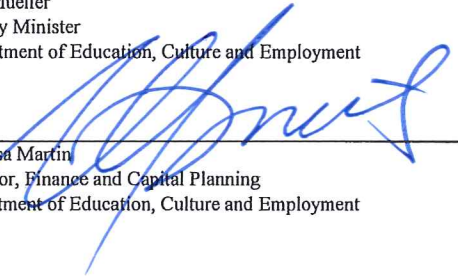
	2021	2020
Loans Receivable, opening balance	40,799	41,129
Loans granted during the year	<u>5,682</u>	<u>5,633</u>
	46,481	46,761
Less:		
Principal amount of loans repaid	(2,181)	(3,104)
Principal amount of loan forgiveness	-	(279)
Principal amount of loan remissions	(1,933)	(2,005)
Principal Amount of Northern Bonus	<u>(444)</u>	<u>(575)</u>
Loans Receivable, closing balance	41,925	40,799
Less:		
Allowance for remissable and doubtful loans	<u>(17,655)</u>	<u>(17,133)</u>
Net Loans Receivable, closing balance	<u>24,269</u>	<u>23,666</u>

Effect of Students Loan Fund on Government Operations

Interest earned and credited to general revenues	148	296
Reduction to allowance for doubtful accounts credited to Recovery of Prior Year Expenses		
Less:		
Collection agency fees	(2)	(2)
Estimated provision for remission and doubtful accounts	<u>(2,913)</u>	<u>(3,176)</u>
Operating deficiency for the year	<u>(2,768)</u>	<u>(2,882)</u>

Approved:

  
 Rita Mueller  
 Deputy Minister  
 Department of Education, Culture and Employment

  
 Marissa Martin  
 Director, Finance and Capital Planning  
 Department of Education, Culture and Employment

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# Students Loan Fund

Notes to the Financial Statement

(in thousands)

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March 31, 2020

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## 1. Authority

In accordance with the *Student Financial Assistance Act* (the Act) and the *Student Financial Assistance Regulations* (the Regulations), financial assistance is provided by the Department of Education, Culture and Employment (ECE) to eligible students to assist with the cost of obtaining a post-secondary education. Student Financial Assistance (SFA) provides assistance through a combination of grants and loans (remissible and repayable), subject to eligibility criteria as prescribed in the Regulations.

## 2. Description of the Program

The Government of Canada introduced the Canada Student Loan Program (CSLP) in 1964. Prior to July 31, 1988, the NWT participated in the CSLP. In 1988, the NWT opted out of the CSLP and now receives an Alternative Payment, in accordance with section 14(4) of the *Canada Student Financial Assistance Act*.

At that time, a Students Loan Fund (SLF) was established in the Consolidated Revenue Fund to enable disbursements and payments specific to loans made under the Act. In accordance with the Act, the following shall be credited to the SLF according to Provision 9:

- a. all repayments of principal on loans made under the Act;
- b. the amount of all loans remitted under the Act. Remissible loans function much like repayable loans; however, students may be eligible to have part to all of their loan forgiven (meaning they do not have to pay the loan back) provided certain criteria are met (i.e. having met the academic and residency criteria);
- c. in addition Northern Bonus Grants are provided to students if the criteria are met (i.e. having met the academic, and residency criteria and provided the loan is up to date); and
- d. the principal amounts of all loans made under the Act that are written off under the *Financial Administration Act* (FAA).

The SLF currently has a maximum revolving limit of \$45 million.

## 3. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian public sector accounting standards. The following accounting policies are considered significant.

### a) Student Loans Receivable

Student loans receivable are stated at the lower of cost and net recoverable value. Valuation allowances, determined on an individual basis, are based on past events, current conditions and all circumstances known at the date of the preparation of the financial statements and are adjusted

annually to reflect the current circumstances of recording write downs or recoveries, as appropriate. Write-offs are recognized when the loans have been deemed unrealizable and or uncollectable. Recoveries are recorded when loans previously written off are subsequently collected. Interest revenue is not accrued when the collectability of either principal or interest is not reasonably assured.

Simple interest is charged on loans following the interest-free in school period. Payments on loans are applied first to interest and then to outstanding principal.

To support student loan borrowers during the COVID-19 pandemic, the Government of the Northwest Territories announced that the repayment of all student loans were to be suspended from April 1, 2020 to September 30, 2020 this includes suspension of any interest receivable.

b) Expenses

Loans are granted to students and recorded as expenditures as eligibility criteria are met by students over their period of study.

c) Measurement Uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these statements, the Government believes the estimates and assumptions to be reasonable.

The more significant management estimate relates to the valuation allowances for loans receivable.

**4. Allowance for Remission and Doubtful Accounts**

The Allowance is allocated as follows:

	<u>2021</u>	<u>2020</u>
Allowance for Forgiveness – Remissible Loans	\$ 6,591	\$ 6,156
Allowance for Doubtful Accounts – Repayable Loans	11,064	10,977
<b>Total Allowance</b>	<u>\$17,655</u>	<u>\$17,133</u>

**5. Related Party Transactions**

In accordance with established government practice, all administrative and occupancy costs are paid by ECE. Accordingly, no provision for these costs is reflected in these financial statements. Costs paid to other agencies for loan collection services are paid by the SLF and reflected in the financial statement.

**6. Financial Instruments and Risk Management**

Through its financial assets and liabilities, the SLF is exposed to various risks.

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge their responsibilities with respect to the financial instrument, and in doing so, cause a loss for the other party. For the Fund, credit risk is significant with respect to potential non-payment of student loans.

Mitigation processes aimed at minimizing credit losses begin with procedures that support the granting of loans and ongoing throughout the loan life cycle such as conducting credit checks, providing repayment support to low-income borrowers, and undertaking well defined procedures for addressing loan delinquencies.

Loans are interest-free during periods of study and become repayable in the seventh month after graduation or discontinuation of study. The SLF's maximum risk is represented by the Loans Receivable, Closing Balance.

b) Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk is related to payment terms. Changes in interest rates will affect interest revenue.

Interest rates are set during the week of January 1<sup>st</sup> for students whose loan becomes repayable during the course of that calendar year. Interest rates are set based upon the Bank of Canada Prime Business Rate (less one percentage point). This will be the student's interest rate for the duration of their repayment, except students who return to the NWT. Effective September 2015, students who return to the NWT they will be granted zero percent interest for the duration of their stay, with the original interest rate being reinstated if they leave the NWT. The interest rate is not adjusted in any other circumstances.

c) Liquidity Risk

Liquidity risk is the risk the SLF will encounter difficulty in meeting financial obligations as they fall due. The SLF's liquidity risk is minimal as the SLF's bank accounts are supported by the Government of the Northwest Territories.

## 7. Budget

The budget has been approved by the Legislative Assembly.



**TERRITORIAL COURT JUDGES REGISTERED  
PENSION PLAN FUND  
Yellowknife, NT**

**FINANCIAL STATEMENTS**

**For the Year Ended January 1, 2021**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

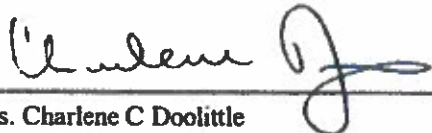
The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian accounting standards for pension plans. Where necessary the statements include amounts that are based on informed judgements and estimates by management, giving appropriate consideration to reasonable limits of materiality.

In discharging its responsibility for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained. These controls include quality standards in hiring and training employees, written policies and procedures manuals, and accountability for performance within appropriate and well-defined areas of responsibility. The Pension Plan's management recognizes its responsibility for conducting the Fund's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate.

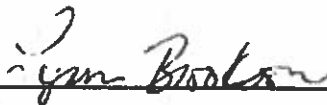
The financial statements have been reported on by Avery, Cooper & Co. Ltd., Chartered Professional Accountants, the Pension Plan auditors. Their report outlines the scope of their examination and their opinion on the financial statements.

Aon Hewitt, an independent firm of consulting actuaries, has been engaged to provide actuarial valuations of the present value of the accrued pension benefits to be provided from the Territorial Court Judges' Registered Pension Plan Fund.

On behalf of the Territorial Court Judges' Registered Pension Plan Fund



Ms. Charlene C Doolittle  
Deputy Minister, Department of Justice  
Government of the Northwest Territories



Witness

May 22, 2021

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Territorial Court Judges Registered Pension Plan Fund

### *Opinion*

We have audited the financial statements of the Territorial Court Judges' Registered Pension Plan Fund ("the Plan"), which comprise the statement of financial position as at January 1, 2021, and the statement of changes in net assets available for benefits, and the statement of changes in pension obligations, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (together "the financial statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Plan as at January 1, 2021, and the changes in net assets available for benefits, and the changes in pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans relevant to preparing such financial statements.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Without modifying our opinion, we draw attention to note 9 to the financial statements, concerning the worldwide spread of a novel coronavirus known as COVID-19 and its effect on the global economy. Our opinion is not modified in respect of this matter.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

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

In preparing the financial statements, management is responsible for assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Plan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Plan's financial reporting process.

## INDEPENDENT AUDITOR'S REPORT, continued

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Plan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Plan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITOR'S REPORT, continued**

*Other matter*

The financial statements of the Plan for the year ended January 1, 2020 were audited by another practitioner who expressed an unqualified audit opinion on those financial statements on March 11, 2020.

*Avery Cooper & Co. Ltd.*

Avery Cooper & Co. Ltd.  
Chartered Professional Accountants

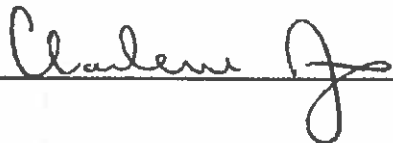
Yellowknife, NT  
May 22, 2021

**TERRITORIAL COURT JUDGES' REGISTERED  
PENSION PLAN FUND**

**STATEMENT OF FINANCIAL POSITION  
January 1, 2021**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Contributions Receivable - GNWT (Note 3)	\$ 4,828	\$ 21,300
Contributions Receivable - Members	<u>6,938</u>	<u>5,605</u>
	<u>11,765</u>	<u>26,905</u>
<b>INVESTMENTS (Note 4)</b>	<u>7,400,982</u>	<u>6,700,541</u>
	<u><b>\$ 7,412,747</b></u>	<u><b>\$ 6,727,446</b></u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts Payable & Accrued Liabilities	<u>\$ 18,126</u>	<u>\$ 18,053</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS per page 2</b>	7,394,621	6,709,393
<b>PENSION OBLIGATIONS per page 3 (Note 5)</b>	<u>7,426,200</u>	<u>7,266,400</u>
<b>DEFICIENCY</b>		
<b>PENSION PLAN FUND DEFICIT per page 2</b>	<u>\$ (31,579)</u>	<u>\$ (557,007)</u>

APPROVED

  
 Deputy Minister

See the accompanying notes.

**TERRITORIAL COURT JUDGES' REGISTERED  
PENSION PLAN FUND**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
For the Year Ended January 1, 2021**

	<u>2021</u>	<u>2020</u>
<b>INCREASE IN ASSETS</b>		
<b>Contributions</b>		
Current Service Cost	\$ 88,250	\$ 88,650
Members	74,950	70,391
In-Kind	9,482	35,427
	<u>172,682</u>	<u>194,468</u>
<b>Investment Income</b>		
Interest & Dividends	323,522	215,230
Gain on Sale of Investments	94,238	82,212
	<u>417,760</u>	<u>297,442</u>
Current Period Change in Fair Value of Investments	<u>517,979</u>	<u>654,664</u>
Net investment income	<u>935,739</u>	<u>952,106</u>
Total Increase in Assets	<u>1,108,421</u>	<u>1,146,574</u>
<b>DECREASE IN ASSETS</b>		
<b>Benefits</b>		
Pension Payments	351,878	345,234
<b>Administrative</b>		
Actuary Fees	-	24,374
Audit Fees	4,778	4,703
Investment Management Fees	40,694	36,573
Trustee Fees	25,843	25,810
	<u>71,315</u>	<u>91,460</u>
Total Decrease in Assets	<u>423,193</u>	<u>436,694</u>
<b>INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS</b>	<b>\$ 685,228</b>	<b>\$ 709,880</b>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>		
<b>BEGINNING OF YEAR</b>	<u>6,709,393</u>	<u>5,999,513</u>
<b>END OF YEAR</b> per page 1	<u>\$ 7,394,621</u>	<u>\$ 6,709,393</u>
<b>CHANGES IN PENSION PLAN FUND DEFICIT</b>		
<b>BEGINNING OF YEAR</b>	<b>\$ (557,007)</b>	<b>\$ (1,896,643)</b>
Increase in net assets available for benefits	685,228	709,880
(Increase) Decrease in pension obligations per page 3	(159,800)	629,756
Net change	<u>525,428</u>	<u>1,339,636</u>
<b>END OF YEAR</b> per page 1	<u>\$ (31,579)</u>	<u>\$ (557,007)</u>

See the accompanying notes.



**TERRITORIAL COURT JUDGES' REGISTERED  
PENSION PLAN FUND**

**STATEMENT OF CHANGES IN PENSION OBLIGATIONS  
For the Year Ended January 1, 2021**

	<u>2021</u>	<u>2020</u>
<b>INCREASE IN PENSION OBLIGATIONS</b>		
Interest accrued on benefits	\$ 344,400	\$ 335,500
Benefits accrued	238,600	227,700
Experience (gain)/losses	<u>-</u>	<u>(847,722)</u>
	583,000	(284,522)
<b>DECREASE IN PENSION OBLIGATIONS</b>		
Benefits paid	<u>423,200</u>	<u>345,234</u>
<b>INCREASE (DECREASE) IN PENSION OBLIGATIONS</b>	159,800	(629,756)
<b>PENSION OBLIGATIONS, BEGINNING OF YEAR</b>	<u>7,266,400</u>	<u>7,896,156</u>
<b>PENSION OBLIGATIONS, END OF YEAR</b>	<u><u>\$ 7,426,200</u></u>	<u><u>\$ 7,266,400</u></u>

See the accompanying notes.

# TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND

## NOTES TO THE FINANCIAL STATEMENTS

January 1, 2021

### 1. DESCRIPTION OF PLAN

#### a) General

The Fund for the Territorial Court Judges Registered Pension Plan (the "Plan") represents the assets of the registered defined benefit plan covering all Territorial Court Judges of the Northwest Territories. The Plan was established by the Judges' Registered Pension Plan Regulations under Section 32 of the Territorial Court Act. The Plan came into effect on February 1, 1994 and was a non-contributory plan until April 1, 1999 when it became contributory at 6% of pensionable earnings. A Territorial Court Judge appointed after the effective date participates in the Plan, unless the Judge objects on the basis of religious belief.

The Plan is a registered plan as defined in the Income Tax Act (Canada) (ITA) and, consequently, is not subject to income taxes. The Plan's registration number for income taxes purposes is 995761.

- b) The following description of the Territorial Court Judges' Pension Plan Fund is a summary only. For more complete information, reference should be made to the Plan Regulations.

#### 1) Funding Policy

The Territorial Court Act requires that the plan sponsor, the Government of the Northwest Territories (GNWT) and the Plan members, fund the benefits determined under the Plan. The determination of the value of these benefits is made on the basis of a triennial actuarial valuation for the Plan.

In accordance with the Trust agreement, employer and member contributions required are equal to the amount certified by the Actuary as being necessary to fund the benefits accruing under the Plan. Any surplus existing in the Plan may be used to reduce the required contributions. Any deficit existing in the Plan must be specifically funded in accordance with the requirements of section 8 of the Judges' Pension Plan Regulations.

#### 2) Normal Retirement Age

A Judge may retire on or after attainment of age 60 without reduction in pension.

#### 3) Early Retirement

A Judge may retire anytime after age 50 and prior to age 60 with a pension that is reduced by a quarter of one percent for each month that retirement precedes age 60. However, there is no reduction if the Judge has attained 80 years of combined judicial service and age at the date of pension commencement.

#### 4) Late Retirement

A Judge who attains 69 years of age shall receive a retirement pension commencing on the first day of the month immediately following the month in which the judge attains that age.

# **TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND**

## **NOTES TO THE FINANCIAL STATEMENTS**

January 1, 2021

### **1. DESCRIPTION OF PLAN, continued**

#### **5) Benefits Paid on Resignation**

A Judge who resigns from the bench prior to attainment of age 60, and who is not entitled to an immediate unreduced pension, may elect to receive either a monthly deferred pension (commencing at any time between the ages of 50 and 69) or a lump sum payment of the commuted value of the deferred pension.

#### **6) Benefits on Death**

When a Judge or former Judge dies, the Judge's surviving spouse is entitled to receive a pension for life equal to 60% (50% in respect of pre 1992 pensionable service) of the pension that the Judge was receiving immediately before death, or, if the Judge was not yet retired, 60% (50% in respect of pre 1992 pensionable service) of the pension that the Judge had earned up to the date of death. If the deceased Judge was not receiving a pension prior to his/her death, the spouse has the option of transferring the commuted value of the spouse's pension to a Registered Retirement Savings Plan or receiving the commuted value as a cash payment.

#### **7) Credited Pension**

The benefit payable from the Plan for each year of pensionable service for periods after January 1, 1992 is equal to the maximum permitted under the Income Tax Act. The limit increases annually to reflect increases in average Canadian wages.

The annual pension at retirement for each year of pensionable service credited in respect of periods before 1992 is calculated as 2% of average annual earnings in the six consecutive years before retirement in which such average was the highest, reducing at age 65 by an amount equal to 0.7% of the average Year's Maximum Pensionable Earnings (as defined in the Canada Pension Plan) determined over 3 years at the time of retirement. The Income Tax Act maximum pension does not affect the pre 1992 entitlement.

#### **8) Cost of Living Increases**

All retirement, spousal and deferred pensions receive cost of living increases equal to the full rate of increase in the Consumer Price Index for Canada. Increases are applied at each January 1st; with the first such increase being pro-rated to reflect the portion of the prior year since the date of retirement/termination/death. Commuted values are calculated to reflect future cost of living increases.

# TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND

## NOTES TO THE FINANCIAL STATEMENTS

January 1, 2021

### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for pension plans. The significant policies are detailed as follows:

#### (a) Basis of presentation

These financial statements are prepared on the going concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity independent of the sponsor and plan members. They are prepared to assist plan members and others in reviewing the activities of the Plan for the fiscal period but they do not portray the funding requirements of the plan or the benefit security of individual plan members. As such, participants may also need to review, amongst other things, actuarial reports, and to take into account the financial health of the sponsor.

In selecting or changing accounting policies that do not relate to its investment portfolio or pension obligations, Canadian accounting standards for pension plans (ASPP) require the Plan to comply on a consistent basis with either International Financial Reporting Standards (IFRS), or Canadian accounting standards for private enterprises (ASPE), to the extent that those standards do not conflict with the requirements of ASPP. The Plan has chosen to comply on a consistent basis with ASPE.

#### (b) Fair value hierarchy

The Plan classifies its financial assets and liabilities at fair value using a fair value hierarchy made up of three levels, according to the inputs used in making the measurements.

Level 1: This level includes assets and liabilities measured at fair value based on unadjusted quoted prices for identical assets and liabilities in an active market that the Plan can access at the measurement date.

Level 2: This category includes measurements that use, either directly or indirectly, observable inputs other than quoted prices included in level 1. Derivative instruments in this category are measured using models or other standard valuation techniques using observable market data.

Level 3: The measurements in this category depend upon inputs that are less observable, not available or for which observable inputs do not justify most of the instruments' fair value.

# **TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND**

## **NOTES TO THE FINANCIAL STATEMENTS**

January 1, 2021

### **2. SIGNIFICANT ACCOUNTING POLICIES, continued**

#### **(c) Investments**

Investments are categorized according to the fair value hierarchy using the market approach valuation technique. The Plan determines the fair value of investments based on information supplied by the investment manager. Investment transactions are recorded on the trade date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

Transaction costs are expensed as incurred. Investment income is recognized on an accrual basis. The current year change in fair value of investments is the difference between the fair value and the cost of investments at the beginning and end of each year, adjusted for realized gains and losses during the year. This change is reflected in the statement of changes in net assets available for benefits as a current year change in the fair value of investments.

#### **(d) Pension obligations**

Pension obligations of the defined benefit pension plan are measured using the actuarial present value of accrued pension benefits determined by applying best estimate assumptions and the projected benefit method prorated on services. Net assets available for benefits is the difference between the Plan's assets and its liabilities, excluding the accrued pension benefits.

#### **(e) Administrative expenses and benefit payments**

Administrative expenses represent fees incurred by the plan for trustee, investment management, actuarial, and audit services. These expenses are recognized in the period in which the services are provided.

Pension benefits are shown as expenses in the year of payment.

#### **(f) Revenue recognition**

Revenue from contributions and investment income are recognized on an accrual basis. Deferred revenue results from contributions for future periods invoiced in advance. Employer contributions for current service and special payment for funding deficiency must meet contributions required based on the most recent actuarial valuation report. Employee contributions for past service are recorded in the year received.

# **TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND**

## **NOTES TO THE FINANCIAL STATEMENTS**

January 1, 2021

### **2. SIGNIFICANT ACCOUNTING POLICIES, continued**

#### **(g) Financial instruments**

The Plan initially measures its financial assets and financial liabilities at fair market value, adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Plan subsequently measures its financial assets and financial liabilities, except investments, at amortized cost.

Financial assets measured at amortized cost include contributions receivable from members, and GNWT.

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

Investments are measured at fair value.

#### **(h) Measurement uncertainty**

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

Significant estimates are used in determining pension obligations. The Plan's actual experience may differ significantly from assumptions used in the calculation of the Plan's pension obligations.

While best estimates have been used in the valuation of the Plan's actuarial value of accrued benefits, management considers that is possible, based on existing knowledge, that changes in future conditions in the short term could require a material change in the recognized amounts. Differences between actual results and expectations are disclosed in these financial statements as actuarial gains or losses on Actuarial Benefit Obligations in the Statement of Changes in Pension Obligations in the year when actual results are known.

# TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND

## NOTES TO THE FINANCIAL STATEMENTS

January 1, 2021

### 3. CONTRIBUTIONS RECEIVABLE - GNWT

	2021	2020
In-Kind Contributions	\$ 4,778	\$ -
Current Service Contributions	50	21,300
	\$ 4,828	\$ 21,300

In-kind contributions arise from the payment of audit and actuary fees by GNWT, a related party, on the Plan's behalf.

### 4. INVESTMENTS

The Plan assets are held by RBC Investor services and invested by Phillips, Hager and North (PH&N). The following is a summary of the approximate composition of the pooled fund assets by asset type as reported by PH&N as at December 31, 2020:

	2021	2020
Cash and cash equivalents	\$ 14,803	\$ 60,305
Canadian equities	1,532,003	1,387,012
Global equities	3,212,026	2,854,430
Fixed income funds	2,427,522	2,398,794
Real Estate	214,628	-
Total market value of the investment portfolio	\$ 7,400,982	\$ 6,700,541

The book value of the investments for the year ended January 1, 2021 is \$5,477,180 (2020 - \$5,294,718)

Investments are valued based on information provided by the investment manager. In particular, the market value for the portfolio is determined by the Net Asset Value Per Unit (NAPVU or unit price) for the RBC Phillips, Hager & North Investment Counsel Inc. Balanced Pension Trust (BPT) on the last day of each quarter. This price is derived by end-of-day prices for each of the securities that make up the BPT.

The prices of each security are taken from relevant exchanges or third party providers for each security (TSX for Canadian stocks, NYSE for US stocks, PC Bond Analytics for Bonds) and are compiled by the BPT's custodian, RBC Investor Services Trust.

A financial instrument is classified at the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The Plan's total investment portfolio is level 1 of the fair value hierarchy.

# TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND

## NOTES TO THE FINANCIAL STATEMENTS

January 1, 2021

### 5. OBLIGATIONS FOR PENSION BENEFITS

The actuarial present value of accrued pension benefits was estimated by Aon Hewitt Associates, a firm of consulting actuaries. Their going concern valuation results are reflected in an extrapolation that was based on their last actuarial valuation conducted as at April 1, 2019. The data and assumptions used for the January 1, 2021 obligations are the same as that used in the actuarial valuation as at April 1, 2019. The going concern results were prepared using the projected benefit actuarial cost method (also known as the projected unit credit method).

The following were the assumptions used in determining the actuarial value of accrued pension benefits. They were developed by reference to expected long term market conditions.

	<u>2021</u>	<u>2020</u>
Discount rate	4.80%	4.80%
Salary Projection Rate	3.00%	3.00%
Price Inflation	2.00%	2.00%
Real Rate of Return	2.5%	2.5%

An actuarial valuation is performed on a going concern basis to determine the funded status and the funding requirements of the pension plan. The latest actuarial valuation report conducted for the period April 1, 2019 was completed in August, 2019. The next funding valuation must be performed no later than April 1, 2022.

As provided by the Actuary, the value of pension benefit obligations as at January 1 of each year is not available. Instead, the value as at March 31 is being used to compare with the net assets available for benefits as at January 1. The pension obligation presented on the statement of financial position is as at April 1, 2021.

### 6. MANAGEMENT OF CAPITAL

Management of the Plan defines its capital as the funded status as determined annually based on the adjusted market value of the investment assets less pension obligations as determined by an actuarial valuation prepared by an independent actuary. The funding surplus or deficit is used to measure the long-term health of the Plan to meet its obligations.

Per the actuarial funding valuation as at April 1, 2019, the Plan had a going concern unfunded liability in the amount of \$583,400 under the maximum funding valuation. Per the actuarial valuation, the rule for determining the sponsor's current service cost and special payments is based on the maximum funding valuation as the going concern valuation produces a higher total sponsor contribution and unfunded liability. Per the Plan Regulations,



# TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND

## NOTES TO THE FINANCIAL STATEMENTS

January 1, 2021

### 6. MANAGEMENT OF CAPITAL (continued)

unfunded liabilities are required to be funded over a period of not more than 15 years from the valuation date. Since the Plan had excess assets at April 1, 2019, special payments are not required.

Management has adopted a Statement of Investment Policies and Procedures ("SIPP"), which sets investment objectives, guidelines, and benchmarks used in investing the Plan's assets, and defining permitted categories of investments, asset mix diversification, and rate of return expectations. The Plan's SIPP was approved on September 30, 2014. The Plan's management is responsible for ensuring that the Plan assets are managed in accordance with the SIPP and the objectives and goals outlined therein.

<u>Category</u>	<u>Permitted Range</u>	
Canadian equities	20%	40%
Global equities	15%	35%
Emerging market equities	0%	10%
Fixed income	25%	55%
Cash and cash equivalents	0%	10%

With the exception of the global equities, the investments as at January 1, 2021 fell within the permitted ranges as specified by the SIPP.

### 7. FINANCIAL INSTRUMENTS AND RISK

The Plan's investments are recorded at fair value based on information provided by the investment manager. Other financial instruments consist of contributions receivable, and accounts payable and accrued liabilities. The fair value of these other financial instruments approximates their carrying values.

The fair values of investments are exposed to credit, liquidity, and market risks. Asset diversification and investment eligibility requirements serve as basic risk-management tools for the investment portfolio as a whole. The Plan's investment strategy requires that investments be held in a diversified mix of asset types and also sets out investment eligibility requirements. The diversification of assets serves to lower the variations in the expected return performance of the portfolio. Eligibility requirements serve to ensure that the Plan assets, to the extent possible, are not placed at undue levels of risk and can meet the obligations of the Plan as necessary. While the above policies aid in risk management, the Plan's investments and performance remain subject to risks, the extent of which is discussed below:

#### **Credit risk**

Credit risk is the risk that counterparty to a financial contract will fail to discharge its obligations in accordance with agreed-upon terms. The Plan is exposed to credit risk through its investments in money market instruments (excluding cash), and fixed-income securities.

# TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND

## NOTES TO THE FINANCIAL STATEMENTS

January 1, 2021

### 7. FINANCIAL INSTRUMENTS AND RISK, continued

The Plan's credit risk on money market instruments and fixed-income securities is managed by setting concentration limits on exposure to any single issuer, as well as by setting minimum credit-rating criteria for investment.

Concentrations of credit risk exist when a significant proportion of the portfolio is invested in securities subject to credit risk with similar characteristics or subject to similar economic, political, or other conditions. The investment portfolio as a whole is subject to maximum exposure limits and asset allocation targets that are designed to manage exposure to concentrated credit risk.

#### **Liquidity risk**

Liquidity risk is the risk that the Plan will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Plan's financial liabilities consist of Accounts Payable & Accrued Liabilities. These amounts are short term in duration and are set to mature within one year.

Liquidity risk is managed through ensuring that sufficient liquid assets are maintained to meet anticipated payments and investment commitments in general. With respect to the Plan's financial liabilities and the actuarial value of accrued pension benefits, management believes that the Plan is not subject to any significant liquidity risk. The actuarial value of accrued pension benefits is not considered a financial liability; however, it is the most significant liability of the Plan in the Statement of Financial Position. The Government of Northwest Territories (GNWT), as Plan sponsor, is required to contribute all funds necessary to meet any funding shortfalls of the Plan as they may arise from time to time.

#### **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is composed of interest rate, currency, and other price risk. The extent of market risk exposure is dependent on the nature of the investment.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate owing to changes in market interest rates. The Plan is exposed to interest rate risk through its investment holdings in interest-bearing, or fixed-income, assets. These principally include money market instruments and fixed-income securities. The Plan manages its exposure to interest rate risk through holding a diversified mix of assets, both interest-bearing and non-interest bearing. This approach lowers the impact of variations in overall portfolio performance owing to factors arising from interest rate risk. The fair value of the Plan's assets, specifically the fixed-income securities, is affected by changes in the nominal interest rate. The actuarial value of accrued pension benefits is not considered a financial instrument; however, these benefits are sensitive to changes in long-term interest rates.

The Plan is exposed to interest rate risk because of mismatches between the impacts of interest rates on the actuarial value of accrued pension benefits and their corresponding impact on the investment portfolio as a whole.

# TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND

## NOTES TO THE FINANCIAL STATEMENTS

January 1, 2021

### 7. FINANCIAL INSTRUMENTS AND RISK, continued

Given the nature of pension benefits, such risks cannot be eliminated but are addressed through the funding of the Plan and through regular review of the characteristics of the Plan's investment portfolio related to the accrued pension benefit liability.

#### *Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Plan is exposed to currency risk arising from its holdings of investments denominated in foreign currencies, as well as investments that, although not denominated in foreign currencies, have underlying foreign currency exposure.

The Plan manages these risks through its investment policy, which limits the proportion of foreign assets within the portfolio.

#### *Other price risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Plan is exposed to other price risk through its holdings in Canadian equities.

The Plan manages these risks through maximum proportions of equities in its investment portfolio and through concentration limits on investments with any one issuer, as outlined in the investment policies and procedures. Future cash flows relating to the sale of an investment exposed to other price risk will vary depending on market prices at the time of sale. Concentration of other price risk exists when a significant portion of the portfolio is invested in equities with similar characteristics or subject to similar economic, market, political, or other conditions.

### 8. ADMINISTRATIVE EXPENSES

Administrative expenses include fees charged by the investment manager, trustee, auditor, and actuary. Administrative costs of the Plan may be paid directly by the GNWT or by the trustee from the Plan assets. Payments made directly by the GNWT to the Plan are recognized as a corresponding increase to the in-kind contributions.

### 9. CONTINGENCY

On March 11, 2020, there was a global outbreak of a novel coronavirus known as COVID-19, which has had a significant impact on organizations through the restrictions put in place by the Canadian and international governments regarding travel, business operations and isolation/quarantine orders. The extent of the impact the COVID-19 outbreak may have on the Plan will depend on future developments that are highly uncertain, and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, the duration of the outbreak, including the length of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are, or may, be put in place by Canada or other countries to fight the virus. The Plan's management continues to assess the impact COVID-19 will have on its operations.

Northwest Territories and Nunavut Lotteries  
Physical Activity, Sport and Recreation Fund Report  
For the year ended March 31, 2021

Physical Activity, Sport and Recreation Fund Balance  
Schedule 1 - Schedule of Lottery Revenue, Net  
Schedule 2 - Contributions to Organizations  
Schedule 3 - Contributions Multisport Games  
Notes

Northwest Territories and Nunavut Lotteries  
Physical Activity, Sport and Recreation Fund Balance  
For the year ended March 31, 2021

	March 31, 2021 Unaudited	March 31, 2020 Unaudited
<b>Opening Fund balance</b>	\$ (751,595)	-
<b>Revenue</b>		
Other Grants - MACA	650,000	650,000
Lottery Revenue	6,115,869	5,783,751
Program Recipient Recoveries		
Nunavut Government Recoveries	332,611	-
Fees	5,000	-
Recoveries of Prior Year Expenses	658,672	-
	<u>7,762,152</u>	<u>6,433,751</u>
<b>Expenses</b>		
Compensation and Benefits	393,024	436,853
Grants, Contributions and Transfers	4,617,680	6,080,185
Travel	-	24,660
Material and Supplies	97,407	76,478
Purchased Services	93,538	106,644
Utilities	-	-
Contract Services	280,244	229,653
Fees & Payments	841,032	132,230
Interest Expense	-	
Chargeback Expense	-	
Controllable Assets	8,993	90,327
Computer Hardware/Software	7,489	8,315
	<u>6,339,406</u>	<u>7,185,346</u>
<b>Net Income</b>	<u>\$ 1,422,746</u>	<u>\$ (751,595)</u>
<b>Year End Fund balance</b>	<u>\$ 671,151</u>	<u>\$ (751,595)</u>

Northwest Territories and Nunavut Lotteries  
Schedule 1 - Schedule of Lottery Revenue, Net  
(amounts derived from Western Canada Lottery Corporation financial statements)  
For the year ended March 31, 2021

	March 31, 2021 Unaudited	March 31, 2020 Unaudited
<b>SALES</b>		
Lottery Ticket Sales	\$ 22,890,528	\$ 19,831,734
Interest and other income	16,925	25,729
	<u>22,907,453</u>	<u>19,857,463</u>
 <b>DIRECT EXPENSES</b>		
Free Tickets	1,164,870	942,580
Prizes	12,196,407	10,853,920
Retailer Commissions	1,235,309	1,099,130
Ticket Printing	310,068	325,946
	<u>14,906,654</u>	<u>13,221,576</u>
 <b>OPERATING INCOME</b>	<u>8,000,799</u>	<u>6,635,887</u>
 <b>EXPENSES</b>		
Amortization	139,762	103,745
Communications	138,630	113,530
Cost of premises	17,230	15,964
Draws and winning numbers publication	4,225	4,104
Employee development	3,016	5,628
Equipment	57,590	64,471
Federal Government	216,076	193,738
Freight and product transport	3,616	3,454
Goods and services tax	106,716	99,685
I. L. C. expense	10,405	17,777
Insurance and bank charges	13,021	8,873
Media & advertising	136,745	144,891
Overhead allocation	(291)	(251)
Presentations, publications and miscellaneous	1,173	2,157
Professional fees	71,596	67,470
Promotion	8,776	7,477
Supplies	2,224	2,166
Travel	380	3,573
Wages and Benefits	302,269	268,219
	<u>1,233,159</u>	<u>1,126,671</u>
 <b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 6,767,640</u>	<u>\$ 5,509,216</u>

Northwest Territories and Nunavut Lotteries  
Schedule 2 - Contributions to Organizations  
For the year ended March 31, 2021

	March 31, 2021 Unaudited	March 31, 2020 Unaudited
<b>REVENUE</b>		
Lottery Contribution		\$ -
MACA Contribution		
	-	-
<b>EXPENSES</b>		
Aboriginal Sports Circle of the NWT	800,000	800,000
Inuvik and Sahtu Sport and Recreation	53,483	129,452
Mackenzie Recreation Association	360,000	360,000
NWT Recreation and Parks Association	800,000	800,000
Sport North Federation	800,000	800,000
Territorial Sport Organizations	1,508,040	1,426,290
	4,321,523	4,315,742
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<b>\$ (4,321,523)</b>	<b>\$ (4,315,742)</b>

	March 31, 2021 Unaudited	March 31, 2020 Unaudited
<b>Territorial Sport Organizations</b>		
Archery - Note 6	\$ 20,000	\$ 20,000
Arctic Sports/Dene Games - Note 6	40,000	20,000
Athletics	65,790	65,790
Badminton	-	20,500
Basketball	100,000	100,000
Biathlon	10,000	-
Bowling	20,000	20,000
Boxing	20,000	-
Broomball	20,000	20,000
Cross Country Skiing	100,000	100,000
Curling	82,500	82,500
Dog Sledding	47,500	47,500
Figure Skating	20,000	-
Gymnastics	23,750	47,500
Hockey	100,000	100,000
Judo	100,000	100,000
Karate	20,000	-
Shooting	31,000	31,000
Snowboarding	47,500	47,500
Soccer	100,000	100,000
Softball	82,500	82,500
Special Olympics	20,000	-
Speed Skating	82,500	82,500
Squash	65,000	65,000
Swimming	100,000	100,000
Table Tennis	20,000	20,000
Taekwondo	20,000	4,000
Tennis	47,500	47,500
Volleyball	82,500	82,500
Wrestling	20,000	20,000
	<b>\$ 1,508,040</b>	<b>\$ 1,426,290</b>

Northwest Territories and Nunavut Lotteries  
Schedule 3 - Contributions Multisport Games  
For the year ended March 31, 2021

	March 31, 2021 Unaudited	March 31, 2020 Unaudited
<b>REVENUE</b>		
MACA Contribution	\$ 650,000	\$ 650,000
	<u>650,000</u>	<u>650,000</u>
<b>EXPENSES</b>		
Sport North Federation	68,610	1,305,207
Aboriginal Sports Circle of the NWT	-	520,682
NWT 55+ Games Association	25,000	25,000
	<u>93,610</u>	<u>1,850,889</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ 556,390</u>	<u>\$ (1,200,889)</u>



**1. Basis of Presentation**

The financial information in these reports for the year ended March 31, 2021 is prepared by the NWT and Nunavut Lotteries and internally verified by MACA Finance Staff. This information has not been subject to an audit, review or compilation engagement by a professional accountant.

Information in these reports has been formatted similarly to Main Estimates for consistency. Prior year figures have been restated.

**2. Nature of Operations**

NWT and Nunavut Lotteries has agreements with the Western Canada Lottery Corporation (WCLC) and the Government of Nunavut for the purpose of conducting and managing the sale of Western Canada Lottery products pursuant to the *Western Canada Lottery Act* and regulations in both the NWT and Nunavut.

For managing lottery operations on behalf of the Nunavut Government NWT and Nunavut Lotteries receives a management fee based on the Net Income of Nunavut Lottery Operations.

**3. Net Sales for the period ended March 31, 2021**

	\$	%
Eastern Arctic / Nunavut	3,381,815	15.8%
Western Arctic / NWT	17,979,957	84.2%
	21,361,772	100.0%

**4. Number of Terminals as at March 31, 2021**

	#	% of Total Sales
Eastern Arctic / Nunavut	4	15.8%
Western Arctic / NWT	30	84.2%
Total Number of Terminals	34	100.0%

**5. Fund Operating Parameters**

Due to the variable nature of lottery ticket sales and funding to support programs like multisport games, the Fund has been authorized to accumulate a maximum deficit of up to \$3.5 million. If the Fund is projected to exceed this limit, the Minister must present recommendations to the Financial Management Board to address the shortfall. The Fund has also been authorized to accumulate a maximum surplus of \$1.5 million. If the Fund is projected to exceed that limit, the Minister must submit recommendations to the Financial Management Board to utilize the funds above \$1.5 million in accordance with the Act.

**6. Archery, Arctic Sports and Dene Games**

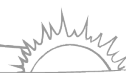
Funding for these sports was provided to the Aboriginal Sports Circle of the NWT.



# PUBLIC ACCOUNTS 2020-2021

## Section IV: Supplementary Financial Statements – Boards

Government of  
Northwest Territories



**PUBLIC ACCOUNTS  
OF THE  
GOVERNMENT OF THE NORTHWEST TERRITORIES  
FOR THE YEAR ENDED MARCH 31, 2021**

**SECTION IV  
SUPPLEMENTARY FINANCIAL STATEMENTS  
BOARDS**

**HONOURABLE CAROLINE WAWZONEK  
Minister of Finance**

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**Public Accounts of the  
Government of the Northwest Territories**

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**SECTION IV**

**SUPPLEMENTARY FINANCIAL STATEMENTS – BOARDS**

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Beaufort-Delta Divisional Education Council  
Commission scolaire francophone Territoires du Nord-Ouest  
Dehcho Divisional Education Council  
Dettah District Education Authority  
N'Dilo District Education Authority  
Sahtu Divisional Education Council  
South Slave Divisional Education Council  
Yellowknife Public Denominational District Education Authority (Yellowknife  
Catholic Schools)  
Yellowknife District No. 1 Education Authority  
Tlicho Community Services Agency

**Health and Social Services Authorities**

Hay River Health and Social Services Authority  
Northwest Territories Health and Social Services Authority

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**BEAUFORT-DELTA EDUCATION COUNCIL  
INUVIK, NT**

**CONSOLIDATED ANNUAL FINANCIAL REPORT  
June 30, 2020**

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## **Message from Superintendent of Schools Frank Galway**

On behalf of the Beaufort Delta Divisional Education Council (BDDEC), I am pleased to present the Annual Report for 2019 - 2020. The Management Discussion and Analysis (MD&A) is presented as a go-forward responsibility of the management and the Board Members to promote transparency and accountability.

The 2019 – 2020 year has proven to be one of the most challenging years that BDDEC has ever faced. With the continuing advance of Covid-19 the decision was made to not open the schools for classes after the Spring Break in March 2020 and the schools remained closed to the end of the school year June 2020. The challenge for our education council was to deliver meaningful education and support to our students.

Spring of 2020, the GNWT released a document Emerging Wisely for the NWT. School administration along with the Education Council prepared plans for each of the schools so that students would be able to attend classes. The plans were submitted to the Chief Health Officer of the NWT and after discussions; all of the plans were approved so that all of our schools would be able to offer in-school classes for September 2020. For September 2020 regular classes will be offered. Personal Protective Equipment (PPE) is in place for all staff, and protocols have been developed regarding cleaning of the school focusing on protection of our students and staff.

As the COVID-19 situation continues to develop we will be proactive in the protection of our students and our staff while maintaining high standards of education for our students.

### **BDDEC's goals defined in the 2019 - 2020 Operating Plan**

- To improve student success in Literacy
- To improve student success in Numeracy
- To improve student success in Indigenous Language(s) and Culture
- To increase understanding and practice of Social Responsibility for students

This approach will enable BDDEC to state the progress that the organization has made and will highlight areas where improvement is needed. Some of the key accomplishments in 2019 - 2020 include:

- Partnership with the Inuvialuit Regional Corporation (IRC).
- Partnership with the Gwich'in Tribal Council (GTC).
- Jordan's Principle funding.
- Northern Distance learning statistics show continual improvement and show that the service has been utilized for those students in small schools that need the dash one/two courses for access to further education. The program with ECE's financial contribution continues to expand with additional schools throughout the NWT in the 2019 – 2020 year with plans for further expansion in the 2020 – 2021 year.
- BDDEC welcomes IRC's initiative to hire candidates referred to as "Student and Family Support Workers" who are working in the communities of Inuvik, Aklavik, Tuktoyaktuk, Ulukhaktok, Paulatuk and Sachs Harbour. The Student and Family Support Workers will work

with students (with parental approval) to improve student success by addressing attendance concerns and other matters.

- Governance Training has been deferred for DEA members in Aklavik, Fort McPherson, Ulukhaktok, Tuktoyaktuk and Inuvik.
- A standardized template for the Operating Plan and the Annual Report have been used in submissions to ECE.
- BDDEC continues to focus on literacy and numeracy initiatives to improve teacher practices and development with a focus on student achievement.
- BDDEC continues to provide the Access to High School Education program formerly known as the 'Home Boarding Program'. This program provides academic, behavioral and financial support for students who do not have access to high school courses in their communities. Students are from Sachs Harbour and Tsiigehtchic. Students are enrolled in school at East Three Secondary School in Inuvik.
- For the 2019 – 2020 year BDDEC continues to work with the recently adopted Aboriginal Language and Culture directive from ECE. As directed by ECE funding for the Elders in the School program and Cultural Orientation funding has been provided directly to the School's operating budget. On the land programming continues to be a major focus for the program.
- Staff changes for the 2020 – 2021 include the retirement of Paul Loewen and the appointment of Richard McKinnon as an Assistant Superintendent.

The world of education is changing globally, nationally and territorially. The Beaufort Delta Divisional Education Council (BDDEC) recognizes the importance of embracing these changes to prepare northern students for participation in a 21<sup>st</sup> century. Research indicates that culture-based education impacts student outcomes. With the increased focus on Indigenizing Education, BDDEC will continue to ensure teaching and learning is meaningful to the students it serves.

## **Overview**

The Beaufort Delta Divisional Education Council (BDDEC) for the 2019 – 2020 year provides Junior Kindergarten to Grade 12 instruction for 1,489 students through 9 schools in the in 8 communities of Inuvik, Aklavik, Fort McPherson, Tsiigehtchic, Tuktoyaktuk, Sachs Harbour, Ulukhaktok, and Paulatuk.

Sachs Harbour and Tsiigehtchic offer education from Junior Kindergarten to Grade 9 at which time the Access to Education program makes arrangements for the students to live in Fort McPherson or Inuvik for full time attendance of high school to complete Grades 10 – 12. The program encourages students to become role models for other students in their communities. The Access to Education program accomplishes this by ensuring that the students have regular visits with their families, regular trips home, and provides assistance for the family to attend the graduation of their children from High School.

BDDEC is committed to delivery of culture-based education to the students and receives extensive support for various programs from the Gwich'in Tribal Council (GTC) and the Inuvialuit Regional Corporation (IRC). Both GTC and IRC are actively involved in helping to develop on the land programs, and additional support was received from ITI for the Take a Kid Hunting and Take a Kid Trapping

programs. All of the schools provide Aboriginal Language and Culture programs which encourages students to succeed through a better understanding and awareness of their culture and language.

### **BDDEC Board of Directors**

The BDDEC Board of Directors are appointed by the DEA's from the local communities. Both Gwich'in Tribal Council and the Inuvialuit Regional Corporation have the authority to appoint one position (each) on the BDDEC Board. DEA positions are elected in the local communities and serve for a three year term. The BDDEC Board had one face-to-face meeting, and two video conference regular meetings during the 2019 – 2020 year. Due to Covid-19 additional meetings were scheduled via video conference or by telephone to address the issues arising in the education council due to the pandemic.

Chairperson	Darlene Gruben
Vice-Chairperson	Jennifer Parrott
Member-at-Large	Rebecca Blake
Aklavik	Rita Arey (Acting)
Fort McPherson	Mary Rose Tetlich
Inuvik	Jennifer Parrott
Paulatuk	Gilbert Thrasher Sr
Sachs Harbour	Andrea Keogak
Tsiigehtchic	Archie Inglangasuk Jr
Tuktoyaktuk	Darlene Gruben
Ulukhaktok	Joanne Ogina
Gwich'in Tribal Council	Robert Charlie
Inuvialuit Regional Corporation	Lucy Kuptana

The Executive Committee consists of the Chairperson, the Vice-Chairperson, the Member-at-Large which are elected by the BDDEC Board, and a representative from each indigeneous government. The Executive Committee meets monthly with the BDDEC Board Office Staff.

### **BDDEC Staff**

Superintendent of Schools	Frank Galway
Assistant Superintendent	Devin Roberts
Assistant Superintendent	Richard McKinnon
Comptroller	Gary McBride
Public Affairs Coordinator	Lisa Steen
LAN Manager	Michael Reardon
Technical Officer	Dylan Blais
Finance Officers	Ken Crocker
	Kurt Scheiwiller
	Sheena Snowshoe
Administrative Assistant	Loni Noksana-Ruben

**Consultants**

Inclusive Schooling  
Indigenous Languages  
Literacy Coordinator k-12  
Junior Kindergarten  
Math Science  
PowerSchool  
Northern Distance Learning

Jane Khaemba  
Velma Illasiak/Erica Thompson  
Julie Donahue-Kpolugbo  
Danielle Aylward  
Shawn Feener  
Lorna Jones-Martin  
William Logan

**Principals**

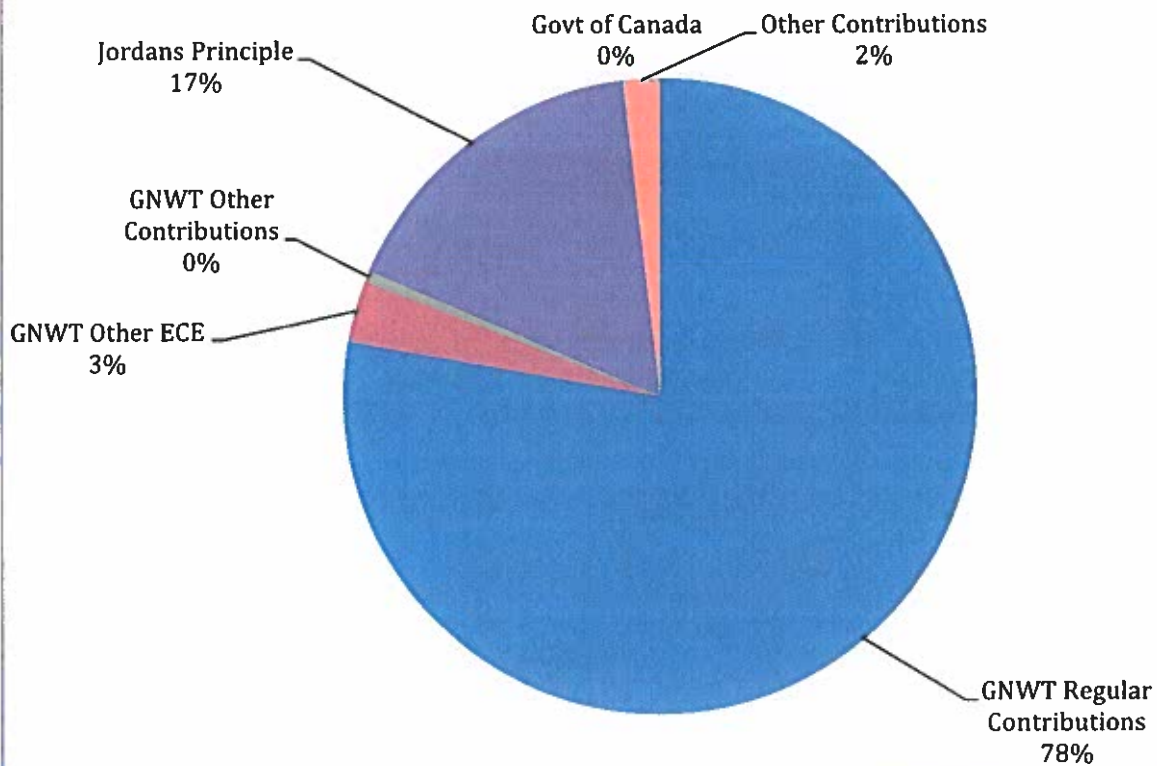
Angik – Paulatuk  
Chief Julius – Fort McPherson  
Chief Paul Nitidchie – Tsiighetchic  
Helen Kalvak – Uluhaktok  
Inualthuyak – Sachs Harbour  
Mangilaluk – Tuktoyaktuk  
Moose Ker School – Aklavik  
East Three Elementary – Inuvik  
East Three Secondary – Inuvik

William Callahan  
Shirley Peterson  
Sonia Gregory  
Richard McKinnon  
Stephen Keoughan  
Ephraim Warren  
Vivian Wirth  
Elizabeth McNeil  
Krista Cudmore

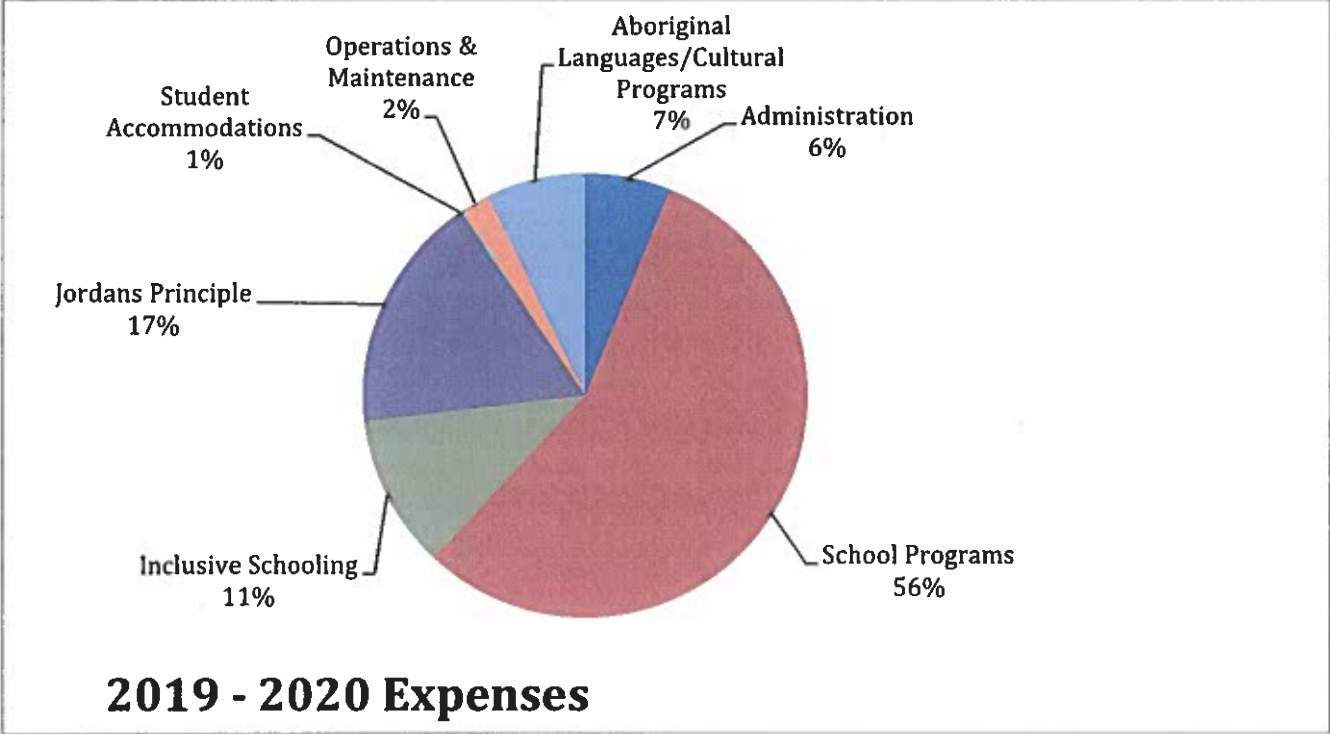
**Financial Highlights**

Revenues for 2019 – 2020 of \$39.8 million were \$3.1 million higher than budgeted. GNWT regular contributions accounted for 78% of the revenue at \$30.9 million an increase of \$0.9 million from 2018 - 2019 year. Other contribution agreements from the GNWT brought the total GNWT contributions to \$32.4 million; which is an increase of \$691.6 K from the 2018 – 2019 year. Total revenues of \$39.8 million were an increase of \$4.6 million from the 2018 - 2019 year. Funding from the Government of Canada under the Jordan's Principle program accounted for \$6.6 million.

## 2019 - 2020 Revenue



Expenses are broken into program cost; school programs accounted for 55.7% of cost at \$21.5 million, Inclusive schooling for 28.4% of cost at \$10.9 million. Total expenses at \$38.5 million were \$2.2 million greater than 2018 - 2019, and \$2.0 million greater than the 2019 - 2020 Budget.

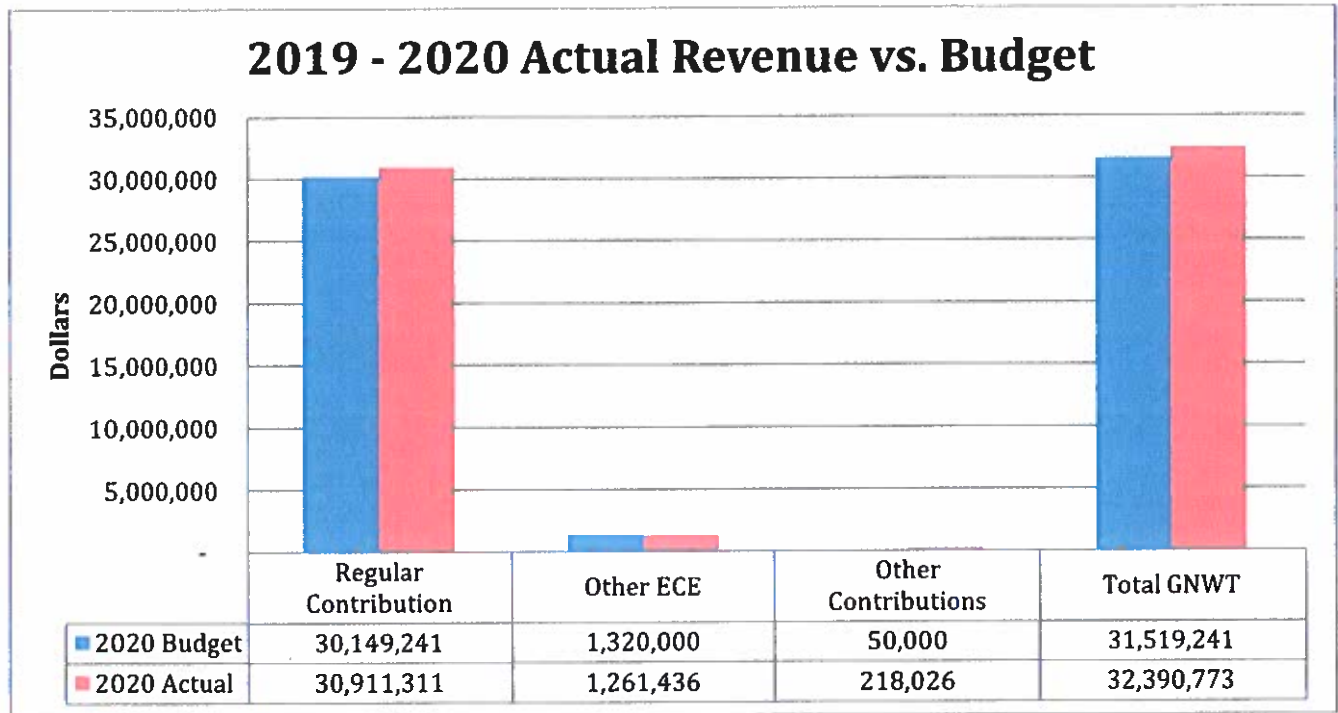


**2019 – 2020 Revenues**

For 2019 - 2020 BDDEC Consolidated Statement of Operations had an Operating Surplus of \$1.2 million compared to a Budgeted Operating Surplus of \$0.1 million.

The DEA’s and BDDEC continue to form strategic partnerships, and are successful in finding additional sources of funding for school activities.

Chart 1 displays our 2019 – 2020 Actual Revenues compared to the budgeted revenue.



### 2019 – 2020 Expenses

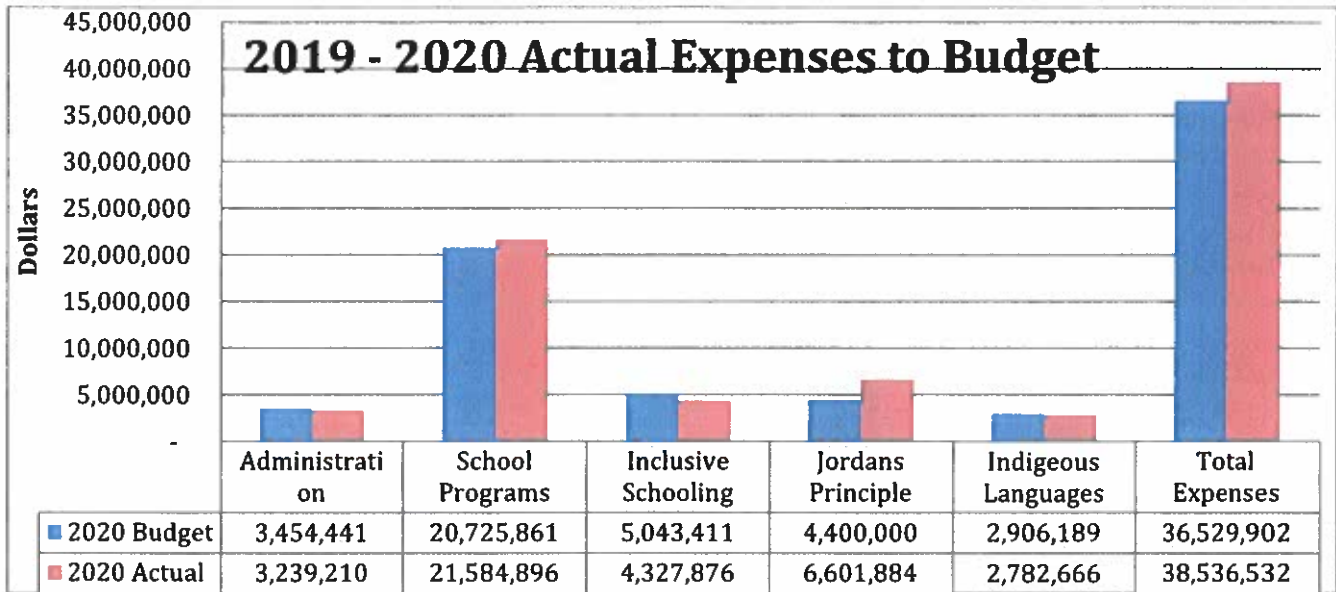
Expenses for the year-end June 2020 were \$2.0 million more than the budget of \$36.5 million for a total cost of \$38.5 million. This represents a \$2.1 million increase in expenditures from 2018 -2019, or a 6.0% increase in spending from previous year.

Inclusive schooling had expenses of 10.9 million representing an increase in spending from the 2018 - 2019 year of \$3.6 million. The increase was due to increase staff and supplies funded through the Jordan’s Principle program.

Indigenous Languages had expenses of \$2.8 million; which represents an increase of expenditures of \$188 K from the 2018 – 2019 year.



Chart 2 is a program comparison of our expenses for 2019 - 2020 compared to the budgeted expenses.



When comparing 2020 against 2019, BDDEC experienced a 12.9% increase in revenues, and an increase in expenses of 6.0% resulting in an operating surplus of \$1,2 million. As a result for the year ended June 2020, the Accumulated Surplus is \$2.4 or 6.1% of revenues.

Chart 3 is a comparison of the Year-end 2020 GNWT Revenues compared to the 2019 Revenues

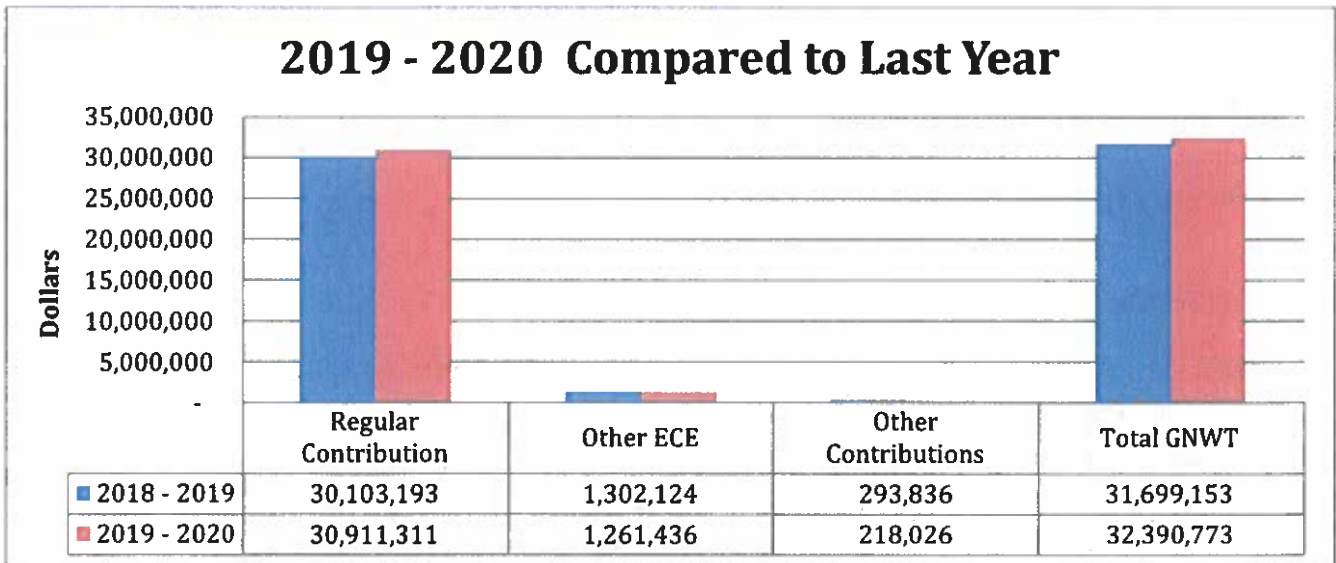
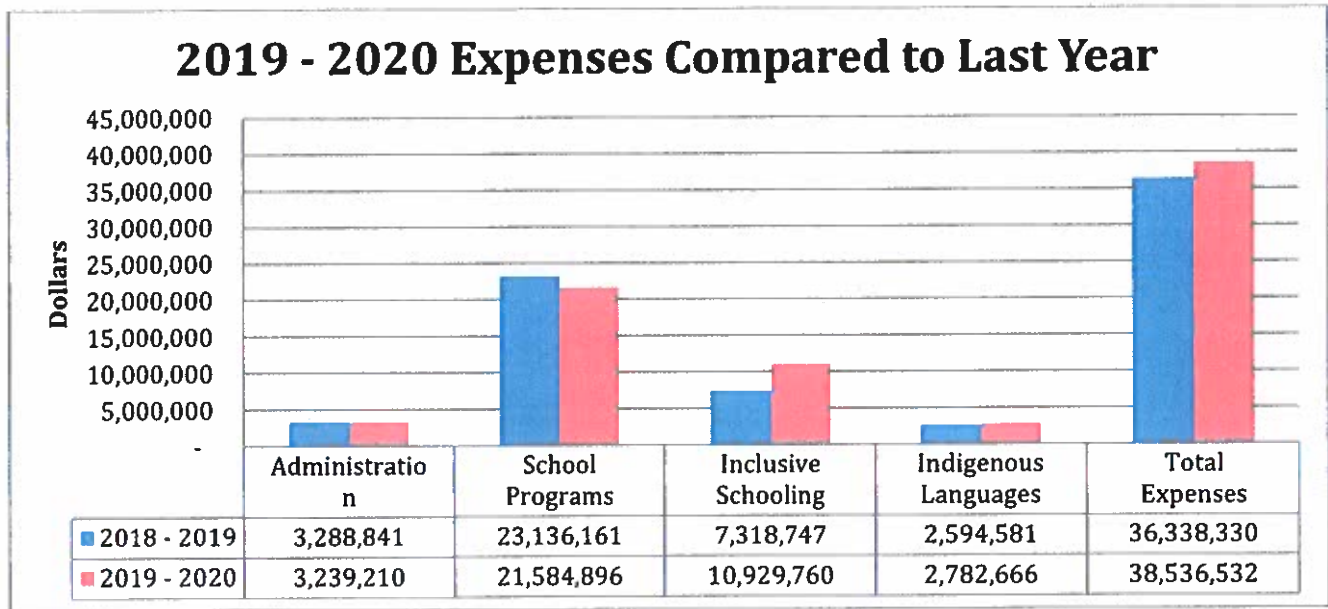


Chart 4 compares the 2020 Program Expenses against to the 2019 Program Expenses.



The plan for the 2019 – 2020 year was to have little or no surplus for the current year. Partially due to the schools being closed BDDEC had a surplus of \$1.2 million which increased the Accumulated Surplus from \$1.2 million at the end of June 2019 to \$2.4 million for the end of June 2020.

The strength of the organization is the commitment of the staff working for the Beaufort Delta Divisional Education Council, and their dedication to the students in our area. The weakness of the organization is the remoteness of some of the schools, the distance between the schools and the high turnover of the staff. Each year represents a major recruiting drive to replace approximately 20% - 30% of the teaching staff. Student attendance remains a high concern, and many initiatives have been implemented to increase the student’s attendance in the schools.

Student and Teacher population for each school as of June year-end \*

Community	School	2019 Students	2019 Teachers	2018 Students	2019 Teachers
Aklavik	Moose Kerr	148.00	13.00	128.00	13.00
Fort McPherson	Chief Julius	147.00	16.00	141.00	16.00
Inuvik	East 3 Elem	438.50	41.00	451.00	38.00
Inuvik	East 3 Second	273.80	24.50	275.80	28.00
Inuvik DEA	Subtotal	712.30	65.50	726.80	66.00
Paulatuk	Angik	67.50	8.00	59.50	7.00
Sachs Harbour	Inualthuyak	16.00	2.50	16.00	2.50
Tsiigehtchic	Chief Paul Niditchie	43.00	6.75	40.00	5.75
Tuktoyaktuk	Mangilaluk	235.00	20.00	237.50	21.00

Ulukhaktok	Helen Kalvak	120.00	13.00	121.00	10.50
Total		1488.80	144.75	1469.80	141.75

**Note:** \*Teachers included NWTTA members who are classroom teachers, principals, assistant principals, program support teachers, wellness counsellors, indigenous language teachers, literacy coaches, etc.

## Operating Environment

BDDEC operates in a remote part of the Northwest Territories and as result has some unique circumstances.

### Strengths

- Each school has a Safe and Caring School Program
- Each school has procedure manuals, and practices lock down procedures on a regular basis
- Each school has staff that have completed first aid training
- Breakfast programs supplied at all schools
- Each school operating an On the Land Program is in possession of or in the process of getting Satellite phones in the event of an emergency
- Staff are well trained and supported in additional training
- Many of the Administration staff are long-term employees giving stability to the organization

### Weakness

- Travel to remote communities by air and road, the concern has been addressed by having three well maintained vehicles equipped with Satellite phones for remote travel. Air travel is approved only with approved air carriers. Additional issues are the aircraft fuel availability at several of our remote communities, this adds to the difficulty in travel to the communities.
- Student attendance, each community is working on programs unique to the community to raise community awareness of the importance of attendance and to encourage students to attend

### Threats

- Staff housing continues to be an issue in several of the communities, management is working with NWT Housing to ensure that housing will be available for teachers when they arrive
- High turnover of staff continues, management is getting involved in recruiting much earlier in the year knowing that there will be positions available

### Opportunities

- Many staff including management are long-term employees of BDDEC, this give the school council a base to build upon in mentoring new teachers
- An active mentoring program for new teachers
- Introduction for new teachers in a New to the North Conference which identifies the cultural difference and differences working in the North
- BDDEC host an in-service for returning staff each year to provide additional support, training, and outline objectives for our region before school starts

## **The Mary Bryant Award for Improvement in English (Award)**

A joint venture between the Beaufort Delta Education Council, (BDDEC) the Mary and Joe Bryant family (Family) and the Ottawa Independent Writers (OIW): “the Parties”, wish to establish a fund to be known as the “Mary Bryant Award for Student Improvement in English”. The fund shall consist of a principal amount, to be determined, and interest earned and accrued on such principal amount. Additional contributions may be received by BDDEC from individual donors to the fund in future years. Such contributions shall be added to the principal amount. The fund is currently administrated by the Ottawa Independent Writers in combination with other funds administrated through the organization.

### **Background**

Ottawa resident Mary Bryant, now deceased, spent many years working in the North, and taught school in Aklavik. She was an avid writer and long-time member of the Ottawa Independent Writers organization ([www.oiw.ca](http://www.oiw.ca)). Upon her passing in spring 2011, the OIW Board felt that an appropriate tribute to her amazing life would be an award to a deserving student within the BDDEC, with emphasis on English skills. The idea was proposed to the Family and the BDDEC, and was met with great enthusiasm. This paper sets out the proposed operation and other issues pertaining to the Award.

### **Concept**

OIW, the Family and other interested parties will contribute to the Award, to be managed by the BDDEC. It will be set up as an endowment, with the principal to be invested and the annual award to be paid from interest earned, although the initial award, hopefully given in 2012, and some incidental set-up expenses may be drawn from the principal as there will be little time available for interest earning. The Family will act as financial advisors to BDDEC, to ensure the Award will be available for a deserving student for many years to come. The Award is intended to be a yearly event, unless for some reason no student qualifies for the criteria established by the BDDEC.

The Parties agree that they will act collegially on the ongoing management of the Award. OIW commits to an initial contribution of \$1000, the Family to at least \$2000, and OIW will solicit additional contributions from persons familiar with Mary. BDDEC will issue tax receipts to those contributors who indicate a desire for same.

### **The Award Recipient**

The Award is intended for a high school student within the BDDEC jurisdiction, with particular emphasis, but not necessarily to the exclusion of other areas, on the regions of Aklavik, Tuktoyaktuk, and Fort McPherson, as these communities had special interest to Mary. The BDDEC will set up the selection process as it sees fit: the Award is intended for a high school student who has shown the most improvement in written English skills during the school year. BDDEC will develop the specific criteria to be used to select the winning student, and advise the other Parties of the winner and the reasons for choosing that student. The Award will be presented in a suitable ceremony near the end of the school year. The other Parties will attempt to take part in the ceremony in some electronic fashion if possible. The Award is independent of any other honors the recipient may receive. The recipient will receive a

cheque for the designated amount, as determined by the BDDEC and the Family, plus a small token of remembrance he or she may keep. There will also be a modest plaque or similar item created by the BDDEC that will identify the Award, and each year's recipient; the enduring plaque will rotate from school to school on an annual basis as winners are selected. While the student may use the Award in whatever manner he or she wishes, OIW and the Family would prefer that it be used in some way that advances the student's educational career.

The Award is open to all high school students attending a school within BDDEC's jurisdiction and shall be granted to the student who shows the most improvement in English studies throughout the school year. The Award is intended to be a yearly event, unless for some reason no student qualifies for the criteria established by BDDEC.

Criteria used to determine the recipient of the award shall be developed by BDDEC, in consultation with the Parties. The Parties and BDDEC agree to act collegially on the ongoing management of the fund/Award.

In the event that unforeseen circumstances make the specified use of this Fund no longer practical or desirable, BDDEC is hereby authorized to make any changes it may deem appropriate, such changes however to be in keeping, as far as possible, with the spirit and general intent of the fund and with agreement of the Parties.

No Award was given for the Mary Bryant Award for the 2019 – 2020 year.

## **Stallworthy-Carpenter Fund**

Sarah Hilda Stallworthy was the widow of an RCMP officer who served the NWT during the 1940s. Mrs. Stallworthy had never been to the NWT, but maintained an interest in its development and was concerned about the difficulties she believed indigenous children faced in higher education.

The Superintendent of the BDDEC was able to describe for Mrs. Stallworthy an initiative the Board would be taking over the next few years to ease the transition for indigenous students from small communities as they are brought into the high school in Inuvik.

Mrs. Stallworthy felt that this plan has significant merit, and in April 1990 made the Beaufort-Delta Board the beneficiary of her estate.

Mrs. Stallworthy passed away in August 1990. The estate of approximately \$215,000 will be held in trust with the annual interest to be used at the discretion of the Superintendent to further the secondary education of indigenous students within the Board. The fund has been designated by the Board the Harry Stallworthy/Noah Carpenter fund. Mr. Stallworthy developed his wife's enduring interest in the north.

Dr. Carpenter is the first Inuit doctor, the only Inuvialuit specialist surgeon to emerge from the Northwest Territories, and is known for the development of surgical techniques. He attended a residential school, and in 1963 graduated from high school in Inuvik. He has a Honourary Doctor of Law from the University of Calgary, was appointed a Citizen Ambassador to China in 1987 and is a member of the Native Physicians Association of Canada, the Canadian College of Health Service Executives, the Science Institute of the NWT, the Canada Science Council, and the International Society of Endovascular Surgeons. He has been an inspiration to many northerners.

The Stallworthy will stated that BDDEC should receive this money with the provision that the principal remain intact and all interest earned to be used to fund aboriginal students for activities in keeping with the intent of the Will.

Initially, the intent of the Will was to fund orientation visits for students who would be attending high school outside of their community. After our regional residence closed, the BDDEC Executive broadened the scope to include activities for more senior students to travel nationally and internationally. Such travel must contain some element that supports or promotes the post-secondary education and/or success in school. Travel for sport activities is NOT eligible.

In 2004 - 2005 the BDDEC executive decided to allocate to a maximum of \$2K/eligible school. This was raised to \$2.5K/eligible school in 2011/12. Meritorious proposals are presented to the Executive each spring for the ensuing school year.

No funds were awarded for the 2019 – 2020 years



## **Terry Halifax Fund**

Terry Halifax was a Town of Inuvik Councillor who passed away suddenly after a town council meeting in 2015. First elected to the town council in 2004; he served as the Chair of the community Energy Planning Committee and the Administration Committee. He was known for not holding back in expressing what he felt was the best interest of the Town and its residents. And as such he was well known through his work with community projects, volunteerism and school involvement.

In recognition of Terry Halifax's commitment to the community, the Terry Halifax Bursary will be awarded annually to the high school student who exemplifies what it means to be a capable citizen through community, school involvement, volunteerism and leadership.

Starting in 2019, the school administration will recommend a recipient after consultations with staff to the Superintendent of Schools. The selection will be made no later than mid-May with the bursary to be presented during the graduation ceremony in early June. Annual award will be \$500.

It is the desire of the Bursary Committee to present the award to a graduating students, but any student that best exemplifies being a capable citizen will be considered.

There was no award for the 2019 – 2020 year

## **R. Gosselin “Go For It Award”**

The Council received a bequest to establish the R. Gosselin “Go For It Award” fund in 2020. The terms of the bequest state that the NWT Parks & Recreation Association will award annually to the individual who exemplifies what it means to be a capable citizen through community recreation volunteerism and leadership.

Annual award will be \$500.

For the year 2019 – 2020 the award was given to Brianna Dillon.



## Summary and Outlook

BDDEC has completed a most successful year: culturally scholastically and financially. Many of the communities have introduced community specific programs which encourages attendance. This year resulted in a number of graduate looking to further their education through advanced schooling.

The impact of the Pandemic has been significant effecting both our operations and the mental well being of the students and the staff. BDDEC is committed to following the Emerging Wisely plan in dealing with Covid-19. During the summer our focus was on creating a safe environment for students and staff ensuring that social distancing was followed and that the correct Personal Protective Equipment would be in place for the start of school. The plan is for all of the schools to offer regular full-time attendance while supporting those students that have decided not attend at the current time. Programs are being evaluated as to what BDDEC will be able to offer in the school during the coming year.

Attendance continues to be a major concern. The schools are constantly reviewing and looking for better ways to engage the students and their parents in encouraging attendance. With our hiring program this year we were pleased to offer positions to a number of our former graduates. These individuals have become role models for our students as to what they can accomplish, and that they can bring their education back to their community to help others.

Financially we have managed to accumulate a surplus through effective cost controls, forming partnerships with other groups, and through the efforts of staff to bring forward ideas where we have been funded with additional contribution agreements.

For the 2019 – 2020 year a substantial amount of funding was received through the contribution agreement with the Government of Canada with the Jordan's Principle program. This helped to fund 12 Literacy Teachers and 62 Support Assistants in the schools. Latest discussions indicate that this program will continue in some form for at least another 3 years which will help to provide additional staffing to support the development of students.

Looking forward, there is a concern about the potential for reduced funding. BDDEC is well positioned financially and looking forward to 2020 – 2021 year and has identified areas where additional staffing will result in better services to our students, so reallocation of staff and increased staffing planned will continue into the 2020 – 2021 year. Our staff continues to look for opportunities to deliver education in an effective and efficient manner. The opportunities are forming education partnerships, eLearning, and new approaches to education. Staff continue to develop skill sets through attendance at conferences, and a number of staff continue to upgrade their skill set to become better at their positions. With this dedication, even with the possibility of reduced funding we believe the future is bright for the students of the Beaufort Delta.



**BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL**  
Aklavik, Ft. McPherson, Inuvik, Paulatuk, Sachs Harbour, Tsiigehtchic, Tuktoyaktuk, Ulukhaktok

**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

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 Beaufort-Delta Education Council have been conducted within the statutory powers of the Beaufort-Delta Education Council. The operations and administration of the Beaufort-Delta Education Council 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, FAM, FAMEA, Human Resources Manual, Ministerial Directives and the policies of the Beaufort-Delta Education Council 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, Avery, Cooper & Co. Ltd., Chartered Professional Accountants, 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 of the Government of the Northwest Territories.

Approved and confirmed on behalf of the Beaufort-Delta Education Council

Frank Galway  
Superintendent

Gary McBride  
Comptroller

August 8, 2020  
Bag Service # 12, Inuvik, NT X0E 0T0

Tel: (867) 777-2332 Fax: (867) 777-2469

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## INDEPENDENT AUDITORS' REPORT

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

*Report on the Audit of the Consolidated Financial Statements*

### *Qualified Opinion*

We have audited the accompanying consolidated financial statements of Beaufort-Delta Education Council which comprise the Consolidated Statement of Financial Position as at June 30, 2020 and the Consolidated Statements of Changes in Net Financial Assets (Debt), Statement of Operations and Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the matter described in the Basis for Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the Beaufort-Delta Education Council as at June 30, 2020 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Qualified Opinion*

Salaries and related benefits paid to employees of the Beaufort-Delta Education Council are administered by the Government of the Northwest Territories and are audited as part of the Government of the Northwest Territories audit. Our audit scope was limited as we did not audit the components of compensation and benefits expenditures and related balances. Accordingly we are not able to determine whether any adjustments might be necessary to compensation and benefits expenditures, payroll liabilities, employee future benefits, net financial resources and accumulated surplus/deficit as well as note disclosures associated with transactions and year-end balances relating to compensation and benefits.

### *Emphasis of Matter*

Without modifying our opinion, we draw attention to Note 23 to the financial statements, concerning the worldwide spread of a novel coronavirus known as COVID-19 subsequent to year-end and its effect on the global economy. Our opinion is not modified in respect of this matter.

### *Other Matter*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of Beaufort-Delta Education Council taken as a whole. The supplementary information included on various schedules is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of consolidated financial statements taken as a whole.

### *Other Information*

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis.

## INDEPENDENT AUDITORS' REPORT - cont'd.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the management Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### *Responsibilities of Management and Those charged with Governance for the Consolidated Financial Statements*

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

Those charged with governance are responsible for overseeing the 's financial reporting process.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITORS' REPORT - cont'd.**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Report on Other Legal and Regulatory Requirements*

We further report, in accordance with the Education Act's requirement for the Education Authority to comply with the Financial Administration Act, in our opinion, proper books of account have been kept by the Beaufort-Delta Education Council, the consolidated financial statements are in agreement therewith and the transactions that have come under our notice have, in all significant aspects, been within the statutory powers of the Council.

*Avery Cooper & Co. Ltd.*

AVERY COOPER & CO. LTD.  
Chartered Professional Accountants  
Yellowknife, NT

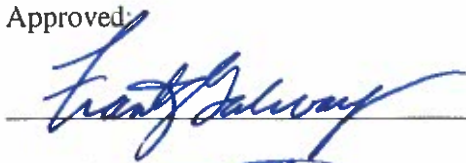
August 8, 2020

**BEAUFORT-DELTA EDUCATION COUNCIL**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
 June 30, 2020

Statement I

	<u>2020</u>	<u>2019</u>
<b>FINANCIAL ASSETS</b>		
Cash and Cash Equivalents (Note 2)	\$ 10,450,789	\$ 10,888,953
Restricted Assets (Note 6)	293,125	282,511
Accounts Receivable (Note 8)	<u>456,432</u>	<u>281,116</u>
	<u>11,200,346</u>	<u>11,452,580</u>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities (Note 10)	893,782	976,589
Payroll Liabilities (Note 10)	4,018,169	4,906,250
Employee Deductions Payable	1,687	1,986
Deferred Revenue (Note 11)	856,006	1,260,679
Post-Employment Benefits (Note 17)	2,704,647	2,808,281
Trust Liabilities (Note 6)	<u>293,125</u>	<u>282,511</u>
	<u>8,767,416</u>	<u>10,236,296</u>
<b>NET FINANCIAL ASSETS (Statement III)</b>	<u>2,432,930</u>	<u>1,216,284</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid Expenses (Note 20)	<u>3,000</u>	<u>4,516</u>
	<u>3,000</u>	<u>4,516</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 2,435,930</u>	<u>\$ 1,220,800</u>

Approved:



Superintendent



Council Member

See the accompanying notes and schedules.

**BEAUFORT-DELTA EDUCATION COUNCIL**

Statement II

**CONSOLIDATED STATEMENT OF OPERATIONS**

For the Year Ended June 30, 2020

	2020 Budget (Unaudited)	2020 Actual	2019 Actual
<b>REVENUE</b>			
<b>Government of the NWT</b>			
Regular contributions	\$ 30,149,241	\$ 30,911,311	\$ 30,103,193
Other ECE contributions (Note 31)	1,320,000	1,261,436	1,302,124
Other contributions (Note 32)	<u>50,000</u>	<u>218,026</u>	<u>293,836</u>
<b>Total Government of the NWT</b>	<u>31,519,241</u>	<u>32,390,773</u>	<u>31,699,153</u>
<b>Government of Canada</b>			
Jordan Prinicpal	4,400,000	6,601,884	2,387,257
Other Government of Canada	<u>-</u>	<u>25,445</u>	<u>47,035</u>
<b>Total Government of Canada</b>	<u>-</u>	<u>6,627,329</u>	<u>2,434,292</u>
<b>Board Generated Funds</b>			
Investment Income	130,000	113,234	162,271
Rentals	-	17,064	6,234
Other	<u>617,575</u>	<u>603,262</u>	<u>814,768</u>
<b>Total Board Generated Funds</b>	<u>747,575</u>	<u>733,560</u>	<u>983,273</u>
<b>TOTAL REVENUE</b>	<u>36,666,816</u>	<u>39,751,662</u>	<u>35,116,718</u>
<b>EXPENSES (Schedule 1)</b>			
Aboriginal Languages/Cultural Programs	2,906,189	2,782,666	2,594,581
Administration	3,454,441	2,381,814	2,447,073
Inclusive Schooling	9,443,411	10,929,760	7,318,747
School Programs	20,725,861	21,480,680	22,967,058
Student Accommodations	-	104,216	169,103
Operations & Maintenance	<u>-</u>	<u>857,396</u>	<u>841,768</u>
<b>TOTAL EXPENSES</b>	<u>36,529,902</u>	<u>38,536,532</u>	<u>36,338,330</u>
<b>OPERATING SURPLUS</b>	<u>\$ 136,914</u>	<u>\$ 1,215,130</u>	<u>\$ (1,221,612)</u>

See the accompanying notes and schedules.

**BEAUFORT-DELTA EDUCATION COUNCIL**

Statement III

**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**

June 30, 2020

	2020 Budget (Unaudited)	2020 <u>Actual</u>	2019 <u>Actual</u>
<b>OPERATING SURPLUS</b>	\$ 136,914	\$ 1,215,130	\$ (1,221,612)
Purchase of Prepaid Expenses	-	(3,000)	(4,516)
Use of Prepaid Expenses	<u>-</u>	<u>4,516</u>	<u>8,181</u>
	-	1,516	3,665
<b>INCREASE IN NET FINANCIAL ASSETS</b>	<u>136,914</u>	<u>1,216,646</u>	<u>(1,217,947)</u>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<u>1,216,284</u>	<u>1,216,284</u>	<u>2,434,231</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u>\$ 1,353,198</u>	<u>\$ 2,432,930</u>	<u>\$ 1,216,284</u>

See the accompanying notes and schedules.



**BEAUFORT-DELTA EDUCATION COUNCIL**

Statement IV

**CONSOLIDATED STATEMENT OF CASH FLOW**

For the Year Ended June 30, 2020

<b>Cash provided by (used in):</b>	<u>2020</u>	<u>2019</u>
<b>OPERATING TRANSACTIONS</b>		
Operating surplus (deficit)	\$ 1,215,130	\$ (1,221,612)
<b>Changes in non-cash assets and liabilities:</b>		
Decrease (increase) in accounts receivable	(175,316)	95,685
Increase (decrease) in accounts payable	(82,807)	15,955
Increase (decrease) in payroll liabilities	(888,081)	1,806,778
Increase (decrease) in employee deductions payable	(299)	(600)
Increase (decrease) in deferred revenue	(404,673)	1,126,791
Increase (decrease) in post-employment benefits	(103,634)	(275,215)
Decrease (increase) in prepaid expenses	<u>1,516</u>	<u>3,665</u>
Cash provided by operating transactions	<u>(438,164)</u>	<u>1,551,447</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(438,164)	1,551,447
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>10,888,953</u>	<u>9,337,506</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 10,450,789</u>	<u>\$ 10,888,953</u>

See the accompanying notes and schedules.

## BEAUFORT-DELTA EDUCATION COUNCIL

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020

#### NOTE 1 NATURE OF ORGANIZATION

The Beaufort-Delta Education Council was established under the Education Act of the government of the Northwest Territories by order of the Minister dated March 31, 1989. Its purpose is to administer and maintain the standards of educational programs defined under the Act in the member communities of the Beaufort-Delta region.

Member communities have formed local District Education Authorities (DEA) which have assumed the responsibility to provide adequate educational programs within their respective communities.

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, changes in net financial assets (debt) and change in financial position of the reporting entity. This entity comprises the Education Council operations plus all of the member District Education Authorities that are owned or controlled by the Beaufort-Delta Education Council and are, therefore, accountable to the Council for the administration of their financial affairs and resources. At present, the DEA's that are owned or controlled by the organization are Aklavik, Tsiigehtchic, Fort McPherson, Inuvik, Paulatuk, Sachs Harbour, Tuktoyaktuk and Ulukhaktok.

Interdepartmental and organizational transactions and balances between these organizations have been eliminated for consolidation purposes.

#### NOTE 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 expense items are recognized in the accounts and reported in the consolidated financial statements. The accrual basis of accounting is utilized for all funds. Under this 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 and short term highly liquid investments that are readily convertible to cash and with a maturity date of 90 days or less from the date of acquisition.

**BEAUFORT-DELTA EDUCATION COUNCIL**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2020

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, continued**

(c) Financial Instruments

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

Financial assets subsequently measured at amortized cost include cash, accountable funds, due from the GNWT and other accounts receivable.

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

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

(d) Non-Financial Assets

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

**BEAUFORT-DELTA EDUCATION COUNCIL**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2020

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, continued**

(e) Tangible Capital Assets

All buildings and works, furniture, equipment and vehicles are the property of the GNWT. The minister grants to the Beaufort-Delta Education Council the full occupancy and use of such facilities and equipment where required for the administration and delivery of the education programs. Capital assets with a value in excess of \$50,000 are recorded at cost and amortized in accordance with the Financial Administration Manual guidelines by the GNWT. Capital assets with a value of less than \$50,000 are recorded as a current expense.

**BEAUFORT-DELTA EDUCATION COUNCIL**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2020

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, continued**

(f) Revenue Recognition

Government Transfers:

Revenues are recognized in the period in which the transactions or events occur 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, 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 assets are recognized as acquired or built.

GNWT - Regular contributions:

The regular contributions from the GNWT are determined by a funding formula and are received in monthly installments. The Beaufort-Delta Education Council 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 Beaufort-Delta Education Council follows the deferral method of accounting for other contributions. Unrestricted contributions are recognized as revenue when they are received or receivable, if the amount can be reasonably estimated and its collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

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 expenditure are incurred.

**BEAUFORT-DELTA EDUCATION COUNCIL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2020

**NOTE 2      SIGNIFICANT ACCOUNTING POLICIES, continued**

Investment Income

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

Special Purpose Funds

School activity funds which are fully controlled by the Beaufort-Delta Education Council with respect to when and how the funds available can be discussed are included. the funds reported are internally restricted as to purpose and may include the proceeds of fundraising, contributions or fees paid related to a specific planned benefit. examples might include planned student trips or funds specifically designated for the purchase of equipment or materials required to support an activity.

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

Stallworthy / Carpenter Endowment contributions:

Endowment contributions and investment income are recognized as direct increases in accumulated surplus.

Terry Halifax Endowment contributions:

Endowment contributions and investment income are recognized as direct increases in accumulated surplus.

## BEAUFORT-DELTA EDUCATION COUNCIL

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020

#### NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Budget Data

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

The priorities and funding allocations are determined by the Board of Trustees of each Beaufort-Delta Education Council and the budget is legally adopted by a motion of the board in accordance with Section 135(3) of the Education Act.

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

This annual budget includes estimates of revenues, expenses 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 Beaufort-Delta Education Council.

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

(h) Measurement Uncertainty

The preparation of these consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the amounts of revenue and expenses during the period. Actual results could differ from those estimates. Accounts subject to measurement uncertainty are post-employment benefits as determined by an actuary.

(i) Inventories including Materials and Supplies

Inventories of books, materials, supplies and other expendables purchased by the Beaufort-Delta Education Council are treated as expenses during the year of acquisition and are not recorded on the statement of financial position.

**BEAUFORT-DELTA EDUCATION COUNCIL**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2020

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, continued**

(j) Payroll Liabilities

According to the Northwest Territories Teachers Association (NWTTA) and GNWT Collective Agreement, teaching staff have their salary issued by the GNWT bi-weekly pay system. NWTTA staff will have earned their annual salary by June 30th which provides for continued payment during the summer. GNWT payroll for NWTTA starts with the annualized salary commitment for compensation and then allocates the complete payout of that value over the number of pay periods between August 1 and July 31. Pay periods falling in July are therefore accrued.

The duties and compensation base for UNW School year employees are scheduled to align with the academic year although actual start dates and durations vary by specific location and job function. Accordingly, the Beaufort-Delta Education Council determines the start dates of their UNW employees and accrues the related payroll liability as appropriate.

All other staff are accrued to include earnings to June 30.

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

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

(l) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expenses. Transfers include grants and contributions and are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.



**BEAUFORT-DELTA EDUCATION COUNCIL**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2020

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, continued**

(m) Foreign Currency Translation

Foreign currency transactions are to be translated in Canadian dollars. Revenues and expenses denominated in a foreign currency are reported at a rate in the date of the transaction. Monetary items that have yet to be settled at the exchange rate are translated at the exchange rate in effect on the date of financial statement. Exchange gain or loss resulting from foreign exchange rate would be accounted for in the financial statement.

(n) Contributed Materials and Services

The Beaufort-Delta Education Council recognizes contributions of materials and services, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations and would otherwise have been purchased.

**BEAUFORT-DELTA EDUCATION COUNCIL**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2020

**NOTE 3 FUTURE ACCOUNTING CHANGES AND ADOPTION OF NEW ACCOUNTING STANDARDS**

**Future Accounting Changes**

**Financial Instruments**

The Public Sector Accounting Board (PSAB) issued PS 3450 Financial Instruments effective for fiscal years beginning on or after April 1, 2021. Items within the scope of the standard are assigned to one of two measurement categories: fair value, or cost or amortized cost. Fair value measurement will apply to derivatives and portfolio investments in equity instruments that are quoted in an active market. Also, when groups of financial assets and financial liabilities are managed on a fair value basis they may be reported on that basis. Other financial assets and financial liabilities will generally be measured at cost or amortized cost. Until an item is derecognized, gains and losses arising due to fair value remeasurement will be reported in the Statement of Remeasurement of Gains and Losses.

**Other New Standards**

Effective July 1, 2021, Education Bodies will concurrently be required to adopt: PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments in the same fiscal period. There are no significant impacts on the financial statements as a result of these applications.

Effective July 1, 2021, Education Bodies will be required to adopt PS 3280 Asset Retirement Obligations. This standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets.

Effective July 1, 2022, Education Bodies will be required to adopt PS 3400 Revenue. This standard provides guidance on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. The impact of these standards on the financial statement is currently being assessed.

**NOTE 4 CASH AND CASH EQUIVALENTS**

	<u>2020</u>	<u>2019</u>
Cash	\$ <u>10,450,789</u>	\$ <u>10,888,953</u>
	\$ <u>10,450,789</u>	\$ <u>10,888,953</u>

**BEAUFORT-DELTA EDUCATION COUNCIL**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2020

**NOTE 5 SPECIAL PURPOSE FUNDS**

(Not applicable)

**NOTE 6 RESTRICTED ASSETS**

The Council received a bequest to establish the Harry Stallworthy - Noah Carpenter Fund. The terms of the bequest state that the principal shall remain intact and the net annual income therefrom shall be made available to students of Inuit heritage for financial assistance in the High School Orientation Program.

		<u>2020</u>	<u>2019</u>
Comprised of:			
Short-term	- GIC 2.0% due June 24, 2020	\$ 265,000	\$ 255,000
	- Due from general cash	<u>2,138</u>	<u>6,578</u>
		<u>\$ 267,138</u>	<u>\$ 261,578</u>
Stallworthy / Carpenter Endowment Fund:			
	Principal proceeds received	\$ 216,515	\$ 216,515
	Interest earned to date	268,438	262,955
	Expenses to date	<u>(217,815)</u>	<u>(217,892)</u>
		<u>\$ 267,138</u>	<u>\$ 261,578</u>

The Council received a bequest to establish the Terry Halifax Fund in 2018. The terms of the bequest state that the East Three school will award annually to the student who exemplifies what it means to be a capable citizen through community, school involvement, volunteerism and leadership.

Comprised of:			
Short-term	- GIC 2.0% due June 24, 2020	\$ 21,000	\$ 20,000
	- Due from general cash	<u>379</u>	<u>933</u>
		<u>\$ 21,379</u>	<u>\$ 20,933</u>
Terry Halifax Fund:			
	Principal proceeds received	\$ 21,000	\$ 21,000
	Interest earned to date	840	2
	Expenses to date	<u>(500)</u>	<u>69</u>
		<u>\$ 21,379</u>	<u>\$ 20,933</u>

**BEAUFORT-DELTA EDUCATION COUNCIL**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2020

**NOTE 6 RESTRICTED ASSETS, continued**

The Council received a bequest to establish the R. Gosselin Go For It Award Fund in 2020. The terms of the bequest state that the NWT Parks & Recreation Association will award annually to the individual who exemplifies what it means to be a capable citizen through community recreation, volunteerism and leadership.

Comprised of:

Short-term	- GIC 2.0% due June 24, 2020	\$ 4,000	\$ -
	- Due from general cash	<u>608</u>	<u>-</u>
		\$ <u>4,608</u>	\$ <u>-</u>

R. Gosselin Go For It Award Fund:

Principal proceeds received		\$ 5,000	\$ -
Interest earned to date		-	-
Expenses to date		<u>(500)</u>	<u>-</u>
		\$ <u>4,608</u>	\$ <u>-</u>

<b>TOTAL RESTRICTED ASSETS</b>		\$ <u>293,125</u>	\$ <u>282,511</u>
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**NOTE 7 PORTFOLIO INVESTMENTS**

(Not applicable)

**NOTE 8 ACCOUNTS RECEIVABLE**

	<u>Accounts</u> <u>Receivable</u>	<u>Allowance</u>	<u>2020</u>	<u>2019</u>
Government of the Northwest Territories:				
- Education, Culture and Employment	\$ <u>33,473</u>	\$ <u>-</u>	\$ <u>33,473</u>	\$ <u>68,351</u>
Due from GNWT	<u>33,473</u>	<u>-</u>	<u>33,473</u>	<u>68,351</u>
Other Accounts receivable	<u>709,716</u>	<u>286,757</u>	<u>422,959</u>	<u>212,765</u>
	\$ <u>743,189</u>	\$ <u>286,757</u>	\$ <u>456,432</u>	\$ <u>281,116</u>

**BEAUFORT-DELTA EDUCATION COUNCIL**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2020

**NOTE 9 INVENTORY**

(Not applicable)

**NOTE 10 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2020</u>	<u>2019</u>
Government of the Northwest Territories:		
Education, Culture and Employment	\$ 2,500	\$ 25,525
Municipal and Community Affairs	5,319	5,318
Department of Finance	46,335	153,411
Department of Petroleum Products	<u>-</u>	<u>1,100</u>
Government of the Northwest Territories	54,154	185,354
Related Parties	383,966	324,573
Accounts payable	195,824	204,831
Accrued payables	<u>259,838</u>	<u>261,831</u>
	893,782	976,589
Payroll Liabilities		
To GNWT (A)	4,018,169	4,906,250
Payroll Liabilities	<u>\$ 4,018,169</u>	<u>\$ 4,906,250</u>

Note A: Amount outstanding to be paid to GNWT by Council for salaries and wages paid by June 30.

Note B: Amount accrued by the Council for salaries and wages to be paid in July and August.

**BEAUFORT-DELTA EDUCATION COUNCIL**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2020

**NOTE 11 DEFERRED REVENUE**

	<u>2020</u>	<u>2019</u>
Education, Culture & Employment		
- Healthy Food For Learning	\$ 29,729	\$ -
- Breakfast Program - Tuktoyaktuk DEA	2,084	-
- Hamlet of Sachs Harbour	9,457	-
- Facility Use - Inuvik DEA	3,503	-
- Self Regulation	-	2,502
- School & Public Library Services -Uluhaktuk FEA	21,000	13,518
- E- Learning	-	6,010
Environment & Natural Resources		
- Species at Risk - Need 2 more lines	28,757	1,855
Library		
- School & Public Library Services - Paulatuk	1,850	-
- School & Public Library Services - Aklavik DEA	175	7,755
Healthy and Social Services		
- Drop the Pop	459	3,701
Municipal & Community Affairs		
- Keepers - Need 7 more lines	<u>102,754</u>	<u>4,646</u>
- Jordon Principal	454,235	1,055,549
- NWT Library	<u>20,754</u>	<u>-</u>
Teetlit Gwich'in Council	-	30,205
Charities Aid Foundation - America	-	7,419
Literacy Program - Uluhaktok DEA	972	-
Breakfast Program - Paulatuk DEA	5,192	3,986
Lights on CAF America	7,419	-
Inuvialuit Regional Corporation	-	4,791
Food First Foundation	32,440	8,036
Presidents Choice Foundation	1,086	3,888
First Light Research	-	15,000
Breakfast for Learning	37,245	16,027
Healthy Food for Learning	-	8,634
Tides - OTL - Collaborative Fund	92,432	64,544
NWT Parks & Rec Get Active NWT	<u>4,463</u>	<u>2,613</u>
	<u>\$ 856,006</u>	<u>\$ 1,260,679</u>

**NOTE 12 CONTRIBUTION REPAYABLE**

(Not applicable)

**BEAUFORT-DELTA EDUCATION COUNCIL**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2020

**NOTE 13 DUE FROM AND TO THE GOVERNMENT OF CANADA**

(Not applicable)

**NOTE 14 CAPITAL LEASE OBLIGATION**

(Not applicable)

**NOTE 15 PENSIONS**

(Not applicable)

**NOTE 16 LONG-TERM DEBT**

(Not applicable)

**NOTE 17 POST-EMPLOYMENT BENEFITS, COMPENSATED ABSENCES AND TERMINATION BENEFITS**

In addition to the pension benefits, The Beaufort-Delta Education Council 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 Beaufort-Delta Education Council'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 location of hire, employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

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

**Valuation results**

The actuarial valuation was completed as at March 31, 2017. The effective date of the next actuarial valuation is March 31, 2020. The liabilities are actuarially determined as the present value of the accrued benefits at February 17, 2018 and the results extrapolated to June 30, 2018. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the consolidated Government.

**BEAUFORT-DELTA EDUCATION COUNCIL**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2020

**NOTE 17 POST-EMPLOYMENT BENEFITS, COMPENSATED ABSENCES AND TERMINATION BENEFITS, continued**

	<u>Severance and Removal</u>	<u>Compensated Absences</u>	<u>2020</u>	<u>2019</u>
Changes in Obligation:				
Accrued benefit obligations				
beginning of year	\$ 1,674,063	\$ 348,703	\$ 2,022,767	\$ 1,790,445
Current period benefit cost	145,895	37,082	182,977	145,961
Interest accrued	54,331	11,480	65,811	68,362
Benefit payments	(100,800)	(99,873)	(200,673)	(324,099)
Actuarial (gains)/losses	<u>(170,071)</u>	<u>38,360</u>	<u>(131,711)</u>	<u>342,098</u>
Accrued benefit obligations				
end of year	1,603,418	335,752	1,939,171	2,022,767
Unamortized net actuarial				
gain	<u>647,985</u>	<u>(41,125)</u>	<u>606,860</u>	<u>602,975</u>
Net future obligation	<u>2,251,403</u>	<u>294,627</u>	<u>2,546,031</u>	<u>2,625,742</u>
Total employee future				
benefits and compensated				
absences	2,251,403	294,627	2,546,031	2,625,742
Benefits Expense:				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The discount rate used to determine the accrued benefit obligation is an average of 3%. No inflation rate was applied. The expected payments during the next five fiscal years are:

	<u>Severance and Removal</u>	<u>Compensated Absences</u>	<u>Total</u>
2021	\$ 214,087	\$ 45,917	\$ 260,004
2022	178,586	38,104	216,690
2023	154,285	31,802	186,087
2024	136,041	26,782	162,823
2025	125,812	24,552	150,364
Next 5 years	580,159	103,966	684,125
Thereafter	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>\$ 1,388,970</u>	<u>\$ 271,123</u>	<u>\$ 1,660,093</u>



**BEAUFORT-DELTA EDUCATION COUNCIL**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2020

**NOTE 18 TRUST ASSETS UNDER ADMINISTRATION**

(Not applicable)

**NOTE 19 TANGIBLE CAPITAL ASSETS**

(Not applicable)

**NOTE 20 PREPAID EXPENSES**

	<u>2020</u>	<u>2019</u>
LAS Holdings - R Ranking	1,500	-
LAS Holdings - S Timothy	1,500	-
Canadian Association of School System Administrators	-	1,797
VISA charges	<u>-</u>	<u>2,719</u>
	<u>3,000</u>	<u>4,516</u>

**BEAUFORT-DELTA EDUCATION COUNCIL**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2020

**NOTE 21 GNWT ASSETS PROVIDED AT NO COST**

	<u>Cost</u>	<u>Accumulated Amortization</u>	2020 <u>Net Book Value</u>	2019 <u>Net Book Value</u>
BBDEC Student Housing				
Inuvik	\$ 182,650	\$ 182,650	\$ -	\$ -
East Three Secondary School Carpentry shop	461,563	461,563	-	-
East Three Secondary School Auto Shop	1,308,100	532,320	775,780	42,427
Moose Kerr School	8,123,452	5,853,383	2,270,069	2,529,505
Aklavik Portable Classrooms	62,052	62,052	-	-
Chief Julius School	10,064,072	5,023,394	5,040,678	5,199,439
Mangilaluk School	7,146,891	5,110,403	2,036,488	2,245,359
Inualthuyak School	2,750,507	1,728,618	1,021,889	857,864
Helen Kalvak School	8,864,887	7,447,940	1,416,947	1,715,252
Angik School	3,871,297	2,369,638	1,501,659	1,557,722
Chief Paul Niditchie School	2,467,762	984,020	1,483,742	1,554,961
Moose Kerr Foundation Replacement	753,546	174,289	579,257	598,095
Tsiigehtchic Gym	1	-	1	1
Moose Kerr School - Ventilation	173,505	91,477	82,028	93,609
Angik School Retrofit	123,278	65,745	57,533	57,533
Helen Kalvak School Vent & DDC Retrofit	354,896	214,416	140,480	170,054
East Three New Inuvik School	108,222,857	21,062,238	87,160,619	90,000,465
Tsiigehtchic Gym Pilings	205,668	36,420	169,248	174,389
Aklavik Community Library	234,794	121,804	112,990	118,860
Moose Kerr School - Playscape	250,904	12,365	238,539	-
East Three Carpentry Shop	734,188	21,414	712,774	-
Chief P. Niditchie - Playscape	208,874	6,962	201,912	-
E3 Elementary School - Platscape	<u>347,809</u>	<u>11,594</u>	<u>336,215</u>	<u>-</u>
	<u>\$156,913,553</u>	<u>\$ 51,574,705</u>	<u>\$105,338,848</u>	<u>\$106,915,535</u>

**BEAUFORT-DELTA EDUCATION COUNCIL**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2020

**NOTE 22 CONTRACTUAL OBLIGATIONS**

The Council has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2020:

	<u>Expiry Date</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Total</u>
Equipment					
Leases	2022	\$ 45,147	\$ 45,147	\$ 45,147	\$ 135,441
Commercial					
Leases	2022	<u>146,100</u>	<u>146,100</u>	<u>73,050</u>	<u>365,250</u>
Total		<u>\$ 191,247</u>	<u>\$ 191,247</u>	<u>\$ 118,197</u>	<u>\$ 500,691</u>

**NOTE 23 CONTINGENCIES**

Before the year end, there was a global outbreak of a novel coronavirus known as COVID-19, which has had a significant impact on organizations through the restrictions put in place by the Canadian and U.S. governments regarding travel, business operations and isolation/quarantine orders. The extent of the impact the COVID-19 outbreak may have on the Organization will depend on future developments that are highly uncertain, and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, the duration of the outbreak, including the length of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are, or may, be put in place by Canada, U.S. or other countries to fight the virus. The Organization's activities have not been significantly impacted thus far, however, the Organization continues to assess the impact COVID-19 will have on its operations.

**NOTE 24 RELATED PARTIES AND INTER-ENTITY TRANSACTIONS**

The Beaufort-Delta Education Council is related in terms of common ownership to all GNWT-created departments, agencies and corporations. The Council enters into transactions with these entities in the normal course of operations. The Council 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 by the Department of Finance, payroll services by the Department of Human Resources, internal audit services by the Department of Finance, and utility and maintenance by the Department of Public Works and Services. Transactions with related parties and balances at year end not disclosed elsewhere in the consolidated financial statements are disclosed in this note.

These transactions are in the normal course of operations and have been valued at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to and from related parties are non-interest bearing, and due within normal trade

**BEAUFORT-DELTA EDUCATION COUNCIL**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2020

terms.

	<u>2020</u>	<u>2019</u>
<b>Due to related parties</b>		
Accounts payable:		
Contributions		
Government of the Northwest Territories:		
Department of Education, Culture & Employment	\$ 2,500	\$ 25,525
Department of Municipal & Community Affairs	5,318	5,318
Department of Finance	46,335	153,410
Petroleum Products Division	<u>-</u>	<u>1,100</u>
Government of the Northwest Territories	<u>54,153</u>	<u>185,353</u>
Other Related Parties:		
Various BDEC Schools	<u>383,966</u>	<u>324,573</u>
Total Accounts Payable	<u>438,119</u>	<u>509,926</u>
Due to Related Parties	\$ <u>438,119</u>	\$ <u>509,926</u>

	<u>Accounts</u> <u>Receivable</u>	<u>Allowance</u>	<u>Net 2020</u>	<u>2019</u>
<b>Due from related parties</b>				
Accounts receivable:				
Government of the Northwest Territories:				
Department of Health and Social Services	\$ <u>33,473</u>	\$ <u>-</u>	\$ <u>33,473</u>	\$ <u>54,384</u>
Government of the Northwest Territories	<u>33,473</u>	<u>-</u>	<u>33,473</u>	<u>54,384</u>
Due from Related Parties	\$ <u>33,473</u>	\$ <u>-</u>	\$ <u>33,473</u>	\$ <u>54,384</u>

## BEAUFORT-DELTA EDUCATION COUNCIL

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020

#### NOTE 25 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 Beaufort-Delta Education Council which may or may not include 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 expenses for the Operating fund. Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Beaufort-Delta Education Council.

The budget figures presented are those approved by the Minister of Education, Culture and Employment on and have not been audited.

#### NOTE 26 ECONOMIC DEPENDENCE

The Beaufort-Delta Education Council receives its funding primarily from the GNWT. If the funding arrangements were to change, management is of the opinion that Beaufort-Delta Education Council operations would be significantly affected.

#### NOTE 27 FINANCIAL INSTRUMENTS

The Council's financial instruments consist of cash and temporary investments, accounts receivable, due from GNWT, accounts payable and accrued liabilities, accrued payroll, leave and termination benefits and due to GNWT. Unless otherwise noted, it is management's opinion that the Council is not exposed to significant interest rate, liquidity, credit, market, currency or cash flow risks arising from these financial instruments.

The Council's carrying value of cash and accrued salaries approximate fair value due to the immediate and short-term maturity of these instruments.

The Council's carrying value of the accrued leave and termination benefits approximates fair value based on information readily available in the NWTTA, UNW and Senior Manager's handbook.

The Council is subject to credit risk with respect to accounts receivable. Credit risk arises from the possibility that customers to which the Council provides services may experience financial difficulty and be unable to fulfil their obligations. The Council regularly monitors the amounts of outstanding receivables and initiates collection procedures to minimize credit risk.

**BEAUFORT-DELTA EDUCATION COUNCIL**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2020

**NOTE 28 EXPENSES BY OBJECT**

	2020 Budget (Unaudited)	2020 <u>Actual</u>	2019 <u>Actual</u>
Compensation	\$ 31,803,314	\$ 34,281,161	\$ 31,418,156
Other	<u>4,726,588</u>	<u>4,255,371</u>	<u>4,920,174</u>
	<u>\$ 36,529,902</u>	<u>\$ 38,536,532</u>	<u>\$ 36,338,330</u>

**NOTE 29 SUBSEQUENT EVENTS**

(Not applicable)

**NOTE 30 COMPARATIVE FIGURES**

(Not applicable)

**NOTE 31 ECE OTHER CONTRIBUTIONS**

	<u>2020</u>	<u>2019</u>
French Program	\$ 75,000	\$ 75,000
eLearning	-	1,051,638
NWT Literacy Program (Aklavik)	8,000	-
NWT Literacy Council (Ft McPherson)	8,588	-
Library (Aklavik)	47,374	56,745
Public Library Services (Ft McPherson)	27,035	30,925
Community Literacy Projects (Ft McPherson)	8,744	33,654
Literacy (Ulukhaktok)	7,350	13,329
Library (Ulukhaktok)	27,069	40,833
Northern Distance Learning	<u>1,052,276</u>	<u>-</u>
	<u>\$ 1,261,436</u>	<u>\$ 1,302,124</u>

**BEAUFORT-DELTA EDUCATION COUNCIL**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2020

**NOTE 32 GNWT OTHER CONTRIBUTIONS**

	<u>2020</u>	<u>2019</u>
Encounters with Canada	(3,578)	8,000
Mentorship	5,938	-
SCES - Snack Program	-	3,851
Self Regulation & Action Research (ECE)	2,502	6,498
Ivvavik	10,000	10,000
Others (Finance)	-	22,110
Regular Youth Sports Programs	4,665	-
RYS - Basketball (MACA)	-	2,493
RYS - Soccer (MACA)	-	2,250
NGDG Summit (MACA)	31,000	29,852
RYS - Volleyball (MACA)	-	500
GNWT - RYS Hockey (MACA)	-	4,904
Drop the Pop (H & SS)	18,533	21,794
Under 100 Club	-	1,676
TAKT	39,523	44,687
Experience Exchange Program	1,296	-
After School Physical Activity (MACA)	63,667	122,400
Enhancing Students (MACA)	2,480	-
Volleyball ISSR	4,744	-
Track and Field ISSR	6,000	-
Badminton ISSR	1,400	-
Keepers (MACA)	7,541	23,554
GNWT - Others	9,594	-
GSA Club	5,000	-
TGC - On The Land Program (Ft McPherson)	7,252	-
Misc revenue (Ulukhaktok)	<u>469</u>	<u>200</u>
	<u>218,026</u>	<u>293,836</u>

**NOTE 33 CONTINGENT ASSETS**

(Not applicable)

**NOTE 34 CONTRACTUAL RIGHTS**

(Not applicable)

**BEAUFORT-DELTA EDUCATION COUNCIL**

Schedule 1

**CONSOLIDATED DETAILS OF EXPENSES**

For the Year Ended June 30, 2020

	Aboriginal Languages/Cultural Programs	Administration	Inclusive Schooling	School Programs	Student Accommodations	Operations & Maintenance	Total
<b>SALARIES:</b>							
Teachers	\$ 1,291,373	\$ -	\$ 2,893,158	\$ 11,733,796	\$ -	\$ -	\$ 15,918,327
Instruction Assistants	48,354	-	414,072	129,495	-	-	591,921
Non-instructional Staff	367,107	1,183,339	4,246,823	2,751,521	-	-	8,548,790
Board/Trustee Honoraria	133,255	70,989	-	12,173	-	-	216,417
<b>EMPLOYEE BENEFITS</b>							
Employee Benefit/Allowance	591,030	348,102	3,001,741	4,853,912	-	274,923	9,069,708
Leave and Termination	-	-	-	(64,004)	-	-	(64,004)
<b>SERVICES PURCHASED/ CONTRACTED</b>							
Professional/Technical Services	-	72,355	77,882	-	-	-	150,237
Postage/Communication	638	31,864	-	98,775	1,980	-	133,257
Utilities & Leases	-	-	-	3,136	-	-	3,136
Travel	59,824	103,597	70,237	280,212	4,372	-	518,242
Student Travel	19,868	1,080	-	90,247	97,864	-	209,059
Advertising/Printing/Publishing	497	2,676	-	-	-	-	3,173
Maintenance/Repair	11,989	69,795	-	42,987	-	-	124,771
Rentals/Leases	9,145	17,680	-	158,888	-	153,579	339,292
Others	5,500	136,092	-	30,047	-	428,894	600,533
Contracted Services	17,690	61,170	26,525	328,817	-	-	434,202
<b>MATERIALS/SUPPLIES/FREIGHT</b>							
Materials	161,726	151,561	67,470	784,995	-	-	1,165,752
Furniture and Equipment	60,628	117,920	259,637	177,399	-	-	615,584
Freight	4,042	13,594	3,556	68,284	-	-	89,476
<b>CONTRIBUTIONS/TRANSFERS</b>							
Transfers - Other	-	-	(131,341)	-	-	-	(131,341)
<b>Total</b>	<u>\$ 2,782,666</u>	<u>\$ 2,381,814</u>	<u>\$ 10,929,760</u>	<u>\$ 21,480,680</u>	<u>\$ 104,216</u>	<u>\$ 857,396</u>	<u>\$ 38,536,532</u>



**BEAUFORT-DELTA EDUCATION COUNCIL**

Schedule 2

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS  
INCLUSIVE SCHOOLING EXPENSES**

For the Year Ended June 30, 2020

<u>FUNCTION</u>	<u>General Inclusive Schooling</u>	<u>Staff Development</u>	<u>Assistive Technology</u>	<u>Student Resources</u>	<u>Total</u>
<u>SALARIES</u>					
Program Support Teachers	\$ 1,544,920	\$ -	\$ -	\$ -	\$ 1,544,920
Consultants	136,027	-	-	-	136,027
Support Assistants	1,160,586	-	-	-	1,160,586
Non Instructional Staff	4,205	-	56,288	-	60,493
<u>EMPLOYEE BENEFITS</u>					
Employee Benefits/Allowances	1,097,623	-	-	-	1,097,623
<u>SERVICES PURCHASED/ CONTRACTED</u>					
Travel	31,098	39,137	-	-	70,235
Other Contracted Services	77,882	26,525	-	-	104,407
<u>MATERIAL/SUPPLIES/FREIGHT</u>					
Materials	21,089	-	243,252	-	264,341
Furniture and Equipment	7,315	-	-	-	7,315
Freight	<u>2,810</u>	<u>-</u>	<u>746</u>	<u>-</u>	<u>3,556</u>
<b>TOTAL</b>	<b>\$ <u>4,083,555</u></b>	<b>\$ <u>65,662</u></b>	<b>\$ <u>300,286</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>4,449,503</u></b>

**BEAUFORT-DELTA EDUCATION COUNCIL**

Schedule 3

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS  
INDIGENOUS LANGUAGES AND EDUCATION EXPENSES  
For the Year Ended June 30, 2020**

<u>FUNCTION</u>	<u>Student Instruction</u>	<u>Teaching/ Learning Resources</u>	<u>Professional Development</u>	<u>School Activities and Integrated Community Programs</u>	<u>Total</u>
<u>SALARIES</u>					
ALCBE Teachers	\$ 1,291,374	\$ -	\$ -	\$ -	\$ 1,291,374
Language Consultants	193,710	-	-	159,414	353,124
Honoraria	49,816	530	5,016	-	55,362
<u>EMPLOYEE BENEFITS</u>					
Employee Benefits/Allowances	538,838	-	-	114,710	653,549
<u>SERVICES PURCHASED/ CONTRACTED</u>					
Professional/Technical Services	-	-	-	5,500	5,500
Travel	26,229	8,317	9,251	27,834	71,181
Student Transportation (bussing)	300	-	-	7,401	7,401
Advertising/Printing/Publishing	-	-	-	414	414
Rentals/Leases	300	-	750	8,095	9,145
Other Contracted Services	1,538	2,000	9,080	4,420	17,038
<u>MATERIAL/SUPPLIES/FREIGHT</u>					
Materials	43,906	80,110	17,033	69,591	210,640
Furniture and Equipment	6,827	-	-	-	6,827
Freight	<u>1,623</u>	<u>1,589</u>	<u>230</u>	<u>600</u>	<u>4,042</u>
<b>TOTAL</b>	<b><u>\$ 2,154,461</u></b>	<b><u>\$ 92,546</u></b>	<b><u>\$ 41,360</u></b>	<b><u>\$ 397,230</u></b>	<b><u>\$ 2,685,597</u></b>

**BEAUFORT-DELTA EDUCATION COUNCIL**

Schedule 4

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS  
INDIGENOUS LANGUAGES AND EDUCATION (CONTRIBUTIONS)**

For the Year Ended June 30, 2020

<u>Contribution Agreement Indigenous Languages</u>	<u>Budget</u>	<u>July 1 to March 31</u>	<u>April 1 to June 30</u>	<u>Total</u>
<b>Revenue</b>	-	2,228,476	660,621	2,889,097
<b>Expenses</b>				
Salaries	-	1,552,063	811,196	2,363,259
Other - O & M	-	277,375	45,263	322,638
Moose Kerr	-	-	353,124	353,124
Chief Julius plus \$20K	-	-	653,548	653,548
Chief Paul Niditchie	-	-	55,363	55,363
Mangilaluk plus \$20K	-	-	5,500	5,500
Inualthuyak	-	-	414	414
Helen Kalvak	-	-	9,145	9,145
Angik	-	-	17,038	17,038
TLC - Gwich'in	-	-	210,639	210,639
TLC - Inuvialuit	-	-	6,827	6,827
	-	-	4,042	4,042
<b>Total Expenses</b>	-	1,829,438	2,172,099	4,001,537
<b>Net Surplus (Deficit)</b>				<u>(1,112,440)</u>

**BEAUFORT-DELTA EDUCATION COUNCIL**

Schedule 5

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS  
FRENCH LANGUAGE PROGRAM  
For the Year Ended June 30, 2020**

	ECE Contributions July <u>1 to June 30</u>	Commitment from Beaufort Delta <u>Education Council</u>	Total Expenses <u>July 1 to June 30</u>
<b>Bilateral Agreement Funding</b>			
<b>Special Projects:</b>			
Teacher's Assistant Salary	\$ 60,000	\$ 21,420	\$ 81,420
French Monitor - Wage	-	33,260	33,260
French Monitor - Travel	-	5,373	5,373
French Monitor - Housing	-	11,181	11,181
French Resources	5,000	(1,589)	3,411
Cultural Activities	5,000	(5,000)	-
Professional Development	5,000	(228)	4,772
Mentorship with YCS on Immersion Program	<u>15,000</u>	<u>-</u>	<u>15,000</u>
<b>Total</b>	<b><u>\$ 90,000</u></b>	<b><u>\$ 64,417</u></b>	<b><u>\$ 154,417</u></b>
<b>Regular GNWT Funding</b>			
Immersion Program	\$ 75,000		
Mentorship YCS	\$ 15,000		
CMEC Odyssey Program	\$ -		
GNWT - ECE - Food Allowance	<u>29,076</u>		
<b>Total</b>	<b><u>\$ 119,076</u></b>		

**BEAUFORT-DELTA EDUCATION COUNCIL**

Schedule 6

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS  
JORDAN'S PRINCIPLE  
For the Year Ended June 30, 2020**

	<u>Full Year Total</u>			<u>9 and 3 Month Split</u>	
	June 30, 2020 Budget <u>Unaudited</u>	June 30, 2020 <u>Actual</u>	June 30, 2019 <u>Actual</u>	July 1, 2019 - March 31, 2020 <u>Actual</u>	April 1, 2020 - June 30, 2020 <u>Actual</u>
<b>Revenue</b>					
Government of Canada	\$ 3,344,449	\$ 6,000,568	\$ 3,442,807	\$ 5,406,505	\$ 594,063
Carry Forward from Previous Year	<u>1,055,551</u>	<u>1,055,551</u>	<u>-</u>	<u>1,055,551</u>	<u>2,451,557</u>
<b>Total Revenue</b>	<u>4,400,000</u>	<u>7,056,119</u>	<u>3,442,807</u>	<u>6,462,056</u>	<u>3,045,620</u>
<b>Expenses</b>					
Administration	-	86,479	94,982	64,859	21,620
Personnel	4,400,000	6,061,479	2,215,184	3,651,575	2,409,904
Transportation	-	66,371	20,582	66,371	-
Materials and Supplies	-	168,853	54,602	168,524	329
Other	-	<u>218,702</u>	<u>1,906</u>	<u>59,170</u>	<u>159,532</u>
<b>Total Expenses</b>	<u>4,400,000</u>	<u>6,601,884</u>	<u>2,387,256</u>	<u>4,010,499</u>	<u>2,591,385</u>
<b>Net Surplus (Deficit)</b>	<u>\$ -</u>	<u>\$ 454,235</u>	<u>\$ 1,055,551</u>	<u>\$ 2,451,557</u>	<u>\$ 454,235</u>

**BEAUFORT-DELTA EDUCATION COUNCIL**

Schedule 7

**NORTHERN DISTANCE LEARNING**

For the Year Ended June 30, 2020

<u>Contribution Agreement</u> <u>Northern Distance Learning (NDL)</u>	<u>Budget</u>	<u>July 1 to</u> <u>March 31</u>	<u>April 1 to</u> <u>June 30</u>	<u>Total</u>
<b>Revenue</b>				
Government of the NWT	929,408	663,127	389,149	1,052,276
	<u>929,408</u>	<u>663,127</u>	<u>389,149</u>	<u>1,052,276</u>
<b>Expenses</b>				
- 3 OBL teachers and support	457,595	420,106	228,284	648,390
- DL coordinator	155,000	105,994	57,523	163,517
- IT coordinator & support	-	67,313	37,297	104,610
- Coordinator Travel (15 schools)	40,750	30,673	-	30,673
Co-ordinator telephone	3,000	894	381	1,275
- Substitute costs (In-service/sick days)	11,263	6,824	(3,125)	3,699
Coordinator professional development	2,500	4,161	-	4,161
Inclass support person (person, phone, doc cam)	31,300	144,423	44,139	188,562
NYA coordination (1-Gr.12 trip)	23,500	74,650	45,553	120,203
- Inuvik Hardware/software	189,000	1,111	920	2,031
Surface Pros, Wireless Splitter	<u>15,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>929,408</u>	<u>856,149</u>	<u>410,972</u>	<u>1,267,121</u>
Net Surplus (Deficit)	<u>-</u>	<u>(193,022)</u>	<u>(21,823)</u>	<u>(214,845)</u>

**BEAUFORT-DELTA EDUCATION COUNCIL**

Schedule 7 cont'd

**NORTHERN DISTANCE LEARNING**

For the Year Ended June 30, 2020

	<u>Inuvik</u>	<u>Total</u>
<b>REVENUE:</b>		
Education, Culture and Employment	\$ 928,408	\$ 928,408
Other	<u>929,408</u>	<u>929,408</u>
<b>EXPENSES</b>		
<b>Salaries/Wages</b>		
Instructional Staff		
- 3 OBL teachers and support	457,595	457,595
- DL coordinator	155,000	155,000
Non-Instructional Staff		
- IT coordinator & support	40,750	40,750
- Substitute costs (In-service/sick days)	11,263	11,263
Coordinator professional development	2,500	2,500
<b>Services Purchased/ Contracted</b>		
Inclass support person (person, phone, doc cam)	31,300	31,300
NYA coordination (1-Gr.12 trip)	23,500	23,500
<b>Hardware and software</b>		
Computer Equipment		
- Inuvik Hardware/software	189,000	189,000
- Telephone	3,000	3,000
- Wireless Adapters and Splitter	<u>15,500</u>	<u>15,500</u>
<b>Total Expenses</b>	<u>929,408</u>	<u>929,408</u>
<b>Net Surplus/(Deficit)</b>	<u>\$ 928,408</u>	<u>\$ 928,408</u>

**BEAUFORT-DELTA EDUCATION COUNCIL**

Schedule 8

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS  
STUDENT SUCCESS INITIATIVE**

For the Year Ended June 30, 2020

**NWT Student Success Initiative**

**Professional Development Initiative**

**Title of Project: Ongoing Development of Collaborative Teams and Response to Intervention**

	2020 Budget (Unaudited)	2020 <u>Actual</u>	2019 <u>Actual</u>
	<u>130,000</u>	<u>132,850</u>	<u>101,660</u>
Expenses:			
<b>Salaries/Wages</b>			
Facilitator Fees	25,500	44,050	40,473
<b>Travel</b>			
Air Charter	76,500	37,629	102,110
Accommodation	25,500	43,049	75,117
Daily Per Diems	8,500	26,005	47,454
<b>Workshop Expenses</b>			
Room Rental	-	-	1,000
Refreshments	25,500	14,861	23,584
Miscellaneous	<u>8,500</u>	<u>8,994</u>	<u>24,032</u>
Total Expenses	<u>170,000</u>	<u>174,588</u>	<u>313,770</u>
Net Surplus (Deficit)	<u>(40,000)</u>	<u>(41,738)</u>	<u>(212,110)</u>



**BEAUFORT-DELTA EDUCATION COUNCIL**  
**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS**  
**STUDENT SUCCESS INITIATIVE**  
For the Year Ended June 30, 2020

Schedule 9

**NWT Student Success Initiative**

**Title of Project: eLearning Development/Implementation - Year 3 of 3**

	<u>2020</u>
<b>Revenue</b>	
<b>Expenses</b>	
Internet/Telephone	\$ 1,275
Classroom Materials	4,161
Education Assistants	188,562
Computer Software	120,203
Duty Travel	3,699
coordinator travell	30,673
Teachers	916,517
Freight	<u>2,031</u>
Total Expenses	<u>1,267,121</u>
Net Surplus (Deficit)	<u>\$ (1,267,121)</u>

**AKLAVIK DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**  
For the year ended June 30, 2020

	<u>2020</u>	<u>2019</u>
<b>FINANCIAL ASSETS</b>		
Cash and Cash Equivalents	\$ 6,295	\$ 18,178
Due from Related Parties	1,060	4,238
Accounts Receivable	<u>14,869</u>	<u>-</u>
	<u>22,224</u>	<u>22,416</u>
<b>LIABILITIES</b>		
Due to Related Parties	4,391	-
Payroll Liabilities	867	607
Deferred Revenue	<u>175</u>	<u>7,755</u>
	<u>5,433</u>	<u>8,362</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 16,791</u>	<u>\$ 14,054</u>

**AKLAVIK DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF FINANCIAL OPERATIONS**  
For the Year Ended June 30, 2020

	2020 Budget <u>(Unaudited)</u>	2020 <u>Actual</u>	2019 <u>Actual</u>
<b>REVENUE</b>			
Contributions from Divisional Council	\$ 64,742	\$ 60,389	\$ 68,747
Other ECE contributions	49,000	55,374	56,745
Other	<u>10,000</u>	<u>13,025</u>	<u>14,532</u>
<b>TOTAL REVENUE</b>	<u>123,742</u>	<u>128,788</u>	<u>140,024</u>
<b>EXPENSES</b>			
Aboriginal Languages/Cultural Programs	-	9,656	4,623
Administration	25,032	35,413	27,682
School Programs	<u>98,710</u>	<u>80,983</u>	<u>143,463</u>
<b>TOTAL EXPENSES</b>	<u>123,742</u>	<u>126,052</u>	<u>175,768</u>
<b>OPERATING SURPLUS</b>	-	2,736	(35,744)
<b>OPENING ACCUMULATED SURPLUS</b>	<u>14,053</u>	<u>14,053</u>	<u>49,797</u>
<b>CLOSING ACCUMULATED SURPLUS</b>	<u>\$ 14,053</u>	<u>\$ 16,789</u>	<u>\$ 14,053</u>

**AKLAVIK DISTRICT EDUCATION AUTHORITY**  
**DETAILS OF EXPENSES**  
For the Year Ended June 30, 2020

	Aboriginal Languages/Cultural <u>Programs</u>	<u>Administration</u>	School <u>Programs</u>	<u>Total</u>
<b>SALARIES:</b>				
Non-instructional Staff	\$ -	\$ 16,866	\$ 43,577	\$ 60,443
Board/Trustee Honoraria	-	4,503	-	4,503
<b>EMPLOYEE BENEFITS</b>				
Employee Benefit/Allowance	-	-	4,722	4,722
<b>SERVICES PURCHASED/ CONTRACTED</b>				
Postage/Communication	-	617	-	617
Student Travel	8,300	-	2,500	10,800
Rentals/Leases	-	-	16,500	16,500
Others	-	4,519	-	4,519
<b>MATERIALS/SUPPLIES/FREIGHT</b>				
Materials	1,356	8,698	13,441	23,495
Furniture and Equipment	-	-	243	243
Freight	-	210	-	210
<b>Total</b>	<u>\$ 9,656</u>	<u>\$ 35,413</u>	<u>\$ 80,983</u>	<u>\$ 126,052</u>

**FT MCPHERSON DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**  
For the year ended June 30, 2020

	<u>2020</u>	<u>2019</u>
<b>FINANCIAL ASSETS</b>		
Cash and Cash Equivalents	\$ 70,243	\$ 35,729
Due from Related Parties	12,331	2,394
Accounts Receivable	<u>2,736</u>	<u>56,027</u>
	<u>85,310</u>	<u>94,150</u>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	50,112	32,458
Due to Related Parties	4,517	8,224
Payroll Liabilities	(178)	1,449
Deferred Revenue	<u>37,054</u>	<u>53,793</u>
	<u>91,505</u>	<u>95,924</u>
<b>ACCUMULATED DEFICIT</b>	<u>\$ (6,195)</u>	<u>\$ (1,774)</u>

**FT MCPHERSON DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF FINANCIAL OPERATIONS**  
For the Year Ended June 30, 2020

	2020 Budget (Unaudited)	2020 <u>Actual</u>	2019 <u>Actual</u>
<b>REVENUE</b>			
Contributions from Divisional Council	\$ 55,892	\$ 51,375	\$ 58,874
Other ECE contributions	49,500	44,367	64,579
Other contributions	-	7,252	-
Other	<u>12,000</u>	<u>55,385</u>	<u>42,065</u>
<b>TOTAL REVENUE</b>	<u>117,392</u>	<u>158,379</u>	<u>165,518</u>
<b>EXPENSES</b>			
Aboriginal Languages/Cultural Programs	-	24,252	19,669
Administration	36,492	61,981	61,134
School Programs	<u>80,900</u>	<u>76,568</u>	<u>93,759</u>
<b>TOTAL EXPENSES</b>	<u>117,392</u>	<u>162,801</u>	<u>174,562</u>
<b>OPERATING DEFICIT</b>	-	(4,422)	(9,044)
<b>OPENING ACCUMULATED DEFICIT</b>	<u>(1,777)</u>	<u>(1,777)</u>	<u>7,267</u>
<b>CLOSING ACCUMULATED DEFICIT</b>	<u>\$ (1,777)</u>	<u>\$ (6,199)</u>	<u>\$ (1,777)</u>

**FT MCPHERSON DISTRICT EDUCATION AUTHORITY**  
**DETAILS OF EXPENSES**  
For the Year Ended June 30, 2020

	Aboriginal Languages/Cultural Programs	Administration	School Programs	Total
<b>SALARIES:</b>				
Instruction Assistants	\$ -	\$ -	\$ 25,051	\$ 25,051
Non-instructional Staff	8,969	25,722	-	34,691
Board/Trustee Honoraria	-	5,075	-	5,075
<b>EMPLOYEE BENEFITS</b>				
Employee Benefit/Allowance	614	1,760	1,720	4,094
<b>SERVICES PURCHASED/ CONTRACTED</b>				
Professional/Technical Services	-	2,669	-	2,669
Postage/Communication	-	1,854	-	1,854
Student Travel	-	-	1,127	1,127
Rentals/Leases	-	-	14,640	14,640
Others	-	5,075	10,575	15,650
Contracted Services	1,290	-	-	1,290
<b>MATERIALS/SUPPLIES/FREIGHT</b>				
Materials	13,379	19,826	21,773	54,978
Freight	-	-	1,682	1,682
<b>Total</b>	<b>\$ 24,252</b>	<b>\$ 61,981</b>	<b>\$ 76,568</b>	<b>\$ 162,801</b>

**INUVIK DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**  
For the year ended June 30, 2020

	<u>2020</u>	<u>2019</u>
<b>FINANCIAL ASSETS</b>		
Cash and Cash Equivalents	\$ 43,470	\$ 73,865
Due from Related Parties	29,801	24,521
Accounts Receivable	<u>11,740</u>	<u>11,103</u>
	<u>85,011</u>	<u>109,489</u>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	5,225	83,978
Payroll Liabilities	4,824	2,000
Deferred Revenue	<u>3,502</u>	<u>6,708</u>
	<u>13,551</u>	<u>92,686</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 71,460</u>	<u>\$ 16,803</u>



**INUVIK DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF FINANCIAL OPERATIONS**  
For the Year Ended June 30, 2020

	2020 Budget (Unaudited)	2020 Actual	2019 Actual
<b>REVENUE</b>			
Contributions from Divisional Council	\$ 99,337	\$ 99,337	\$ 110,056
Other	<u>34,208</u>	<u>67,013</u>	<u>113,694</u>
<b>TOTAL REVENUE</b>	<u>133,545</u>	<u>166,350</u>	<u>223,750</u>
<b>EXPENSES</b>			
Aboriginal Languages/Cultural Programs	-	50,465	50,014
Administration	121,917	85,552	90,892
Inclusive Schooling	-	11,930	-
School Programs	<u>11,628</u>	<u>(36,255)</u>	<u>85,867</u>
<b>TOTAL EXPENSES</b>	<u>133,545</u>	<u>111,692</u>	<u>226,773</u>
<b>OPERATING SURPLUS</b>	-	54,658	(3,023)
<b>OPENING ACCUMULATED SURPLUS</b>	<u>16,806</u>	<u>16,806</u>	<u>19,829</u>
<b>CLOSING ACCUMULATED SURPLUS</b>	<u>\$ 16,806</u>	<u>\$ 71,464</u>	<u>\$ 16,806</u>

**INUVIK DISTRICT EDUCATION AUTHORITY**  
**DETAILS OF EXPENSES**  
For the Year Ended June 30, 2020

	Aboriginal Languages/Cultural Programs	Administration	Inclusive Schooling	School Programs	Total
<b>SALARIES:</b>					
Instruction Assistants	\$ 46,183	\$ -	\$ -	\$ -	\$ 46,183
Non-instructional Staff	-	67,945	-	13,002	80,947
Board/Trustee Honoraria	-	7,900	-	-	7,900
<b>EMPLOYEE BENEFITS</b>					
Employee Benefit/Allowance	4,199	6,181	-	1,283	11,663
<b>SERVICES PURCHASED/ CONTRACTED</b>					
Postage/Communication	-	1,924	-	-	1,924
Advertising/Printing/Publishing	83	-	-	-	83
Rentals/Leases	-	-	-	1,397	1,397
Others	-	515	-	4,380	4,895
Contracted Services	-	422	-	5,940	6,362
<b>MATERIALS/SUPPLIES/FREIGHT</b>					
Materials	-	665	-	(62,257)	(61,592)
Furniture and Equipment	-	-	11,930	-	11,930
<b>Total</b>	<b>\$ 50,465</b>	<b>\$ 85,552</b>	<b>\$ 11,930</b>	<b>\$ (36,255)</b>	<b>\$ 111,692</b>

**PAULATUK DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**  
For the year ended June 30, 2020

	<u>2020</u>	<u>2019</u>
<b>FINANCIAL ASSETS</b>		
Cash and Cash Equivalents	\$ 17,483	\$ 3,846
Due from Related Parties	<u>7,559</u>	<u>2,637</u>
	<u>25,042</u>	<u>6,483</u>
<b>LIABILITIES</b>		
Due to Related Parties	7,485	-
Payroll Liabilities	1,330	2,260
Deferred Revenue	<u>7,042</u>	<u>2,069</u>
	<u>15,857</u>	<u>4,329</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 9,185</u>	<u>\$ 2,154</u>

**PAULATUK DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF FINANCIAL OPERATIONS**  
For the Year Ended June 30, 2020

	2020 Budget (Unaudited)	2020 <u>Actual</u>	2019 <u>Actual</u>
<b>REVENUE</b>			
Contributions from Divisional Council	\$ 15,117	\$ 31,642	\$ 26,365
Other	<u>13,500</u>	<u>8,399</u>	<u>12,607</u>
<b>TOTAL REVENUE</b>	<u>28,617</u>	<u>40,041</u>	<u>38,972</u>
<b>EXPENSES</b>			
Administration	17,917	11,705	28,749
School Programs	<u>10,700</u>	<u>21,305</u>	<u>9,847</u>
<b>TOTAL EXPENSES</b>	<u>28,617</u>	<u>33,010</u>	<u>38,596</u>
<b>OPERATING SURPLUS</b>	-	7,031	376
<b>OPENING ACCUMULATED SURPLUS</b>	<u>2,155</u>	<u>2,155</u>	<u>1,779</u>
<b>CLOSING ACCUMULATED SURPLUS</b>	<u>\$ 2,155</u>	<u>\$ 9,186</u>	<u>\$ 2,155</u>

**PAULATUK DISTRICT EDUCATION AUTHORITY  
DETAILS OF EXPENSES**

For the Year Ended June 30, 2020

	<u>Administration</u>	<u>School Programs</u>	<u>Total</u>
<b>SALARIES:</b>			
Non-instructional Staff	\$ 6,453	\$ 4,610	\$ 11,063
Board/Trustee Honoraria	4,650	-	4,650
<b>EMPLOYEE BENEFITS</b>			
Employee Benefit/Allowance	360	170	530
<b>SERVICES PURCHASED/ CONTRACTED</b>			
Others	132	-	132
Contracted Services	<u>110</u>	<u>16,525</u>	<u>16,635</u>
<b>Total</b>	\$ <u>11,705</u>	\$ <u>21,305</u>	\$ <u>33,010</u>

**SACHS HARBOUR DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**  
For the year ended June 30, 2020

	<u>2020</u>	<u>2019</u>
<b>FINANCIAL ASSETS</b>		
Cash and Cash Equivalents	\$ 34,656	\$ 18,220
Due from Related Parties	<u>2,550</u>	<u>10,550</u>
	<u>37,206</u>	<u>28,770</u>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	15	66
Payroll Liabilities	459	459
Deferred Revenue	<u>9,457</u>	<u>-</u>
	<u>9,931</u>	<u>525</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 27,275</u>	<u>\$ 28,245</u>

**SACHS HARBOUR DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF FINANCIAL OPERATIONS**  
For the Year Ended June 30, 2020

	2020 Budget <u>(Unaudited)</u>	2020 <u>Actual</u>	2019 <u>Actual</u>
<b>REVENUE</b>			
Contributions from Divisional Council	\$ 6,376	\$ 6,376	\$ 30,972
Other	<u>-</u>	<u>1,017</u>	<u>-</u>
<b>TOTAL REVENUE</b>	<u>6,376</u>	<u>7,393</u>	<u>30,972</u>
<b>EXPENSES</b>			
Administration	5,376	1,863	9,023
School Programs	<u>1,000</u>	<u>6,500</u>	<u>21,208</u>
<b>TOTAL EXPENSES</b>	<u>6,376</u>	<u>8,363</u>	<u>30,231</u>
<b>OPERATING DEFICIT</b>	-	(970)	741
<b>OPENING ACCUMULATED SURPLUS</b>	<u>28,251</u>	<u>28,251</u>	<u>27,510</u>
<b>CLOSING ACCUMULATED SURPLUS</b>	<u>\$ 28,251</u>	<u>\$ 27,281</u>	<u>\$ 28,251</u>

**SACHS HARBOUR DISTRICT EDUCATION AUTHORITY**  
**DETAILS OF EXPENSES**  
 For the Year Ended June 30, 2020

**SALARIES:**

Non-instructional Staff

Board/Trustee Honoraria

**EMPLOYEE BENEFITS**

Employee Benefit/Allowance

**SERVICES PURCHASED/ CONTRACTED**

Student Travel

Others

**Total**

	<u>Administration</u>	<u>School Programs</u>	<u>Total</u>
	\$ 543	\$ -	\$ 543
	1,075	-	1,075
	216	-	216
	-	6,500	6,500
	<u>29</u>	<u>-</u>	<u>29</u>
	<u>\$ 1,863</u>	<u>\$ 6,500</u>	<u>\$ 8,363</u>



**TSIIGEHTCHIC DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**  
For the year ended June 30, 2020

	<u>2020</u>	<u>2019</u>
<b>FINANCIAL ASSETS</b>		
Cash and Cash Equivalents	\$ 29,239	\$ 28,317
Due from Related Parties	2,532	857
Accounts Receivable	<u>-</u>	<u>2,700</u>
	<u>31,771</u>	<u>31,874</u>
<b>LIABILITIES</b>		
Payroll Liabilities	<u>178</u>	<u>54</u>
	<u>178</u>	<u>54</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 31,593</u>	<u>\$ 31,820</u>

**TSIIGEHTCHIC DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF FINANCIAL OPERATIONS**  
For the Year Ended June 30, 2020

	2020 Budget (Unaudited)	2020 <u>Actual</u>	2019 <u>Actual</u>
<b>REVENUE</b>			
Contributions from Divisional Council	\$ 8,440	\$ 8,440	\$ 8,569
Rentals	<u>2,000</u>	<u>17,154</u>	<u>5,850</u>
<b>TOTAL REVENUE</b>	<u>10,440</u>	<u>25,594</u>	<u>14,419</u>
<b>EXPENSES</b>			
Aboriginal Languages/Cultural Programs	-	9,399	11,045
Administration	5,250	12,945	10,508
School Programs	<u>5,190</u>	<u>3,476</u>	<u>12,629</u>
<b>TOTAL EXPENSES</b>	<u>10,440</u>	<u>25,820</u>	<u>34,182</u>
<b>OPERATING DEFICIT</b>	-	(226)	(19,763)
<b>OPENING ACCUMULATED SURPLUS</b>	<u>31,811</u>	<u>31,811</u>	<u>51,574</u>
<b>CLOSING ACCUMULATED SURPLUS</b>	<u>\$ 31,811</u>	<u>\$ 31,585</u>	<u>\$ 31,811</u>

**TSIIGEHTCHIC DISTRICT EDUCATION AUTHORITY**  
**DETAILS OF EXPENSES**  
For the Year Ended June 30, 2020

	Aboriginal Languages/Cultural Programs	Administration	School Programs	Total
<b>SALARIES:</b>				
Instruction Assistants	\$ 2,171	\$ -	\$ -	\$ 2,171
Non-instructional Staff	5,014	-	-	5,014
Board/Trustee Honoraria	-	5,235	-	5,235
<b>EMPLOYEE BENEFITS</b>				
Employee Benefit/Allowance	714	-	-	714
<b>SERVICES PURCHASED/ CONTRACTED</b>				
Student Travel	1,500	-	-	1,500
Others	-	412	-	412
Contracted Services	-	600	-	600
<b>MATERIALS/SUPPLIES/FREIGHT</b>				
Materials	-	1,649	3,476	5,125
Furniture and Equipment	-	5,049	-	5,049
<b>Total</b>	<b>\$ 9,399</b>	<b>\$ 12,945</b>	<b>\$ 3,476</b>	<b>\$ 25,820</b>

**TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**  
For the year ended June 30, 2020

	<u>2020</u>	<u>2019</u>
<b>FINANCIAL ASSETS</b>		
Cash and Cash Equivalents	\$ 36,152	\$ 32,508
Due from Related Parties	42,848	35,612
Accounts Receivable	<u>15,139</u>	<u>20,265</u>
	<u>94,139</u>	<u>88,385</u>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	43,134	49,808
Due to Related Parties	10,933	8,394
Payroll Liabilities	1,097	1,988
Deferred Revenue	<u>2,084</u>	<u>6,010</u>
	<u>57,248</u>	<u>66,200</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 36,891</u>	<u>\$ 22,185</u>

**TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF FINANCIAL OPERATIONS**  
For the Year Ended June 30, 2020

	2020 Budget (Unaudited)	2020 Actual	2019 Actual
<b>REVENUE</b>			
Contributions from Divisional Council	\$ 68,355	\$ 67,113	\$ 141,489
Regular contributions	-	36,404	29,636
Other Government of Canada	38,500	17,425	38,835
Other	<u>27,000</u>	<u>36,156</u>	<u>69,852</u>
<b>TOTAL REVENUE</b>	<u>133,855</u>	<u>157,098</u>	<u>279,812</u>
<b>EXPENSES</b>			
Aboriginal Languages/Cultural Programs	-	3,000	3,853
Administration	36,300	24,942	93,995
School Programs	<u>97,555</u>	<u>114,447</u>	<u>218,344</u>
<b>TOTAL EXPENSES</b>	<u>133,855</u>	<u>142,389</u>	<u>316,192</u>
<b>OPERATING SURPLUS</b>	-	14,709	(36,380)
<b>OPENING ACCUMULATED SURPLUS</b>	<u>22,174</u>	<u>22,174</u>	<u>58,554</u>
<b>CLOSING ACCUMULATED SURPLUS</b>	<u>\$ 22,174</u>	<u>\$ 36,883</u>	<u>\$ 22,174</u>

**TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY**  
**DETAILS OF EXPENSES**  
For the Year Ended June 30, 2020

	Aboriginal Languages/Cultural Programs	Administration	School Programs	Total
<b>SALARIES:</b>				
Non-instructional Staff	\$ -	\$ 1,300	\$ 47,271	\$ 48,571
Board/Trustee Honoraria	-	3,400	-	3,400
<b>EMPLOYEE BENEFITS</b>				
Employee Benefit/Allowance	-	2,192	6,863	9,055
<b>SERVICES PURCHASED/ CONTRACTED</b>				
Utilities & Leases	-	-	3,136	3,136
Travel	3,000	-	3,000	6,000
Student Travel	-	1,080	5,840	6,920
Rentals/Leases	-	2,500	18,000	20,500
Others	-	1,446	-	1,446
Contracted Services	-	-	4,510	4,510
<b>MATERIALS/SUPPLIES/FREIGHT</b>				
Materials	-	12,924	25,827	38,751
Freight	-	100	-	100
<b>Total</b>	<u>\$ 3,000</u>	<u>\$ 24,942</u>	<u>\$ 114,447</u>	<u>\$ 142,389</u>

**ULUKHAKTOK DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**

For the year ended June 30, 2020

	<u>2020</u>	<u>2019</u>
<b>FINANCIAL ASSETS</b>		
Cash and Cash Equivalents	\$ 39,197	\$ 19,551
Due from Related Parties	13,905	2,178
Accounts Receivable	<u>1,940</u>	<u>(364)</u>
	<u>55,042</u>	<u>21,365</u>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	250	719
Due to Related Parties	11,335	-
Payroll Liabilities	441	611
Deferred Revenue	<u>21,972</u>	<u>13,518</u>
	<u>33,998</u>	<u>14,848</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 21,044</u>	<u>\$ 6,517</u>

**ULUKHAKTOK DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF FINANCIAL OPERATIONS**  
For the Year Ended June 30, 2020

	2020 Budget (Unaudited)	2020 <u>Actual</u>	2019 <u>Actual</u>
<b>REVENUE</b>			
Contributions from Divisional Council	\$ 43,748	\$ 46,021	\$ 42,861
Other ECE contributions	49,500	34,419	54,162
Other contributions	-	469	200
Rentals	-	(90)	384
Other	<u>13,134</u>	<u>17,870</u>	<u>13,676</u>
<b>TOTAL REVENUE</b>	<u>106,382</u>	<u>98,689</u>	<u>111,283</u>
<b>EXPENSES</b>			
Aboriginal Languages/Cultural Programs	-	-	3,586
Administration	18,379	14,054	15,963
School Programs	<u>88,003</u>	<u>70,110</u>	<u>99,517</u>
<b>TOTAL EXPENSES</b>	<u>106,382</u>	<u>84,164</u>	<u>119,066</u>
<b>OPERATING SURPLUS</b>	-	14,525	(7,783)
<b>OPENING ACCUMULATED SURPLUS</b>	<u>6,518</u>	<u>6,518</u>	<u>14,301</u>
<b>CLOSING ACCUMULATED SURPLUS</b>	<u>\$ 6,518</u>	<u>\$ 21,043</u>	<u>\$ 6,518</u>



**ULUKHAKTOK DISTRICT EDUCATION AUTHORITY**  
**DETAILS OF EXPENSES**  
 For the Year Ended June 30, 2020

	<u>Administration</u>	<u>School Programs</u>	<u>Total</u>
<b>SALARIES:</b>			
Non-instructional Staff	\$ 3,646	\$ 57,325	\$ 60,971
Board/Trustee Honoraria	5,600	1,664	7,264
<b>EMPLOYEE BENEFITS</b>			
Employee Benefit/Allowance	236	2,120	2,356
<b>SERVICES PURCHASED/ CONTRACTED</b>			
Student Travel	-	230	230
Others	1,564	3,000	4,564
<b>MATERIALS/SUPPLIES/FREIGHT</b>			
Materials	<u>3,008</u>	<u>5,771</u>	<u>8,779</u>
<b>Total</b>	<u>\$ 14,054</u>	<u>\$ 70,110</u>	<u>\$ 84,164</u>

**NON-CONSOL BEAUFORT DELTA EDUCATION COUNCIL**  
**STATEMENT OF FINANCIAL POSITION**  
For the year ended June 30, 2020

	<u>2020</u>	<u>2019</u>
<b>FINANCIAL ASSETS</b>		
Cash and Cash Equivalents	\$ 10,174,054	\$ 10,658,739
Accounts Receivable	410,008	191,385
Restricted Assets	<u>293,124</u>	<u>282,512</u>
	<u>10,877,186</u>	<u>11,132,636</u>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	795,046	809,560
Due to Related Parties	73,925	66,369
Payroll Liabilities	4,009,154	4,896,824
Employee Deductions Payable	1,681	1,970
Deferred Revenue	774,720	1,170,826
Post-Employment Benefits	2,704,647	2,808,281
Trust Liabilities	<u>293,124</u>	<u>282,511</u>
	<u>8,652,297</u>	<u>10,036,341</u>
<b>NET FINANCIAL RESOURCES</b>	<u>2,224,889</u>	<u>1,096,295</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid Expenses	<u>3,000</u>	<u>4,516</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 2,227,889</u>	<u>\$ 1,100,811</u>

**NON-CONSOL BEAUFORT DELTA EDUCATION COUNCIL**  
**STATEMENT OF FINANCIAL OPERATIONS**  
For the Year Ended June 30, 2020

	2020 Budget (Unaudited)	2020 Actual	2019 Actual
<b>REVENUE</b>			
<b>Government of the NWT</b>			
Regular contributions	\$ 30,149,241	\$ 30,874,907	\$ 30,073,557
Other ECE contributions	1,140,000	1,127,276	1,126,638
Other contributions	<u>50,000</u>	<u>210,305</u>	<u>293,636</u>
<b>Total Government of the NWT</b>	<u>31,339,241</u>	<u>32,212,488</u>	<u>31,493,831</u>
<b>Government of Canada</b>			
Jordan Prinicpal	4,400,000	6,601,884	2,387,257
Other Government of Canada	-	8,020	8,200
<b>Total Government of Canada</b>	<u>4,400,000</u>	<u>6,609,904</u>	<u>2,395,457</u>
<b>Board Generated Funds</b>			
Investment Income	130,000	113,234	162,271
Other	<u>797,575</u>	<u>404,397</u>	<u>548,342</u>
<b>Total Board Generated Funds</b>	<u>927,575</u>	<u>517,631</u>	<u>710,613</u>
<b>TOTAL REVENUE</b>	<u>36,666,816</u>	<u>39,340,023</u>	<u>34,599,901</u>
<b>EXPENSES</b>			
Aboriginal Languages/Cultural Programs	2,878,189	2,694,288	2,527,492
Administration	3,084,003	2,329,762	2,298,969
Inclusive Schooling	9,438,661	11,049,171	7,441,929
School Programs	20,163,129	21,178,101	22,431,632
Student Accommodations	140,920	104,216	169,103
Operations & Maintenance	<u>825,000</u>	<u>857,396</u>	<u>841,768</u>
<b>TOTAL EXPENSES</b>	<u>36,529,902</u>	<u>38,212,934</u>	<u>35,710,893</u>
<b>OPERATING SURPLUS</b>	136,914	1,127,089	(1,110,992)
<b>OPENING ACCUMULATED SURPLUS</b>	<u>1,100,785</u>	<u>1,100,785</u>	<u>2,211,777</u>
<b>CLOSING ACCUMULATED SURPLUS</b>	<u>\$ 1,237,699</u>	<u>\$ 2,227,874</u>	<u>\$ 1,100,785</u>

**NON-CONSOL BEAUFORT DELTA EDUCATION COUNCIL**  
**DETAILS OF EXPENSES**  
For the Year Ended June 30, 2020

	Aboriginal Languages/Cultural Programs	Administration	Inclusive Schooling	School Programs	Student Accommodations	Operations & Maintenance	Total
<b>SALARIES:</b>							
Teachers	\$ 1,291,373	\$ -	\$ 2,893,158	\$ 11,733,796	\$ -	\$ -	\$ 15,918,327
Instruction Assistants	-	-	414,072	104,444	-	-	518,516
Non-instructional Staff	353,124	1,060,864	4,246,823	2,585,736	-	-	8,246,547
Board/Trustee Honoraria	133,255	33,551	-	10,509	-	-	177,315
<b>EMPLOYEE BENEFITS</b>							
Employee Benefit/Allowance	585,503	337,157	3,001,741	4,837,034	-	274,923	9,036,358
Leave and Termination	-	-	-	(64,004)	-	-	(64,004)
<b>SERVICES PURCHASED/ CONTRACTED</b>							
Professional/Technical Services	-	69,686	77,882	-	-	-	147,568
Postage/Communication	638	27,469	-	98,775	1,980	-	128,862
Travel	56,824	103,597	70,237	277,212	4,372	-	512,242
Student Travel	10,068	-	-	74,050	97,864	-	181,982
Advertising/Printing/Publishing	414	2,676	-	-	-	-	3,090
Maintenance/Repair	11,989	69,795	-	42,987	-	-	124,771
Rentals/Leases	9,145	15,180	-	108,351	-	153,579	286,255
Others	5,500	122,400	-	12,092	-	428,894	568,886
Contracted Services	16,400	60,038	26,525	301,842	-	-	404,805
<b>MATERIALS/SUPPLIES/FREIGHT</b>							
Materials	146,991	104,791	67,470	776,964	-	-	1,096,216
Furniture and Equipment	60,628	112,871	247,707	177,156	-	-	598,362
Freight	4,042	13,284	3,556	66,602	-	-	87,484
<b>CONTRIBUTIONS/TRANSFERS</b>							
Transfers - Other	8,394	196,403	-	34,555	-	-	239,352
<b>Total</b>	<u>\$ 2,694,288</u>	<u>\$ 2,329,762</u>	<u>\$ 11,049,171</u>	<u>\$ 21,178,101</u>	<u>\$ 104,216</u>	<u>\$ 857,396</u>	<u>\$ 38,212,934</u>

**Commission scolaire francophone  
Territoires du Nord-Ouest**

**Financial Statements**

**June 30, 2020**

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**Commission scolaire francophone Territoires du Nord-Ouest**

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**June 30, 2020**

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## Commission scolaire francophone Territoires du Nord-Ouest

### Généralités

L'objectif du rapport de gestion consiste à expliquer, du point de vue du bureau central, la situation financière et les perspectives d'avenir de la Commission scolaire francophone TNO. Le rapport de gestion est la responsabilité de la direction générale et du Conseil des commissaires de la Commission scolaire francophone TNO et sert à promouvoir la transparence et la reddition de comptes.

Les objectifs de la gestion financière de la Commission scolaire francophone TNO se résument en deux objectifs :

- 1) Fournir les meilleurs programmes d'éducation possibles selon les ressources financières allouées.
- 2) Gérer les ressources financières avec compétence et être redevable de ces ressources financières devant le ministère de l'Éducation, de la Culture et de la Formation des Territoires du Nord-Ouest et le gouvernement du Canada.

La vision de la Commission scolaire francophone TNO est de permettre à l'élève de développer ses compétences et de cultiver ses talents, selon ses besoins spécifiques, dans une perspective de développement global de sa personne et de son identité francophone.

Selon la *Loi sur l'Éducation des Territoires du Nord-Ouest*, la Commission scolaire francophone compte six sièges de commissaires élus, trois à Yellowknife et trois à Hay River.

Ce sont les commissaires qui supervisent la gestion de la Commission scolaire et des écoles. En fait, ils constituent le lien entre les élèves, les parents, les écoles et les deux paliers de gouvernement.

Les commissaires au titre de l'exercice fiscal 2019-20 sont comme suit :

<b>Nom</b>	<b>Titre</b>
Simon Cloutier	Président
Sarah Poitras	Vice-présidente
Jean De Dieu Tuyishime	Commissaire
Nicole Fournier	Commissaire
Marie-Eve Martel	Commissaire
Michael St-Amour	Commissaire

La commissaire Nicole Fournier a quitté ses fonctions le 31 mai 2020 à la suite d'un déménagement qui la rendait de facto inéligible.

La commissaire Sarah Poitras a quitté ses fonctions le 25 août 2020 en citant des raisons personnelles et familiales.

La Commission scolaire francophone TNO gère deux écoles publiques en français langue première de la prématernelle à la 12<sup>e</sup> année :

- l'école Allain St-Cyr à Yellowknife; et
- l'école Boréale à Hay River.

### Personnel de la Commission scolaire francophone

En 2019-20, le personnel (en termes de FTE) de la CSFTNO se chiffrait à 43.9 FTE et se présente comme suit :

- Bureau central : 5 FTE
- École Allain St-Cyr (EASC) : 15 NWTTA et 7 UNW
- École Boréale : 12 NWTTA et 4.9 UNW

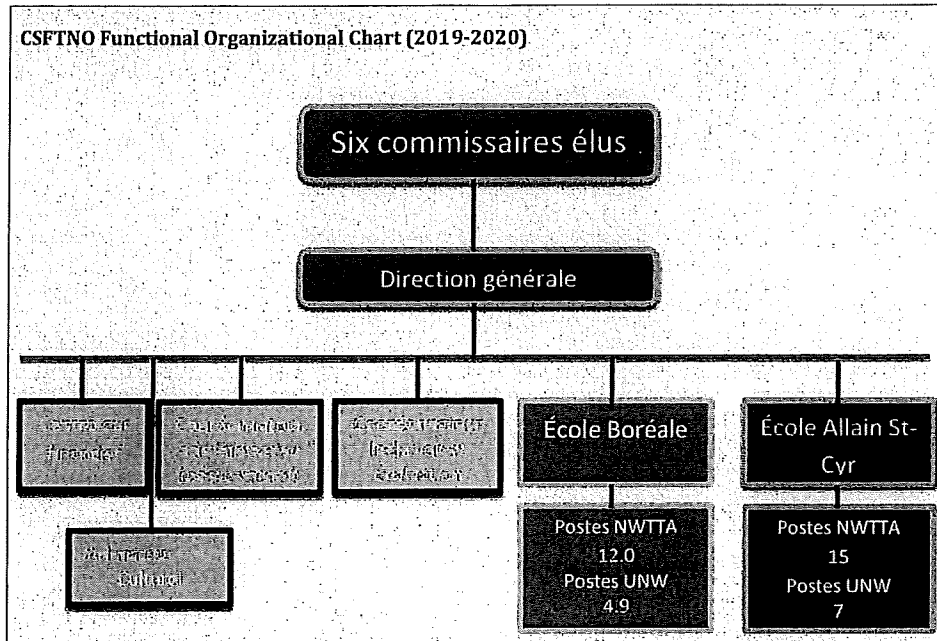
### Effectif des élèves

Au 30 septembre 2019, 149.5 élèves fréquentaient l'école Allain St-Cyr et 85.0 l'école Boréale.



## Organigramme de la Commission scolaire francophone

L'organigramme de la Commission scolaire francophone des TNO pour l'année 2019-2020 se présente comme suit :



## Plan stratégique 2020-2025

La Commission scolaire a exécuté et achevé avec succès son plan stratégique 2015-2020 et a initié l'élaboration de son plan pour la période 2020-2025. L'avènement du COVID-19 a interrompu la poursuite de l'opération qui va reprendre en 2020. Le Conseil des commissaires a passé une résolution faisant extension du Plan stratégique jusqu'en 2021. Le plan stratégique, pour rappel, 2015-2020 comprenait les 5 priorités suivantes:

- La réussite et le bien-être de chaque élève;
- Espace francophone et communautaire;
- Engagement des parents et des familles;
- L'école francophone, le premier choix des parents; et
- Gestion et gouvernance efficaces.

À défaut du nouveau plan stratégique 2020-2025, les cinq priorités définies dans le plan stratégique sont détaillées de nouveau dans le présent rapport aux paragraphes suivants.

Priorité : La réussite et le bien-être de chaque élève

- Développer les compétences à l'ère numérique chez nos élèves de la maternelle à la 12e année;
- Appuyer nos élèves à partir d'une compréhension commune de « la réussite » et du « bien-être »;
- Améliorer la diversité et la qualité des programmes et des services offerts dans nos écoles;
- Entretenir un climat sain, inclusif et sécuritaire dans nos écoles;
- Assurer l'utilisation efficace et judicieuse des technologies informatiques et de communication pour améliorer l'expérience d'apprentissage;
- Maintenir un personnel engagé et compétent;
- Assurer le développement professionnel continu et l'échange de pratiques qui favorisent la réussite et le bien-être des élèves; et
- Favoriser le développement de l'autonomie chez les élèves tout au long de leur parcours scolaire.

Priorité : Espace francophone et communautaire

- Favoriser le développement de la construction identitaire chez nos élèves;
- Renforcer les partenariats avec la communauté pour appuyer l'apprentissage de chaque élève; et
- Promouvoir la valeur ajoutée de l'éducation en français langue première et de la dualité linguistique canadienne.

Priorité : Engagement des parents et des familles

- Impliquer nos parents comme partenaires dans l'apprentissage et l'épanouissement de leur enfant;
- Aider nos parents afin qu'ils puissent accompagner leur enfant; et
- Assurer une communication ouverte et soutenue avec les parents.

Priorité : L'école francophone, le premier choix des parents

- Assurer la pérennité et la vitalité de nos écoles; et
- Favoriser la rétention et le recrutement des élèves.

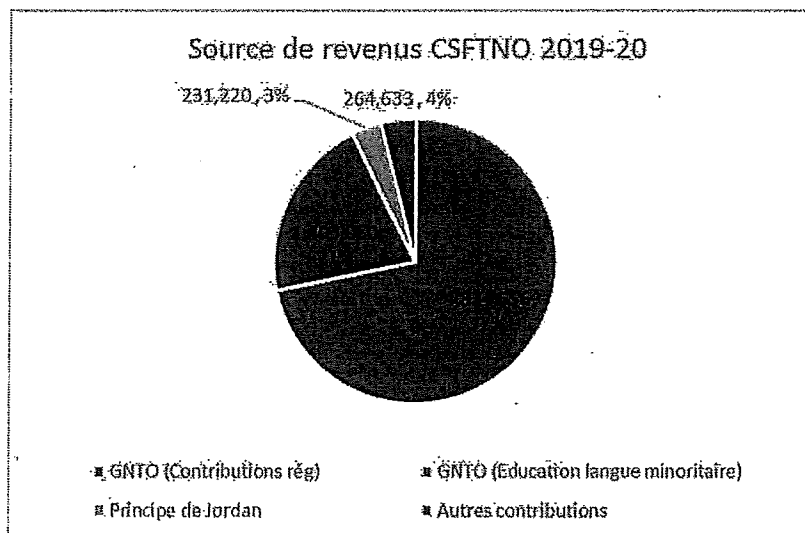
Priorité : Gestion et gouvernance efficaces

- Mettre à jour les politiques de gouvernance de la CSFTNO;
- Renforcer les capacités de leadership au sein de la CSFTNO; et
- Améliorer la communication et la diffusion d'information auprès des parents et des membres de la communauté.

## Revenus

La source principale de revenu provient du Gouvernement des Territoires du Nord-Ouest. Cette source de revenu est majoritairement divisée en 3 catégories :

- Les contributions régulières calculées par le Cadre de financement scolaire des Territoires du Nord-Ouest (4.835 M\$);
- La contribution provenant de l'entente *Enseignement en français langue de la minorité* de Patrimoine canadien (1.403 M);
- Les autres revenus provenant essentiellement des autres contributions du gouvernement (GTNO) et du Principe de Jordan s'élevaient à 496 k\$



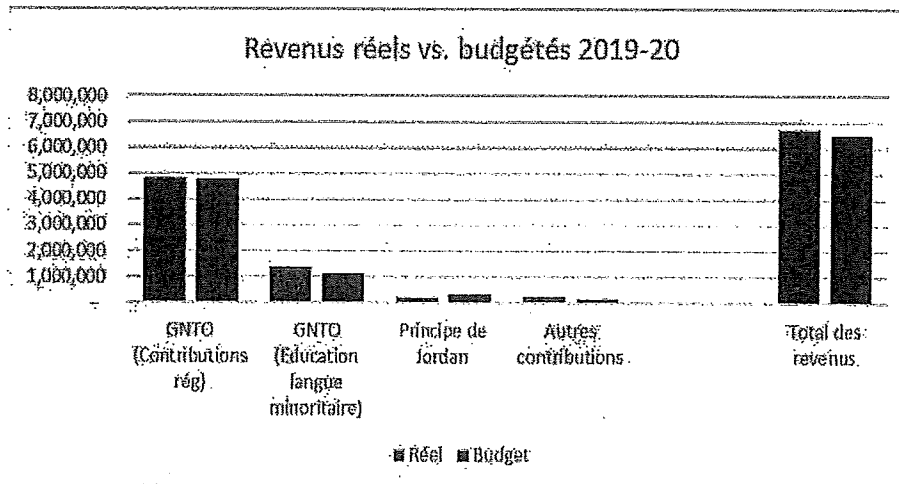
En 2019-2020, la Commission scolaire francophone TNO a enregistré des revenus d'une somme de 6.734 M\$ comparativement à un montant budgété de 6.488 M\$. Cette variance de 246 k\$ s'explique principalement par les facteurs suivants :

- Une hausse des contributions régulières de 49.085 k\$, notamment liée à la variance positive du nombre d'élèves. Il faut cependant noter que l'avènement de la pandémie (COVID-19) a quelque peu ralenti les activités. Cette situation a conduit au report sur l'exercice fiscal 2020-2021 d'une

partie des subventions reçues du programme Intégration scolaire (93 k\$) et du programme Langues autochtones et éducation (35 k\$)

- Une baisse de 120 k\$ du montant du programme « Principe de Jordan » à la suite du départ de deux élèves en bénéficiant de l'École Allain St-Cyr (EASC). Il est à noter que pour l'année 2020-2021, une réaffectation de ces deux élèves à l'EASC a été initiée et une nouvelle demande a été introduite. La décision finale n'était pas disponible au moment de la rédaction de ce rapport.
- Une hausse du montant du programme « Français – Langue première » de 250.2 k\$ qui a surtout permis d'embaucher un animateur culturel et un spécialiste de la communication pour accroître la visibilité de la CSFTNO et de ses écoles.

Voici un tableau illustrant les revenus réels comparativement aux revenus budgétés :



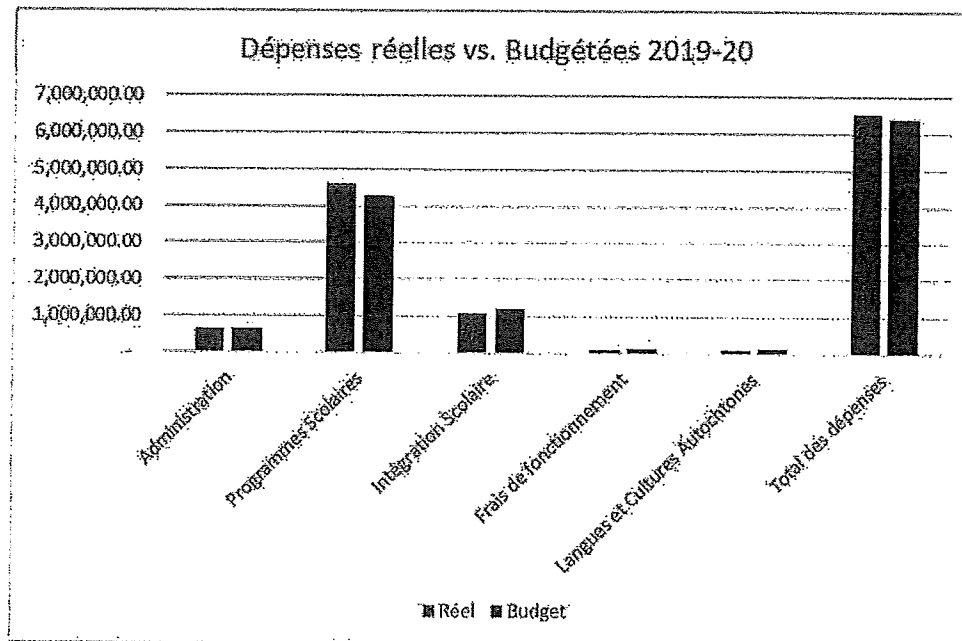
## Dépenses

Le total des dépenses de la Commission scolaire francophone TNO au 30 juin 2020 se chiffre à 6.544 M\$ comparativement à un budget approuvé de 6.410 M\$, soit un dépassement de 134 k\$.

Ce dépassement s'explique essentiellement par les facteurs suivants :

- Une hausse des frais d'administration de 14 k\$;
- Une hausse des dépenses de salaires de 313 k\$ compensée partiellement par le financement obtenu du Principe de Jordan et du financement exceptionnel obtenu (*Extraordinary Enrolment Fund*);
- Une réduction des dépenses d'intégration scolaire de 118 k\$;
- Une réduction des frais de maintenance et opérations de 41 k\$;
- Une réduction des dépenses autochtones de 36 k\$ qui ont été reportées sur 2020-2021.

Voici un tableau illustrant les dépenses réelles comparativement (hors dépense extraordinaire) aux dépenses budgétées par programme :



## Programmes

### Administration

La section administration comprend les dépenses pour les salaires et bénéfices des employés au bureau central, les honoraires du Conseil d'administration, les honoraires des différents consultants (incluant les frais d'avocat) et les dépenses administratives de la Commission scolaire francophone TNO. Le total des dépenses réelles (hors dépense extraordinaire) s'élève à 0.647 M\$ versus un budget de 0.633 M\$. Le programme de contestation judiciaire a permis à la CSFTNO de réduire ses dépenses de 125M\$.

### Programmes scolaires

Cette section inclut les dépenses opérationnelles des écoles telles que les salaires et bénéfices des enseignants, aide-enseignants, consultants, secrétaires et concierges. Les programmes scolaires comprennent également les frais de développement professionnel, le transport par autobus, les matériaux scolaires et les fournitures scolaires dans les écoles. Les dépenses encourues et réalisées se chiffrent à 4.614 M\$ contre un budget de 4.300 M\$.

### Intégration Scolaire

Les dépenses pour l'intégration scolaire permettent aux écoles d'inclure tous les élèves et d'assurer leur participation dans les classes régulières. Cette section inclut les salaires et avantages sociaux des enseignants au soutien des élèves, les adjoint(e)s au programme de soutien, le développement professionnel, les frais associés au Principe de Jordan, et les matériaux et fournitures de classe associés au programme d'intégration scolaire. Les dépenses réelles sont restées en-dessous du montant budgété et s'élèvent à 1.088 M\$ contre un montant budgété de 1.205 M\$.

### Frais de fonctionnement

Les frais de fonctionnement se sont élevés à .098 M\$ versus un budget de .139 M\$.

## Langue et cultures autochtones

Ce programme comprend les salaires et avantages sociaux du coordonnateur, ainsi que les matériaux et les fournitures reliés au programme de Langue et culture autochtones. L'exercice fiscal 2019-2020 s'est soldé par des dépenses réelles de 0.975 M\$ contre un budget de 0.133 M\$.

## Perspectives 2020-2021

L'année 2019-2020 a été marquée par l'avènement de la pandémie COVID-19 au niveau mondial qui a bouleversé la société dans son ensemble. De nouvelles façons de vivre et de travailler avec des défis nouveaux sont apparues. Cela a inéluctablement un impact à la hausse sur les dépenses dont l'estimation à l'heure actuelle se révélerait hasardeuse.

Malgré ce défi, la CSFTNO et toutes les parties prenantes ont énormément travaillé pour offrir quasiment le même niveau de services à leurs clients. Et la CSFTNO s'engage à toujours offrir ce même niveau de services quel que soit le coût supplémentaire que cela a entraîné et continue d'entraîner.

Enfin, la CSFTNO expérimente une augmentation de l'effectif des élèves à l'École Allain St-Cyr (164.5 espérés contre 149.5 l'année dernière, soit une hausse de 15 ou 9%) qui ouvrirait droit pour la deuxième année consécutive à l'obtention d'un financement extraordinaire dont le montant n'est pas encore connu.

## Sommaire

En 2020-2021, la Commission scolaire francophone TNO a approuvé un surplus opérationnel (hors évaluation actuarielle des retraites, hors dépense extraordinaire et hors honoraires d'avocat) de 189,652\$ contre un surplus budgété de 77,604\$.

La prise en compte de tous les éléments non opérationnels aboutit à un déficit de 1.244 M\$ créant ainsi un déficit cumulé de 1.055 M\$.



Malgré ce déficit, les fonds budgétés pour l'année fiscale 2020-2021 s'alignent avec le Plan stratégique à venir dans le but de continuer à offrir un excellent programme d'éducation en français langue première dans nos deux écoles.

Nous souhaitons une bonne rentrée scolaire à tous les élèves et employés de la Commission scolaire francophone TNO.

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

**Management's Responsibility for Financial Reporting with respect to the school year ended June 30, 2020**

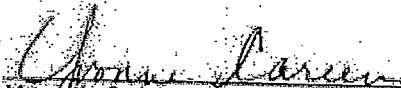
The Management Discussion and Analysis, Financial Statements, Schedules and Notes herein submitted have been reviewed and approved by management. They provide full disclosure and accurately reflect the financial and non-financial condition of Commission scolaire francophone Territoires du Nord-Ouest ("the Commission") 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 Commission have been conducted within the statutory powers of the Education Body. The operations and administration of the Education Body as well as the supporting internal controls of the entity are regularly monitored to ensure their effectiveness and their continued compliance with all relevant legislation, standards, directives and policies including but not limited to the *Education Act*, *Financial Administration Act*, CPSAS, FAM, FAMEA, Human Resources Manual, Ministerial Directives and the policies of the Education Authority 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 Commission

  
Yvonne Careen

Directrice générale

  
Marc Akpoe, MBA, CIA, CPA, CMA, FRM

Contrôleur financier

September 21, 2020

## Independent Auditors' Report

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

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the accompanying financial statements of Commission Scolaire Francophone Territoires du Nord-Ouest ("the Commission") which comprise the statement of financial position as at June 30, 2020 and the statements of operations, changes in net financial asset, and its cash flows for the year then ended, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effect of the matters described in the *Basis of Qualified Opinion* paragraph, these financial statements present fairly, in all material respects, the financial position of the Commission as at June 30, 2020 and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### **Basis for Qualified Opinion**

School generated funds controlled by the Commission are not reported nor presented in the accompanying financial statements. School generated funds represent fundraising activities for the benefit of student life enhancement and are controlled through the Commission due to the nature of these activities, which must be approved at the Commission level. This represents a departure from Canadian public accounting standards because school generated funds are determined to be under the control of the Commission, and as such are required to be included under the government reporting entity. Accordingly, school generated funds revenues, expenses, assets, and surplus for the year ended June 30, 2020 are not recognized nor audited in the accompanying financial statements.

Salaries and benefits paid to management and employees of the Commission are administered by the Government of the Northwest Territories and are audited as part of the Government of the Northwest Territories. Our audit scope was limited as we did not audit the components of salaries and benefits expenses and related balances. Accordingly, we were not able to determine whether any adjustments might be necessary to salaries and benefits expenses, employee deductions payable, vacation payable, salaries and wages payable, post-employment benefits payable and accumulated surplus (deficit).

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section our report. We are independent of the Commission in accordance with the ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### **Other Information**

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independent Auditors' Report (continued)

### ***Responsibilities for Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

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

In conjunction with the audit of the financial statements, we have audited transactions of the Commission coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the Government of the Northwest Territories - Department of Education, Culture and Employment.

In our opinion, the transactions of the Commission that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above.

Management is responsible for the Commission's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the entity to comply with the specified authorities.

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.

**Yellowknife, Northwest Territories  
September 21, 2020**

  
**Chartered Professional Accountants**

**Commission scolaire francophone Territoires du Nord-Ouest**

**Statement of Financial Position**

**As at June 30,** **2020** **2019**

**Financial Assets**

Cash (Note 5)	\$ 1,514,581	\$ 1,474,672
Accounts receivable (Note 9)	93,906	131,704
	<b>1,608,487</b>	<b>1,606,376</b>

**Liabilities**

Accounts payable and accrued liabilities (Note 11)	373,403	680,835
Payroll liabilities (Note 11)	524,336	466,387
Repayment to GNWT (Note 12)	1,269,573	1,269,573
Deferred revenue (Note 13)	132,315	3,500
Post-employment benefits (Note 19)	374,954	438,004
	<b>2,674,581</b>	<b>2,858,299</b>

**Net financial liabilities** **(1,066,094)** **(1,251,923)**

**Non-financial assets**

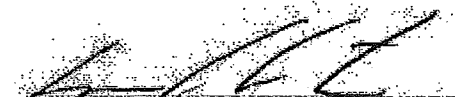
Prepaid expenses (Note 22)	11,544	7,721
<b>Accumulated deficit</b>	<b>\$ (1,054,550)</b>	<b>\$ (1,244,202)</b>

**Represented By:**

**Operating deficit** **\$ (1,054,550)** **\$ (1,244,202)**

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

**Approved on behalf of the Board:**

 Trustee

 Trustee

Commission scolaire francophone Territoires du Nord-Ouest

**Statement of Operations**

For the year ended June 30, **2020** **2020** 2019  
**Budget** **Actual** Actual

**Revenues**

**Government of the NWT**

ECE Regular contributions	\$ 4,785,571	\$ 4,834,656	\$ 4,494,258
French language instruction	1,152,850	1,403,050	1,152,850
ECE Other contributions (Note 32)	498,369	144,127	92,449

**Total GNWT ECE** 6,436,790 6,381,833 5,739,557

GNWT Other contributions (Note 33) - 44,111 40,711

**Total GNWT** 6,436,790 6,425,944 5,780,268

**Government of Canada**

Jordan's Principle - 231,220 156,209

**Education body generated funds**

Northwest Territories Teachers' Association Contributions	-	12,237	24,397
Interest	25,000	32,000	32,050
Other revenues	26,200	32,158	930

51,200 76,395 57,377

**6,487,990** **6,733,559** 5,993,854

**Expenses (Schedule 1)**

Administration	632,798	649,878	727,344
School programs	4,300,211	4,613,500	4,011,034
Inclusive schooling	1,205,072	1,087,688	1,064,475
Operations and maintenance	139,000	98,360	60,096
Aboriginal languages	133,305	97,453	130,792

**6,410,386** **6,546,879** 5,993,741

**Operating deficit before other items** **77,604** **186,680** 113

**Other items**

Post-employment benefit recovery (Note 19)	-	2,972	13,942
Grant in-kind - Assets provided at no cost (Note 23)	-	1,064,949	813,376
Rent expense - Assets provided at no cost (Note 23)	-	(1,064,949)	(813,376)
Repayment to GNWT (Note 24)	-	-	(1,269,573)
Special purpose fund - fundraising revenue (Note 5)	-	-	104,997
Special purpose fund - fundraising expense (Note 5)	-	-	(111,227)

**Adjusted operating surplus (deficit)** **77,604** **189,652** (1,261,748)

**Opening accumulated surplus (deficit)** (1,244,202) (1,244,202) 17,546

**Closing accumulated deficit** **\$ (1,166,598)** **\$ (1,054,550)** \$ (1,244,202)

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**Commission scolaire francophone Territoires du Nord-Ouest**

**Statement of Changes in Net Financial Assets (Liabilities)**

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<b>For the year ended June 30,</b>	<b>2020 Budget</b>	<b>2020 Actual</b>	<b>2019 Actual</b>
<b>Adjusted operating surplus (deficit)</b>	<b>\$ 77,604</b>	<b>\$ 189,652</b>	<b>\$(1,261,748)</b>
<b>Use (acquisition) of prepaid expenses and deposits</b>	<b>-</b>	<b>(3,823)</b>	<b>2,700</b>
<b>Increase (decrease) in net financial assets</b>	<b>77,604</b>	<b>185,829</b>	<b>(1,259,048)</b>
<b>Net financial assets (liabilities), beginning of year</b>	<b>(1,251,923)</b>	<b>(1,251,923)</b>	<b>7,125</b>
<b>Net financial assets (liabilities), end of year</b>	<b>\$ (1,174,319)</b>	<b>\$ (1,066,094)</b>	<b>\$(1,251,923)</b>

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**Commission scolaire francophone Territoires du Nord-Ouest****Statement of Cash Flows**

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<b>For the year ended June 30,</b>	<b>2020</b>	<b>2019</b>
<b>Cash provided by (used in):</b>		
<b>Operating transactions</b>		
Operating surplus (deficit)	\$ 189,652	\$ (1,261,748)
<b>Changes in non-cash assets and liabilities</b>		
Decrease (increase) in accounts receivable	37,798	(15,133)
Decrease in accounts payable and accrued liabilities	(307,431)	(89,695)
Increase in payroll liabilities	57,949	40,692
Increase in repayment to GNWT	-	1,269,573
Increase (decrease) in deferred revenue	128,815	(33,865)
Decrease in post-employment benefits	(63,050)	(101,722)
Decrease (increase) in prepaid expenses and deposits	(3,824)	2,700
<b>Increase (decrease) in cash</b>	<b>39,909</b>	<b>(189,198)</b>
<b>Cash at beginning of year</b>	<b>1,474,672</b>	<b>1,663,870</b>
<b>Cash at end of year</b>	<b>\$ 1,514,581</b>	<b>\$ 1,474,672</b>

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Commission scolaire francophone Territoires du Nord-Ouest

Schedule 1  
Details of Expenses

For the year ended June 30, 2019

	School Programs	Inclusive Schooling (schedule 4)	Operations and Maintenance	Administration	Aboriginal Languages (schedule 2)	Total 2020	Budget 2020	Total 2019
<b>Salaries</b>								
Teacher salaries	\$ 3,347,871	\$ 323,591	\$ -	\$ -	\$ 41,398	\$ 3,712,860	\$ 3,652,092	\$ 3,436,620
Honoraria	(1,226)	-	-	-	-	(1,226)	5,500	10,125
Instruction assistants	160,237	546,533	-	-	-	706,770	794,473	629,346
Non-instruction staff	512,544	162,537	-	430,261	-	1,105,342	923,825	870,986
Board/trustee honoraria	-	-	-	32,037	17,224	49,261	55,000	50,601
	4,019,426	1,032,661	-	462,298	58,622	5,573,007	5,430,890	4,997,678
<b>Employee Benefits</b>								
Employee benefit	-	-	47,019	-	-	47,019	41,000	33,111
Leave and termination	-	-	51,341	-	-	51,341	98,000	26,985
	-	-	98,360	-	-	98,360	139,000	60,096
<b>Services Purchased/Contracted</b>								
Advertising/Publishing	4,547	-	-	29,740	-	34,287	49,629	43,409
Communication	13,433	-	-	11,899	-	25,332	24,578	26,780
Contracted services	165,230	21,975	-	59,686	-	246,891	175,448	273,403
Maintenance and repairs	30,360	-	-	-	-	30,360	35,581	40,530
Other	22,245	3,408	-	22,930	-	48,583	116,980	89,184
Rental/leases	21,206	-	-	7,769	-	28,975	2,925	39,261
Student travel	66,721	-	-	-	-	66,721	65,000	58,793
Travel	20,428	14,415	-	25,765	10,471	71,079	82,850	81,454
	344,170	39,798	-	157,789	10,471	552,228	552,991	652,814
<b>Supplies and Materials</b>								
Freight	3,470	-	-	-	-	3,470	-	2,736
Materials	246,434	15,229	-	29,791	28,360	319,814	287,505	280,417
	249,904	15,229	-	29,791	28,360	323,284	287,505	283,153
<b>Total</b>	<b>\$ 4,613,500</b>	<b>\$ 1,087,688</b>	<b>\$ 98,360</b>	<b>\$ 649,878</b>	<b>\$ 97,453</b>	<b>\$ 6,546,879</b>	<b>\$ 6,410,386</b>	<b>\$ 5,993,741</b>

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Commission scolaire francophone Territoires du Nord-Ouest

Schedule 2

Details of Aboriginal Language and Culture Expenses

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For the year ended June 30, 2020

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	Student Instructions	School Activities & Integrated Community Programs	Total
<b>Salaries</b>			
ALCBE teachers	\$ 41,398	\$ -	\$ 41,398
Honoraria	-	17,224	17,224
	<b>41,398</b>	<b>17,224</b>	<b>58,622</b>
<b>Services Purchased/Contracted</b>			
Travel	-	10,471	10,471
	-	<b>10,471</b>	<b>10,471</b>
<b>Materials/Supplies/Freight</b>			
Materials	-	28,360	28,360
	<b>\$ 41,398</b>	<b>\$ 56,055</b>	<b>\$ 97,453</b>

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Commission scolaire francophone Territoires du Nord-Ouest

Schedule 3  
Aboriginal Languages

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For the year ended June 30, 2020

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<b>Contribution agreement</b>	<b>July 1 to March 31</b>	<b>April 1 to June 30</b>	<b>Total</b>
<b>Revenues</b>			
Funding received	\$ 80,407	\$ 52,745	\$ 133,152
<b>Expenses</b>			
Salaries	39,243	19,379	58,622
Other	21,055	17,776	38,831
	<b>60,298</b>	<b>37,155</b>	<b>97,453</b>
<b>Net surplus</b>	<b>\$ 20,109</b>	<b>\$ 15,590</b>	<b>\$ 35,699</b>

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Commission scolaire francophone Territoires du Nord-Ouest

Schedule 4

Details of Inclusive Schooling Expenses

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For the year ended June 30, 2020

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	Staff Development	Student Resources	General Inclusive Schooling	Total
<b>Salaries</b>				
Non-Instructional Staff	\$ -	\$ -	\$ 162,537	\$ 162,537
Program support teachers	-	-	323,591	323,591
Support assistants	-	-	546,533	546,533
		-	<b>1,032,661</b>	<b>1,032,661</b>
<b>Services Purchased/Contracted</b>				
Contracted services	-	-	21,975	21,975
Other	3,408	-	-	3,408
Travel	-	-	14,415	14,415
	<b>3,408</b>	-	<b>36,390</b>	<b>39,798</b>
<b>Materials/Supplies/Freight</b>				
Materials	-	15,229	-	15,229
	<b>\$ 3,408</b>	<b>\$ 15,229</b>	<b>\$ 1,069,051</b>	<b>\$ 1,087,688</b>

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**Commission scolaire francophone Territoires du Nord-Ouest****Schedule 5  
French Language Funding**

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**For the year ended June 30, 2020**

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	<b>Contributions from ECE</b>	<b>Commitments from Commission</b>	<b>Expenses</b>	<b>(Under) Over Funding</b>
<b>STUDENT PARTICIPATION</b>				
School administration (salary)	\$ 327,666	\$ 43,000	\$ 326,139	\$ 44,527
Retention bursaries	12,000	-	(1,500)	13,500
2 grade level per class (salary)	454,108	1,805,542	2,791,528	(531,878)
2 secretaries / librarian (salary)	50,000	65,000	220,874	(105,874)
Recruitment and retention	75,000	-	45,453	29,547
Promotion	35,000	-	28,970	6,030
<b>SCHOOL PROGRAMS</b>				
Cyber pedagogy (salary)	94,727	68,854	136,545	27,036
Technology resources	72,500	-	91,922	(19,422)
<b>PROGRAM ENRICHMENT</b>				
Partnership early childhood	25,000	-	25,000	-
Teacher assistants for francization (salary)	110,000	84,374	216,991	(22,617)
Art program	46,549	-	50,145	(3,596)
Cultural activities	40,000	-	50,188	(10,188)
French resource purchase	25,000	5,000	69,378	(39,378)
<b>EDUCATIONAL SUPPORT FOR PERSONNEL</b>				
Professional development	35,500	5,000	26,617	13,883
<b>Total</b>	<b>\$ 1,403,050</b>	<b>\$ 2,076,770</b>	<b>\$ 4,078,250</b>	<b>\$ (598,430)</b>

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**Commission scolaire francophone Territoires du Nord-Ouest**

**Schedule 6  
Student Success Initiative**

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**For the year ended June 30, 2020**

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	<b>Total</b>
<b>Revenue - Government of the NWT Education, Culture, &amp; Employment</b>	<b>\$ 15,000</b>
<b>Expenses</b>	
<b>Workshop expenses</b>	
Resources	31,920
<b>Deficit</b>	<b>\$ (16,920)</b>

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Commission scolaire francophone Territoires du Nord-Ouest

Schedule 7  
Jordan's Principle

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For the year ended June 30, 2020

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	Budget 2020	Actual 2020	Actual 2019
<b>Revenue</b>			
Government of Canada			
- First Nations and Inuit Health Branch			
Other funding	\$ 351,042	\$ 231,220	\$ 156,209
<b>Expenses</b>			
Personnel	327,826	240,813	141,816
Contracted services	23,216	1,860	2,940
<b>Total expenses</b>	<b>351,042</b>	<b>242,673</b>	<b>144,756</b>
<b>Net surplus (deficit)</b>	<b>\$ -</b>	<b>\$ (11,453)</b>	<b>\$ 11,453</b>
<b>Deferred revenue</b>	<b>\$ -</b>	<b>\$ 4,204</b>	<b>\$ 3,500</b>

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## Commission scolaire francophone Territoires du Nord-Ouest

### Notes to Financial Statements

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June 30, 2020

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#### 1. Nature of the Organization

The Commission scolaire francophone Territoires du Nord-Ouest ("Commission") was established under the *Education Act* of the Government of the Northwest Territories ("GNWT") by order of the Minister dated November 7, 2000. A full range of instructional programs ranging from pre-kindergarten through Grade 12 is offered by the Commission in both Yellowknife and Hay River.

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

Section 81 of the *Education Act* outlines the powers of a Board of Education which for the Commission includes all aspects of operation and management. The Commission is the lowest (and sole) level of government exercising oversight responsibility.

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

#### 2. COVID-19

On March 11, 2020, the World Health Organization declared a global pandemic of the novel coronavirus identified as "COVID-19". In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations, resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal, provincial and territorial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Commission and its operations in future periods.

#### 3. Significant Accounting Policies

##### (a) Basis of Accounting

The financial statements of the Commission have been prepared in accordance with Canadian public sector accounting standards. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality. The financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity, which is composed of all organizations, two schools, which are controlled by the Commission.

The basis of accounting refers to the timing of when revenue and expense items are recognized in the accounts and reported in the financial statements. The accrual basis of accounting is utilized. 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.

**Notes to Financial Statements**

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June 30, 2020

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

**(b) Cash**

Cash is comprised of bank account balances, net of outstanding cheques.

**(c) Financial Instruments**

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

Financial assets subsequently measured at amortized cost include cash and accounts receivable.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, payroll liabilities, repayment to GNWT and post-employment benefits.

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**

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 of the Commission include prepaid expenses and deposits.

**(e) Tangible Capital Assets**

All tangible capital assets used by the Commission are purchased by and are the property of the GNWT. The Minister grants to the Commission the full occupancy and use of such facilities and equipment where required for the administration and delivery of education system programs. Tangible capital assets with a value in excess of \$50,000 are recorded at cost and amortized in accordance with the Financial Administration Manual guidelines by the GNWT. Tangible capital assets with a value of less than \$50,000 are recorded as a current expense.

**Notes to Financial Statements**

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**June 30, 2020**

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

**(e) Tangible Capital Assets (continued)**

The fair value of the use of the building and office space is estimated at its fair value and recognized as assets provided at no cost in the statement of operations.

**(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 Commission retains surpluses and is responsible for deficits. Any funding requests over and above those levels provided by the formula must be first approved by the GNWT. The contribution revenue is recognized when received or receivable.

**GNWT - French minority language**

The French minority language contributions from the GNWT are determined by additional costs related to French minority language, and are received in one payment. The contribution revenue is recognized when received or receivable.

**Other contributions**

The Commission 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 reliably estimated and its collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Funds received that are not expended at year-end are recorded as either deferred revenue or contributions repayable depending upon the terms of the contribution agreement.

June 30, 2020

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

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

**Deferred revenue**

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

**Investment income**

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

**Special purpose funds**

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

Student activity funds which are controlled by students or parties other than the Commission are not included even if custody of the funds is held by the Commission. Examples of excluded funds might be student clubs or associations for which the Commission has no ongoing responsibility of liability for losses. See Note 5.

The distinctions between the treatment of School and Student activity funds are under review. See Note 4.

**(g) Budget Data**

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

The final priorities and funding allocations are determined by the Trustees of the Commission 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 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 revenues, expenses and net operating surplus (deficit). Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Commission.

The budget may be amended within a given fiscal year in accordance with the Commission's policy, regulations and approved budget procedures. The budget data presented in the financial statements reflects the budget for the fiscal year. The budget has not been audited.

**Notes to Financial Statements**

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**June 30, 2020**

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

**(h) 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 revenues and expenses during the period. Management makes accounting estimates when determining significant accrued liabilities, post-employment benefits liabilities and the related costs charged to the statement of operations. Actual results could differ from these estimates, the impact of which would be recorded in future periods.

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

Materials and supplies are considered a cost of operations and are expensed to the applicable program when received.

**(j) Payroll Liabilities**

According to the Northwest Territories Teachers' Association (NWTTA) and GNWT Collective Agreement, teaching staff have their salary issued by the GNWT bi-weekly pay system. NWTTA staff will have earned their annual salary by June 30th which provides for continued payment during the summer. GNWT Payroll for NWTTA starts with the annualized salary commitment for compensation and then allocates the complete payout of that value over the number of pay periods between August 1 and July 31. Pay periods falling in July are therefore accrued as a liability.

The duties and compensation base for UNW School Year employees are scheduled to align with the academic year although actual start dates and durations vary by specific location and job function. Accordingly, the Commission determines the start dates of their UNW employees and accrues the related payroll liability as appropriate.

All other staff salaries are accrued to include earnings to June 30.

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

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

Notes to Financial Statements

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June 30, 2020

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

**(l) Expenses**

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expenses. Transfers include grants and contributions and are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

**(m) Foreign Currency Translation**

The Commission only transacts in Canadian dollars. As such there is no foreign currency translation.

**(n) 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 Commission is directly responsible and 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, 2020.

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

**(o) Donated Goods and Services**

The school buildings occupied by the Commission are the property of the GNWT. The lease of the office space occupied by the Commission is paid for by the GNWT. The fair value of the use of the building and office space is estimated at its fair value and recognized as assets provided at no cost in the statement of operations.

**(p) Segment disclosure**

The Schedule of Details of Expenses has been prepared in accordance with PS Handbook Section PS 2700 – Segment Disclosures. The segments selected are to enable users to better understand the government reporting entity and the major expense activities of the Board. For each reported segment, expenses represent amounts directly attributable to each segment. Segments include:

**School Programs:** pertains to the provision of instructional services that falls under the basic public education mandate.

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Commission scolaire francophone Territoires du Nord-Ouest

**Notes to Financial Statements**

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June 30, 2020

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

**(p) Segment disclosure (continued)**

**Inclusive Schooling:** pertains to access to quality education for all students by effectively meeting their diverse needs.

**Operations and Maintenance:** pertains to the daily operation and maintenance of the Commission.

**Administration:** pertains to the provision of board governance and central office administration.

**Aboriginal Languages:** pertains to indigenous language resource development, support for language teachers and instructors, and enhance community engagement.

**4. Future Accounting Changes**

**Revenue, Section PS 3400**

Effective July 1, 2022, Education Bodies will be required to adopt PS 3400 Revenue. This standard provides guidance on how to account for and report on revenues. Specifically, it differentiates between revenues arising from transactions that include performance obligations and transactions that do not have performance obligations. The impact of these standards on the financial statements is currently being assessed.

**5. Cash**

	2020	2019
Cash	\$ 1,514,581	\$ 1,474,672

The cash is held in a bank account with Royal Bank of Canada (RBC).

**6. Special Purpose Funds**

The Commission did not report any special purpose funds in 2019-20 fiscal year.

In previous years, the Commission has held several events in order to raise funds for the purchase of various equipment and accessories for the gymnasium. All of the expenses were incurred in 2018-19 fiscal year, totaling \$111,227. As of June 30, 2019, the Commission recognized fundraising revenue of \$104,997.

**7. Restricted Assets**

The Commission does not have any restricted assets.

**8. Portfolio Investments**

The Commission does not have any portfolio investments.

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**Commission scolaire francophone Territoires du Nord-Ouest****Notes to Financial Statements**

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**June 30, 2020**

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**9. Accounts Receivable**

	Accounts Receivable 2020	Allowance for doubtful accounts 2020	Net 2020	Net 2019
Due from related parties	\$ -	\$ -	\$ -	\$ 15,770
Due from GNWT	31,304	-	31,304	35,947
Trade and other receivables	62,932	330	62,602	79,987
	<b>\$ 94,236</b>	<b>\$ 330</b>	<b>\$ 93,906</b>	<b>\$ 131,704</b>

**10. Inventory**

The Commission does not have inventory.

**11. Accounts Payable and Accrued Liabilities**

	2020	2019
Due to GNWT	\$ 200,041	\$ 394,273
Due to related parties	-	22,036
Due to Workers' Safety and Compensation Commission	-	(134)
Trade payable	173,362	264,660
	<b>\$ 373,403</b>	<b>\$ 680,835</b>

**Payroll Liabilities**

	2020	2019
NWTTA	\$ 329,710	\$ 307,311
UNW	70,024	39,718
Other	124,602	119,358
	<b>\$ 524,336</b>	<b>\$ 466,387</b>



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**Commission scolaire francophone Territoires du Nord-Ouest****Notes to Financial Statements**

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**June 30, 2020**

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**12.Repayment to GNWT**

In early June 2012, a judgment was decreed in the legal action brought by the Commission against the GNWT to provide additional classroom space in Hay River and to assert the right to enrol students in both schools, and in a second legal action brought against the GNWT by L'Association des Parents Ayants Droit, with the support of the Commission, to provide additional classroom space in Yellowknife. In this judgment the GNWT was ordered by the Supreme Court of the Northwest Territories to reimburse \$1,127,287 to the Commission. Payment was received during the fiscal year ended June 30, 2014.

During the fiscal year ended June 30, 2015, the GNWT submitted an appeal and was successful. The Commission then submitted an appeal to the Supreme Court of Canada which was refused to be heard.

During this fiscal year, the GNWT has determined the costs owed by the Commission resulting from the appeal to be \$1,269,573. As such, this amount is recognized as a liability in current year. While the terms of repayment is to be determined, it is planned to commence in the fiscal year 2020-21.

**13.Deferred Revenue**

Deferred revenue consists of funding received for expenses not yet incurred at year end.

	2020	2019
<b>Government of the Northwest Territories</b>		
ECE - Inclusive Schooling	\$ 92,947	\$ -
ECE - Indigenous Language Education	35,164	-
<b>Government of Canada</b>		
Indigenous Services Canada - Jordan's Principle	4,204	3,500
<b>Other</b>		
	<b>\$ 132,315</b>	<b>\$ 3,500</b>

**14.Contributions Repayable**

The Commission does not have any contributions repayable.

**15.Due From and To the Government of Canada**

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

**16.Capital Lease Obligations**

The Commission does not have capital lease obligations.

**17.Pensions**

The Commission does not have pensions.

Notes to Financial Statements

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June 30, 2020

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**18. Long-Term Debt**

The Commission does not have long-term debt.

**19. Post-Employment Benefits**

Under the conditions of employment, employees earn severance remuneration based on the number of years of service. Certain employees will also receive assistance with removal costs to return to their point of recruitment. The payment of these benefits is dependent on employees leaving the Commission.

These liabilities are to be funded in the year they become due through regular annual budget allocations that are received from the GNWT.

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

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

**Valuation results**

The actuarial valuation was completed as at March 31, 2020. The effective date of the next actuarial valuation is March 31, 2021. The liabilities are actuarially determined as the present value of the accrued benefits at March 31, 2020 and the results extrapolated to June 30, 2020. The values presented below are for all of the benefits under the post-employment benefits for the Commission.

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Financial Statements

June 30, 2020

19. Post-Employment Benefits (continued)

Changes in Obligation	Severance and Removal	Compensated Absences	2020	2019
Accrued benefit obligation				
beginning of year	\$ 201,848	\$ 69,048	\$ 270,896	\$ 240,690
Current period benefit cost	17,541	6,377	23,918	22,676
Interest accrued	6,617	2,293	8,910	9,518
Benefits payments	(41,077)	(19,000)	(60,077)	(87,779)
Actuarial loss	25,121	14,133	39,254	85,791
<b>Accrued benefit obligation end of year</b>	<b>210,050</b>	<b>72,851</b>	<b>282,901</b>	<b>270,896</b>
Unamortized net actuarial gain	96,876	(4,823)	92,053	167,108
<b>Total accrued liability</b>	<b>\$ 306,926</b>	<b>\$ 68,028</b>	<b>\$ 374,954</b>	<b>\$ 438,004</b>
Benefits Expense				
Current period benefit cost	\$ 17,541	\$ 6,377	\$ 23,918	\$ 22,676
Interest accrued	6,617	2,293	8,910	9,518
Amortization of gains	(29,550)	(6,250)	(35,800)	(46,136)
<b>Total benefits recovery</b>	<b>\$ (5,392)</b>	<b>\$ 2,420</b>	<b>\$ (2,972)</b>	<b>\$ (13,942)</b>

The discount rate used in the 2020 fiscal year to determine the accrued benefit obligation was an average of 2.7% (2019 - 3.2%).

The expected payments during the next five fiscal years are:

	Severance and Removal	Compensated Absences	Total
	\$	\$	\$
2021	25,837	8,090	33,927
2022	22,325	7,281	29,606
2023	19,702	6,357	26,059
2024	15,142	4,278	19,420
2025	13,637	3,507	17,144
Next 5 years	81,796	26,319	108,115
<b>Total</b>	<b>178,439</b>	<b>55,832</b>	<b>234,271</b>

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Commission scolaire francophone Territoires du Nord-Ouest

Notes to Financial Statements

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June 30, 2020

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**20. Trust Assets Under Administration**

The Commission does not have trust assets under administration.

**21. Tangible Capital Assets**

The Commission does not have tangible capital assets.

**22. Prepaid Expenses**

	2020	2019
Prepaid expenses	\$ 11,544	\$ 7,721

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

	Cost	Accumulated Amortization	2020 Net Book Value	2019 Net Book Value
Ecole Allain St-Cyr	\$ 17,310,964	\$ 2,927,213	\$ 14,383,751	\$ 14,956,471
Ecole Boreale	3,960,439	1,329,684	2,630,755	2,732,591
Ecole Allain St-Cyr Phase 1	4,490,598	1,460,797	3,029,801	3,159,650
Ecole Boreale Modular Units	1,189,060	334,179	854,881	887,447
Ecole Boreale Pellet Boiler	86,115	44,134	41,981	46,287
Ecole Boreale Biomass System	90,649	5,036	85,613	-
Ecole Boreale JK Playscape	223,658	14,911	208,747	-
Ecole Allain St-Cyr JK Playscape	135,490	15,054	120,436	-
	\$ 27,486,973	\$ 6,131,008	\$ 21,355,965	\$ 21,782,446

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Rent expense of \$1,064,949 (2019 - \$813,376) was offset by a grant in-kind.

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**Commission scolaire francophone Territoires du Nord-Ouest****Notes to Financial Statements**

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**June 30, 2020**

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**24. Contractual Obligations**

The Commission has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2020.

The future minimum payments are as follows:

	<b>Expires in fiscal year</b>	<b>2021</b>	<b>2020-2023</b>	<b>Total</b>
<b>Equipment leases</b>				
Xerox B8055 MONO MFP	2024 \$	3,109 \$	10,882 \$	13,991
Xerox C8045 COLOUR MFP	2024	4,011	14,040	18,051
Aficio MP C4502	2022	2,052	3,078	5,130
First Canada ULC	2021	64,040		64,040
		<b>\$ 73,212 \$</b>	<b>28,000 \$</b>	<b>101,212</b>

**25. Contingencies**

The Commission does not have any contingencies.

**26. Related Parties**

The Commission is related in terms of common ownership to all GNWT created departments, agencies and corporations. The Commission enters into transactions with these entities in the normal course of business. These transactions have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties. The Commission is provided with various administrative services by the GNWT, the value of which is not reflected in these 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 disclosed in the financial statements are summarized in this note as follows:

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**Commission scolaire francophone Territoires du Nord-Ouest****Notes to Financial Statements**

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**June 30, 2020**

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**26. Related Parties (continued)****Due from related parties:**

	2020		2019
Government of Northwest Territories:			
Department of Education, Culture and Employment	\$ 31,304	\$	35,947
Yellowknife Education District No. 1	-		15,700
	<b>\$ 31,304</b>	<b>\$</b>	<b>35,947</b>

**Due to related parties:**

	2020		2019
Government of Northwest Territories:			
Department of Education, Culture and Employment	\$ -	\$	4,072
Department of Finance	724,377		2,126,161
	<b>724,377</b>		<b>2,130,233</b>
Other related parties:			
Hay River District Education Authority	-		22,036
	<b>\$ 724,377</b>	<b>\$</b>	<b>2,152,269</b>

**Revenues from related parties:**

	2020		2019
Government of Northwest Territories:			
Department of Education, Cultural and Employment	\$ 6,381,833	\$	5,739,557
Department of Environment and Natural Resources	8,000		8,000
Department of Municipal and Community Affairs	30,600		27,600
Department of Health and Social Services	5,511		5,111
	<b>\$ 6,425,944</b>	<b>\$</b>	<b>5,780,268</b>

**Expenses paid to related parties:**

	2020		2019
Dehcho Divisional Education Council	\$ 300	\$	300
Hay River District Education Authority	48,933		48,228
Yellowknife Education District No.1	-		19,713
	<b>\$ 49,233</b>	<b>\$</b>	<b>68,241</b>

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Commission scolaire francophone Territoires du Nord-Ouest

Notes to Financial Statements

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June 30, 2020

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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 revenues and expenses for the Operating Fund. Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Commission.

The budget figures presented are those approved by the Department of ECE on September 17, 2019 and have not been audited.

**28. Economic Dependence**

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

**29. Financial Instruments**

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

**a) Credit risk**

Credit risk is the risk of financial loss to the Commission if a debtor fails to make payments of interest and principal when due. The Commission is exposed to this risk relating to its cash and accounts receivable. The Commission holds its cash in accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Commission's cash in accounts are insured up to \$100,000.

The Commission's maximum exposure to credit risk is represented by the financial assets balance comprised of:

	2020	2019
Cash	\$ 1,514,581	\$ 1,474,672
Accounts receivable	93,906	131,704
<b>Maximum credit exposure</b>	<b>\$ 1,608,487</b>	<b>\$ 1,606,376</b>

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.

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**Commission scolaire francophone Territoires du Nord-Ouest****Notes to Financial Statements**

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**June 30, 2020**

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**29. Financial Instruments (continued)**

At June 30, 2020, the following accounts receivable were past due but not impaired:

	<b>30 Days</b>	<b>60 Days</b>	<b>90 Days</b>	<b>Total</b>
Accounts receivable	\$ 3,157	\$ -	\$ 28,093	\$ 31,250

There is also a concentration risk in accounts receivable as more than 10% of the total balance is from the Government of the Northwest Territories. At June 30, 2020, receivables from the GNWT comprised approximately 58% (2019 - 28%) of the total balance. The amounts represent a low credit risk as the debtors are reputable governments and government organizations with a good credit score. The Commission reduces its risk exposure by following up on old account receivables for collection.

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

**b) Liquidity risk**

Liquidity risk is the risk that the Commission will not be able to meet all cash outflow obligations as they come due. The Commission 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 Commission's maximum exposure to liquidity risk is represented by accounts payable and accrued liabilities, and payroll liabilities for a total \$897,739 (2019 - \$1,147,222).

The financial assets including cash and accounts receivable, mature within 6 months. The financial liabilities including accounts payable and accrued liabilities, and payroll liabilities mature within 6 months.

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

**30. Expenses By Object**

	<b>2020 Budget</b>	<b>2020 Actual</b>	<b>2019 Actual</b>
Compensation	\$ 5,569,890	\$ 5,671,367	\$ 5,057,774
Supplies and materials	287,505	323,284	283,153
Services purchased/contracted	552,991	552,228	652,814
	\$ 6,410,386	\$ 6,546,879	\$ 5,993,741



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**Commission scolaire francophone Territoires du Nord-Ouest**

**Notes to Financial Statements**

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**June 30, 2020**

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**31. Comparative Figures**

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

**32. ECE Other Contributions**

	2020		2019
Government of the Northwest Territories Department of Education, Culture and Employment			
Fonds de Tiroir	\$ 28,600	\$	-
Frais Orthophonie	2,100		-
English Languages Communication & Services	15,000		10,000
Self-Regulation	7,741		7,000
Other	90,686		75,449
	<b>\$ 144,127</b>	<b>\$</b>	<b>92,449</b>

**33. GNWT Other Contributions**

	2020		2019
Government of the Northwest Territories			
Department of Environment and Natural Resources	\$ 8,000	\$	8,000
Department of Health and Social Services	5,511		5,111
Department of Municipal and Community Affairs	30,600		27,600
	<b>\$ 44,111</b>	<b>\$</b>	<b>40,711</b>

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**Commission scolaire francophone Territoires du Nord-Ouest**

**Notes to Financial Statements**

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**June 30, 2020**

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**34. Contingent Assets**

The Commission does not have any contingent assets.

**35. Contractual Rights**

The Commission does not have any contractual rights.

Consolidated Financial Statements of

**DEHCHO DIVISIONAL  
EDUCATION COUNCIL**

June 30, 2020

# DEHCHO DIVISIONAL EDUCATION COUNCIL

## Consolidated Financial Statements

June 30, 2020

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# MANAGEMENT DISCUSSION AND ANALYSIS

## **Introduction**

The Management Discussion and Analysis (MD&A) is a go-forward responsibility of management and the Council Members to promote transparency and accountability.

## **Vision and Core Strategy**

The Dehcho Divisional Education Council mission is to provide quality education based on the cultures of its students and partnerships with the communities it serves.

The vision and core strategy for the Dehcho Divisional Education include a variety of goals and objectives, which include:

- Promote excellence in student performance.
- Deliver school programs and activities that support the intellectual, physical, emotional, social, and spiritual development of students.
- Deliver school programs and activities in a manner that integrates traditional and contemporary education practices.
- Provide programs that result in completion of secondary school graduation requirements so that students can pursue post-secondary education, skills, training and/or employment.
- Involve students in identification of learning needs and planning school programs.
- Build partnerships with community and regional agencies to meet student needs and strengthen wellness.
- Provide training to trustees, other educational leaders in schools and communities so that they may effectively exercise their roles and responsibilities.
- Promote and encourage the wellness of educational personnel (Trustees, Council staff and school staff).

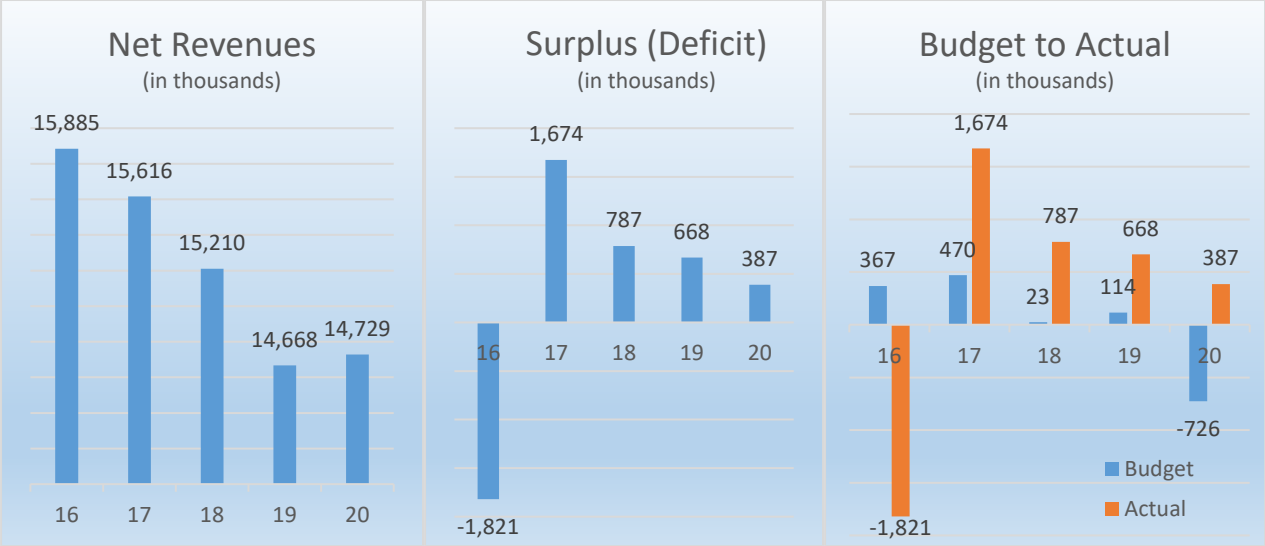
## **Governance, Trustees and Key Management**

Presently, the Council is represented by trustees from eight communities in the Dehcho region. The Council Members are as follows:

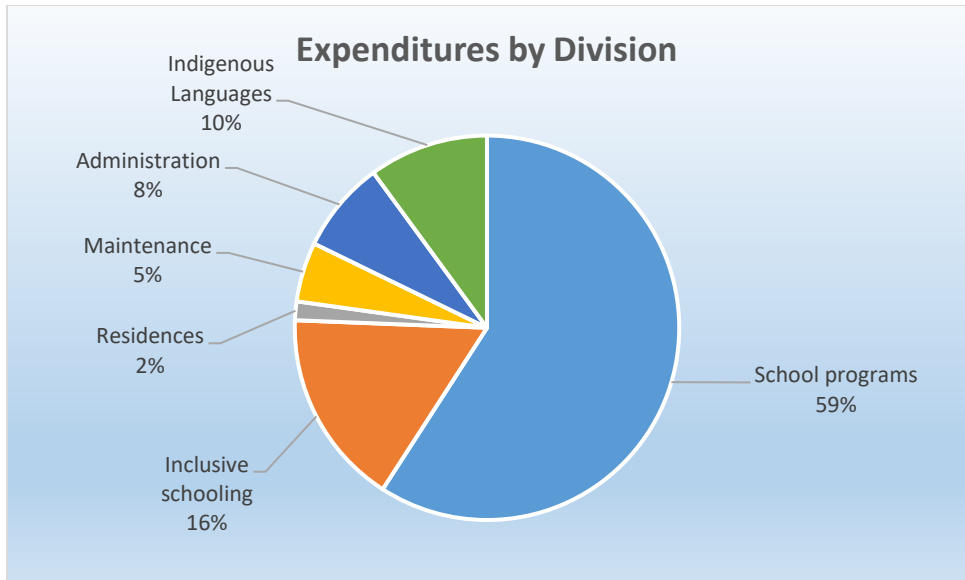
- Fort Providence- Albertine Canadien
- Fort Liard- Sylvia Sassie
- Fort Simpson- Renalyn Pascua-Matte- Chairperson
- Jean Marie River- Yvonne Norwegian
- Kakisa Lake- Anita Chicot
- Samba K'e- Carielyn Jumbo
- Wrigley- Lisa Moses
- Nahanni Butte- Jayne Konisenta

The management staff include Philippe Brulot, who performs the duties of the Superintendent during the fiscal year and was responsible for school operations and overall operations of the Council and David Fiebelkorn who manages the financial and business affairs of the Council.

**Key Financial Highlights**



Revenue has seen a steady declines for the past four years, but in 2020 the decline finally ended with a slight increase in revenue. Due to a significant expenditure reductions due to falling revenue and careful financial planning, the Council has recorded surpluses over the past four years, following a large deficit in 2016. Actual surpluses have been favorable over original budgets in four of the past five years as Council tries to operate in the most financial responsible manner, taking advantage of cost saving measures wherever possible and maximizing other sources of income wherever possible. The exception to this trend was in 2016 where Senior Small Schools Secondary funding claw back due to decreased enrollment, larger than budgeted retirement and leave payouts, larger than funded personnel infrastructure costs all contributed to a much larger than budgeted deficit. During the current fiscal year, the Council recorded a favorable surplus for the fourth consecutive year, which offset the larger deficit recorded in 2016. Much of this surplus resulted from additional sources of outside funding as well as prudent fiscal management.



School programs continue to comprise the largest component of expenditures for the Council, with a strong emphasis on Inclusive Schooling and Aboriginal Language programs. The Council has constantly strived to maintain Administration cost at below 10% of total funding.

**Total Student and Teacher Populations**

COMMUNITY	FORT SIMPSON	FORT SIMPSON	FORT PROVIDENCE	JEAN MARIE RIVER	KAKISA LAKE	SAMBAA KE Charles	WRIGLEY Chief J	FT LIARD Echo	NAHANNI BUTTE Charles	
SCHOOL	<u>Liidli Ke High</u>	<u>Liidli Ke Elem</u>	<u>Deh Gah School</u>	<u>Louie Norwegian</u>	<u>Kakisa L School</u>	<u>Tetcho School</u>	<u>Yendo School</u>	<u>Dene School</u>	<u>Yohin School</u>	TOTAL
<b>STUDENTS</b>										
<b>Beginning of Year</b>										
Enrollment	89.5	100	99.5	3	4	16.5	18.0	103	4	437.5
<b>End of Year</b>										
Enrollment	81.5	103	105.5	5.5	4	20.5	21.5	97.5	5	444
<b>TOTAL BY DISTRICT EDUCATION AUTHOR (DEA) END OF YEAR</b>										
		184.5	105.5	5.5	4	20.5	21.5	97.5	5	444

**TEACHING  
STAFF**

<b>Beginning of Year Teachers</b>	7.5	6	9	1	1	2	1.5	8	1	37
<b>End of Year Teachers</b>	6.5	6	8	1	1	2	1.5	7	1	34
<b>TOTAL BY DISTRICT EDUCATION AUTHORITY (DEA) END OF YEAR</b>		12.5	8	1	1	2	1.5	7	1	34

**Operating Environment**

The Dehcho Divisional Education Council has been strengthened by sound fiscal and operation management over its history. The Council has enjoyed consistency in key management positions which has allowed for solid financial and administrative decision making. It also has been fortunate in attracting and retaining personnel in key positions. It has developed strong partnership with local groups and organizations and has developed relationships that have benefited the Council and schools. In addition, Council development and training has been a key area of strength in recent years. The Council has experienced some turnover in Principal and teaching staff in recent years which has weakened the consistency in student learning and achievement. The Council sees opportunities in the Education Renewal and Innovation to offer more dynamic education initiatives throughout the region and, with its partnerships with local and First Nations, it has opportunities to improve and develop language and cultural emphasis in education. Declining enrollment and related funding reductions represent a significant risk as well as retention of senior staff members over the next several years. However, the addition of significant funding from the new federal government Jordan Principal program has had a major positive impact on funding programs and providing much needed additional support. Since 2018-2019, new initiatives in innovation, technology upgrades and restructuring has begun to show positive results with the introduction of positive new programs and initiatives in literacy and program enhancements.



## **Financial Conditions**

During the fiscal year ending June 30, 2020, the Council budgeted for an operating deficit to maintain a high level of programs and services of \$ 726,419. At the same time, it attempted to initiate new programs and services in the schools and communities. During the year, the Council managed to incorporate several significant sources of additional program funds as well as prudent fiscal management, to record a non-consolidated surplus of \$373,706 and a consolidated surplus of \$387,193. A significant portion of the surplus was also due to the reduced program activity due to the Covid-19 closures. This surplus for the 2020 year brought the overall accumulated book surplus up to \$1,875,577 (DEC - \$1,585,065; DEA - \$290,512) after several years of declining enrollment. The accumulated surplus is now in excess of the limits under the Surplus Retention Policy, so a plan will be developed in the coming month to reduce this during the 2020-21 fiscal year by additional expenditures combined with a planned budgeted deficit for the year of \$777,150. Despite the budget deficit planned for 2020-21 of \$777,150, the current cash balance of \$4,345,089 eliminated any liquidity concerns as the Council continues to maintain cost controls in the current year, while contingent liabilities are not a risk to the Council's financial health. The Council's budgeted deficit of \$777,150 for the 2020-21 fiscal year in order to maintain a stable level of service as well as implement several new initiatives for the Council.

## **Summary and Outlook**

During the past two years, the Council was fortunate to add to the surplus from the prior year after recovering from a large deficit in 2016 to return the Council to previous accumulated surplus levels. Despite being affected by several unanticipated and unbudgeted cost and funding reductions due to declining enrollment which reduced its accumulated financial position in a period of declining or stagnant enrollment, the Council was able to combine some cost recoveries along with strong fiscal management to reverse the fiscal trend. It was able to be successful in continuing many new initiatives including distance learning courses, resiliency programs, self-regulation and a new revitalized indigenous language program, judo and music. Several programs such as literacy development and Council governance training and development continued. Moving forward, the Council's goals for the upcoming year are to increase student achievement through continuing to provide staff and Council training and to provide programs that meet the needs of our 21<sup>st</sup> century learners and the goals of Education Renewal. Literacy, distance learning, self-regulation, Indigenous Language revitalization programs and training for Language teachers will continue. New initiatives include: programs in literacy training, and trades introduction, judo, sports and music programs. Finally, Council plans to continue upgrade aging technology and bandwidth issues and provide ongoing training for education applications including PowerSchool.

## MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

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 Dehcho Divisional Education Council have been conducted within the statutory powers of the Education Body. The operations and administration of the Education Body as well as the supporting internal controls of the entity are regularly monitored to ensure their effectiveness and their continued compliance with all relevant legislation, standards, directives and policies including but not limited to the Education Act, Financial Administration Act, CPSAS, FAM, FAMEA, Human Resources Manual, Ministerial Directives and the policies of the Education Body Board. Any non-compliance has been specifically identified and has been previously communicated to the Minister and Deputy Minister.

Management hereby asserts that auditors have been provided with all relevant records and documentation 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.

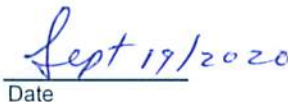
The auditors annually provide an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards. The auditors also consider whether the transactions that have come to their notice in the course of this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

The financial statements have been reported on by Ashton Chartered Accountants. The auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.

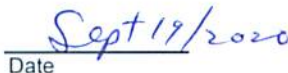
Approved and confirmed on behalf of the Dehcho Divisional Education Council



Philippe Brulot  
Superintendent  
Dehcho Divisional Education Council

  
Date

David Fiebelkorn, CGA  
Comptroller  
Dehcho Divisional Education Council

  
Date

## INDEPENDENT AUDITOR'S REPORT

**To the Minister of Education, Culture and Employment of the GNWT**

**To the Board of Trustees of the Dehcho Divisional Education Council**

### *Opinion*

We have audited the consolidated financial statements of the Dehcho Divisional Education Council, which comprise the consolidated statement of financial position as at June 30, 2020, and the consolidated statements of operations and surplus, changes in net assets (debt), and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effect of the matters described in the Basis of Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Dehcho Divisional Education Council as at June 30, 2020, and the results of its financial performance and cash flow for the year then ended in accordance with the Canadian public sector accounting standards.

### *Basis for Qualified Opinion*

The Government of the Northwest Territories is responsible for the calculation and distribution of the Education Body's wages and benefits expenditure for public service employees, the accuracy of which is not susceptible to complete audit verification. We have satisfied ourselves that the payroll information provided by the GNWT is properly reflected in the Education Body's records. As a result, we were not able to determine whether any adjustments might be necessary to expenditure, liabilities or accumulated surplus. Our audit opinion on the financial statements for the year ended June 30, 2020 has been modified because of the effects of this limitation.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Council in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Education Body's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Education Body or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Education Body's financial reporting process.

## Independent Auditor's Report (continued)

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Education Body's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Education Body's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Education Body to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### *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 the Education Body, the consolidated financial statements are in agreement therewith, and the transactions that have come under our notice have, in all significant aspects, been within the statutory powers of the Education Body.



ASHTON  
Chartered Accountants  
Business Advisors

Hay River, NT  
September 18, 2020

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Financial Position

June 30, 2020

	2020	*2019
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents, Note 4	\$ 4,345,089	\$ 4,241,148
Special purpose funds, Note 5	283,777	291,672
Due from the Government of Canada, Note 13	-	63,225
Accounts receivable, Note 8	107,766	116,019
	<b>\$ 4,736,632</b>	<b>\$ 4,712,064</b>

## LIABILITIES

Accounts payable and accrued liabilities, Note 10	\$ 90,595	\$ 137,884
Payroll liabilities, Note 10	888,545	1,222,353
Due to the Government of Canada, Note 13	-	-
Deferred revenue, Note 11	380,147	173,900
Other employee future benefits and compensated absences, Note 17	1,399,435	1,578,625
Trust Liabilities, Note 18	122,333	130,918
	<b>2,881,055</b>	<b>3,243,680</b>
Net Assets (Deficit)	<b>\$ 1,855,577</b>	<b>\$ 1,468,384</b>

## NON-FINANCIAL ASSETS

Prepaid expenses, Note 20	\$ 20,000	\$ 20,000
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<b>ACCUMULATED SURPLUS (DEFICIT)</b>	<b>\$ 1,875,577</b>	<b>\$ 1,488,384</b>
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\* Reclassified for comparative purposes

Represented by:

Accumulated Operating surplus (deficit)		
Divisional Education Council	\$ 1,585,065	\$ 1,211,359
District Education Authorities	290,512	277,025
	<b>\$ 1,875,577</b>	<b>\$ 1,488,384</b>

Contractual obligations, Note 22

Contingencies, Note 23

Approved:  Chair  
 Superintendent

# DEHCHO DIVISIONAL EDUCATION COUNCIL

## Consolidated Statement of Financial Position

June 30, 2020

	2020	*2019
<b>FINANCIAL ASSETS</b>		
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Contractual obligations, Note 22

Contingencies, Note 23

Approved:

\_\_\_\_\_ Chair

\_\_\_\_\_ Superintendent



# DEHCHO DIVISIONAL EDUCATION COUNCIL

## Consolidated Statement of Operations

For the year ended June 30, 2020

	Budget 2020	Actual 2020	Actual *2019
<b>Revenue</b>			
Government of the NWT			
ECE regular contribution	\$ 11,977,108	\$ 12,470,230	\$ 13,301,091
Indigenous Languages and Education, Schedule B	-	-	124,000
French language program, Schedule D	50,000	50,000	50,000
ECE other contributions, Note 31	300,000	85,750	92,901
Deferred revenues - SSI program	-	(7,438)	-
<b>Total ECE contributions</b>	<b>12,327,108</b>	<b>12,598,542</b>	<b>13,567,992</b>
<b>GNWT other contributions, Note 32</b>	<b>400,000</b>	<b>235,349</b>	<b>300,635</b>
<b>Total GNWT</b>	<b>12,727,108</b>	<b>12,833,891</b>	<b>13,868,627</b>
Jordan's Principle, Schedule E	280,000	1,283,563	235,387
Government of Canada - other contributions	-	185,865	-
<b>Total Government of Canada contributions</b>	<b>280,000</b>	<b>1,469,428</b>	<b>235,387</b>
	<b>13,007,108</b>	<b>14,303,319</b>	<b>14,104,014</b>
<b>Self-Generated Funds</b>			
Rentals	36,000	73,800	41,200
Investment income	20,000	66,811	77,377
Contract and other	137,000	165,706	185,571
	<b>193,000</b>	<b>306,317</b>	<b>304,148</b>
Education Authority self-generated funds, Schedule H-1	-	57,058	117,088
GNWT contributions to Education Authorities, Schedule H-1	-	62,254	142,501
	-	119,312	259,589
	<b>13,200,108</b>	<b>14,728,948</b>	<b>14,667,751</b>
<b>Expenses</b>			
School programs	8,989,221	8,477,875	8,311,151
Inclusive schooling	2,383,294	2,365,445	2,187,116
Student accommodation	190,950	225,766	209,201
Operations and maintenance	-	718,916	730,148
Administration	832,569	1,107,913	1,095,371
Aboriginal language/cultural programs	1,530,493	1,441,863	1,502,254
	<b>13,926,527</b>	<b>14,337,778</b>	<b>14,035,241</b>
Operating surplus (deficit) before other item	(726,419)	391,170	632,510
Other item:			
Other Employee Future Benefits and Compensated Absences recovery (expense), Note 17	-	(3,977)	35,248
<b>Operating surplus (deficit)</b>	<b>\$ (726,419)</b>	<b>\$ 387,193</b>	<b>\$ 667,758</b>
Accumulated surplus (deficit), beginning of year		1,488,384	820,626
Accumulated surplus (deficit), end of year		\$ 1,875,577	\$ 1,488,384

\* Reclassified for comparative purposes

## DEHCHO DIVISIONAL EDUCATION COUNCIL

### Consolidated Statement of Change in Net Assets (Debt)

For the year ended June 30, 2020

	<b>2020</b>	2019
Operating Surplus (Deficit)	\$ <b>387,193</b>	\$ 667,758
Amortization of tangible assets	-	-
Net change in prepaids	-	706
(Increase) Decrease in net debt	<b>387,193</b>	668,464
Net assets (debt) beginning of the year	<b>1,468,384</b>	799,920
Net assets (debt) end of year	\$ <b>1,855,577</b>	\$ 1,468,384



# DEHCHO DIVISIONAL EDUCATION COUNCIL

## Consolidated Statement of Cash Flow

For the year ended June 30, 2020

	2020	2019
<b>Operating Activities</b>		
Operating Surplus (Deficit)	\$ 387,193	\$ 667,758
Items not affecting cash:		
Amortization	-	-
Changes in non-cash assets and liabilities		
Decrease (increase) in due from the Government of Canada	63,225	(63,225)
Decrease (increase) in trust assets	-	-
Decrease (increase) in accounts receivable	8,253	35,400
Increase (decrease) in accounts payable	(47,289)	91,258
Increase (decrease) in payroll liabilities	(333,808)	313,313
Increase (decrease) in contributions repayable	-	-
Increase (decrease) in due to the Government of Canada	-	-
Increase (decrease) in deferred revenues	206,247	34,962
Increase (decrease) in Other Employee Future Benefits and Compensated Absence	(179,190)	(467,488)
Increase (decrease) in trust liabilities	(8,585)	(4,699)
Decrease (increase) in prepaids	-	706
	(291,147)	(59,773)
Cash provided by operating transactions	96,046	607,985
<b>Financing Activities</b>		
Repayment of capital lease obligation	-	-
Proceeds from capital lease obligation	-	-
Cash provided by financing activities	-	-
<b>Investing Activities</b>		
Disposition of portfolio investments	-	-
Acquisition of portfolio investments	-	-
Cash provided by investing transactions	-	-
<b>Capital transactions</b>		
Acquisition of tangible capital assets	-	-
Proceeds of disposition of tangible capital assets	-	-
Cash provided by capital transactions	-	-
Increase (Decrease) in cash and cash equivalents	96,046	607,985
Cash and cash equivalents, beginning of year	4,532,820	3,924,835
Cash and cash equivalents, end of year	\$ 4,628,866	\$ 4,532,820
Cash consists of :		
Cash and cash equivalents, Note 4	\$ 4,345,089	\$ 4,241,148
Special purpose funds, Note 5	283,777	291,672
	\$ 4,628,866	\$ 4,532,820

## DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Details of Expenses

For the year ended June 30, 2020

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations and Maintenance	Administration	Indigenous Languages and Education	2020 Total	2020 Budget	2019 Total
<b>Salaries</b>									
Teachers' salaries	\$ 5,751,350	\$ 942,556	\$ -	\$ -	\$ -	\$ 814,456	\$ 7,508,362	\$ 7,033,128	\$ 6,692,708
Instruction assistants	-	1,063,853	-	-	-	-	1,063,853	1,517,532	1,749,642
Non-instructional staff	929,281	237,756	-	660,177	699,580	309,570	2,836,364	1,974,973	2,451,329
Board/Trustee Honoraria	2,475	-	-	-	57,158	7,944	67,577	52,800	157,028
	6,683,106	2,244,165	-	660,177	756,738	1,131,970	11,476,156	10,578,433	11,050,707
<b>Employee Benefits</b>									
Employee benefits and allowances	181,222	62,305	-	18,169	19,200	29,459	310,355	369,267	379,399
Leave and termination	76,420	12,737	-	-	-	12,736	101,893	346,987	345,202
	257,642	75,042	-	18,169	19,200	42,195	412,248	716,254	724,601
<b>Services Purchased/Contracted</b>									
Professional/Technical Services	-	-	-	-	25,175	7,083	32,258	35,000	23,171
Postage/Communication	49,104	-	2,135	-	67,366	-	118,605	40,000	100,219
Utilities	-	-	-	-	-	-	-	40,000	-
Travel	391,169	38,010	19,348	-	95,906	61,858	606,291	658,000	471,568
Student Travel (Bussing)	57,930	-	-	-	-	5,218	63,148	62,000	122,484
Advertising/Printing/Publishing	17,011	-	-	-	-	26,595	43,606	190,000	68,184
Maintenance/Repair	-	-	-	27,370	47,710	1,800	76,880	25,000	117,827
Rentals/Leases	25,150	-	-	13,200	24,272	-	62,622	78,000	70,449
Other - Contracted Services	25,939	1,800	175,330	-	11,374	25,995	240,438	407,950	337,198
	566,303	39,810	196,813	40,570	271,803	128,549	1,243,848	1,535,950	1,311,100
<b>Materials, Supplies and Freight</b>									
Materials	953,125	6,397	28,660	-	59,976	136,655	1,184,813	770,062	924,581
Freight	17,699	31	293	-	196	2,494	20,713	45,828	24,252
	970,824	6,428	28,953	-	60,172	139,149	1,205,526	815,890	948,833
<b>Contributions and Transfers</b>									
Transfers	-	-	-	-	-	-	-	-	-
<b>Amortization</b>									
	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 8,477,875</b>	<b>\$ 2,365,445</b>	<b>\$ 225,766</b>	<b>\$ 718,916</b>	<b>\$ 1,107,913</b>	<b>\$ 1,441,863</b>	<b>\$ 14,337,778</b>	<b>\$ 13,646,527</b>	<b>\$ 14,035,241</b>

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2020

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## Note 1. Dehcho Divisional Education Council

The Dehcho Divisional Education Council (formerly known as the Divisional Board of Education) was established on March 30, 1990. The Dehcho Division encompasses an area which includes the communities of Wrigley (Chief Julian Yendo School), Nahanni Butte (Charles Yohin School), Sambaa K'e (Charles Tetcho School), Fort Simpson (Liidlii Kue Elementary and Regional High Schools), Fort Liard (Echo-Dene School), Fort Providence (Deh Gah Elementary and Secondary School), Jean Marie River (Louie Norwegian School) and Kakisa Lake (Territorial School - Kakisa Lake School).

The Education Body's purpose is to administer and manage the educational affairs of the Division in accordance with the Education Act and the Financial Administration Act of the Northwest Territories and the regulations of the Order establishing the Education Division.

Consequently, the Council is dependent on funding from the Department of Education, Culture, and Employment (ECE) of the GNWT. Member Communities have formed local District Education Authorities (DEA) which have assumed responsibility to provide sufficient educational programs within their respective communities.

The Council 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 Council 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.

## Note 2. Summary of 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 financial statements. The accrual basis of accounting is utilized for all funds. Under this 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, and short term highly liquid investments that are readily convertible to cash and with a date of 90 days or less from the date of acquisition.

### (c) Financial Instruments

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

Financial assets subsequently measured at amortized cost include cash, accountable funds, due from the GNWT and other accounts receivable.

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

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2020

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## Note 2. Summary of Significant Accounting Policies (continued)

### (c) Financial Instruments (continued)

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

### (d) Non-Financial Assets

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

### (e) Tangible Capital Assets

All buildings and works, furniture, equipment and vehicles are the property of the GNWT. The Minister grants to the Education Body the full occupancy and use of such facilities and equipment where required for the administration and delivery of education system programs. Capital assets with a value in excess of \$50,000 are recorded at cost and amortized in accordance with the Financial Administration Manual guidelines by the GNWT. 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 occur 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, 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 assets are recognized as acquired or built.

#### *GNWT – Regular Contributions:*

The regular contributions from the GNWT are determined by a funding formula and are received in monthly installments. The Education Body 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 Education Body follows the deferral method of accounting for other contributions. Unrestricted contributions are recognized as revenue when they are received or receivable, if the amount can be reasonably estimated and its collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2020

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## Note 2. Summary of Significant Accounting Policies (continued)

### (f) Revenue Recognition - (Continued)

#### *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.

#### *Special Purpose Funds*

School activity funds which are fully controlled by the Education Body with respect to when and how the funds available can be disbursed are included. The funds reported are internally restricted as to purpose and may include the proceeds of fundraising, contributions or fees paid related to a specific planned benefits.

Student activity funds which are controlled by students or parties other than the Education Body are not included even if custody of the funds is held by the Education Body.

### (g) Budget Data

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

The priorities and funding allocations are determined by the Board of Trustees of each Education Body and the budget is legally adopted by a motion of the Board in accordance with Section 135(3) of the Education Act.

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

This annual budget includes estimates of revenues, 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 Education Body.

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

### (h) Measurement Uncertainty

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

### (i) Inventories Including Materials and Supplies

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

### (j) Payroll Liabilities

According to the Northwest Territories Teachers Association (NWTTA) and GNWT Collective Agreement, teaching staff have their salary issued by the GNWT bi-weekly pay system. NWTTA staff will have earned their annual salary by June 30th which provides for continued payment during the summer. GNWT Payroll for NWTTA starts with the annualized salary commitment for compensation and then allocates the complete payout of that value over the number of pay periods between August 1 and July 31. Pay periods falling in July are therefore accrued.

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2020

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## Note 2. Summary of Significant Accounting Policies (continued)

### (j) Payroll Liabilities (continued)

The duties and compensation base for UNW School Year employees are scheduled to align with the academic year although actual start dates and durations vary by specific location and job function. Accordingly, the Education Body determines the start dates of their UNW employees and accrues the related payroll liability as appropriate.

All other staff are accrued to include earnings to June 30.

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

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

### (l) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expenses. Transfers include grant and contributions and are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

## Note 3. Future Accounting Changes

### *Revenues - Section PS 3400*

PSAB has approved Section PS 3400, Revenues. This Section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. This Section applies to fiscal years beginning on or after April 1, 2022, but earlier adoption is permitted. This Section may be applied retroactively or prospectively. Management is currently assessing the impact of the standard.

### *Financial Instruments - Section PS 3450*

The Public Sector Accounting Board (PSAB) issued PS 3450 Financial Instruments effective for fiscal years beginning on or after April 1, 2021. Items within the scope of the standard are assigned to one of two measurement categories: fair value, or cost or amortized cost. Fair value measurement will apply to derivatives and portfolio investments in equity instruments that are quoted in an active market. Also, when groups of financial assets and financial liabilities are managed on a fair value basis they may be reported on that basis. Other financial assets and financial liabilities will generally be measured at cost or amortized cost. Until an item is derecognized, gains and losses arising due to fair value remeasurement will be reported in the Statement of Remeasurement of Gains and Losses. Management is currently assessing the impact of the standard.

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2020

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## Note 3. Future Accounting Changes (continued)

### *Other New Standards*

Effective July 1, 2021, Education Bodies will concurrently be required to adopt: PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, PS 3280 Asset Retirement Obligations, and PS 3041 Portfolio Investments in the same fiscal period. There are no significant impacts on the financial statements as a result of these applications.

## Note 4. Cash and Cash Equivalents

	2020	2019
Cash	\$ 4,345,089	\$ 4,241,148
Short term investments	-	-
	<b>\$ 4,345,089</b>	<b>\$ 4,241,148</b>

## Note 5. Special Purpose Funds

Special purpose funds consist of account balances held by each of the individual District Education Authorities for which the Education Body has control of when and how the funds are disbursed.

	2020	2019
Fort Simpson (Liidlii Kue Elementary and Regional High Schools)	\$ 51,284	\$ 55,348
Fort Providence (Deh Gah Elementary/Secondary Schools)	(6,185)	77,952
Fort Liard (Echo-Dene School)	83,785	52,429
Jean Marie River (Louie Norwegian School)	13,680	9,852
Wrigley (Chief Julian Yendo School)	80,677	63,934
Nahanni Butte (Charles Yohin School)	39,646	24,362
Sambaa K'e (Charles Tetcho School)	3,494	8,101
Kakisa Lake (Territorial School - Kakisa Lake School)	17,396	(306)
	<b>\$ 283,777</b>	<b>\$ 291,672</b>

## Note 6. Restricted Assets - Nil Report

## Note 7. Portfolio Investments - Nil Report

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2020

## Note 8. Accounts Receivable

	Receivables 2020	AFDA 2020	Net 2020	Net 2019
GNWT - ECE	\$ 28,120	\$ -	\$ 28,120	\$ 17,361
GNWT - FSS	26,928	-	26,928	9,611
Aurora College	-	-	-	2,298
Tli Cho Community Services Agency	-	-	-	300
Yellowknife Catholic Schools	600	-	600	-
Total Due from GNWT	55,648	-	55,648	29,570
WSCC	-	-	-	-
Other	52,118	-	52,118	86,449
Total receivables before amounts due from Government of Canada	107,766	-	107,766	116,019
Government of Canada	-	-	-	63,225
	\$ 107,766	\$ -	\$ 107,766	\$ 179,244

## Note 9. Inventories - Not Applicable

## Note 10. Accounts Payable and Accrued Liabilities

	2020	2019
GNWT - MACA	\$ -	\$ 13,636
Due to NWT Power Corp	1,751	-
WSCC	-	-
Employee source deductions	224	-
Accounts payable and accrued liabilities	88,620	124,248
	90,595	137,884
Payroll liabilities		
To GNWT (A)	-	413,742
To Employees (B)	836,554	780,346
Annual Leave	47,596	20,540
Lieu	4,395	7,725
	888,545	1,222,353
	\$ 979,140	\$ 1,360,237

Note A: Amount outstanding to be paid to GNWT by the education board for salaries and wages paid by June 30.

Note B: Amount accrued by the education board for salaries and wages to be paid in July and August.



# DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2020

## Note 11. Deferred Revenue

	2020	2019
GNWT - ECE		
Student Success Initiative	\$ 7,438	\$ -
GNWT - MACA		
Active After School	17,850	13,850
Youth Contributions	-	17,540
Physical Literacy	-	9,558
	17,850	40,948
Government of Canada		
Jordan's Principle	320,095	72,952
Judo	34,764	-
Tides Canada Foundation		
NWT on the Land Collaborative	-	60,000
	\$ 380,147	\$ 173,900

## Note 12. Contribution Repayable - Nil Report

## Note 13. Due From and To the Government of Canada

	2020	2019
Receivables - Jordan's Principle	\$ -	\$ 63,225
Payables	\$ -	\$ -

## Note 14. Capital Lease Obligations - Nil Report

## Note 15. Pension - Not Applicable

## Note 16. Long-term Debt - Nil Report

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

The Education Body 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 deficit equal to the accrued post-employment benefits obligation.

Severance benefits are paid to the employees based on the types 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 location of hire, employee category and length of service. The benefits under these two categories were valued by an external actuarial with the GNWT payroll valuations using the expected utilization methodology.

Compensated absence benefits generally accrue as employees render services and are paid upon the occurrence of an event resulting in eligibility for the benefits. Events include, but are not limited to employee or dependent illness and death of an immediate family member. Non-accruing benefits include maternity and parental leave. Benefits that accrue under the compensated absence benefits were valued by an external actuarial with the GNWT payroll valuations using the expected utilization methodology.

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2020

## Note 17. Other Employee Future Benefits and Compensated Absences (continued)

### Valuation Results

The actuarial valuation was completed as at March 31, 2019. The effective date of the next actuarial valuation is March 31, 2021. The liabilities are actuarially determined as the present value of the accrued benefits at February 15, 2019 and the results extrapolated to June 30, 2020. The values presented below are for all the benefits under the Compensated Absences and Termination Benefits for the consolidated Government.

	Severance and removal	Compensated Absences	2020	2019
<b>Changes in Obligation</b>				
Accrued benefit obligations beginning of the year	\$ 935,663	\$ 200,207	\$ 1,135,870	\$ 1,046,243
Current period benefit cost	39,865	19,577	59,442	67,301
Interest accrued	28,455	6,427	34,882	37,988
Benefits payments	(70,199)	(112,968)	(183,167)	(432,240)
Plan amendments	-	-	-	-
Actuarial (gain)/loss	(252,110)	60,527	(191,583)	416,578
Accrued benefit obligation, end of year	681,674	173,770	855,444	1,135,870
Unamortized net actuarial gain	624,064	(80,073)	543,991	442,755
Net future obligation	\$ 1,305,738	\$ 93,697	\$ 1,399,435	\$ 1,578,625
<b>Benefits Expense</b>				
Current period benefit cost	\$ 39,865	\$ 19,577	\$ 59,442	\$ 67,301
Interest cost	28,455	6,427	34,882	37,988
Plan amendments	-	-	-	-
Amortization of actuarial gains	(92,281)	1,934	(90,347)	(140,537)
	\$ (23,961)	\$ 27,938	\$ 3,977	\$ (35,248)

The discount rate used to determine the accrued benefit obligation is an average of 2.7%. No inflation rate was applied. The expected payments during the next five fiscal years are:

	Severance and removal	Compensated Absences	2019
2021	\$ 119,726	\$ 28,189	\$ 147,915
2022	99,117	25,593	124,710
2023	85,166	22,185	107,351
2024	59,697	18,863	78,560
2025	49,014	16,751	65,765
	\$ 412,720	\$ 111,581	\$ 524,301

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2020

## Note 18. Trust Assets and Liabilities under Administration

Superintendent's Association Fund: The balance is held on behalf of the Superintendent's Association. The fund increases by dues paid by Superintendents and funds are spent at the discretion of the Association.

Steve Rowan Memorial Scholarship Fund: The balance is held to provide scholarships to qualifying students.

Mercedes Benz Scholarship Fund: The balance is held to provide scholarships to qualifying students.

	2020	2019
Superintendent Fund	\$ 9,205	\$ 12,753
Steve Rowan Memorial Scholarship Fund	100,492	105,767
Mercedes Benz Scholarship Fund	12,636	12,398
	<b>\$ 122,333</b>	<b>\$ 130,918</b>

## Note 19. Tangible Capital Asset - Nil Report

## Note 20. Prepaid Expenses

	2020	2019
CIBC Visa Deposit	\$ 20,000	\$ 20,000
Prepaid service contracts	-	-
CIBC Visa Deposit	<b>\$ 20,000</b>	<b>\$ 20,000</b>

## Note 21. GNWT Assets Provided at No Cost

	Cost	Accumulated Amortization	2020 Net Book Value	2019 Net Book Value
Buildings				
Schools and colleges	\$ 34,219,484	\$ 20,145,560	\$ 14,073,924	\$ 9,263,599
Residences	1,032,376	583,595	448,781	290,008
Staff Housing	287,453	230,741	56,712	63,896
	<b>\$ 35,539,313</b>	<b>\$ 20,959,896</b>	<b>\$ 14,579,417</b>	<b>\$ 9,617,503</b>

## Note 22. Contractual Obligations

The Education Body has a contractual obligation for the lease of office equipment and with a contractor for the operation of the student accommodations. This commitment requires payments as shown below:

	Expires in Fiscal Year*	2021	2022 and thereafter	Total
Equipment leases	2024	\$ 37,615	\$ 41,596	\$ 79,211
Operational leases	2020	-	-	-
		<b>\$ 37,615</b>	<b>\$ 41,596</b>	<b>\$ 79,211</b>

\* Refers to the last fiscal year of all agreements in that line category

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2020

## Note 23. Contingencies

With any employer, especially those with a union there are always risks of employee grievances. At the end of the fiscal year there was no grievances that were outstanding from a prior period. In the opinion of management should any losses result from an occurrence prior to the financial statement date, such loss will be charged to operations in the year in which there the loss is measurable and likely to occur.

## Note 24. Related Parties

The Education Body is related in terms of common ownership to all GNWT created departments, agencies and corporations. The Education Body enters into transactions with these entities in the normal course of operations. The Education Body is provided with various administrative services by the GNWT, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage by the Department of Finance, payroll services by the Department of Human Resources, internal audit services by the Department of Finance, and utility and maintenance by Public Works and Services.

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

	2020		2019		
<b>Accounts payable, Note 10</b>					
Government of the Northwest Territories					
Municipal and Community Affairs	\$	-	\$	13,636	
Other related parties					
NWT Power Corporation		<b>1,751</b>		-	
	\$	<b>1,751</b>	\$	13,636	
<b>Payroll liabilities, Note 10</b>					
Government of the Northwest Territories	\$	-	\$	413,742	
<b>Deferred Revenues, Note 11</b>					
Government of the Northwest Territories					
Municipal and Community Affairs	\$	<b>17,850</b>	\$	40,948	
<b>Accounts receivable, Note 8</b>					
		AR 2020	AFDA	Net AR 2020	Net AR 2019
Government of the Northwest Territories					
Education, Culture and Employment	\$	28,120	\$	-	\$ 17,361
Financial Shared Services		26,928		-	9,611
Total GNWT		55,048		-	26,972
Other related parties					
Aurora College		-		-	2,298
Tli Cho Community Services Agency		-		-	300
Yellowknife Catholic Schools		600		600	-
	\$	55,648	\$	-	\$ 29,570

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2020

## Note 24. Related Parties (continued)

	2020	2019
Revenues		
Government of the Northwest Territories		
ECE - Core contribution	\$ 12,470,230	\$ 13,301,091
ECE - Indigenous languages and education contributions, Schedule B	-	124,000
ECE - French language program, Schedule D	50,000	50,000
ECE - other contributions, Note 31	85,750	92,901
MACA - GNWT other Contributions, Note 32	214,074	224,980
ENR - GNWT other Contributions, Note 32	7,500	56,937
DHSS - GNWT other Contributions, Note 32	13,775	18,718
GNWT contributions to Education Authorities, Schedule H-1	62,254	142,501
Department of Finance - rent and custodian	18,120	18,120
Deferred revenues - SSI program	(7,438)	-
Total GNWT	12,914,265	14,029,248
Other related parties		
Aurora College	33,921	33,921
	\$ 12,948,186	\$ 14,063,169

## Note 25. Budget

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 may or may not include 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 revenues 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 Education Body.

The budget figures presented are those approved by the Minister of Education, Culture and Employment on September 24, 2019 and have not been audited.

## Note 26. Economic Dependence

The Dehcho District Education Council received its funding primarily from the GNWT. If the funding arrangements were to change management is of the opinion that Dehcho District Education Council operations would be significantly affected.

## Note 27. Financial Instruments

The Education Body is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Education Body's risk exposure and concentration as of June 30, 2020.

### Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Education Body has little exposure to credit risk as the majority of its revenues originate from government sources with strong credit worthiness.

### Liquidity

Liquidity risk is the risk the Education Body will not be able to meet its obligations as they come due. The Education Body meets its liquidity requirements by preparing detailed cash budgets and having cash available on hand to meet its obligations.

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2020

## Note 27. Financial Instruments (continued)

### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is composed of currency risk, interest rate risk and other price risk.

### Currency risk

The Education Body deals exclusively in Canadian funds and therefore has no currency risk.

### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. The Education Body minimizes risk through its normal operating and financing activities and maintains cash in a general bank account.

## Note 28. Expenses by Object

	2020 Budget	2020 Actual	2019 Actual
Compensation	\$ 11,294,687	\$ 11,888,404	\$ 11,775,308
Professional/Technical Services	35,000	32,258	23,171
Postage/Communication	40,000	118,605	100,219
Utilities	40,000	-	-
Travel	658,000	606,291	471,568
Student Travel (Bussing)	62,000	63,148	122,484
Advertising/Printing/Publishing	190,000	43,606	68,184
Maintenance/Repair	25,000	76,880	117,827
Rentals/Leases	78,000	62,622	70,449
Other - Contracted Services	407,950	240,438	337,198
Materials, Supplies and Freight	815,890	1,205,526	948,833
Amortization	-	-	-
	\$ 13,646,527	\$ 14,337,778	\$ 14,035,241

## Note 29. Subsequent Events - Nil Report

## Note 30. Comparative Figures

Some comparative figures have been reclassified to conform with current year's presentation.

## Note 31. ECE Other Contributions

	2020	2019
Distance education	\$ 85,750	\$ 63,415
Labour market agreement for persons with disabilities	-	12,500
Health and wellness	-	9,010
Special services	-	7,976
	\$ 85,750	\$ 92,901

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2020

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## Note 32. GNWT Other Contributions

	2020	2019
Municipal and Community Affairs		
Sports and youth programs	\$ 7,050	\$ 47,000
Sport strategy	127,140	127,140
Children and youth resiliency	13,636	13,636
Active after school	33,150	17,850
Trades	10,000	-
Other	-	20,000
Environment and Natural Resources		
Take a kid trapping	7,500	56,937
Health and Social Services		
Drop the pop	13,775	17,018
Breakfast for learning	-	1,700
Youth conference	-	-
Contributions repaid	-	(13,636)
Deferred revenue - GNWT, opening	40,948	53,938
Deferred revenue - GNWT, closing	(17,850)	(40,948)
	\$ 235,349	\$ 300,635

Note 33. **Contingent Assets - Nil Report**

Note 34. **Contractual Rights - Nil Report**

**DEHCHO DIVISIONAL EDUCATION COUNCIL**

Indigenous Languages and Education Expenses

Schedule A

For the year ended June 30, 2020

	Student Instruction	Teaching/ Learning Resources	Professional Development	School Activities and Integrated Community Programs	2020 Total
<b>Salaries</b>					
ALCBE teachers	\$ 814,456	\$ -	\$ -	\$ -	<b>814,456</b>
Language consultants	-	143,575	-	-	<b>143,575</b>
Instruction assistants	-	-	-	-	-
Non-instructional staff	-	127,197	-	-	<b>127,197</b>
Honoraria	-	7,944	-	-	<b>7,944</b>
Elders in schools	-	-	-	38,798	<b>38,798</b>
	814,456	278,716	-	38,798	<b>1,131,970</b>
<b>Employee Benefits</b>					
Employee benefits and allowances	29,459	12,736	-	-	<b>42,195</b>
	29,459	12,736	-	-	<b>42,195</b>
<b>Services Purchased/Contracted</b>					
Professional services	-	7,083	-	-	<b>7,083</b>
Travel	-	61,858	-	-	<b>61,858</b>
Student transportation	-	-	-	5,218	<b>5,218</b>
Advertising, printing and publishing	-	26,595	-	-	<b>26,595</b>
Maintenance and repairs	-	1,800	-	-	<b>1,800</b>
Rentals and leases	-	-	-	-	-
Other contracted services	-	740	-	25,255	<b>25,995</b>
	-	98,076	-	30,473	<b>128,549</b>
<b>Materials, Supplies and Freight</b>					
Materials	-	136,655	-	-	<b>136,655</b>
Freight	-	2,494	-	-	<b>2,494</b>
	-	139,149	-	-	<b>139,149</b>
<b>Total</b>	<b>\$ 843,915</b>	<b>\$ 528,677</b>	<b>\$ -</b>	<b>\$ 69,271</b>	<b>\$ 1,441,863</b>



# DEHCHO DIVISIONAL EDUCATION COUNCIL

Indigenous Languages and Education (Contribution Agreement)

Schedule B

For the year ended June 30, 2020

	July 1, 2019 to March 31, 2020	April 1, 2020 to June 30, 2020	Total Fiscal Year 2019/2020
<b>Contribution Agreement Indigenous Languages</b>			
Revenue			
Funding received	\$ -	\$ -	\$ -
Expenditure			
Salaries	-	-	-
Other O & M	-	-	-
Surplus (Deficit), March 31, 2020	\$ -		
Surplus (Deficit), June 30, 2020		\$ -	
Surplus (Deficit) - Total			\$ -

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Inclusive Schooling Expenses

Schedule C

For the year ended June 30, 2020

Function	General Inclusive Schooling	Staff Development	Assistive Technology	Magnet Facilities	Total
<b>Salaries</b>					
Regional Coordinator	\$ 237,756	\$ -	\$ -	\$ -	\$ 237,756
Program Support Teachers	942,376	-	-	-	942,376
Support Assistants	1,064,033	-	-	-	1,064,033
Honoraria	-	-	-	-	-
	<u>2,244,165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,244,165</u>
<b>Employee Benefits</b>					
Employee benefits and allowances	75,042	-	-	-	75,042
	<u>75,042</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,042</u>
<b>Services Purchased/Contracted</b>					
Professional and technical services	-	-	-	-	-
Travel	-	38,010	-	-	38,010
Student transportation	-	-	-	-	-
Advertising, printing and publishing	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Rentals and leases	-	-	-	-	-
Other contracted services	-	1,800	-	-	1,800
	<u>-</u>	<u>39,810</u>	<u>-</u>	<u>-</u>	<u>39,810</u>
<b>Materials, Supplies and Freight</b>					
Materials	-	-	6,397	-	6,397
Freight	-	-	31	-	31
	<u>-</u>	<u>-</u>	<u>6,428</u>	<u>-</u>	<u>6,428</u>
<b>Total</b>	<b>\$ 2,319,207</b>	<b>\$ 39,810</b>	<b>\$ 6,428</b>	<b>\$ -</b>	<b>\$ 2,365,445</b>

# DEHCHO DIVISIONAL EDUCATION COUNCIL

French Language Program

Schedule D

For the year ended June 30, 2020

	Contributions from GNWT July 1 to June 30	Commitment from Dehcho July 1 to June 30	Expenses July 1 to June 30	Over/Under Funding
Special projects:				
Core French 1-12 (salary)	\$ 50,000	\$ 50,000	\$ 129,448	\$ (29,448)

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Jordan's Principle

Schedule E

For the year ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual	July 1'19 - March 31'20	April 1'20 - June 30'20
<b>Revenue</b>					
Government of Canada	\$ 280,000	\$ 1,530,706	\$ 308,339	\$ 1,236,201	\$ 294,505
Carry forward from previous year	-	72,952	-	72,952	0
	280,000	1,603,658	308,339	1,309,153	294,505
<b>Expenses</b>					
Administration	-	-	-	-	-
Personnel	280,000	670,225	211,388	406,466	263,759
Transportation	-	17,555	-	17,555	-
Materials and supplies	-	566,533	23,999	522,089	44,444
Rent and utilities	-	-	-	-	-
Evaluation	-	8,250	-	-	8,250
Other	-	21,000	-	21,000	-
	280,000	1,283,563	235,387	967,110	316,453
Surplus (Deficit)	\$ -	\$ 320,095	\$ 72,952	\$ 342,043	\$ (21,948)
Deferred Revenue	\$ -	\$ (320,095)	\$ (72,952)		

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Northern Distance Learning

Schedule F

For the year ended June 30, 2020

	Budget	Fort Liard	Fort Simpson	Fort Providence	Total	March 31	June 30	Total
<b>Revenue</b>								
Education, Culture and Employment	\$ 85,750	\$ 29,250	\$ 28,250	\$ 28,250	\$ 85,750	\$ 57,452	\$ 28,298	\$ 85,750
Other	-	-	-	-	-	-	-	-
	85,750	29,250	28,250	28,250	85,750	57,452	28,298	85,750
<b>Expenses</b>								
<b>Salaries/Wages</b>								
Instructional Staff	-	-	-	-	-	-	-	-
<i>Teachers</i>	-	10,879	26,307	27,503	64,689	-	-	-
<i>On-site support person</i>	81,750	23,969	28,870	9,900	62,739	64,689	62,739	127,428
Non-Instructional Staff	-	-	-	-	-	-	-	-
<i>Moodle (Online strategy)</i>	-	-	-	-	-	-	-	-
<i>DL Coordinator</i>	-	-	-	-	-	-	-	-
<i>PD - online learning field</i>	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Services Purchased/Contracted</b>								
Network	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-
<i>Coordinator travel</i>	-	-	-	-	-	-	-	-
Professional Development	-	-	-	-	-	-	-	-
Communication	-	-	-	-	-	-	-	-
<i>In-service release</i>	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<i>IT support</i>	-	-	-	-	-	-	-	-
<b>Materials, Supplies and Freight</b>								
Computer Equipment	-	-	-	-	-	-	-	-
<i>Document cameras</i>	1,000	-	-	-	-	-	-	-
<i>Phone</i>	3,000	-	-	-	-	-	-	-
<i>Laptop</i>	-	-	-	-	-	-	-	-
<i>Video (Monopad)</i>	-	-	-	-	-	-	-	-
<i>Wireless adapters and splitter</i>	-	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-	-
Other	-	839	1,931	1,581	4,351	4,351	-	4,351
<b>Total expenses</b>	85,750	35,687	57,108	38,984	131,779	69,040	62,739	131,779
<b>Net surplus/(deficit)</b>	\$ -	\$ (6,437)	\$ (28,858)	\$ (10,734)	\$ (46,029)	\$ (11,588)	\$ (34,441)	\$ (46,029)

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Student Success Initiative Projects

Schedule G

For the year ended June 30, 2020

	<b>2020</b>	2019
<b>Revenue</b>		
GNWT - Education, Culture & Employment	\$ 55,000	\$ 55,000
NWT Teachers Association	-	33,771
	<b>55,000</b>	88,771
Carry forward from previous year	-	-
	<b>55,000</b>	88,771
<b>Expenses</b>		
Salaries and wages		
Facilitator fees	-	-
Substitute teacher wages	-	-
Staff	45,000	45,000
Travel		
Facilitator travel	-	-
Airfare	-	-
Staff travel	-	4,096
Accommodations	-	-
Per diems	-	-
Other expenses	-	-
Student resources		
Room rental	-	-
Refreshments	-	-
Resources	2,562	34,856
Stationary printing	-	4,819
	<b>47,562</b>	88,771
Surplus (Deficit)	\$ 7,438	\$ -
Deferred Revenue	\$ (7,438)	\$ -

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Statement of Council Operations and Financial Position (Non-Consolidated)

Schedule H-1

For the year ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
Government of the NWT			
ECE regular contributions	\$ 11,977,108	\$ 12,470,230	\$ 13,301,091
Indigenous Languages and Education, Schedule B	-	-	124,000
French language instruction, Schedule D	50,000	50,000	50,000
ECE other contributions, Note 31	300,000	85,750	92,901
Deferred revenues - SSI program	-	(7,438)	-
	<u>12,327,108</u>	<u>12,598,542</u>	<u>13,567,992</u>
GNWT - other contributions, Note 32	400,000	235,349	300,635
<b>Total GNWT</b>	<b>12,727,108</b>	<b>12,833,891</b>	<b>13,868,627</b>
Jordan's Principle	280,000	1,283,563	235,387
Government of Canada - other contributions	-	185,865	-
<b>Total Government of Canada</b>	<b>280,000</b>	<b>1,469,428</b>	<b>235,387</b>
<b>Self-Generated Funds</b>			
Rentals	36,000	73,800	41,200
Investment income	20,000	66,811	77,377
Contract and other	137,000	165,706	185,571
	<u>193,000</u>	<u>306,317</u>	<u>304,148</u>
	<u>13,200,108</u>	<u>14,609,636</u>	<u>14,408,162</u>
<b>Expenditure</b>			
School programs	8,989,221	8,333,763	7,993,295
Inclusive schooling	2,383,294	2,365,625	2,187,116
Student accommodations	190,950	225,766	209,201
Operations and maintenance	-	906,935	722,031
Administration	832,569	1,019,737	975,983
Aboriginal language/cultural programs	1,530,493	1,380,127	1,609,345
	<u>13,926,527</u>	<u>14,231,953</u>	<u>13,696,971</u>
<b>Excess of Revenue over Expenditure before other items</b>	<b>\$ (726,419)</b>	<b>\$ 377,683</b>	<b>\$ 711,191</b>
<b>Other Items:</b>			
Other Employee Future Benefits and Compensated Absences recovery (expense), Note 17		(3,977)	35,248
Payroll Expenses, Note 17		-	-
<b>Excess (Deficiency) of Revenue over Expenditure</b>		<b>\$ 373,706</b>	<b>\$ 746,439</b>
<b>Accumulated surplus (deficit), beginning of year</b>		<b>1,211,359</b>	<b>464,920</b>
<b>Accumulated surplus (deficit), end of year</b>		<b>\$ 1,585,065</b>	<b>\$ 1,211,359</b>

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Details of Council Expenses (Non-Consolidated)

Schedule H-2

For the year ended June 30, 2020

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	2020 Total	2020 Budget	*2019 Total
<b>Salaries</b>									
Teachers' salaries	\$ 5,871,345	\$ 942,556	\$ -	\$ -	\$ -	\$ 814,456	\$ 7,628,357	\$ 7,033,128	\$ 6,939,168
Instruction Assistant	-	1,064,033	-	-	-	-	1,064,033	1,517,532	1,749,642
Non Instructional Staff	648,947	237,756	-	654,127	667,926	280,505	2,489,261	1,974,973	2,114,853
Board/Trustee Honoraria	-	-	-	-	23,308	4,394	27,702	52,800	99,137
	6,520,292	2,244,345	-	654,127	691,234	1,099,355	11,209,353	10,578,433	10,902,800
<b>Employee Benefits</b>									
Employee benefits and allowances	181,222	62,305	-	18,169	19,200	29,459	310,355	369,267	378,937
Leave and termination	76,420	12,737	-	-	-	12,736	101,893	346,987	345,202
	257,642	75,042	-	18,169	19,200	42,195	412,248	716,254	724,139
<b>Services Purchased/Contracted</b>									
Professional/Technical Services	-	-	-	-	25,175	7,083	32,258	35,000	23,171
Postage/Communication	49,104	-	2,135	-	67,366	-	118,605	40,000	99,107
Utilities	-	-	-	-	-	-	-	40,000	-
Travel	420,488	38,010	19,348	-	95,906	61,858	635,610	658,000	450,475
Student Travel (Bussing)	61,599	-	-	-	-	-	61,599	62,000	43,871
Advertising/Printing/Publishing	17,011	-	-	-	-	26,595	43,606	190,000	68,184
Maintenance/Repair	-	-	-	27,700	47,710	-	75,410	25,000	115,230
Rentals/Leases	25,370	-	-	13,200	24,272	-	62,842	78,000	58,441
Other - Contracted Services	-	1,800	175,330	-	8,395	740	186,265	407,950	213,595
	573,572	39,810	196,813	40,900	268,824	96,276	1,216,195	1,535,950	1,072,074
<b>Materials, Supplies and Freight</b>									
Materials	964,558	6,397	28,660	-	40,479	139,807	1,179,901	770,062	774,515
Freight	17,699	31	293	-	-	2,494	20,517	45,828	23,654
	982,257	6,428	28,953	-	40,479	142,301	1,200,418	815,890	798,169
<b>Contributions and Transfers</b>									
Transfers to DEA	-	-	-	193,739	-	-	193,739	280,000	199,789
<b>Amortization</b>									
	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 8,333,763</b>	<b>\$ 2,365,625</b>	<b>\$ 225,766</b>	<b>\$ 906,935</b>	<b>\$ 1,019,737</b>	<b>\$ 1,380,127</b>	<b>\$ 14,231,953</b>	<b>\$ 13,926,527</b>	<b>\$ 13,696,971</b>

\* Reclassified for comparative purposes



## DEHCHO DIVISIONAL EDUCATION COUNCIL

District Education Authority Operations Summary

Non-Consolidated

For the year ended June 30, 2020

Schedule I-1

	Fort Simpson	Fort Providence	Fort Liard	Jean Marie River	Wrigley	Nahanni Butte	Sambaa K'e	Kakisa Lake	Total
<b>Revenue</b>									
Operating contributions from Divisional Council	\$ 44,392	\$ 40,417	\$ 26,168	\$ 15,670	\$ 18,810	\$ 15,877	\$ 17,006	\$ 15,399	\$ 193,739
Other contributions from Divisional Council	76,160	196,279	35,890	-	13,100	9,625	-	11,220	342,274
Contributions from GNWT	1,568	49,936	-	-	2,750	-	-	8,000	62,254
Self-generated funds	33,076	8,660	5,960	516	8,690	-	-	156	57,058
	155,196	295,292	68,018	16,186	43,350	25,502	17,006	34,775	655,325
<b>Expenditure</b>									
School programs	115,536	301,934	14,637	4,915	5,550	7,050	3,465	5,150	458,237
Inclusive schooling	-	-	-	-	-	-	-	-	-
Student accommodations	-	-	-	-	-	-	-	-	-
Operations and maintenance	-	-	-	-	-	-	-	6,050	6,050
Administration	15,687	34,576	5,700	7,496	4,052	718	11,640	8,927	88,796
Aboriginal language/cultural programs	5,069	27,514	16,325	8,634	17,005	2,450	6,508	5,250	88,755
	136,292	364,024	36,662	21,045	26,607	10,218	21,613	25,377	641,838
Excess (Deficiency) of Revenue over Expenditure	18,904	(68,732)	31,356	(4,859)	16,743	15,284	(4,607)	9,398	13,487
Accumulated surplus, beginning of year	28,680	72,982	52,429	18,539	63,934	24,362	8,101	7,998	277,025
Accumulated surplus, end of year	\$ 47,584	\$ 4,250	\$ 83,785	\$ 13,680	\$ 80,677	\$ 39,646	\$ 3,494	\$ 17,396	\$ 290,512
<b>Composition of Ending Accumulated Surplus</b>									
Cash	\$ 51,284	\$ (6,185)	\$ 62,389	\$ 13,680	\$ 80,677	\$ 39,646	\$ 3,494	\$ 17,396	\$ 262,381
Investment in GIC	-	-	21,396	-	-	-	-	-	21,396
Accounts receivable	1,920	19,802	-	-	-	-	-	-	21,722
Accounts payable	(5,620)	(9,367)	-	-	-	-	-	-	(14,987)
	\$ 47,584	\$ 4,250	\$ 83,785	\$ 13,680	\$ 80,677	\$ 39,646	\$ 3,494	\$ 17,396	\$ 290,512

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Details of DEA Expenses Summary  
 Non-Consolidated  
 For the year ended June 30, 2020

Schedule I-2

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations and Maintenance	Administration	Indigenous Languages and Education	Total
<b>Salaries</b>							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non-instructional Staff	290,895	-	-	6,050	31,654	29,065	357,664
Board/Trustee Honorarium	2,475	-	-	-	33,850	3,550	39,875
	<u>293,370</u>	<u>-</u>	<u>-</u>	<u>6,050</u>	<u>65,504</u>	<u>32,615</u>	<u>397,539</u>
<b>Employee Benefits</b>							
Employee Benefits and Allowances	-	-	-	-	-	-	-
Leave and Termination	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Services Purchased/Contracted</b>							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	9,126	-	-	-	-	-	9,126
Student Travel (Bussing)	57,930	-	-	-	-	5,218	63,148
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	1,800	1,800
Rentals/Leases	-	-	-	-	-	-	-
Other - Awards	5,689	-	-	-	-	550	6,239
Other - Contracted Services	-	-	-	-	2,979	-	2,979
Other - School Programs	20,250	-	-	-	-	24,705	44,955
	<u>92,995</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,979</u>	<u>32,273</u>	<u>128,247</u>
<b>Materials/Supplies/Freight</b>							
Materials	71,872	-	-	-	20,117	23,867	115,856
Freight	-	-	-	-	196	-	196
	<u>71,872</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,313</u>	<u>23,867</u>	<u>116,052</u>
<b>Total</b>	<b>\$ 458,237</b>	<b>\$ -</b>	<b>\$ -</b>	<b>6,050</b>	<b>\$ 88,796</b>	<b>\$ 88,755</b>	<b>641,838</b>

# FORT SIMPSON

District Education Authority  
Statement of Operations - Non-Consolidated

For the year ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenues</b>			
Contributions from Divisional Council	\$ 44,392	\$ 44,392	\$ 46,152
Other - Dehcho DEC	-	76,160	98,708
Other - Contributions from GNWT	-	1,568	8,190
Other	-	33,076	84,555
	44,392	155,196	237,605
<b>Expenses</b>			
School programs	27,892	115,536	227,521
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Administration	12,500	15,687	33,571
Aboriginal language/cultural programs	4,000	5,069	8,975
	44,392	136,292	270,067
Surplus (Deficit)	\$ -	18,904	(32,462)
Opening equity		28,680	61,142
Closing equity		\$ 47,584	\$ 28,680
<b>Composition of Closing Equity</b>			
Cash		\$ 51,284	\$ 55,348
Accounts receivable		1,920	-
Accounts payable		(5,620)	(26,668)
		\$ 47,584	\$ 28,680

## FORT SIMPSON

District Education Authority  
Details of Expenses - Non-Consolidated

For the year ended June 30, 2020

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
<b>Salaries</b>							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	50,128	-	-	-	-	-	50,128
Board/Trustee Honoraria	-	-	-	-	8,342	-	8,342
	50,128	-	-	-	8,342	-	58,470
<b>Employee Benefits</b>							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>Services Purchased/Contracted</b>							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student Travel (Bussing)	55,307	-	-	-	-	-	55,307
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Student Awards	3,229	-	-	-	-	-	3,229
Other - Contracted Services	-	-	-	-	226	-	226
Other - School programs	1,375	-	-	-	-	-	1,375
	59,911	-	-	-	226	-	60,137
<b>Materials/Supplies/Freight</b>							
Materials	5,497	-	-	-	6,923	5,069	17,489
Freight	-	-	-	-	196	-	196
	5,497	-	-	-	7,119	5,069	17,685
<b>Total</b>	\$ 115,536	\$ -	\$ -	\$ -	15,687	\$ 5,069	\$ 136,292

## FORT PROVIDENCE

District Education Authority  
Statement of Operations - Non-Consolidated

For the year ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
Contributions from Divisional Council	\$ 40,417	\$ 40,417	\$ 43,277
Other - Dehcho DEC	-	196,279	253,527
Other - Contributions from GNWT	-	49,936	124,936
Other	-	8,660	11,316
	40,417	295,292	433,056
<b>Expenses</b>			
School programs	17,142	301,934	381,392
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Administration	21,275	34,576	33,991
Aboriginal language/cultural programs	2,000	27,514	65,070
	40,417	364,024	480,453
Surplus (Deficit)	\$ -	(68,732)	(47,397)
Opening equity		72,982	120,379
Closing equity		\$ 4,250	\$ 72,982
<b>Composition of Closing Equity</b>			
Cash		\$ (6,185)	\$ 77,952
Accounts receivable		19,802	4,774
Accounts payable		(9,367)	(9,744)
		\$ 4,250	\$ 72,982

## FORT PROVIDENCE

District Education Authority  
Details of Expenses - Non-Consolidated

For the year ended June 30, 2020

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
<b>Salaries</b>							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	240,767	-	-	-	13,876	9,162	263,805
Board/Trustee Honoraria	-	-	-	-	7,452	3,550	11,002
	240,767	-	-	-	21,328	12,712	274,807
<b>Employee Benefits</b>							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
<b>Services Purchased/Contracted</b>							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	9,126	-	-	-	-	-	9,126
Student Travel (Bussing)	2,623	-	-	-	-	5,218	7,841
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	1,800	1,800
Rentals/Leases	-	-	-	-	-	-	-
Other - Awards/Gifts	1,344	-	-	-	-	550	1,894
Other - Contracted Services	-	-	-	-	2,500	-	2,500
Other - School programs	4,575	-	-	-	-	-	4,575
	17,668	-	-	-	2,500	7,568	27,736
<b>Materials/Supplies/Freight</b>							
Materials	43,499	-	-	-	10,748	7,234	61,481
Freight	-	-	-	-	-	-	-
	43,499	-	-	-	10,748	7,234	61,481
<b>Total</b>	<b>\$ 301,934</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 34,576</b>	<b>\$ 27,514</b>	<b>\$ 364,024</b>

# FORT LIARD

District Education Authority  
Statement of Operations - Non-Consolidated

For the year ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
Contributions from Divisional Council	\$ 26,168	\$ 26,168	\$ 26,498
Other - Dehcho DEC	-	35,890	38,571
Other - Contributions from GNWT	-	-	-
Other	-	5,960	5,973
	26,168	68,018	71,042
<b>Expenses</b>			
School programs	14,918	14,637	35,940
Inclusive Schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Administration	9,250	5,700	6,575
Aboriginal language/cultural programs	2,000	16,325	17,036
	26,168	36,662	59,551
Surplus (Deficit)	\$ -	31,356	11,491
Opening equity		52,429	40,938
Closing equity		\$ 83,785	\$ 52,429
<b>Composition of Closing Equity</b>			
Cash		\$ 62,389	\$ 34,647
Investment in GIC		21,396	17,782
Accounts receivable		-	-
Accounts payable		-	-
		\$ 83,785	\$ 52,429

# FORT LIARD

District Education Authority  
 Details of Expenses - Non-Consolidated

For the year ended June 30, 2020

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
<b>Salaries</b>							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	-	12,595	12,595
Board/Trustee Honoraria	-	-	-	-	4,866	-	4,866
	-	-	-	-	4,866	12,595	17,461
<b>Employee Benefits</b>							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
<b>Services Purchased/Contracted</b>							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Awards	1,116	-	-	-	-	-	1,116
Other - Contracted Services	-	-	-	-	-	-	-
Other - Local Programs	-	-	-	-	-	-	-
	1,116	-	-	-	-	-	1,116
<b>Materials/Supplies/Freight</b>							
Materials	13,521	-	-	-	834	3,730	18,085
Freight	-	-	-	-	-	-	-
	13,521	-	-	-	834	3,730	18,085
<b>Total</b>	<b>\$ 14,637</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,700</b>	<b>\$ 16,325</b>	<b>\$ 36,662</b>



# JEAN MARIE RIVER

District Education Authority  
Statement of Operations - Non-Consolidated

For the year ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenues</b>			
Contributions from Divisional Council	\$ 15,670	\$ 15,670	\$ 15,615
Other - Dehcho DEC	-	-	6,298
Other - Contributions from GNWT	-	-	-
Other	-	516	8,687
	15,670	16,186	30,600
<b>Expenses</b>			
School programs	2,720	4,915	9,905
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Administration	10,950	7,496	9,268
Aboriginal language/cultural programs	2,000	8,634	7,981
	15,670	21,045	27,154
Surplus (Deficit)	\$ -	(4,859)	3,446
Opening equity		18,539	15,093
Closing equity		\$ 13,680	\$ 18,539
<b>Composition of Closing Equity</b>			
Cash		\$ 13,680	\$ 9,852
Accounts receivable		-	8,687
Accounts payable		-	-
		\$ 13,680	\$ 18,539

## JEAN MARIE RIVER

District Education Authority  
Details of Expenses - Non-Consolidated

For the year ended June 30, 2020

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
<b>Salaries</b>							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	3,467	1,750	5,217
Board/Trustee Honoraria	2,475	-	-	-	3,705	-	6,180
	2,475	-	-	-	7,172	1,750	11,397
<b>Employee Benefits</b>							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
<b>Services Purchased/Contracted</b>							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student Travel (Bussing)	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Awards	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	-	-	-
Other - School Programs	-	-	-	-	-	-	-
<b>Materials/Supplies/Freight</b>							
Materials	2,440	-	-	-	324	6,884	9,648
Freight	-	-	-	-	-	-	-
	2,440	-	-	-	324	6,884	9,648
<b>Total</b>	<b>\$ 4,915</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,496</b>	<b>\$ 8,634</b>	<b>\$ 21,045</b>

# WRIGLEY

## District Education Authority Statement of Operations - Non-Consolidated

For the year ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
Contributions from Divisional Council	\$ 18,810	\$ 18,810	\$ 18,920
Other - Dehcho DEC	-	13,100	4,000
Other - Contributions from GNWT	-	2,750	1,375
Other	-	8,690	2,557
	18,810	43,350	26,852
<b>Expenses</b>			
School programs	4,760	5,550	35,909
Inclusive schooling	-	-	-
Student accomodations	-	-	-
Operations and maintenance	-	-	-
Administration	12,050	4,052	7,691
Aboriginal language/cultural programs	2,000	17,005	-
	18,810	26,607	43,600
Surplus (Deficit)	\$ -	16,743	(16,748)
Opening equity		63,934	80,682
Closing equity		\$ 80,677	\$ 63,934
<b>Composition of Closing Equity</b>			
Cash		\$ 80,677	\$ 63,934
Accounts receivable		-	-
Accounts payable		-	-
		\$ 80,677	\$ 63,934

# WRIGLEY

District Education Authority  
 Details of Expenses - Non-Consolidated

For the year ended June 30, 2020

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations and Maintenance	Administration	Indigenous Languages and Education	Total
<b>Salaries</b>							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	800	-	800
Board/Trustee Honoraria	-	-	-	-	2,800	-	2,800
	-	-	-	-	3,600	-	3,600
<b>Employee Benefits</b>							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>Services Purchased/Contracted</b>							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student Travel (Bussing)	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Awards	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	-	-	-
Other - Local programs	4,000	-	-	-	-	17,005	21,005
	4,000	-	-	-	-	17,005	21,005
<b>Materials/Supplies/Freight</b>							
Materials	1,550	-	-	-	452	-	2,002
Freight	-	-	-	-	-	-	-
	1,550	-	-	-	452	-	2,002
<b>Total</b>	<b>\$ 5,550</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,052</b>	<b>\$ 17,005</b>	<b>\$ 26,607</b>

# NAHANNI BUTTE

District Education Authority  
Statement of Operations - Non-Consolidated

For the year ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenues</b>			
Contributions from Divisional Council	\$ 15,877	\$ 15,877	\$ 15,877
Other - Dehcho DEC	-	9,625	-
Other - Contributions from GNWT	-	-	-
Other	-	-	-
	<u>15,877</u>	<u>25,502</u>	<u>15,877</u>
<b>Expenses</b>			
School programs	2,927	7,050	14,958
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Administration	10,950	718	1,065
Aboriginal language/cultural programs	2,000	2,450	-
	<u>15,877</u>	<u>10,218</u>	<u>16,023</u>
Surplus (Deficit)	\$ -	15,284	(146)
Opening equity		24,362	24,508
Closing equity		\$ 39,646	\$ 24,362
<b>Composition of Closing Equity</b>			
Cash		\$ 39,646	\$ 24,362
Accounts receivable		-	-
Accounts payable		-	-
		<u>\$ 39,646</u>	<u>\$ 24,362</u>

# NAHANNI BUTTE

District Education Authority  
 Details of Expenses - Non-Consolidated

For the year ended June 30, 2020

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
<b>Salaries</b>							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	-	-	-
Board/Trustee Honoraria	-	-	-	-	325	-	325
	-	-	-	-	325	-	325
<b>Employee Benefits</b>							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>Services Purchased/Contracted</b>							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student Travel (Bussing)	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Awards	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	253	-	253
Other - School Programs	7,050	-	-	-	-	2,450	9,500
	7,050	-	-	-	253	2,450	9,753
<b>Materials/Supplies/Freight</b>							
Materials	-	-	-	-	140	-	140
Freight	-	-	-	-	-	-	-
	-	-	-	-	140	-	140
<b>Total</b>	<b>\$ 7,050</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 718</b>	<b>\$ 2,450</b>	<b>\$ 10,218</b>

## Sambaa K'e (formerly Trout Lake)

District Education Authority  
Statement of Operations - Non-Consolidated

For the year ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
Contributions from Divisional Council	\$ 17,006	\$ 17,006	\$ 17,501
Other - Dehcho DEC	-	-	9,982
Other - Contributions from GNWT	-	-	-
Other	-	-	-
	<u>17,006</u>	<u>17,006</u>	<u>27,483</u>
<b>Expenses</b>			
School programs	4,056	3,465	946
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	8,117
Administration	10,950	11,640	12,245
Aboriginal language/cultural programs	2,000	6,508	5,500
	<u>17,006</u>	<u>21,613</u>	<u>26,808</u>
Surplus (Deficit)	\$ -	(4,607)	675
Opening equity		8,101	7,426
Closing equity		\$ 3,494	\$ 8,101
<b>Composition of Closing Equity</b>			
Cash		\$ 3,494	\$ 8,101
Accounts receivable		-	-
Accounts payable		-	-
		<u>\$ 3,494</u>	<u>\$ 8,101</u>

## Sambaa K'e (formerly Trout Lake)

District Education Authority  
Details of Expenses - Non-Consolidated

For the year ended June 30, 2020

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
<b>Salaries</b>							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	8,611	5,558	14,169
Board/Trustee Honoraria	-	-	-	-	2,876	-	2,876
	-	-	-	-	11,487	5,558	17,045
<b>Employee Benefits</b>							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
<b>Services Purchased/Contracted</b>							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student Travel (Bussing)	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Awards	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	-	-	-
Other - School Programs	-	-	-	-	-	-	-
<b>Materials/Supplies/Freight</b>							
Materials	3,465	-	-	-	153	950	4,568
Freight	-	-	-	-	-	-	-
	3,465	-	-	-	153	950	4,568
<b>Total</b>	<b>\$ 3,465</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,640</b>	<b>\$ 6,508</b>	<b>\$ 21,613</b>



# KAKISA LAKE

District Education Authority  
Statement of Operations - Non-Consolidated

For the year ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenues</b>			
Contributions from Divisional Council	\$ 15,399	\$ 15,399	\$ 15,949
Other - Dehcho DEC	-	11,220	15,949
Other - Contributions from GNWT	-	8,000	8,000
Other	-	156	4,000
	15,399	34,775	43,898
<b>Expenditure</b>			
School programs	2,449	5,150	26,456
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	6,050	-
Administration	10,950	8,927	14,982
Aboriginal language/cultural programs	2,000	5,250	-
	15,399	25,377	41,438
Surplus (Deficit)	\$ -	9,398	2,460
Opening equity		7,998	5,538
Closing equity		\$ 17,396	\$ 7,998
<b>Composition of Closing Equity</b>			
Cash		\$ 17,396	\$ (306)
Accounts receivable		-	8,304
Accounts payable		-	-
		\$ 17,396	\$ 7,998

# KAKISA LAKE

District Education Authority  
 Details of Expenses - Non-Consolidated

For the year ended June 30, 2020

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
<b>Salaries</b>							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	6,050	4,900	-	10,950
Board/Trustee Honoraria	-	-	-	-	3,484	-	3,484
	-	-	-	6,050	8,384	-	14,434
<b>Employee Benefits</b>							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
<b>Services Purchased/Contracted</b>							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student Travel (Bussing)	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Awards	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	-	-	-
Other - School Programs	3,250	-	-	-	-	5,250	8,500
	3,250	-	-	-	-	5,250	8,500
<b>Materials/Supplies/Freight</b>							
Materials	1,900	-	-	-	543	-	2,443
Freight	-	-	-	-	-	-	-
	1,900	-	-	-	543	-	2,443
<b>Total</b>	<b>\$ 5,150</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,050</b>	<b>\$ 8,927</b>	<b>\$ 5,250</b>	<b>\$ 25,377</b>

**DeTah District Education Authority**

**Financial Statements**

**June 30, 2020**

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# Dettah District Education Authority

## Financial Statements

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June 30, 2020

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# Management Discussion and Analysis

## **Introduction**

### **Dettah District Education Administration:**

Ed Lippert – Superintendent of Yellowknife Education District #1

Lea Lamoureux – Principal of Kaw Tay Whee School

Sally Ann Drygeese – Administration/Language

Neil Penney-Program Support Teacher

### **Current DDEA Members:**

Rebecca Plotner – Chairperson

Charlene Liske – Vice Chairperson

Beatrice Sangris – Member

James Sanderson – Member

Marie Hardisty – Member

Jessica DeLeary – Member

Mary Liske – Member

### **Acknowledgements:**

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

### **Vision Statement:**

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

### **Mission Statement:**

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

### **Core Strategies:**

- Develop, build, and maintain strong and respectful working relationships between the Dettah District Education Authority and Kaw Tay Whee School management/administration, staff and other stakeholders to best serve students and families
- Provide daily instruction in the Wiiliideh language and frequent opportunities for students to learn traditional ways of the community
- Recruit, train, and retain high quality, and highly qualified teaching and support staff to best serve current and future students; ensuring opportunities to engage in the local language and cultural practices and learning
- Support school staff team to provide a whole-child educational experience and to provide a “wrap-around” services model to better support families in the community

- Actively engage in ensuring that students from the community from junior kindergarten to grade twelve attend and engage in educational opportunities; and work with extended families to promote the importance of school attendance and graduation providing students and families with guidance and support to navigate larger school settings and systems as needed
- Offer opportunities for pre-school aged children (0-5) to be involved in the wider life of the school to ease the transition when it is time for these children to register for school
- Support school management in their advocacy for services to be offered in the community school so as to ease challenges with system navigability; including but not limited to health services
- Plan for the future of a healthy thriving school and the possible provision of needed early intervention by networking and supporting new families and new parents
- Carefully ensure maximum fiscal responsibility to best meet the specific needs of students in and out of school
- Support school staff team in their quest to provide ample opportunities for students to have a wide variety of learning experiences so as to broaden their general knowledge base, and have a positive impact on personal health, well-being, confidence, and strong personal cultural identity.
- Support school staff team in their quest to improve access to mental health services in the school setting, and to build their own knowledge and skillset in this area.

#### **Active Committees:**

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

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

#### **School Staff Equivalents:**

In 2017-2018, the DDEA began a small alternative high school program that continued on during the 2019-2020 school year.

The school is split into three classrooms to accommodate this number of grade levels and student's needs. The Multi-Age-Grouped classrooms were grouped as junior kindergarten and kindergarten, grades one to three, grades three to five, and grades six to eight plus. The computer lab space was set up as the high school area.

The school employed 3.0 full time teachers, 1.0 language teacher/EA, 1.0 PST, and 1.0 teaching principal, who also encompassed the role of Regional Inclusive Schooling Coordinator (RISC) and Regional Indigenous Languages in Education (RILE).

When considering school population and staffing, it is important to note that the teaching principal/RISC/RILE position includes a variety of responsibilities, not normally required in this role, due

to the unique position of the Dettah District Education Authority. The Dettah District Education Authority contracts superintendency services from Yellowknife Education District Number One.

- The DDEA is site-based-managed for funding, and is also independently audited. The day-to-day responsibilities and management of these tasks is part of the principal's job; as are any responsibilities that are designated to him/her by the DEA Chair
- The principal therefore is responsible to ensure that documentation is ready for the annual financial audited statements
- The principal is responsible for working with contractors, the GNWT, and many other bodies directly, as opposed to being filtered through school-board level coordinators
- The principal is also responsible for all pieces of the complete Operating Plan (Accountability Framework), Annual Report, and the Inclusive Schooling Compliance Tool
- The principal also acts as the ATIP coordinator for the DDEA and fulfills other roles and completes other responsibilities as required

### **Operating Environment**

#### **Strengths and Opportunities:**

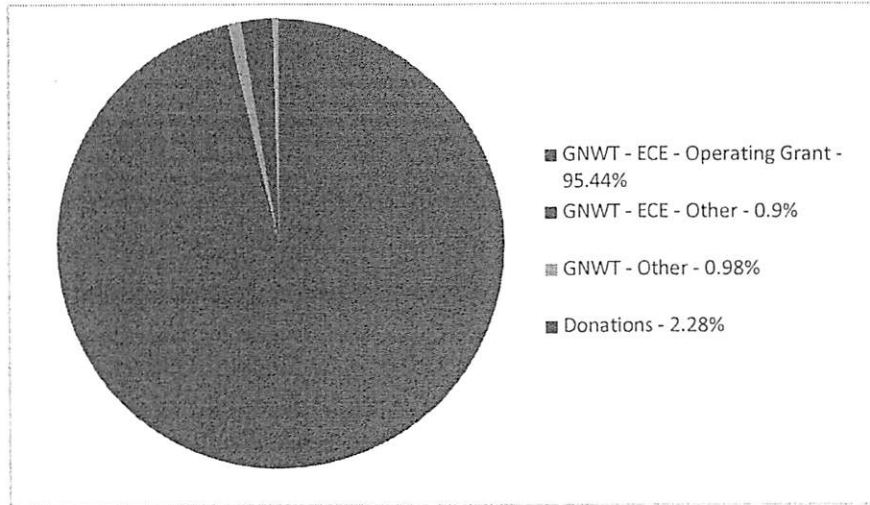
- Consistently positive working relationship between Dettah District Education Authority and Kaw Tay Whee School Staff; maximizing the potential for a positive learning environment for students and support for families
- An increase in the amount and quality of instruction in the local Wiiliideh language,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

#### **Challenges and Threats:**

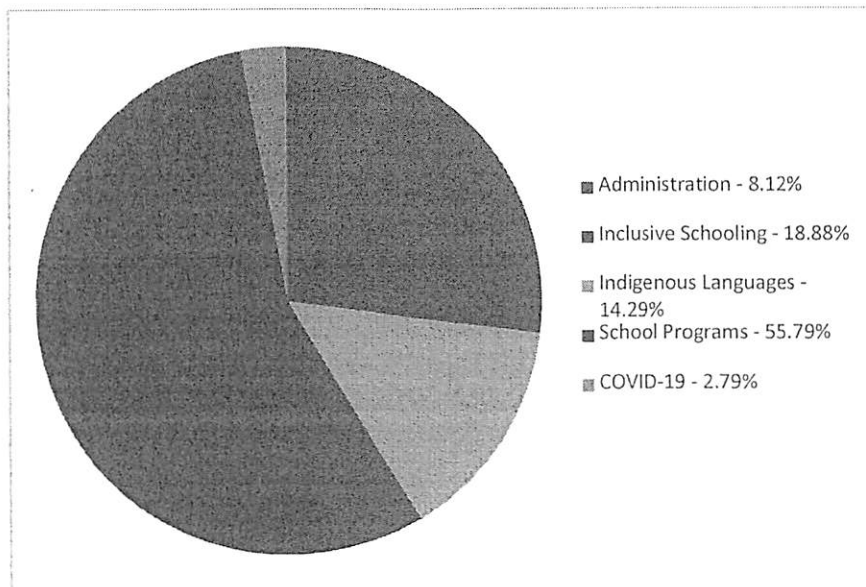
- This year the DEA continued to face financial challenges as many positions or services have either been cut in the funding, or do not receive any funding; examples include a cut to the custodian position, bus funding that does not provide for the actual cost amount, the fee for superintendency services, as well as fees for any book-keeping or the annual audit.

- As in years past; due to large families moving away from Dettah, or a low birth year in the community, school enrollment can be volatile and unpredictable from year to year; thus providing a challenge for the number of grades offered in one room, and in providing assistance for those students requiring one-on-one support. In order to minimize threat, as school funding changes, the DDEA has ensured a small surplus to attempt to maintain the integrity of school programming and staff allocations to best meet the needs of our students

**Operating Revenue for the DDEA in 2019-2020**

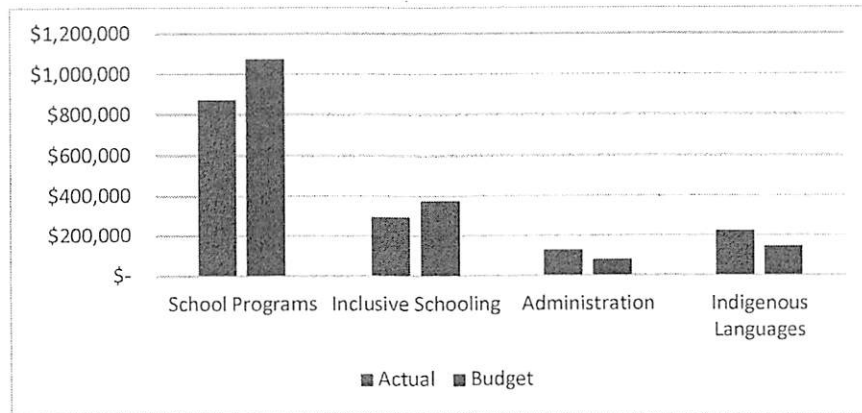


**Expenditures by program for the DDEA in 2019-2020**





## Operating expenditure actual compared to budget for DDEA in 2019-2020



### Financial Condition

The Authority's financial assets decreased from \$745,322 to \$680,283. This year the net financial assets (financial assets less liabilities) were \$538,458 compared to \$618,059 in the prior year, indicating a weaker financial position.

The Authority had an operating surplus of \$99,579 for the year compared to an operating surplus of \$141,322 in the prior year. The decrease in 2019-20 surplus compared to 2018-19 can be attributed to the decrease in ECE contributions due to decreased enrolment. The accumulated surplus at year end is \$538,453.

Accounts payable and accrued liabilities have increased from \$39,535 to \$53,928 due to the timing of payments at year end.

The Yellowknife Education District #1 Payable decreased from \$179,187 to nil. The decrease is due to the Authority having paid the July and August 2020 by June 30, 2020. As such, there is no outstanding payable balance for the year.

Dettah DEA received 99% (2019 – 98%) of its funding from the GNWT. The core funding decreased from \$1,640,745 to \$1,586,622 in the current year. Other revenue in the current year mainly consists of donations from Dominion Diamond Corporation of \$30,000.

### Summary and Outlook

#### **Achievements and Successes:**

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

**Top Priority Challenges for the Coming Year:**

- The COVID-19 Global Pandemic offers an unpredictable impact on enrolment
- In order to minimize the impact on school programming, and experiences, school management will continue to work with outside stakeholders and partners to provide opportunities for students without impacting current allocations

## Management's Responsibility for Financial Reporting

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

### Management's Responsibility for Financial Reporting with respect to the school year ended June 30, 2020

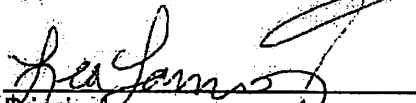
The Management Discussion and Analysis, Financial Statements, Schedules and Notes herein submitted have been prepared and approved by management. They provide full disclosure and accurately reflect the financial and non-financial condition of Dettah District Education Authority (the "Authority") in all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

Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that proper records are maintained. Controls further include quality standards regarding the hiring and training of employees, that ensure the adequate maintenance of written policies and procedural manuals and that further provide for appropriate accountability for performance within well-defined areas of responsibility. The operations and administration of the Dettah District Education Authority have been conducted within the statutory powers of the Education Authority. The operations and administration of the Education 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 Education Authority 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 Dettah District Education Authority

  
Principal  
Dettah District Education Authority

September 25, 2020

## **Independent Auditors' Report**

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

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

#### ***Opinion***

We have audited the accompanying financial statements of Dettah District Education Authority (the "Authority") which comprise the Statement of Financial Position as at June 30, 2020 and the Statement of Changes in Net Assets, Statements of Operations and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Dettah District Education Authority as at June 30, 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Other Information***

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## Independent Auditors' Report (continued)

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Independent Auditors' Report (continued)

### *Report on Compliance with Specified Authorities*

In conjunction with the audit of the financial statements, we have audited transactions of the Authority coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the Government of the Northwest Territories - Department of Education, Culture and Employment.

In our opinion, the transactions of the Authority that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above.

Management is responsible for the Authority's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the entity to comply with the specified authorities.

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.



Yellowknife, Northwest Territories  
September 25, 2020

Chartered Professional Accountants

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# Dettah District Education Authority

## Statement of Financial Position

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As at June 30, 2020 2019

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### Financial Assets

Cash and cash equivalents (Note 5)	\$ 678,743	\$ 745,322
Accounts receivable (Note 9)	1,540	-
	<b>680,283</b>	<b>745,322</b>

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### Liabilities

Payroll liabilities (Note 11)	796	3,233
Accounts payable and accrued liabilities (Note 11)	53,928	39,353
Deferred revenue (Note 12)	-	52,400
Contributions repayable (Note 13)	54,400	2,000
Leave and termination benefits (Note 17)	32,706	30,277
Due to Yellowknife Education District #1 (Note 25)	-	179,187
	<b>141,830</b>	<b>306,450</b>


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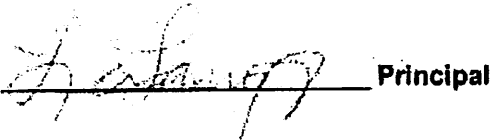
**Accumulated Surplus and Net Financial Assets** **\$ 538,453** **\$ 438,872**

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Contractual obligations and contingencies (Note 22 and 23)

Approved on behalf of the Education Authority

  
\_\_\_\_\_  
Chairperson

  
\_\_\_\_\_  
Principal

# Dettah District Education Authority

## Statement of Operations

For the year ended June 30,	2020	2020	2019
	Budget (unaudited)	Actual	Actual
<b>Revenues</b>			
<b>Government of the NWT</b>			
ECE Regular Contributions	\$ 1,624,744	\$ 1,586,622	\$ 1,640,745
ECE Other Contributions (Note 31)	-	15,000	2,000
<b>Total ECE</b>	1,624,744	1,601,622	1,642,745
Other GNWT Contributions (Note 32)	25,000	16,279	18,667
<b>Total GNWT</b>	1,649,744	1,617,901	1,661,412
<b>Government of Canada</b>			
Jordan's Principle (Schedule 5)	-	-	52,400
Transfer to deferred revenue	-	-	(52,400)
<b>Education Body Generated Funds</b>			
Donations	-	37,925	37,308
Investment Income	-	6,527	4,263
<b>Total Generated Funds</b>	-	44,452	41,571
<b>Total Revenues</b>	<b>\$ 1,649,744</b>	<b>\$ 1,662,353</b>	<b>\$ 1,702,983</b>
<b>Expenditures (Schedule 1)</b>			
Administration	80,500	126,973	133,254
School Programs	1,073,759	871,811	853,050
Inclusive Schooling	376,770	295,111	329,340
Operations and Maintenance	37,424	-	-
Indigenous Languages	270,190	223,273	246,017
COVID-19	-	43,625	-
President's Choice Children's Charity	-	1,981	-
	<b>\$ 1,838,643</b>	<b>\$ 1,562,774</b>	<b>\$ 1,561,661</b>
<b>Operating Surplus (deficit) before other items</b>	<b>(188,899)</b>	<b>99,579</b>	<b>141,322</b>
<b>Other Items</b>			
Grant in-kind - Assets provided at no cost (Note 22)	-	42,111	42,111
Rent expense - Assets provided at no cost (Note 22)	-	(42,111)	(42,111)
<b>Operating Surplus (deficit)</b>	<b>(188,899)</b>	<b>99,579</b>	<b>141,322</b>
<b>Opening Accumulated Surplus</b>	<b>438,874</b>	<b>438,874</b>	<b>297,552</b>
<b>Closing Accumulated Surplus</b>	<b>\$ 249,975</b>	<b>\$ 538,453</b>	<b>\$ 438,874</b>



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**Dettah District Education Authority**

**Statement of Changes in Net Assets**

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<b>For the year ended June 30,</b>	<b>2019</b>	<b>2019</b>
<b>Operating surplus</b>	<b>\$ 99,579</b>	<b>\$ 141,322</b>
<b>Net assets, beginning of year</b>	<b>438,872</b>	<b>297,552</b>
<b>Net assets, end of year</b>	<b>\$ 538,451</b>	<b>\$ 438,874</b>

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

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<b>For the year ended June 30,</b>	<b>2020</b>	<b>2019</b>
<b>Cash provided by (used in):</b>		
<b>Operating transactions</b>		
Operating surplus (deficit)	\$ 99,579	\$ 141,322
<b>Changes in non-cash assets and liabilities</b>		
Decrease (increase) accounts receivable	(1,540)	-
Increase (decrease) accounts payable	14,576	(5,443)
Increase (decrease) payroll liabilities	(2,436)	184
Increase (decrease) due to Yellowknife District Education #1	(179,187)	96,488
Increase (decrease) contribution repayable	54,400	2,000
Increase (decrease) deferred revenue	(54,400)	52,400
Increase (decrease) post employment benefits	2,429	2,015
	<b>(166,158)</b>	<b>147,644</b>
<b>Cash provided by (used in) operating transactions</b>	<b>(66,579)</b>	<b>288,966</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>745,322</b>	<b>456,356</b>
<b>Cash and cash equivalents at end of year (Note 4)</b>	<b>\$ 678,743</b>	<b>\$ 745,322</b>

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# Dettah District Education Authority

## Notes to Financial Statements

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June 30, 2020

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### 1. Nature of Operations

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

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

Section 81 of the *Education Act* outlines the powers of a Board of Education which for the Authority includes all aspects of operation and management. The Authority is the lowest (and sole) level of government exercising oversight responsibility.

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

### 2. COVID-19

On March 11, 2020, the World Health Organization declared a global pandemic of the novel coronavirus identified as "COVID-19". In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations, resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal, provincial and territorial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Authority and its operations in future periods.

During the year, the Education Authority closed the school in late March 2020 to comply with the directives from the GNWT. The Education Authority plans to incur additional expenses to address the pandemic in the future periods. The funding for the upcoming school year is not expected to be negatively affected by the pandemic.

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# Dettah District Education Authority

## Notes to Financial Statements

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June 30, 2020

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### 3. Significant Accounting Policies

#### (a) Basis of Accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards. The 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 expenditures are recorded when they are incurred.

### 3. Significant Accounting Policies (continued)

#### (b) Cash and Cash Equivalents

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

#### (c) Financial Instruments

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

Financial assets measured at amortized cost include cash and cash equivalents.

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

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

#### (d) Non-Financial Assets

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

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## **Detah District Education Authority**

### **Notes to Financial Statements**

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**June 30, 2020**

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#### **3. Significant Accounting Policies (continued)**

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

All buildings and works, furniture, equipment and vehicles are the property of the Government of the Northwest Territories. The Minister grants to the Education Authority the full occupancy and use of such facilities and equipment where requested for the administration and delivery of education system programs. Capital assets with a value in excess of \$50,000 are recorded at cost and amortized in accordance with the Financial Administration Manual guidelines by the Government of the Northwest Territories. 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

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

###### **Other contributions**

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

Other revenue is recorded as the service is provided and receipt is reasonably assured.

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# Detah District Education Authority

## Notes to Financial Statements

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June 30, 2020

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### 3. Significant Accounting Policies (continued)

#### Deferred revenue

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

#### Investment income

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

#### Donations

Donations are recognized in the period they are received.

#### (f) Revenue recognition (continued)

##### Special Purpose Funds

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

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

#### (g) Budget Data

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

The priorities and funding allocations are determined by the Board of Trustees of each Education Authority and the budget is legally adopted by a motion of the Board in accordance with Section 135 (3) of the *Education Act*.

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(2) of the *Education Act*.

Budget 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 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 Education Authority.

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# Dettah District Education Authority

## Notes to Financial Statements

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June 30, 2020

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### 3. Significant Accounting Policies (continued)

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

#### (h) Measurement Uncertainty

The preparation of 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.

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

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

#### (j) Post-employment Benefits, Compensated Absences and Termination Benefits

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

#### (k) Expenditures

Expenditures are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Transfers include entitlements and grants and are recorded as expenditures when the transfer is authorized and eligibility criteria have been met by the recipient.

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# Dettah District Education Authority

## Notes to Financial Statements

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June 30, 2020

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### 3. Significant Accounting Policies (continued)

#### (I) Segment Disclosures

The Schedule of Operating Fund - Detail of Expenditures has been prepared in accordance with PS Handbook Section PS 2700 – Segment Disclosures. The segments selected are to enable users to better understand the government reporting entity and the major revenue and expenditure activities of the Board. For each reported segment, revenue and expenditures represent amounts directly attributable to each segment. Segments include:

School Programs: pertains to the provision of instructional services that falls under the basic public education mandate.

Inclusive Schooling: pertains to access to quality education for all students by effectively meeting their diverse needs.

Administration: pertains to the provision of board governance and central office administration, operation and maintenance.

Indigenous Languages: pertains to indigenous language resource development, support for language teachers and instructors, and enhance community engagement.

Transfers and others: pertains to amortization, debenture interest and gain or loss on sale (disposal) of tangible capital assets.

COVID-19 Expenses: pertains to expenses incurred during the year to address issues caused by the COVID-19 pandemic.

During the year the segments; Operations and Maintenance and Administration were combined to comprise the segment above titled Administration.

### 4. Future Accounting Changes

#### Revenue, Proposed Section PS 3400

This section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions". This section applies to fiscal years beginning on or after April 1, 2022. Earlier adoption is permitted.

The impact of the transition to this proposed accounting standard, if any, has not yet been determined.

### 5. Cash and Cash Equivalents

	2020	2019
Cash and cash equivalents	<b>\$ 678,743</b>	<b>\$ 745,322</b>

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### 6. Special Purpose Funds

The Education Authority does not have special purpose funds.

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**Dettah District Education Authority**

**Notes to Financial Statements**

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**June 30, 2020**

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# Dettah District Education Authority

## Notes to Financial Statements

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June 30, 2020

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### 7. Restricted Assets

The Education Authority does not have restricted assets.

### 8. Portfolio Investments

The Education Authority does not have any portfolio investments.

### 9. Accounts Receivable

The Education Authority has accounts receivable from the following customer:

	2020	2019
Breakfast club of Canada	\$ 1,540	\$ -

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### 10. Inventory

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

### 11. Accounts Payable and Payroll Liabilities

	2020	2019
Trade payable	\$ 53,928	\$ 39,353
Payroll liabilities	796	3,233
	<b>\$ 54,724</b>	<b>\$ 42,586</b>

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### 12. Deferred Revenue

	2020	2019
Government of Canada Jordan's Principle	\$ -	\$ 52,400

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### 13. Contributions Repayable

	2020	2019
Government of the Northwest Territories Department of Education, Culture and Employment	\$ 2,000	2,000
Government Canada Jordan's Principle	52,400	-
<b>Total</b>	<b>\$ 54,400</b>	<b>2,000</b>

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## **Dettah District Education Authority**

### **Notes to Financial Statements**

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**June 30, 2020**

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#### **14. Due From and To the Government of Canada**

The Education Authority does not have amounts due from and due to the Government of Canada other than the contribution repayable amount related to Jordan's Principle..

#### **15. Capital Lease Obligations**

The Education Authority does not have capital lease obligations.

#### **16. Pensions**

The Education 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 \$3,505,159. 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 \$175,156 for January 2020, and \$171,368 for January 2019. The maximum monthly contributions is \$3,093 for January 2020, and \$3,026 for January 2019.

NEBS is an employer owned program and as such the Education Authority will be liable for its portion of any shortfall. The Plan serves 3202 Employee Members and 111 Employer Members (total active, disabled and on leave 1,930).

As of January 1, 2020, the excess (deficiency) of actuarial value of net assets over actuarial present value of defined benefits is estimated to be \$31,200,000 - funded ratio 113% (2019 - \$25,200,000 and 112%) on a going concern valuation basis. The Plan had a solvency ratio deficiency of \$142,700,000 and a solvency ratio of 66%. 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, 2018, the NEBS Pension plan Trust Fund balance of \$15,123,613.

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.

#### **17. Long-Term Debt**

The Education Authority does not have long-term debt.

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## **Detah District Education Authority**

### **Notes to Financial Statements**

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**June 30, 2020**

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#### **18. Post Employment Benefits and Compensated Absences and Termination Benefits**

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

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

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

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**June 30, 2020**

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**18 Post Employment Benefits and Compensated Absences and Termination Benefits (continued)****Valuation results**

The actuarial valuation was completed as at March 31, 2020. The effective date of the next actuarial valuation is March 31, 2021. The liabilities are actuarially determined as the present value of the accrued benefits at March 31, 2020 and the results extrapolated to June 30, 2020. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the Authority.

<b>Changes in Obligations</b>	<b>Severance and Removal</b>	<b>Compensated Absences</b>	<b>2020</b>
Accrued benefit obligation, beginning of year	\$ 18,902	\$ 7,814	\$ 26,716
Current period benefit cost	1,882	563	2,445
Interest accrued	587	235	822
Benefits payments	-	(332)	(332)
Actuarial (gain)/loss	(3,724)	(1,231)	(4,955)
<b>Accrued benefit obligations end of year</b>	<b>(17,647)</b>	<b>(7,049)</b>	<b>(24,696)</b>
<b>Unamortized net actuarial loss</b>	<b>(7,195)</b>	<b>(815)</b>	<b>(8,010)</b>
<b>Accrued benefit liability</b>	<b>(24,842)</b>	<b>(7,864)</b>	<b>(32,706)</b>
<b>Benefit expenses</b>			
Current service costs	1,882	563	2,445
Interest costs	587	235	822
Amortization of actuarial gains	(593)	87	(506)
	<b>\$ 1,876</b>	<b>\$ 885</b>	<b>\$ 2,761</b>

The discount rate used to determine the accrued benefit obligation was an average of 2.70%, (2019 - 3.20%). The expected payments during the next five fiscal years are

	<b>Severance and removal</b>	<b>Compensated absences</b>	<b>Total</b>
2021	\$ 3,015	\$ 1,132	\$ 4,147
2022	2,007	612	2,619
2023	1,576	332	1,908
2024	1,335	197	1,532
2025	1,171	132	1,303
2024 - 2028	4,685	1,065	5,750
<b>Total</b>	<b>\$ 13,789</b>	<b>\$ 3,470</b>	<b>\$ 17,259</b>

**19. Trust Assets Under Administration**

The Education Authority does not have trust assets under administration.

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## Dettah District Education Authority

### Notes to Financial Statements

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June 30, 2020

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#### 20. Tangible Capital Assets

The Education Authority does not have tangible capital assets.

#### 21. Prepaid Expenses and Deposits

The Education Authority does not have prepaid expenses and deposits.

		2020	2019	
<b>22. GNWT Assets Provided At No Cost</b>				
	Cost	Accumulated Amortization	2020 Net Book Value	2019 Net Book Value
Kaw Tay Whee	\$ 895,327	\$ 568,973	\$ 326,354	\$ 368,465

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Rent expense of \$42,111 (2019 - \$42,111) was offset by a grant in-kind.

#### 23. Contractual Obligations

The Education Authority does not have any contractual obligations.

#### 24. Contingencies

The Education Authority does not have any contingencies.

#### 25. Related Parties

The Authority is related in terms of common ownership to all GNWT created departments, agencies and corporations. The Authority enters into transactions with these entities in the normal course of business. Transactions with related parties and balances at year-end not disclosed elsewhere in the financial statements are summarized in this note.

	2020	2019
<b>Due to Related Party</b>		
Yellowknife Education District #1	\$ -	\$ 179,187
<hr/>		
<b>Revenues from Related Parties</b>		
Government of the Northwest Territories		
Department of Education, Cultural and Employment	\$ 1,601,622	\$ 1,642,745
Department of Municipal and Community Affairs	15,675	16,400
Department of Health and Social Services	604	2,267
<hr/>		
<b>Total revenues from related parties</b>	<b>\$ 1,617,901</b>	<b>\$ 1,661,412</b>

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# Dettah District Education Authority

## Notes to Financial Statements

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June 30, 2020

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### 25 Related Parties (continued)

	2020	2019
<b>Expenses Paid to Related Parties</b>		
Yellowknife Catholic Schools	\$ 250,256	\$ 287,827
Yellowknife Education District #1	41,497	46,327
<b>Total expenses to related parties</b>	<b>\$ 291,753</b>	<b>\$ 334,154</b>

### 26. Budget Data

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

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

The budget figures presented are those approved by the Minister of Education, Culture and Employment on June 24, 2019 and have not been audited.

### 27. Economic Dependence

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

### 28. Financial Instruments

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

#### a) Credit risk

Credit risk is the risk of financial loss to the Authority if a debtor fails to make payments of interest and principal when due. The Authority is exposed to this risk relating to its cash and cash equivalents. The Authority holds its cash and cash equivalents in accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Authority's cash in accounts are insured up to \$100,000.

The Authority's maximum exposure to credit risk is represented by the financial assets balance for a total of \$680,283 (2019 - \$745,322).

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# Detah District Education Authority

## Notes to Financial Statements

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June 30, 2020

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### 27. Financial Instruments (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, payroll liabilities, contributions repayable and amounts due to Yellowknife Education District #1 for a total \$162,728 (2019 - \$95,753).

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

The table below shows when various financial assets and liabilities mature:

<b>Financial assets</b>	Up to 6 months	6 months to 1 year	1 to 5 years	Over 5 years
Cash and cash equivalents	\$ 680,283	\$ -	\$ -	\$ -
<b>Total financial assets</b>	<b>\$ 680,283</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Total financial assets - prior year	\$ 745,322	\$ -	\$ -	\$ -
<b>Financial liabilities</b>	Up to 6 months	6 months to 1 year	1 to 5 years	Over 5 years
Accounts payable and accrued liabilities	\$ 53,928	\$ -	\$ -	\$ -
Due to Yellowknife Education District #1	54,400	-	-	-
Contributions Repayable	54,400	-	-	-
Deferred Revenue	54,400	-	-	-
Accrued payroll liabilities	796	-	-	-
<b>Total financial liabilities</b>	<b>\$ 217,924</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Total financial liabilities - prior year	\$ 93,753	\$ -	\$ -	\$ -
<b>Net total</b>	<b>\$ 462,359</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Net total - prior year	\$ 651,569	\$ -	\$ -	\$ -

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## Dettah District Education Authority

### Notes to Financial Statements

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June 30, 2020

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#### 29. Expenditures By Object

	2020 Budget	2020 Actual	2019 Actual
Compensation	\$ 1,023,046	\$ 844,665	\$ 836,396
Materials and freight	302,815	243,357	178,792
Services purchased or contracted	512,482	474,752	546,473
	<b>\$ 1,838,343</b>	<b>\$ 1,562,774</b>	<b>\$ 1,561,661</b>

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#### 30. Subsequent Events

There were no material subsequent events that have taken place between June 30, 2019 and the audit report date.

#### 31. ECE Other Contributions

	2020	2019
Government of the Northwest Territories - Department of Education, Culture and Employment		
Health and Wellness Support	\$ -	\$ 2,000
Student School Initiative	15,000	-
	<b>\$ 15,000</b>	<b>\$ 2,000</b>

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#### 32. GNWT Other Contributions

	2020	2019
Government of the Northwest Territories		
Department of Health and Social Services - Drop the pop	\$ 604	\$ 2,267
Department of Municipal and Community Affairs- After School Physical Activity Program	15,675	16,400
	<b>\$ 16,279</b>	<b>\$ 18,667</b>

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#### 33. Contingent Assets

The Education Authority does not have any contingent assets.

#### 34. Contractual Rights

The Education Authority does not have any contractual rights.

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# Dettah District Education Authority

## Schedule 1 - Details of Expenditures

For the year ended June 30,

								Total 2020	Budget 2020	Total 2019
	School Programs	Operations and Administration Maintenance	Indigenous Language and Culture (schedule 2)	Inclusive Schooling (schedule 4)	COVID-19	President's Choice Children's Charity	Total	Total	Total	Total
<b>Salaries</b>										
Teachers	\$ 209,574	\$ -	\$ 23,624	\$ -	\$ 236,314	\$ -	\$ -	\$ 469,512	512,508	466,798
Instructional assistant	3,744	-	-	-	-	-	-	3,744	423,246	4,397
YK1 superintendent	-	-	27,500	-	-	-	-	27,500	-	27,500
Non-instructional staff	27,994	-	-	175,385	-	-	-	203,379	37,424	220,839
Board/Trustee honoraria	-	-	14,973	-	-	-	-	14,973	13,000	16,660
School secretary	1,000	-	-	-	-	-	-	1,000	-	-
<b>Total salaries</b>	<b>242,308</b>	<b>-</b>	<b>66,097</b>	<b>175,385</b>	<b>236,314</b>	<b>-</b>	<b>-</b>	<b>720,108</b>	<b>986,178</b>	<b>736,190</b>
<b>Employee benefits</b>										
Employee benefits and allowances	51,404	-	8,882	22,870	38,972	-	-	122,128	36,868	98,186
Leave and termination benefits	1,284	-	64	393	688	-	-	2,429	-	2,016
<b>Total employee benefits</b>	<b>52,688</b>	<b>-</b>	<b>8,946</b>	<b>23,263</b>	<b>39,660</b>	<b>-</b>	<b>-</b>	<b>124,557</b>	<b>36,868</b>	<b>100,202</b>
<b>Services Purchased or Contracted</b>										
Advertising	26,424	-	210	562	-	-	-	27,196	18,000	29,793
Contracted services	260,909	-	31,957	-	-	2,518	-	295,384	297,282	328,189
Maintenance and upgrades	315	-	-	-	6,481	-	-	6,796	-	3,314
Other	23,899	-	18,146	320	-	-	1,981	44,346	-	52,349
Professional and technical services	37,414	-	-	-	858	56	-	38,328	112,500	57,327
Student transportation (busing)	62,702	-	-	-	-	-	-	62,702	85,000	75,501
<b>Total Services Purchased or Contracted</b>	<b>411,663</b>	<b>-</b>	<b>50,313</b>	<b>882</b>	<b>7,339</b>	<b>2,574</b>	<b>1,981</b>	<b>474,752</b>	<b>512,782</b>	<b>546,473</b>
<b>Materials and Freight</b>										
Freight	731	-	-	-	-	-	-	731	-	955
Materials	164,417	-	1,617	23,743	11,798	41,051	-	242,626	302,815	177,837
<b>Total Materials and freight</b>	<b>165,148</b>	<b>-</b>	<b>1,617</b>	<b>23,743</b>	<b>11,798</b>	<b>41,051</b>	<b>-</b>	<b>243,357</b>	<b>302,815</b>	<b>178,792</b>
<b>Total Expenditures</b>	<b>\$ 871,811</b>	<b>\$ -</b>	<b>\$ 126,973</b>	<b>\$ 223,273</b>	<b>\$ 295,111</b>	<b>\$ 43,625</b>	<b>\$ 1,981</b>	<b>\$ 1,562,774</b>	<b>1,838,643</b>	<b>1,561,661</b>

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**Dettah District Education Authority****Schedule 2****Details of Indigenous Language and Culture Program Expenditures**

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For the year ended June 30,

**2020**

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Function	Student Instruction	Teaching/ Learning Resources	Professional Development	School Activities and Integrated Community Programs	Total
<b>Salaries</b>					
Non-instructional staff	\$ 175,385	\$ -	\$ -	\$ -	\$ 175,385
<b>Employee Benefits</b>					
Employee benefits and allowances	22,870	-	-	-	22,870
Leave and termination benefits	393	-	-	-	393
	23,263				23,263
<b>Services Purchased or Contracted</b>					
Advertising	562	-	-	-	562
Other contracted services	320	-	-	-	320
Professional/technical services	-	-	-	-	-
Student transportation (bussing)	-	-	-	-	-
	882				882
<b>Materials/Supplies/Freight</b>					
Materials	23,743	-	-	-	23,743
<b>Total</b>	<b>\$ 223,273</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 223,273</b>

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**Dettah District Education Authority****Schedule 3  
Indigenous Languages and Education Program**

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	July 1, 2018 to March 31, 2019	April 1, 2019 to June 30, 2019	Total
<b>Revenue</b>			
GNWT ECE funding	\$ 128,428	\$ 74,670	\$ 203,098
<b>Expenses</b>			
Salaries	120,380	64,535	184,915
Employee benefits	7,810	5,923	13,733
Services Purchased or Contracted	19,970	4,655	24,625
	<b>148,160</b>	<b>75,113</b>	<b>223,273</b>
<b>Net Deficit</b>	<b>\$ (19,732)</b>	<b>\$ (443)</b>	<b>\$ (20,175)</b>

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**Dettah District Education Authority****Schedule 4****Details of Inclusive Schooling Expenditures**

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For the year ended June 30,

**2020**

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	Staff Development	Assistive Technology	Jordan's Principle (schedule 5)	General Inclusive Schooling	Total
<b>Salaries</b>					
Program support teachers	\$ -	\$ -	\$ -	\$ 236,314	\$ 236,314
<b>Employee Benefits</b>					
Employee benefits and allowances	-	-	-	38,972	38,972
Leave and termination benefits	-	-	-	688	688
	-	-	-	39,660	39,660
<b>Services Purchased or Contracted</b>					
Professional and technical services	-	-	-	858	858
Other contracted services	-	-	-	6,481	6,481
				48,545	48,545
<b>Materials/Supplies/Freight</b>					
Materials	-	-	-	11,798	11,798
<b>Total</b>	\$ -	\$ -	\$ -	\$ 295,111	\$ 295,111

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**Dettah District Education Authority****Schedule 5  
Jordan's Principle**

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<b>For the year ended June 30, Total</b>	<b>Budget 2020</b>	<b>Actual 2020</b>	<b>Actual 2019</b>
<b>Revenue</b>			
Government of Canada	\$ -	\$ -	\$ 52,400
<b>Expenses</b>			
Salaries	-	-	-
Employee benefits	-	-	-
Services Purchased or Contracted	-	-	-
	-	-	-
<b>Surplus</b>	\$ -	\$ -	\$ 52,400
<b>Transfer to deferred revenue</b>		\$ -	\$ (52,400)

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

**Financial Statements**

**June 30, 2020**

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

**Financial Statements**

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## Management Discussion and Analysis

### Introduction

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

NDEA Vision: "Building our children's future by teaching and learning the Dene way."

Mission Statement: K'alemi Dene School is committed to providing quality education for our students by concentrating on the 4 components of learning:

- Language and culture
- Academics and technology
- Dene Laws and Virtues
- Physical and Active Living

Through the development of skills in these areas, students will grow and develop into respectful, healthy, diligent and strong Dene who will give back to their families, community and the North.

The vision and mission statement were developed during a community meeting in the Spring of 2010. Each year, the NDEA hosts a community meeting, where the vision and mission statements are discussed and community input is gathered. Both of these statements and input from NDEA and community meetings shape the learning priorities and planning for the K'alemi Dene School as reflected in the NDEA Operating Plan for the 2019-20 school year.

The NDEA is an independent legal and accounting entity with an elected Education Authority as stipulated in Section 82 of the Education Act. The Education Authority has decision making authority, the power to delegate authority, the ability to significantly influence operations and the sole accountability for all fiscal matters. Members serve a three-year term. The NDEA is responsible for one school, K'alemi Dene School (KDS). All members serve on the financial committee.

#### **Current NDEA Board Members:**

Lila Erasmus	Chair Person
Sarah Erasmus	Vice Chair Person
Cecilie Beaulieu	Trustee
Theresa Black	Trustee
Roberta Campbell	Trustee
Myra Conrad	Trustee
Nyra Mackenzie	Trustee

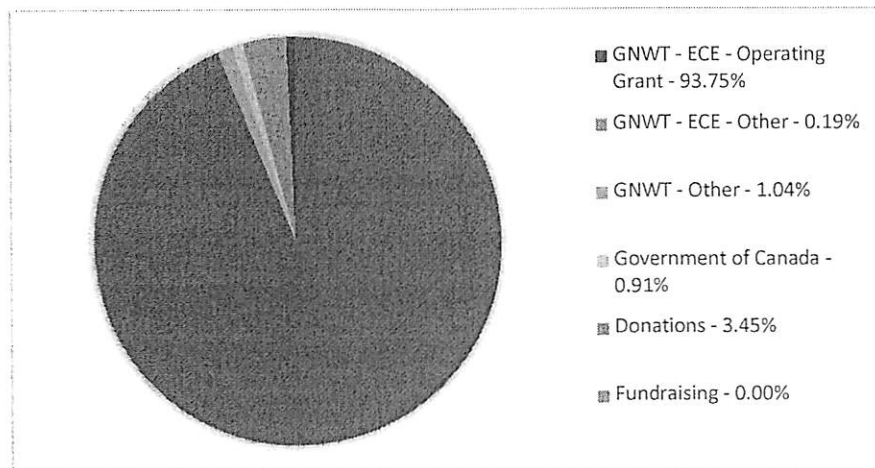
#### **Ndilo District Education Authority Administration:**

Metro Huculak	Former Superintendent of Yellowknife Education District No. 1
Ed Lippert	Current Superintendent of Yellowknife Education District No. 1
Meagan Wowk	Principal of K'alemi Dene School

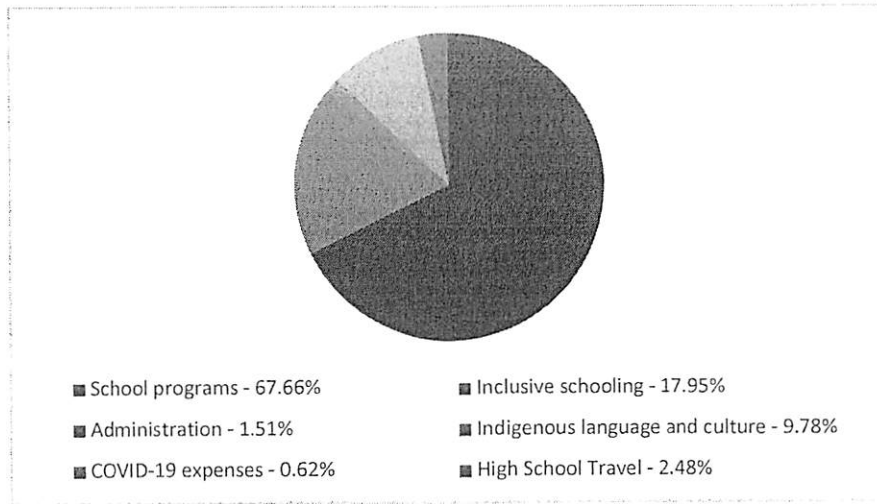
### Key Financial Highlights

- In 2019-20, KDS had an enrollment of 113 full time students from junior kindergarten to grade 12. For the past 3 years enrollment has increased by approximately 10 students/year.
- The NDEA has an accumulated surplus of \$1,180,960. This increased from \$1,030,611 in 2019. A healthy surplus is required to manage upcoming maternity leaves, fluctuating enrolment and the prospect of upcoming complex needs students.
- The NDEA is able to maintain a staff of approximately 20 full time employees. Most positions are funding by ECE's school funding formula, but the NDEA feels there are other positions required to deliver quality programming like the Food Service Assistant, and additional Education Assistants.
- Due to Covid-19, KDS has expanded to nine classrooms to meet all the requirements from the Office of the Chief Public Health Officer. In order to do this, we converted the Culture Room into a classroom. The Language and Culture Instructor now conducts lessons by moving each classroom. All classrooms are multi-grade splits.

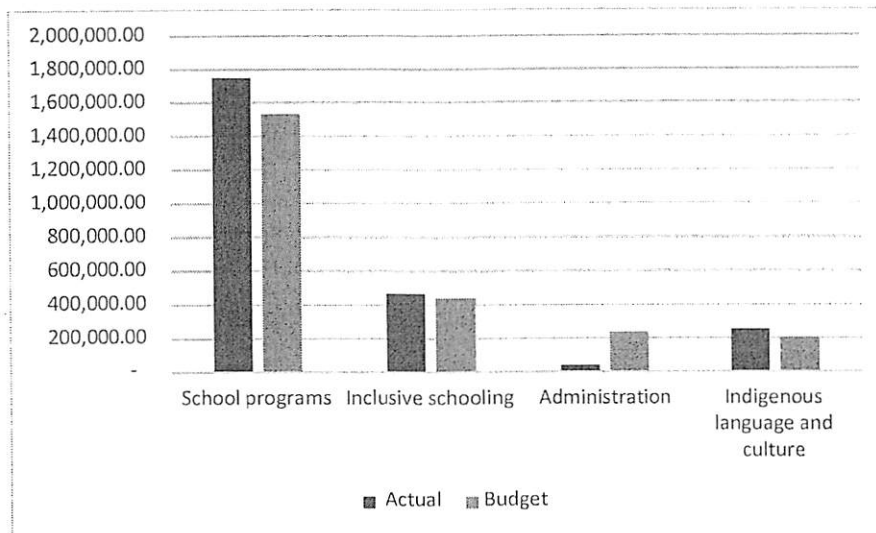
### Operating Revenue for the NDEA in 2020



**Expenses by program for the NDEA in 2020**



**Operating expenditure actuals compared to budget for NDEA in 2020**



**NDEA Enrolment (FTE) by school and by grade as of September 30, 2019**

School	Grades													
	JK	K	1	2	3	4	5	6	7	8	9	10	11	12
KDS	8	7	9	12	9	8	6	6	8	7	8	14	6	5
<b>NDEA Total</b>	<b>8</b>	<b>7</b>	<b>9</b>	<b>12</b>	<b>9</b>	<b>8</b>	<b>6</b>	<b>6</b>	<b>8</b>	<b>7</b>	<b>8</b>	<b>14</b>	<b>6</b>	<b>5</b>

During the 2019-20 school year, the NDEA employed:

Positions	Number of staff
Classroom Teachers	9
Language Instructor/Elder*	0.5
Indigenous Language and Culture Coordinator	1
PST	1
Educational Assistants	5
Food Service Assistant*	0.7
Custodian*	0.8
Principal/Regional Inclusive Coordinator	1
Total NDEA Staff	18.9

Please note the NDEA contracts superintendent services from Yellowknife Education District No. 1 (YK1). All instructional staff are employees of YK1 and follow the YK1 Collective Agreement. YK1 invoices the NDEA for salaries and benefits. The employees with asterisks are employees of the Yellowknives Dene First Nation (YKDFN). YKDFN invoices the NDEA for these salaries and benefits.

## **Operating Environment**

### **Strengths and Opportunities**

KDS is a small community school that serves students and families from junior kindergarten to grade 12. We have a comprehensive culture program that includes an Elder, Wiłııdeh Yatı Instructor and Indigenous Language and Culture Coordinator. Language classes follow the new curriculum *Our Languages* developed by the Department of Education, Culture and Employment (ECE). The culture camps are planned using the seasonal Yellowknives Dene First Nation calendar. Enhancing our language and culture program remains a priority to the NDEA and we continue to seek opportunities to expand our programming and capacity for delivering quality programming.

We provide an inclusive education environment that many families from Yellowknife seek out. We also ensure all of our families have access to transportation, a food program and integrated services in the school. It is the priority of the NDEA to maintain small classroom sizes. This ensures that classroom teachers have the time required to meet individual needs.

At this time, KDS has received additional funding to support an Alternative High School program for students who have not been successful in the traditional model. We feel it is important to

meet these students needs by providing flexible scheduling and other supports to help them complete courses and provide supports for healthy living.

### **Weaknesses and Threats**

As identified by the Early Development Instrument (EDI) and Middle Development Instrument (MDI), many of our students enter school with vulnerabilities in their different areas of their development. Both the EDI and MDI are assessments mandated by ECE and administered in kindergarten, grade four and grade seven.

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 supports can be put into place.

As well, the lack of gymnasium continues to threaten KDS programming and enrollment. The NDEA is grateful to YKDFN for the use of the Ndiq Community Gym. Unfortunately, this space is frequently used for meetings, funerals and other community events. The community gym is also small and not adequate for older students. This often hinders skill development because students do not have the space to run drills or multiple games. KDS often loses students to other Yellowknife schools due to inadequate gymnasium space.

Lack of classroom space continues to provide challenges to the types of programming we can offer and hinders opportunities for growth. To accommodate programming changes, the activity room and computer room have been converted to classrooms. We are often at loss for space for counselling and health services.

Fluctuating enrollment has the potential to threaten funding and the programs offered. When one or two families move away, students switch schools or a low birth year, these factors can dramatically affect enrollment, thus funding.

### **Financial Condition**

The Authority's financial assets decreased from \$1,678,281 to \$1,263,600. A large portion of this decrease relates to lower balance of cash at the end of the year. This year the net financial assets (financial assets less liabilities) were \$1,177,871 compared to \$1,026,835 in the prior year.

The Authority had an operating surplus of \$150,349 for the year. This surplus is mainly attributed to higher amount of funding received from ECE during the year. The accumulated surplus at year end is \$1,180,960.

Accounts payable and accrued liabilities have decreased from \$46,091 to \$38,587 due to decrease in amounts owing on VISA at year-end.

The Yellowknife Education District No. 1 payable is zero in 2020, contrasting with the amount of \$429,132 in 2019, which represents payroll costs for June, July, and August 2019. In 2020, the

June, July, and August wages were paid before year-end. As such, there is no outstanding payable balance.

In 2020, the NDEA received 95% of its funding from the GNWT. The core funding increased from \$2,440,179 to \$2,569,751 in the current year. The NDEA received funding from the Government of Canada from the Jordan's Principle program to subsidize the cost of transportation in 2020. Other revenue in the current year of funding mainly consists of donations for high school travel in 2020.

## 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, 2020

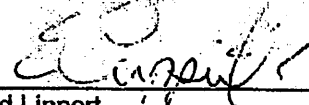
The Management Discussion and Analysis, Financial Statements, Schedules and Notes herein submitted have been reviewed by management. They provide full disclosure and accurately reflect the financial and non-financial condition of K'alemi Dene School ("the Education Authority") in all material respects 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 Education Authority have been conducted within the statutory powers of the Authority. The operations and administration of the Education 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 Education Authority

  
\_\_\_\_\_  
Ed Lippert                      Superintendent

September 24, 2020

## 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 Financial Statements*

We have audited the accompanying financial statements of K'alemi Dene School (the "Authority") which comprise the Statement of Financial Position as at June 30, 2020 and the Statement of Changes in Net Assets, Statements of Operations and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effect of the matters described in the *Basis of Qualified Opinion* paragraph, these financial statements present fairly, in all material respects, the financial position of K'alemi Dene School as at June 30, 2020 and the restful of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Qualified Opinion*

During the year, the Authority generated a significant amount of revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Authority. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, operating deficits, cash flows from operations, current assets and accumulated deficit for the year ended June 30, 2020. Our audit opinion on the financial statements for the year ended June 30, 2020 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Information*

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## Independent Auditors' Report (continued)

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## Independent Auditors' Report (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### *Report on Compliance with Specified Authorities*

In conjunction with the audit of the financial statements, we have audited transactions of the Authority coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the Government of the Northwest Territories - Department of Education, Culture and Employment.

In our opinion, the transactions of the Authority that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above.

Management is responsible for the Authority's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the entity to comply with the specified authorities.

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.

Yellowknife, Northwest Territories  
September 24, 2020



Chartered Professional Accountants

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

**Statement of Financial Position**

**As at June 30,** **2020**      **2019**

**Financial Assets**

Cash and cash equivalents (Note 5)	\$ 1,175,400	\$ 1,579,957
Portfolio investments (Note 8)	77,649	76,883
Due from the Government of Canada (Note 14)	10,076	18,225
Accounts receivable (Note 9)	475	3,216

**1,263,600**      **1,678,281**

**Liabilities**

Accounts payable and accrued liabilities (Note 11)	38,587	46,091
Payroll liabilities (Note 11)	-	445,389
Deferred revenue (Note 12)	-	114,215
Leave and termination benefits (Note 18)	47,142	45,751

**85,729**      **651,446**

**Net Financial Assets**

**1,177,871**      **1,026,835**

**Non-Financial Assets**

Prepaid expenses (Note 21)	3,089	3,776
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**Accumulated Surplus (Note 36)**

**\$ 1,180,960**      **\$ 1,030,611**

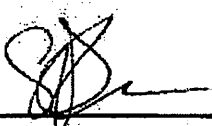
**Represented By:**

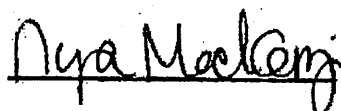
Operating Fund	\$ 1,150,763	\$ 1,030,611
High School Travel Fund	30,197	-

**\$ 1,180,960**      **\$ 1,030,611**

**Contractual obligations and contingencies (Notes 23 and 24)**

**Approved on behalf of the Education Authority**

  
\_\_\_\_\_  
Chairperson

  
\_\_\_\_\_  
Trustee

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

**Statement of Operations**

For the year ended June 30,	2020	2020	2019
	Budget (unaudited)	Actual	Actual
<b>Revenue</b>			
<b>Government of the Northwest Territories (GNWT)</b>			
ECE Regular contributions	\$2,369,463	\$2,569,751	\$2,440,179
ECE Other contributions (Note 32)	-	5,345	2,000
<b>Total ECE</b>	<b>2,369,463</b>	<b>2,575,096</b>	<b>2,442,179</b>
<b>GNWT Other contributions (Note 33)</b>	<b>17,500</b>	<b>28,555</b>	<b>43,175</b>
<b>Government of Canada</b>			
Jordan's Principle (Schedule 5)	106,241	25,000	333,180
Transfer to deferred revenue (Note 12)	-	-	(114,215)
<b>Total Government of Canada</b>	<b>106,241</b>	<b>25,000</b>	<b>218,965</b>
<b>Education authority generated funds</b>			
Donations - general	36,500	56,195	159,171
Donations - High School Travel	-	38,325	-
Transfers from other education authorities	-	17,225	19,159
Investment income	-	767	383
	<b>2,529,704</b>	<b>2,741,163</b>	<b>2,883,032</b>
<b>Expenses (Schedule 1)</b>			
School programs	1,534,229	1,750,999	1,884,274
Inclusive schooling	438,805	467,477	559,355
Administration	235,427	39,052	48,573
Indigenous Language and Culture	267,243	252,979	211,959
COVID-19 Expenses	-	16,019	-
High School Travel	-	64,288	-
	<b>2,475,704</b>	<b>2,590,814</b>	<b>2,704,161</b>
<b>Operating surplus before other items</b>	<b>54,000</b>	<b>150,349</b>	<b>178,871</b>
<b>Other items</b>			
Grant in-kind - GNWT assets provided at no cost (Note 22)	-	226,653	226,653
Rent expense - GNWT assets provided at no cost (Note 22)	-	(226,653)	(226,653)
	-	-	-
<b>Operating surplus</b>	<b>54,000</b>	<b>150,349</b>	<b>178,871</b>
<b>Opening accumulated surplus</b>	<b>1,030,611</b>	<b>1,030,611</b>	<b>851,740</b>
<b>Closing accumulated surplus</b>	<b>\$1,084,611</b>	<b>\$1,180,960</b>	<b>\$1,030,611</b>

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

**Statement of Changes in Net Financial Assets**

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<b>For the year ended June 30,</b>	<b>2020</b>	<b>2019</b>
<b>Operating surplus</b>	<b>\$ 150,349</b>	<b>\$ 178,871</b>
<b>Change in prepaid expenses</b>	<b>687</b>	<b>520</b>
<b>Increase in net financial assets</b>	<b>151,036</b>	<b>179,391</b>
<b>Net financial assets, beginning of year</b>	<b>1,026,835</b>	<b>847,444</b>
<b>Net financial assets, end of year</b>	<b>\$ 1,177,871</b>	<b>\$ 1,026,835</b>

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

**Statement of Cash Flows**

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<b>For the year ended June 30,</b>	<b>2020</b>	<b>2019</b>
<b>Cash provided by (used in):</b>		
<b>Operating Activities</b>		
Operating surplus	\$ 150,349	\$ 178,871
<b>Change in non-cash assets and liabilities</b>		
Decrease (increase) in accounts receivable	2,741	(2,741)
Increase (decrease) in deferred revenue	(114,215)	114,215
Decrease in accounts payable and accrued liabilities	(7,503)	(4,408)
Decrease in payroll liabilities	(445,389)	(4,515)
Increase in leave and termination benefits	1,391	5,826
Decrease (increase) in amounts due from Government of Canada	8,149	(13,109)
Decrease in prepaid expenses	687	526
	<b>(554,139)</b>	<b>95,794</b>
<b>Cash provided by (used in) operating transactions</b>	<b>(403,790)</b>	<b>274,665</b>
<b>Investing Activity</b>		
Re-invested interest	(767)	(383)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(404,557)</b>	<b>274,282</b>
<b>Cash and cash equivalents, beginning of year (Note 5)</b>	<b>1,579,957</b>	<b>1,305,675</b>
<b>Cash and cash equivalents, end of year (Note 5)</b>	<b>\$ 1,175,400</b>	<b>\$ 1,579,957</b>

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# K'alemi Dene School

## Schedule 1 Details of Expenses

For the year ended June 30,		2020	2020	2019					
	School Programs	Inclusive Schooling (schedule 2)	Administration	Indigenous Language and Culture Programs (schedule 3)	COVID-19 Expenses	High School Travel	Total	Budget (unaudited)	Total
<b>Salaries</b>									
Teachers' salaries	\$ 990,254	\$ 210,172	\$ -	\$ 138,938	\$ -	\$ -	\$ 1,339,364	\$ 1,222,768	\$ 1,268,697
Instruction assistants	56,691	144,224	-	-	-	-	200,915	128,596	259,389
Non-Instructional staff	123,553	5,377	-	73,710	-	-	202,640	145,207	197,758
Board/Trustee honoraria	-	-	11,959	-	-	-	11,959	15,000	13,050
Other	-	-	-	-	-	-	-	629,048	-
<b>Total Salaries</b>	<b>1,170,498</b>	<b>359,773</b>	<b>11,959</b>	<b>212,648</b>	<b>-</b>	<b>-</b>	<b>1,754,878</b>	<b>2,140,619</b>	<b>1,738,894</b>
<b>Employee Benefits</b>									
Employee benefits and allowances	232,658	62,063	-	30,414	-	-	325,135	-	285,765
Leave and termination benefits	850	309	-	232	-	-	1,391	-	5,826
<b>Total Employee Benefits</b>	<b>233,508</b>	<b>62,372</b>	<b>-</b>	<b>30,646</b>	<b>-</b>	<b>-</b>	<b>326,526</b>	<b>-</b>	<b>291,591</b>
<b>Services Purchased or Contracted</b>									
Advertising/printing/publishing	-	-	-	-	-	-	-	1,000	-
Insurance and permits	5,742	-	-	-	87	-	5,829	-	4,971
Interest and bank charges	-	-	50	-	-	-	50	-	648
Maintenance and repairs	38,878	-	-	652	-	-	39,530	20,000	41,349
Postage/communication	13,626	-	-	-	208	-	13,834	15,000	12,398
Professional/technical services	50,346	13,904	26,598	7,422	-	-	98,270	96,000	135,807
Rentals/leases	26,206	-	-	-	-	-	26,206	1,000	8,634
Student transportation (busing)	37,233	25,093	-	-	-	447	62,773	58,810	71,520
Travel	17,356	2,364	-	-	-	29,672	49,392	15,000	75,488
Utilities	3,089	-	-	-	-	-	3,089	-	2,329
<b>Total Services Purchased or Contracted</b>	<b>192,476</b>	<b>41,361</b>	<b>26,648</b>	<b>8,074</b>	<b>295</b>	<b>30,119</b>	<b>298,973</b>	<b>206,810</b>	<b>353,144</b>
<b>Total Materials/Supplies/Freight</b>	<b>154,517</b>	<b>3,971</b>	<b>445</b>	<b>1,611</b>	<b>15,724</b>	<b>34,169</b>	<b>210,437</b>	<b>128,275</b>	<b>320,532</b>
<b>Total Expenses</b>	<b>\$ 1,750,999</b>	<b>\$ 467,477</b>	<b>\$ 39,052</b>	<b>\$ 252,979</b>	<b>\$ 16,019</b>	<b>\$ 64,288</b>	<b>\$ 2,590,814</b>	<b>\$ 2,475,704</b>	<b>\$ 2,704,161</b>

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# K'alemi Dene School

## Schedule 2 Details of Inclusive Schooling Expenses

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For the year ended June 30,

2020

	Jordan's Principle	General Inclusive Schooling	Total
<b>Salaries</b>			
Teachers' salaries	\$ -	\$ 210,172	\$ 210,172
Instruction assistants	-	144,224	144,224
Non-Instructional staff	-	5,377	5,377
<b>Total Salaries</b>	-	359,773	359,773
<b>Employee Benefits</b>	\$ -	\$ 62,372	62,372
<b>Services Purchased or Contracted</b>			
Professional/technical services	-	13,904	13,904
Student transportation (busing)	25,000	93	25,093
Travel	-	2,364	2,364
<b>Total Services Purchased or Contracted</b>	25,000	16,361	41,361
<b>Total Materials/Supplies/Freight</b>	-	3,971	3,971
<b>Total Expenses</b>	\$ 25,000	\$ 442,477	\$ 467,477

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**K'alemi Dene School****Schedule 3****Details of Indigenous Language and Education Program Expenses**

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**For the year ended June 30, 2020**

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	Student Instruction	Total
<b>Salaries</b>		
Teachers' salaries	\$ 138,938	\$ 138,938
Language consultants	-	-
Instruction assistants	73,710	73,710
	<b>212,648</b>	<b>212,648</b>
<b>Employee Benefits</b>	<b>30,646</b>	<b>30,646</b>
<b>Services Purchased/Contracted</b>		
Maintenance and repairs	652	652
Professional/technical services	7,422	7,422
	<b>8,074</b>	<b>8,074</b>
<b>Materials/Supplies/Freight</b>	<b>1,611</b>	<b>1,611</b>
<b>Total</b>	<b>\$ 252,979</b>	<b>\$ 252,979</b>

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**K'alemi Dene School****Schedule 4  
Indigenous Language and Education**

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**For the year ended June 30, 2020**

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	July 1, 2019 to March 31, 2020	April 1, 2020 to June 30, 2020	Total
<b>Revenue</b>			
GNWT Education, Culture and Employment	\$ 169,168	\$ 98,075	\$ 267,243
<b>Expenses</b>			
Salaries	154,018	58,630	212,648
Employee benefits	20,425	10,221	30,646
Services purchased/contracted	11,027	(2,953)	8,074
Materials/supplies/freight	4,377	(2,766)	1,611
	<b>189,847</b>	<b>63,132</b>	<b>252,979</b>
<b>Surplus (deficit)</b>	<b>\$ (20,679)</b>	<b>\$ 34,943</b>	<b>\$ 14,264</b>

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**K'alemi Dene School****Schedule 5  
Jordan's Principle**

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	<b>June 30, 2020 Actual</b>	June 30, 2019 Actual	July 1, 2019 - March 31, 2020 Actual	April 1, 2020 - June 30, 2020 Actual
<b>Revenue</b>				
Government of Canada	\$ 25,000	\$ 333,180	\$ 25,000	\$ -
Transferred from deferred revenue	114,215	-	114,215	-
Contribution repaid	(114,215)	-	(114,215)	-
<b>Total Revenue</b>	<b>25,000</b>	<b>333,180</b>	<b>25,000</b>	<b>-</b>
<b>Expenses</b>				
Personnel	-	152,674	-	-
Transportation	25,000	65,808	-	25,000
Materials and Supplies	-	483	-	-
<b>Total Expenses</b>	<b>25,000</b>	<b>218,965</b>	<b>-</b>	<b>25,000</b>
<b>Surplus/(Deficit)</b>	<b>\$ -</b>	<b>\$ 114,215</b>	<b>\$ 25,000</b>	<b>\$ (25,000)</b>
<b>Deferred Revenue</b>	<b>\$ -</b>	<b>\$ 114,215</b>	<b>\$ -</b>	<b>\$ -</b>

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

**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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**1. Nature of Operations**

K'alemi Dene School (the "Education Authority") was established on June 25, 2013 under the *Education Act* of the Northwest Territories by order of the Minister of the Government of Northwest Territories (the "GNWT"). 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 Education Authority.

The Education 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 Education 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. COVID-19**

On March 11, 2020, the World Health Organization declared a global pandemic of the novel coronavirus identified as "COVID-19". In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing, and business and organization closures. These measures have caused material disruptions to businesses, governments, and other organizations, resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal, provincial, and territorial governments have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Education Authority and its operations in future periods.

During the year, the Education Authority closed the school in late March 2020 to comply with the directives from the GNWT. The Education Authority plans to incur additional expenses to address the pandemic in the future periods. The funding for the upcoming school year is not expected to be negatively affected by the pandemic.

**3. Significant Accounting Policies**

**(a) Basis of Accounting**

These financial statements 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 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 expense 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.

**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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

**(b) Cash and Cash Equivalents**

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

**(c) Financial Instruments**

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

Financial assets subsequently measured at amortized cost include cash and cash equivalents, portfolio investments, due to the Government of Canada, and accounts receivable.

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

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

**(d) Non-Financial Assets**

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

**(e) Tangible Capital Assets**

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

**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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

**(f) Revenue Recognition**

**Government Transfers**

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

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

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

**GNWT - Regular Contributions**

The regular contributions from the GNWT are determined by a funding formula, based on student enrolment and price and volume fluctuation, and are received in monthly installments. The Education 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 Education Authority follows the deferral method of accounting for contributions from funding arrangements. Unrestricted contributions are recognized as revenue when they are received or receivable, if the amount can be reasonably estimated and its collection is reasonably assured. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred.

**Other Revenue - Donations**

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

**Contributed Services**

The Education Authority receives catering (2019 - catering and cleaning) services provided by school volunteers. The fair value of these services is recognized as an expense and a corresponding donation revenue is recorded. The fair value of these services is \$25,910 (2019 - \$77,764).

The school bus used by the Education 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 Education Authority would have had to purchase. As such, a bus pass expense and corresponding revenue has been reported in the Statement of Operations. The fair value of these services is \$5,250 (2019 - \$27,860).

**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, 2020**

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

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

**Special Purpose Funds**

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

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

High School Travel Fund: This fund is set up for the delivery of student trips. It has been recognized as a special purpose fund.

**(g) Budget Data**

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

The priorities and funding allocations are determined by the Board of Trustees and the budget is legally adopted by a motion of the Board in accordance with Section 135(3) of the *Education Act*.

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

The annual budget includes estimates of revenues, 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 Education Authority.

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

**(h) 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.

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

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

**June 30, 2020**

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

**(j) Payroll Liabilities**

Teacher payrolls for July and August 2020 were recognized as of June 30, 2020. As such, they are not accrued as year-end.

**(k) Post-Employment Benefits, Compensated Absences and Termination Benefits**

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

**(l) Expenses**

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Transfers include grants and contributions and are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

**(m) Foreign Currency Translation**

The Education Authority only transacts in Canadian dollars. As such, there is no foreign currency translation.

**(n) Donated Goods and Services**

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

**(o) GNWT Tangible Capital Assets Provided At No Cost**

The school buildings occupied by the Education 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 Statement of Operations.

**(p) Net Financial Assets (Debt)**

The Education 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 Education 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.



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

**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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

**(q) Segment Disclosure**

The Schedule of Operating Fund - Detail of Expenditures has been prepared in accordance with PS Handbook Section PS 2700 – Segment Disclosures. The segments selected are to enable users to better understand the government reporting entity and the major revenue and expense activities of the Board. For each reported segment, revenue and expenses represent amounts directly attributable to each segment. Segments include:

School Programs: pertains to the delivery of instructional services that falls under the basic public education mandate.

Inclusive Schooling: pertains to access to quality education for all students by effectively meeting their diverse needs.

Administration: pertains to the delivery of board governance and central office administration and maintenance.

Indigenous Languages and Culture: pertains to Indigenous language resource development, support for language teachers and instructors, and enhance community engagement.

COVID-19 Expenses: pertains to expenses incurred during the year to address issues caused by the COVID-19 pandemic.

High School Travel: pertains to the delivery of student trips.

**(r) Liability for Contaminated Sites**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability would be recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met: an environmental standard exists; contamination exceeds the environmental standard; the Education 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, 2020.

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 Education Authority has concluded that there is no contamination that exceeds environmental standards and as a result, there are no liabilities for contaminated sites.

**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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**4. Future Accounting Changes**

**Revenue, Proposed Section PS 3400**

Effective, July 1, 2022, Education Bodies will be required to adopt PS 3400 Revenue. This standard provides guidance on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. The impact of these standards on the consolidated financial statements is currently being assessed.

**5. Cash and Cash Equivalents**

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

**6. Special Purpose Funds**

The Education Authority does not have special purpose funds.

**7. Restricted Assets**

The Education Authority does not have restricted assets.

**8. Portfolio Investments**

The Education Authority has a \$77,649 one-year guaranteed investment certificate (GIC) with the Royal Bank of Canada (RBC). The GIC has an interest rate of 0.500% (2019 - 0.500%) per annum and matures on July 26, 2020.

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

**Notes to Consolidated Financial Statements**

**June 30, 2020**

**9. Accounts Receivable**

	Accounts Receivable 2020	Allowance 2020	Net 2020	Net 2019
Accounts receivable	\$ -	\$ -	\$ -	\$ 2,741
Due from GNWT	475	-	475	475
	<b>\$ 475</b>	<b>\$ -</b>	<b>\$ 475</b>	<b>\$ 3,216</b>

**10. Inventories**

The Education Authority does not have inventories.

**11. Accounts Payable and Accrued Liabilities**

	2020	2019
Trade	\$ 38,587	\$ 46,091
Payroll liabilities	-	445,389
	<b>\$ 38,587</b>	<b>\$ 491,480</b>

**12. Deferred Revenue**

	2020	2019
<b>Government of Canada</b>		
Jordan's Principle	\$ -	\$ 114,215

**13. Contribution Repayable**

The Education Authority does not have contribution repayable.

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

	2020	2019
Goods and Services Tax receivable	\$ 10,076	\$ 18,225

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

**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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**15. Capital Lease Obligations**

The Education Authority does not have capital lease obligations.

**16. Pensions**

The Education Authority makes contributions to the Northern Employee Benefits (NEBS) Pension Plan ("the 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 \$3,595,159. 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 \$171,156 for January 2020, and \$171,368 for January 2019. The maximum monthly contributions is \$3,092 for January 2020, and \$3,026 for January 2019.

NEBS is an employer owned program and as such the Education Authority will be liable for its portion of any shortfall. The Plan serves 3,364 Employee Members and 116 Employer Members (total active, disabled and on leave 1,992).

As of January 1, 2020, the excess (deficiency) of actuarial value of net assets over actuarial present value of defined benefits is estimated to be \$31,200,000 - funded ratio 113% (2019 - \$25,200,000 and 112%) on a going concern valuation basis. The Plan had a solvency ratio deficiency of \$142,700,000 and a solvency ratio of 66.0%. 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.

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.

During the year ended June 30, 2020, the Education Authority contributed \$120,965 (2019 - \$113,311) to NEBS, and the employees contributed \$120,965 (2019 - \$113,311).

**17. Long-Term Debt**

The Education Authority does not have long-term debt.

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

**Notes to Consolidated Financial Statements**

**June 30, 2020**

**18. Leave and termination benefits**

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

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

**Valuation results**

The actuarial valuation was completed as at March 31, 2020. The effective date of the next actuarial valuation is March 31, 2021. The liabilities are actuarially determined as the present value of the accrued benefits at March 31, 2020 and the results extrapolated to June 30, 2020. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the Education Authority.

	<b>Severance and Removal</b>	<b>Compensated Absences</b>	<b>2020</b>	<b>2019</b>
<b>Changes in Obligation</b>				
Accrued benefit obligation, beginning of year	\$ 20,995	\$ 8,420	\$ 29,415	\$ 39,374
Current period benefit cost	3,409	953	4,362	4,231
Interest accrued	737	282	1,019	1,603
Benefits payments	(2,000)	-	(2,000)	-
Actuarial (gains)/losses	1,064	(48)	1,016	(15,702)
<b>Accrued benefit obligation, end of year</b>	<b>(24,205)</b>	<b>(9,607)</b>	<b>(33,812)</b>	<b>(29,506)</b>
<b>Unamortized net actuarial gain/(loss)</b>	<b>(11,097)</b>	<b>(2,233)</b>	<b>(13,330)</b>	<b>(16,245)</b>
<b>Accrued benefit liability</b>	<b>\$ (35,302)</b>	<b>\$ (11,840)</b>	<b>\$ (47,142)</b>	<b>\$ (45,751)</b>

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

**Notes to Consolidated Financial Statements**

**June 30, 2020**

**18. Leave and termination benefits (continued)**

	<b>Severance and Removal</b>	<b>Compensated Absences</b>	<b>2020</b>	<b>2019</b>
<b>Benefit expenses</b>				
Current service cost	\$ 3,409	\$ 953	\$ 4,362	\$ 4,140
Interest costs	737	282	1,019	1,603
Amortization of actuarial gains	(1,596)	(303)	(1,899)	(7)
<b>Total expense</b>	<b>\$ 2,550</b>	<b>\$ 932</b>	<b>\$ 3,482</b>	<b>\$ 5,736</b>

The discount rate used in the 2020 fiscal year to determine the accrued benefit obligation was an average of 2.7% (2019 - 3.2%). The expected payments during the next ten fiscal years are:

	<b>Severance and Removal \$</b>	<b>Compensated Absences \$</b>	<b>Total \$</b>
2020	2,819	994	3,813
2021	2,965	803	3,768
2022	3,013	664	3,677
2023	3,070	654	3,724
2024	3,240	908	4,148
2025+	12,485	3,211	15,696
	<b>\$ 27,592</b>	<b>\$ 7,234</b>	<b>\$ 34,826</b>

**19. Trust Assets Under Administration**

The Education Authority does not have trust assets under administration.

**20. Tangible Capital Assets**

The Education Authority does not have tangible capital assets.

**21. Prepaid Expenses**

	<b>2020</b>	<b>2019</b>
Vehicle licenses and insurance	<b>\$ 3,089</b>	<b>\$ 3,776</b>

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

**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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

	Cost	Accumulated Amortization	<b>2020 Net Book Value</b>	2019 Net Book Value
Buildings	\$ 9,066,125	\$ 2,153,204	<b>\$ 6,912,921</b>	\$ 7,366,227

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Rent expense of \$226,653 (2019 - \$226,653) equal to current year amortization of the tangible capital assets was offset by a grant in-kind.

**23. Contractual Obligations**

The Education Authority has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2019

	Expires in Fiscal Year	2021
Equipment lease	2021	\$ 6,719
Contract for superintendent services	2021	30,000
		<b>\$ 36,719</b>

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**24. Contingencies**

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

**25. Overexpenditure**

During the year, the Education Authority exceed its operating budget by \$34,894 (2019 - nil). The overexpenditure has been determined to be mainly due to extra funding, and higher amount of donations received by the Education Authority during the year. The extra funding and donations were then largely spent on the maintenance and repairs, travel, and supplies expenses, which led to the overexpenditure during the year.

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

**Notes to Consolidated Financial Statements**

**June 30, 2020**

**26. Related Parties**

The Education Authority is related in terms of common ownership to all GNWT created departments, agencies and corporations. The Education Authority enters into transactions with these entities in the normal course of business. The Education Authority is provided with various administrative services by the GNWT, the value of which is not reflected in these 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 financial statements are summarized in this note.

	2020	2019
<b>Due to related parties</b>		
Payroll liabilities		
Yellowknife Education District #1	\$ -	\$ 429,132

	Accounts receivable 2020	Allowance 2020	Net 2020	Net 2019
<b>Due from related parties</b>				
Government of the Northwest Territories				
Health and Social Services	\$ 475	-	\$ 475	\$ 475

	2020	2019
<b>Revenue from related parties</b>		
Government of the Northwest Territories		
Department of Education, Culture and Employment	\$ 2,586,711	\$ 2,442,179
Department of Environment and Natural Resources	11,200	8,000
Department of Municipal and Community Affairs	15,675	26,400
Department of Health and Social Services	1,680	6,775
<b>Total revenues from related parties</b>	<b>\$ 2,615,266</b>	<b>\$ 2,483,354</b>

	2020	2019
<b>Expenses paid to related parties</b>		
Aurora College	\$ -	\$ 500
South Slave Divisional Education Council	-	2,740
Government of the Northwest Territories	891	608
Yellowknife Education District #1	2,163,353	1,549,349
Yellowknife Catholic Schools	140	-
<b>Total expenses to related parties</b>	<b>\$ 2,164,384</b>	<b>\$ 1,553,197</b>



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

**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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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 Education Authority.

The budget figures presented are those approved by the Trustees of the Education Authority on May 22, 2019 and have not been audited.

**28. Economic Dependence**

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

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

**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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**29. Financial Instruments**

The Education Authority is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risks from the Education Authority's financial instruments is provided by type of risk below. The Education Authority is exposed to credit and liquidity risks from the its financial instruments. Qualitative and quantitative analysis of the significant risks from the Education 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 Education Authority if a debtor fails to make payments of interest and principal when due. The Education Authority is exposed to this risk relating to its cash and accounts receivable.

The Authority holds its cash in accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation.

The Education Authority's maximum exposure to credit risk is as follows:

	<b>2020</b>
Cash and cash equivalents	\$ 1,175,400
Portfolio investments	77,649
Due from Government of Canada	10,076
Accounts receivable	475
Maximum credit risk exposure	<u>\$ 1,263,600</u>

At March 31, 2020, there were no accounts receivable past due and no impaired accounts receivable.

The Education Authority does have concentration of credit risk. Concentration of credit risk is the risk that a customer has more than 10 percent of the total accounts receivable and thus there is a higher risk to the Education Authority in the event of a default. At March 31, 2020 receivables from one (2019 - two) customers comprised 100% (2019 - 100%) of the total accounts receivable. The Education Authority reduces this risk by monitoring overdue accounts.

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

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

**Notes to Consolidated Financial Statements**

**June 30, 2020**

**29. Financial Instruments (continued)**

**b) Liquidity risk**

Liquidity risk is the risk that the Education Authority will not be able to meet all cash outflow obligations as they come due. The Education Authority has liquidity risk in accounts payable and accrued liabilities, and payroll liabilities of \$85,729 (2019 - \$651,446).

The Education 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 table below shows when various financial assets and liabilities mature:

<b>Financial assets</b>	<b>Up to 6 months</b>	<b>6 months to 1 year</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>
Cash and cash equivalents	\$ 1,175,400	\$ -	\$ -	\$ -
Portfolio investments	77,649	-	-	-
Due from the government of Canada	10,076	-	-	-
Accounts receivable	475	-	-	-
<b>Total financial assets</b>	<b>\$ 1,263,600</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Total financial assets - prior year	\$ 1,678,281	\$ -	\$ -	\$ -
<b>Financial liabilities</b>	<b>Up to 6 months</b>	<b>6 months to 1 year</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>
Accounts payable and accrued liabilities	\$ 38,587	\$ -	\$ -	\$ -
<b>Total financial liabilities</b>	<b>\$ 38,587</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Total financial liabilities - prior year	\$ 605,695	\$ -	\$ -	\$ -
<b>Net total</b>	<b>\$ 1,225,013</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Net total - prior year	\$ 1,072,586	\$ -	\$ -	\$ -

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

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

**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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**29. Financial Instruments (continued)**

**c) Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Education Authority has exposure to interest rate risk on its portfolio investments of \$77,649 (2019 - \$76,883). These investments may be adversely affected by a change in the interest rates.

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

**30. Expenses by Object**

	Budget 2019 (Unaudited)	Actual 2020	Actual 2019
Compensation	\$ 2,140,619	\$ 2,081,404	\$ 2,030,485
Materials and freight	128,275	210,437	320,532
Services purchased/contracted	206,810	298,973	353,144
	<b>\$ 2,475,704</b>	<b>\$ 2,590,814</b>	<b>\$ 2,704,161</b>

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**31. Comparative Figures**

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

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

**Notes to Consolidated Financial Statements**

**June 30, 2020**

**32. ECE Other Contributions**

	<b>2020</b>		<b>2019</b>
<b>Government of the Northwest Territories, Department of Education, Culture and Employment</b>			
Self Regulation	\$ -	\$	2,000
Other	5,345		-
	<b>\$ 5,345</b>	<b>\$</b>	<b>2,000</b>

**33. GNWT Other Contributions**

	<b>2020</b>		<b>2019</b>
<b>Department of Municipal and Community Affairs</b>			
After School Activity Program	\$ 15,675	\$	16,400
Youth Corp Program	-		10,000
<b>Department of Environment and Natural Resources</b>			
Take a Kid Trapping Program	8,000		8,000
On the Land Program	3,200		-
<b>Department of Health and Social Services</b>			
Drop the Pop Program	1,680		2,630
Health and Wellness	-		6,145
	<b>\$ 28,555</b>	<b>\$</b>	<b>43,175</b>

**34. Contingent Assets**

The Education Authority does not have any contingent assets.

**35. Contractual Rights**

The Education Authority has entered into the following contracts that will become assets and revenues in future periods:

	<b>2021</b>		<b>2022</b>		<b>Total</b>
Jordan's Principle	\$ 55,166	\$	23,642	\$	78,808
Drop the Pop	1,680		-		1,680
	<b>\$ 56,846</b>	<b>\$</b>	<b>23,642</b>	<b>\$</b>	<b>80,488</b>

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

**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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**36. Accumulated Surplus**

A statement of funds and surplus have been prepared as follows:

**Details of Funds**

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<b>For the year ended June 30,</b>	<b>2020</b>	<b>2019</b>
<b>OPERATING FUND</b>		
Balance, beginning of year	\$ 1,030,611	\$ 851,740
Operating surplus	176,312	178,871
Transfer to High School Travel Fund	(56,160)	-
<b>Balance, end of year</b>	<b>\$ 1,150,763</b>	<b>\$ 1,030,611</b>
<b>HIGH SCHOOL TRAVEL FUND</b>		
Balance, beginning of year	\$ -	\$ -
Operating deficit	(25,963)	-
Transfer from Operating Fund	56,160	-
<b>Balance, end of year</b>	<b>\$ 30,197</b>	<b>\$ -</b>

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Education Accountability Framework

# Sahtú Divisional Education Council

Operating Plan and Annual Report

For the 2019-20 School Year

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## Operating Plan - Executive Summary

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The Sahtú Divisional Education Council's Operating Plan for the 2019-2020 school year was prepared in compliance with the *Financial Administration Act* (FAA) that requires Northwest Territories (NWT) Education Bodies to plan for their operations, compliance to educational directives, and implementation of activities and initiatives in line with the Government of the NWT (GNWT) Mandate and the Minister of Education's direction.

The Operating Plan outline consists of several sections corresponding to various accountability areas, all of which have been completed in accordance with the Sahtú Divisional Education Council's priorities for the upcoming school year.

The following table summarizes the planned goals and targets for the upcoming school year:

The Sahtú Divisional Education Council is the Education Body that has, since 1988, been responsible for the delivery of all K- 12 programs in the five communities of the Sahtú region. Since 1998, grades 10 -12 have been introduced in all Sahtú communities.

The main challenges facing the board in delivering its programs are the fact that all of its schools are quite small, teacher turnover is quite high, and student attendance is disappointingly low.

For the upcoming school year, 2019 -20 we have the following goals:

### Attendance

Each school will be asked to submit an Attendance Improvement Plan with a view to reducing student absenteeism by at least 20 %. Each school will receive a small amount of funds to support whatever plan they choose to implement.

### School Learning Communities

Through ongoing work with an external consultant who we have contracted over the past year, each school and the principals as a group will implement the start-up of school learning communities. The goal of the learning community is to examine school-based practices to improve student achievement and success.

### Literacy

In addition to our ongoing balanced literacy program that has been in place for several years now, we will be implementing a reading library program called Overdrive. With Overdrive, the students and staff of the Sahtú will have access to over 4200 titles. We started with just over 1900 two years ago. More titles are being added all of the time. Overdrive contains eBooks, audio books, graphic



novels and class sets of some titles. Recently, using some corporate funding, we were able to purchase a class set of Kindles for each school. These have been loaded with the Overdrive software and will be in all of our schools by September 2019.

## Annual Report - Executive Summary

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The Sahtú Divisional Education Council's Annual Report for the 2019-2020 school year was prepared in compliance with the *Financial Administration Act* that requires Northwest Territories (NWT) Education Bodies to report on their operations, compliance to educational directives, and implementation of activities and initiatives in line with the Government of the NWT (GNWT) Mandate and the Minister of Education's direction.

The following table summarizes the successes and areas for improvement for the school year:

The Sahtú region is successfully offering robust learning in reading, writing, and numeracy in Grades 1 - 9, with strong teacher learning in place to sustain improvements in these three core areas. Sahtú schools continue to work with both external literacy and numeracy consultants on improved practices for student learning. School-based and standardized assessment are in place to determine where interventions and enrichments are needed, and to maintain fidelity to curriculum standards. **Comprehensive literacy programming** is offered in all five schools, along with Levelled Literacy Intervention to assist struggling readers. Reading, writing and oral literacy continue to be a regional and school priority and part of school improvement planning. With a comprehensive literacy program, a strong focus on interventions to address learning gaps and promoting growth, and teacher learning, students in the Sahtú are experiencing an increase in achievement in the area of literacy.

**Numeracy** is an area of the curriculum where our students are struggling. We recognize the importance of delivering a strong numeracy program and the Sahtú has made significant improvements in this area over the past couple of years. We have contracted a numeracy consultant to provide professional support to our teachers in delivering a strong numeracy program as well as the implementation of numeracy assessments in Grades 1-8.

**Teacher retention** continues to be a challenge in the Sahtú region. While retaining quality teachers remains difficult, it is also difficult to ensure continuity and momentum of excellent programming. Gains made in the core curricular areas are consistently undermined by high teacher turnover. In an effort to address the challenges of teacher turnover and to build on the strengths of the teachers on strength, we continue to work on implementing school-based **Learning**

**Communities.** With our motto of *Growing Forward Together*, each school staff focused on developing a set of priorities that focus on student growth, success and well-being. Through the implementation of school-based Learning Communities, the Sahtú hopes to establish a strong core set of beliefs and priorities so that if teacher turnover is high, students and parents can expect the same level of education with minimal disruption.

Lastly, the Sahtú schools received a significant amount of in-service and support on the new **Our Languages curriculum**. This support was provided by both Education, Culture and Employment through the Language Secretariat and through in-house support. All five Sahtú schools are at the early stages of implementation of the new whole school approach to language and culture. Although each school fully embraced the new curriculum, each school is at a different stage of implementation, depending on the level of support that was needed. Land and culture programs continue to invite participation by Elders, land experts, and cultural leaders in our communities. School - community connections are strengthened by these programs and will continue to improve into the next school year.

## 1. Administration and School Services

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Administration and Schools Services reflects the overall operations of Education Bodies and Schools, including high level overviews of the Education Body's:

- Governance structure;
- Functional Organizational Chart;
- Governance Training Plan;
- Meeting Schedule;
- School Profiles;
- Student Profiles; and
- Teacher Profiles.

### *Governance of Education Bodies*

The following table details key aspects of the governance structure and processes, such as elections membership terms, current membership:

The Sahtú Divisional Education Council (SDEC) is a corporate body and an agency of the government of the Northwest Territories. It was created under the authority of the NWT Education Act and has a mandate to provide Junior Kindergarten to grade 12 education for all children in the Sahtú communities of Colville Lake, Fort Good Hope, Norman Wells, Tulita and Délı̄ne. In each of these communities, a District Education Authority (DEA) is elected every three years during the month of October. The most recent elections were held in October 2018 and the term for the current DEAs will run till October 2021.

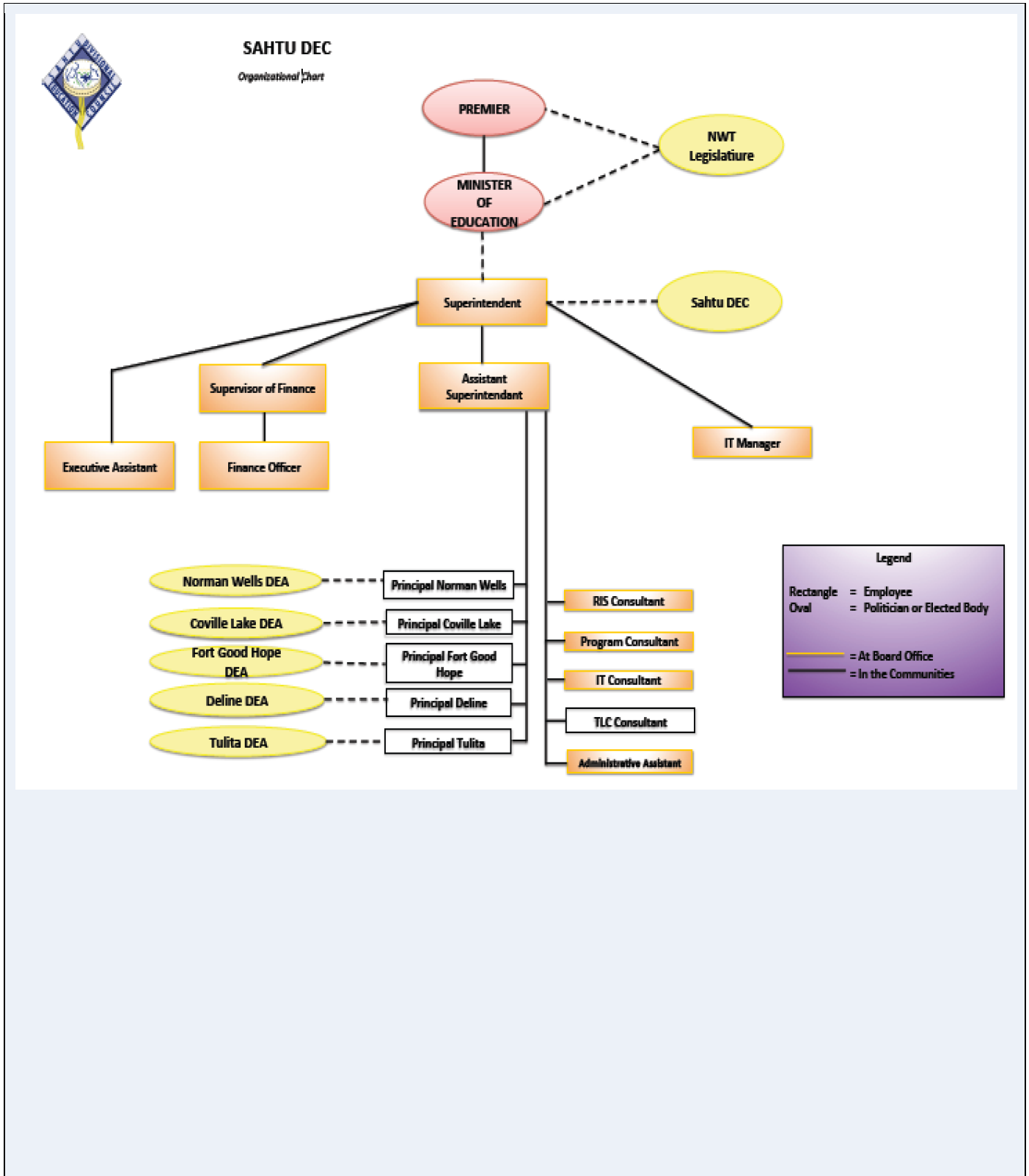
Each DEA selects a trustee representative to the Sahtú regional education body. At their first meeting in December of the election year, the SDEC selects a chair. At all subsequent meetings of that DEC, the Chair's community sends a second trustee as the Chair doesn't usually vote, and takes a more regional view on most questions.

The SDEC hires a superintendent who in turn, hires all of the professional staff at the board office and, indirectly, in the schools of each community. The DEC meets four times a year and provides educational governance by way of motions and policy creation.

Currently, the SDEC's membership is: Karea Peachey (Norman Wells) Chair; Jennifer Waterhouse (Norman Wells); Heather Bourassa (Fort Good Hope), Isabel Orlias (Colville Lake); David Little (Délı̄ne) and Sally Ann Horassi (Tulita).

### Functional Organizational Chart

The following table details the functional organization of the Education Body:



### ***Governance Training***

The following table details the governance training planned for Education Body members during the upcoming school year:

<b>Type of Training</b>	<b>Audience Intended (DEC/DEA )</b>	<b>Planned Topic</b>	<b>Planned Date &amp; Location</b>	<b>Was the training held as planned? (Yes/No)</b>	<b>If No, why not?</b>
Goal-setting and strategic planning workshop	DEC	Goal-setting and strategic planning	December, 2019 in Norman Wells	Yes	Strategic planning took place in Norman Wells, in February 2020.
Attend Annual Canadian Congress of Rural School Boards	DEC	Various topics related to aboriginal education	March, 2020 in Saskatoon	No	Cancelled due to COVID-19

### ***Education Body Meetings***

According to section 109 of the *Education Act*, "Divisional Education Council shall meet at least three times a year and at any other times that it may decide". The following table details the schedule of Education Body meetings is planned for the upcoming school year:

<b>Planned Date</b>	<b>Planned Location</b>	<b>Was the meeting held as planned? (Yes/No)</b>	<b>If No, why not?</b>
September 25	Déline	Yes	The meeting was held, but flights to Déline were cancelled. The meeting was held in Norman Wells.
December 9	Norman Wells	Yes	Date moved to December 4
March 25	Virtual meeting	Yes	Date moved to February 12
May 25	Virtual meeting	Yes	Date moved to April 28
May 21	Virtual meeting	Yes	

June 4	Virtual meeting	Yes	
June 12	Virtual meeting	Yes	

### School Profiles

The following table details the total number of schools in the District, the expected student headcount for the upcoming school year and a summary of the education programming highlights offered by each school in the region, including the community the school is located in, the grades offered in the school, and any additional programming highlights for the school such as immersion programming, alternative education programming, class compositions (Multi-grade, split-grade or single graded classes) and/or other alternative learning modes (e.g. distance learning, Montessori).

<b>Total Number of Schools in District</b>	5	<b>Total Anticipated Student Headcount</b>	<b>Approximately 483 students</b>
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<b>School Name</b>	<b>Community</b>	<b>Grades Offered</b>	<b>Programming Highlights</b>
Chief Albert Wright School (CAWS)	Tulita	JK - 12	<ul style="list-style-type: none"> <li>• Piloting the language program</li> <li>• Integration of Slavey language and culture into all classes</li> <li>• Individualized targeted levels in English and Math</li> <li>• Skills Canada curriculum</li> </ul>
Chief Tselehye School (CTS)	Fort Good Hope	JK - 12	<ul style="list-style-type: none"> <li>• Reading Apprenticeship;</li> <li>• Guided reading block;</li> <li>• Nai?e?e 15 / 25,</li> <li>• Winter Camp;</li> <li>• Career and Education curriculum</li> </ul>
Colville Lake School (CLS)	Colville Lake	JK - 12	<ul style="list-style-type: none"> <li>• Extensive on the land program</li> <li>• Introduction of skating</li> <li>• Levelled Literacy Intervention</li> </ul>
Mackenzie Mountain School (MMS)	Norman Wells	JK - 12	<ul style="list-style-type: none"> <li>• Guided reading;</li> <li>• Offering -1, -2 and -3 HS courses</li> <li>• Math initiative</li> </ul>

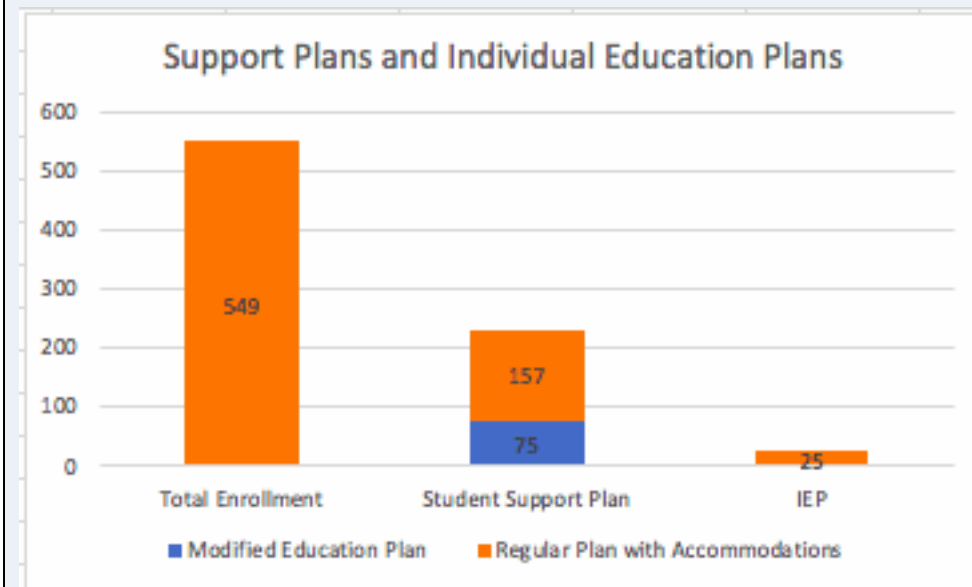
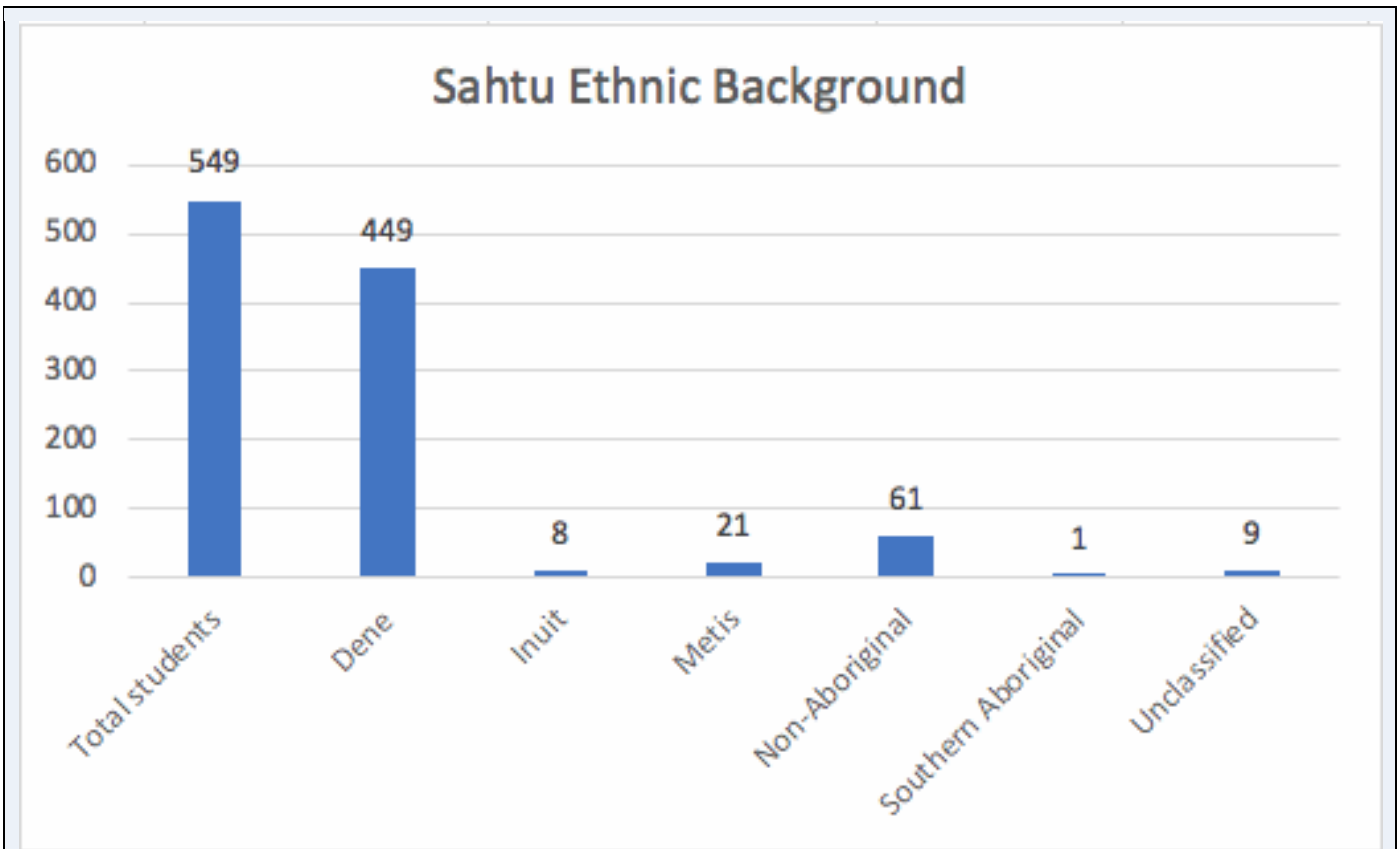
			<ul style="list-style-type: none"> <li>• Increased electives in HS</li> </ul>
ʔehtseo Ayha School (EAS)	Déłıne	JK - 12	<ul style="list-style-type: none"> <li>• Enhanced North Slavey program</li> <li>• Exposing JK/K to local agencies</li> <li>• Differentiation in gr 1 - 3</li> <li>• Gr 8 -12 on the land program</li> </ul>

### *Student Profiles*

The following table details general characteristics of the region’s student population, including a description of student body ethnic backgrounds, description of regional/community culture, educational programming in terms of inclusion and student supports (% of students with Student Support Plans (SSPs) or Individual Education Plans (IEPs)), and other noteworthy demographics.

The Sahtú Divisional Education Council covers five schools in five communities. All five communities are fly-in communities except for a short period when the winter ice road is open. Participation in on the land activities are an important component of the culture in all five communities. Families will go out hunting, fishing, and trapping for days or weeks. Four of the communities are similar in size: Fort Good Hope, Norman Wells, Tulita and Déłıne. The fifth community is Colville Lake which is significantly smaller than the other four.

Approximately 20 % of the students in the SSP category are working from Modified Education Programs (MEPs).



## Teacher Profiles



The following table details the characteristics of the teacher population, including average length of employment within the region, number of first year teachers expected, average number of teachers with full experience, number of teachers from the region or the NWT, and awareness of upcoming issues with teacher recruitment and retention.

The Sahtú employs approximately fifty teachers. They come from varying backgrounds and geographic regions of Canada. Fourteen of these (including language instructors) are from the Sahtú.

The remainder are from Southern Canada. The length of time a teacher remains with the SDEC varies from a low of one year to a high of twenty years, the average tenure being somewhere between two and three years.

We are expecting twelve teachers will be new to the Sahtú DEC during the 2019 – 20 school year.

Teacher recruitment has become increasingly challenging over the past few years. Twenty years ago, we would get between three and four hundred applications per year. Nowadays, we get around thirty.

Improved teacher retention would rank as one of the main drivers of improved quality of programming in our schools.

## 2. Territorial Schools

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Territorial Schools reflects the programs and professional development activities that directly support excellence in teaching and student academic achievement specific to the NWT Education Act, Ministerial Directives, or School Funding Framework including:

- Education Body Strategic Planning;
- School Improvement Planning;
- Annual School Reviews;
- Staff Evaluations;
- Regional Training and In-Service;
- Literacy Coordinators;
- Healthy Food for Learning;
- Student Success Initiative;
- Safe School Plans;
- Healthy Relationship Programming; and
- Second Language Education.

## Education Body Strategic Planning

The following table details regional priorities and goals, including regional performance indicators and targets set for the upcoming school year related to Education Body strategic planning, along with the achieved results, the explanation for any difference between targets and results, noted areas of strength and areas for development.

<p><b>Regional priorities and goals:</b></p>	<p>There will be a focus on literacy and numeracy, language and culture, leadership development through professional development and PLCs, as well as attendance improvement.</p> <p>Our previous Strategic Plan came to its conclusion in June of 2017.</p> <p>It is anticipated that work will begin on a new strategic plan during the 2019 – 20 school year when a new leadership team will take over the administration of the SDEC.</p>
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Regional Performance Indicators	Regional Targets	Achieved Results	Explanation of Difference <i>(if applicable)</i>
<p>Our Languages Curriculum (OLC): 100% of Sahtú schools will implement all facets of OLC, recognizing schools' implementation rates will vary.</p>	<p>100%</p>	<p>100%</p>	<p>This number represents implementation in the time frame August 2019 to the onset of pandemic school closures in March 2020. It represents expectations and targets and recognizes rates of implementation between schools vary. During Continuity of Learning, adaptations and modifications were made in each location as needed.</p>
<p>Literacy initiatives in reading and writing will be implemented and the effectiveness assessed in 100% of Sahtú schools.</p>	<p>100%</p>	<p>100%</p>	<p>This number represents implementation in the time frame August 2019 to the onset of pandemic school closures in March 2020. It represents expectations and targets and recognizes rates of implementation between schools vary. During Continuity of Learning,</p>

			adaptations and modifications were made in each location as needed.
The Sahtú numeracy initiative in grades 1 – 8 will be implemented and monitored in 100% of Sahtu schools; the effectiveness of changes in numeracy teaching and learning will be assessed.	100%	100%	This number represents implementation in the time frame August 2019 to the onset of pandemic school closures in March 2020. It represents expectations and targets and recognizes rates of implementation between schools vary. During Continuity of Learning, adaptations and modifications were made in each location as needed.
School leadership in 100% of Sahtú schools will participate in leadership professional development and school staff will develop and implement school goals based on strategic visioning for education in each school. Professional Learning Communities will be established in 100% of Sahtú schools.	100%	100%	This number represents implementation in the time frame August 2019 to the onset of pandemic school closures in March 2020. It represents expectations and targets and recognizes rates of implementation between schools vary. During Continuity of Learning, adaptations and modifications were made in each location as needed.
Areas of Strength for the region	<p>Implementation of OLC curriculum in five schools.            Teacher in-service and professional development in all language/culture, literacy, numeracy and school leadership/improvement initiatives.            Strategic Planning: development of a strategic plan underway for each community school and overall SDEC strategic plan under development.            The Sahtú regional conference in February brought teachers and support assistants together for in-person professional development and training in the key areas targeted in the regional performance indicators.            All Sahtú teaching and support staff received Residential Schools Awareness and Acts of Reconciliation training in February 2020 facilitated by ECE.</p>		
Areas for Development for the region	<p>Focus improved North Slavey oral language development, especially in early elementary grades.</p>		

	<p>Focus on Indigenization of content and pedagogy in teaching and learning.</p> <p>Effective use of data and evidence at the school level to guide improvement in teaching and learning.</p> <p>Evaluation of school improvement plans and meeting school improvement targets.</p> <p>Recognition and celebration of student achievements, for example, successful bridging to post-secondary and successful post-secondary completion.</p> <p>Effective use of technology for learning and teaching.</p>
Additional Comments for the region	<p>The Sahtú Region is advocating strongly for equity in access to effective digital learning as a means to strengthen students' achievement, adaptability and skills. Disparity in Internet access and bandwidth issues are impediments to digital learning.</p>

### ***School Improvement Planning***

As per the *NWT School Improvement and Reporting Directive*, school improvement planning responds to student and community needs, addresses policy requirements, accommodates departmental directives, and engages all school staff. The School Improvement Plan is a public document that provides a direction-setting, strategic overview for the school. School plans are expected to be succinct but must include clear objectives, priorities, measurable improvement objectives, major strategies (particularly whole-school strategies), reference to systemic policies and directions, evaluation measures and a timeframe, including a provision for annual review.

The following table details regional priorities and goals, and connections to Departmental priorities, including regional performance indicators and targets set for the upcoming school year related to School Improvement Planning, along with the achieved results, the explanation for any difference between targets and results, noted areas of strength and areas for development.

<p><b>Regional approach to School Improvement Planning and relevance to regional and departmental priorities, for the school year.</b></p>	<p>A school improvement plan is a road map that sets out the changes a school needs to make to improve the level of student achievement and shows how and when these changes will be made.</p> <p>Each school will develop a School Improvement Plan (SIP) that sets out the priorities for the 2019-2020 school year. These priorities will be developed collaboratively with the school administrator, teachers, support staff, and District Education Authority/community consultation.</p>
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	School priorities will directly align with the regional priorities set out by the Sahtú Divisional Education Council and Education, Culture, Employment.
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<b>Regional Performance Indicators</b>	<b>Regional Targets</b>	<b>Achieved Results</b>	<b>Explanation of Difference (if applicable)</b>
% of regional priorities and goals that align with ECE priorities and goals.	100%	100%	
% of schools in the region for which School Improvement Plans (SIPs) are developed in consultation with the community.	100%	100%	Strategic planning allowed for community engagement, but consistent annual community consultation in development of SIPs will be strengthened.
% of schools in the region for which School Improvement Plans are submitted.	100%	100%	
% of schools in the region for which final School Improvement Plans have been shared with the public.	100%	100%	While SIPs are available upon request, public access to SIPs will be strengthened by publishing plans annually on school websites.
<b>Areas of Strength for the region</b>	SIPs capture core regional literacy, numeracy and language/culture improvement targets. SIPs are developed collaboratively with school staff.		
<b>Areas for Development for the region</b>	Annual community consultation needs to become consistent. Similarly, collaboration with DEAs in the creation of SIPs needs to become regionally consistent. Evaluation of SIPs (whether targets are reached, shortfalls and measures of improvements) need to be developed.		
<b>Additional Comments for the region</b>	School leadership development will focus the use of evidence and data in fuelling school improvement growth. Links to SIPs and the evaluation of SIPs will be explicit during leadership development in 2020/21.		

## Annual School Reviews

As per the *NWT School Improvement and Reporting Directive*, Annual School Reviews should focus on standards of learning outcomes - academic and non-academic, and require schools to present the analysis and evaluations of learning outcomes to their Superintendent of Education.

The following table details the region's approach to the completion of Annual School Reviews, including regional performance indicators and targets set for the upcoming school year related to Annual School Reviews, along with the achieved results, the explanation for any difference between targets and results, noted areas of strength and areas for development.

<p>Regional approach to the completion of <b>Annual School Reviews</b>.</p>	<p>Based on the priorities schools have identified in the School Improvement Plan (SIP), an Annual School Review will be completed towards the end of the 2019-2020 school year.</p> <p>Schools will be asked to report on performance indicators targeting the priorities identified in the SIP. Schools will also be asked to provide an explanation for any difference between targets and results. Within this Review, schools will be asked to identify areas of strength and areas for development.</p>
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<b>Regional Performance Indicators</b>	<b>Regional Targets</b>	<b>Achieved Results</b>	<b>Explanation of Difference (if applicable)</b>
% of schools in the region for which Annual Reviews are completed.	100%	0	Annual School Reviews will be initiated in April 2021.
% of schools where NWT approved curricula are being used with fidelity throughout all grades and subject areas.	100%	100%	
Areas of Strength for the region	School leadership development has been underway since 2018 to build staff capacity in leading school change. Strategic visioning and planning, begun in 2019/20, will focus areas for improvement in 2020/21.		
Areas for Development for the region	Establish annual school reviews as consistent practice in all five Sahtú communities. Continued staff development needed to build capacity in measuring whether school growth targets are met or not.		

	On-going teacher learning in NWT approved curricula is needed, along with teacher skills in differentiation and individualized learning goals for student growth.
Additional Comments for the region	Strategic planning, SIPs and annual school reviews are interconnected. Initial steps have begun, but the process and accountability features are in their infancy in the Sahtú and the new regional leadership team will develop these over the next five years.

### Staff Evaluations

All education staff are required to undergo evaluations as per Ministerial directives, including the *Promotion of Professional Growth for Teachers in Northwest Territories Schools* (2004) and *Direction on Principal Growth and Evaluation in the Northwest Territories* (2012).

The following table details the region's approach to completing staff evaluations, including regional performance indicators and targets set for the upcoming school year related to staff evaluations, along with the achieved results, the explanation for any difference between targets and results, noted areas of strength and areas for development.

Regional approach to the completion of <b>Staff Evaluations</b> .	<p>NWT teachers are on a cyclical professional growth plan. It is the school principal's responsibility to complete all performance reviews for teachers based on the cycle of evaluation.</p> <p>Similarly, the Assistant Superintendent is responsible for evaluating principals, using the same cycle of evaluation.</p>
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Regional Performance Indicators	Regional Targets	Achieved Results	Explanation of Difference (if applicable)
Number of teachers and PSTs formally evaluated in the school year.	21	0	Evaluations for 21 teachers and PSTs began in October 2019 but ended prematurely in March 2020, due to COVID-19 requirements that schools close. These evaluations will resume in September 2020 and conclude by December 2020.



Number of principal and assistant principals formally evaluated in the school year.	4	0	Evaluations for four Principals began in October 2019 but ended prematurely in March 2020, due to COVID-19 requirements that schools close. These evaluations will resume in September 2020 and conclude by December 2020.
Number of Education Body School Support Consultants formally evaluated in the school year.	3	0	Evaluations for three consultants began in October 2019 but ended prematurely in March 2020, due to COVID-19 requirements that schools/offices close. These evaluations will resume in September 2020 and conclude by December 2020.
Number of Superintendents and Assistant Superintendents formally evaluated in the school year.	2	2	
Areas of Strength for the region	The NWT cycle of evaluations and growth plans is established and followed successfully each year. The 2019/20 school year was interrupted mid-March 2020 due to pandemic requirements that schools and offices close.		
Areas for Development for the region	Explicit connections between professional growth and improved practice needed. Closer alignment of regional and school priorities with focus for professional growth.		
Additional Comments for the region	Two cycles of evaluations will begin in September 2020: those incomplete evaluations from 2019/20 which will be completed by December 2020, and the scheduled 2020/21 evaluations which will be completed by May 2021.		

### ***Regional Training and In-Service***

Education Bodies are responsible for training and in-service activities for staff at the regional and school level, which can occur throughout the year, and may include 2.5 administrative days per year and time allotted for the Strengthening Teachers' Instructional Practices (STIP). (This does not include any professional development activities related to Article 16 of the Collective Agreement.)

The following table details the region’s training and in-service plan, the relevance of the plan to regional and departmental priorities, and includes regional performance indicators and targets set for the upcoming school year, along with the achieved results, the explanation for any difference between targets and results, noted areas of strength and areas for development.

<p>Regional Training and In-Service and relevance to regional and departmental priorities, for the upcoming school year.</p>	<p><b><u>Teaching Staff</u></b></p> <p><b>Overdrive</b> – two school on site visits</p> <p><b>Northern Studies Book Club</b> – twice a year electronically</p> <p><b>Junior Kindergarten/Kindergarten team</b> – in conjunction with ECE, follow-up after ECE meetings and at least three on site coaching.</p> <p><b>Inquiry-Based Learning</b> – for grades 1-4 twice a year electronically</p> <p><b>PowerSchool</b> – one on one training as required</p> <p><b>SMART Board</b> – one on one training as required</p> <p><b>Technology training</b> – this year’s focus is the Indigenous Language Educators</p> <p><b>Leveled-Literacy Intervention</b> – goal to have at least one teacher trained in each school.</p> <p><b>Go-To-Educator</b> - the goal is to have at least two schools with trained staff.</p> <p><b>Applied Suicide Intervention Skills Training</b> – encouraged at least two teachers in each community</p> <p><b>First Nations Mental Health First Aid</b> - encouraged at least two teachers in each community</p> <p><b>Non-Violent Crisis Intervention</b> – have at least one teacher as a trainer for the region.</p> <p><b><u>Program Support Teachers and Principals</u></b></p> <p><b>Program Support training</b> – three times a year face to face regional meeting with three on site meetings. Participation in the Northern Studies Book Club, Junior Kindergarten/ Kindergarten team meetings, Inquiry-Based</p>
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Learning, and the Jordan's Principle meetings. PST participation in ECE training.

**Principal Meetings** - three times a year face to face regional meeting with three on site meetings and regular teleconference calls. Principal participation in ECE training.

### **Third party funding**

**Learning Communities (LC) with Tom Hierck** – three regional onsite visits with follow-up electronically with a primary focus on Data. Student Success Initiative funding.

**Reading Apprenticeship** – two regional half days face to face meetings with at least two Go To meetings. Five teachers will complete Reading Apprenticeship training courses.  
ECE funding.

**Numeracy** – With Liliane Gauthier. Grade 1-8 teachers will have one week in total face to face meeting.

**Comprehensive Literacy** - with Daren Patterson – two on site visits.

**Science, Technology, Engineering, Mathematics (STEM)** - with Tom Lademann – three school on site visits.

**Mindfulness courses** – have at least one staff member in each school who have taken at least one Mindfulness course.

**Speech and Language** – potential in-service and training as required with Jordan's Principle funding.

**Hearing** – potential in-service and training as required with Jordan's Principle funding.

**Autism** – potential in-service and training as required with Jordan's Principle funding.

**Behaviour** – potential in-service and training as required with Jordan's Principle funding.

**Visual** – potential in-service and training as required with Jordan's Principle funding.

<b>Regional Performance Indicators</b>	<b>Regional Targets</b>	<b>Achieved Results</b>	<b>Explanation of Difference (if applicable)</b>
% of Regional training and in-service focused on regional priorities	100%	100%	
% of Regional training and in-service focused on departmental priorities	100%	100%	
% of administration days dedicated to training and in-service.	50%	50%	
% of collaborative STIP time dedicated to regional priorities	50%	50%	
<b>Areas of Strength for the region</b>	Consistency in focus on key areas for teacher development and training, over 5 - 10 years. Consistency in contractors delivering training. On-site learning for the majority of training.		
<b>Areas for Development for the region</b>	Measurement of impact of teacher development and training on student improved achievement / growth / wellbeing. Greater use of virtual learning and training for educators and school staff. Need for teacher training in how to leverage IT for teaching, student learning, and teacher professional growth. Hybrid models that use classroom instruction and online learning consistently, need to be explored in grades 8-12. Additional focus on mental health and wellness topics and training needed.		
<b>Additional Comments for the region</b>	The Continuity of Learning Plan during pandemic school closures brought into sharp focus that Sahtú teachers need training in delivering online teaching and learning in ways that engage students holistically and creatively.		

### ***Literacy Coordinators***

Literacy and instructional coordinators collaborate with teachers to develop effective instructional approaches in literacy and literacy in the disciplines. They provide professional development for teachers and model effective routines, practices, and protocols, while developing a regional literacy action plan and supporting school administrators and teachers

to develop and use instructional practices, resources, and assessments associated with the plan.

The following table details the region's role of their Literacy Coordinator, the relevance of the position to regional and departmental priorities, and includes regional performance indicators and

targets set for the upcoming school year related to literacy, along with the achieved results, the explanation for any variance between targets and results, noted areas of strength and areas for development.

<p><b>Regional Literacy Coordinator</b> role and relevance to regional and departmental priorities, for the upcoming school year.</p>	<p>Regional Literacy Coordinator oversees implementation of comprehensive literacy in JK-9, literacy in the disciplines in grades 5 -12, Levelled Literacy Intervention in reading, and Whole Region Writes in 100% of Sahtú schools. The Literacy Coordinator supports teachers, administrators and PSTs in implementing reading and writing assessments, and in collecting reading and writing data. The Literacy Coordinator facilitates and conducts teacher professional development in literacy and literacy assessments.</p>
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<b>Regional Performance Indicators</b>	<b>Regional Targets</b>	<b>Achieved Results</b>	<b>Explanation for variance</b>
<p>Number of Literacy or Instructional Coordinator roles in place for the school year.</p>	<p>1</p>	<p>1</p>	
<p>Regional Literacy Action Plan in place for the school year.</p>	<p>X Yes <input type="checkbox"/> No</p>	<p>x Yes <input type="checkbox"/> No</p>	
<p>Areas of Strength for the region</p>	<p>Sustained consistent training of staff in Balanced Literacy, Levelled Literacy Intervention, and NWT Literacy Across the Disciplines. Regional school-wide writing assessments three times per year. Teacher collaborative marking of student writing samples using Sahtu regional writing rubrics. Consistent collection of reading and writing student data.</p>		
<p>Areas for Development for the region</p>	<p>Next steps include using evidence and data to inform changes in teaching and learning. Literacy targets that span cross-curricular outcomes. Literacy in virtual environments and digital citizenship; and literacy targets embedded in inquiry-based learning are areas for development.</p>		
<p>Additional Comments for the region</p>	<p>Formal assessments in reading and writing ended in March 2020, due to pandemic school closures. Measures are in place to assist teachers establish early benchmarks in September 2020 so that reading and writing gaps can be effectively targeted and addressed in the early part of the school year.</p>		

## Healthy Food for Learning

The Healthy Foods for Learning Program is supported by the Anti-Poverty Strategic Framework and aims to increase the capacity of schools to provide healthy meals and/or snacks to students.

The following table details the programs relevance to regional priorities and strategies including regional and school-based performance indicators and targets set for the upcoming school year, along with the achieved results, the explanation for any difference between targets and results, noted areas of strength and areas for development.

<p><b>Relevance of the Healthy Foods for Learning program to regional priorities and strategies for program implementation:</b></p>	<p>The health of children affects their development, their ability to learn, and how they see themselves. Children need to have nutritious food in order to be prepared for learning.</p> <p>All five schools in the Sahtú region are accessing the Healthy Foods for Learning program during the 2019-2020 school year.</p> <p>A regional priority is for the five schools to be offering a breakfast program, five days per week for the ten months of the school year. In addition to the breakfast program, schools are strongly encouraged to offer morning and afternoon snacks where possible.</p>
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<b>Regional Performance Indicators</b>	<b>Regional Targets</b>	<b>Achieved Results</b>	<b>Explanation of Difference (if applicable)</b>
% of schools offering healthy foods programming.	100%	100%	
% of schools following regional wide programming and guidelines, <i>if applicable.</i>	N/A		
<b>Areas of Strength for the region</b>	The Healthy Foods for Learning program is put to good use in the region. Schools use all the funds available and usually seek additional funding from other means. During COVID-19, the five schools continued with the Healthy Foods for Learning program by delivering food supplies to families.		
<b>Areas for Development for the region</b>	Schools are finding delivering the program through volunteers to be somewhat challenging. We are encouraging schools to seek additional funding through other means to support hiring a breakfast and snack coordinator.		

Additional Comments for the region	School closures due to COVID-19 highlighted the vital importance of food programming in Sahtú schools. In months where schools closed, it became clear to a great degree that communities depend on schools for daily breakfast and twice-daily snacks for school-aged children.
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School Specific Performance Indicators	School	School Planning	Achieved Results	Explanation for variance
Type of food program(s) offered in each school. <i>(Breakfast, Lunch, Snack, Care Package, open cupboard, etc.)</i>	CAWS	Breakfast and morning/afternoon snacks	100%	
	CTS	Breakfast and morning snack	100%	
	CLS	Breakfast and morning/afternoon snacks	100%	
	MMS	Breakfast and morning/afternoon snacks	100%	
	EAS	Breakfast and morning/afternoon snacks	100%	
Total number of days and months program is offered in each school.	CAWS	5 days per week 10 months per year	5 days per week for 7 months	The school provided hampers to families during school closure due to COVID-19.
	CTS	5 days per week 10 months per year	5 days per week for 7 months	The school provided hampers to families during school closure due to COVID-19.
	CLS	5 days per week 10 months per year	5 days per week for 7 months	The school provided hampers to families during school closure due to COVID-19.
	MMS	5 days per week 10 months per year	5 days per week for 7 months	The school provided hampers to families during

				school closure due to COVID-19.
	EAS	5 days per week 10 months per year	5 days per week for 7 months	The school provided hampers to families during school closure due to COVID-19.
Approximate Total Number of children and youth served each day.	CAWS	97 students	97 students	
	CTS	130 students	130 students	
	CLS	64 students	40 students	Enrollment significantly decreased from the expected enrollment.
	MMS	150 students	150 students	
	EAS	102 students	102 students	
Criteria for participation per school. (Low income, fee, etc.)	CAWS	Open to all	Open to all	
	CTS	Open to all	Open to all	
	CLS	Open to all	Open to all	
	MMS	Open to all	Open to all	
	EAS	Open to all	Open to all	

### ***Student Success Initiative***

The Student Success Initiative (SSI) aims to improve student learning and outcomes. SSI proposals are provided to the Department and the Northwest Territories Teachers' Association (NWTTA) for approvals in May of the previous school year (as per the SSI Handbook).



The following table details the SSI Project proposal summary including regional performance indicators and targets, along with the achieved results, the explanation for any difference between targets and results, noted areas of strength and areas for development.

<b>SSI Project Proposal Summary</b>	Based on the success of introducing PLCs in 2018/19, the objectives in 2019/20 are to build teachers', PSTs' and administrators' capacities to interpret student data and learning evidence to inform changes in teaching practice and student learning. Assessments in reading, writing and numeracy will inform the work of all staff in the PLCs.
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<b>SSI Performance Indicators</b>	<b>Regional Targets</b>	<b>Achieved Results</b>	<b>Explanation of Difference</b> <i>(if applicable)</i>
% of teaching staff from across the region that participate in SSI PD activities.	100%	100%	
% of support staff from across the region that participate in SSI PD activities.	100%	100%	
<b>Areas of Strength</b>	<p>Consistency in focus is allowing deeper learning to take place. For example, leadership work with principals in the second year is revealing traction of ideas about leading school change and aligning vision, purpose and actions at the school level.</p> <p>Professional Learning Communities (PLCs) are established and functioning consistently and effectively at the school leadership level with principals and senior management.</p> <p>PLCs are established in each school but with varying degrees of consistency and effectiveness.</p> <p>The consistent Sahtú focus on Indigenous language growth, numeracy and literacy allows for substantial teacher professional development in these areas, which in turn is connected to PLC development as the means teachers use to collaborate to focus changes in teaching and student learning.</p> <p>Contractors are consistent in approaches, methods and on-site visits for professional development; Sahtú teachers are familiar with the leadership, numeracy and literacy contractors and collaborative professional relationships exist.</p>		
<b>Areas for Development</b>	While each school community's unique character is respected, the Sahtú needs to establish greater traction and effectiveness of training across all five schools. With greater alignment and accountability, strategic goals are		

	<p>actionable and more likely to result in the improved regional changes sought in student outcomes.</p> <p>Growth in use of evidence and data to guide change has been slow. In 2019/20 we soon realized that we have to build capacity across all levels in the use of evidence to guide decisions. We are still in the infancy of this principal/teacher development in the Sahtú. In 2020/21 the focus is to use the Indigenous language, numeracy and literacy data we collect to understand how it can inform decisions about teaching and learning and how it can improve outcomes for students.</p> <p>The Sahtú prioritizes teacher retention; teacher turnover remains challenging because it undermines, year-over-year, gains made in building collective capacity in the region.</p>
Additional Comments	<p>Teacher turnover plays a pivotal role in whether substantial investment in teacher training results in sustained positive impact on student outcomes. Despite the challenges posed by the pandemic, only seven teachers left the Sahtú, reduced from 16 in 2018/19.</p> <p>The Sahtú acknowledges that building capacity and effective school change takes time. Growth in 2019/20 was slow (and interrupted by school closures in March 2020). However, at the school leadership level, we saw a deeper level of understanding for the need for growth, along with a growing understanding of how to get there. Our leadership contractor continues to guide this development with principals and teachers.</p>

### Safe School Plans

Safe Schools Regulations require Education Bodies to complete a Safe Schools Plan that includes bullying prevention, intervention and education strategies that integrate evidence-based healthy relationships programming into the school curriculum and daily classroom activities. Safe School Plans are submitted annually to the department to ensure that Safe Schools Regulations are in place across the territory. Plans are reviewed and regions are provided with feedback every three years.

The current cycle is:

2019-2020	2020-2021	2021-2022
TCSA YK1 YCS DDEA NDEA	BDEC SSDEC	CSFTNO DDEC SDEC

The following table details the regional performance indicators and targets related to Safe School Plans, along with the achieved results, the explanation for any difference between targets and results, noted areas of strength and areas for development.

Regional Performance Indicators	Regional Targets	Achieved Results	Explanation of Difference (if applicable)
% of schools in which Safe Schools Plans are completed for the school year.	100%	100%	
% of schools which review Safe School Plans with school staff at the beginning of the school year.	100%	100%	
Areas of Strength for the region	The contractor has reviewed our Safe School Plans and has provided feedback.		
Areas for Development for the region	Due to COVID-19, we have not had the chance to review the revised Plans with the school principals. We will do this early Fall for implementation before the end of 2020.		
Additional Comments for the region			

### ***Healthy Relationship Programming***

Safe Schools Regulations require Education Bodies to include education strategies that integrate evidence-based healthy relationships programming into the school curriculum and daily classroom activities. Regions/Schools may offer evidence-based healthy relationships programs of their choice; however, ECE endorses the following evidence-based programs:

- Grades JK-3: *WITS* (Walk Away, Ignore, Talk it Out, & Seek Help);
- Grades 4-6: *LEADS* (Look & Listen, Explore Points of View, Act, Did it Work?, Seek Help);
- Grades 7-9: *The Fourth R - Health Physical Education (HPE) Program*; and
- Grades 10-12: *The Fourth R - Healthy Relationships Plus Program (HRPP)*.

The following table details the region's approach for the integration of evidence-based healthy relationship programming including regional performance indicators and targets set for the upcoming school year, along with the achieved results, the explanation for any difference between targets and results, noted areas of strength and areas for development.

Regional approach to integration of evidence-	Schools need to be a positive, safe, and caring environment for everyone, including students, staff, parents, and community members. The schools
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based <b>healthy relationship programming</b> .	will focus on developing healthy relationships that lead to everyone feeling welcome in the school environment.
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<b>Regional Performance Indicators</b>	<b>Regional Targets</b>	<b>Achieved Results</b>	<b>Explanation of Difference (if applicable)</b>
Number of schools offering WITS to JK-3 students.	5	5	
Number of schools offering LEADS to grade 4-6 students.	5	5	
Number of schools offering the Fourth R to grade 7-9 students.	5	4	Training was not available for Colville Lake School.
Number of schools offering HRPP to grade 10/11 students.	5	4	Training was not available for Colville Lake School as the teacher was not able to travel to Norman Wells for the training.
<b>Areas of Strength for the region</b>			
<b>Areas for Development for the region</b>	We were anticipating having a teacher from Colville Lake School participate in the Fourth R / HRPP training during 2019-2020, but weather caused travel cancellation.		
<b>Additional Comments for the region</b>			

<b>School Specific Performance Indicators</b>	<b>School</b>	<b>School Targets</b>	<b>Achieved Results</b>	<b>Explanation for variance</b>
Evidence-based healthy relationships programs being used, including	CAWS	JK-4: WITS Gr 1-12: LEADS Gr 7-9: Fourth R HPE	JK-3: WITS Gr4-6: LEADS Gr 7-9: Fourth R HPE Gr 10-12: Fourth R HRPP	

WITS, LEADS, 4 <sup>th</sup> R, and HRPP, and the grades they are being used (if applicable).		Gr 10-12: Fourth R HRPP		
	CTS	JK-4: WITS Gr 1-12: LEADS Gr 7-9: Fourth R HPE Gr 10-12: Fourth R HRPP	JK-4: WITS Gr 1-12: LEADS Gr 7-9: Fourth R HPE Gr 10-12: Fourth R HRPP	
	CLS	JK-4: Second Step Gr 1-12: Tribes JK-12: Red Cross Youth Relationship Program	JK-4 Second Step Gr 1-12: Tribes JK-12: Red Cross Youth Relationship	
	MMS	JK-4: WITS Gr 1-12: LEADS Gr 7-9: Fourth R HPE Gr 10-12: Fourth R HRPP	JK-4: WITS Gr 1-12: LEADS Gr 7-9: Fourth R HPE Gr 10-12: Fourth R HRPP	
	EAS	JK-4: WITS Gr 1-12: LEADS Gr 7-9: Fourth R HPE Gr 10-12: Fourth R HRPP	JK-4: WITS Gr 1-12: LEADS Gr 7-9: Fourth R HPE Gr 10-12: Fourth R HRPP	

### ***Second Language Education***

According to section 73(2,3) of the *Education Act*, English or an Official Language other than English must be taught as part of the education program in addition to the official language of instruction.

The following table details all Second Languages (SL) instruction taught for all schools in the region, including the language of instruction, the type of SL instruction, the grades in which the SL instruction takes place and the frequency in which the SL instruction occurs.

<b>School Name</b>	<b>Language of SL Instruction</b> <i>(Chipewyan, Cree, English, French, Gwich'in, Inuinnaqtun, Inuktitut, Inuvialuktun, North Slavey,</i>	<b>Type of SL Instruction</b> <i>(core, immersion, intensive)</i>	<b>Grades of SL Instruction</b>	<b>Frequency of SL Instruction</b> <i>(min/week)</i>	<b>Actual Frequency of SL Instruction</b> <i>(min/week)</i>	<b>Explanation for difference</b> <i>(if applicable)</i>
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	<i>South Slavey, or Tłı̨chǫ</i>					
CAWS	North Slavey	Core	JK-9	225	225	
CTS	North Slavey	Core	JK-9	225	225	
CLS	North Slavey	Core	JK-9	225	225	
MMS	North Slavey	Core	1-9	160	160	
	French	Core	1-11	225	225	
EAS	North Slavey	Core	JK-9	225	225	

\* One row per Language/per school

### 3. Inclusive Schooling

The *Ministerial Directive on Inclusive Schooling* (2016) is supported annually by conditional funding that is allocated to Education Bodies for programs, processes, and personnel that meet expectations and standards identified in the *Guidelines for Inclusive Schooling* (2016), to effectively support classroom teachers and improve student success. Inclusive Schooling funding allows education bodies to provide support systems and services to enable all students to be included as full participants in regular, age-appropriate classes within their home communities.

#### ***Regional Inclusive Schooling Coordinators***

Regional Inclusive Schooling Coordinators (RISCs) provide administrative and programming leadership at the regional level to Inclusive Schooling based staff and to the overall school team and environment to support classroom teachers in meeting the needs of students.

The following table details the total number of allocated, budgeted and actual RISCs in place to provide administrative and programming leadership at the regional level, and the explanation for any variance between each.

<b>Allocated (PY)</b>	<b>Budgeted (PY)</b>	<b>Explanation for Difference (if applicable)</b>	<b>Actual (PY)</b>	<b>Explanation for Difference (if applicable)</b>
1.00	1.00		1.00	

#### ***Program Support Teachers***

Program Support Teachers (PSTs) provide direct collaborative support to classroom teachers as they develop instructional strategies to meet the needs of students.

The following table details the number of allocated, budgeted and actual PSTs in place to provide direct collaborative support to schools, and the explanation for any variance between each.

<b>School Name</b>	<b>Allocated (PY)</b>	<b>Budgeted (PY)</b>	<b>Explanation for Difference (if applicable)</b>	<b>Actual (PY)</b>	<b>Explanation for Difference (if applicable)</b>
CAWS	1.00	1.00		1.00	
CTS	1.08	1.00		1.00	

CLS	1.00	1.00		1.00	
MMS	1.40	2.00		2.00	
EAS	1.00	1.00		1.00	
<b>TOTAL</b>	<b>5.48</b>	<b>6.00</b>		<b>6.00</b>	

### ***Support Assistants***

Support Assistants are individuals working in the school to support classroom teachers in meeting the instructional and personal needs of students.

The following table details the number of allocated, budgeted and actual Support Assistants in place to support classroom teachers in meeting the instructional and personal needs of students, and the explanation for any variance between each.

<b>School Name</b>	<b>Allocated (PY)</b>	<b>Budgeted (PY)</b>	<b>Explanation for Difference (if applicable)</b>	<b>Actual (PY)</b>	<b>Explanation for Difference (if applicable)</b>
CAWS	1.22	1.2		1.2	
CTS	2.01	2.8	Additional assistant for complex needs	2.8	
CLS	0.89	1.2	Shifted to meet needs in school	0.8	Shifted the additional 0.4 to another school
MMS	2.59	1.6	Shifted to meet needs in school	1.6	
EAS	1.64	2.4	Additional assistant for needs in school.	2.4	
<b>TOTAL</b>	<b>8.36</b>	<b>10.4</b>		<b>8.8</b>	



### ***Inclusive Schooling - Staff Development***

Specific funding is provided for education staff to provide or receive professional development directly related to supporting student and inclusive education in the classroom and school in general.

The following table details the total amount of allocated, budgeted and actual funding spent on inclusive schooling professional development, and the explanation for any variance.

<b>Allocated (\$)</b>	<b>Budgeted (\$)</b>	<b>Explanation for Difference (if applicable)</b>	<b>Actual (\$)</b>	<b>Explanation for Difference (if applicable)</b>
\$73,993	73,993		73,993	

The following table details the Inclusive Schooling Professional Development planned during the upcoming school year:

<b>Type of Training</b>	<b>Audience Intended (PSTs / Educators / Support Assistants / Principals)</b>	<b>Planned Topic</b>	<b>Planned Date &amp; Location</b>	<b>Was the training held as planned? (Yes/No)</b>	<b>If No, why not?</b>
Face to face	Principals/PSTs	SSP, IEP, and Tienet	TBD	YES	
Face to face and electronic	All staff members	Self-Regulation	TBD	YES	
Face to face and electronic	All staff members	Differentiation	TBD	YES	
Face to face and electronic	Educators, Support Assistants and PST	Speech and Language (Jordan's Principle funding)	TBD	YES	
Face to face and electronic	Educators, Support Assistants and	Hearing (Jordan's Principle	TBD	NO	timing/scheduling did not allow in some schools, followed by

	PST	funding)			school closures due to COVID-19
Face to face and electronic	Educators, Support Assistants and PST	Behaviour (Jordan's Principle funding)	TBD	YES	
Face to face and electronic	Educators, Support Assistants and PST	Braille and how to deliver courses to the Blind (Jordan's Principle funding)	TBD	NO	timing/scheduling

The following table details the region's approach to inclusive schooling Professional Development, the relevance of the plan to regional and departmental priorities, and includes regional performance indicators and targets set for the upcoming school year related to inclusive schooling professional development, along with the achieved results, the explanation for any variance between targets and results, noted areas of strength and areas for development.

Regional approach to <b>Inclusive Schooling Professional Development</b> and relevance to regional and departmental priorities, for the school year.	Annually, at the beginning of the year, the Principals and PSTs have a face to face meeting with the Inclusive Schooling Coordinator to discuss Inclusive Schooling implementation. Two more face to face meetings during the rest of the school year are to review the implementation. Three school visits are made where Inclusive Schooling strategies are discussed. Principals and PSTs are able to request additional school visits where deemed necessary.
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Regional Performance Indicators	Regional Targets	Achieved Results	Explanation for Difference (if applicable)
% of educators that have been trained on developing and implementing IEPs this year.	100%	100%	
% of educators that have been trained on developing and implementing SSPs this year.	100%	100%	

% of educators that have been trained on the use of flexible strategies this year.	100%	100%	
% of educators that have been trained on the School-based Support Team process this year.	100%	100%	
% of principals that have been trained on their leadership role related to Inclusive Schooling this year.	100%	100%	
% of Support Assistants who have been trained on Inclusive Schooling this year.	100%	100%	
% of Program Support Teachers who have been trained on Inclusive Schooling this year.	100%	100%	
% of educators that have been trained on Assistive Technology this year.	100%	100%	
<b>Areas of Strength for the region</b>	<p>Consistency in staffing for support assistant positions allows capacity to be built over time.</p> <p>Support assistants increasingly receive professional development based on the needs of students in their schools. School-based teams are functioning in all schools and increasingly provide timely effective interventions for students.</p>		
<b>Areas for Development for the region</b>	<p>Accountability in all aspects of inclusive schooling implementation needs improvement. Training, awareness and accountability measures are being steadily built, but are still needing much attention.</p> <p>Follow-up and follow-through on testing recommendations need to be enhanced at the classroom and school level.</p> <p>Greater inclusion of parents in decision-making processes around special education for their child(ren) is required. Allied to this is greater communication and conversations with parents about inclusive education to promote enhanced awareness and understandings.</p>		
<b>Additional Comments/Requests for Support for the region</b>	<p>Greater access to (equity in) services provided by professionals on-site in communities, for example, speech language pathologists, educational psychologists, autism / behaviour therapists, audiologists.</p> <p>Greater collaboration between (and synchronicity of services delivered by) Health and Social Services and Education authorities.</p> <p>Consistent and on-going training in all aspects of inclusive schooling, delivered on site where possible, and virtually if</p>		

	necessary, especially for the classroom teachers and support assistants who daily meet complex needs of students. Education of and communication with parents about services available and the school-home partnership in addressing complex needs.
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The following table details any Inclusive Schooling expertise or services contracted for professional learning and capacity building initiatives, including the name of the Contractor, the type of service, the reason the service was needed, the school(s) in which the contractor worked, and the length of contract that was awarded throughout the school year (not including members of the ECE Territorial-Based Support Team).

<b>Name of Contractor</b>	<b>Type of Service</b>	<b>Reason for the Service</b>	<b>School(s) impacted by Service</b>	<b>Length of Contract</b>	<b>Total (\$)</b>
Children's Autism Services of Edmonton	Communication and behavior supports students, school, community.	Diagnosed student learners	EAS	Annual renewal	\$115,000
Edmonton Down Syndrome Society	Communication and behavior	Diagnosed student learners	EAS	As and when scheduling	\$12,000
Tiny EYE Therapy Services	Speech Language Development	Supporting targeted language development	MMS, CTS, EAS	As and when scheduling	\$30,000
Dean Educational and Psychological Consulting	Ed-Psychology assessments	Providing guidance,	2019-20 CTS, MMS, 2020-21 EAS, CAWS, CLS	As and when scheduling	\$30,000

***Assistive Technology***

Assistive technology (AT) is any item, piece of equipment, or product system, whether acquired commercially off-the-shelf, modified, or customized, that is used to increase, maintain, or improve functional capabilities of a child with a disability.

The following table details the amount of allocated, budgeted and actual funding spent on Assistive Technology per school, and the explanation for any variance between each.

<b>Allocated (\$)</b>	<b>Actual (\$)</b>	<b>Assistive Technology Purchased</b>	<b>Total Over / Under Allocation (\$)</b>
\$72,747			

### *Healing and Counselling*

Healing and Counselling refer to strategies and supports designed to address behavioural, social, emotional, and healing issues, including those related to the legacy of residential schooling.

The following table details the amount of allocated, budgeted and actual funding spent on Healing and Counselling per school, and the explanation for any variance between each.

<b>School Name</b>	<b>Allocated (\$)</b>	<b>Budgeted (\$)</b>	<b>Explanation for Difference (if applicable)</b>	<b>Actual (\$)</b>	<b>Explanation for Difference (if applicable)</b>
CAWS	\$19,711	\$19,711			
CTS	\$23,772	\$23,772			
CLS	\$23,403	\$23,403			
MMS	\$25,987	\$25,987			
EAS	\$21,882	\$21,882			
<b>TOTAL</b>	<b>\$114,755</b>	<b>\$114,755</b>		<b>\$114,755</b>	

## Alignment of Student Supports

In order to support all students within the Common Learning Environment as per 9.1c in the *Ministerial Directive on Inclusive Schooling (2016)*, it is critical that student supports are aligned. Student Support Plans (SSPs) and Individual Education Plans (IEPs) can be reviewed and changed at any time, but must be reviewed at least once every reporting period (3-4 times per year).

The following table details the region's approach to ensure that student supports aligned to the goals stated in their SSPs and/or IEPs, including regional performance indicators and targets set for the upcoming school year, along with the achieved results, the explanation for any variance between targets and results, noted areas of strength and areas for development.

Regional approach to ensure that student supports are aligned to the goals stated in SSPs and IEPs.	Student Support Plans (SSP) are created at the beginning of the school year based on assessments. SSPs are reviewed at each reporting period and adjusted accordingly. F&P data collection occurs three times a year and formative Math assessments occur all year long.
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Regional Performance Indicators	Regional Targets	Achieved Results	Explanation for variance
% of SSPs and IEPs that will be finalized in Tienet by November 30 of the upcoming school year.	100%	100%	
% of IEPs that will be reviewed and revised (if necessary) at each reporting period.	100%	100%	
% of teachers implementing all required supports identified in SSP/IEPs by the first reporting period.	100%	100%	
Number of students not able to participate in the Common Learning Environment in their home community.	0	0	
% of teachers using Class Profiles (Class Reviews) in their lesson planning.	50%	25%	In-service will be held in 2020 to address this shortfall. COVID-19 interruptions will result in a rollover of funding.
% of schools using differentiated lesson plans that reflect the requirements of SSPs and IEPs.	100%	100%	

Number of students in temporary residency situations or homebound for whom education programs are provided.	1	1	
Number of times per month that the RISC meets with PSTs via video/phone conference?	Minimum times once per month	Minimum times once per month	
Number of times per year that the RISC meet with the PSTs in person	6	6	
Areas of Strength for the region	<p>Consistent and thorough in-service of PSTs/RISCs occurs throughout the year at the regional and territorial level.            Evidence/Data collection in reading, writing and numeracy is well-established in grades 1-9.            Professional development for teachers is offered on-site and at the regional centre to build capacity in inclusive schooling approaches and strategies.</p>		
Areas for Development for the region	<p>Inconsistency in implementation across Sahtu schools. Follow-through and follow-up at the classroom and school level shows gaps that we will address through increased supports and monitoring.            Creating a shared culture of accountability for implementation of inclusive schooling tenets at the classroom and school level requires support.</p>		
Additional Comments for the region	<p>The Sahtú is prioritizing strengthening accountability and providing support to be accountable for inclusive schooling implementation at the classroom and school level, as and where necessary.</p>		



### ***Flexible Instructional Strategies***

Instructional strategies are techniques that teachers use to help students become independent, strategic learners. Principals are required to support teachers and support assistants in the use of flexible instructional strategies, such as scheduling allocation of resources, or leading staff development.

The following table details the region's approach to ensure that principals create conditions to support teachers in the use of flexible instructional strategies, and includes regional performance indicators and targets set for the upcoming school year, along with the achieved results, the explanation for any variance between targets and results, noted areas of strength and areas for development.

Regional approach to ensure that principals create conditions to support teachers in the use of flexible instructional strategies.	The Principal, Inclusive Schooling Coordinator, and the Assistant Supervisor will meet early in the school year to determine the needs of the school based on what was determined the year before and what is evident in the current school year. The Principal will request in-servicing from the board office staff when necessary.
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Regional Performance Indicators	Regional Targets	Achieved Results	Explanation for variance
% of teachers who receive support through equitable scheduled time with PST.	100%	100%	
% of support assistants who receive support through adequate scheduled time with PST.	100%	100%	
% of principals who ensure that a student's instruction is primarily provided by the classroom teacher within the common learning environment.	100%	100%	
% of classroom teachers who will meet with the PST at least once a month.	100%	100%	
% of support assistants who will meet with PST at least once a month.	100%	100%	
% of support assistants who have regularly scheduled meeting times with the teacher(s) they work with.	100%	100%	

% schools that ensure access to appropriate curricular activities that utilize flexible instructional strategies.	100%	100%	
% of schools that have a fair process for equitable access to extracurricular activities.	100%	100%	
Areas of Strength for the region	Expectations are clearly communicated from the RISC to the PSTs in schools and this is reflected in the 100% expectation for all schools. Expectations are clearly communicated from the Assistant Superintendent to principals and this is reflected in the 100% expectation for all schools. Supports are provided as and where needed; Principals and PSTs communicate needs identified at the classroom and school level.		
Areas for Development for the region	Implementation falters and there is inconsistency across schools. Expectations are made explicit but follow-through needs support at the school level to ensure consistency in approaches and fulfilling of expectations.		
Additional Comments for the region	The Sahtú identifies these areas that need consistent support to ensure we are fulfilling expectations for inclusive schooling.		

### ***School-based Support Team***

The School-based Support Team (SBST) operates under the leadership of the principal to assist classroom teachers with developing and implementing instructional and/or management strategies, SSPs or IEPs, and to coordinate support resources for students. The team also develops strategies to support classroom teachers in meeting students' needs and to reduce barriers to students' success in learning; solve specific problems; address systemic issues as well as those that are teacher or student specific; and maintain documentation, as per the reporting requirements. SBSTs are encouraged to meet regularly (typically weekly), and to keep written records of their meetings.

The following table details the region's approach to ensure that the SBST, under the leadership of the principal with co-leadership by PST(s), is involved to support teachers to meet the needs of all of their students. It includes regional performance indicators and targets set for the upcoming school year, along with the achieved results, the explanation for any variance between targets and results, noted areas of strength and areas for development.

Regional approach to ensure that the SBST is in place in each school and is	The PSTs record in their monthly reports to the Inclusive Schooling Coordinator how many times the SBST met.
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operating effectively as per the directive.	
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Regional Performance Indicators	Regional Targets	Achieved Results	Explanation for variance
% of schools that have an established and operational SBST by the end of the first month of school.	100%	100%	
% of teachers who know how to access the SBST	100%	100%	
% of schools that are using a referral process to notify SBST about specific student needs.	100%	100%	
% of schools that keep written records of SBST meetings.	100%	100%	
Areas of Strength for the region	Principals and PSTs report monthly on the occurrence of school-based team meetings. Increasingly, the team-based school meetings address issues and find solutions that work within the individual classroom and school context. This creates increased likelihood that solutions will be implemented; supports are offered by a team.		
Areas for Development for the region	School - home and teacher - parent connections and communications about complex needs require support. Increased parent consultation and participation in school-based team meetings requires scaffolding. The role of the Support Assistant and the knowledge they bring to the table can be strengthened within the school-based team meetings.		
Additional Comments for the region	Territorial-based support in addressing complex needs has been greatly appreciated in all five schools. Professional development offered at the school and regional level has been very well received by teachers, support assistants and principals.		

School Specific Performance Indicators	School	School Targets	Achieved Results	Explanation for variance
Please list the frequency and duration of planned SBST meetings by school. <i>(month/minutes)</i>	CAWS	Once per week	once per month	time constraints 2020-2021 meetings required twice per month
	CTS	Once per week	once per month	time constraints 2020-2021 meetings required twice per month
	CLS	Once per week	once per month	time constraints 2020-2021 meetings required twice per month
	MMS	Once per week	once per month	time constraints 2020-2021 meetings required twice per month
	EAS	Once per week	once per month	time constraints 2020-2021 meetings required twice per month

### ***Review of SSPs and IEPs***

SSPs and IEPs should be discussed with parents and guardians. However, as per the NWT *Education Act*, IEPs additionally require the explicit consent of the student's parent or guardian, typically recognized by a signature on the IEP.

The following table details the region's approach to ensure that IEPs and SSPs are updated and reviewed in consultation with parents, students, SBST members, education body staff, and other professionals as required, and includes regional performance indicators and targets set for the upcoming school year, along with the achieved results, the explanation for any variance between targets and results, noted areas of strength and areas for development.

Regional approach to ensure that IEPs and SSPs are updated and reviewed in consultation with parents, students, SBST members, education body staff, and other professionals as required.	IEPs and SSPs suggested review dates are indicated in the Important Dates calendar that are sent out to Principals and PSTs. PSTs record in the monthly reports sent to the Inclusive Schooling coordinator the type of meetings held with students, teachers, and others. The Inclusive Schooling Coordinator will follow up on any issue arising from these meetings.
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<b>Regional Performance Indicators</b>	<b>Regional Targets</b>	<b>Achieved Results</b>	<b>Explanation for variance</b>
% of teachers completing SSPs for students requiring them in consultation with parents.	100%	100%	
% of teachers completing IEPs for students requiring them in consultation with parents.	100%	100%	
% of parents participating in developing SSPs for those students requiring them.	100%	50%	Schools continue to support building trust so that these conversations can occur
% of parents given the opportunity to participate in developing IEPs for those students requiring them.	100%	100%	
% of students participating in developing their own SSPs, when required and appropriate.	100%	50%	Student agency in the creation of support plans is an area that needs development

% of students participating in developing their own IEP, when required and appropriate.	100%	100%	
Areas of Strength for the region	Increasingly, the parents' role in co-designing support plans is sought and valued. Ongoing in-service and knowledge-building for teachers in the intergenerational impacts of residential schooling and trauma have influenced perceptions and attitudes so that teachers are more inclined toward and more patient with the process of consulting with parents.		
Areas for Development for the region	Strengthening of school - community connections Strengthening of teacher - student - parent relationships to support needs Increase recognition of student voice, student agency and strengths-based approaches On-going professional development in trauma-informed teaching practices and strategies		
Additional Comments for the region	Due to COVID-19 required school closures, three Sahtú schools had principals and teachers in southern provinces for the period mid-March until the end of the school year. This absence from the community and school severely impeded the review and final completion of SSPs in three schools.		

### ***PST Activities***

In carrying out their role, the PST will focus on activities and functions that directly support classroom teachers to meet the needs of their students. The Inclusive Schooling Directive provides guidance for this by setting out PST priority time-use targets:

- a minimum of 60% of the PST's time should be devoted to ***teacher support activities***
- no more than 25% of the PST's time should be spend working ***directly with students*** (commonly Tier 3 students –those with more complex needs)
- maximum of 15% of the time used for ***other*** functions

The following table details the region's approach to ensure that PSTs align their time use, to the best of their ability, to the PST Priority Time-Use targets, and includes regional performance indicators and targets set for the upcoming school year, along with the achieved results, the explanation for any variance between targets and results, noted areas of strength and areas for development.

<p>Regional approach to ensure that PSTs align their time use, to the best of their ability, to the PST Priority Time-Use targets.</p>	<p>The PSTs submits monthly reports that summarizes their duties to the Inclusive Schooling Coordinator. The Inclusive Schooling Coordinator provides feedback. The Inclusive Schooling Coordinator will consult with the Principal and Assistant Superintendent for any needed clarification.</p>
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Regional Performance Indicators	Regional Targets	Achieved Results	Explanation for variance
% of PSTs meeting the 60% benchmark of their time directly supporting teachers.	100%	100%	
% of PSTs meeting the 25% benchmark of their time directly supporting students.	100%	100%	
% of PSTs spending no more than 15% of their time on planning and organizational duties	100%	100%	
Areas of Strength for the region	The Sahtú has made significant strides in adhering to the recommended time use benchmarks for PSTs.		
Areas for Development for the region	“Supporting teachers” in fulfilling directives of inclusive schooling: greater clarity, best practices, and shared understandings are needed.		
Additional Comments for the region	PST time benchmarks are respected however the reality of small schools requires ongoing flexibility and give and take.		

## 4. Indigenous Languages and Education

As set out in the Education Act, the NWT education system recognizes the relationship between languages, culture and learning, and that school programs must be based on the cultures of the NWT. The 2018 *NWT JK-12 Indigenous Languages and Education (ILE) Policy* highlights the ongoing commitment of ECE and Education Bodies in welcoming all students within learning environments that centre, respect, and promote Indigenous worldviews, cultures and languages of the community in which the school is located. The ILE Policy is supported annually by conditional funding that is allocated to Education Bodies to provide Indigenous language education and enhance cultural teaching and learning within NWT schools.

### *Regional Indigenous Language and Education Coordinators*

The Regional Indigenous Language and Education (RILE) Coordinator provides a centralized leadership role in coordinating Indigenous Language instruction and Indigenous education programs and activities in the region.

The following table details the total number of allocated, budgeted and actual RILE Coordinators in place to provide centralized leadership at the regional level, and the explanation for any difference between each.

<b>Allocated (PY)</b>	<b>Budgeted (PY)</b>	<b>Explanation for difference (if applicable)</b>	<b>Actual (PY)</b>	<b>Explanation for difference (if applicable)</b>
1.00	1.00		1.00	



### ***Indigenous Language Instructors***

Indigenous Language Instructors provide Indigenous languages instruction to JK-12 students in NWT schools. The following table details the number of allocated, budgeted and actual Indigenous Language Instructors in place to provide direct collaborative support to schools, and the explanation for any difference between each.

<b>School Name</b>	<b>Allocated (PY)</b>	<b>Budgeted (PY)</b>	<b>Explanation for difference (if applicable)</b>	<b>Actual (PY)</b>	<b>Explanation for difference (if applicable)</b>
CAWS	1.00	2.00	Retracted intention to retire of 1.0	2.00	
CTS	1.42	2.4		2.00	To align the budget with funding
CLS	1.00	1.4		1.00	To align the budget with funding
MMS	1.23	0.5	Reviewing for future	0.50	Will be increased to 1.0 for 2020-2021
EAS	1.19	2.0		2.0	
<b>TOTAL</b>	<b>5.84</b>	<b>8.3</b>		<b>7.5</b>	

### ***Indigenous Education***

Indigenous Education funding supports the operation and maintenance of Indigenous education programs and activities in NWT schools. All NWT schools are expected to work towards creating a welcoming environment in the school through building the school-community relationship, offering teacher training, and employing a whole-school approach to Indigenous language use, including Elders in Schools and Teacher Cultural Orientation; and Indigenizing education through Indigenizing teaching and learning practices, Indigenizing content of curricula and programming, and offering key cultural experiences.

The following table details the total amount of allocated, budgeted and actual funding spent on Indigenous Education to create welcoming environments and Indigenizing education in each school, and the explanation for any difference between each.

<b>School Name</b>	<b>Allocated (\$)</b>	<b>Budgeted (\$)</b>	<b>Explanation for difference (if applicable)</b>	<b>Actual (\$)</b>	<b>Explanation for difference (if applicable)</b>
CAWS	40,200	40,200		40,200	
CTS	40,200	40,200		40,200	
CLS	43,500	43,500		43,500	
MMS	39,000	39,000		39,000	
EAS	40,200	40,200		40,200	
<b>TOTAL</b>	<b>\$203,100</b>	<b>203,100</b>		<b>203,100</b>	

### ***Building the School-Community Relationship***

Building the School-Community Relationship depends on schools' recognition that communities have many assets and much to offer the education system. It is important for school staff to involve parents and community in school planning and activities, and to share with them the school goals wherever possible to create a welcoming environment.

The following table details the region's approach to ensure that schools make efforts to build the school community relationship, and includes regional and school level performance indicators and targets set for the upcoming school year, along with the achieved results, the explanation for any difference between targets and results, noted areas of strength and areas for development.

<p>Regional approach to build the school-community relationship in all schools.</p>	<p>100% of schools will instruct in Dene Laws and use Dene Laws as the foundation for building school-community relationships. In-school and school-community interactions implementing Dene Laws include: community feasts, cultural days inclusive of community, <i>On the Land</i> programming utilizing cultural experts and local lands-people, locally developed courses Naizeza 15, 25 (Naizeza 35 pending approval), on-going seasonal cultural camps, regional cultural events that bring youth and community together in the school e.g. Hand-games Tournaments, Elders in schools with active participation in programming e.g. Northern Studies 10 participation. Regional Sahtú Dene Council Terminology Workshop will include all Indigenous Language Educators and coordinators working with Elders and North Slavey language speakers. Establishment of Indigenous Language and Education Committees in 100% of schools, with monthly regional meetings via GoToMeeting. The Sahtú regional approach embraces holism and is relational, and learning is spiral and experiential.</p>
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Regional Performance Indicators	Regional Targets	Achieved Results	Explanation for difference
<p>% of schools with an Indigenous Language and Education (ILE) Committee</p>	<p>100%</p>	<p>100%</p>	<p>This percentage reflects the time period August 2019 - March 2020. Pandemic school closures and public health directives caused many cultural initiatives to be put on hold or adapted to meet CPHO guidelines and directives.</p>

<p>% of schools with Elders in Schools programming</p>	<p>100%</p>	<p>100%</p>	<p>This percentage reflects the time period August 2019 - March 2020. In-school programming with Elders ended, as recommended by the CPHO.</p>
<p>% of schools hosting community gatherings rooted in local cultures</p>	<p>100%</p>	<p>100%</p>	<p>This percentage reflects the time period August 2019 - March 2020. In-school community cultural gatherings ceased following the recommendations and directives of the CPHO.</p>
<p>Areas of Strength for the region</p>	<p>All schools have an active and effective Indigenous Language and Education Committee in place as of 2019/20, allowing that rates of effectiveness vary. The committees draw on community and school staff input and have taken control of the planning and implementation of cultural priorities and activities through the school. The Sahtú is seeing greater community involvement/integration in cultural activities in some schools as a result of the ILE Committee.</p> <p>All schools have programming that includes Elders' attendance for an activity or events, in school, or through on the land programming.</p> <p>School-hosted community cultural gatherings occur in all five schools, but inconsistency exists, with some schools hosting frequent gatherings and some schools seldom hosting community cultural gatherings.</p>		
<p>Areas for Development for the region (as and when permitted by CPHO recommendations/guidelines in 2020/21)</p>	<p>ILE Committees can be supported by sharing Sahtú best practices and effective strategies so that all ILE Committees in the Sahtú can function optimally to integrate and connect the community with school cultural priorities.</p> <p>Sahtú schools, where possible, can work to integrate Elders into programming as a consistent presence, rather than attendance only by activity or event.</p> <p>Enhance communication with Sahtú Elders to allay fears that work within the schools adversely affects receipt of pensions, or previous misdemeanours prevent passing criminal records checks. Sahtú ILES are working to develop clear consistent messaging to</p>		

	<p>answer Elders' questions, in consultation with Service Canada and RCMP.</p> <p>The Sahtú will target all five schools to offer frequent community cultural gatherings, when permitted by the CPHO, in the 2020/21 school year.</p>
Additional Comments for the region	<p>Based on the constraints of the pandemic and the requirements of the CPHO and WSCC, school-community relationships will be built safely, but creatively and in new ways in 2020/21. Historic trauma and intergenerational impacts, along with the new mental health demands of the pandemic are significant components in these relationships bridging into the new school year.</p>

School Specific Performance Indicators	School	School Targets	Achieved Results	Explanation for difference
Type and frequency of involvement of Elders in each school (i.e. Part-time/full-time/project or event specific)	CAWS	Project or event specific Part-time	100%	Based on pre-pandemic closures, August 2019-March 2020.
	CTS	Project or event specific Part-time	100%	Based on pre-pandemic closures, August 2019-March 2020.
	CLS	Project or event specific Part-time	100%	Based on pre-pandemic closures, August 2019-March 2020.
	MMS	Project or event specific Part-time	100%	Based on pre-pandemic closures, August 2019-March 2020.
	EAS	Project or event specific Part-time	100%	Based on pre-pandemic closures, August 2019-March 2020.
Type of activities provided through Elders in Schools (description/grades)	CAWS	Locally developed course instruction / participation – grades 10-12. Indigenizing curriculum JK-12.	75%	Grades 10-12: Locally developed courses not offered in 2019/20 as credits were already achieved.

		<p>Cultural events/activities for grades JK-12:                  Feeding fire                  Drum dances                  Moose hide tanning                  Sewing                  Drumming                  Hand-games instruction                  Dene games                  Tent setting                  Traditional cooking.</p>		
	CTS	<p>Locally developed course instruction / participation – grades 10-12.                  Indigenizing curriculum JK-12.                  Cultural events/activities for grades JK-12:                  Feeding fire                  Drum dances                  Moose hide tanning                  Sewing                  Drumming                  Hand-games instruction                  Dene games                  Tent setting                  Traditional cooking.</p>	80%	Moose hide tanning was not offered.
	CLS	<p>Locally developed course instruction / participation – grades 10-12.                  Indigenizing curriculum JK-12.                  Cultural events/activities</p>	100%	Offered through on-the-land activities.

		for grades JK-12: Feeding fire Drum dances Moose hide tanning Sewing Drumming Hand-games instruction Dene games Tent setting Traditional cooking.		
	MMS	Locally developed course instruction / participation - grades 10-12. Indigenizing curriculum JK-12. Cultural events/activities for grades JK-12: Feeding fire Drum dances Moose hide tanning Sewing Drumming Hand-games instruction Dene games Tent setting Traditional cooking.	50%	Through the MMS ILE Committee and enhanced hours for the ILE, the school is better placed in 2020/21 to integrate substantially more cultural activities in school programming.
	EAS	Locally developed course instruction / participation - grades 10-12. Indigenizing curriculum JK-12. Cultural events/activities for grades JK-12: Feeding fire	80%	Moose hide tanning was not offered.

		Drum dances Moose hide tanning Sewing Drumming Hand-games instruction Dene games Tent setting Traditional cooking.		
Type and frequency of school-community gatherings (family fun nights, feasts, etc.) offered to build school-community relationships	CAWS	Minimum once a month, in addition to auspicious days / holidays /school celebrations e.g. feasts, family literacy events, mothers' day activities, awards ceremonies, celebration assemblies, family fun days, concerts.	100%	
	CTS	Minimum once a month, in addition to auspicious days / holidays /school celebrations e.g. feasts, family literacy events, mothers' day activities, awards ceremonies, celebration assemblies, family fun days, concerts.	100%	
	CLS	Minimum once a month, in addition to	50%	Space constraints / inadequate facilities are a factor in hosting school events.



		auspicious days / holidays /school celebrations e.g. feasts, family literacy events, mothers' day activities, awards ceremonies, celebration assemblies, family fun days, concerts.		
	MMS	Minimum once a month, in addition to auspicious days / holidays /school celebrations e.g. feasts, family literacy events, mothers' day activities, awards ceremonies, celebration assemblies, family fun days, concerts.	60%	School is very strong in community connections other than community cultural gatherings. Additional ILE time and focus of ILE Committee will address shortfalls.
	EAS	Minimum once a month, in addition to auspicious days / holidays /school celebrations e.g. feasts, family literacy events, mothers' day activities, awards ceremonies, celebration assemblies, family fun days, concerts.	100%	

Strengthening training for Northern educators is essential in order to provide educators with the background and context from which they can learn more about the community in which they live and work. This provides the foundation for educators to contribute to the ongoing development of positive relationships with students, parents, and the community at large.

The following table details the region’s approach to Strengthen Training for Northern Educators, and includes regional and school level performance indicators and targets set for the upcoming school year, along with the achieved results, the explanation for any difference between targets and results, noted areas of strength and areas for development.

<p>Regional approach to strengthen training for Northern Educators, including % of current teachers who have received Residential Schools Awareness training.</p>	<p>100% of Indigenous Language Educators will participate in the <i>Knowing our Spirits</i> conference in Edmonton, AB in November 2019. Focus will be: culture, community wellness, education, healing, motivation for wellness, intergenerational impacts of residential schools, and nurturing healthy youth in Sahtu communities.                  Ongoing in-service in: locally developed courses Naiizeza 15/25/35; use of SMART boards and I-pads in Our Languages curriculum (OLC).                  In-service in: Introduction to Play-based learning in the OLC classroom                  100% of Indigenous Language Educators participate in their community school’s two cultural days, as a way to contribute to the ongoing development of positive relationships with students, parents, and the community. By February 2020, 100% of Sahtú educators will have received residential school awareness training.</p>
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Regional Performance Indicators	Regional Targets	Achieved Results	Explanation for difference
<p>Type of regional gatherings training provided to strengthen training for Northern educators, and % of staff that participated (Cultural Orientation Days, ILE workshops and in-services, etc.)</p>	<p>100% of ILEs and 100% of school staff participate in Cultural Orientation Days. 100% of ILEs participate in AB conference, regional in-services, and on-site embedded PD.</p>	<p>100%</p>	
<p>% of schools holding Teacher Cultural Orientation Days</p>	<p>100%</p>	<p>100%</p>	

<p>Type of Residential School Awareness Training provided and # of teachers/staff participants</p>	<p><i>Knowing our Spirits Conference</i> (Edmonton, Nov 2019, ILES participated); <i>Sahtú Regional Teachers' Conference</i> (Feb 2020, all teachers and support assistants participated in ECE facilitated residential schools awareness training).</p>	<p>100%</p>	
<p>Areas of Strength for the region</p>	<p>100% of Sahtú teachers and support assistants received ECE facilitated training in residential schools awareness and acts of reconciliation in Feb 2020. All Sahtú schools have received ECE facilitated in-service in OLC and the OLC Handbook implementation over the past two years. Sahtú ILEs have received on-site technology in-service to assist with the delivery of OLC.</p>		
<p>Areas for Development for the region</p>	<p>Cultural days occur in all schools, but community involvement and integration in the learning should be enhanced. Enhanced planning of cultural days to ensure topics and activities are not repetitive and match the experience and needs of the learners. On-going in-service is needed for ILEs and classroom teachers in Indigenization of content and pedagogy; instruction in both the <i>why</i> and the <i>how</i> is needed. Teacher training through virtual and online means requires development.</p>		
<p>Additional Comments for the region</p>	<p>Due to teacher turnover, a continual cycle of ever-greening is needed in order to strengthen teacher instructional practices and allow all to share in foundational cultural training. Integration of technology and virtual learning for teachers: shortfalls in teacher knowledge of how to use technology for teaching and for personal professional growth has emerged from the Continuity of Learning period.</p>		

School Specific Performance Indicators	School	School Targets	Achieved Results	Explanation for difference
Type of activities and % of school staff participating in school organized Cultural Orientation Days.	CAWS	School staff selects from: Indigenous language revitalization workshops, North Slavey language workshops, Elder storytelling, <i>On the land</i> visit to lake or culturally significant place, Indigenizing curriculum workshops, Dene Kede workshops, instruction in traditional plants and medicines, dry meat / fish making, Indigenous guest presenter, beading, drum-making, traditional food preparation, presentation and instruction by traditional artist, team-building activities, impact of residential schooling / intergenerational trauma workshop. 100% of school staff participate, with community members.	100%	
	CTS	School staff selects from: Participation in community	100%	

		<p>hunt, Indigenous language revitalization workshops, North Slavey language workshops, Elder storytelling, <i>On the land</i> visit to lake or culturally significant place, Indigenizing curriculum workshops, Dene Kede workshops, instruction in traditional plants and medicines, dry meat / fish making, Indigenous guest presenter, beading, drum-making, traditional food preparation, presentation and instruction by traditional artist, team-building activities, impact of residential schooling / intergenerational trauma workshop. 100% of school staff participate, with community members.</p>		
	<p>CLS</p>	<p>School staff selects from: Participation in community hunt, Indigenous language revitalization workshops, North</p>	<p>100%</p>	

		<p>Slavey language workshops, Elder storytelling, <i>On the land</i> visit to lake or culturally significant place, Indigenizing curriculum workshops, Dene Kede workshops, instruction in traditional plants and medicines, dry meat / fish making, Indigenous guest presenter, beading, drum-making, traditional food preparation, presentation and instruction by traditional artist, team-building activities, impact of residential schooling / intergenerational trauma workshop. 100% of school staff participate, with community members.</p>		
	<p>MMS</p>	<p>School staff selects from: Indigenous language revitalization workshops, North Slavey language workshops, Elder storytelling, <i>On the land</i> visit to lake or culturally significant place,</p>	<p>100%</p>	

		<p>Indigenizing curriculum workshops, Dene Kede workshops, instruction in traditional plants and medicines, dry meat / fish making, Indigenous guest presenter, beading, drum-making, traditional food preparation, presentation and instruction by traditional artist, team-building activities, impact of residential schooling / intergenerational trauma workshop. 100% of school staff participate, with community members.</p>		
	<p>EAS</p>	<p>School staff selects from: Fishing in Great Bear Lake and traditional fish preparation, Indigenous language revitalization workshops, North Slavey language workshops, Elder storytelling, <i>On the land</i> visit to lake or culturally significant place, Indigenizing curriculum</p>	<p>100%</p>	

		workshops, Dene Kede workshops, instruction in traditional plants and medicines, dry meat making, Indigenous guest presenter, beading, drum-making, traditional food preparation, presentation and instruction by traditional artist, team-building activities, impact of residential schooling / intergenerational trauma workshop. 100% of school staff participate, with community members.		
Number of local resource people involved in planning and delivering Cultural Orientation Days.	CAWS	10	5	Target area for growth in 2020/21. Advanced planning and enhanced community connections will address shortfalls.
	CTS	10	5	Target area for growth in 2020/21. Advanced planning and enhanced community connections will address shortfalls.
	CLS	10	3	Target area for growth in 2020/21. Advanced planning and enhanced community connections will address shortfalls.
	MMS	10	3	Target area for growth in 2020/21. Advanced planning and enhanced



				community connections will address shortfalls.
	EAS	10	5	Target area for growth in 2020/21. Advanced planning and enhanced community connections will address shortfalls.

### *Employing a Whole School Approach to Language Use*

Employing a Whole-School Approach to Language Use takes steps to bridge a gap created by colonization. Whole-School use of the language of the community sets educators along the pathway to reconciliation, which begins with the recognition of the past and an acknowledgement of the valuable gifts of language and culture.

The following table details the region's approach to ensure that schools employ a Whole School Approach to Language Use, and includes regional and school level performance indicators and targets set for the upcoming school year, along with the achieved results, the explanation for any difference between targets and results, noted areas of strength and areas for development.

<p>Regional approach to ensure that all schools Employ a Whole School Approach to Language Use. (Required in 2021)</p>	<p>School Principal and school ILE Committee meet monthly to plan, implement, assess and celebrate the whole school approach to language use, in 100% of Sahtú schools. Whole School Approach to Language Rubric introduced to school staff &amp; used as a tool to guide school growth, and to measure progress (self-assessment by school) in 100% of Sahtú schools. 100% of Sahtú schools' goals and improvement plans reflect some attention to the Whole School Approach to Language Use. 100% of Sahtú schools receive OLC handbook in-service by RILE Coordinator and ECE representative which includes Whole School Approach to Language Use. 100% of Sahtú schools celebrate Indigenous Languages Month with regional and school-wide events.</p>
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Regional Performance Indicators	Regional Targets	Achieved Results	Explanation for difference
% of schools with Indigenous language signage throughout the school.	100%	100%	

% of schools with initiatives in place to promote a Whole School Approach to Language Use.	100%	100%	
% of schools offering Indigenous language training and support to all staff members.	100%	100%	
% of schools hosting activities and events that promote, use and celebrate Indigenous languages.	100%	100%	
Areas of Strength for the region	<p>2019/20 saw all five schools employ a whole school approach to language use, albeit at different rates. North Slavey has increased visibility in schools through signage and increased oral use by staff members. North Slavey used in school announcements in four schools. Professional development has widened understanding of language loss and the need for revitalization.</p>		
Areas for Development for the region	<p>Integrate North Slavey fully and authentically in everyday school activities. Emphasize oral development and move beyond learning vocabulary in isolation to short conversations. Local fluent speakers included as much as possible in school routines and activities to coach spoken North Slavey. Develop and customize rubrics to monitor school growth and to encourage next steps in the whole school approach to language use.</p>		
Additional Comments for the region	<p>In 2020/21, Education Body to model integration of North Slavey in greetings and signage. Find ways to celebrate school successes and student accomplishments in language learning and use.</p>		

School Specific Performance Indicators	School	School Targets	Achieved Results	Explanation for difference
Initiatives in place to promote a Whole School Approach to Language Use.	CAWS	School-based ILE Committee and principal monitor activities, growth and achievement. Shared	80%	Emergent level. Most targets introduced but greater depth in

		<p>rubric to monitor school-wide growth.          School Improvement Plans promote WSALU. Staff in-service in WSALU. Planned celebrations when milestones reached.          Aboriginal Languages Month community-school engagement. Sample other activities include: staff learn a sentence of the week (oral fluency), weekly announcements in English / North Slavey, labels in the school reflect North Slavey words/phrases/sentences, Elders fluent in North Slavey promote oral language learning by visiting each class in the school at least once per month (greater frequency encouraged).</p>		<p>implementation needed.</p>
	<p>CTS</p>	<p>School-based ILE Committee and principal monitor activities, growth and achievement. Shared rubric to monitor school-wide growth.          School Improvement Plans promote WSALU. Staff in-service in WSALU. Planned celebrations when milestones reached.          Aboriginal Languages Month community-school engagement. Sample other activities include: staff learn a sentence of the week (oral fluency), weekly announcements in English / North Slavey,</p>	<p>80%</p>	<p>Emergent level. Most targets introduced but greater depth in implementation needed.</p>

		labels in the school reflect North Slavey words/phrases/sentences, Elders fluent in North Slavey promote oral language learning by visiting each class in the school at least once per month (greater frequency encouraged).		
	CLS	School-based ILE Committee and principal monitor activities, growth and achievement. Shared rubric to monitor school-wide growth. School Improvement Plans promote WSALU. Staff in-service in WSALU. Planned celebrations when milestones reached. Aboriginal Languages Month community-school engagement. Sample other activities include: staff learn a sentence of the week (oral fluency), weekly announcements in English / North Slavey, labels in the school reflect North Slavey words/phrases/sentences, Elders fluent in North Slavey promote oral language learning by visiting each class in the school at least once per month (greater frequency encouraged).	50%	Emergent level. Some targets introduced but greater depth in implementation needed.
	MMS	School-based ILE Committee and principal monitor activities, growth and achievement. Shared	80%	Emergent level. Most targets introduced but greater depth in implementation needed.

		<p>rubric to monitor school-wide growth.                  School Improvement Plans promote WSALU. Staff in-service in WSALU. Planned celebrations when milestones reached.                  Aboriginal Languages Month community-school engagement. Sample other activities include: staff learn a sentence of the week (oral fluency), weekly announcements in English / North Slavey / French, labels in the school reflect North Slavey words/phrases/sentences, Elders fluent in North Slavey promote oral language learning by visiting each class in the school at least once per month (greater frequency encouraged).</p>		
	<p>EAS</p>	<p>School-based ILE Committee and principal monitor activities, growth and achievement. Shared rubric to monitor school-wide growth.                  School Improvement Plans promote WSALU. Staff in-service in WSALU. Planned celebrations when milestones reached.                  Aboriginal Languages Month community-school engagement. Sample other activities include: staff learn a sentence of the week (oral fluency), weekly announcements in English / North Slavey,</p>	<p>80%</p>	<p>Emergent level. Most targets introduced but greater depth in implementation needed.</p>

		<p>labels in the school reflect North Slavey words/phrases/sentences, Elders fluent in North Slavey promote oral language learning by visiting each class in the school at least once per month (greater frequency encouraged).</p>		
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### *Indigenizing Teaching & Learning Practices*

Indigenizing Teaching and Learning Practices involves bringing Indigenous teaching and learning concepts into all aspects of education, including Indigenous worldviews and ways of knowing, doing, being, and believing. Adopting teaching and learning practices that are holistic, relational, spiral, and experiential are the initial shifts towards bringing Indigenous teaching and learning concepts into all aspects of education.

The following table details the region’s approach to Indigenize Teaching & Learning Practices, and includes regional and school level performance indicators and targets set for the upcoming school year, along with the achieved results, the explanation for any difference between targets and results, noted areas of strength and areas for development.

<p>Regional approach to ensure that schools and teachers Indigenize Teaching &amp; Learning Practices. (required 2021)</p>	<p>100% of Sahtú schools include Indigenizing Teaching &amp; Learning Practices within school improvement plans. 1 – 3 STIP or PD days focus teacher learning in school-wide Indigenous language use and/or Indigenizing teaching and learning practices. RILE, ILEs and/or guest presenters provide school-based in-service. Best practices are identified, shared and celebrated region-wide (teachers teaching teachers). Dene Kede and Dene Laws integrated in school culture. Locally developed courses offered in junior high / high school: Naiʔeʔa 15, 25 &amp; 35. Cultural camps integrated in at least 3 out of 5 Sahtú schools. On the land trips in 100% of schools at least once per year. Elders in schools in 100% of schools working with principals, teachers and students to Indigenize teaching and learning practices. Celebrations shared such as feasts or drum dances when milestones are accomplished. The Sahtú regional approach embraces holism and is relational, and learning is spiral and experiential.</p>
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Regional Performance Indicators	Regional Targets	Achieved Results	Explanation for difference
Professional development goal(s) related to developing Indigenizing teaching and learning practices by school.	PD goal in 100% of Sahtú schools (Year 1 – introductory, subsequent years learning will focus elements in depth): Each teacher will have at least introductory knowledge and experience with the concepts of <i>teaching and learning practices that are holistic, relational, spiral, and experiential.</i>		
% of schools planning to implement Indigenous Teaching and Learning Practices.	100%	100%	
Areas of Strength for the region	Professional Development in Indigenization provided to 1-2 representatives from each school. Representatives will provide assistance as needed at the school level for guidance and implementation. Some emergent understandings in some schools of “The Sahtú regional approach embraces holism and is relational, and learning is spiral and experiential”.		

<p>Areas for Development for the region</p>	<p>Wider professional development needed at each school. Establish school goal(s) based on Indigenization. Identify local champions of Indigenization and best practices to share region-wide. Modelling of everyday practices needed to enhance understanding of teaching and learning practices that are holistic, relational, spiral, and experiential</p>
<p>Additional Comments for the region</p>	<p>Extremely challenging to move beyond emergent understandings and one-off activities to systemic change.</p>

<p>School Specific Performance Indicators</p>	<p>School</p>	<p>School Targets</p>	<p>Achieved Results</p>	<p>Explanation for difference</p>
<p>Indigenous teaching and learning practices being focused on in each school (spiral, holistic, experiential and/or relational).</p>	<p>CAWS</p>	<p>Teacher learning (PD) in how to Indigenize teaching and learning (focusing the four elements: spiral, holistic, experiential and relational). Elders in schools work with principals, teachers and students explicitly to create a shared understanding of Indigenization of teaching and learning. Shared cultural activities that make explicit Indigenous worldviews and ways of knowing, doing, being, and believing e.g. drumming,</p>	<p>Introduction</p>	<p>Introductory level</p>



		<p>feeding of the fire, Dene games, songs and singing, drum dancing, spirituality, relationships with the land and animals.</p>		
	<p>CTS</p>	<p>Teacher learning (PD) in how to Indigenize teaching and learning (focusing the four elements: spiral, holistic, experiential and relational). Elders in schools work with principals, teachers and students explicitly to create a shared understanding of Indigenization of teaching and learning. Shared cultural activities that make explicit Indigenous worldviews and ways of knowing, doing, being, and believing e.g. drumming, feeding of the fire, Dene games, songs and singing, drum dancing, spirituality, relationships with the land and animals.</p>	<p>Introduction</p>	<p>Introductory level</p>

	CLS	<p>Teacher learning (PD) in how to Indigenize teaching and learning (focusing the four elements: spiral, holistic, experiential and relational). Elders in schools work with principals, teachers and students explicitly to create a shared understanding of Indigenization of teaching and learning. Shared cultural activities that make explicit Indigenous worldviews and ways of knowing, doing, being, and believing e.g. drumming, feeding of the fire, Dene games, songs and singing, drum dancing, spirituality, relationships with the land and animals.</p>	Introduction	Introductory level
	MMS	<p>Teacher learning (PD) in how to Indigenize teaching and learning (focusing the four elements: spiral, holistic, experiential and relational).</p>	Introduction	Introductory level

		<p>Elders in schools work with principals, teachers and students explicitly to create a shared understanding of Indigenization of teaching and learning. Shared cultural activities that make explicit Indigenous worldviews and ways of knowing, doing, being, and believing e.g. drumming, feeding of the fire, Dene games, songs and singing, drum dancing, spirituality, relationships with the land and animals.</p>		
	<p>EAS</p>	<p>Teacher learning (PD) in how to Indigenize teaching and learning (focusing the four elements: spiral, holistic, experiential and relational). Elders in schools work with principals, teachers and students explicitly to create a shared understanding of Indigenization of teaching and</p>	<p>Introduction</p>	<p>Introductory level</p>

		learning. Shared cultural activities that make explicit Indigenous worldviews and ways of knowing, doing, being, and believing e.g. drumming, feeding of the fire, Dene games, songs and singing, drum dancing, spirituality, relationships with the land and animals.		
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### *Indigenizing Content for Curricula & Programming*

Indigenizing education refers to adapting what is taught to where it is taught, emphasizing that education needs to consider the history, culture and place of the original peoples when delivering curricular content in the NWT. Indigenizing the content used in curricula and programming can ensure that education is more relevant and authentic for learners.

The following table details the region's plan to, and includes regional and school level performance indicators and targets set for the upcoming school year, along with the achieved results, the explanation for any difference between targets and results, noted areas of strength and areas for development.

Regional plan to Indigenize Content for Curricula and Programming (required 2021)	<p>Ample access to Indigenous authors and Indigenous content in reading materials in 100% of Sahtu schools, in hard copy and electronic formats, in grades JK-12.</p> <p>Writing encourages that reveals/builds/celebrates the culture, identity and affiliation with place of the author, JK-12. Building local northern writing exemplars aligned with standards, grades K-12.</p> <p>Integration of JK/K play-based learning with Our Languages Curriculum instructional practices: shared approaches, materials, and spaces in 100% of Sahtu schools.</p> <p>Inquiry-based cross-curricular learning and projects with northern focus e.g. STEM projects in 100% of Sahtu schools that integrate Traditional Knowledge with STEM.</p>
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	<p>Locally developed courses Nait̓eṛa 15, 25, &amp; 35 accessible to grades 7-12.</p> <p>Indigenous Language Educators professional development in connecting Our Languages Curriculum and Dene Kede.</p>
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Regional Performance Indicators	Regional Targets	Achieved Results	Explanation for difference
<p>Type of actions taken to ensure that teachers are actively implementing Dene Kede &amp; Inuuqatigiit.</p>	<p>Professional development. School-wide rubric for schools to self-assess growth/progress toward integration of Dene Kede in curriculum, content and programming Principal monthly reports account for school's growth/progress toward active implementation of Dene Kede</p>	<p>Professional Development provided</p>	<p>Introductory level</p>
<p>% of schools focused on Indigenizing content for curricula and programming.</p>	<p>100%</p>	<p>100%</p>	<p>100% of schools at introductory level.</p>
<p>Areas of Strength for the region</p>	<p>Indigenization has been introduced and each school has begun initial steps in the direction of Indigenization. The Sahtú Region values Indigenization and appreciates the difficulty most teachers encounter in changing the way they do things; hence steady supportive actions and</p>		

	<p>sufficient time are allowed for substantial change to occur. Best practices are recognized and increasingly shared.</p> <p>In Fort Good Hope, school-wide approaches use Dene Kede to guide positive behaviours and positive relationships; education strategic goals identify Dene Kede as guiding principles in education of young people.</p>
Areas for Development for the region	<p>Recognize best practice and share exemplars of Indigenized pedagogy and content.</p> <p>Establish a grass-roots cohort of teachers to share strategies, approaches and course content.</p>
Additional Comments for the region	<p>On-going support from ECE needed in this area: professional development, resources, exemplars.</p>

School Specific Performance Indicators	School	School Targets	Achieved Results	Explanation for difference
% of teachers who are actively Indigenizing content for curricula and programming.	CAWS	100%	10%	Very challenging for teachers to significantly change pedagogy and practice, but small steps have begun.
	CTS	100%	30%	Very challenging for teachers to significantly change pedagogy and practice, but small steps have begun. School recognizes the central role of Dene Kede principles in education.
	CLS	100%	10%	Very challenging for teachers to significantly change pedagogy and practice, but small steps have begun.
	MMS	100%	10%	Very challenging for teachers to significantly

				change pedagogy and practice, but small steps have begun.
	EAS	100%	10%	Very challenging for teachers to significantly change pedagogy and practice, but small steps have begun.

### *Offering Key Cultural Experiences*

Offering Key Cultural Experiences is the backbone to Indigenous education. Students learn best by doing. Key cultural experiences are authentic and relevant activities, which provide learning experiences that reflect, validate, and promote the worldviews, culture and languages of the Indigenous peoples of the NWT.

The following table details the region's approach to offer key cultural experiences and includes regional and school level performance indicators and targets set for the upcoming school year, along with the achieved results, the explanation for any difference between targets and results, noted areas of strength and areas for development.

Regional approach to offer key cultural experiences	100% of Sahtú Schools responsible and accountable for offering key cultural experiences in teaching and learning
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Regional Performance Indicators	Regional Targets	Achieved Results	Explanation for difference
% of schools with On-the-Land Key Cultural Experiences for students.	100%	100%	

<p>% of schools with Key Cultural Experiences that include full staff participation.</p>	<p>100%</p>	<p>100%</p>	<p>This applies to cultural days.</p>
<p>Areas of Strength for the region</p>	<p>Cultural activities embedded in school activities. Strong attempts made to include community in cultural activities.</p>		
<p>Areas for Development for the region</p>	<p>On-the-land trips and learning while on the land has seen an overall decline in the region and efforts will be strengthened in this area. Cross-curricular connections with land-based learning can be strengthened; key cultural experiences can increasingly move from classrooms to authentic on the land learning.</p>		
<p>Additional Comments for the region</p>			

<p>School Specific Performance Indicators</p>	<p>School</p>	<p>School Targets</p>	<p>Achieved Results</p>	<p>Explanation for difference</p>
<p>Frequency of relevant and authentic key culture experiences. (grade(s)/daily or weekly or monthly etc.)</p>	<p>CAWS</p>	<p>JK-12, depending on season, exposure to daily or weekly key cultural experiences and linked to auspicious occasions.</p>	<p>100%</p>	
	<p>CTS</p>	<p>JK-12, depending on season, exposure to daily or weekly key</p>	<p>100%</p>	



		cultural experiences and linked to auspicious occasions.		
	CLS	JK-12, depending on season, exposure to daily or weekly key cultural experiences and linked to auspicious occasions.	100%	
	MMS	Through Indigenous Language instruction in grades 1-9, daily and weekly, and the locally developed course for high school (Naizeʔa 15/25/35).	100%	
	EAS	JK-12, depending on season, exposure to daily or weekly key cultural experiences and linked to auspicious occasions.	100%	
Type of Key Cultural Experiences provided	CAWS	Multiple on the land trips e.g. seasonal hunting / fishing / duck-hunting, multiple ceremonies e.g. feeding the fire, drum dancing,	100%	

		<p>circle time.                  Traditional crafts such as sewing / making drums.                  Activities such as drumming, singing, dancing.                  Seasonal activities such as moose hide tanning / berry picking / preserving foods.                  Winter land survival e.g. making shelter and fire.</p>		
	CTS	<p>Cultural camp joined by the community: access to all aspects of traditional camp life e.g. preparing animals for food, making fire, seasonal survival, crafts such as beading and drum making, traditional foods.</p>	100%	
	CLS	<p>Seasonal community hunts, Encouraging / supporting families who spend extended time on the land, feasts and feeding of the fire ceremonies, daily winter fish nets: students assist with setting and checking, trapping</p>	100%	

		and snaring, Naiʔeʔa 15/25/35 for junior high and high school students to access on the land programming and school credits.		
	MMS	At least one on the land / hunting experience annually, crafts embedded in Indigenous language classroom e.g. beading/sewing, drum making; Naiʔeʔa 15/25/35 course offerings with embedded key cultural experiences; Teepee activities adjoining school.	100%	
	EAS	Multiple on the land trips e.g. seasonal hunting / fishing / duck- hunting, multiple ceremonies e.g. feeding the fire, drum dancing. Traditional crafts such as sewing / making drums / wood crafts. Activities such as drumming, singing, dancing. Seasonal activities such as drying fish/ berry picking /	100%	

		preserving foods. Winter land survival e.g. making shelter and fire.		
% of schools that involve community members who are not a part of regular school staff in Key Cultural Experiences.	CAWS	100%	100%	
	CTS	100%	100%	
	CLS	100%	100%	
	MMS	100%	100%	
	EAS	100%	100%	

### ***Teaching and Learning Centres (TLCs)***

TLCs provide support to Indigenous language instruction including the development and production of Indigenous language resources that support the delivery of the *Our Languages* curriculum, and training and development for Indigenous language instructors.

The following table details the region's approach to support the delivery of the *Our Languages* curriculum through the TLC, and includes regional performance indicators and targets set for the upcoming school year, along with the achieved results, the explanation for any difference between targets and results, noted areas of strength and areas for development.

Regional approach to support the delivery of the <i>Our Languages</i> curriculum through the TLC.	Funding through TLC has been used to develop resources and training in the development of resources. Resources have been developed in the integration of Dene Kede units into the OLC; technology training: resources developed for SMART Boards and I-pads which are integrated into OLC instruction and learning; professional development in play-based / inquiry-based teaching and learning and development of resources; translation of legends to reflect three Sahtú dialects.
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Regional Performance Indicators	Regional Targets	Achieved Results	Explanation for difference
Type of Indigenous language resources being developed to support OLC.	Sahtu area legends translated into three Sahtu dialects; picture books for instruction in oral language; activities integrating SMART board and OLC.	50%	Some of the picture books are being translated. Legends not done yet.
Number of staff receiving training and support for development of Indigenous language resources.	10		10
Areas of Strength for the region	Thorough and frequent in-servicing of ILEs.		
Areas for Development for the region	Transference of knowledge gained in in-services to Indigenous language instruction in classrooms and schools; Sharing of knowledge with whole school staff, rather than keeping the knowledge isolated to ILEs and North Slavey instruction only. Database of resources so resources can be promoted and used more frequently.		
Additional Comments for the region			

### ***Community Support***

Community support funding is offered to support Indigenous language revitalization by supporting the hiring of cultural resource experts for short term projects, the purchase/renting of on-the-land equipment and supplies, and/or the provision of Indigenous language and education professional development within communities.

The following table details the amount of allocated, budgeted and actual funding spent on Community Support, and the explanation for any variance between each.

<b>Community Name</b>	<b>Allocated (\$)</b>	<b>Budgeted (\$)</b>	<b>Explanation for Difference (if applicable)</b>	<b>Actual (\$)</b>	<b>Project(s) supported</b>	<b>Explanation for Difference (if applicable)</b>
Tulita	\$16,556	\$20,000	additional funds available	\$13,196.46	casual staff materials	COVID-19 interruption, remainder rolled over to 2020/21.
Fort Good Hope	\$18,586	\$20,000	additional funds available	\$14,052.91	purchase on land equipment	COVID-19 interruption, remainder rolled over to 2020/21.
Colville Lake	\$20,402	\$15,000	Smaller school/ community population	\$10,078.55	on land trip	COVID-19 interruption, remainder rolled over to 2020/21.
Norman Wells	\$19,494	\$20,000	additional funds available	\$3,309.12	materials	COVID-19 interruption, remainder rolled over to 2020/21.
Délne	\$17,641	\$20,000	additional funds available	\$2,483.19	materials	COVID-19 interruption, remainder rolled over to 2020/21.
<b>TOTAL</b>	<b>\$92,678</b>	<b>\$95,000</b>		<b>\$43,120.23</b>		

## Appendix B: Operating Plan - Operating Budget

### Department of Education, Culture & Employment Council/District Approved Budget

#### Divisional Education Council/District Education Authority Statement of Revenues and Expenses Annual Budget - Consolidated

	2019-2020 Budget	2018-2019 Approved Budget	2018-2019 Projected Actual
<b>OPERATING FUND</b>			
<b>REVENUES</b>			
Government of the NWT			
ECE Regular Contribution	13,969,613	14,354,596	14,466,310
Indigenous Languages Contributions		55,000	
French Language Contributions	55,000		55,000
ECE Other Contributions	55,000	55,000	589,298
Capital Contribution			
Sub-Total ECE	14,079,613	14,464,596	15,110,608
Federal Government Jordan's Principle			230,437
Federal Government Other			
Property Tax Requisitioned			
Other Education Bodies			
Education Body Generated Funds			
Rentals	10,000	12,000	
School Fees			
Investment Income	45,000		43,990
Donations			
Other		30,000	822,783
Total Generated Funds	55,000	42,000	1,097,210
<b>TOTAL REVENUES</b>	<b>14,134,613</b>	<b>14,506,596</b>	<b>16,207,818</b>
<b>EXPENSES</b>			
Administration	1,249,125	1,433,023	1,461,467
School Programs	9,054,998	9,120,292	10,591,036
Operations and Maintenance			
Inclusive Schooling	2,451,678	2,475,235	2,679,715
Indigenous Languages and Education	1,363,097	1,489,744	1,435,633
Student/Staff Accommodations	-		
Debt Services	-		
Other			
Sub-Total Expenses Before Amortization	14,118,898	14,518,294	16,167,851
Amortization			
<b>SURPLUS (DEFICIT)</b>	<b>15,715</b>	<b>(11,698)</b>	<b>39,967</b>
<b>ACCUMULATED SURPLUS (DEFICIT)</b>	<b>55,682</b>		<b>39,967</b>

**Department of Education, Culture & Employment  
Council Approved Budget**

**Divisional Education Council/District Education Authority  
Details of Expenses - Consolidated (Schedule 2)  
Annual Budget**

	Administration	School Programs	Inclusive Schooling	Aboriginal Languages	Total
<b>SALARIES</b>					
Teachers' salaries		6,200,865			6,200,865
Instruction Assistants					-
Regional Coordinators		163,116	178,677	174,402	516,195
Program Support Teachers			1,191,456		1,191,456
Wellness Counsellors					-
Support Assistants			965,045		965,045
Indigenous Language Instruction				999,196	999,196
Cultural Resource Staff					-
Elders in Schools				51,000	51,000
Non Instructional Staff	753,673	1,250,487			2,004,160
Board/Trustee Honorarium	25,000	-	-	-	25,000
<b>EMPLOYEE BENEFITS</b>					
Employee Benefits/ Allowances	20,000	334,224	35,000		389,224
Leave And Termination Benefits	-	-	-	-	-
<b>SERVICES PURCHASED/CONTRACTED</b>					
Professional/Technical Services		-	30,000	-	30,000
Postage/Communication	6,000		-		6,000
Utilities	42,200	-	-	-	42,200
Heating	-	-	-	-	-
Electricity	-	-	-	-	-
Water/Sewage	-	-	-	-	-
Travel	77,000	146,000	35,000	5,000	263,000
Student Transportation (Busing)	-	150,536	-		150,536
Advertising/Printing/Publishing	-	-	-	2,000	2,000
Maintenance/Repair		-	-	-	-
Rentals/Leases	106,752	-	-	-	106,752
Other Contracted Services	-	-	-	-	-
<b>MATERIALS/SUPPLIES/FREIGHT</b>					
Assistive Technology					-
Materials	213,500	807,270	13,500	126,498	1,160,768
Freight	5,000	2,500	3,000	5,000	15,500
<b>TRANSFERS TO CAPITAL</b>					
<b>TOTAL</b>	<b>1,249,125</b>	<b>9,054,998</b>	<b>2,451,678</b>	<b>1,363,097</b>	<b>14,118,898</b>



Department of Education, Culture & Employment  
Council Approved Budget

Divisional Education Council/District Education Authority  
Details of Inclusive Schooling Expenses - (Schedule 3)  
Annual Budget

	General Inclusive Schooling	Staff Development	Assistive Technology	Magnet Facilities	Total
<b><u>SALARIES</u></b>					
Regional Coordinator	178,677				178,677
Program Support Teachers	1,191,456				1,191,456
Wellness Counsellors					
Support Assistants	965,045				965,045
<b><u>EMPLOYEE BENEFITS</u></b>					
Employee Benefits/Allowances		35,000			35,000
<b><u>SERVICES PURCHASED/CONTRACTED</u></b>					
Professional/Technical Services	30,000				30,000
Travel	35,000				35,000
Other Contracted Services					0
<b><u>MATERIALS/SUPPLIES/FREIGHT</u></b>					
Materials	13,500				13,500
Freight	3,000				3,000
<b>TOTAL</b>	<b>2,416,678</b>	<b>35,000</b>	<b>-</b>	<b>-</b>	<b>2,451,678</b>

Department of Education, Culture & Employment  
Council Approved Budget

Divisional Education Council/District Education Authority  
Details of Indigenous Languages and Education Expenses - (Schedule 4)  
Annual Budget

	General Indigenous Languages and Education	Our Languages Curriculum Resource Development (TLC's)	Community Support	Total
<b><u>SALARIES</u></b>				
Regional Coordinator	174,402			174,402
Language Instruction		999,196		999,196
Cultural Resource Staff				
Elders in Schools	51,000			51,000
<b><u>EMPLOYEE BENEFITS</u></b>				
Employee Benefits/Allowances				
<b><u>SERVICES PURCHASED/CONTRACTED</u></b>				
Professional/Technical Services				
Travel		5,000		5,000
Student Transportation (Bussing)				
Advertising/Printing/Publishing		2,000		2,000
Rentals/Leases				
Other Contracted Services				
<b><u>MATERIALS/SUPPLIES/FREIGHT</u></b>				
Materials		33,000	93,498	126,498
Freight		5,000		5,000
<b>TOTAL</b>	<b>225,402</b>	<b>1,044,196</b>	<b>93,498</b>	<b>1,363,097</b>

**Department of Education, Culture & Employment  
Council Approved Budget**

**Divisional Education Council/District Education Authority  
Schedule of Approved Person Years  
Annual Budget**

	<u>Person Years</u>
<b>Administration Staff</b>	6.00
<b>Territorial Schools:</b>	
Teachers	39.50
Consultants	1.00
Classroom Assistants	-
Secretaries	4.00
Custodians	6.00
School Community Counsellors	-
<b>Other - Specify</b>	-
<b>Inclusive Schooling:</b>	
Regional Coordinators	1.00
Program Support Teachers	7.00
Wellness Counsellors	-
Support Assistants	8.40
<b>Other - Specify</b>	-
<b>Indigenous Languages and Education</b>	
Regional Coordinators	1
Indigenous Languages Instruction Staff	8.30
<b>Other - Specify</b>	
<b>Total Person Years</b>	<b><u>82.20</u></b>

## Appendix C: Annual Report - Audited Financial Statements

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Consolidated Financial Statements of

**Sahtu Divisional Education Council**

June 30, 2020

# Management Discussion and Analysis (MD&A)

## **Introduction**

The Management's Discussion and Analysis (MD&A) of the Sahtu Divisional Education Council (SDEC) financial performance provides an overall review of the Board's financial activities for the fiscal year ended June 30<sup>th</sup> 2020. The intent of this discussion and analysis is to attest on a go-forward basis the responsibility of management and the Council Members to promote transparency and accountability. Readers should also review the notes to the financial statements and the financial statements to enhance their understanding of the Sahtu Divisional Education Council financial performance.

## **What is the SDEC?**

The Sahtu Divisional Education Council (SDEC) is responsible, under the Education Act, for all JK-12 education in the Sahtu region. There are five schools in the district. In each community, a locally elected District Education Authority (DEA) is responsible for education in that community. The District Education Council (DEC) is made up of one member from each DEA and one chairperson.

As per the Education Act of the Northwest Territories, the SDEC is responsible to provide quality education to the residents of the Sahtu region. It is our hope that by reading this document, members of our community will receive valuable information on the infrastructure of the education system in the North and become involved in their community government.

## **Mission**

To provide excellent educational environments where students will have the opportunity to experience success and contribute to society.

Council of Trustees

Chairperson

Karea Peachy – Norman Wells

Vice-Chairperson

Heather Bourassa – Fort Good Hope

Jennifer Waterhouse – Norman Wells

Isabel Orlas – Colville Lake

David Little – Deline

Sally-Ann Horassi - Tulita

The management team of the SDEC comprised of the following;

Superintendent – Renee Closs

Assistant Superintendent – Lorraine Kuer

Comptroller – Harry Cassie

## **Financial Condition**

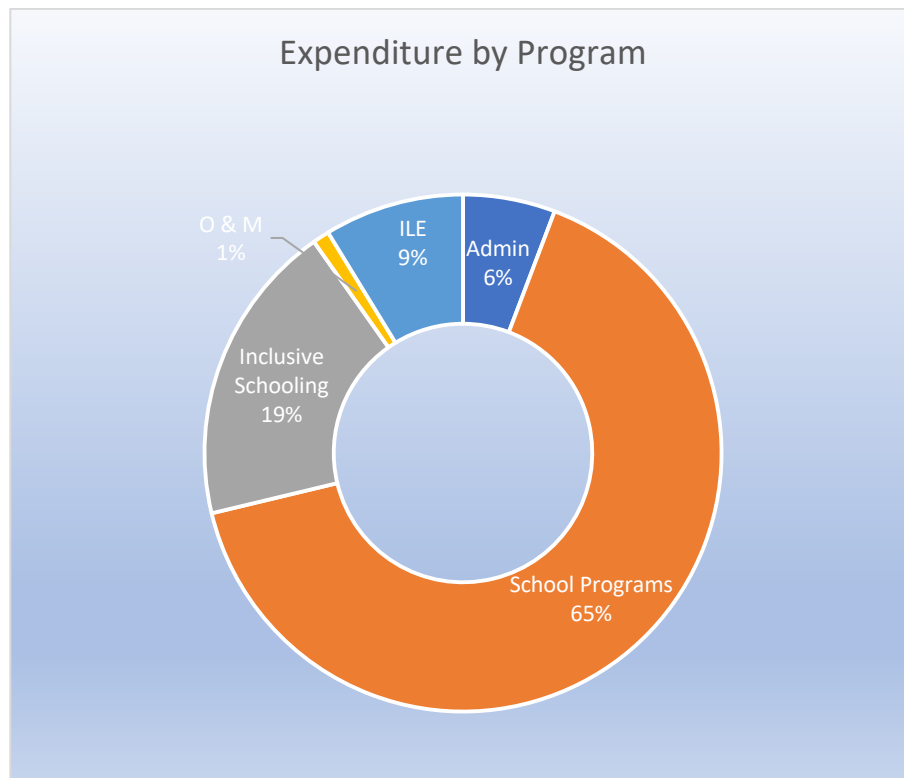
Revenues exceeded expenditures for a surplus of \$416k, 2019 (\$256k)), compared to budget \$8k. This resulted in a surplus fund balance \$682k, 2019 (\$266k)) as at June 30th 2020. Additional revenues of \$928k (2019-\$1,032k) was received resulted in additional expenses incurred compared to budget.

Revenues have been trending positively compared to budget as a result of new initiatives, this is consistent year over year.

**Accumulated surplus (deficit) is comprised of the following:**

	2020	2019
Accumulated Surplus/ (Deficit), beginning of year	266,350	(95,014)
Operating Surplus / (Deficit)	237,677	256,262
Post - employment benefits	178,333	105,102
<b>Accumulated Surplus/ Deficit, end of year</b>	<b>\$ 682,360</b>	<b>\$ 266,350</b>

The current ratio, is a liquidity and efficiency ratio that measures an organization’s ability to pay off its short-term liabilities with its current assets. Sahtu DEC current ratio as at June 30<sup>th</sup> 2020 is 1.7, (2019, 1.5).



**Summary and Outlook**

The SDEC’s vision for education has been to provide excellence in teaching and learning within contexts that honour the culture and language of the community. Caring schools allow all students to achieve success, as defined by individual students’ dreams, aspirations and abilities. Learning continues beyond

secondary school and students are equipped to meet the demands of changing times by having the skills of life-long learners.

In 2019-2020, *Growing Forward Together* captures the Sahtu schools' leadership goal to collaborate widely to find innovative solutions to historical challenges in education, while moving forward jointly with community leadership's vision for its children and what the community aspires to become. With the new school year, 2020-2021 underway, the Sahtu DEC looks move from visioning to implementation, a series of strategic planning meetings are scheduled for each community in coming months to determine community-specific next steps.

#### Priorities

The Sahtu region is successfully offering robust learning in reading, writing, and numeracy in Grades 1 - 9, with strong teacher learning in place to sustain improvements in these three core areas. Sahtu schools continue to work with both external literacy and numeracy consultants on improved practices for student learning. School-based and standardized assessment are in place to determine where interventions and enrichments are needed, and to maintain fidelity to curriculum standards. **Comprehensive literacy programming** is offered in all five schools, along with Levelled Literacy Intervention to assist struggling readers. Reading, writing and oral literacy continue to be a regional and school priority and part of school improvement planning. With a comprehensive literacy program, a strong focus on interventions to address learning gaps and promoting growth, and teacher learning, students in the Sahtu are experiencing an increase in achievement in the area of literacy.

**Numeracy** is an area of the curriculum where our students are struggling. We recognize the importance of delivering a strong numeracy program and the Sahtu has made significant improvements in this area over the past couple of years. We have contracted a numeracy consultant to provide professional support to our teachers in delivering a strong numeracy program as well as the implementation of numeracy assessments in Grades 1-8.

**Teacher retention** continues to be a challenge in the Sahtu region. While retaining quality teachers remains difficult, it is also difficult to ensure continuity and momentum of excellent programming. Gains made in the core curricular areas are consistently undermined by high teacher turnover. In an effort to address the challenges of teacher turnover and to build on the strengths of the teachers on strength, we continue to work on implementing school-based **Learning Communities**. With our motto of *Growing Forward Together*, each school staff focused on developing a set of priorities that focus on student growth, success and well-being. Through the implementation of school-based Learning Communities, the Sahtu hopes to establish a strong core set of beliefs and priorities so that if teacher turnover is high, students and parents can expect the same level of education with minimal disruption.

Lastly, the Sahtu schools received a significant amount of in-service and support on the new **Our Languages curriculum**. This support was provided by both Education, Culture and Employment through the Language Secretariat and through in-house support. All five Sahtu schools are at the early stages of implementation of the new whole school approach to language and culture. Although each school fully embraced the new curriculum, each school is at a different stage of implementation, depending on the level of support that was



needed. Land and culture programs continue to invite participation by Elders, land experts, and cultural leaders in our communities. School - community connections are strengthened by these programs and will continue to improve into the next school year.

### **Total Student/Teacher Population by Schools**

<b>2020</b>	<b>Students</b>	<b>Teachers</b>
Mackenzie Mountain – Norman Wells	158	14.0
Chief Albert Wright - Tulita	80.25	9.5
Chief T'Selehye – Fort Good Hope	122.5	13.0
Ehtseo Ayha – Deline	85	12.0
Coville Lake – Colville Lake	38	6.5
<b>Totals</b>	<b>483.75</b>	<b>55</b>

# Sahtu Divisional Education Council

## Consolidated Financial Statements

June 30, 2020

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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 Sahtu Divisional Education Council have been conducted within the statutory powers of the Education Body. The operations and administration of the Education Body as well as the supporting internal controls of the entity are regularly monitored to ensure their effectiveness and their continued compliance with all relevant legislation, standards, directives and policies including but not limited to the Education Act, Financial Administration Act, CPSAS, FAM, FAMEA, Human Resources Manual, Ministerial Directives and the policies of the Education Body Board. Any non-compliance has been specifically identified and has been previously communicated to the Minister and Deputy Minister.

Management hereby asserts that auditors have been provided with all relevant records and documentation 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 of the Government of the Northwest Territories.

The financial statements have been reported on by Ashton Chartered Accountants. The auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.



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Renee Closs  
Superintendent  
Sahtu Divisional Education Council

08/19.2020

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Date



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Harry Cassie, CPA, CGA, CFE, CMgr FCMI, BBA (Hons.)  
Comptroller  
Sahtu Divisional Education Council

08/19/20

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Date

## **INDEPENDENT AUDITOR'S REPORT**

**To the Minister of Education, Culture and Employment of the GNWT  
To the Board of Trustees of the Sahtu Divisional Education Council**

### *Opinion*

We have audited the consolidated financial statements of the Sahtu Divisional Education Council, which comprise the consolidated statement of financial position as at June 30, 2020, and the consolidated statements of operations and surplus, changes in net assets (debt), and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effect of the matters described in the Basis of Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Sahtu Divisional Education Council as at June 30, 2020, and the results of its financial performance and cash flow for the year then ended in accordance with the Canadian public sector accounting standards.

### *Basis for Qualified Opinion*

The Government of the Northwest Territories is responsible for the calculation and distribution of the Education Body's wages and benefits expenditure for public service employees, the accuracy of which is not susceptible to complete audit verification. We have satisfied ourselves that the payroll information provided by the GNWT is properly reflected in the Education Body's records. As a result, we were not able to determine whether any adjustments might be necessary to expenditure, liabilities or accumulated surplus.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Education Body's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Education Body or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Education Body's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

## Independent Auditor's Report (continued)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Education Body's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Education Body's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Education Body to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### *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 the Education Body, the consolidated financial statements are in agreement therewith, and the transactions that have come under our notice have, in all significant aspects, been within the statutory powers of the Education Body.

The logo for Ashton Chartered Accountants, featuring the word "Ashton" in a stylized, handwritten-style font.

ASHTON  
Chartered Accountants  
Business Advisors

Hay River, NT  
August 20, 2020

# Sahtu Divisional Education Council

## Consolidated Statement of Financial Position

June 30, 2020

	2020	2019
<b>FINANCIAL ASSETS</b>		
Cash, Note 4	\$ 3,464,954	\$ 3,260,052
Special purpose funds, Note 5	227,702	359,201
Accounts receivable, Note 8	949,886	1,266,598
	<u>\$ 4,642,542</u>	<u>\$ 4,885,851</u>

### LIABILITIES

Accounts payable and accrued liabilities, Note 10	\$ 307,253	\$ 203,003
Payroll liabilities, Note 10	1,478,983	2,016,816
Deferred revenue, Note 11	964,558	1,030,996
Other employee future benefits and compensated absences, Note 17	1,236,922	1,415,255
	<u>3,987,716</u>	<u>4,666,070</u>
Net Financial Assets (Deficit)	<u>\$ 654,826</u>	<u>\$ 219,781</u>

### NON-FINANCIAL ASSETS

Prepaid expenses, Note 20	\$ 27,534	\$ 46,569
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### ACCUMULATED SURPLUS (DEFICIT)

	<u>\$ 682,360</u>	<u>\$ 266,350</u>
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Contractual obligations, Note 22

Approved on behalf of council:

Karee Peachey Chair

Renee Cross Superintendent

## Sahtu Divisional Education Council

### Consolidated Statement of Operations and Surplus

For the year ended June 30, 2020

	Budget 2020	Actual 2020	Actual 2019
<b>Revenue</b>			
Government of the Northwest Territories			
ECE Regular Contributions	\$ 13,969,613	\$ 14,112,397	\$ 14,503,310
Teaching and Learning Centres	55,000	-	120,000
French Language Instruction	55,000	55,000	55,000
ECE Other Contributions, Note 31	-	82,580	138,427
<b>Total ECE</b>	<b>14,079,613</b>	<b>14,249,977</b>	<b>14,816,737</b>
GNWT Other Contributions, Note 32	35,000	334,140	349,846
<b>Total GNWT</b>	<b>\$ 14,114,613</b>	<b>\$ 14,584,117</b>	<b>\$ 15,166,583</b>
Jordan's Principle	80,600	408,159	96,483
<b>Total Government of Canada</b>	<b>80,600</b>	<b>408,159</b>	<b>96,483</b>
Education council generated funds			
Interest income	45,000	61,118	70,587
Other	10,000	125,276	205,853
<b>Total</b>	<b>55,000</b>	<b>186,394</b>	<b>276,440</b>
<b>Total Revenue</b>	<b>14,250,213</b>	<b>15,178,670</b>	<b>15,539,506</b>
<b>Expenses</b>			
Administration	848,687	861,973	1,177,310
School programs	9,322,313	9,783,931	10,088,184
Inclusive schooling	2,575,569	2,833,907	2,521,949
Operations and maintenance	148,952	155,382	139,973
Aboriginal languages	1,346,572	1,305,800	1,355,828
<b>Total Expenses</b>	<b>14,242,093</b>	<b>14,940,993</b>	<b>15,283,244</b>
Operating Surplus (Deficit) before other item	\$ 8,120	\$ 237,677	\$ 256,262
Other item:			
Other employee future benefits and compensated absences, Note 17	-	178,333	105,102
<b>Total Other item</b>	<b>\$ 8,120</b>	<b>\$ 416,010</b>	<b>\$ 361,364</b>
Accumulated surplus (Deficit), beginning of year		\$ 266,350	\$ (95,014)
Accumulated surplus (deficit), end of year		\$ 682,360	\$ 266,350

## Sahtu Divisional Education Council

### Consolidated Statement of Changes in Net Assets (Debt)

For the year ended June 30, 2020

	2020	2019
Annual surplus (deficit)	\$ 416,010	\$ 361,364
Change in prepaid expenses	19,035	(27,209)
Increase (decrease) in net financial resources	435,045	334,155
Net financial resources, beginning of year	219,781	(114,374)
Net financial resources, end of year	\$ 654,826	\$ 219,781



# Sahtu Divisional Education Council

## Consolidated Statement of Cash Flow

For the year ended June 30, 2020

	2020	2019
<b>Cash provided by (used in):</b>		
<b>Operating Transactions</b>		
Operating Surplus (Deficit)	\$ 416,010	\$ 361,364
	416,010	361,364
Change in non-cash assets and liabilities:		
Accounts receivable	316,712	(686,740)
Accounts payable and accrued liabilities	104,250	(64,289)
Payroll liabilities	(537,833)	499,546
Deferred revenue	(66,438)	631,716
Post-employment benefits	(178,333)	(105,102)
Prepaid expenses	19,035	(27,209)
	(342,607)	247,922
Increase (Decrease) in cash and cash equivalents	73,403	609,286
Cash and cash equivalents, beginning of year	3,619,253	3,009,967
Cash and cash equivalents, end of year	\$ 3,692,656	\$ 3,619,253
Consists of:		
Cash	\$ 3,464,954	\$ 3,260,052
Special purpose funds	227,702	359,201
	\$ 3,692,656	\$ 3,619,253

## Sahtu Divisional Education Council

Consolidated Detail of Expenses

For the year ended June 30, 2020

Function	School Programs	Inclusive Schooling	Student Accom.	Operations & Maintenance	Administration	Aboriginal Languages	2020 Total	2020 Budget	2019 Total
<b>Salaries</b>									
Teachers' salaries	\$ 6,563,961	\$ 1,141,799	\$ -	\$ -	\$ -	\$ 963,357	\$ 8,669,117	\$ 9,034,980	\$ 9,150,484
Instruction assistants	5,773	896,031	-	-	-	161,165	1,062,969	1,043,325	937,915
Non-instructional staff	1,220,900	270,289	-	-	708,294	39,669	2,239,152	1,793,241	2,139,902
Board/Trustee honorarium	-	-	-	-	13,642	-	13,642	156,976	85,266
	7,790,634	2,308,119	-	-	721,936	1,164,191	11,984,880	12,028,522	12,313,567
<b>Employee Benefits</b>									
Employee benefits and allowances	9,022	-	-	-	-	-	9,022	26,000	7,298
Leave and termination benefits	430,856	-	-	-	-	-	430,856	435,224	436,608
	439,878	-	-	-	-	-	439,878	461,224	443,906
<b>Services Purchased/Contracted</b>									
Professional services	408,655	19,856	-	-	-	-	428,511	422,889	541,313
Postage and communication	41,370	-	-	-	28,066	-	69,436	36,000	75,049
Utilities									
Heating	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-
Water/Sewage	-	-	-	-	-	-	-	-	-
Travel	100,447	25,638	-	-	40,801	8,512	175,398	208,000	300,898
Student transportation (busing)	150,536	-	-	-	-	-	150,536	150,536	150,536
Advertising/printing/publishing	1,405	-	-	-	-	-	1,405	2,000	629
Maintenance and repair	38,099	-	-	7,200	-	-	45,299	148,952	40,748
Rentals and leases	-	-	-	148,182	-	-	148,182	-	135,773
Other contracted services	182,251	41,216	-	-	29,461	-	252,928	150,500	121,029
Other	14,499	25,050	-	-	11,122	-	50,671	102,500	157,055
	937,262	111,760	-	155,382	109,450	8,512	1,322,366	1,221,377	1,523,030
<b>Materials, Supplies and Freight</b>									
Materials	601,538	413,430	-	-	30,132	133,057	1,178,157	516,470	956,079
Freight	14,619	598	-	-	455	40	15,712	14,500	46,662
	616,157	414,028	-	-	30,587	133,097	1,193,869	530,970	1,002,741
<b>Contributions/Transfers</b>									
Transfers	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 9,783,931</b>	<b>\$ 2,833,907</b>	<b>\$ -</b>	<b>\$ 155,382</b>	<b>\$ 861,973</b>	<b>\$ 1,305,800</b>	<b>\$ 14,940,993</b>	<b>\$ 14,242,093</b>	<b>\$ 15,283,244</b>

## SAHTU DIVISIONAL EDUCATION COUNCIL

Indigenous Languages and Education Expenses

For the year ended June 30, 2020

	Student Instruction	Teaching/ Learning Resources	Professional Development	School Activities and Integrated Community Programs	2020 Total
<b>Salaries</b>					
ALCBE teachers	\$ 963,357	\$ -	\$ -	\$ -	\$ 963,357
Language consultants	-	-	-	-	-
Instruction assistants	161,165	-	-	-	161,165
Non-instructional staff	-	-	-	-	-
Honoraria	-	-	-	-	-
Elders in schools	39,669	-	-	-	39,669
	1,164,191	-	-	-	1,164,191
<b>Employee Benefits</b>					
Employee benefits and allowances	-	-	-	-	-
<b>Services Purchased/Contracted</b>					
Professional services	-	-	-	-	-
Postage and communication	-	-	-	-	-
Travel	-	-	-	8,512	8,512
Student transportation (busing)	-	-	-	-	-
Advertising, printing and publishing	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Rentals and leases	-	-	-	-	-
Other contracted services	-	-	-	-	-
	-	-	-	8,512	8,512
<b>Materials, Supplies and Freight</b>					
Materials	-	75,251	-	57,806	133,057
Freight	-	-	-	40	40
	-	75,251	-	57,846	133,097
<b>Total</b>	\$ 1,164,191	\$ 75,251	\$ -	\$ 66,358	\$ 1,305,800

## Sahtu Divisional Education Council

Indigenous Languages and Education (contributions)

For the year ended June 30, 2020

	July 1 to March 31	April 1 to June 30	Total
<b>Contribution Agreement</b>			
<b>Aboriginal Languages</b>			
Revenues			
Funding Received	\$ 1,017,269	\$ 384,286	\$ 1,401,555
	1,017,269	384,286	1,401,555
Expenditure			
Salaries	658,535	304,822	963,357
Other O & M	281,675	60,768	342,443
	940,210	365,590	1,305,800
Net Surplus (Deficit)	\$ 77,059	\$ 18,696	\$ 95,755

## Sahtu Divisional Education Council

### Inclusive Schooling Expenses

For the year ended June 30, 2020

	General Inclusive Schooling	Staff Development	Assistive Technology	Magnet Facilities	Total
<b>Salaries</b>					
Program Support Teachers	\$ 1,141,799	\$ -	\$ -	\$ -	\$ 1,141,799
Support Assistants	896,031	-	-	-	896,031
Regional Coordinator	270,289	-	-	-	270,289
	<u>2,308,119</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,308,119</u>
<b>Employee Benefits</b>					
Employee benefits and allowances	-	-	-	-	-
<b>Services Purchased/Contracted</b>					
Professional/Technical Services	19,856	-	-	-	19,856
Travel	25,638	-	-	-	25,638
Student Transportation (Busing)	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-
Rentals/Leases	-	-	-	-	-
Other contracted services	66,266	-	-	-	66,266
	<u>111,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,760</u>
<b>Materials, Supplies and Freight</b>					
Materials	413,160	-	-	-	413,160
Freight	598	-	-	-	598
	<u>413,758</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>413,758</u>
<b>Total</b>	<b>\$ 2,833,637</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,833,637</b>

# Sahtu Divisional Education Council

French Language Programs

For the year ended June 30, 2020

	ECE Contributions July 1 to June 30	Commitment from Sahtu July 1 to June 30	Expenses July 1 to June 30
<b>Special projects:</b>			
Core French Instruction	\$ 55,000	\$ 80,999	\$ 131,420

## Sahtu Divisional Education Council

Jordan's Principal

For the year ended June 30, 2020

	Full Year Total			9 and 3 Month Split	
	June 30, 2020 Budget	June 30, 2020 Actual	June 30, 2019 Actual	July 1, 2019 - Mar 31, 2020 Actual	Apr 1, 2020 - Jun 30, 2020 Actual
<b>Revenue</b>					
Government of Canada					
FN and Inuit Health Branch	\$ 80,600	\$ 350,700	\$ 768,277	\$ -	\$ -
Carry Forward from Previous Year	-	671,795	-	-	-
<b>Total Revenue</b>	<b>80,600</b>	<b>1,022,495</b>	<b>768,277</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>					
Administration	-	-	-	-	-
Personnel	-	169,244	75,507	-	169,244
Transportation	-	103,577	5,611	-	103,577
Materials and Supplies	-	85,255	5,853	-	85,255
Rent and Utilities	-	-	-	-	-
Evaluation	-	50,083	9,511	-	50,083
Other	-	-	-	-	-
<b>Total Expenses</b>	<b>-</b>	<b>408,159</b>	<b>96,482</b>	<b>-</b>	<b>408,159</b>
<b>Net Surplus/(Deficit)</b>	<b>80,600</b>	<b>\$ 614,336</b>	<b>\$ 671,795</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Deferred revenue</b>		<b>\$ 614,336</b>	<b>\$ 671,795</b>	<b>\$ 671,795</b>	<b>\$ 671,795</b>

## Sahtu Divisional Education Council

Northern Distance Learning

For the year ended June 30, 2020

	Budget	Tulita	Fort Good Hope	Deline	Total	July 1 to March 31	April 1 to June 30	Total
<b>Revenue</b>								
Education, Culture and Employment	\$ -	\$ 33,500	\$ 33,500	\$ 33,500	\$ 100,500	\$ -	\$ -	\$ 100,500
Other	-	-	-	-	-	-	-	-
	-	33,500	33,500	33,500	100,500	-	-	100,500
<b>Expenses</b>								
<b>Salaries/Wages</b>								
Instructional Staff	-	-	-	-	-	-	-	-
<i>Teachers</i>	-	-	-	-	-	-	-	-
<i>On-site support person</i>	-	-	-	-	-	-	-	-
Non-Instructional Staff	-	-	-	-	-	-	-	-
<i>Moodle (Online strategy)</i>	-	-	-	-	-	-	-	-
<i>DL Coordinator</i>	-	13,599	8,436	17,598	39,633	2,882	36,751	39,633
<i>PD - online learning field</i>	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Services Purchased/Contracted</b>								
Network	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-
<i>Coordinator travel</i>	-	-	-	-	-	-	-	-
Professional Development	-	-	-	-	-	-	-	-
Communication	-	-	-	-	-	-	-	-
<i>In-service release</i>	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<i>IT support</i>	-	-	-	-	-	-	-	-
<b>Materials, Supplies and Freight</b>								
Computer Equipment	-	-	-	-	-	-	-	-
<i>Document cameras</i>	-	-	-	-	-	-	-	-
<i>Phone</i>	-	-	-	-	-	-	-	-
<i>Laptop</i>	-	-	-	-	-	-	-	-
<i>Video (Monopad)</i>	-	-	-	-	-	-	-	-
<i>Wireless adapters and splitter</i>	-	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total expenses</b>	-	13,599	8,436	17,598	39,633	2,882	36,751	39,633
<b>Net surplus/(deficit)</b>	\$ -	\$ 19,901	\$ 25,064	\$ 15,902	\$ 60,867	\$ (2,882)	\$ (36,751)	\$ 60,867



# Sahtu Divisional Education Council

## Student Success Initiative Projects

For the year ended June 30, 2020

	School Year
Revenue	
Education, Culture and Employment	\$ 55,000
NWTTA	37,800
<b>Total Revenue</b>	<b>92,800</b>
Expenses	
Salaries and wages	
Facilitator fees (including per diems)	58,779
Substitute teacher wages	-
Staff (p/y)	-
Travel	
Facilitator travel	20,633
Air charter	-
Staff travel	6,210
Accommodations	17,923
Daily per diems	2,984
Workshop expenses	
Room rental	-
Refreshments	-
Resources	13,181
Miscellaneous (stationary/printing)	522
<b>Total Expenses</b>	<b>120,232</b>
<b>Net Surplus (Deficit)</b>	<b>\$ (27,432)</b>

# Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2020

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## Note 1. Nature of Organization

The Sahtu Divisional Education Council ("The Council") was established by the *Education Act* of the Government of the Northwest Territories (GNWT) by order of the Minister dated April 1, 1989. Its purpose is to administer and maintain the standards of education program defined under the *Education Act* in the communities in the Sahtu Region.

Consequently, the Council is dependent on funding from the Department of Education, Culture, and Employment (ECE) of the GNWT. Member Communities have formed local District Education Authorities (DEA) which have assumed responsibility to provide sufficient educational programs within their respective communities.

The Council 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 Council 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.

The accompanying consolidate financial statements include the operations of the Council, and the member District Education Authorities of Colville Lake, Deline, Fort Good Hope, Norman Wells, and Tulita.

## Note 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 financial statements. The accrual basis of accounting is utilized for all funds. Under this 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, and short term highly liquid investments that are readily convertible to cash and with a maturity date of 90 days or less from the date of acquisition.

### (c) Financial Instruments

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

Financial assets subsequently measured at amortized cost include cash, accountable funds, due from the GNWT and other accounts receivable.

# Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2020

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## Note 2. Significant Accounting Policies (continued)

### (c) Financial Instruments

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

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, asset is recognized in operations.

### (d) Non-financial Assets

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

### (e) Tangible Capital Assets

All buildings and works, furniture, equipment and vehicles are the property of the GNWT. The Minister grants to the Education Body the full occupancy and use of such facilities and equipment where required for the administration and delivery of education system programs. Capital assets with a value in excess of \$50,000 are recorded at cost and amortized in accordance with the Financial Administration Manual guidelines by the GNWT. 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 occur 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, 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 assets are recognized as acquired or built.

## Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2020

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### (f) Revenue Recognition - (Continued)

#### *GNWT – Regular Contributions:*

The regular contributions from the GNWT are determined by a funding formula and are received in monthly installments. The Education Body 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 Education Body follows the deferral method of accounting for other contributions. Unrestricted contributions are recognized as revenue when they are received or receivable, if the amount can be reasonably estimated and its collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

#### *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.

### (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 Education Bodies prepare an annual budget, as outlined in Section 128 and 129.

The priorities and funding allocations are determined by the Board of Trustees of each Education Body and the budget is legally adopted by a motion of the Board in accordance with Section 135(3) of the *Education Act*.

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

This annual budget includes estimates of revenues, 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 Education Body.

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

# Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2020

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## Note 2. Summary of 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 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

According to the Northwest Territories Teachers Association (NWTTA) and GNWT Collective Agreement, teaching staff have their salary issued by the GNWT bi-weekly pay system. NWTTA staff will have earned their annual salary by June 30th which provides for continued payment during the summer. GNWT Payroll for NWTTA starts with the annualized salary commitment for compensation and then allocates the complete payout of that value over the number of pay periods between August 1 and July 31. Pay periods falling in July are therefore accrued.

The duties and compensation base for UNW School Year employees are scheduled to align with the academic year although actual start dates and durations vary by specific location and job function. Accordingly, the Education Body determines the start dates of their UNW employees and accrues the related payroll liability as appropriate.

All other staff are accrued to include earnings to June 30.

### (l) Post-employment 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 the 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 Education Body and other criteria as outlined in the negotiated collective agreements and management handbook guidelines of the GNWT.

# Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2020

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## Note 2. Summary of Significant Accounting Policies (continued)

### (m) Special Purpose Funds

School activity funds which are fully controlled by the Education Body with respect to when and how the funds available can be disbursed are included. The funds reported are internally restricted as to purpose and may include the proceeds of fundraising, contributions or fees paid related to a specific planned benefits.

Student activity funds which are controlled by students or parties other than the Education Body are not included even if custody of the funds is held by the Education Body.

## Note 3. Future Accounting Changes and Adoption of New Accounting Standards

### Future Accounting Changes

#### *Revenues - Section PS 3400*

PSAB has approved Section PS 3400, Revenues. This Section establishes standards on how to account for and report on revenue. This Section applies to fiscal years beginning on or after April 1, 2022. Earlier adoption is permitted. This Section may be applied retroactively or prospectively. Management is currently assessing the impact of the standard.

#### *Student Activity/Fiduciary Funds Policy*

Student Activity/Fiduciary funds policy is currently under review by the GNWT - ECE for possible inclusion in Special Purpose Funds. At this time no formal directive has been released and, therefore management is unable to determine any impact that may exist on the financial statements.

### Adoption of New Accounting Standards

Effective April 1, 2018, the new standard from the PSA Handbook Section PS 3430 – restructuring transactions was adopted. There is no significant impact on the consolidated financial statements as a result of adopting the new standards.

## Sahtu Divisional Education Council

Consolidated Statement of Operations and Surplus

For the year ended June 30, 2020

### Note 4. Cash and Cash Equivalents

	2020		2019	
Cash	\$	3,464,954	\$	3,260,052
Short term investments		-		-
	\$	3,464,954	\$	3,260,052

### Note 5. Special Purpose Funds

Special purpose funds consist of account balances held by each of the individual District Education Authorities for which the Education Body has control of when and how the funds are disbursed. Additionally, the SDEC administers funding for the Community Justice Committee.

	2020		2019	
Colville Lake	\$	-	\$	8,000
Deline		36,765		69,661
Fort Good Hope		48,181		113,549
Norman Wells		28,263		53,272
Tulita		38,994		64,815
SDEC (CJC)		75,499		49,904
	\$	227,702	\$	359,201

### Note 6. Restricted Assets - Not Applicable

### Note 7. Portfolio Investments - Not Applicable

### Note 8. Accounts Receivable

	Receivables 2020		AFDA 2020		Net 2020		Net 2019	
GNWT - ECE	\$	66,732	\$	-	\$	66,732	\$	217,525
GNWT - HSS		-		-		-		925
GNWT - MACA		15,000		-		15,000		148,050
GNWT - Justice		28,000		-		28,000		30,000
GNWT - ENR		-		-		-		-
Total Due from GNWT		109,732		-		109,732		396,500
WSCC		-		-		-		-
Other		950,421		110,267		840,154		870,098
	\$	1,060,153	\$	110,267	\$	949,886	\$	1,266,598

### Note 9. Inventories - Not Applicable

## Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2020

### Note 10. Accounts Payable and Accrued Liabilities

	2020	2019
Accounts payable and accrued liabilities		
GNWT	\$ 80,170	\$ 297
WSCC	29,666	-
Trade payables	197,417	202,706
	307,253	203,003
Payroll liabilities		
To GNWT (A)	460,277	931,364
To Employees (B)	940,430	989,820
Annual Leave	69,853	86,172
Lieu	2,322	6,420
Other	6,101	3,040
	1,478,983	2,016,816
	\$ 1,786,236	\$ 2,219,819

Note A: Amount outstanding to be paid to GNWT by the education board for salaries and wages paid by June 30.

Note B: Amount accrued by the education board for salaries and wages to be paid in July and August.

### Note 11. Deferred Revenue

	2020	2019
MACA		
Active After School	\$ -	\$ 71,000
Youth Contribution	29,865	37,995
Regional Youth Sports	-	39,250
Encounters	-	4,000
Justice		
Community Justice	75,499	49,904
ECE		
Northern Distance Learning	60,867	49,915
Library	91,335	107,137
Indigenous Language Education	92,656	-
Government of Canada		
Jordan's Principle	614,336	671,795
	\$ 964,558	\$ 1,030,996



## Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2020

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Note 12. **Contribution Repayable - Not Applicable**

Note 13. **Due From and To the Government of Canada - Not Applicable**

Note 14. **Capital Lease Obligations - Not Applicable**

Note 15. **Pension - Not Applicable**

Note 16. **Long-term Debt - Not Applicable**

Note 17. **Other employee future benefits and compensated absences**

The Education Body 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 deficit equal to the accrued post-employment benefits obligation.

Severance benefits are paid to employees based on the types 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 location of hire, employee category and length of service. The benefits under these two categories were valued using the Projected Unit Credit methodology.

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

### **Valuation results**

The actuarial valuation was completed as at March 31, 2020. The effective date of the next actuarial valuation is March 31, 2021. The liabilities are actuarially determined as the present value of the accrued benefits at February 15, 2020 and the results extrapolated to June 30, 2020. The values presented below are for all of the benefits under the Compensated Absences and Terminations Benefits for the consolidated Government.

## Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2020

### Note 17. Other employee future benefits and compensated absences (continued)

	Severance and removal	Compensated Absences	2020	2019
<b>Changes in Obligation</b>				
Accrued benefit obligations beginning of the year	\$ 806,576	\$ 147,283	\$ 953,859	\$ 781,082
Current period benefit cost	54,416	13,395	67,811	69,045
Interest accrued	25,335	4,794	30,129	29,666
Benefits payments	(161,178)	(25,541)	(186,719)	(94,009)
Plan amendments	-	-	-	-
Actuarial (gain)/loss	5,049	5,272	10,321	168,075
Accrued benefit obligation end of year	730,198	145,203	875,401	953,859
Unamortized net actuarial gain	345,684	15,837	361,521	461,396
Net future obligation	1,075,882	161,040	1,236,922	1,415,255
<b>Benefits Expense</b>				
Current period benefit cost	54,416	13,395	67,811	69,045
Interest accrued	25,335	4,794	30,129	29,666
Plan amendments	-	-	-	-
Amortization of actuarial gains	(80,292)	(9,262)	(89,554)	(109,804)
	(541)	8,927	8,386	(11,093)

The discount rate used to determine the accrued benefit obligation is an average of 2.7%. No inflation rate was applied. The expected payments during the next five fiscal years are:

	Severance and removal	Compensated Absences	Total
2021	\$ 107,876	\$ 18,545	\$ 126,421
2022	83,301	15,626	98,927
2023	64,606	13,156	77,762
2024	56,737	11,904	68,641
2025	301,067	65,287	366,354
	\$ 613,587	\$ 124,518	\$ 738,105

## Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2020

Note 18. **Trust Assets and Liabilities under Administration - Not Applicable**

Note 19. **Tangible Capital Asset - Not Applicable**

Note 20. **Prepaid Expenses**

	2020	2019
Prepaid expenses	\$ 27,534	\$ 46,569

Note 21. **GNWT Assets Provided at No Cost**

	Cost	Accumulated Amortization	Net Book Value	
			2020	2019
Buildings				
Schools and colleges	\$ 66,998,568	\$ 24,625,773	\$ 42,372,795	\$ 43,392,562
Staff Housing	275,800	125,641	150,159	162,501
	\$ 67,274,368	\$ 24,751,414	\$ 42,522,954	\$ 43,555,063

Note 22. **Contractual Obligations**

The Education Body has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2020.

	Expires in Fiscal Year *		2021	2022 and thereafter	Total
Commercial and residential leases	2023	\$	231,732	\$ 240,805	\$ 472,537

\* Refers to the last fiscal year of all agreements in that line category

The lease on the Council's office expires on August 31, 2023. A 15 year lease agreement was entered into at the Edward Hodgson Building with monthly lease payments starting September 1, 2008. From September 1, 2008 to August 31, 2018 the annual lease payments will remain at \$106,752. After 10 years, the lease amount may be adjusted based on the expected market conditions for the following 5 years.

In addition, the Council is responsible for its proportionate share of utilities and cleaning services received during its term of occupancy.

# Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2020

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## Note 23. Contingencies - Not applicable

## Note 24. Related Parties and Inter-Entity Transactions

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

## Note 25. Budget

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 may or may not include 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 revenues 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 Education Body.

The budget figures presented are those approved by the Minister of Education, Culture and Employment on June 5, 2019 and have not been audited.

## Note 26. Economic Dependence

The Sahtu District Education Council received its funding primarily from the GNWT. If the funding arrangements were to change management is of the opinion that Sahtu District Education Council operations would be significantly affected.

## Note 27. Financial Instruments

The Education Body is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Education Body's risk exposure and concentration as of June 30, 2020.

### Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Education Body has little exposure to credit risk as the majority of its revenues originate from government sources with strong credit worthiness.

# Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2020

## Note 27. Financial Instruments (continued)

### Liquidity

Liquidity risk is the risk the Education Body will not be able to meet its obligations as they come due. The Education Body manages its liquidity requirements by preparing detailed cash budgets and having cash available on hand to meet its obligations.

### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is composed of currency risk, interest rate risk and other price risk.

### Currency risk

The Education Body deals exclusively in Canadian funds and therefore has no currency risk.

### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. The Education Body minimizes risk through its normal operating and financing activities and maintains cash in a general bank account.

## Note 28. Expenses by Object

	2020 Budget	2020 Actual	2019 Actual
Salaries	\$ 12,028,522	\$ 11,984,880	\$ 12,313,567
Employee Benefits	461,224	439,878	443,906
Services Purchased/Contracted	1,221,377	1,322,366	1,523,030
Materials, Supplies and Freight	530,970	1,193,869	1,002,741
Debt Services	-	-	-
	\$ 14,242,093	\$ 14,940,993	\$ 15,283,244

## Note 29. Subsequent Events - Not Applicable

## Note 30. Comparative Figures

Certain comparative figures have been reclassified to conform with current year's presentation.

## Note 31. Other ECE Revenue

	2020	2019
Library	\$ 140,000	\$ 140,000
Health and wellness	11,660	11,660
Youth with disabilities	-	12,500
Self regulation	-	7,000
Distance learning	100,500	60,670
Less: Deferred revenue & contributions repaid	(169,580)	(93,403)
	\$ 82,580	\$ 138,427

## Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2020

### Note 32. GNWT - Other Contributions

	2020	2019
MACA		
Active After School	\$ 73,599	\$ 98,950
Youth Contribution	-	17,450
Regional Youth Sports	-	39,250
On the land	-	7,200
Youth Corps Rainbow United GSA	-	38,050
Keepers of the land	-	22,500
Kelly lake	-	5,000
Model Rocket	-	1,135
TAKT	8,000	19,450
Fiddle	2,500	-
HSS		
Drop The Pop	8,850	8,850
Nutrition North	28,000	-
ITI		
Growing Resistance: Northern Agriculture Program	-	48,050
Justice		
Community Justice	56,000	56,000
Less: Deferred revenue & contributions repaid	157,191	(12,039)
	\$ 334,140	\$ 349,846

Note 33. **Contingent Assets - Not Applicable**

Note 34. **Contractual Rights - Not Applicable**

Note 35. **Statement of Remeasurement Gains and Losses - Not Applicable**

## Sahtu Divisional Education Council

Schedule A-1 - Statement of Council Operations and Financial Position (Non-Consolidated)

For the year ended June 30, 2020

	<b>2020 Budget</b>	<b>2020 Actual</b>	2019 Actual
Revenue			
Government of the Northwest Territories	\$ 14,114,613	\$ 14,584,117	\$ 15,166,583
Other education body generated funds	55,000	186,394	276,440
	<b>14,169,613</b>	<b>14,770,511</b>	<b>15,443,023</b>
Expenditure			
Administration	848,687	861,973	1,012,430
School programs	9,322,313	9,406,835	9,681,725
Inclusive schooling	2,575,569	2,833,907	2,521,949
Operations and maintenance	148,952	155,382	139,973
Aboriginal languages	1,346,572	1,305,800	1,355,828
	<b>14,242,093</b>	<b>14,563,897</b>	<b>14,711,905</b>
Excess (Deficiency) of Revenue over Expenditure	\$ (72,480)	\$ 206,614	\$ 731,118
Accumulated surplus (deficit), beginning of year		3,798,773	3,067,655
Accumulated surplus (deficit), end of year		\$ 4,005,387	\$ 3,798,773

## SATHU DIVISIONAL EDUCATION COUNCIL

Schedule A-2 - Details of Council Expenses (Non-Consolidated)

For the year ended June 30, 2020

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Council Administration	Aboriginal Languages	Fiscal & Transfers	2020 Total
<b>Salaries</b>								
Teachers' salaries	\$ 6,563,961	\$ 1,141,799	\$ -	\$ -	\$ -	\$ 963,357	\$ -	\$ 8,669,117
Instruction Assistant	5,773	896,031	-	-	-	161,165	-	1,062,969
Non Instructional Staff	1,043,017	270,289	-	-	708,294	39,669	-	2,061,269
Board/Trustee Honoraria	-	-	-	-	13,642	-	-	13,642
	7,612,751	2,308,119	-	-	721,936	1,164,191	-	11,806,997
<b>Employee Benefits</b>								
Employee benefits and allowances	9,022	-	-	-	-	-	-	9,022
Leave and termination benefits	430,856	-	-	-	-	-	-	430,856
	439,878	-	-	-	-	-	-	439,878
<b>Services Purchased/Contracted</b>								
Professional/Technical Services	408,655	19,856	-	-	-	-	-	428,511
Postage/Communication	41,370	-	-	-	28,066	-	-	69,436
<b>Utilities</b>								
Heating	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-
Water/Sewage	-	-	-	-	-	-	-	-
Travel	67,099	25,638	-	-	40,801	8,512	-	142,050
Student Travel (busing)	150,536	-	-	-	-	-	-	150,536
Advertising/Printing/Publishing	1,405	-	-	-	-	-	-	1,405
Maintenance/Repair	38,099	-	-	7,200	-	-	-	45,299
Rentals/Leases	-	-	-	148,182	-	-	-	148,182
Other - Contracted Services	182,251	41,216	-	-	29,461	-	-	252,928
Other - Miscellaneous	14,499	25,050	-	-	11,122	-	-	50,671
	903,914	111,760	-	155,382	109,450	8,512	-	1,289,018
<b>Materials, Supplies and Freight</b>								
Materials	446,269	413,430	-	-	30,132	133,057	-	1,022,888
Freight	4,023	598	-	-	455	40	-	5,116
	450,292	414,028	-	-	30,587	133,097	-	1,028,004
<b>Contributions and Transfers</b>								
Transfers to DEAs	-	-	-	-	-	-	-	-
Transfers to Capital	-	-	-	-	-	-	-	-
<b>Amortization</b>								
	-	-	-	-	-	-	-	-
<b>Debt Services</b>								
	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 9,406,835</b>	<b>\$ 2,833,907</b>	<b>\$ -</b>	<b>\$ 155,382</b>	<b>\$ 861,973</b>	<b>\$ 1,305,800</b>	<b>\$ -</b>	<b>\$ 14,563,897</b>



## SAHTU DIVISIONAL EDUCATION COUNCIL

Schedule B-1 District Education Authorities  
Statement of Operations - Non-Consolidated

For the year ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
Contributions from Divisional Council	\$ 126,000	126,000	126,000
GNWT	-	529,299	715,756
Other	3,500	-	-
Deferred Revenue	16,100	(152,203)	(262,867)
Contributions Repaid	-	-	(46,430)
	19,600	377,096	406,459
<b>Total revenue</b>	<b>145,600</b>	<b>503,096</b>	<b>532,459</b>
<b>Expenditure</b>			
Administration	111,400	87,508	164,880
School programs	30,700	377,096	406,459
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	-	-
	\$ 142,100	464,604	571,339
<b>Surplus (Deficit)</b>	<b>3,500</b>	<b>38,492</b>	<b>(38,880)</b>
<b>Opening equity</b>		<b>40,570</b>	<b>79,450</b>
<b>Closing equity</b>		<b>\$ 79,062</b>	<b>\$ 40,570</b>
<b>Composition of Ending Accumulated Surplus</b>			
Cash	\$	-	\$ -
Accounts receivable		79,062	40,570
Accounts payable		-	-
	\$	<b>79,062</b>	<b>\$ 40,570</b>

# SAHTU DIVISIONAL EDUCATION COUNCIL

Schedule B-2 - Details of DEA Expenses

Non-Consolidated

For the year ended June 30, 2020

Function	School Programs	Inclusive Schooling	Student Accom.	Operations and Maintenance	Council Administration	Aboriginal Languages	Total
<b>Salaries</b>							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non-instructional Staff	177,883	-	-	-	34,940	-	212,823
Board/Trustee Honorarium	-	-	-	-	16,190	-	16,190
	177,883	-	-	-	51,130	-	229,013
<b>Employee Benefits</b>							
Employee Benefits and Allowances	-	-	-	-	-	-	-
Leave and Termination	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>Services Purchased/Contracted</b>							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities							
Heating	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-
Water/Sewage	-	-	-	-	-	-	-
Travel	33,348	-	-	-	-	-	33,348
Student Transportation (busing)	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	849	-	849
Rentals/Leases	-	-	-	-	-	-	-
Other - Fees	-	-	-	-	-	-	-
Other - Special Requests	-	-	-	-	32,723	-	32,723
	33,348	-	-	-	33,572	-	66,920
<b>Materials/Supplies/Freight</b>							
Materials	155,269	-	-	-	2,806	-	158,075
Freight	10,596	-	-	-	-	-	10,596
	165,865	-	-	-	2,806	-	168,671
<b>Total</b>	<b>\$ 377,096</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 87,508</b>	<b>\$ -</b>	<b>464,604</b>

## COLVILE LAKE

District Education Authority  
Statement of Operations

For the year ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
Contributions from Divisional Council	\$ 17,000	\$ 17,000	\$ 17,000
GNWT	-	9,597	29,261
Other	-	-	-
Deferred Revenue	9,138	-	(7,634)
Contributions Repaid	-	-	(366)
	<u>26,138</u>	<u>26,597</u>	<u>38,261</u>
<b>Expenses</b>			
Administration	17,438	12,065	27,077
School programs	8,700	9,597	21,261
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	-	-
	<u>26,138</u>	<u>21,662</u>	<u>48,338</u>
Surplus (Deficit)	-	4,935	(10,077)
Opening equity		12,671	22,748
Closing equity	\$	17,606	\$ 12,671
<b>Composition of Closing Equity</b>			
Cash	\$	-	\$ -
Accounts Receivable		17,606	12,671
Accounts Payable		-	-
	<u>\$</u>	<u>17,606</u>	<u>\$ 12,671</u>

## COLVILLE LAKE

District Education Authority  
Details of Expenses

For the year ended June 30, 2020

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
<b>Salaries</b>							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	-	-	-
Board/Trustee Honoraria	-	-	-	-	5,666	-	5,666
	-	-	-	-	5,666	-	5,666
<b>Employee Benefits</b>							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>Services Purchased/Contracted</b>							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	-	-	-
Other - Special Requests	-	-	-	-	6,399	-	6,399
	-	-	-	-	6,399	-	6,399
<b>Materials/Supplies/Freight</b>							
Materials	9,597	-	-	-	-	-	9,597
Freight	-	-	-	-	-	-	-
	9,597	-	-	-	-	-	9,597
<b>Total</b>	<b>\$ 9,597</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,065</b>	<b>\$ -</b>	<b>\$ 21,662</b>

## NORMAN WELLS

District Education Authority  
Statement of Operations

For the year ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
Contributions from Divisional Council	\$ 30,000	\$ 30,000	\$ 30,000
GNWT	-	123,398	180,048
Other	3,500	-	-
Deferred Revenue	-	(28,264)	(52,029)
Contributions Repaid	-	-	(1,243)
	<u>33,500</u>	<u>125,134</u>	<u>156,776</u>
<b>Expenses</b>			
Administration	17,500	18,303	39,921
School programs	16,000	95,134	126,776
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	-	-
	<u>33,500</u>	<u>113,437</u>	<u>166,697</u>
Surplus (Deficit)	-	11,697	(9,921)
Opening equity		4,076	13,997
Closing equity	\$	15,773	\$ 4,076
<b>Composition of Closing Equity</b>			
Cash	\$	-	\$ -
Accounts Receivable		15,773	4,076
Accounts Payable		-	-
	<u>\$</u>	<u>15,773</u>	<u>\$ 4,076</u>

## NORMAN WELLS

District Education Authority  
Details of Expenses

For the year ended June 30, 2020

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
<b>Salaries</b>							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	25,801	-	-	-	10,716	-	36,517
Board/Trustee Honoraria	-	-	-	-	-	-	-
	<u>25,801</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,716</u>	<u>-</u>	<u>36,517</u>
<b>Employee Benefits</b>							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Services Purchased/Contracted</b>							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	4,041	-	-	-	-	-	4,041
Student Transportation	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	549	-	549
Rentals/Leases	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	-	-	-
Other - Special Requests	-	-	-	-	7,038	-	7,038
	<u>4,041</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,587</u>	<u>-</u>	<u>11,628</u>
<b>Materials/Supplies/Freight</b>							
Materials	64,906	-	-	-	-	-	64,906
Freight	386	-	-	-	-	-	386
	<u>65,292</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,292</u>
<b>Total</b>	<b>\$ 95,134</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,303</b>	<b>\$ -</b>	<b>113,437</b>

## DELINE

District Education Authority  
Statement of Operations

For the year ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
Contributions from Divisional Council	\$ 26,000	\$ 26,000	\$ 26,000
GNWT	-	124,347	143,610
Other	-	-	-
Deferred Revenue	-	(36,764)	(69,528)
Contributions Repaid	-	-	(134)
	26,000	113,583	99,948
<b>Expenses</b>			
Administration	26,000	10,419	30,995
School programs	-	87,583	73,949
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	-	-
	26,000	98,002	104,944
Surplus (Deficit)	-	15,581	(4,996)
Opening equity		4,717	9,713
Closing equity	\$	20,298	\$ 4,717
<b>Composition of Closing Equity</b>			
Cash	\$	-	\$ -
Accounts Receivable		20,298	4,717
Accounts Payable		-	-
	\$	20,298	\$ 4,717

## DELINE

District Education Authority  
Details of Expenses

For the year ended June 30, 2020

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
<b>Salaries</b>							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	42,549	-	-	-	1,766	-	44,315
Board/Trustee Honoraria	-	-	-	-	5,575	-	5,575
	42,549	-	-	-	7,341	-	49,890
<b>Employee Benefits</b>							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>Services Purchased/Contracted</b>							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	12,586	-	-	-	-	-	12,586
Student Transportation	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	300	-	300
Rentals/Leases	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	-	-	-
Other - Special Requests	-	-	-	-	-	-	-
	12,586	-	-	-	300	-	12,886
<b>Materials/Supplies/Freight</b>							
Materials	27,225	-	-	-	2,778	-	30,003
Freight	5,223	-	-	-	-	-	5,223
	32,448	-	-	-	2,778	-	35,226
<b>Total</b>	\$ 87,583	\$ -	\$ -	\$ -	10,419	\$ -	98,002



## FORT GOOD HOPE

District Education Authority  
Statement of Operations

For the year ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
Contributions from Divisional Council	\$ 26,000	\$ 26,000	\$ 26,000
GNWT	-	165,207	259,211
Other	-	-	-
Deferred Revenue	3,462	(48,181)	(94,757)
Contributions Repaid	-	-	(18,791)
	29,462	143,026	171,663
<b>Expenses</b>			
Administration	23,462	20,459	25,793
School programs	6,000	117,026	145,663
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	-	-
	29,462	137,485	171,456
Surplus (Deficit)	-	5,541	207
Opening equity		8,870	8,663
Closing equity	\$	14,411	\$ 8,870
<b>Composition of Closing Equity</b>			
Cash	\$	-	\$ -
Accounts Receivable		14,411	8,870
Accounts Payable		-	-
	\$	14,411	\$ 8,870

## FORT GOOD HOPE

District Education Authority  
Details of Expenses

For the year ended June 30, 2020

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
<b>Salaries</b>							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	74,169	-	-	-	11,301	-	85,470
Board/Trustee Honoraria	-	-	-	-	4,156	-	4,156
	74,169	-	-	-	15,457	-	89,626
<b>Employee Benefits</b>							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>Services Purchased/Contracted</b>							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	16,721	-	-	-	-	-	16,721
Student Transportation	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	-	-	-
Other - Special Requests	-	-	-	-	5,002	-	5,002
	16,721	-	-	-	5,002	-	21,723
<b>Materials/Supplies/Freight</b>							
Materials	21,149	-	-	-	-	-	21,149
Freight	4,987	-	-	-	-	-	4,987
	26,136	-	-	-	-	-	26,136
<b>Total</b>	\$ 117,026	\$ -	\$ -	\$ -	\$ 20,459	\$ -	137,485

# TULITA

District Education Authority  
Statement of Operations

For the year ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
Contributions from Divisional Council	\$ 27,000	\$ 27,000	\$ 27,000
GNWT	-	106,750	103,626
Other	-	-	-
Deferred Revenue	-	(38,994)	(38,919)
Contribution Repayable	-	-	(25,896)
	<u>27,000</u>	<u>94,756</u>	<u>65,811</u>
<b>Expenses</b>			
Administration	27,000	26,262	41,094
School programs	-	67,756	38,810
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	-	-
	<u>27,000</u>	<u>94,018</u>	<u>79,904</u>
Surplus (Deficit)	-	738	(14,093)
Opening equity		10,236	24,329
Closing equity	\$	10,974	\$ 10,236
<b>Composition of Closing Equity</b>			
Cash	\$	-	\$ -
Accounts Receivable		10,974	10,236
Accounts Payable		-	-
	<u>\$</u>	<u>10,974</u>	<u>\$ 10,236</u>

# TULITA

District Education Authority  
Details of Expenses

For the year ended June 30, 2020

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
<b>Salaries</b>							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	35,364	-	-	-	11,157	-	46,521
Board/Trustee Honoraria	-	-	-	-	793	-	793
	<u>35,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,950</u>	<u>-</u>	<u>47,314</u>
<b>Employee Benefits</b>							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Services Purchased/Contracted</b>							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	-	-	-
Other - Special Requests	-	-	-	-	14,284	-	14,284
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,284</u>	<u>-</u>	<u>14,284</u>
<b>Materials/Supplies/Freight</b>							
Materials	32,392	-	-	-	28	-	32,420
Freight	-	-	-	-	-	-	-
	<u>32,392</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28</u>	<u>-</u>	<u>32,420</u>
<b>Total</b>	<b>\$ 67,756</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26,262</b>	<b>\$ -</b>	<b>94,018</b>

## Approvals

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### *Operating Plan*

Karee Peasley  
Education Body Chair

June 7/19  
Date

S. Augie  
Superintendent

June 7/2019  
Date

### *Annual Report*

Karee Peasley  
Education Body Chair

September 22/20  
Date

Renee Clark  
Superintendent

Sept 22/20  
Date

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL**

**FORT SMITH, NT.**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

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**Management Discussion and Analysis  
For the year ended June 30, 2020**

**Introduction**

This management discussion and analysis is prepared as part of the responsibility of management and the *South Slave Divisional Education Council* (SSDEC) to promote transparency and accountability in its financial reporting.

The SSDEC was established in 1991 with a mandate to provide a quality pre-kindergarten (4 yr olds) to grade twelve education to approximately 1,200 students in the communities of Hay River, Fort Smith, K’atlodeeche, Fort Resolution and Lutsel K’e. The SSDEC is comprised of one representative from each of the five community-based District Education Authorities (DEAs). DEAs are elected or appointed at the community level, and each DEA chooses one of its members to represent them at the regional SSDEC meetings. The 2019/20 representatives were as follows:

- Fort Smith – Ann Pischinger (Chairperson)
- Fort Resolution – Bess Ann McKay (Vice-Chairperson)
- Hay River – Pennie Pokiak
- K’atlodeeche – Julia Fabian
- Lutsel K’e – Thomas Lafferty

Key senior management positions were as follows:

- Superintendent – Dr. Curtis Brown
- Division Principals – Alan Karasiuk/Dorie Hanson
- Comptroller – James Watts, CPA

The SSDEC and its DEAs are committed to a philosophy of education which is built upon a foundation of enabling communities, DEAs, schools, staff members, and parents to help students reach their potential. Student achievement is at the heart of everyone’s work at the SSDEC and is the common thread connecting the Council’s vision, mission, beliefs and values.

<b>VISION</b>
<b>All individuals reach their educational potential</b>
<b>MISSION</b>
<i>The South Slave Divisional Education Council strives to prepare students to create their futures by ensuring high levels of learning for ALL.</i>

The SSDEC is committed to improving student *literacy, numeracy* and *social responsibility* as the key priorities for student success in school and in life.

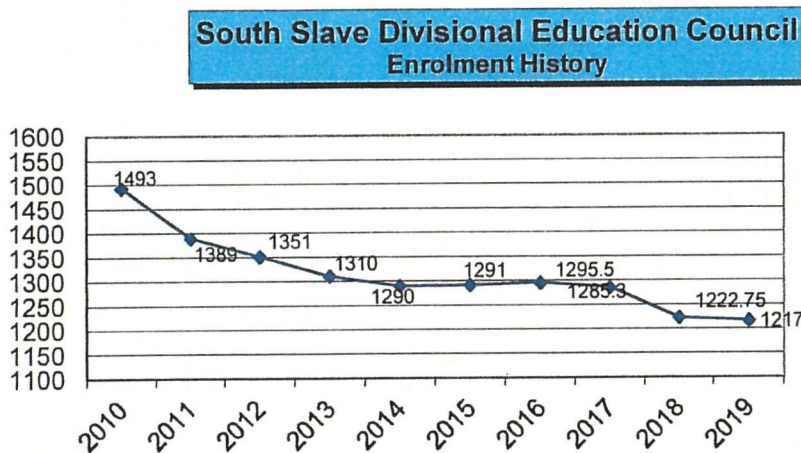
## Operating Environment

The SSDEC receives the financial resources for the entire division on an annual basis, largely through a funding formula established by the *GNWT Department of Education, Culture and Employment (ECE)*. Unfortunately, there are a number of unfunded and underfunded areas in the formula. For example:

- school boards are funded based on prior year teacher salaries yet collective agreement provisions provide annual salary increments to staff which school boards must pay. ECE also underfunds school boards for salaries of long term UNW, Excluded, and Managers
- ECE confirms that they are underfunding school boards more than \$1 million per year for the hiring of casuals resulting from staff leave provisions in the collective agreements
- some of the funding formula line items are not indexed to keep up with inflation and have not increased in over 15 years

Per student ECE allocations for inclusive schooling has decreased over the past several years as well.

Shrinking enrolment has also brought significant challenges over the last several years. South Slave student enrolment is now almost two thirds what it was fifteen years ago (approx. 1200 now vs. over 1800 previously).



Fewer students means less funding and less flexibility for the Council to allocate the resources necessary to continue to fund its priorities and a diversity of program offerings. We seem to have plateaued at around 1200-1300 students for the last few years. Whether this stability continues into the future is an uncertainty that we deal with by allowing schools to maintain staffing surpluses. These surpluses allow schools to smooth out any potential wrinkles caused by sudden drops in enrolment and make for an easier transition to having fewer students going forward.

Finalization of the GNWT's policy on surpluses provides clarity on what Education Bodies are allowed to retain. The policy encourages and allows a surplus of up to 7% of the last audited figure for overall revenue. This is inclusive of any school and DEA surpluses. The results from the 2019/20 financial audit, inclusive of the revised GNWT actuarial calculations, leave the



SSDEC above the maximum allowable surplus. The planned deficit for 2020/21 will address that overage.

The SSDEC continues to address the funding challenges by annually reviewing and applying their budget assumptions and priorities:

1. Approve a regional budget each year that prioritizes funding for the Council priorities.
2. Approve a budget each year that maintains an accumulated fund balance of at least \$500,000 after taking into account school staffing surpluses.
3. Ensure fair and equitable distribution of funds to schools and DEAs and minimize conflict between Council reps/DEAs.
4. Provide for significant community-based priority setting and related budgeting.
5. Provide transparency in budget process and allocations, and
6. Consider expenditures against a Council surplus over \$500,000, after taking into account school staffing surpluses, each year.

Each year the SSDEC determines the key priorities as well as the unfunded and underfunded areas that simply can't be overlooked, and budgets for those costs first. Upon notification of resulting allocations, staffing plans are developed by school principals for approval of their respective DEAs and the superintendent (prior to March 15th) so that the majority of teacher staffing for the next year can occur while quality applicants are still available. The SSDEC and schools have also been very successful in identifying, applying for and obtaining third party funding in order to supplement program offerings.

Another challenge for the Council is the low levels of readiness of many young children entering the school system, poor attendance by many students, and disengaged parents, probably related to the intergenerational effects of residential schooling. These varying levels and engagement can make it difficult to catch up and retain these students so that they progress and reach their potential. The recent disruption to schooling resulting from the COVID-19 pandemic has exacerbated the equity of access and engagement issues.

In an effort to improve the life chances of more and more children, since 2007 the SSDEC has focused on a few key priorities, with carefully chosen research based strategies, and a long term and relentless commitment to results:

<b>To improve student success in <i>literacy</i></b>	To increase the percentage of students meeting or exceeding expectations for literacy proficiency
<b>To improve student success in <i>numeracy</i></b>	To increase the percentage of students meeting or exceeding expectations for numeracy proficiency
<b>To increase understanding and practice of <i>socially responsible behaviour</i> by all members of the school community</b>	To increase the percentage of trustees, staff and students demonstrating responsible behaviour



Accordingly, Council has remained committed to funding the *Leadership for Literacy* initiative that places and trains experienced teachers in instructional coach roles in their respective schools. These coaches provide training and in-classroom support to other teachers and support staff so that more students will achieve success in literacy and math, the essential skills required for success in school and in life.

In *Literacy* we saw a growth in the percentage of students reading at or above acceptable levels (from 64% to 67%). Each school continued to maintain a full-time Literacy Coach who in turn is supported by our Regional Literacy Coordinator. Our *Numeracy* project also has each school with an identified Math Lead who worked closely with our Regional Coordinator. Overall, the number of students meeting an acceptable standard in math also increased from 70-73% from the previous year. In the area of *Social Responsibility*, the targets for 2019-20 (student attendance, parent participation, and social-emotional learning) were not able to be assessed effectively given the school closures in the spring.

Much has been accomplished as evidenced by improving student achievement results over the past several years. Further indicative of the SSDEC's success are the various awards received including the three *Ministerial Literacy Awards* for the *SSDEC Literacy Project*, the *Premier's Award of Excellence* for the *Trades Awareness Program* partnership, and the *Premier's Award for Collaboration* for the *South Slave Healthy Communities Partnership*.

Further, the SSDEC's *Leadership for Literacy* initiative has been recognized nationally as well, being awarded *Indspire's (aka National Aboriginal Achievement Awards) Indigenous Education Organization Award* in 2016, the *Canadian Education Association (CEA) and Reader's Digest Canadian Innovators in Education Award* 2015, and runner up for the CEA's "*Innovation that Sticks*" *Award and Case Study Program*. This is on the heels of the SSDEC becoming the first school board in Canada to win Gold in the education category of the *Public Sector Leadership Awards*, as selected by the *Institute of Public Administration of Canada (IPAC)* and Deloitte in 2014.

South Slave staff and students are excelling and benefitting accordingly as well. Aside from the recognition of the Council and the impressive recipients of the *SSDEC Excellence in Education Awards*, five of the South Slave school principals have now been selected to the exclusive *National Academy of Canada's Outstanding Principals (The Learning Partnership)*, and the SSDEC Superintendent was the first northern recipient of the *Canadian Superintendent of the Year* award (*Canadian Association of School System Administrators (CASSA) & American Association of School Administrators (AASA)*). Two of the five SSDEC trustees received the *Queen's Diamond Jubilee* medals for exemplary service to their communities. The South Slave DEC also has 12 inductees into the NWT Education Hall of Fame.

Three of the South Slave's educators have also received *Indspire Indigenous Educator Awards* and another Indigenous teacher received the *Prime Minister's Award for Teaching Excellence*. These awards are examples of how effective literacy efforts are being encouraged and supported in our Indigenous language programs in Cree, Slavey and Chipewyan; in addition to English and French. The SSDEC recently had an Indigenous Language educator receive the *Premier's Award of Excellence* while another received the *NWTTA Indigenous Educator Award*.

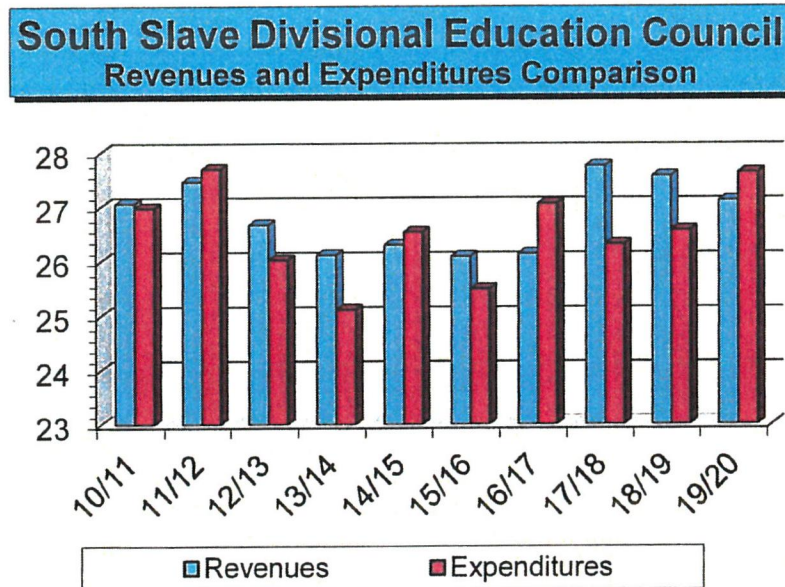
There has also been an increase in staff use of long-term leave requests due to mental health issues. As we are unsure when staff will be able to return to their classrooms, we increasingly find ourselves hiring unqualified substitutes for repeated one and two month periods. This is not only disruptive to classroom routine, but compromises the quality of students' education and is costly for the SSDEC.

Teacher turnover, compounded by the shortage of suitable applicants, means there is a need to engage in more formalized transition planning. Specialist positions are continuing to be difficult to fill, in particular; Indigenous Language teachers, French Immersion and senior Math/Science. We were proactive in finding and funding 4 Indigenous Language interns last year.

ECE's *Education Renewal and Innovation* initiative also includes aspects that look to help educate and provide support for mental health and wellness of both staff and students. Recent SSDEC strategies and targets are also intended to improve student attendance, ownership for their learning (inquiry-based, 21<sup>st</sup> century learning), pride and resiliency as part of its academic and social responsibility priorities.

**Financial Condition**

The bar chart below provides a historical comparison of revenues and expenditures over the past ten years.



For the year ended June 30, 2020 the Council had an operating deficit of \$434,054 inclusive of DEA surpluses and deficits. This was lower than the projected deficit of \$1,523,443 due to an adjustment to the Council's employee future benefits liability amount 373,002). Other reasons for the lower than expected deficit include, but are not limited to, COVID-19 shutting down schools in mid-March resulting in lower casual wages costs, no duty travel, and general expenditures being lower over those three and a half months.



The accumulated uncommitted fund balance for the Council now sits at \$2,756,047 (see chart below) which is \$852,679 above the Council's maximum fund balance of \$1,903,368 spelled out in policy DFAA – Financial Surplus. The Council's budget for 2020/21 is a deficit budget of \$1,366,653 that, if realized, would bring the Council's accumulated fund balance down to \$1,389,394.

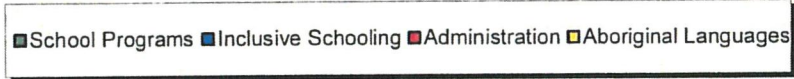
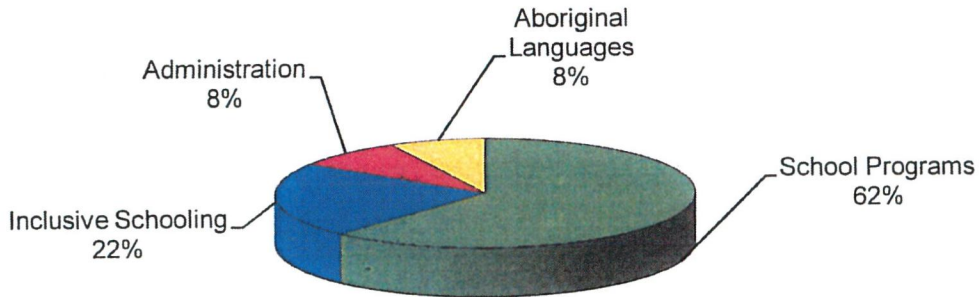
	<u>2020</u>	<u>2019</u>
Accumulated Fund Balance at beginning of year	\$4,342,476	\$3,344,330
Operating Surplus/(Deficit) for year	<u>(434,054)</u>	<u>998,146</u>
Accumulated Fund Balance at end of year	\$3,908,422	\$4,342,476
Commitments against Fund Balance (incl. bus purchase)	<u>(1,152,375)</u>	<u>(896,534)</u>
Uncommitted Fund Balance at end of year	<u>\$2,756,047</u>	<u>\$3,445,942</u>

Currently the Council's liquidity position is good but, given the back-end loading of allocations to school boards by ECE, there is still the concern that funds could be short around the end of March. Given that about 85% (see second chart below) of the SSDEC's expenditures are for staffing payroll and benefits, any unanticipated reductions in allocations from ECE, or unexpected expenditures, would be difficult to adjust for until the following school year.

The chart below breaks down the Council's expenditures according to the functions identified. ECE mandates that 15% of the Council's expenditures be in Inclusive Schooling. Inclusive Schooling made up 22% of the Council's expenditures in 2019/20. Indigenous Languages Education expenditures was also above what was funded by ECE.

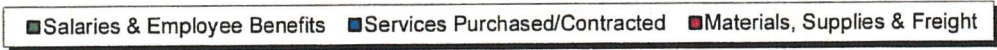
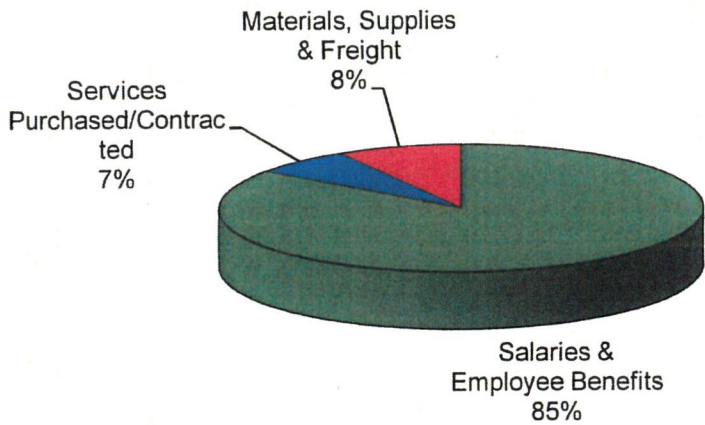
During the 2019/20 year the Council was reimbursed a total of \$332,348 for termination costs related to the 2018/19 fiscal year covering 6 retirements/resignations (all NWTTA).

**South Slave Divisional Education Council  
Expenditures by Function  
For the Year Ended June 30, 2020**



The chart below breaks down the Council's expenditures into three main categories: Salaries and Employee Benefits, Materials/Supplies and Freight and Purchased/Contracted Services.

**South Slave Divisional Education Council  
Details of Expenditures  
For the Year Ended June 30, 2020**



## **Summary and Outlook**

In summary, the SSDEC is currently in a positive financial position although, due to the inclusion of school and DEA surpluses in the calculation, we are currently above the maximum surplus allowed under the new GNWT policy as detailed earlier. Our deficit budget for 2020/21 is planned to address that excess.

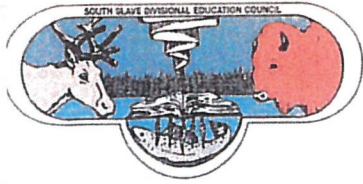
It should also be noted that in the last three years our surplus has increased by almost \$1.4 million due to a reduction in the Council's post-employment benefits liability (a number provided by the GNWT in July, after our fiscal year spending is complete, and after our next year budget and staffing has been finalized as well). This reduction is not a result of operations but artificially increases our surplus without adding anything to our cash balances. It is expected that this will be taken into consideration when applying the GNWT's surplus policy to Education Bodies.

COVID-19 will present challenges for the re-opening of schools in September but appropriate plans are being developed and approved by the applicable officials and will be ready for implementation in the Fall. These plans, of course, are based on the current situation and recommendations. An increase in positive tests, or a further outbreak, in the NWT could change plans significantly. We continue to hope for the best while preparing for the worst.

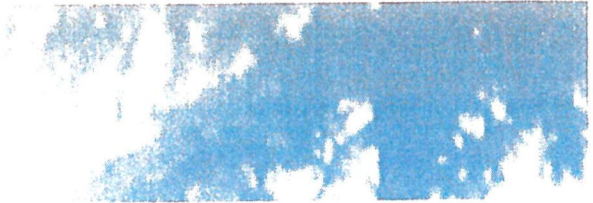
We are also seeing an increase in the number of students entering the system with complex needs and vulnerabilities at the same time our core Inclusive Schooling funding has decreased. Our schools have been proactive in applying for and receiving over \$4 million in additional funding through the Jordan's Principle initiative. It is hoped that initiatives like Jordan's Principle will continue to provide supplemental funding for psychological testing for students and increased supports in the classroom that will help address some of the causes and impacts of mental health issues in students, including attendance and behavioural issues.

Council is concerned that the significant progress that has been made in the South Slave in the past several years could be undone with any further efforts to reduce local input and centralize, combined with any further reductions in allocations, compounded by existing unfunded and underfunded expenses (salary increments, casual costs, etc.) and cost increases (several formula funding lines not indexed to keep up with inflation), resulting in a decrease in the quality and quantity of education programs and services that can be offered.





# Creating Futures



## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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 South Slave Divisional Education Council have been conducted within the statutory powers of the South Slave Divisional Education Council. The operations and administration of the South Slave Divisional Education Council 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, FAM, FAMEA, Human Resources Manual, Ministerial Directives and the policies of the South Slave Divisional Education Council 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, Avery, Cooper & Co. Ltd., Chartered Professional Accountants, 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 of the Government of the Northwest Territories.

Approved and confirmed on behalf of the South Slave Divisional Education Council

Dr. Curtis Brown  
Superintendent

Jamie Watts CPA, CMA  
Comptroller

August 14, 2020



# AVERY COOPER & Co. LTD.

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## INDEPENDENT AUDITORS' REPORT

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

*Report on the Audit of the Consolidated Financial Statements*

### *Qualified Opinion*

We have audited the accompanying consolidated financial statements of South Slave Divisional Education Council which comprise the Consolidated Statement of Financial Position as at June 30, 2020 and the Consolidated Statements of Changes in Net Financial Assets (Debt), Statement of Operations and Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the matter described in the Basis for Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the South Slave Divisional Education Council as at June 30, 2020 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Qualified Opinion*

Salaries and related benefits paid to employees of the South Slave Divisional Education Council are administered by the Government of the Northwest Territories and are audited as part of the Government of the Northwest Territories audit. Our audit scope was limited as we did not audit the components of compensation and benefits expenditures and related balances. Accordingly we are not able to determine whether any adjustments might be necessary to compensation and benefits expenditures, payroll liabilities, employee future benefits, net financial resources and accumulated surplus/deficit as well as note disclosures associated with transactions and year-end balances relating to compensation and benefits.

### *Emphasis of Matter*

Without modifying our opinion, we draw attention to Note 23 to the financial statements, concerning the worldwide spread of a novel coronavirus known as COVID-19 subsequent to year-end and its effect on the global economy. Our opinion is not modified in respect of this matter.

### *Other matter*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of South Slave Divisional Education Council taken as a whole. The supplementary information included on various schedules is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of consolidated financial statements taken as a whole.



## INDEPENDENT AUDITORS' REPORT - cont'd.

### *Other Information*

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the management Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### *Responsibilities of Management and Those charged with Governance for the Consolidated Financial Statements*

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

Those charged with governance are responsible for overseeing the 's financial reporting process.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## INDEPENDENT AUDITORS' REPORT - cont'd.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

We further report, in accordance with the Education Act's requirement for the Education Authority to comply with the Financial Administration Act, in our opinion, proper books of account have been kept by the South Slave Divisional Education Council, the consolidated financial statements are in agreement therewith and the transactions that have come under our notice have, in all significant aspects, been within the statutory powers of the Council.

*Avery Cooper & Co. Ltd.*

AVERY COOPER & CO. LTD.  
Chartered Professional Accountants  
Yellowknife, NT

August 14, 2020

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
 CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 as at June 30, 2020

	<u>2020</u>	<u>2019</u>
<b><u>Financial Assets</u></b>		
Cash and Cash Equivalents (Note 4)	\$8,928,547	\$10,588,171
Trust Assets (Note 18)	77,857	77,852
Due from the GNWT (Note 8)	201,344	171,677
Due from the Government of Canada (Note 13)	0	21,218
Other Accounts Receivable (Note 8)	<u>162,916</u>	<u>169,284</u>
<b>Total Financial Assets</b>	<b><u>\$9,370,665</u></b>	<b><u>\$11,028,201</u></b>
<b><u>Liabilities</u></b>		
Bank Indebtedness	\$2,718	\$22,612
Accounts Payable and Accrued Liabilities (Note 10)	25,219	43,067
Trust Liabilities (Note 18)	77,857	77,852
Due to the GNWT (Note 10)	57,554	(13,510)
Payroll Liabilities (Note 10)	2,077,817	2,939,618
Deferred Revenue (Note 11)	833,935	593,587
Post-Employment Benefits (Note 17)	<u>2,650,694</u>	<u>3,023,696</u>
<b>Total Liabilities</b>	<b><u>\$5,725,794</u></b>	<b><u>\$6,686,921</u></b>
<b>Net Financial Resources</b>	<b><u>\$3,644,871</u></b>	<b><u>\$4,341,279</u></b>
<b><u>Non-Financial Assets</u></b>		
Prepaid Expenses (Note 20)	\$0	\$0
Tangible Capital Assets (Note 19)	262,356	0
<b>Total Non-Financial Resources</b>	<b><u>\$262,356</u></b>	<b><u>\$0</u></b>
<b>Accumulated Fund Balance</b>	<b><u>\$3,907,227</u></b>	<b><u>\$4,341,279</u></b>
<b>Represented By:</b>		
Operating Fund Balance	\$2,376,403	\$3,149,054
DEA Fund Balances	\$378,449	\$295,690
Capital Asset Depreciation	\$262,356	\$0
School Staffing Surpluses (Note 35)	<u>\$890,019</u>	<u>\$896,534</u>
<b>Accumulated Fund Balance</b>	<b><u>\$3,907,227</u></b>	<b><u>\$4,341,279</u></b>

Approved:

  
 Chairperson

  
 Comptroller

See attached notes and schedules.



**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT  
For the Year Ended June 30, 2020**

	<u>Unaudited 2020 Budget</u>	<u>2020</u>	<u>2019</u>
Operating Surplus/(Deficit) (Statement III)	(\$926,944)	(\$434,052)	\$998,146
Prior Year Adjustments	<u>                    </u>	<u>                    </u>	<u>(1,197)</u>
<b>Increase/(Decrease) in Net Financial Resources</b>	<b>(\$926,944)</b>	<b>(\$434,052)</b>	<b>\$996,949</b>
Opening Net Financial Resources	<u>4,341,279</u>	<u>4,341,279</u>	<u>3,344,330</u>
Closing Net Financial Resources	<u><u>\$3,414,335</u></u>	<u><u>\$3,907,227</u></u>	<u><u>\$4,341,279</u></u>

See attached notes and schedules.

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
CONSOLIDATED STATEMENT OF OPERATIONS  
For the Year Ended June 30, 2020**

	(Note 25) (unaudited) <u>2020 Budget</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
<b><u>REVENUES</u></b>			
<b>ECE Contributions</b>			
ECE Regular Contributions	\$23,611,029	\$24,117,729	\$25,510,429
Other ECE Contributions	683,000	664,455	822,725
<b>Total ECE Contributions</b>	<u>\$24,294,029</u>	<u>\$24,782,184</u>	<u>\$26,333,153</u>
Other GNWT Contributions	\$15,000	\$267,846	\$199,174
<b>Total GNWT Contributions</b>	<u>\$24,309,029</u>	<u>\$25,050,030</u>	<u>\$26,532,328</u>
<b>Other Education Bodies</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Government of Canada</b>			
Jordan's Principle	\$0	\$1,277,028	\$409,384
Other Government of Canada	0	1,000	0
<b>Total Government of Canada</b>	<u>\$0</u>	<u>\$1,278,028</u>	<u>\$409,384</u>
<b>Generated Funds</b>			
Investment Income	\$150,300	\$143,968	\$167,464
Non-GNWT Contributions	70,000	101,991	81,176
Donations	0	12,265	48,615
Other	85,900	294,062	322,298
<b>Total Generated Funds</b>	<u>\$306,200</u>	<u>\$552,287</u>	<u>\$619,555</u>
<b>Total Revenues</b>	<u>\$24,615,229</u>	<u>\$26,880,345</u>	<u>\$27,561,266</u>
<b><u>EXPENSES (Schedule 1)</u></b>			
Administration	\$2,438,441	\$2,302,243	\$2,293,716
School Programs	16,599,565	16,830,283	16,266,063
Inclusive Schooling	4,727,659	6,138,230	5,848,196
Indigenous Language and Education	1,776,508	2,043,640	2,155,145
<b>Total Expenses</b>	<u>\$25,542,173</u>	<u>\$27,314,398</u>	<u>\$26,563,121</u>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<u><u>(\$926,944)</u></u>	<u><u>(\$434,052)</u></u>	<u><u>\$998,146</u></u>
<b>Opening Fund Balance</b>		<u>4,341,279</u>	<u>3,344,330</u>
<b>Closing Fund Balance</b>		<u><u>\$3,907,227</u></u>	<u><u>\$4,341,279</u></u>

See attached notes and schedules.

## Statement IV

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
CONSOLIDATED STATEMENT OF CASH FLOW  
For the Year Ended June 30, 2020**

	<u>2020</u>	<u>2019</u>
<b>Cash Provided By (Used In):</b>		
Operating Surplus/(Deficit)	(\$434,052)	\$999,342
<b>Changes in Non-cash Assets and Liabilities</b>		
Decrease (increase) due from Government of Canada	\$21,218	(\$21,218)
Decrease (increase) in accounts receivable	(23,299)	(119,442)
Decrease (increase) in capital assets	(262,356)	-
Increase (decrease) in acc. payroll/emp. deductions	(861,801)	1,950,070
Increase (decrease) in accounts payable	53,216	(83,888)
Increase (decrease) in trust liability	5	(2,178)
Increase (decrease) in deferred revenue	240,348	565,037
Increase (decrease) in post-employment benefits	(373,002)	(\$537,375)
Decrease (increase) in prepaid expenses	<u>0</u>	<u>0</u>
Cash Provided by (Used In) Operating Transactions	<u>(\$1,639,723)</u>	<u>\$2,750,348</u>
Increase/(Decrease) in Cash and Cash Equivalents	<u>(\$1,639,723)</u>	<u>\$2,750,348</u>
Cash and Cash Equivalents at Beginning of Year	\$10,644,607	\$7,896,651
Cash and Cash Equivalents at End of Year *	<u><u>\$9,003,688</u></u>	<u><u>\$10,644,607</u></u>

\* Cash and cash equivalents are represented by cash and short-term investments.



SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
NOTES TO THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020

**Note 1. Nature of the Organization**

The Council was formerly known as the South Slave Divisional Board of Education. With the adoption of the new Education Act, its legal name is now the South Slave Divisional Education Council (Council).

The Council was established under the Education Act of the Government of the Northwest Territories by order of the Minister of Education dated July 1, 1991. Its purpose is to administer and maintain standards of educational programs defined under the Act in the member communities of the South Slave region.

Consequently, the Council is economically dependent upon funding from the Department of Education, Culture and Employment of the GNWT. Member communities have formed local District Education Authorities (DEA) which have assumed the responsibility of providing sufficient educational programs within their respective communities.

**Note 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 financial statements. The accrual basis of accounting is utilized for all funds. Under this 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, and short term highly liquid investments that are readily convertible to cash and usually with a maturity date of 90 days or less from the date of acquisition.

**c) Financial Instruments**

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently 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.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
NOTES TO THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020

Financial assets subsequently measured at amortized costs include cash, accountable funds, due from the GNWT and other accounts receivable.

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

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

**d) Non-Financial Assets**

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

**e) Tangible Capital Assets**

All buildings and works, furniture, equipment and vehicles are the property of the GNWT. The Minister grants to the Education Authority the full occupancy and use of such facilities and equipment where required for the administration and delivery of education system programs. Capital assets with a value in excess of \$50,000 are recorded at cost and amortized in accordance with the Financial Administration Manual guidelines by the GNWT. Capital assets with a value of less than \$50,000 are recorded as a current expenditure.



SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
NOTES TO THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020

**f) Revenue Recognition**

**Government Transfers:**

Revenues are recognized in the period in which the transactions or events occur that give 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, 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 and are received in monthly installments. The council retains surpluses and is responsible for deficits. Any funding requests, over and above those levels provided for by the formula, must first be approved by the GNWT.

**Other Contributions:**

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

**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 expenses are incurred.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
NOTES TO THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020

**Investment income:**

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

**Special Purpose Funds:**

School activity funds which are fully controlled by the Council with respect to when and how the funds available can be disbursed are included in these financial statements. The funds reported are internally restricted as to purpose and may include the proceeds of fundraising and/or 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 Council are not included in these financial statements even if custody of the funds is held by the Council. Examples might include student clubs or associations for which the Council has no on-going responsibility or liability for losses.

**g) Budget Data**

The *Education Act* of the NWT requires that the Council prepare an annual budget, as outlined in Sections 128 and 129.

The priorities and funding allocations are determined by the Council and the budget is then legally adopted by a motion of the Council in accordance with Section 135(3) of the *Education Act*.

Council 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 revenues, 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 Council.

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

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
NOTES TO THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020

**h) Measurement Uncertainty**

The preparation of these consolidated financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount 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.

**i) Inventories Including Materials and Supplies**

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

**j) Payroll Liabilities**

According to the Northwest Territories Teachers Association (NWTTA) and GNWT Collective Agreement, teaching staff have their salary issued by the GNWT bi-weekly pay system. NWTTA staff will have earned their annual salary by June 30<sup>th</sup> of each year which provides for continued payment during the summer. GNWT payroll for NWTTA staff starts with the annualized salary commitment for compensation and then allocates the complete payout of that value over the number of pay periods between August 1 and July 31 (usually 26). The pay periods that fall within the month of July therefore have to be accrued.

The duties and compensation base for UNW school year employees are scheduled to align with the academic year although the actual start dates and durations vary by specific location and job function. Accordingly, the Council determines the start dates of their UNW employees and accrues the related payroll liability as necessary

All other staff salaries are accrued to include earnings to June 30<sup>th</sup>.



SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
NOTES TO THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020

**k) Post-Employment Benefits, Compensated Absences and Termination Benefits**

Under the terms and conditions of employment, Council employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. Eligibility is based on a variety of factors including place of hire, date employment commenced and reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for lay-off. Compensated absences

include sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave is recognized in the period the employee provides service, whereas parental and maternity leave are event driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits (except parental and maternity leave) has been prepared using data provided by the GNWT and assumptions based on management's best estimates.

**l) Expenses**

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Transfers include grants and contributions and are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

**Note 3. Future Accounting Changes**

- a) Student Activity/Fiduciary funds policy under review for possible inclusion in Special Purpose Funds.
- b) Asset Retirement Obligations (PS3280 – April 1, 2021)
- c) Revenue (PS3400 – April 1, 2022)

**Note 4. Cash and Cash Equivalents**

	<u>2020</u>	<u>2019</u>
Cash	\$8,928,547	\$10,588,171
Trust Assets	77,857	77,852
Bank Indebtedness	<u>(2,718)</u>	<u>(22,612)</u>
Total	<u>\$9,003,686</u>	<u>\$10,643,411</u>

**Note 5. Special Purpose Funds**

Nothing to report.

**Note 6. Restricted Assets**

Nothing to report.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
NOTES TO THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020

**Note 7. Portfolio Investments**

Security	June 30 balance	Interest for year	March 31 balance	Date Purchased	Term	Maturity	Interest Rate
T-Bill (FR)	\$18,373.89	\$209.88	\$18,124.49	Unknown	n/a	n/a	n/a
GIC (FS)	\$177,276.77	\$1,136.23	\$177,276.77	2020/04/22	1 yr.	2021/04/20	2.7%
GIC (KFN)	\$5877.66	\$2.93	\$5,877.66	2020/06/27	2 mos. 30 days	2020/09/26	0.05%

**Note 8. Accounts Receivable**

	<u>2020 Net</u>	<u>2019 Net</u>
GNWT – Finance	\$ 39,892	\$ 20,605
GNWT – MACA	0	20,000
Aurora College	0	9,849
Fort Smith DEA	22,114	0
GNWT – HSS	12,337	0
GNWT – ITI	0	30,000
GNWT – ECE	<u>127,950</u>	<u>91,223</u>
Total due from GNWT	\$202,293	\$171,677
Due from Government of Canada	0	21,218
Other	<u>162,916</u>	<u>169,284</u>
Total Receivables	<u>\$365,209</u>	<u>\$362,179</u>

**Note 9. Inventories**

Not applicable.

**Note 10. Accounts Payable and Accrued Liabilities**

	<u>2020</u>	<u>2019</u>
Deninu School	\$ 0	\$ 5,000
Diamond Jenness	0	1,703
Joseph Burr Tyrrell	0	1,500
Paul William Kaeser	0	1,425
GNWT – Dept. of Education, Culture & Employment	10,822	0
<u>Payroll Liabilities</u>		
To GNWT (Finance)	\$1,992,240	2,858,909
Government of Canada	0	1,329
Annual/Lieu	85,577	56,235
WSSC	<u>46,732</u>	<u>0</u>
Total Due to GNWT	\$2,135,371	\$2,926,101
Other	<u>25,219</u>	<u>29,478</u>
Total Accounts Payable	<u>\$2,160,590</u>	<u>\$2,955,579</u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
NOTES TO THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020

**Note 11. Deferred Revenue**

	<u>2020</u>	<u>2019</u>
Take a Kid Gardening - K'atlodeeche (ITI)	0	3,512
Take a Kid Gardening – Lutsel K'e (ITI)	0	4,750
Library Funding – Deninu (ECE)	<u>0</u>	<u>2,397</u>
Total GNWT	\$ 0	\$ 10,659
Jordan's Principle	<u>833,935</u>	<u>582,928</u>
Total Deferred Revenue	<u>\$ 833,935</u>	<u>\$ 593,587</u>

**Note 12. Contribution Repayable**

Nothing to report.

**Note 13. Due To/From the Government of Canada**

Nothing to report.

**14. Capital Lease Obligations**

Nothing to report.

**15. Pensions**

Nothing to report.

**16. Long-term Debt**

Nothing to report



SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
NOTES TO THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020

**17. Post-Employment Benefits, Compensated Absences and Termination Benefits**

In addition to pension benefits the Council provides severance (resignation and retirement), removal and compensated absences (sick, special, parental and maternity 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 Council employees based on the type of termination (resignation vs. 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 location of hire, employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

Compensated absence benefits generally accrue as employees 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 dependant illness and death of an immediate family member. Non-accruing benefits include maternity and parental leave. Benefits that accrue under compensated absence benefits were actuarially valued using the expected utilization methodology.

**Valuation result**

The actuarial valuation was completed as at March 31, 2020. The effective date of the next actuarial valuation is March 31, 2021. The liabilities are actuarially determined as the present value of the accrued benefits at February 2020 and the results extrapolated the June 30, 2020. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the consolidated Government.

	<b>Severance and Removal \$</b>	<b>Compensated Absences \$</b>	<b>2020 \$</b>	<b>2019 \$</b>
<b>Changes in Obligation</b>				
Accrued benefit obligations at beginning of year	\$1,794,133	\$507,680	\$2,301,813	\$2,133,979
Current period benefit cost	\$86,527	\$31,699	\$118,227	\$117,599
Interest accrued	\$55,324	\$16,070	\$71,393	\$77,774
Benefits payments	(\$323,337)	(\$81,722)	(\$405,059)	(\$516,298)
Plan amendments	\$0	\$0	\$0	\$0
Actuarial (gains)/losses	(\$48,958)	\$874	(\$48,083)	\$488,759

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
NOTES TO THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020

<b>Accrued benefit obligations at end of year</b>	<b>\$1,563,689</b>	<b>\$474,601</b>	<b>\$2,038,921</b>	<b>\$2,301,813</b>
Surplus/(deficit) at end of year	(\$1,563,689)	(\$474,601)	(\$2,038,921)	(\$2,301,813)
Unamortized net actuarial (gain)/loss	(\$668,678)	\$56,277	(\$612,403)	(\$721,883)
<b>Net future obligation</b>	<b>(\$2,232,367)</b>	<b>(\$418,324)</b>	<b>(\$2,650,694)</b>	<b>(\$3,023,696)</b>
Other employee future benefits	\$0	\$0	\$0	\$0
Other compensated absences	\$0	\$0	\$0	\$0
<b>Total employee future benefits and compensated absences</b>	<b>(\$2,573,289)</b>	<b>(\$450,406)</b>	<b>(\$3,023,696)</b>	<b>(\$3,561,071)</b>
<b>Benefits Expense</b>				
Current period benefit cost	\$86,527	\$31,699	\$118,227	\$117,599
Interest accrued	\$55,324	\$16,070	\$71,393	\$77,774
Plan amendments	\$0	\$0	\$0	\$0
Amortization of actuarial gains	(\$159,436)	(\$1,871)	(\$157,563)	(\$216,450)
<b>Total Expense</b>	<b>(\$17,585)</b>	<b>\$49,640</b>	<b>\$32,057</b>	<b>(\$21,077)</b>

The discount rate used to determine the accrued benefit obligation is an average of 2.70%. No inflation rate was applied. The expected payments during the next five fiscal years are:

	<b>Severance &amp; Removal \$</b>	<b>Compensated Absences \$</b>	<b>Total \$</b>
2021	\$244,467	\$63,578	\$308,045
2022	\$218,438	\$57,746	\$276,184
2023	\$189,095	\$52,675	\$241,770
2024	\$150,129	\$47,609	\$197,738
2025	\$128,637	\$45,829	\$174,466
	<b>\$930,766</b>	<b>\$267,437</b>	<b>\$1,198,203</b>

**18. Trust Assets Under Administration**

	<u>2020</u>	<u>2019</u>
Andrew John Piche Scholarship Fund	\$77,857	\$77,852



SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
NOTES TO THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020

**19. Tangible Capital Assets**

	Cost	Additions	Deletions	Opening Acc. Amortization	Amortization	Closing Acc. Amortization	2020 NBV	2019 NBV
<b>Equipment</b>								
Buses	\$262,356	\$0	\$0	\$0	\$0	\$0	\$262,356	\$0
<b>Total</b>	\$262,356	\$0	\$0	\$0	\$0	\$0	\$262,356	\$0

**20. Prepaid Expenses**

Nothing to report.

**21. GNWT Assests Provided at no Cost.**

	<u>Cost</u>	<u>Acc. Amort.</u>	<u>2020 NBV</u>	<u>2019 NBV</u>
Joseph Burr Tyrrell School	\$9,748,971	\$5,585,803	\$4,163,168	\$4,186,868
Paul William Kaeser School	\$8,070,058	\$5,660,602	\$2,409,456	\$2,657,321
Deninu School	\$5,197,266	\$5,197,266	\$0	\$0
Lutsel K'e Dene School	\$16,791,305	\$2,739,817	\$14,051,488	\$14,619,225
Princess Alexandra School	\$7,762,885	\$5,792,646	\$1,970,239	\$2,161,916
Diamond Jenness School	\$27,714,622	\$7,119,394	\$20,595,228	\$21,467,884
Harry Camsell School	\$6,680,495	\$4,224,096	\$2,456,399	\$2,279,737
Chief Sunrise Education Ctr.	\$2,666,518	\$1,253,123	\$413,395	\$1,269,617
DJSS Trades Building	\$2,423,804	\$587,438	\$1836,367	\$1,896,906
PWK High School Seacan	\$687,229	\$412,338	\$274,892	\$309,253
PWK Welding Shop	\$389,368	\$52,727	\$336,642	\$343,942
	\$88,132,520	\$38,625,250	\$49,507,270	\$51,192,670

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
NOTES TO THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020

**22. Contractual Obligations**

	2021	2022	2023	2024	2025	Total
<u>Equipment</u>						
Xerox WC7845i	\$5,874					\$5,784
Pitney Bowes	\$1,592	\$1,592	\$272			\$3,456
Altalink B8065	\$2,453	\$2,453	\$1,227			\$6,133
<u>Commercial Lease</u>						
Fort Smith Constr.	\$163,615	\$163,615	\$163,615	\$54,538		\$545,384
Total	\$173,534	\$167,660	\$165,114	\$54,538		\$560,847

**23. Contingencies**

Before the year end, there was a global outbreak of a novel coronavirus known as COVID-19, which has had a significant impact on organizations through the restrictions put in place by the Canadian and U.S. governments regarding travel, business operations and isolation/quarantine orders. The extent of the impact the COVID-19 outbreak may have on the Organization will depend on future developments that are highly uncertain, and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, the duration of the outbreak, including the length of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are, or may, be put in place by Canada, U.S. or other countries to fight the virus. The Organization's activities have not been significantly impacted thus far, however, the Organization continues to assess the impact COVID-19 will have on its operations.

**24. Related Parties and Inter-Entity Transactions**

The Council is related, in terms of common ownership, to all GNWT created departments, agencies and corporations. The Council enters into transactions with these entities in the normal course of business. The Council is provided with various administrative services by the GNWT, the value of which is not reflected in these 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 financial statements are disclosed in this note.



SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
NOTES TO THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020

Accounts Payable

	<u>2020</u>	<u>2019</u>
Dept. of Finance	\$2,077,817	\$2,858,909
Dept. of Education, Culture and Employment	10,822	0
Deninu School	0	5,000
Diamond Jenness Secondary School	0	1,703
Joseph Burr Tyrrell School	0	1,500
Paul William Kaeser School	0	1,425
WSCC	46,732	0

Accounts Receivable

Fort Smith DEA	\$ 22,114	21,602
Princess Alexandra School	0	156
Joseph Burr Tyrrell School	0	2,249
Dept. of Finance	39,892	20,605
Dept. of ITI	0	30,000
Dept. of Education, Culture and Employment	127,950	91,223
Dept. of MACA	0	20,000
Aurora College	0	9,849
GNWT – HSS	12,337	0

**25. Budget Data**

The Education Act of the Northwest Territories requires that Education Bodies prepare an annual budget as outlined in Section 117, Duties of Education Body. The budget is legally adopted by a motion of the Council which may or may not include 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 Council.

The budget figures presented are those approved by the Minister of Education, Culture and Employment on July 24, 2019 and have not been audited.

**26. Economic Dependence**

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

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
NOTES TO THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020

**27. Financial Instruments**

The Council's carrying value of cash, accounts receivable, due from the GNWT, accounts payable and accrued liabilities, due to the GNWT, accrued salaries and the trust liability approximate fair value due to the immediate and short-term maturity of these instruments.

The Council's carrying value of the accrued leave and termination benefits approximates fair value due to the information readily available in the NWTTA, UNW and Senior Manager's Handbook.

It is management's opinion that the Council is not exposed to significant interest rate, currency, market, credit, liquidity or cash flow risks arising from these financial instruments and that there are no significant concentrations of such risk.

**28. Expenses by Object**

	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
Compensation	\$22,227,799	\$23,517,276	\$22,721,942
Other	<u>3,152,181</u>	<u>4,107,751</u>	<u>3,841,189</u>
Total	<u>\$25,379,980</u>	<u>\$27,625,027</u>	<u>\$26,563,131</u>

**29. Subsequent Events**

Nothing to report.

**30. Comparative Figures**

Nothing to report.

**31. ECE Other Contributions**

Career Coordinator	\$ 149,648
Northern Distance Learning	29,250
French (FSL) Funding	386,700
Trades Awareness	29,178
Health and Wellness Curriculum	25,970
French Monitor resources	5,000
Self-Regulation resources	1,313
Library Funding	<u>37,397</u>
Total	<u>\$ 664,456</u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
NOTES TO THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020

**32. GNWT Other Contributions**

<u>Health &amp; Social Services</u>	
Drop the Pop	\$ 23,351
<u>Energy &amp; Natural Resources</u>	
Take a Kid Trapping	57,235
<u>Municipal &amp; Community Affairs</u>	
Child/Youth Resiliency	27,272
Active After School	114,418
<u>Industry, Tourism &amp; Investment</u>	
Take A Kid Gardening	12,237
<u>Finance</u>	
Tech Intern	<u>33,333</u>
Total	<u>\$267,846</u>

**33. Contingent Assets**

Nothing to report.

**34. Contractual Rights**

Nothing to report.

**35. Commitments Against Surplus**

The Council currently has approved commitments against its surplus of \$1,152,375 consisting of school staffing surpluses (\$890,019) and a capital asset acquisition (\$262,356) as detailed in the Consolidated Balance Sheet and Schedule 27 to the financial statements.



**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
CONSOLIDATED SCHEDULE OF EXPENSES  
For the Year Ended June 30, 2020**

	<b>School Programs</b>	<b>Inclusive Schooling</b>	<b>Admin.</b>	<b>Indigenous Language</b>	<b>Fiscal &amp; Transfers</b>	<b>Total</b>
<b>Salaries</b>						
Teachers	\$12,261,108	\$1,991,164	\$0	\$1,074,143	\$0	\$15,326,415
Instruction Assistants	\$229,942	\$3,146,895	\$0	\$396,256	\$0	\$3,773,094
Non-Instructional Staff	\$1,752,935	\$339,386	\$1,510,122	\$84,509	\$0	\$3,686,952
Board/Trustee Honoraria	\$1,725	\$0	\$31,995	\$6,300	\$0	\$40,020
<b>Employee Benefits</b>						
Employee Benefits/Allowances	\$226,324	\$108,343	\$18,952	\$34,670	\$0	\$388,289
Leave & Termination Benefits	-\$130,935	\$85,773	\$9,594	\$27,447	\$0	-\$8,120
<b>Services Purchased/Contracted</b>						
Professional/Technical Services	\$180,705	\$36,687	\$34,913	\$13,071	\$0	\$265,376
Postage/Communication	\$56,316	\$0	\$53,327	\$0	\$0	\$109,644
Utilities	\$3,468	\$0	\$0	\$0	\$0	\$3,468
Travel	\$130,524	\$158,126	\$61,691	\$57,322	\$0	\$407,663
Student Travel	\$15,113	\$5,841	\$0	\$26,116	\$0	\$47,070
Advertising/Printing/Publishing	\$3,419	\$1,436	\$8,027	\$9,093	\$0	\$21,974
Maintenance/Repair	\$3,132	\$0	\$122,740	\$1,626	\$0	\$127,497
Rentals/Leases	\$48,015	\$5,460	\$185,256	\$3,110	\$0	\$241,842
Contracted Services	\$483,148	\$33,020	\$12,729	\$46,819	\$0	\$575,716
<b>Materials/Supplies/Freight</b>						
Materials	\$1,548,573	\$218,628	\$246,338	\$260,398	\$0	\$2,273,937
Freight	\$16,776	\$7,471	\$6,559	\$2,759	\$0	\$33,565
<b>Total</b>	<b>\$16,830,287</b>	<b>\$6,138,230</b>	<b>\$2,302,243</b>	<b>\$2,043,640</b>	<b>\$0</b>	<b>\$27,314,400</b>



**FORT SMITH DISTRICT EDUCATION AUTHORITY  
STATEMENT OF FINANCIAL POSITION  
as at June 30, 2020**

	<u>2020</u>	<u>2019</u>
<b><u>Financial Assets</u></b>		
Cash and Cash Equivalents	\$135,514	\$78,903
Cash Held in Trust	77,857	77,852
Other Accounts Receivable (net)	<u>0</u>	<u>0</u>
<b>Total Financial Assets</b>	<b><u>\$213,372</u></b>	<b><u>\$156,755</u></b>
<b><u>Liabilities</u></b>		
Accounts Payable & Accrued Liabilities	(\$2,003)	(\$3)
Trust Liability	<u>77,857</u>	<u>77,852</u>
<b>Total Liabilities</b>	<b><u>\$75,854</u></b>	<b><u>\$77,849</u></b>
<b>Net Financial Resources</b>	<b><u>\$137,517</u></b>	<b><u>\$78,906</u></b>
<b>Fund Balance</b>	<b><u><u>\$137,517</u></u></b>	<b><u><u>\$78,906</u></u></b>

**FORT SMITH DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF OPERATIONS**  
For the Year Ended June 30, 2020

	<b>2020 Budget (unaudited)</b>	<b><u>2020 Actual</u></b>	<b><u>2019 Actual</u></b>
<b><u>REVENUES</u></b>			
<b>ECE Contributions</b>			
ECE Regular Contributions	\$567,769	\$567,769	\$543,776
Other ECE Contributions	0	471,985	47,699
<b>Total ECE Contributions</b>	<b><u>\$567,769</u></b>	<b><u>\$1,039,754</u></b>	<b><u>\$591,475</u></b>
Other GNWT Contributions	\$0	\$29,275	\$36,000
<b>Total GNWT Contributions</b>	<b><u>\$567,769</u></b>	<b><u>\$1,069,029</u></b>	<b><u>\$627,475</u></b>
<b>Government of Canada Contributions</b>			
Jordan's Principle	\$0	\$125,951	\$0
Other Government of Canada	0	0	0
<b>Total Government of Canada Contributions</b>	<b><u>\$0</u></b>	<b><u>\$125,951</u></b>	<b><u>\$0</u></b>
<b>Generated Funds</b>			
Investment Income	\$300	\$1,136	\$898
Other	47,000	60,936	127,287
<b>Total Generated Funds</b>	<b><u>\$47,300</u></b>	<b><u>\$62,072</u></b>	<b><u>\$128,184</u></b>
<b>Total Revenues</b>	<b><u>\$615,069</u></b>	<b><u>\$1,257,052</u></b>	<b><u>\$755,659</u></b>
<b><u>EXPENSES (Schedule 4)</u></b>			
Administration	\$69,000	\$118,653	\$114,205
School Programs	424,431	794,676	486,620
Inclusive Schooling	60,512	197,589	50,497
Indigenous Language and Education	72,379	87,523	134,593
<b>Total Expenses</b>	<b><u>\$626,322</u></b>	<b><u>\$1,198,441</u></b>	<b><u>\$785,914</u></b>
<b>Operating Surplisu/(Deficit)</b>	<b><u>(\$11,253)</u></b>	<b><u>\$58,611</u></b>	<b><u>(\$30,255)</u></b>
<b>Fund Balance at beginning of year</b>		<b>78,906</b>	<b>110,359</b>
<b>Prior Period Adjustment</b>		<b>-</b>	<b>(1,198)</b>
<b>Fund Balance at end of year</b>		<b><u>\$137,517</u></b>	<b><u>\$78,906</u></b>

**FORT SMITH DISTRICT EDUCATION AUTHORITY**  
**SCHEDULE OF EXPENSES**  
For the Year Ended June 30, 2020

School Programs	Inclusive Schooling	Admin.	Indigenous Language	Fiscal & Transfers	Total
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**Salaries**

Teachers					\$0
Instruction Assistants	\$102,951				\$102,951
Non-Instructional Staff	\$67,957	\$79,353			\$147,310
Board/Trustee Honoraria					\$0

**Employee Benefits**

Employee Benefits/Allowances					\$0
Leave & Termination Benefits					\$0

**Services Purchased/Contracted**

Professional/Technical Services					\$0
Postage/Communication	\$29,709	\$3,301			\$33,010
Utilities					\$0
Travel					\$0
Student Travel					\$0
Advertising/Printing/Publishing					\$0
Maintenance/Repair					\$0
Rentals/Leases	\$10,734	\$1,193			\$11,926
Contracted Services	\$85,697				\$85,697

**Materials/Supplies/Freight**

Materials	\$668,537	\$26,681	\$34,806	\$87,523	\$817,547
Freight					\$0

<b>Total</b>	<b>\$794,676</b>	<b>\$197,589</b>	<b>\$118,653</b>	<b>\$87,523</b>	<b>\$0</b>	<b>\$1,198,441</b>
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**HAY RIVER DISTRICT EDUCATION AUTHORITY  
STATEMENT OF FINANCIAL POSITION  
as at June 30, 2020**

	<u>2020</u>	<u>2019</u>
<b><u>Financial Assets</u></b>		
Cash and Cash Equivalents	\$30,616	\$663,048
Due from the GNWT	78,000	0
Other Accounts Receivable (net)	<u>0</u>	<u>22,037</u>
<b>Total Financial Assets</b>	<b><u>\$108,616</u></b>	<b><u>\$685,085</u></b>
<b><u>Liabilities</u></b>		
Accounts Payable & Accrued Liabilities	\$3,078	\$6,137
Deferred Revenue	<u>\$0</u>	<u>\$519,837</u>
<b>Total Liabilities</b>	<b><u>\$3,078</u></b>	<b><u>\$525,974</u></b>
<b>Net Financial Resources</b>	<b><u>\$105,538</u></b>	<b><u>\$159,111</u></b>
<b><u>Non-Financial Assets</u></b>		
Tangible Capital Assets	\$262,356	\$0
<b>Fund Balance</b>	<b><u><u>\$367,894</u></u></b>	<b><u><u>\$159,111</u></u></b>

**HAY RIVER DISTRICT EDUCATION AUTHORITY  
STATEMENT OF OPERATIONS  
For the Year Ended June 30, 2020**

	<u>2020 Budget (unaudited)</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
<b><u>REVENUES</u></b>			
<b>ECE Contributions</b>			
ECE Regular Contributions	\$679,979	\$679,979	\$645,673
Other ECE Contributions	0	512,756	247,432
<b>Total ECE Contributions</b>	<u>\$679,979</u>	<u>\$1,192,734</u>	<u>\$893,105</u>
Other GNWT Contributions	\$0	\$68,900	\$18,051
<b>Total GNWT Contributions</b>	<u>\$679,979</u>	<u>\$1,261,634</u>	<u>\$911,156</u>
<b>Government of Canada Contributions</b>			
Jordan's Principle	\$0	\$210,446	\$208,207
Other Government of Canada	0	0	0
<b>Total Government of Canada Contributions</b>	<u>\$0</u>	<u>\$210,446</u>	<u>\$208,207</u>
<b>Generated Funds</b>			
Investment Income	\$0	\$608	\$458
Other	38,900	88,268	72,261
<b>Total Generated Funds</b>	<u>\$38,900</u>	<u>\$88,876</u>	<u>\$72,719</u>
<b>Total Revenues</b>	<u>\$718,879</u>	<u>\$1,560,957</u>	<u>\$1,192,082</u>
<b><u>EXPENSES (Schedule 7)</u></b>			
Administration	\$119,000	\$118,061	\$121,694
School Programs	504,482	1,098,906	673,716
Inclusive Schooling	42,114	0	269,543
Indigenous Language and Education	118,023	135,207	107,495
<b>Total Expenses</b>	<u>\$783,619</u>	<u>\$1,352,174</u>	<u>\$1,172,448</u>
<b>Operating Surplus/(Deficit)</b>	<u>(\$64,740)</u>	<u>\$208,783</u>	<u>\$19,634</u>
<b>Fund Balance at beginning of year</b>		<u>159,111</u>	<u>139,477</u>
<b>Fund Balance at end of year</b>		<u>\$367,894</u>	<u>\$159,111</u>



**HAY RIVER DISTRICT EDUCATION AUTHORITY**  
**SCHEDULE OF EXPENSES**  
For the Year Ended June 30, 2020

	School Programs	Inclusive Schooling	Admin.	Indigenous Language	Fiscal & Transfers	Total
<b>Salaries</b>						
Teachers						\$0
Instruction Assistants	\$229,942			\$23,144		\$253,086
Non-Instructional Staff			\$105,471			\$105,471
Board/Trustee Honoraria			\$8,345			\$8,345
<b>Employee Benefits</b>						
Employee Benefits/Allowances						\$0
Leave & Termination Benefits						\$0
<b>Services Purchased/Contracted</b>						
Professional/Technical Services	\$108,680					\$108,680
Postage/Communication	\$23,877		\$3,154			\$27,032
Utilities						\$0
Travel						\$0
Student Travel	\$1,550					\$1,550
Advertising/Printing/Publishing						\$0
Maintenance/Repair						\$0
Rentals/Leases	\$35,221					\$35,221
Contracted Services	\$216,095					\$216,095
<b>Materials/Supplies/Freight</b>						
Materials	\$477,554		\$1,091	\$112,063		\$590,708
Freight	\$5,987					\$5,987
<b>Total</b>	<b>\$1,098,906</b>	<b>\$0</b>	<b>\$118,061</b>	<b>\$135,207</b>	<b>\$0</b>	<b>\$1,352,174</b>

**K'ATLODEECHE FIRST NATIONS DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**  
as at June 30, 2020

	<u>2020</u>	<u>2019</u>
<b><u>Financial Assets</u></b>		
Cash and Cash Equivalents	\$30,333	\$51,938
Other Accounts Receivable (net)	<u>0</u>	<u>4,970</u>
<b>Total Financial Assets</b>	<b><u>\$30,333</u></b>	<b><u>\$56,908</u></b>
<b><u>Liabilities</u></b>		
Accounts Payable & Accrued Liabilities	\$2,411	\$11,317
Deferred Revenue	<u>0</u>	<u>25,547</u>
<b>Total Liabilities</b>	<b><u>\$2,411</u></b>	<b><u>\$36,864</u></b>
<b>Net Financial Resources</b>	<b><u>\$27,921</u></b>	<b><u>\$20,044</u></b>
<b>Fund Balance</b>	<b><u><u>\$27,921</u></u></b>	<b><u><u>\$20,044</u></u></b>

## Schedule 9

**K'ATLODEECHE FIRST NATIONS DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF OPERATIONS**  
For the Year Ended June 30, 2020

	<u>2020 Budget</u> <u>(unaudited)</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
<b><u>REVENUES</u></b>			
<b>ECE Contributions</b>			
Regular ECE Contributions	\$92,500	\$92,500	\$59,990
Other ECE Contributions	0	20,000	32,814
<b>Total ECE Contributions</b>	<u>\$92,500</u>	<u>\$112,500</u>	<u>\$92,804</u>
Other GNWT Contributions	\$0	\$33,549	\$29,824
<b>Total GNWT Contributions</b>	<u>\$92,500</u>	<u>\$146,049</u>	<u>\$122,627</u>
<b>Government of Canada Contributions</b>			
Jordan's Principle	\$0	\$22,034	\$34,768
Other Government of Canada	0	0	0
<b>Total Government of Canada Contributions</b>	<u>\$0</u>	<u>\$22,034</u>	<u>\$34,768</u>
<b>Generated Funds</b>			
Investment Income	\$0	\$3	\$3
Donations	0	2,500	2,220
Other	0	12,750	15,776
<b>Total Generated Funds</b>	<u>\$0</u>	<u>\$15,253</u>	<u>\$17,999</u>
<b>Total Revenues</b>	<u>\$92,500</u>	<u>\$183,336</u>	<u>\$175,394</u>
<b><u>EXPENSES (Schedule 10)</u></b>			
Administration	\$19,350	\$19,418	\$24,582
School Programs	34,150	123,277	120,447
Inclusive Schooling	0	21,543	34,768
Indigenous Language and Education	39,000	11,220	26,180
<b>Total Expenses</b>	<u>\$92,500</u>	<u>\$175,459</u>	<u>\$205,976</u>
<b>Operating Surplus/(Deficit)</b>	<u>\$0</u>	<u>\$7,877</u>	<u>(\$30,852)</u>
<b>Fund Balance at beginning of year</b>		<u>\$20,044</u>	<u>\$50,626</u>
<b>Fund Balance at end of year</b>		<u>\$27,921</u>	<u>\$20,044</u>



**K'ATLODEECHE FIRST NATIONS DISTRICT EDUCATION AUTHORITY**  
**SCHEDULE OF EXPENSES**  
For the Year Ended June 30, 2020

School Programs	Inclusive Schooling	Admin.	Indigenous Language	Fiscal & Transfers	Total
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**Salaries**

Teachers					\$0
Instruction Assistants	\$21,543		\$150		\$21,693
Non-Instructional Staff	\$22,738				\$22,738
Board/Trustee Honoraria	\$1,725	\$4,050	\$5,550		\$11,325

**Employee Benefits**

Employee Benefits/Allowances					\$0
Leave & Termination Benefits					\$0

**Services Purchased/Contracted**

Professional/Technical Services					\$0
Postage/Communication		\$3,285			\$3,285
Utilities					\$0
Travel	\$1,034		\$418		\$1,452
Student Travel					\$0
Advertising/Printing/Publishing					\$0
Maintenance/Repair					\$0
Rentals/Leases		\$3,413			\$3,413
Contracted Services	\$8,867	\$7,641			\$16,509

**Materials/Supplies/Freight**

Materials	\$88,913	\$761	\$5,103		\$94,776
Freight		\$269			\$269

**Total**

<b>\$123,277</b>	<b>\$21,543</b>	<b>\$19,418</b>	<b>\$11,220</b>	<b>\$0</b>	<b>\$175,459</b>
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**FORT RESOLUTION DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**  
as at June 30, 2020

	<u>2020</u>	<u>2019</u>
<b><u>Financial Assets</u></b>		
Cash and Cash Equivalents	\$111,876	\$77,138
Due from GNWT	0	0
Other Accounts Receivable (net)	0	0
	<hr/>	<hr/>
<b>Total Financial Assets</b>	<b>\$111,876</b>	<b>\$77,138</b>
	<hr/>	<hr/>
<b><u>Liabilities</u></b>		
Payroll Liabilities	\$628	\$4,615
Deferred Revenue	0	28,933
	<hr/>	<hr/>
<b>Total Liabilities</b>	<b>\$628</b>	<b>\$33,548</b>
	<hr/>	<hr/>
<b>Net Financial Resources</b>	<b>\$111,247</b>	<b>\$43,590</b>
	<hr/>	<hr/>
<b>Fund Balance</b>	<b>\$111,247</b>	<b>\$43,590</b>
	<hr/> <hr/>	<hr/> <hr/>

**FORT RESOLUTION DISTRICT EDUCATION AUTHORITY  
STATEMENT OF OPERATIONS  
For the Year Ended June 30, 2020**

	<u>2020 Budget (unaudited)</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
<b><u>REVENUES</u></b>			
<b>ECE Contributions</b>			
Regular ECE Contributions	\$123,019	\$123,019	\$58,636
Other ECE Contributions	0	156,043	49,232
<b>Total ECE Contributions</b>	<u>\$123,019</u>	<u>\$279,062</u>	<u>\$107,868</u>
Other GNWT Contributions	\$0	\$51,696	\$32,686
<b>Total GNWT Contributions</b>	<u>\$123,019</u>	<u>\$330,758</u>	<u>\$140,554</u>
<b>Government of Canada Contributions</b>			
Jordan's Principle	\$0	\$105,923	\$71,909
Other Government of Canada	0	0	0
<b>Total Government of Canada Contributions</b>	<u>\$0</u>	<u>\$105,923</u>	<u>\$71,909</u>
<b>Generated Funds</b>			
Investment Income	\$0	\$210	\$239
Other	0	37,763	26,650
<b>Total Generated Funds</b>	<u>\$0</u>	<u>\$37,973</u>	<u>\$26,889</u>
<b>Total Revenues</b>	<u>\$123,019</u>	<u>\$474,654</u>	<u>\$239,352</u>
<b><u>EXPENSES (Schedule 13)</u></b>			
Administration	\$25,290	\$63,246	\$49,214
School Programs	49,344	194,661	198,897
Inclusive Schooling	0	106,019	73,333
Indigenous Language and Education	48,385	43,072	24,981
<b>Total Expenses</b>	<u>\$123,019</u>	<u>\$406,997</u>	<u>\$346,425</u>
<b>Operating Surplus/(Deficit)</b>	<u>\$0</u>	<u>\$67,657</u>	<u>(\$107,074)</u>
<b>Fund Balance at beginning of year</b>		<u>43,590</u>	<u>150,664</u>
<b>Fund Balance at end of year</b>		<u>\$111,247</u>	<u>\$43,590</u>

**FORT RESOLUTION DISTRICT EDUCATION AUTHORITY**  
**SCHEDULE OF EXPENSES**  
For the Year Ended June 30, 2020

School Programs	Inclusive Schooling	Admin.	Indigenous Language	Fiscal & Transfers	Total
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**Salaries**

Teachers					\$0
Instruction Assistants	\$81,769				\$81,769
Non-Instructional Staff	\$30,208				\$30,208
Board/Trustee Honoraria		\$11,025			\$11,025

**Employee Benefits**

Employee Benefits/Allowances					\$0
Leave & Termination Benefits					\$0

**Services Purchased/Contracted**

Professional/Technical Services	\$25				\$25
Postage/Communication		\$17,074			\$17,074
Utilities	\$3,468				\$3,468
Travel	\$16,025	\$13,600	\$600		\$30,225
Student Travel	\$6,972		\$2,439		\$9,411
Advertising/Printing/Publishing		\$500			\$500
Maintenance/Repair	\$3,132		\$1,626		\$4,757
Rentals/Leases		\$2,963			\$2,963
Contracted Services	\$19,575	\$10,650	\$16,615		\$46,840

**Materials/Supplies/Freight**

Materials	\$115,217	\$31,684	\$20,198		\$167,099
Freight	\$39		\$1,595		\$1,634

**Total**

<b>\$194,661</b>	<b>\$106,019</b>	<b>\$63,246</b>	<b>\$43,072</b>	<b>\$0</b>	<b>\$406,997</b>
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**LUTSEL K'E DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**  
as at June 30, 2020

	<u>2020</u>	<u>2019</u>
<b><u>Financial Assets</u></b>		
Cash and Cash Equivalents	\$0	\$0
Other Accounts Receivable (net)	0	24,418
<b>Total Financial Assets</b>	<b><u>\$0</u></b>	<b><u>\$24,418</u></b>
<b><u>Liabilities</u></b>		
Bank Indebtedness	\$2,718	\$22,612
Deferred Revenue	0	4,750
Accounts Payable & Accrued Liabilities	1,056	3,016
<b>Total Liabilities</b>	<b><u>\$3,774</u></b>	<b><u>\$30,378</u></b>
<b>Net Financial Resources</b>	<b><u>(\$3,774)</u></b>	<b><u>(\$5,960)</u></b>
<b>Fund Balance</b>	<b><u>(\$3,774)</u></b>	<b><u>(\$5,960)</u></b>



**LUTSEL K'E DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF OPERATIONS**  
For the Year Ended June 30, 2020

	<u>2020 Budget</u> <u>(unaudited)</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
<b><u>REVENUES</u></b>			
<b>ECE Contributions</b>			
Regular ECE Contributions	\$113,322	\$113,322	\$93,153
Other ECE Contributions	0	74,603	750
<b>Total ECE Contributions</b>	<u>\$113,322</u>	<u>\$187,925</u>	<u>\$93,903</u>
Other GNWT Contributions	\$0	\$36,493	\$38,036
<b>Total GNWT Contributions</b>	<u>\$113,322</u>	<u>\$224,418</u>	<u>\$131,939</u>
<b>Government of Canada Contributions</b>			
Jordan's Principle	\$0	\$40,588	\$21,221
Other Government of Canada	0	0	0
<b>Total Government of Canada Contributions</b>	<u>\$0</u>	<u>\$40,588</u>	<u>\$21,221</u>
<b>Generated Funds</b>			
Investment Income	\$0	\$0	\$0
Donations	0	9,765	46,395
Other	0	79,430	5,000
<b>Total Generated Funds</b>	<u>\$0</u>	<u>\$89,195</u>	<u>\$51,395</u>
<b>Total Revenues</b>	<u>\$113,322</u>	<u>\$354,201</u>	<u>\$204,555</u>
<b><u>EXPENSES (Schedule 16)</u></b>			
Administration	\$50,600	\$31,126	\$32,877
School Programs	47,722	217,807	121,218
Inclusive Schooling	0	46,719	25,047
Indigenous Language and Education	15,000	56,363	44,833
<b>Total Expenses</b>	<u>\$113,322</u>	<u>\$352,015</u>	<u>\$223,975</u>
<b>Operating Surplus/(Deficit)</b>	<u>\$0</u>	\$2,186	(\$19,420)
<b>Fund Balance at beginning of year</b>		<u>(\$5,960)</u>	<u>13,460</u>
<b>Fund Balance at end of year</b>		<u>(\$3,774)</u>	<u>(\$5,960)</u>

**LUTSEL K'E DISTRICT EDUCATION AUTHORITY**  
**SCHEDULE OF EXPENSES**  
**For the Year Ended June 30, 2020**

School Programs	Inclusive Schooling	Admin.	Indigenous Language	Fiscal & Transfers	Total
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**Salaries**

Teachers	\$3,700				\$3,700
Instruction Assistants					\$0
Non-Instructional Staff					\$0
Board/Trustee Honoraria		\$5,125			\$5,125

**Employee Benefits**

Employee Benefits/Allowances					\$0
Leave & Termination Benefits					\$0

**Services Purchased/Contracted**

Professional/Technical Services					\$0
Postage/Communication	\$1,730		\$1,563		\$3,293
Utilities					\$0
Travel	\$1,231		\$66		\$1,297
Student Travel	\$6,590	\$3,262		\$23,677	\$33,529
Advertising/Printing/Publishing	\$3,419				\$3,419
Maintenance/Repair					\$0
Rentals/Leases	\$2,060	\$2,060	\$2,094	\$3,110	\$9,326
Contracted Services	\$20,426		\$3,940	\$10,848	\$35,213

**Materials/Supplies/Freight**

Materials	\$171,847	\$35,021	\$12,472	\$18,413	\$237,753
Freight	\$10,503	\$2,675	\$5,865	\$315	\$19,359

**Total**

<b>\$217,807</b>	<b>\$46,719</b>	<b>\$31,126</b>	<b>\$56,363</b>	<b>\$0</b>	<b>\$352,015</b>
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**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
as at June 30, 2020**

	<u>2020</u>	<u>2019</u>
<b><u>Financial Assets</u></b>		
Cash and Cash Equivalents	\$8,620,209	\$9,717,144
Due from the GNWT	202,293	171,677
Other Accounts Receivable	162,916	166,283
	<u>                    </u>	<u>                    </u>
<b>Total Financial Assets</b>	<b><u>\$8,985,418</u></b>	<b><u>\$10,055,104</u></b>
<b><u>Liabilities</u></b>		
<b>Current</b>		
Accounts Payable and Accrued Liabilities	\$20,677	\$46,607
Due to the GNWT	136,503	(10,310)
Payroll Liabilities	2,077,189	2,935,003
Deferred Revenue	833,935	14,520
Post-Employment Benefits	2,650,694	3,023,696
	<u>                    </u>	<u>                    </u>
<b>Total Liabilities</b>	<b><u>\$5,718,998</u></b>	<b><u>\$6,009,516</u></b>
<b>Net Financial Resources</b>	<b><u>\$3,266,420</u></b>	<b><u>\$4,045,588</u></b>
<b><u>Non-Financial Assets</u></b>		
Prepaid Expenses (Note 20)	\$0	\$0
<b>Accumulated Fund Balance</b>	<b><u>\$3,266,420</u></b>	<b><u>\$4,045,588</u></b>



**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
NON-CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT  
For the Year Ended June 30, 2020**

	<u>2020</u>	<u>2019</u>
Annual Surplus/(Deficit) (Schedule 19)	(\$779,168)	\$1,165,843
Prior Year Adjustments	<u>0</u>	<u>0</u>
<b>Increase/(Decrease) in Net Financial Resources</b>	<b>(\$779,168)</b>	<b>\$1,165,843</b>
Opening net Financial Resources	<u>4,045,588</u>	<u>2,879,745</u>
Closing Net Financial Resources	<u><u>\$3,266,420</u></u>	<u><u>\$4,045,588</u></u>

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
NON-CONSOLIDATED STATEMENT OF OPERATIONS  
For the Year Ended June 30, 2020**

	<u>2020 Budget (unaudited)</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
<b><u>REVENUES</u></b>			
<b>ECE Contributions</b>			
Regular ECE Contributions	\$23,611,029	\$24,117,729	\$25,485,428
Other ECE Contributions	683,000	625,746	788,094
<b>Total ECE Contributions</b>	<u>\$24,294,029</u>	<u>\$24,743,475</u>	<u>\$26,273,522</u>
Other GNWT Contributions	\$15,000	\$47,933	\$44,578
<b>Total GNWT Contributions</b>	<u>\$24,309,029</u>	<u>\$24,791,408</u>	<u>\$26,318,100</u>
<b>Government of Canada Contributions</b>			
Jordan's Principle	\$0	\$772,086	\$73,280
Other Government of Canada	\$0	\$1,000	0
<b>Total Government of Canada Contributions</b>	<u>\$0</u>	<u>\$773,086</u>	<u>\$73,280</u>
<b>Other Education Bodies</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Generated Funds</b>			
Investment Income	\$150,000	\$142,010	\$165,867
Non-GNWT Contributions	70,000	101,991	81,176
Donations	0	0	0
Other	0	25,871	75,324
<b>Total Generated Funds</b>	<u>\$220,000</u>	<u>\$269,872</u>	<u>\$322,368</u>
<b>Total Revenues</b>	<u>\$24,529,029</u>	<u>\$25,834,366</u>	<u>\$26,713,747</u>
<b><u>EXPENSES (Schedule 20)</u></b>			
Administration	\$2,155,201	\$1,951,739	\$1,957,185
School Programs	15,539,436	14,456,531	14,679,033
Inclusive Schooling	4,625,033	5,766,361	5,395,008
Indigenous Language and Education	1,483,721	1,710,255	1,812,065
Transfers to DEAs	1,576,589	2,728,648	1,704,613
<b>Total Expenses</b>	<u>\$25,379,980</u>	<u>\$26,613,534</u>	<u>\$25,547,904</u>
<b>Operating Surplus/(Deficit)</b>	<u>(\$850,951)</u>	<u>(\$779,168)</u>	<u>\$1,165,843</u>
<b>Fund Balance at beginning of year</b>		<u>4,045,588</u>	<u>2,879,745</u>
<b>Fund Balance at end of year</b>		<u>\$3,266,420</u>	<u>\$4,045,588</u>

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL**  
**SCHEDULE OF EXPENSES**  
**(Non-Consolidated)**  
**For the Year Ended June 30, 2020**

	<b>School Programs</b>	<b>Inclusive Schooling</b>	<b>Admin.</b>	<b>Indigenous Language</b>	<b>Fiscal &amp; Transfers</b>	<b>Total</b>
<b>Salaries</b>						
Teachers	\$12,261,108	\$1,987,464		\$1,074,143		\$15,322,715
Instruction Assistants		\$2,940,633		\$372,963		\$3,313,596
Non-Instructional Staff	\$1,699,988	\$271,429	\$1,325,298	\$84,509		\$3,381,225
Board/Trustee Honoraria			\$3,450	\$750		\$4,200
<b>Employee Benefits</b>						
Employee Benefits/Allowances	\$226,324	\$108,343	\$18,952	\$34,670		\$388,289
Leave & Termination Benefits	(\$130,935)	\$85,773	\$9,594	\$27,447		-\$8,120
<b>Services Purchased/Contracted</b>						
Professional/Technical Services	\$72,000	\$36,687	\$34,913	\$13,071		\$156,671
Postage/Communication	\$1,000		\$24,950	\$0		\$25,950
Utilities						\$0
Travel	\$112,234	\$144,526	\$61,625	\$56,304		\$374,690
Student Travel		\$2,580				\$2,580
Advertising/Printing/Publishing	\$0	\$1,436	\$7,527	\$9,093		\$18,055
Maintenance/Repair			\$122,740			\$122,740
Rentals/Leases		\$3,400	\$175,593			\$178,993
Contracted Services	\$132,488	\$22,370	\$1,148	\$19,357		\$175,362
<b>Materials/Supplies/Freight</b>						
Materials	\$82,078	\$156,925	\$165,525	\$17,099		\$421,626
Freight	\$246	\$4,796	\$425	\$849		\$6,316
<b>Transfers to DEA's</b>						
	\$0				\$2,728,648	\$2,728,648
<b>Total</b>	<b>\$14,456,531</b>	<b>\$5,766,361</b>	<b>\$1,951,739</b>	<b>\$1,710,255</b>	<b>\$2,728,648</b>	<b>\$26,613,534</b>

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
SCHEDULE OF SPECIFIC PROGRAM EXPENSES  
INCLUSIVE SCHOOLING  
For the Year Ended June 30, 2020**

	General Expenditures	Staff Development	Assistive Technology	Magnet Facilities	Total
<b>Salaries</b>					
Regional Coordinator	\$164,562				\$164,562
Program Support Teachers	\$1,761,138	\$153,904		\$212,746	\$2,127,789
Support Assistants	\$3,185,095				\$3,185,095
<b>Employee Benefits</b>					
Employee Benefits/Allowances *	\$194,116				\$194,116
<b>Services Purchased/Contracted</b>					
Professional/Technical Services	\$36,687				\$36,687
Travel	\$13,600	\$144,526			\$158,126
Student Transportation (Bussing)	\$5,842				\$5,842
Advertising/Printing/Publishing	\$1,436				\$1,436
Maintenance/Repair					\$0
Rentals/Leases	\$5,460				\$5,460
Contracted Services	\$33,020				\$33,020
<b>Materials/Supplies/Freight</b>					
Materials	\$181,614	\$10,612	\$26,401		\$218,627
Freight	\$2,675		\$4,796		\$7,471
<b>Total</b>	<b>\$5,585,244</b>	<b>\$309,042</b>	<b>\$31,197</b>	<b>\$212,746</b>	<b>\$6,138,230</b>

\* From Schedule 20



**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
SCHEDULE OF SPECIFIC PROGRAM EXPENSES  
INDIGENOUS LANGUAGE AND EDUCATION  
For the Year Ended June 30, 2030**

	Student Instruction	Teaching Resources	Professional Development	School ** Activities	Total
<b>Salaries</b>					
ILE Teachers	\$1,066,784		\$7,360	\$23,144	\$1,097,287
Language Consultants		\$84,509			\$84,509
Instruction Assistants	\$372,963			\$150	\$373,113
Non-Instructional Staff					\$0
Honoraria		\$750		\$5,550	\$6,300
<b>Employee Benefits</b>					
Employee Benefits/Allowances *	\$62,117				\$62,117
<b>Services Purchased/Contracted</b>					
Professional/Technical Services		\$13,071			\$13,071
Travel			\$56,304	\$1,018	\$57,322
Student Transportation (Bussing)				\$26,116	\$26,116
Advertising/Printing/Publishing		\$9,093			\$9,093
Maintenance/Repair				\$1,626	\$1,626
Rentals/Leases				\$3,110	\$3,110
Contracted Services		\$19,357		\$27,463	\$46,820
<b>Materials/Supplies/Freight</b>					
Materials		\$13,196	\$3,901	\$243,300	\$260,397
Freight		\$849		\$1,910	\$2,759
<b>Total</b>	<b>\$1,501,864</b>	<b>\$140,825</b>	<b>\$67,565</b>	<b>\$333,387</b>	<b>\$2,043,640</b>

\* from Schedule 20

\*\* from respective DEA schedules

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES  
FRENCH LANGUAGE  
For the Year Ended June 30, 2020**

	<b>Contributions July 1, 2019 to June 30, 2020</b>	<b>SSDEC Commitment July 1, 2019 to June 30, 2020</b>	<b>Total Expenses July 1, 2019 to June 30, 2020</b>	<b>Under/(Over) Funding</b>
<b>Bilateral Agreement Funding</b>				
Core French 1-12 (salary)		\$397,782	\$433,543	(\$35,761)
Immersion Pioneer Class (salary)	273,000	\$305,592	\$537,757	\$40,835
Resources		\$15,000	\$20,031	(\$5,031)
Partnership with YK1	15,000		\$30,000	(\$15,000)
French Monitor		\$10,000	\$31,125	(\$21,125)
Professional Development			\$19,373	(\$19,373)
French Language Communications				
Intensive French: Salary	86,700	\$347,096	\$259,213	\$174,583
Intensive French: Camp				\$0
Intensive French: Resources	6,000	\$4,000	\$13,467	(\$3,467)
Intensive French: Training/Visits	6,000	\$4,000	\$7,592	\$2,408
<b>Totals</b>	<b>\$386,700</b>	<b>\$1,083,470</b>	<b>\$1,352,101</b>	<b>\$118,069</b>

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES  
NWT STUDENT SUCCESS INITIATIVE - PROFESSIONAL DEVELOPMENT  
For the Period July 1, 2019 to June 30, 2020**

Revenue

Education, Culture and Employment	\$55,000
NWTTA	70,650
<b>Total Revenue</b>	<b>\$125,650</b>

ExpendituresSalaries/Wages

Salaries	\$929,218
Facilitator's Fees	\$166,971
Substitute Teachers Wages	\$4,869

Travel

Facilitator Travel	\$16,695
Staff Travel	\$16,811
Accommodation	\$14,602
Per Diems	\$9,875

Workshop Expenses

Room Rental	
Tuition	\$2,955
Refreshments	\$1,675
Resources	\$104,669
Miscellaneous	\$14,121

<b>Total Expenses</b>	<b>\$1,282,459</b>
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<b>Net Surplus/(Deficit)</b>	<b>(\$1,156,809)</b>
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**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES  
NORTHERN DISTANCE LEARNING  
For the Year Ended June 30, 2020**

	<b>Budget 2019/20</b>	<b>July 1, 2019 to March 31, 2020</b>	<b>April 1, 2020 to June 30, 2020</b>	<b>Total 2019/20</b>
Revenues				
Education, Culture & Employment	\$60,500		\$60,500	\$60,500
Other				\$0
Total Funding	\$60,500	\$0	\$60,500	\$60,500
Expenditures				
Support Persons	\$58,500	\$5,060	\$45,476	\$50,536
Network Charges	\$2,000			\$0
Total Expenditures	\$60,500	\$5,060	\$45,476	\$50,536
<b>Surplus/(Deficit)</b>	<b>\$0</b>	<b>(\$5,060)</b>	<b>\$15,024</b>	<b>\$9,964</b>

The SSDEC has only one community (Fort Resolution) participating



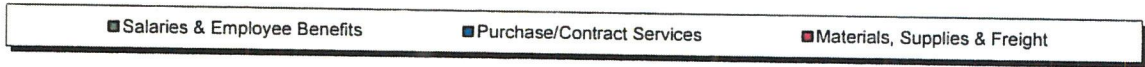
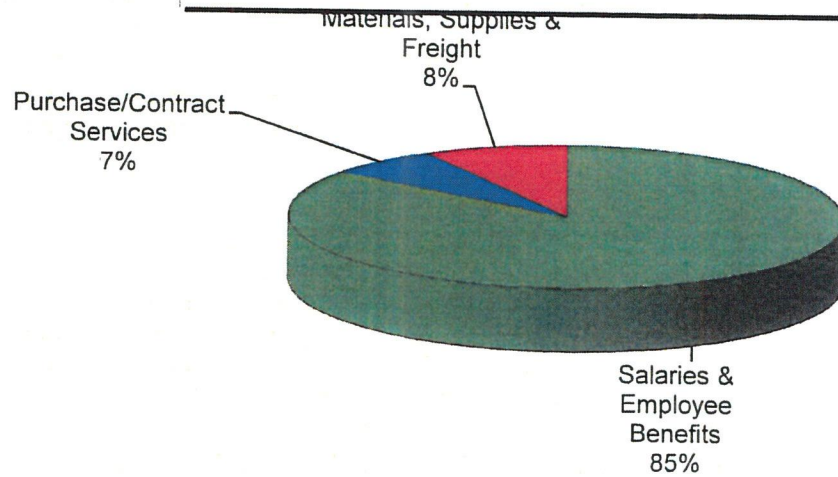
**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL**  
**SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES**  
**Jordan's Principle**  
**For the Year Ended June 30, 2020**

	June 30, 2020 Budget	June 30, 2020 Actual	June 30, 2019 Actual
<b>Revenue</b>			
Government of Canada			
- First Nations and Inuit Health Branch	\$1,353,773	\$694,100	\$992,312
Carry Forward from Previous Year		\$582,928	\$0
<b>Total Revenue</b>	\$1,353,773	\$1,277,028	\$992,312
<b>Expenditures</b>			
Administration			
Personnel	\$1,328,273	\$1,168,845	\$324,565
Transportation		\$18,378	\$5,854
Materials and Supplies	\$25,500	\$36,888	\$18,252
Rent and Utilities			
Evaluation			
Other		\$29,426	\$60,713
<b>Total Expenditures</b>	\$1,353,773	\$1,253,537	\$409,384
<b>Surplus/(Deficit)</b>	<b>\$0</b>	<b>\$23,491</b>	<b>\$582,928</b>
<b>Deferred Revenue</b>	<b>\$0</b>	<b>\$23,491</b>	<b>\$582,928</b>



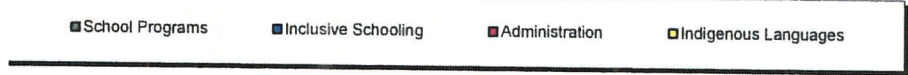
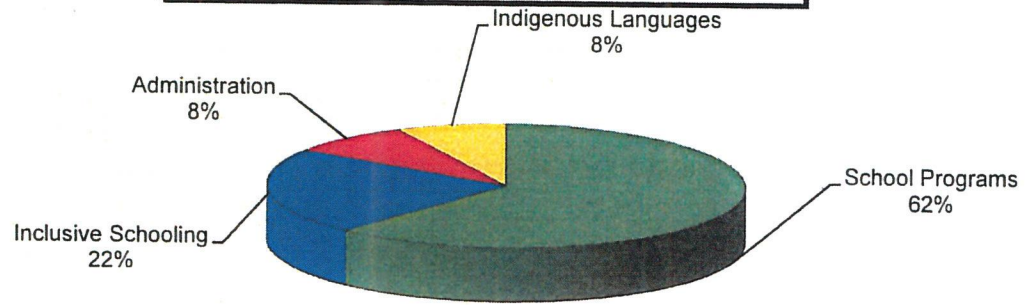
Salaries & Employee Benefits	\$23,206,649
Purchase/Contract Services	\$1,800,249
Materials, Supplies & Freight	\$2,307,502
Total	\$27,314,400

**South Slave Divisional Education Council  
Details of Expenditures  
For the Year Ended June 30, 2020**



School Programs	\$16,830,287
Inclusive Schooling	\$6,138,230
Administration	\$2,302,243
Indigenous Languages	\$2,043,640
Total	\$27,314,400

**South Slave Divisional Education Council  
Expenditures by Function  
For the Year Ended June 30, 2020**



**Yellowknife Catholic Schools  
(Yellowknife Public Denominational  
District Education Authority)**

**Consolidated Financial Statements**

**June 30, 2020**

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**Yellowknife Catholic Schools**  
**(Yellowknife Public Denominational District Education Authority)**

**Consolidated Financial Statements**

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Yellowknife Catholic Schools  
(Yellowknife Public Denominational District  
Education Authority)

Annual Financial Report

June 30, 2020

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# Yellowknife Catholic Schools

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis (MD&A) of the consolidated financial position and results of operations of Yellowknife Public Denominational District Education Authority (Yellowknife Catholic Schools) for the year ended June 30, 2020 should be read in conjunction with Yellowknife Catholic Schools' audited consolidated financial statements and related notes. The preparation of this report is the responsibility of management. It is the responsibility of the Board of Trustees to promote transparency and accountability.

The 2020-2021 school year will be an exciting year at Yellowknife Catholic Schools. We will continue to strive to provide faith-based, engaging, collaborative, innovative, learning environments that promote inquiry as a means to develop versatile and involved learners that are advocates of their personal learning journey.

We will provide all students with the opportunities to achieve their full potential with limited resources. The guiding principle of the 2020-2021 budget is to allocate our financial resources to allow our students to succeed. The budget will be balanced ensuring that today's dollars are spent to educate today's students with a focus on 21st century learning initiatives and student learning. Appropriate resources have been allocated so that students will have a full range of learning opportunities.

As our educational landscape moves us towards ensuring our students have the skills needed to be successful in the workplace, we will focus on developing the 21st-century skills of collaboration, communication, critical thinking and creativity using innovative teaching models that include inquiry, technology, and interest-based learning in personalized, student-centered environments.

### **Mission, Values and Beliefs**

Yellowknife Catholic Schools is a family of learners: developing faith, celebrating culture, supporting diversity, teaching critical thinking and inspiring service to others.

Through Christ we value: truth, honesty, compassion, respect, forgiveness, service, love and living the faith.

We believe that we are a Catholic, Christ-centered community that strives to nurture the spiritual, intellectual, emotional, social and physical development of all learners.

### **Board of Trustees**

There are seven trustees at Yellowknife Catholic Schools. Ms. Erin Currie is the Chair and Mr. Steven Voytilla is the Vice Chair. Other trustees are Revi Lau-a, Lori MacMillan Gallant, Candace Meadus, Tina Schauerte and Susan Waddell. There are two committees in place – Finance and Facilities. Trustee meetings are held each month and are open to the public.





# Yellowknife Catholic Schools

## Yellowknife Catholic Schools

Yellowknife Catholic Schools (YCS) is the only Catholic school board in the Northwest Territories. YCS was established in July 1951 and provides education of students from junior kindergarten to Grade 12.

YCS programs operate out of: École St. Patrick High School (ESPHS), Weledah Catholic School (WCS), École St. Joseph School (ESJS), the Kimberlite Career and Technical Centre (KCTC), the Tallah Building, the Yellowknife Family Centre, Jim Murphy Maintenance Building and the Central Services Building. All of our facilities are in excellent condition.

The senior administration team during the 2019-2020 school year consisted of Simone Gessler– Superintendent; Pat Sullivan– Assistant Superintendent – Learning and Chris Cahoon – Assistant Superintendent – Business.

The principal at École St. Patrick High School is Todd Stewart. The principal at Weledah Catholic School is Jenny Reid and the principal at École St. Joseph School is Don Reid.

## Student and Teacher Population

The following is the student enrolment as of September 30<sup>th</sup> and the teachers that were employed as of September 30, 2019.

	Enrolment	Teachers	Pupil/Teacher Ratio
École St Patrick High School	536	32	17
Weledah Catholic School	354	22	16
École St Joseph School	579	35	16
KCTC	0	4	0
TTC	0	1	0
	<u>1,469</u>	<u>94</u>	<u>16</u>

There was a total of 181 staff at YCS as of June 2020.



# Yellowknife Catholic Schools

## Strategic Plan

### Vision Statement for 2016-2019

YCS will strive to provide engaging, collaborative, innovative, inquiry and faith-based learning environments as a means to develop versatile and involved learners that are advocates of their personal learning journey.

### Goals

The goals of YCS are to:

- Foster inquiry and collaboration throughout the integration of technology and the development of 21<sup>st</sup> century classrooms.
- Provide rich literacy and numeracy instruction through collaborative and supporting programming
- Develop spiritually and culturally-rich global citizens with a sense of social justice and community awareness

### Commitments

YCS is committed to the following:

- Engage in continuous growth and improvement, make decisions to enhance student learning and provide opportunities for the community to learn together.
- Provide all learners with a safe environment that promotes spiritual, academic, physical, emotional, and social growth, encouraging inquiry, innovation and self-reflection.
- Allocate resources based on our vision and commitment to our learners.

YCS realizes its responsibility to provide an excellent education for our students. Our district is proud of its reputation for providing high-quality education to the students of our community through continuous improvement and the cooperative efforts of the Northwest Territories (GNWT) Minister of Education, Culture and Employment (ECE), administration, teachers, staff, students, families and a supportive community.



# Yellowknife Catholic Schools

## **Financial Condition**

The audited consolidated financial statements were prepared for the Government of the Northwest Territories (GNWT) Minister of Education, Culture and Employment (ECE), in accordance with Canadian public sector accounting standards.

### **Highlights of YCS Financial Position**

#### **Financial Assets**

The financial and non-financial assets of YCS consist of cash and accounts receivable. The cash balance was \$7,636,723 on June 30, 2020 (prior year - \$6,682,134) and indicates a good cash flow. The financial position at June 30, 2020 was \$8,401,702 (prior year \$7,779,524).

#### **Liabilities**

Liabilities consist of payroll liabilities, accounts payable and long term debt. The payroll liabilities consist of payroll liabilities to staff for July and August. The long term debt was reduced by \$108,516 during the year and is for a debenture on the Tallah building. Rental revenue for the Tallah building will more than cover the net financial debt.

The Consolidated Statement of Financial Position has a subtotal called "Net surplus (debt)". This line is an indicator of the ability to discharge all of the entity's surplus (debt) with financial assets. This year the net surplus is \$3,046,238 compared to the prior year with a net surplus of \$1,855,368. It indicates that YCS has sufficient assets to pay off all debt at year end.

#### **Non-financial Assets**

Non-financial assets include land and buildings that YCS has no intention of selling and that would not be able to be quickly converted to cash. The non-financial assets decreased from \$39,813,493 to \$38,508,672 which mainly reflects the change in the value of the tangible capital assets owned by Yellowknife Catholic Schools.

The \$1,417,949 decrease in tangible capital assets relates to depreciation of tangible capital assets for this fiscal year partially offset by renovation projects at École St Joseph School and Weledeh Catholic School.

#### **Accumulated Surplus**

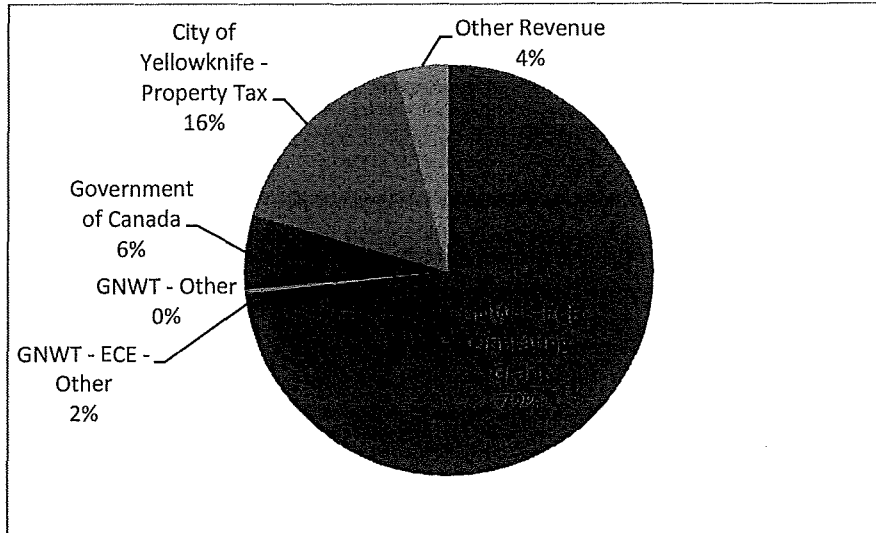
Accumulated surplus is equal to the difference between non-financial assets and net debt. Accumulated surplus represents the equity that YCS has generated in the last 69 years. The largest component of accumulated surplus is the Investment in Tangible Capital Assets. A further breakdown of accumulated surplus can be found on the Consolidated Statement of Accumulated Surplus.



# Yellowknife Catholic Schools

## Highlights of YCS Operations

### Operating Revenue



### Operating Revenue

The majority of the funding (71%) for YCS comes from the Government of the Northwest Territories (GNWT) Department of Education, Culture and Employment (ECE) as core funding. The core funding is derived from a funding formula developed by ECE. The most important factor in the funding formula is student enrollment. In total 72% of the revenue is from the Government of Northwest Territories.

During the year, Yellowknife Catholic Schools received funding from Jordan's Principle – Government of Canada. Jordan's Principle is funding to help support indigenous students so they can access the products, services and supports they need, when they need them.

YCS also generates revenue from property taxes – 16% of revenue. The City of Yellowknife collects property tax revenue on our behalf. Other GNWT funding includes contribution agreement funding for: French language programs, active after-school programs and health and wellness programs.

Board generated funds include donations, bus pass sales, after school program fees, investment revenue, and rental revenue.

YCS generates revenue from other school districts when a student from that district attends an YCS school and the other district receives GNWT core funding for that student.

YCS is economically dependent upon the GNWT for the majority of its operating revenue. Significant changes to enrollment in Yellowknife or to the GNWT funding formula would have dramatic effects on the future operations of YCS.

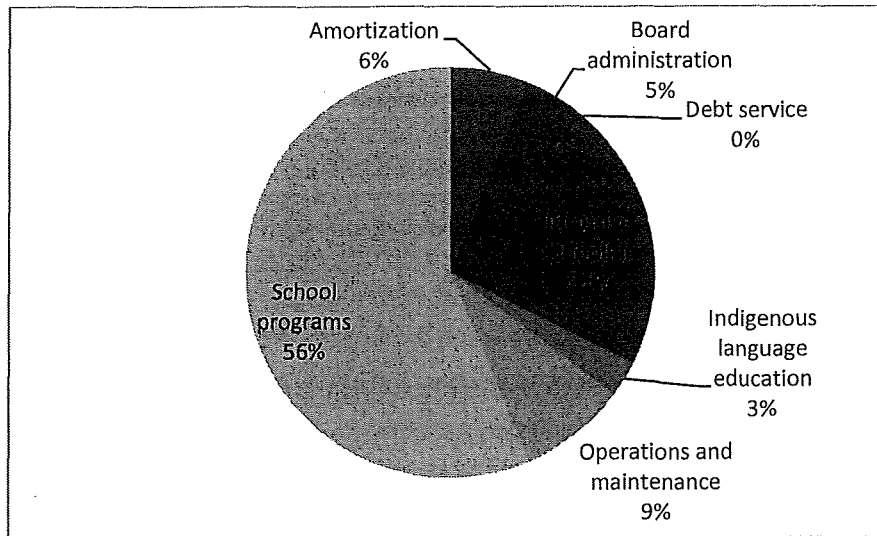


# Yellowknife Catholic Schools

## Operating Expenditures

The Consolidated Statement of Operations and Schedule 1 provide two different ways to classify expenditures. In the Consolidated Statement of Operations, expenditures are classified by program. Schedule 1 of the consolidated financial statements provides an additional breakdown by object.

## Expenditures – By Program





# Yellowknife Catholic Schools

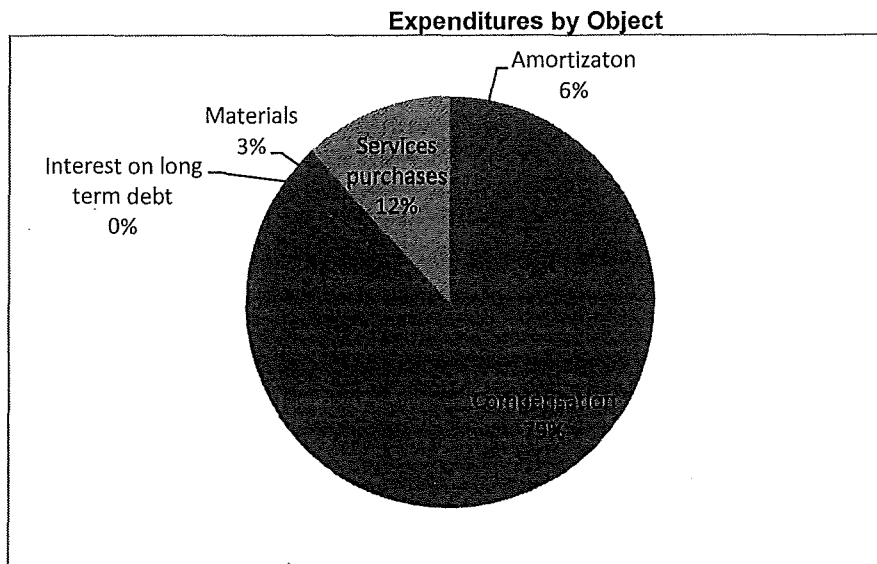
## Expenditures – By Program

Program categories for YCS are:

- Indigenous Language Education (3%): Includes salary and benefits of Willideh Yati Language instructors, salary and benefits of the literacy coach, costs related to the creation of learning materials in the Willideh Yati language and the cost of running our indigenous language and culture camps.
- Board Administration (5%): Includes salary and benefits for central services administrative and technology staff, honoraria for trustees, audit and legal fees, travel costs, advertising and publishing costs.
- Debt service: Relates to interest on long-term debt for the repayment of debentures for the Tallah Building. Debenture repayments for the Tallah building are mostly funded through lease payments from Aurora College.
- Inclusive schooling (21%): Expenditures in this program relate to supporting students with diverse needs. This support can include enrichment opportunities as well as supporting students with learning challenges. Salary and benefits for program support teachers, literacy and early intervention teachers, the student services coordinator, counselors, classroom assistants, and advanced placement teachers are included in this category.
- Operations and maintenance (9%): Includes salary and benefits of maintenance staff, cost of electricity, fuel and water, expenditures on janitorial services, expenditures on repair and maintenance of our facilities (including minor capital projects).
- School programs (56%): Salary and benefits for the majority of teachers are recorded in this program. Other large components of expenditure in this program are salary and benefits for school administrative assistants, curriculum coordinators, the cost for school textbooks and supplies and the cost of busing services.
- Amortization (6%): This expense relates to the rational and systematic manner to write off the value of the tangible capital asset over an appropriate number of accounting periods.



# Yellowknife Catholic Schools



## Expenditures by Object

- **Compensation (79%):** Includes salary for teachers, coordinators, classroom assistants, maintenance staff, administration assistants, counsellors, technology staff, administrative staff and trustee honoraria. The majority of YCS staff is unionized and collective agreements with the unions specify pay and benefits for these staff. Compensation also includes employee benefits which consists of employer contributions to pension plans, extended health and dental plans, CPP, EI, WSCC premiums, life insurance, long term disability insurance, maternity leave, professional development, medical travel, vacation travel, removal benefits and other allowances.
- **Services purchased/contracted (12%):** Include busing, janitorial services, insurance services, security services and snow removal.
- **Materials/freight (3%):** Include expenses for material and freight of goods.
- **Amortization (6%):** This expense relates to the rational and systematic manner to write off the value of the tangible capital asset over an appropriate number of accounting periods.
- **Debenture interest:** Include interest expense paid during the year for the Tallah building debenture.



# Yellowknife Catholic Schools

## Operating Deficit

At the end of the year, there was an operating surplus of \$3,729,745.

## Summary of Accumulated Surplus

	Opening	Increase (Decrease)	Closing
Operating fund surplus	2,266,834	977,504	3,244,338
Investment in tangible capital assets	39,120,954	-1,309,435	37,811,519
Decentralized budget accumulated surplus	281,073	217,980	499,053
	41,668,861	-113,951	41,554,910

The operating fund surplus increased by \$977,504 during the year. This was mainly due to changes in the tangible capital assets, increased funding from the Government of the Northwest Territories and new funding from Jordan's Principle.

Investment in tangible capital assets represents the amount of funds received and recognized as revenue that allow us to purchase our tangible capital assets less accumulated amortization. The decrease in this account this year is due to amortization of our tangible capital assets offset by the principal portion of the repayment of the debenture on the Tallah Building and offset by renovation projects at École St Joseph School and Weledeh Catholic School.

The decentralized budget accumulated surplus consists of funds, which are committed to or designated to specific purposes. The majority of these funds are professional development obligations carried forward under the terms of employment contracts. Other significant amounts in the decentralized budget accumulated surplus are school-based funds. Decisions on expenditure of school based funds are made by individual schools under YCS' School Based Decision Making Procedure.





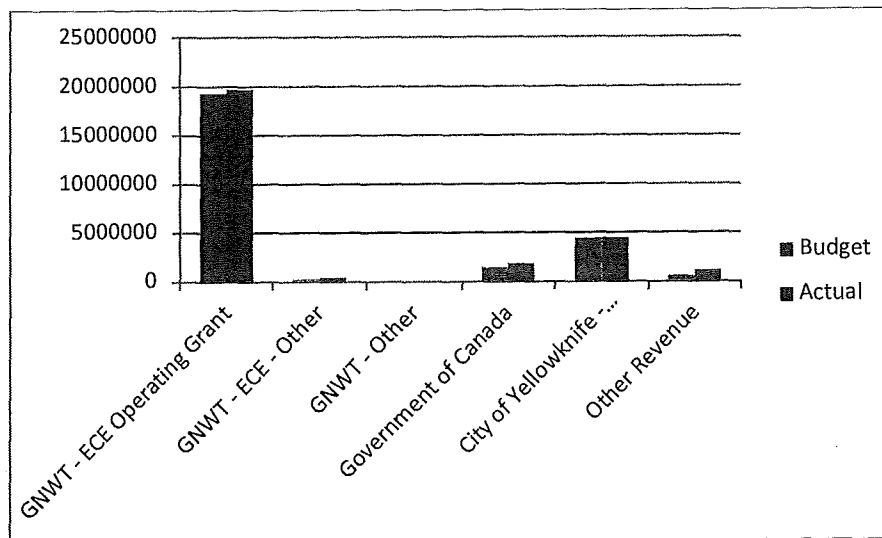
# Yellowknife Catholic Schools

## Budget Variance

### Revenue

In the 2019-2020 fiscal year, an annual deficit of \$2,330,794 was budgeted and the actual deficit was \$113,951. The budgeted revenue for 2019-2020 was \$26,088,809 and the actual revenue was \$27,390,611. The increase in revenue is due to increased core and other contributions from the Government of Education, Culture and Employment and Jordan's Principle funding.

### Revenue – Current year (Actual) vs Budget





# Yellowknife Catholic Schools

## Summary and Outlook

The 2020-2021 school year will be an exciting year at all three schools. We will continue to focus on 21<sup>st</sup> century learning skills. This year we continue the theme of Merciful Hearts, with the specific focus on Mercy that Serves.

In the budget for 2020-2021, the Trustees committed to supporting all the present programs and positions at Yellowknife Catholic Schools. The Trustees and administration will continue to work together to provide the best education while being fiscally responsible.

The Board of Trustees and senior staff will work on a strategic plan for the next five years.

YCS has a healthy operating fund surplus for the year and strong cash position that will allow us to continue to operate in a financially prudent manner in the future. YCS will continue to be challenged to provide quality education in a fiscally responsible manner. While we are faced with financial constraints, we will ensure that today's dollars are spent on today's students. This will ensure that all of our students are prepared for their exciting lives.

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

**Management's Responsibility for Financial Reporting with respect to the school year ended June 30,  
2020**

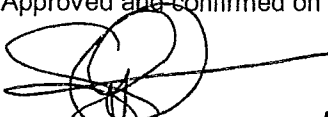
The Management Discussion and Analysis, Consolidated Financial Statements, Schedules and Notes herein submitted have been prepared by management. They provide full disclosure and accurately reflect the financial and non-financial condition of Yellowknife Catholic Schools (YCS) in all material respects 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 Catholic Schools have been conducted within the statutory powers of the Education Authority. The operations and administration of the Education 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 Education Authority 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 Yellowknife Catholic Schools.

  
\_\_\_\_\_  
Superintendent

  
\_\_\_\_\_  
Assistant Superintendent - Business

September 16, 2020

## **Independent Auditors' Report**

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

### **Report on the Audit of the Financial Statements**

#### ***Qualified Opinion***

We have audited the consolidated financial statements of Yellowknife Public Denominational District Education Authority ("Yellowknife Catholic Schools"), which comprise the consolidated statement of financial position as at June 30, 2020, and the consolidated statements of its operations, consolidated changes in net assets (debt), consolidated statement of accumulated surplus and its consolidated cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of the Yellowknife Catholic Schools as at June 30, 2020 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### ***Basis for Qualified Opinion***

School generated funds controlled by the Yellowknife Catholic Schools are not reported and presented in the accompanying financial statements. School generated funds represent fundraising activities for the benefit of student life enhancement. They are controlled through the Yellowknife Catholic Schools due to the nature of these activities which must be approved at the Yellowknife Catholic Schools' Administration level. This represents a departure of Canadian public accounting standards because school generated funds are determined to be under the control of the Yellowknife Catholic Schools and as such are required to be included under the government reporting entity.

Also, we were unable to determine the amount of school generated funds; therefore, school generated funds revenue, expenses, and assets and surplus for the year ended June 30, 2020 are not recognized nor audited in the accompanying financial statements.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Yellowknife Catholic Schools in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



**Other Information**

Management is responsible for the other information. The other information comprises the Annual Financial Report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the Yellowknife Catholic Schools' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Yellowknife Catholic Schools or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Yellowknife Catholic Schools' financial reporting process.

**Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Yellowknife Catholic Schools' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Yellowknife Catholic Schools' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Yellowknife Catholic Schools to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

In conjunction with the audit of the financial statements, we have audited transactions of the Authority coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the Government of the Northwest Territories - Department of Education, Culture and Employment.

In our opinion, the transactions of the Authority that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above.

Management is responsible for the Authority's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the entity to comply with the specified authorities.

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.



Yellowknife, Northwest Territories  
September 16, 2020

Chartered Professional Accountants

**Yellowknife Catholic Schools**  
 (Yellowknife Public Denominational District Education Authority)


**Consolidated Statement of Financial Position**

As at June 30,	2020	2019
<b>Financial Assets</b>		
Cash and cash equivalents (Note 4)	\$ 7,636,723	\$ 6,682,134
Accounts receivable (Note 8)	554,089	881,830
Due from the Government of Canada (Note 12)	210,798	215,560
	<b>8,401,610</b>	<b>7,779,524</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 9)	192,012	660,260
Accrued payroll liabilities (Note 9)	3,024,310	2,972,366
Deferred revenue (Note 10)	826,912	498,838
Payroll benefits payable	16,451	18,636
Due to the Government of Canada (Note 12)	796	30,933
Pensions (Note 14)	88,000	70,300
Long-term debt (Note 15)	520,741	629,257
Post-employment benefits and compensated absences (Note 16)	686,150	1,043,566
	<b>5,355,372</b>	<b>5,924,156</b>
<b>Net Financial Asset</b>	<b>3,046,238</b>	<b>1,855,368</b>
<b>Non-financial Assets</b>		
Tangible capital assets (Note 18)	38,332,262	39,750,211
Prepaid expenses and deposits (Note 19)	176,410	63,282
	<b>38,508,672</b>	<b>39,813,493</b>
<b>Accumulated Surplus</b>	<b>\$ 41,554,910</b>	<b>\$ 41,668,861</b>
<b>Represented By:</b>		
Operating fund surplus	\$ 3,244,338	\$ 2,266,834
Investment in tangible capital assets	37,811,519	39,120,954
Decentralized budget accumulated surplus	499,053	281,073
	<b>\$ 41,554,910</b>	<b>\$ 41,668,861</b>

**Contractual obligations and contingencies (Note 21 and 22)**

**Approved on behalf of the Board**

 Trustee

 Trustee

**Yellowknife Catholic Schools**  
**(Yellowknife Public Denominational District Education Authority)**

**Consolidated Statement of Operations**

For the period ended June 30,	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
Government of the Northwest Territories			
ECE - Regular contributions	\$ 19,293,309	\$ 19,624,178	\$ 19,643,279
ECE - Other contributions	282,500	450,760	521,009
<b>Total ECE contributions (Note 30)</b>	<b>19,575,809</b>	<b>20,074,938</b>	20,164,288
<b>GNWT - Other contributions (Note 31)</b>	-	100,442	83,210
<b>Total GNWT contributions</b>	<b>19,575,809</b>	<b>20,175,380</b>	20,247,498
<b>Government of Canada - grants and contributions</b>	<b>1,458,000</b>	<b>1,607,452</b>	1,064,122
<b>City of Yellowknife - property tax requisitioned</b>	<b>4,444,000</b>	<b>4,472,210</b>	4,188,905
<b>Other Education Authorities</b>			
Extra-jurisdictional tuition	75,000	130,650	86,544
<b>Education authority generated funds</b>			
Rentals	180,000	174,319	139,444
Fees and sales	296,000	150,282	144,637
Investments	60,000	133,678	135,405
Donations	-	44,420	40,752
Other	-	502,220	540,506
<b>Total generated funds</b>	<b>536,000</b>	<b>1,004,919</b>	1,000,744
	<b>26,088,809</b>	<b>27,390,611</b>	26,587,813
<b>Expenditures</b>			
Amortization (Schedule 1)	1,600,000	1,659,314	1,640,149
Board administration (Schedule 1)	1,795,694	1,405,451	1,379,691
Debt service (Schedule 1)	6,843	10,884	17,028
Inclusive schooling (Schedule 2)	5,750,449	5,823,127	5,709,862
Indigenous languages and culture (Schedule 3)	735,845	769,754	828,626
Operations and maintenance (Schedule 1)	2,323,266	2,343,283	2,228,886
School programs (Schedule 1)	16,207,506	15,492,749	15,069,440
	<b>28,419,603</b>	<b>27,504,562</b>	26,873,682
<b>Annual operating surplus (deficit) before other items</b>	<b>(2,330,794)</b>	<b>(113,951)</b>	(285,869)
<b>Other items</b>			
Proceeds on fire damages insurance claims	-	-	1,636,833
Costs of fire damages repairs	-	-	(1,636,833)
<b>Annual surplus (deficit)</b>	<b>(2,330,794)</b>	<b>(113,951)</b>	(285,869)
<b>Opening accumulated surplus</b>	<b>41,668,861</b>	<b>41,668,861</b>	41,954,730
<b>Closing accumulated surplus</b>	<b>\$ 39,338,067</b>	<b>\$ 41,554,910</b>	\$ 41,668,861



**Yellowknife Catholic Schools**  
 (Yellowknife Public Denominational District Education Authority)

**Consolidated Statement of Changes in Net Assets**

For the period ended June 30,	2020 Budget	2020 Actual	2019 Actual
<b>Annual Surplus (deficit)</b>	\$(2,330,794)	\$ (113,951)	\$ (285,869)
Acquisition of tangible capital assets	(160,000)	(241,363)	(144,922)
Amortization of tangible capital assets	1,600,000	1,659,312	1,640,149
Change in prepaid expenses and deposits	-	(113,128)	(4,728)
<b>Increase in net assets</b>	<b>(890,794)</b>	<b>1,190,870</b>	<b>1,204,630</b>
<b>Net assets (debt), beginning of year</b>	<b>1,855,368</b>	<b>1,855,368</b>	<b>650,738</b>
<b>Net assets, end of year</b>	<b>\$ 964,574</b>	<b>\$ 3,046,238</b>	<b>\$ 1,855,368</b>

**Yellowknife Catholic Schools**  
**(Yellowknife Public Denominational District Education Authority)**

**Consolidated Statement of Cash Flows**

For the period ended June 30,	2020	2019
<b>Cash provided by (used in):</b>		
<b>Operating transactions</b>		
Operating surplus (deficit)	\$ (113,951)	\$ (285,869)
Items not affecting cash:		
Amortization	1,659,312	1,640,149
	<b>1,545,361</b>	<b>1,354,280</b>
<b>Changes in non-cash working capital items</b>		
Decrease (increase) in due from the Government of Canada	4,762	(103,109)
Decrease (increase) in accounts receivable	327,741	(763,031)
Increase (decrease) in accounts payable	(468,248)	(214,720)
Increase (decrease) in payroll benefits payable	(2,185)	(154,205)
Increase (decrease) in due to the Government of Canada	(30,137)	(405,819)
Increase (decrease) in pensions	17,700	(68,600)
Increase in deferred revenue	328,074	498,838
Increase in post-employment benefits	(357,416)	70,429
Increase (decrease) in accrued payroll liabilities	51,944	372,384
Increase in prepaid expenses	(113,128)	(4,728)
	<b>(240,893)</b>	<b>(772,561)</b>
<b>Cash provided by (used in) operating transactions</b>	<b>1,304,468</b>	<b>581,719</b>
<b>Financing transaction</b>		
Repayment of long-term debt	(108,516)	(102,874)
<b>Capital transaction</b>		
Acquisition of tangible capital asset	(241,363)	(144,922)
<b>Increase in cash and cash equivalents</b>	<b>954,589</b>	<b>333,923</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>6,682,134</b>	<b>6,348,211</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 7,636,723</b>	<b>\$ 6,682,134</b>

**Yellowknife Catholic Schools**  
**(Yellowknife Public Denominational District Education Authority)**

**Consolidated Statement of Accumulated Surplus**

**For the period ended June 30,** **2020** **2019**

**Operating Fund Surplus**

Operating fund surplus, beginning of year	\$ 2,266,834	\$ 988,200
Annual surplus (deficit)	(113,951)	(285,869)
Transfer from investment in tangible capital assets	1,309,435	1,392,353
Transfer from (to) decentralized budget accumulated surplus	(217,980)	172,150
<b>Operating fund surplus, end of year</b>	<b>\$ 3,244,338</b>	<b>\$ 2,266,834</b>

Transfer from Investment in Tangible Capital Assets consists of:

Amortization	\$ 1,659,314	\$ 1,640,149
Capital acquisitions	(241,363)	(144,922)
Debenture principal repayment	(108,516)	(102,874)

**\$ 1,309,435** **\$ 1,392,353**

**Investment in Tangible Capital Assets**

Investment in tangible capital assets, beginning of year	\$ 39,120,954	\$ 40,513,307
Amortization	(1,659,314)	(1,640,149)
Capital acquisitions	241,363	144,922
Debenture principal repayment	108,516	102,874

**Investment in tangible capital assets, end of year** **\$ 37,811,519** **\$ 39,120,954**

**Decentralized Budget Accumulated Surplus**

Decentralized budget accumulated surplus, beginning of year	\$ 281,073	\$ 453,223
Transferred from (to) operating fund surplus	217,980	(172,150)
<b>Decentralized budget accumulated surplus, end of year</b>	<b>\$ 499,053</b>	<b>\$ 281,073</b>

**Total Accumulated Surplus** **\$ 41,554,910** **\$ 41,668,861**

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# Yellowknife Catholic Schools

## (Yellowknife Public Denominational District Education Authority)

### Notes to Consolidated Financial Statements

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June 30, 2020

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#### 1. Nature of the Organization

Yellowknife Public Denominational District Education Authority, Yellowknife Catholic Schools ("YCS") was established in July 1951 and is presently the only Catholic school board in the Northwest Territories. A full range of instructional programs ranging from Junior Kindergarten through Grade 12 is offered by the YCS.

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

Section 81 of the *Education Act* outlines the powers of a Board of Education which for the YCS includes all aspects of operation and management relating to Catholic education within the boundaries of the City of Yellowknife. The Board of Trustees is the lowest (and sole) level of government exercising oversight responsibility. The consolidated financial statements of the YCS are not included in the financial statements of the City of Yellowknife as the YCS 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

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. The consolidated financial statements reflect the assets, liabilities, revenue and expenses of the reporting entity, which is composed of all organizations which are controlled by YCS. These organizations include the three schools, a maintenance shop and the Kimberlite Career and Technical Centre.

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.

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

##### Operating Fund Surplus

The Operating fund surplus is the general operating fund of the YCS 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.

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**Yellowknife Catholic Schools**  
(Yellowknife Public Denominational District Education Authority)

**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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

**(a) Basis of Accounting (continued)**

**Operating Fund Surplus (continued)**

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**

The Investment in tangible capital assets fund 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 the Investment in tangible capital assets fund. This results in a corresponding increase in the equity in tangible capital assets. Other additions are initially charged to the statement of operations.

**Decentralized Budget Accumulated Surplus**

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

**(b) Cash and Cash Equivalents**

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

**(c) Financial Instruments**

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

Financial assets subsequently measured at amortized cost include cash and cash equivalents, accounts receivable, and due from the Government of Canada.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, due to the Government of Canada, long-term debt, payroll benefits payable and accrued payroll liabilities.

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**Yellowknife Catholic Schools**  
(Yellowknife Public Denominational District Education Authority)

**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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

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

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

**(d) Non-Financial Assets**

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

**(e) Tangible Capital Assets**

Tangible capital assets acquired for more than \$50,000 are capitalized and amortized. Tangible capital assets are recorded at cost plus any betterments less accumulated amortization. The cost includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The buildings, portables and equipment will be amortized using the straight line method, based on their useful life. The buildings, portables and equipment have useful lives of 40, 25 and 10 years respectively. Any additions to the buildings and portables will be amortized over the remaining useful life of the assets.

Capital facilities planning and construction with certain exceptions 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.

**(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 consolidated statement of operations as the stipulation liabilities are settled.

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**Yellowknife Catholic Schools**  
(Yellowknife Public Denominational District Education Authority)

**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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

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

**Government Transfers (continued)**

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 assets are recognized as acquired or built.

**GNWT - Regular Contributions**

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

The YCS is economically dependent on the GNWT to provide funding for continued operations.

**Local Tax Revenue**

The *Education Act*, 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 YCS and is responsible for the collection of taxes.

Section 136(4) of the *Education Act* requires the amount requisitioned to be paid to the YCS in equal quarterly installments on or before the first day of the months of June, September, December and March.

**Other Contributions**

YCS 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. Tuition fees revenue is recognized as educational services are provided. Insurance proceeds relating to ongoing expenses are recognized as they are incurred. Insurance proceeds relating to building and equipment loss are recognized at the date of loss. 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.

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**Yellowknife Catholic Schools**  
(Yellowknife Public Denominational District Education Authority)

**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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**2. Accounting Policies (continued)**

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

**Investment Income**

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

**Special Purpose Funds**

School activity funds which are fully controlled by YCS with respect to when and how the funds available can be disbursed are included. The funds reported are internally restricted as to purpose and may include the proceeds of fundraising, contributions or fees paid related to a specific planned benefit. Examples may 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 YCS are not included even if custody of the funds are held by YCS. Examples of excluded funds might be student clubs or associations for which YCS has no on going responsibility of liability for losses.

**(g) Budget Data**

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

The priorities and funding allocations are determined by the Board of Trustees of each Education Authority and the budget is legally adopted by a motion of the Board in accordance with Section 135 (3) of the *Education Act*.

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 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 YCS.

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.

**(h) Measurement Uncertainty**

The preparation of 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.



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**Yellowknife Catholic Schools**  
(Yellowknife Public Denominational District Education Authority)

**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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**2. Accounting Policies (continued)**

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

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

**(j) Payroll Liabilities**

Payroll costs for teachers are accrued for July and August. Payroll costs for members of the Union of Northern Workers (UNW) and employees who work for 10 and 11 months during the fiscal year are accrued as appropriate.

**(k) Employee Future Benefits**

**i) Post-employment benefits**

YCS provides post-employment benefits for certain employees pursuant to certain contracts and collective agreements. These include removal assistance, severance, long and short term disability, and sick leave.

Teachers and UNW employees leaving Yellowknife within one year of the date of resignation, after completing a minimum of two years experience with YCS, will receive removal assistance of \$1,500 plus \$400 for each year of consecutive service with YCS, excluding years on deferred salary leave. Teachers who leave the employment of YCS after twenty years of consecutive service will receive an additional payment of \$2,000. This benefit is considered to vest and accumulate. YCS recognizes a liability and expense for this post-employment benefit in the period in which teachers and UNW employees render services to YCS.

YCS recognizes a liability and an expense for post-employment benefits and compensated absences that do not vest or accumulate when the event that obligates YCS occurs. This includes benefits to employees in the event of an accident or injury. The benefit would be accrued when the accident or injury occurs.

**ii) Sick leave**

Sick leave benefits accumulate but do not vest and are normally paid only upon an illness or injury-related absence. Such benefits are obligations and would be recognized. The actuarial company hired by the GNWT conducted a review and has estimated the sick leave obligation as at June 30, 2020.

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**Yellowknife Catholic Schools**  
(Yellowknife Public Denominational District Education Authority)

**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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**2. Accounting Policies (continued)**

**(k) Employee Future Benefits (continued)**

**iii) Pensions**

Prior to May 1, 2013 all indeterminate full-time employees had the option to participate in a Defined Contribution (DC) pension plan. YCS contributions to this plan were recognized as an expense on a current year basis and represented YCS total pension obligations.

Effective May 1, 2013 the YCS added a Defined Benefit (DB) provision to the Pension Plan for the employees of Yellowknife Catholic Schools. The pension benefits under the DB provision are reported on an actuarial basis. This is done to determine the current value of future entitlements and uses various assumptions. When actual experience varies from assumptions, the resulting gains or losses are amortized on a straight line basis over the estimated average remaining service lives of the contributors.

**(l) Expenses**

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Transfers include entitlements and grants and are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

**(m) Foreign Currency Translation**

Foreign currency transactions are to be translated in Canadian dollars. Revenues and expenses denominated in a foreign currency are reported at a rate in the date of the transaction. Monetary items that have yet to be settled at the exchange rate are translated at the exchange rate in effect on the date of financial statements. Exchange gain or loss resulting from foreign exchange rate would be accounted for in the financial statements.

**(n) Employee Benefit Plans**

The YCS contributes 100% of the premiums related to life insurance, long-term disability insurance and extended health care benefits for eligible employees, in accordance with negotiated salary agreements and employment practices. In addition, the YCS contributes 100% of the premiums related to dental insurance in accordance with negotiated salary agreements and employment practices. Employee and employer contributions are made on behalf of all employees for statutory federal deductions related to Canada Pension Plan and Employment Insurance.

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**Yellowknife Catholic Schools**  
**(Yellowknife Public Denominational District Education Authority)**

**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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**2. Accounting Policies (continued)**

**(o) 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; YCS 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, 2020.

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 at YCS has concluded that there is no contamination that exceeds environmental standards and as a result there are no liabilities for contaminated sites.

**(p) Net Asset (Debt)**

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

**(q) Segment disclosure**

The Schedule of Operating Fund - Detail of Expenditures has been prepared in accordance with PS Handbook Section PS2700 - Segment Disclosures. The segments selected are to enable users to better understand the government reporting entity and the major revenue and expenditure activities of the Board. For each reported segment, revenue and expenditures represent amounts directly attributable to each segment. Segments include:

**School Programs:** pertains to the provision of instructional services that fall under the basic public education mandate.

**Inclusive Schooling:** pertains to access to quality education for all students by effectively meeting their diverse needs.

**Operations and Maintenance:** pertains to the operations and maintenance of all YCS buildings and facilities.

**Board Administration:** pertains to the provision of board governance and central office administration.

**Indigenous Languages:** pertains to indigenous language resource development, support of language teachers and community engagement.

**Transfers and others:** pertains to amortization, debenture interest and gain or loss on sale (disposal) of tangible capital assets.

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**Yellowknife Catholic Schools**  
(Yellowknife Public Denominational District Education Authority)

**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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**3. Future Accounting Changes**

**Asset Retirement Obligations, Proposed Section PS 3280**

This section will be effective for fiscal years beginning on or after July 1, 2021 and it intended to enhance comparability of financial statements among public sector entities by establishing uniform criteria for recognition and measurement of asset retirement obligations, including obligations that may not have previously been reported. This section would require public sector entities to review existing contract, legislation, regulations, and other resources to identify retirement activities associated with its controlled tangible capital assets.

**Revenue, Section PS 3400**

This section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions". This section applies to fiscal years beginning on or after April 1, 2022. Earlier adoption is permitted.

**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 Catholic Schools in the future.

**4. Cash and Cash Equivalents**

	2020	2019
Cash	\$ 7,636,723	\$ 6,682,134

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The cash is held in a bank account with the Canadian Imperial Bank of Commerce (CIBC) and is invested with the GNWT's investment pool.

**5. Special Purpose Funds**

YCS does not have special purpose funds.

**6. Restricted Assets**

YCS does not have any restricted assets.

**7. Portfolio Investments**

YCS does not have any portfolio investments.

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**8. Accounts Receivable**

	Accounts Receivable		AFDA		Net 2020		Net 2019	
Due from GNWT	\$	202,186	\$	-	\$	202,186	\$	18,540
Due from other		351,583		-		351,583		850,588
Due from related parties		320		-		320		12,702
<b>Total</b>	<b>\$</b>	<b>554,089</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>554,089</b>	<b>\$</b>	<b>881,830</b>

**9. Accounts Payable and Accrued Liabilities**

	2020		2019	
Damage deposits	\$	3,660	\$	3,660
Due to GNWT		99		1,473
Due to Workers' Safety and Compensation Commission		2,970		1,351
Trades payable		185,283		653,776
	<b>\$</b>	<b>192,012</b>	<b>\$</b>	<b>660,260</b>

**Payroll Liabilities**

Teachers - Northwest Territories Teachers' Association	\$	2,166,986	\$	2,346,857
Non-Teacher - Union of Northern Workers		857,324		625,509
	<b>\$</b>	<b>3,024,310</b>	<b>\$</b>	<b>2,972,366</b>

**10. Deferred Revenue**

	2020		2019	
Government of Canada - First Nations and Inuit Health Branch - Jordan's Principle	\$	785,303	\$	498,838
GNWT - Student Success Initiative	\$	41,609	\$	-
	<b>\$</b>	<b>826,912</b>	<b>\$</b>	<b>498,838</b>

**Yellowknife Catholic Schools**  
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**Notes to Consolidated Financial Statements**

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**11. Contribution Repayable**

YCS does not have any contribution repayable.

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

	Accounts Receivable		AFDA		Net 2020		Net 2019	
<b>Receivable</b>								
First Nations and Inuit Health Branch	\$	-	\$	-	\$	-	\$	88,052
GST receivable		210,798		-		210,798		127,508
	<b>\$</b>	<b>210,798</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>210,798</b>	<b>\$</b>	<b>215,560</b>
<b>Payable</b>								
GST payable	\$	797	\$	-	\$	797	\$	30,933
Receiver General		-		-		-		-
	<b>\$</b>	<b>797</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>797</b>	<b>\$</b>	<b>30,933</b>

**13. Capital Lease Obligations**

YCS does not have any capital lease obligations.

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**Yellowknife Catholic Schools**  
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**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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**14. Pensions**

**(a) Defined Contribution Plan**

Since January 1, 1966 Yellowknife Catholic Schools indeterminate staff have had the option to participate in a voluntary Defined Contribution (DC) pension plan. Since January 1, 1988, that participation has been in the Pension Plan for the Employees of Yellowknife Catholic Schools (the Plan).

All DC assets of the Plan are held by a Trustee in favour of individual employees. The only obligation to YCS is to match employee contributions. YCS fully funds its DC obligation under the Plan each month. YCS did not have any liability under the DC provision of the Plan as of June 30, 2019.

Effective May 1, 2013 teaching and non-union staff could no longer contribute to the DC provision. Instead all indeterminate teaching and non-unionized staff joined a new Defined Benefit (DB) provision of the Plan. Effective July 1, 2013, all indeterminate unionized non-teaching staff also ceased to make contributions to the DC provision and joined the DB provision of the Plan. After July 1, 2013, there are no employees making contributions to the DC provision.

DC assets of the Plan will continue to be held in Trust for the individual employees unless they either elect to transfer their DC account to the DB provision or leave the employment of Yellowknife Catholic Schools.

No assets or liabilities related to the DC provision are recorded in the financial statements of Yellowknife Catholic Schools.

**(b) Defined Benefit Plan**

Effective May 1, 2013 a Defined Benefit (DB) provision was added to the Pension Plan for the Employees of Yellowknife Catholic Schools.

Summary of Defined Benefit provision:

Each permanent full-time employee, belonging to an eligible class of employees, automatically becomes a Member of the plan as of the first day of employment with YCS.

Each permanent part-time employee, belonging to an eligible class of employees, automatically becomes a Member of the plan if the employee earns at least 37% of the equivalent full-time earnings for his or her particular position.

All Members and the Employer have agreed to share the cost of benefits accrued annually, plus the administrative expenses of the DB plan in the following ratio:

- Employer 52.38%
- Employee 47.62%

Members are required to make contributions at 8.80% of earnings below the Year's Maximum Pensionable Earnings (YMPE) and 11.60% of earnings above YMPE. The YMPE for the 2020 calendar year is \$58,700 (2019- \$57,400).

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**Yellowknife Catholic Schools**  
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**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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**14. Pensions (continued)**

**(b) Defined Benefit Plan (continued)**

The employer must contribute to the DB pension trust fund each year no less than its portion of the total current service cost as determined by the Actuary. In addition, YCS shall contribute to the Solvency Account such additional amounts as may be required, based on the advice of the Actuary, to amortize any going concern unfunded liabilities and solvency deficiencies of the Plan.

Normal retirement date for an employee is when they terminate employment with YCS having reached the age of 65. An employee would be entitled to an unreduced early retirement date when the Members' age plus years of service at YCS total 90. A Member may elect to retire up to 10 years prior to their normal retirement date or their unreduced retirement date and take a reduced pension benefit.

The annual pension payable to Member who retires at the normal retirement date is equal to 1.30% of the Member's Best Average Pensionable Earnings up to the Average YMPE plus 2% of the Member's Best Average Pensionable Earnings in excess of the Average YMPE, multiplied by years of Pensionable Service. Pensionable Earnings and the YMPE are averaged over the best 10 years prior to termination, death or retirement.

The plan provides inflation protection during retirement at 75% of the increase in Northwest Territories Consumer Price Index.

Benefits are vested immediately.

During fiscal 2019/2020 Yellowknife Catholic Schools contributed \$1,585,283 (\$1,526,682 in fiscal 2018/2019) in respect of DB accruals.

The date of the most recent actuarial valuation of the Plan is June 30, 2020. The Accrued Benefit Obligation was calculated using the projected unit credit method, pro-rated on service.

The DB Pension Trust fund assets are recorded at fair market value.

**(c) Supplementary Defined Benefit Pension Plan**

The supplementary plan applies to the Superintendent and the Assistant Superintendents. The supplementary plan provides a pension benefit for pensionable earnings in excess of the defined benefit limit set out in the Income Tax Act. This plan is a non-contributory plan and is not funded until the employee terminates their employment from Yellowknife Catholic Schools. The employer is responsible to provide a pension at retirement equivalent to what the employee would have earned under the Defined Benefit provision of the Pension Plan for the Employees of Yellowknife Catholic schools if there were no *Income Tax Act* maximum pension limits in place. The Accrued Benefit Obligation was calculated using the projected unit credit method, pro-rated on service.



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**June 30, 2020**

**14. Pensions (continued)**

*Information about the Defined Benefit Plan and Supplementary Defined Benefit Pension Plan as at June 30, 2020 is as follows:*

**(d) Plan assets**

	Pension Plan	Supplementary Plan	2020
Fair value, beginning of year	\$ 22,730,000	\$ -	\$ 22,730,000
Expected return on plan assets	1,118,800	-	1,118,800
Employer contributions	1,927,500	-	1,927,500
Employee contributions	1,437,600	-	1,437,600
Employee prior service contributions	-	-	-
Benefit payments and expenses	(1,716,100)	-	(1,716,100)
Experience (loss) gain	(825,700)	-	(825,700)
<b>Fair value, end of year</b>	<b>\$ 24,672,100</b>	<b>\$ -</b>	<b>\$ 24,672,100</b>

**(e) Accrued benefit obligations**

	Pension Plan	Supplementary Plan	2020
Balance, beginning of year	\$ 20,776,700	\$ 70,300	\$ 20,847,000
Current service cost	2,819,600	15,700	2,835,300
Interest cost on accrued benefit obligation	1,080,100	2,000	1,082,100
Employer prior service cost	-	-	-
Employee prior service cost	-	-	-
Benefit payments and expenses	(1,716,100)	-	(1,716,100)
(Gains) / losses on accrued benefit obligation	(261,200)	21,100	(240,100)
<b>Balance, end of year</b>	<b>\$ 22,699,100</b>	<b>\$ 109,100</b>	<b>\$ 22,808,200</b>

**Yellowknife Catholic Schools**  
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**Notes to Consolidated Financial Statements**

**June 30, 2020**

**14. Pensions (continued)**

**(f) Funded status**

	Pension Plan	Supplementary Plan	2020
Plan surplus / (deficit)	\$ 1,973,000	\$ (109,100)	\$ 1,863,900
Unrecognized (gains) losses	846,900	21,100	868,000
Accrued benefit asset (liability) before limit on assets	2,819,900	(88,000)	2,731,900
Impact of limit on assets	(2,819,900)	-	(2,819,900)
<b>Accrued benefit asset (liability) after limit on assets</b>	<b>\$ -</b>	<b>\$ (88,000)</b>	<b>\$ (88,000)</b>

**(g) Determination of pension cost**

	Pension Plan	Supplementary Plan	2020
Current service cost	\$ 1,382,000	\$ 15,700	\$ 1,397,700
Interest on accrued benefit obligation	(38,700)	2,000	(36,700)
Amortization of losses / (gains)	26,100	-	26,100
Extraordinary items	-	-	-
Change in valuation allowance	558,100	-	558,100
<b>Pension expense</b>	<b>\$ 1,927,500</b>	<b>\$ 17,700</b>	<b>\$ 1,945,200</b>

**Yellowknife Catholic Schools**  
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**Notes to Consolidated Financial Statements**

**June 30, 2020**

**14. Pensions (continued)**

*Information about the Defined Benefit Plan and Supplementary Defined Benefit Pension Plan as at June 30, 2019 is as follows:*

**(h) Plan assets**

	Pension Plan	Supplementary Plan	2019
Fair value, beginning of year	\$ 19,969,400	\$ -	\$ 19,969,400
Expected return on plan assets	1,002,400	-	1,002,400
Employer contributions	1,867,200	-	1,867,200
Employee contributions	1,386,200	-	1,386,200
Employee prior service contributions	-	-	-
Benefit payments and expenses	(987,100)	-	(987,100)
Experience (loss) gain	(508,100)	-	(508,100)
<b>Fair value, end of year</b>	<b>\$ 22,730,000</b>	<b>\$ -</b>	<b>\$ 22,730,000</b>

**(i) Accrued benefit obligations**

	Pension Plan	Supplementary Plan	2019
Balance, beginning of year	\$ 18,275,300	\$ 145,700	\$ 18,421,000
Current service cost	2,675,800	23,800	2,699,600
Interest cost on accrued benefit obligation	971,700	2,000	973,700
Employer prior service cost	-	-	-
Employee prior service cost	-	-	-
Benefit payments and expenses	(987,100)	-	(987,100)
(Gains) / losses on accrued benefit obligation	(159,000)	(101,200)	(260,200)
<b>Balance, end of year</b>	<b>\$ 20,776,700</b>	<b>\$ 70,300</b>	<b>\$ 20,847,000</b>

**Yellowknife Catholic Schools**  
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**Notes to Consolidated Financial Statements**

**June 30, 2020**

**14. Pensions (continued)**

**(j) Funded status**

	Pension Plan	Supplementary Plan	2019
Plan surplus (deficit)	\$ 1,953,300	\$ (70,300)	\$ 1,883,000
Unrecognized (gains) losses	308,500	-	308,500
Accrued benefit asset (liability) before limit on assets	2,261,800	(70,300)	2,191,500
Impact on limit of assets	(2,261,800)	-	(2,261,800)
<b>Accrued benefit asset (liability)</b>	<b>\$ -</b>	<b>\$ (70,300)</b>	<b>\$ (70,300)</b>

**(k) Determination of pension cost**

	Pension Plan	Supplementary Plan	2019
Current service cost	\$ 1,289,600	\$ 23,800	\$ 1,313,400
Interest on accrued benefit obligation	(30,700)	2,000	(28,700)
Amortization of losses/ (gains)	100	700	800
Extraordinary items	-	(95,100)	(95,100)
Change in valuation allowance	608,200	-	608,200
<b>Pension expense</b>	<b>\$ 1,867,200</b>	<b>\$ (68,600)</b>	<b>\$ 1,798,600</b>

**(l) Actuarial assumptions**

	2020	2019
Discount rate - pension plan	4.75%	4.75%
Discount rate - supplementary plan	2.30%	1.20%
Expected return on plan assets - pension plan	4.75%	4.75%
Expected return on plan assets - supplementary plan	n/a	n/a
Salary increase - pension plan	2.00%	2.00%
Salary increase - supplementary plan	2.00%	2.00%
Mortality table	100% of the CPM 2014 table *	100% of the CPM 2014 table *
Expected average remaining services lifetime (EARSL) - pension plan	13.6 Years	13.6 Years
Expected average remaining services lifetime (EARSL) - supplementary plan	20.2 Years	9.8 Years

\* 2020 - 100% of the 2014 Canadian Pensioners' Public Sector Mortality Table with projection scale CPM-B;  
2019 - 100% of the 2014 Canadian Pensioners' Public Sector Mortality Table with projection scale CPM-B.

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**Yellowknife Catholic Schools**  
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**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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**14. Pensions (continued)**

(m) Plan assets consist of:

	2020	2019
Fixed income securities	60%	60%
Equity securities	40%	40%

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**15. Long-Term Debt**

	2020	2019
Government of the Northwest Territories debenture, repayable in monthly instalments of \$10,000 including interest. Interest rate consistent with GNWT cost of borrowing at a current rate of 2.30%. If rates do not change, the final instalment will be due in 2025.	\$ 520,741	\$ 629,257

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The debenture are repayable annually as follows:

2021	\$ 116,023
2022	117,013
2023	118,012
2024	119,016
2025 and thereafter	50,677

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\$ 520,741

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The debentures are registered.

**Yellowknife Catholic Schools**  
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**Notes to Consolidated Financial Statements**

**June 30, 2020**

**16. Post-Employment Benefits and Compensated Absences**

In addition to pension benefits, the YCS provides severance, removal and compensated absence (sick, accident or injury, special) 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 YCS employees based on the appropriate combinations that include inputs such as when the employee was hired, the rate of pay, and the number of years of continuous employment. Removal benefits are paid to YCS employees based on the number of years of continuous employment. The benefits under these two categories were actuarially valued using the projected unit credit methodology.

Compensated absence benefits generally accrue as employees 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. Benefits that accrue under compensated absence were actuarially valued using the expected utilization methodology.

**Valuation results**

The actuarial valuation was completed as at March 31, 2020. The liabilities are actuarially determined as the present value of the accrued benefits at February 15, 2019 and the results extrapolated to March 31, 2020. The values presented below are for all the benefits under the Compensated Absences and Termination Benefits for the consolidated Government.

**Reconciliation of Accrued Benefit Obligation**

	Severance and removal	Compensated absences	2020	2019
Accrued benefit obligation, beginning of year	\$ 809,954	\$ 423,672	\$ 1,233,626	\$ 932,420
Current service cost	47,418	25,139	72,557	67,957
Interest cost	25,382	13,542	38,924	33,685
Benefits paid	(488,409)	(14,876)	(503,285)	(37,087)
Plan amendments	265,970	(81,954)	184,016	236,653
Actuarial gains/losses				
Accrued benefit obligations, end of year	660,315	365,523	1,025,838	1,233,628
Unamortized net actuarial gain/loss	(217,001)	(122,687)	(339,688)	(190,062)
<b>Accrued benefit liability</b>	<b>\$ 443,314</b>	<b>\$ 242,836</b>	<b>\$ 686,150</b>	<b>\$ 1,043,566</b>

**Yellowknife Catholic Schools**  
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**Notes to Consolidated Financial Statements**

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**16. Post-Employment Benefits and Compensated Absences (continued)**

**Benefits Expense**

	Severance and removal	Compensated absences	2020	2019
Current service cost	\$ 47,418	\$ 25,139	\$ 72,557	\$ 67,957
Interest cost	25,382	13,542	38,924	33,683
Amortization of net actuarial (gain)/loss	(10,034)	44,422	34,388	5,876
Plan amendment				
<b>Benefit expense, end of year</b>	<b>\$ 62,766</b>	<b>\$ 83,103</b>	<b>\$ 145,869</b>	<b>\$ 107,516</b>

The discount rate used to determine the accrued benefit obligation was an average of 2.70%, (2019 - 3.20%).  
 The expected payments during the next five fiscal years are:

	Severance and removal	Compensated absences	Total
2021	\$ 82,031	\$ 33,927	\$ 115,958
2022	64,657	28,033	92,690
2023	55,388	24,529	79,917
2024	49,554	22,540	72,094
2025	51,498	26,927	78,425
<b>Total</b>	<b>\$ 303,128</b>	<b>\$ 135,956</b>	<b>\$ 439,084</b>

**17. Trust Assets Under Administration**

YCS does not have any trust assets under administration.

**Yellowknife Catholic Schools**  
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**18. Tangible Capital Assets**

	Cost	Additions	Disposals	Amortization	Accumulated Amortization	Net Book Value, June 30, 2020	Net Book Value June 30, 2019
<b>Land and Improvements</b>	\$ 1,838,825	\$ -	\$ -	\$ -	\$ -	\$ 1,838,825	\$ 1,838,825
<b>Equipment</b>	608,036	162,232	-	86,478	410,699	359,569	283,815
<b>Buildings and Portables</b>							
Career and Technical Centre	2,878,913	-	-	73,888	1,179,490	1,699,423	1,773,311
Central Services offices	1,048,460	-	-	41,700	702,068	346,392	388,092
Ecole St. Joseph School	37,333,024	60,960	-	788,566	14,989,728	22,404,256	23,131,863
Ecole St. Patrick High School	12,292,334	-	-	321,853	7,437,456	4,854,878	5,176,731
Tallah Building	621,027	-	-	15,757	120,621	500,406	516,163
Weledeh Catholic School	12,557,840	18,171	-	331,070	6,247,498	6,328,513	6,641,411
	<b>66,731,598</b>	<b>79,131</b>	<b>-</b>	<b>1,572,834</b>	<b>30,676,861</b>	<b>36,133,868</b>	<b>37,627,571</b>
	<b>\$ 69,178,459</b>	<b>\$ 241,363</b>	<b>\$ -</b>	<b>\$ 1,659,312</b>	<b>\$ 31,087,560</b>	<b>\$ 38,332,262</b>	<b>\$ 39,750,211</b>



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**June 30, 2020**

**19. Prepaid Expenses and Deposits**

	2020	2019
Prepays	\$ 176,410	\$ 63,279

**20. GNWT Assets Provided At No Cost**

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

	Cost	Accumulated Amortization	2020 Net Book Value	2019 Net Book Value
St. Joseph Portables 4Units	\$ 1,622,045	\$ 57,477	\$ 1,564,568	\$ 1,615,286

**21. Contractual Obligations**

YCS has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2020.

YCS is committed to four janitorial contracts for various schools and buildings. All of the contracts expire in June 2021. YCS has a contract with First Canada ULC (o/a First Student Canada) for student transportation. The contract expired in June 2020 and was extended for a year until June 2021. YCS has various contracts for anti-virus software, courier services, elevator maintenance, employee assistance, primary rate interface (PRI) phone service, photocopiers, and postage machines.

The future minimum payments are as follows.

	Expiry Date	2021	2022	2023	2024+	Total
Anti-virus software	Aug 2021	\$ 6,685	\$ 557	\$ -	\$ -	\$ 7,242
Courier services	June 2021	7,031	-	-	-	7,031
Elevator services	June 2021	8,860	6,645	-	-	15,505
Janitorial	June 2022	645,687	645,687	-	-	1,291,374
PRI Lines	June 2024	13,264	13,264	13,264	39,792	79,584
Photocopier	June 2023	18,467	3,494	273	-	22,234
Postage machine	June 2023	683	683	626	-	1,992
Student bussing	June 2021	400,000	-	-	-	400,000
Clark Builders	Aug 2020	391,642	-	-	-	391,642
		<b>\$ 1,492,319</b>	<b>\$ 670,330</b>	<b>\$ 14,163</b>	<b>\$ 39,792</b>	<b>\$ 2,216,604</b>

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# Yellowknife Catholic Schools

(Yellowknife Public Denominational District Education Authority)

## Notes to Consolidated Financial Statements

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June 30, 2020

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### 21. Contractual Obligations (continued)

Yellowknife Catholic Schools have collective agreements with the Northwest Territories Teachers' Association and the Public Service Alliance of Canada as represented by its agent the Union of Northern Workers. A four year agreement with the Northwest Territories Teachers' Association was signed for the period from September 2016 to August 2020. A three year agreement with the Public Service Alliance of Canada as represented by its agent the Union of Northern Workers was signed for a period from July 2019 to June 2022.

### 22. Contingencies

On July 15, 2019, YCS received a legal claim on a human rights violation reported by an employee. As of June 30, 2020, YCS assessed that the claim is likely to result in damages being paid to the defendant. As an estimate of the damage has not been completed by the year-end date, no liability has been recognized.

### 23. Related Parties

YCS has the following transactions with government and other government controlled organizations:

#### Due to related parties:

	2020	2019
<b>Government of the Northwest Territories</b>		
Department of Education, Culture and Employment	\$ -	\$ 1,473
Department of Finance	99	-

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**Yellowknife Catholic Schools**  
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**Notes to Consolidated Financial Statements**

**June 30, 2020**

**23. Related Parties (continued)**  
**Due from related parties:**

	Accounts Receivable	AFDA	2020	2019
<b>Government of the Northwest Territories</b>				
Aurora College	\$ 24,994	\$ -	\$ 24,994	\$ 12,702
Department of Education, Culture and Employment	159,212	-	159,212	18,540
Department of Finance	38,736	-	38,736	-
NWT Health & Social Services - Yellowknife Region	4,330	-	4,330	-
<b>Total due from related parties</b>	<b>\$ 227,272</b>	<b>\$ -</b>	<b>\$ 227,272</b>	<b>\$ 31,242</b>

**Revenue from related parties:**

	2020	2019
<b>Government of the Northwest Territories</b>		
Department of Education, Culture & Employment	\$ 20,116,548	\$ 20,164,289
Department of Municipal and Community Affairs	\$ 63,650	\$ 65,150
Department of Health and Social Services	\$ 8,792	\$ 10,060
Department of Environment & Natural Resources	\$ 8,000	\$ 8,000
<b>Beaufort Delta Education Authority</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>
<b>Aurora College - Tallah building</b>	<b>\$ 119,399</b>	<b>\$ 120,524</b>
<b>Dehcho District Education Authority</b>	<b>\$ 130,650</b>	<b>\$ 86,544</b>

**Expenses from related parties:**

	2020	2019
<b>Government of the Northwest Territories</b>		
Department of Education, Culture & Employment	\$ 3,673	\$ 6,360
Department of Infrastructure	\$ 4,563	\$ 2,678
Department of Finance - debenture	\$ 120,000	\$ 120,000
Department of Finance	\$ 875	\$ -
Department of MACA	\$ -	\$ 662
Department of Environment & Natural Resources	\$ -	\$ 555
NWT Health & Social Services	\$ 545	\$ 7,090
<b>YK Education District No. 1</b>	<b>\$ 615</b>	<b>\$ 1,691</b>
<b>South Slave Divisional Education</b>	<b>\$ 1,353</b>	<b>\$ 2,526</b>
<b>Commission Scholaire Francophone</b>	<b>\$ 2,455</b>	<b>\$ -</b>
<b>Dehcho Divisional Educational Council</b>	<b>\$ 875</b>	<b>\$ 600</b>

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# Yellowknife Catholic Schools

(Yellowknife Public Denominational District Education Authority)

## Notes to Consolidated Financial Statements

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June 30, 2020

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### 24. 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 YCS.

The budget figures presented are those approved by the Trustees of YCS on May 15, 2019 and have not been audited.

### 25. Economic Dependence

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

### 26. Risk Management

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

#### a) Credit risk

Credit risk is the risk of financial loss to the YCS if a debtor fails to make payments of interest and principal when due. The YCS is exposed to this risk relating to its cash and cash equivalents, due from the Government of Canada, and accounts receivable. The YCS holds its cash in accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the YCS's cash in accounts are insured up to \$300,000.

Credit risk related to accounts receivable is mitigated by controls over arrears accounts for ultimate collection and policies in place for debt collection. YCS's maximum exposure to credit risk at March 31, 2020 is as follows:

	2020
Cash and cash equivalents	\$ 7,636,723
Due from Government of Canada	210,798
Accounts receivable	554,089
Maximum credit risk exposure	<u>\$ 8,401,610</u>

At June 30, 2020, the following accounts receivable were past due but not impaired.

	30 days	60 days	90 days
Accounts receivable	\$ -	\$ -	\$ 16,754

At June 30, 2020, YCS does not have any impaired accounts receivable.

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**Yellowknife Catholic Schools**  
(Yellowknife Public Denominational District Education Authority)

**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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**26. Risk Management (continued)**

YCS does have concentration of credit risk in its accounts receivable. Concentration of credit risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus there is a higher risk to YCS in the event of a default. At June 30, 2020, receivables from two customers comprised 76% of the total outstanding receivable, YCS reduces this risk by monitoring overdue balances.

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

**b) Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in interest rates. YCS has exposure to interest rate risk on its long-term debt of \$520,741 (2019 - \$629,257) may be adversely affected by a change in the interest rates.

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

**c) Liquidity risk**

Liquidity risk is the risk that the YCS will not be able to meet all cash outflow obligations as they come due. The YCS 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 table below shows when various financial assets and liabilities mature.

**Yellowknife Catholic Schools**  
**(Yellowknife Public Denominational District Education Authority)**

**Notes to Consolidated Financial Statements**

**June 30, 2020**

<b>Financial assets</b>	Up to 6 months	6 months to 1 year	1 to 5 years	Over 5 years
Cash and cash equivalents	\$ 7,636,723	\$ -	\$ -	\$ -
Due from the government of Canada	210,798	-	-	-
Accounts receivable	554,089	-	-	-
<b>Total assets</b>	<b>\$ 8,401,610</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Total assets - prior year	\$ 7,779,524	\$ -	\$ -	\$ -
<b>Financial liabilities</b>	Up to 6 months	6 months to 1 year	1 to 5 years	Over 5 years
Accounts payable and accrued liabilities	\$ 192,012	\$ -	\$ -	\$ -
Payroll benefits payable	16,451	-	-	-
Due to the Government of Canada	796	-	-	-
Long-term debt	58,011	58,012	354,041	50,677
Accrued payroll liabilities	3,024,310	-	-	-
<b>Total liabilities</b>	<b>\$ 3,291,580</b>	<b>\$ 58,012</b>	<b>\$ 354,041</b>	<b>\$ 50,677</b>
Total liabilities - prior year	\$ 3,632,857	\$ 58,289	\$ 460,939	\$ 159,367
<b>Net total</b>	<b>\$ 5,110,030</b>	<b>\$ (58,012)</b>	<b>\$ (354,041)</b>	<b>\$ (50,677)</b>
Net total - prior year	\$ 4,146,667	\$ (58,289)	\$ (460,939)	\$ (159,367)

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.

**27. Expenditures By Object**

	2020 Budget	2020 Actual	2019 Actual
Amortization	\$ 1,600,000	\$ 1,659,314	\$ 1,640,149
Compensation	22,660,348	21,728,426	21,392,174
Interest on long-term debt	6,843	10,884	17,028
Materials/freight	609,189	868,748	715,183
Services purchased/contracted	3,543,223	3,237,190	3,109,148
	<b>\$ 28,419,603</b>	<b>\$ 27,504,562</b>	<b>\$ 26,873,682</b>

**Yellowknife Catholic Schools**  
 (Yellowknife Public Denominational District Education Authority)

**Notes to Consolidated Financial Statements**

**June 30, 2020**

**28. Subsequent Events**

There were no subsequent events that have taken place between June 30, 2020 and the date the audit report was signed.

**29. Comparative Figures**

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

**30. ECE Contributions**

	<b>2020</b>	<b>2019</b>
<b>Original contribution</b>	\$ 19,190,309	\$ 19,393,697
SSI	61,391	103,000
Additional JK classroom materials	-	12,000
Termination benefits	131,994	67,078
Mentorship release time	-	13,286
Mentorship release time	27,976	52,000
Modular Furniture and Equipment	50,000	-
Senior management salary grid increase	-	2,218
UNW Collective Bargaining Impact	152,292	-
UNW Northern Allowance Revisedt	10,216	-
<b>Updated contribution</b>	<b>\$ 19,624,178</b>	<b>19,643,279</b>
Aboriginal language	-	56,000
After school program subsidy	49,372	33,362
DELf	40,000	44,500
Extra French funding	23,000	16,027
French language funding	280,500	280,500
JK Funding	-	24,000
Labour Market Agreement for Persons with Disabilities	-	-
Official language	7,500	-
Self regulation	4,945	7,000
Health and wellness	28,620	28,620
Regional inclusive schooling	16,823	18,500
Youth with disabilities	-	12,500
<b>TOTAL</b>	<b>\$ 20,074,938</b>	<b>\$ 20,164,288</b>

**Yellowknife Catholic Schools**  
 (Yellowknife Public Denominational District Education Authority)

**Notes to Consolidated Financial Statements**

**June 30, 2020**

**31. GNWT - Other Contributions**

	2020	2019
<b>Department of MACA</b>		
Active After School	\$ 46,650	\$ 48,150
Regional youth handgames	17,000	17,000
<b>Department of Health and Social Services</b>		
Drop the Pop	8,792	10,060
<b>Department of Environment &amp; Natural Resources</b>		
Take a Kid Trapping	8,000	8,000
<b>Department of Justice</b>		
Darkspark	20,000	-
<b>TOTAL</b>	<b>\$ 100,442</b>	<b>\$ 83,210</b>

**32. Contingent Assets**

YCS does not have any contingent assets.

**33. Contractual Rights**

YCS has entered into a number of contract that will become assets and revenues in the future when the terms of the contracts are met:

	2021	2022	2023	2024 and beyond	Total
Tallah Building	\$ 107,426	\$ -	\$ -	\$ -	\$ 107,426

YCS has entered a rental agreement with Aurora College for the rental of the Tallah Building. The lease agreement expires on June 30, 2021.

**34. COVID-19**

On March 11, 2020, the World Health Organization declared a global pandemic of the novel coronavirus identified as "COVID-19". In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations, resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal, provincial and territorial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Yellowknife Catholic Schools and its operations in future periods.



**Yellowknife Catholic Schools**  
**(Yellowknife Public Denominational District Education Authority)**

**Schedule 1**  
**Operating Fund - Detail of Expenditures**

For the period ended June 30, 2020

	School Programs	Inclusive Schooling (Schedule 2)	Operations & Maintenance	Board Administration	Indigenous Languages (Schedule 3)	Transfers & Others	Total 2020	Budget 2020	Total 2019
<b>Salaries</b>									
Teachers	\$9,544,603	\$1,221,654	\$ -	\$ -	\$ 421,331	\$ -	\$11,187,588	\$12,040,054	\$11,515,654
Instruction assistants	-	2,539,122	-	-	-	-	2,539,122	2,785,037	2,325,680
Non-instructional	1,060,183	384,267	289,758	899,644	90,300	-	2,724,152	2,417,012	2,587,777
Board honoraria	-	-	-	70,026	-	-	70,026	68,000	70,841
	<b>10,604,786</b>	<b>4,145,043</b>	<b>289,758</b>	<b>969,670</b>	<b>511,631</b>	<b>-</b>	<b>16,520,888</b>	<b>17,310,103</b>	<b>16,499,952</b>
<b>Employee Benefits</b>									
Employee benefits	3,423,910	1,279,313	83,214	222,068	129,935	-	5,138,440	5,325,245	4,862,034
Leave and termination benefits	69,098	-	-	-	-	-	69,098	25,000	30,188
	<b>3,493,008</b>	<b>1,279,313</b>	<b>83,214</b>	<b>222,068</b>	<b>129,935</b>	<b>-</b>	<b>5,207,538</b>	<b>5,350,245</b>	<b>4,892,222</b>
<b>Services Purchased/Contracted</b>									
Advertising/publishing	7,620	-	-	22,407	3,325	-	33,352	64,500	61,964
Communication	46,847	-	5,060	26,017	-	-	77,924	-	77,748
Contracted services	421,581	29,478	718,407	2,268	4,978	-	1,176,712	568,100	890,854
Maintenance & repairs	2,818	2,184	401,869	515	9,205	-	416,591	341,000	347,208
Other	58,404	-	11,973	25,812	-	-	96,189	-	142,649
Professional/technical	21,699	85,048	-	76,455	24,340	-	207,542	1,169,791	259,039
Rental/leases	31,225	-	-	9,691	-	-	40,916	57,911	39,401
Student transportation	327,371	1,603	-	-	-	-	328,974	453,500	411,835
Travel	4,774	-	-	21,214	-	-	25,988	22,921	29,054
Utilities: Electricity	-	-	405,084	-	-	-	405,084	435,000	427,677
Heating	-	-	328,566	-	-	-	328,566	316,000	322,393
Water/sewage	-	-	99,352	-	-	-	99,352	114,500	99,326
	<b>922,339</b>	<b>118,313</b>	<b>1,970,311</b>	<b>184,379</b>	<b>41,848</b>	<b>-</b>	<b>3,237,190</b>	<b>3,543,223</b>	<b>3,109,148</b>
<b>Materials/Freight</b>									
Materials	468,829	280,458	-	29,334	86,340	-	864,961	600,689	708,054
Freight	3,787	-	-	-	-	-	3,787	8,500	7,129
	<b>472,616</b>	<b>280,458</b>	<b>-</b>	<b>29,334</b>	<b>86,340</b>	<b>-</b>	<b>868,748</b>	<b>609,189</b>	<b>715,183</b>

Continued on next page

**Yellowknife Catholic Schools**  
**(Yellowknife Public Denominational District Education Authority)**

**Schedule 1 (Continued)**  
**Operating Fund - Detail of Expenditures**

**For the period ended June 30, 2020**

	School Programs	Inclusive Schooling (Schedule 2)	Operations & Maintenance	Board Administration	Indigenous Languages (Schedule 3)	Transfers & Others	Total 2020	Budget 2020	Total 2019
Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,659,314	\$ 1,659,314	\$ 1,600,000	\$ 1,640,149
Debt interest	-	-	-	-	-	10,884	10,884	6,843	17,028
	-	-	-	-	-	<b>1,670,198</b>	<b>1,670,198</b>	1,606,843	1,657,177
<b>Total</b>	<b>\$15,492,749</b>	<b>\$ 5,823,127</b>	<b>\$ 2,343,283</b>	<b>\$ 1,405,451</b>	<b>\$ 769,754</b>	<b>\$ 1,670,198</b>	<b>\$27,504,562</b>	<b>\$28,419,603</b>	<b>\$26,873,682</b>

**Yellowknife Catholic Schools**  
 (Yellowknife Public Denominational District Education Authority)

**Schedule 2**  
**Detail of Inclusive Schooling Expenditures**

**For the period ended June 30, 2020**

	Staff Development	General Inclusive Schooling	Assistive Technology	Magnet Facilities	Total
<b>Salaries</b>					
Consultants	\$ -	\$ 74,775	\$ -	\$ -	\$ 74,775
Non-instructional	-	384,267	-	-	384,267
Support assistants	-	2,479,895	-	59,228	2,539,123
Teachers	14,553	1,024,070	-	108,256	1,146,879
	<b>14,553</b>	<b>3,963,007</b>	<b>-</b>	<b>167,484</b>	<b>4,145,044</b>
<b>Employee Benefits</b>	<b>-</b>	<b>1,224,511</b>	<b>-</b>	<b>54,802</b>	<b>1,279,313</b>
<b>Services Purchased/Contracted</b>					
Contracted services	-	29,478	-	-	29,478
Maintenance & repairs	-	-	2,184	-	2,184
Professional/technical	7,724	77,324	-	-	85,048
Student transportation	-	1,603	-	-	1,603
	<b>7,724</b>	<b>108,405</b>	<b>2,184</b>	<b>-</b>	<b>118,313</b>
<b>Materials/Freight</b>	<b>4,734</b>	<b>272,332</b>	<b>255</b>	<b>3,137</b>	<b>280,458</b>
<b>Total</b>	<b>\$ 27,011</b>	<b>\$ 5,568,255</b>	<b>\$ 2,439</b>	<b>\$ 225,423</b>	<b>\$ 5,823,128</b>

**Yellowknife Catholic Schools**  
 (Yellowknife Public Denominational District Education Authority)

**Schedule 3**  
**Indigenous Languages and Culture Program Expenditures**

**For the period ended June 30, 2020**

	Student Instruction	Teaching/ Learning Resources	Professional Development	School and Community Programs	Total
<b>Salaries</b>					
ALCBE teachers	\$ 421,330	\$ -	\$ -	\$ -	\$ 421,330
Honoraria	-	19,850	-	16,175	36,025
Elders in Schools	-	54,275	-	-	54,275
	421,330	74,125	-	16,175	511,630
<b>Employee Benefits</b>	129,935	-	-	-	129,935
<b>Services Purchased/Contracted</b>					
Maintenance and repairs	-	-	9,205	-	9,205
Printing and publishing	-	3,325	-	-	3,325
Professional development	-	-	23,640	700	24,340
Student transportation	-	-	4,978	-	4,978
Supplies	-	-	-	86,340	86,340
	-	3,325	37,823	87,040	128,188
<b>Total</b>	<b>\$ 551,265</b>	<b>77,450</b>	<b>\$ 37,823</b>	<b>\$ 103,215</b>	<b>\$ 769,753</b>

**Yellowknife Catholic Schools**  
(Yellowknife Public Denominational District Education Authority)

**Schedule 4**  
**Indigenous Language Materials**

**For the period ended June 30, 2020**

	July 1, 2019 to March 31, 2020	April 1, 2020 to June 30, 2020	Total
<b>Revenue</b>			
<b>Expenditures</b>			
Contract services	\$ 19,915	\$ -	\$ 19,915
Supplies and materials	21,073	-	21,073
	<b>40,988</b>	<b>-</b>	<b>40,988</b>
<b>Deficit</b>	<b>\$ (40,988)</b>	<b>\$ -</b>	<b>\$ (40,988)</b>

**Yellowknife Catholic Schools**  
 (Yellowknife Public Denominational District Education Authority)

**Schedule 5**  
**French Language Programs**

**For the period ended June 30, 2020**

	Contribution from GNWT	Commitment from YCS	Actual Expenditures	(Over) under Expenditures
<b>Bilateral Agreement Funding</b>				
<b>Special Projects</b>				
Consultant - Immersion/Core French	\$ 60,000	\$ 87,000	\$ 160,291	\$ (13,291)
Core French (salary and benefits)	100,000	182,000	319,143	(37,143)
French cultural activities	4,000	5,000	7,314	1,686
French resources	11,000	8,000	23,733	(4,733)
Late Immersion Training	-	-	295	(295)
Late immersion Camp	-	-	291	(291)
Literacy (salary and benefits)	56,000	65,000	106,084	14,916
Professional development	4,000	8,000	22,249	(10,249)
Teacher assistant (salary and benefits)	45,500	30,000	81,409	(5,909)
<b>Total</b>	<b>\$ 280,500</b>	<b>\$ 385,000</b>	<b>\$ 720,809</b>	<b>\$ (55,309)</b>

**Yellowknife Catholic Schools**  
 (Yellowknife Public Denominational District Education Authority)

**Schedule 6**  
**Student Success Initiative Projects**

For the period ended June 30, 2020

	Math Project	Leadership Development	Student Agency	Student Wellness	Compacting the Curriculum	Numeracy	Total
<b>Revenue</b>							
Government of Northwest Territories - Department of Education, Culture and Employment	\$ 14,500	\$ 28,000	\$ 23,500	\$ 16,500	\$ 17,000	\$ 3,500	103,000
<b>Expenditures</b>							
Contracted services	\$ 5,375	\$ 7,724	\$ 8,500	-	\$ 1,500	-	\$ 23,099
Professional development	5,010	-	-	-	-	-	5,010
Substitute teacher wages	2,960	2,371	16,852	8,036	429	281	30,929
Supplies	384	1,123	240	271	-	-	2,018
Trainings	-	-	-	-	-	335	335
	<b>13,729</b>	<b>11,218</b>	<b>25,592</b>	<b>8,307</b>	<b>1,929</b>	<b>616</b>	<b>61,391</b>
<b>Net surplus (deficit)</b>	<b>\$ 771</b>	<b>\$ 16,782</b>	<b>\$ (2,092)</b>	<b>\$ 8,193</b>	<b>\$ 15,071</b>	<b>\$ 2,884</b>	<b>\$ 41,609</b>
<b>Deferred Revenue</b>							<b>\$ (41,609)</b>

**Yellowknife Catholic Schools**  
**(Yellowknife Public Denominational District Education Authority)**  
**Schedule 7 Jordan's Principle**

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**For the period ended June 30, 2020**

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	<b>June 30, 2020 Budget</b>	<b>June 30, 2020 Actual</b>	<b>June 30, 2019 Actual</b>	<b>July 2019 to March 2020 Actual</b>	<b>April 2020 to June 2020 Actual</b>
<b>Revenue</b>					
<b>Government of Canada</b>					
First Nation and Inuit Health Branch	\$ 1,458,000	\$ 1,893,917	\$ 1,373,823	\$ 1,611,268	\$ 282,649
Carry Forward from Previous Year	-	498,838	-	498,838	1,149,383
<b>Total Revenue</b>	<b>\$ 1,458,000</b>	<b>\$ 2,392,755</b>	<b>\$ 1,373,823</b>	<b>\$ 2,110,106</b>	<b>\$ 1,432,032</b>
<b>Expenditures</b>					
Administration	-	219,523	219,523	127,323	92,200
Personnel	\$ 1,458,000	\$ 1,341,070	\$ 646,774	\$ 786,541	\$ 554,529
Materials and Supplies	-	22,756	-	22,756	-
Other	-	24,103	8,488	24,103	-
<b>Total Expenses</b>	<b>1,458,000</b>	<b>1,607,452</b>	<b>874,785</b>	<b>960,723</b>	<b>646,729</b>
<b>Net surplus (deficit)</b>	<b>\$ -</b>	<b>\$ 785,303</b>	<b>\$ 499,038</b>	<b>\$ 1,149,383</b>	<b>\$ 785,303</b>



**Yellowknife District No.1 Education Authority**

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

**Financial Statements**

**June 30, 2020**





**Yellowknife District No. 1 Education Authority**

**(the "Authority")**

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YELLOWKNIFE EDUCATION DISTRICT NO. 1  
OF THE NORTHWEST TERRITORIES  
ADMINISTRATION SCOLAIRE DE DISTRICT NO 1 DE YELLOWKNIFE  
Box 788, Yellowknife, NT X1A 2N6  
Tel: (867) 766-5050 Fax: (867) 873-5051  
yk1.nf.ca yk1@yk1.nf.ca

# Management Discussion and Analysis

June 30, 2020

## 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:

Tina Drew, Chairperson  
Satish Garikaparathi, Vice Chairperson

### Trustees:

Jay Butler  
Terry Brookes  
Al McDonald  
Rajiv Rawat  
John Stephenson

### Active Committees include:

- Policy Committee
- Public Relations Committee
- Finance Committee

## **YK1 Strategic Directions**

### **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 Williwideh language
- Ensuring all schools reflect Indigenous Language and Culture
- Engaging all students in Indigenous cultural experiences
- Increasing the number of skilled instructors of Indigenous Language and Culture-based education
- Strengthening relationships with Indigenous communities

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

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

## **Operating Environment**

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

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

- Mildred Hall School (MHS) is an English school which also offers Core French and Willíideh language courses
- The school offers many extracurricular activities such as team sports, fine arts, guitar, fiddling and various band instruments; alternative sports such as mountain biking roller blading; alternative options such as jigging, lego and crochet clubs
- An "On the Land Mentorship" program was established where students are paired with Indigenous experts and Elders to learn important skills like snaring, tanning moose hide and setting nets
- MHS provides a breakfast and hot lunch program. The school also has a large garden where students grow vegetables that are used in the foods program
- 'Peacemakers', a peer leadership group in the school, promotes education surrounding bullying and bullying prevention
- MHS is also home to the Birchbark Discovery Centre, a community-based alternative education program for children in Grades 1 to 4, with room to expand in future school years.

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

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

### **École J.H. Sissons (JK-5)**

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

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

- École William McDonald Middle School (EWMS) offers programming for Grades 6 to 8 in both English and French Immersion
- Other French options include: Intensive French - Grade 6, Post-Intensive French - Grade 7 and 8, and Core French - Grade 6 to 8
- EWMS offers exploratory programs such as Industrial Arts, Home Economics and Outdoor Education
- The school offers a Sports Academy program which includes hockey, soccer, dance, fitness and cross training. Recently updating the fitness room allowed the school to expand its sports programming
- Special multiple-day camps available for Grade 8 students such as Camp Akaitcho and Hidden Lake Canoe Trip

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

- Intensive French is offered in Grade 6, Post-Intensive French in Grades 7 and 8 and Core French is offered in Grades 6 to 8
- Indigenous Language and Culture is integrated into classroom sessions and students attend culture camps throughout the year
- Special programs at Range Lake North School (RLN) include music, band, fine arts, choir and drama
- RLN offers advanced technology and robotics programs in a Makerspace environment
- An Athletic Excellence program is offered encompassing many extracurricular sports such as snowboarding, hiking and nature walks
- RLN has an active and involved Parent Advisory Committee who organize their largest fundraiser, Family Fun Night in the spring. Proceeds support RLN student activities

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

- École Sir John Franklin High School (ESJF) offers programming from Grades 9 to 12 in both English and French Immersion
- Core French and Post-Intensive French are offered from Grades 9 to 12
- ESJF has a dynamic Fine Arts program which includes music, band, choir, drama and visual arts
- The school offers an extensive trades curriculum and work experience program which includes industrial arts, automotive and esthetics
- ESJF offers Indigenous culture programming and camps including Willideh language instruction
- The school has a successful Sports Academy and several extracurricular sports and clubs are offered
- ESJF has an At-Risk Student program which provides support and resources for students struggling in school, socially or at home
- The school offers many opportunities for students to travel abroad for volunteering, scuba club trips and a French Immersion trip
- Night classes are also available

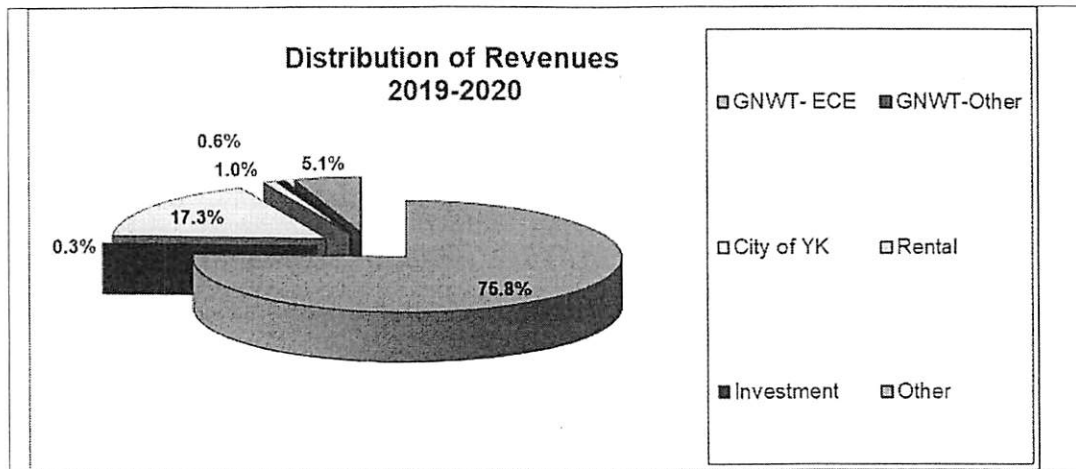
**Route 51 Learning:**

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

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

## Financial Condition

### Revenues

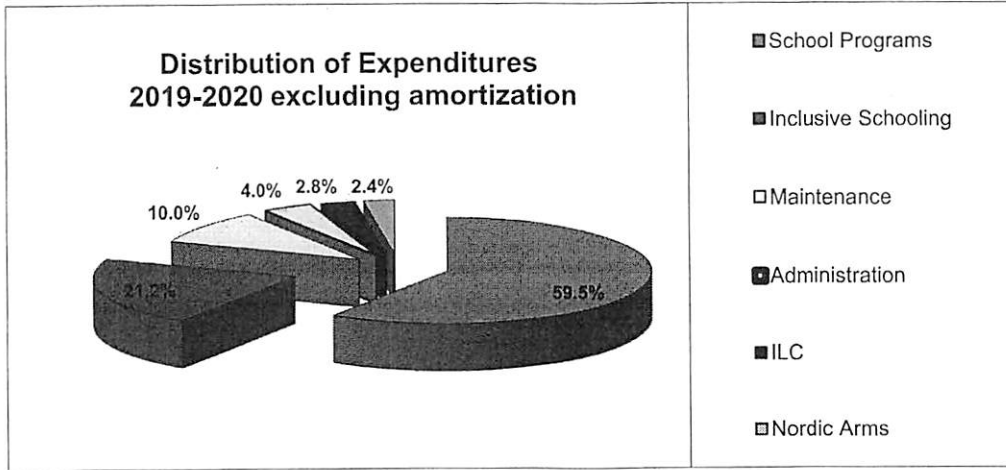


### Revenues

GNWT- ECE	29,827,681
GNWT-Other	109,305
City of YK (Property Taxation)	6,795,185
Rental	383,400
Investment	223,352
Other (Jordan's Principle-\$1,723,483)	1,993,146
<b>Total Revenues</b>	<b>39,332,109</b>

Funding from the Department of Education, Culture and Employment (ECE) makes up 75.8% of YK1's revenues. Property taxation revenue is 17.3% and the remainder is generated from investment income, Nordic Arms apartment rentals, superintendent services, Other Revenue, which includes Jordan Principle Federal Funding, various contributions for food programs, and parking lot rentals.

# Expenses



## Expenses (excluding amortization)

School Programs	23,189,831
Inclusive Schooling	8,273,598
Operations & Maintenance	3,885,122
Administration	1,560,199
Indigenous Language & Culture	1,104,372
Accommodation(Nordic Arms)	947,014
<b>Total Expenses</b>	<b><u>38,960,136</u></b>

Expenditure allocations is based on the Department of Education, Culture and Employment's funding formula. 83.5% of expenditures consist of school programs (59.5%), Inclusive Schooling (21.2%) and Indigenous Language and Culture (2.8%) which directly related to schools.



## Unrestricted Surpluses

The accumulated operating surplus is the overall operations of the district, the decentralized surplus is school based expenditures, and capital surplus is for major capital expenditures, Pellet Boiler reserve is 25% of the project costs as per the condition of the Green House Gas Reduction Grant for the installation of new pellet boilers for Range Lake North School and Mildred Hall School to be completed by March 2022. The GHG grant received will pay for the remainder 75% of the project costs estimated to be \$1,050,000.

Surplus	2019/2020	2018/2019	Change
Operating	385,842	444,854	-59,012
Capital	904,165	904,165	0
Pellet Boiler	350,000	0	+350,000
Decentralized(Schools)	348,497	365,440	-16,943
<b>Total Accumulated Surplus</b>	<b>1,988,504</b>	<b>1,714,459</b>	<b>+274,045</b>
Unfunded by ECE :			
Leave and Termination Benefits	1,611,927	1,720,878	-108,951
	<b>3,600,431</b>	<b>3,435,377</b>	<b>+165,094</b>

The accumulated operating surplus decreased by \$59,012 and the decentralized surplus decreased by \$16,943, the addition of the Pellet Boiler Reserve by \$350,000, the total change is an overall increase of \$274,045. The overall unrestricted surplus is 5.2% (\$1,988,504/\$38,127,684) of total 2020/2021 budgeted expenditures excluding amortization.

The accumulated unrestricted surplus has enabled YK1 to maintain quality programming for students and plan for the reduction of Green House Gas emissions with the pellet boiler project for Range lake North School and Mildred Hall School.

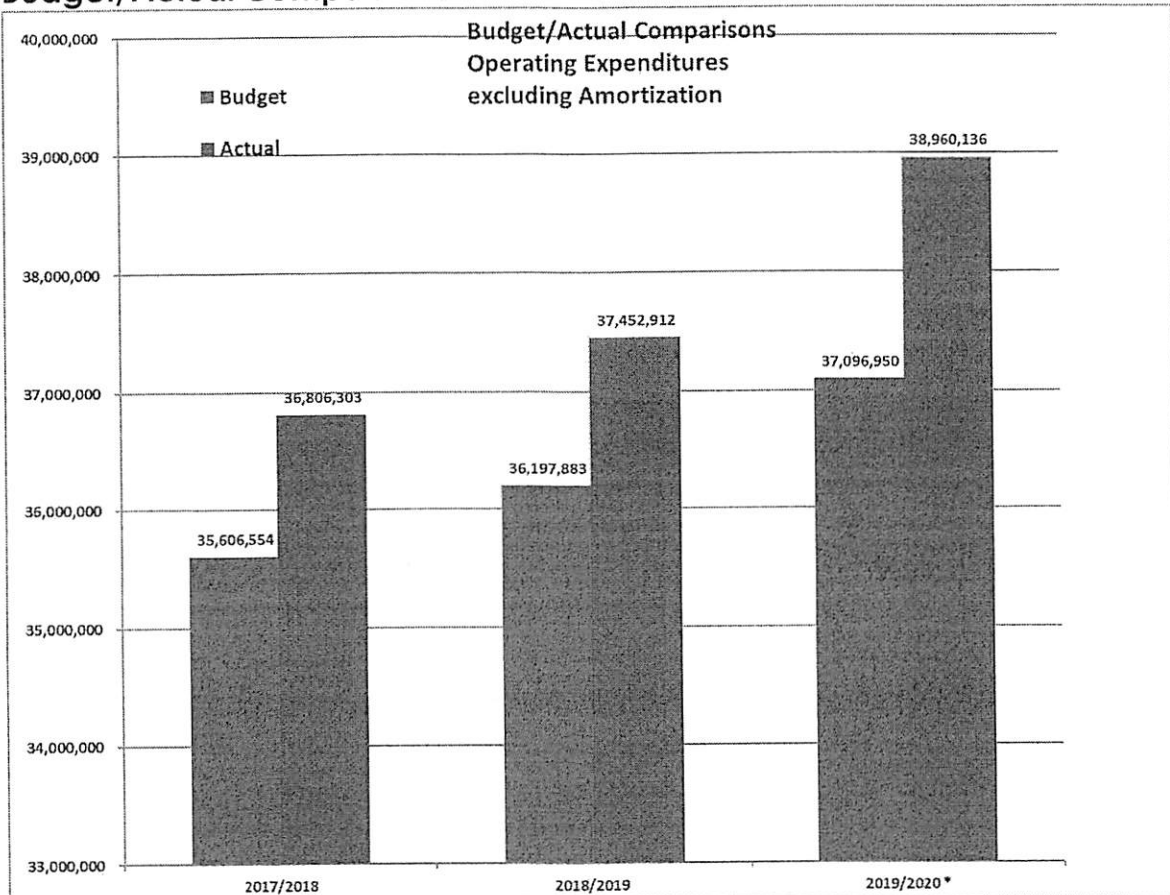
## Restricted Reserves

The Department of Education, Culture and Employment has agreed to allow YK1 to maintain the unspent utility funding to be used for conversion of current lighting to LED lighting in the schools and minor capital expenditures. LED lights can save 30% or more on energy costs. ECE has agreed to allow YK1 to keep all utilities savings to be reinvested into minor capital projects or LED lighting upgrades. For the 2019/2020 school year, the Department of Infrastructure did not invoice YK1 for the cost of piped Pellet Boiler heat from Ecole Allain St. Cyr. This resulted in additional utility savings which added to the LED reserve \$97,928. For 2020/2021 School year, we are planning to replace all of the WMS lighting to LED. The contract to replace the LED lights at WMS has been awarded to Ryfan Electric.

YK1 has completed the LED light conversion for all outdoor lights, emergency exit lights, and gymnasium lights at schools and buildings. YK1 is planning to continue with LED lights conversion for EWMS, MHS, NJM, RLN & SJF.

<b>LED Restricted</b>	<b>2020/2021</b>	<b>2018/2019</b>	<b>Change</b>
Beginning Balance	255,651	352,796	-97,145
Utility Savings	+97,928		+97,928
Utility Shortfall/ LED Projects		-97,145	+97,145
<b>Total LED Reserve</b>	<b>353,579</b>	<b>255,651</b>	<b>+97,928</b>

## Budget/Actual Comparisons



\* Difference mainly due to Jordan Principle Revenue of \$1,723,483

YK1 revenues are higher than budget by \$2,235,159 due to:

- ECE regular contributions revenues higher by \$227,231 due to Funding for the UNW retroactive funding based for USW staff wages and French language resources \$62,850.
- GNWT Other Contributions revenue is from Department of Municipal and Community Affairs (MACA) for Active After School \$91,800, Department of Health and Social Services for Drop the Pop Campaign \$8,505 in schools, and Department of Environment and Natural Resources for Compost Program \$8,000.
- Portfolio Investment income higher by \$63,352 from previous years' due to interest rate increases
- Other Revenue is higher mainly due to Jordan' Principle Funding from the Federal Government for a total of \$2,337,935 of that the schools spent \$1,723,483, the remainder of \$614,451 is carried over to school year 2020/2021. This is mainly due to school shutting down in March due to COVID19.

o Carry-over from 2019	\$413,974
o Approval in 2019/2020	<u>1,923,961</u>
o Total Available	2,337,935
o Expenditures 2019/2020	<u>-1,723,483</u>
o Carry-over 2020/2021	\$614,451

- Other income also consists of \$38,910 in cheque donations for our COVID19 Food program for families through the distribution of grocery gift cards. Gift card donations total \$14,500 for a total of \$53,410

o Breakfast club of Canada	\$12,310
o Food First Foundation	18,000
o Rotary (United Way of YK)	7,500
o Canadian Tire	1,000
o Personal Donation	<u>100</u>
Total Cheque donation	\$38,910
In Kind Co-op Gift Card donations	500
In Kind Food First Gift Card donation	<u>14,000</u>
Total Donations for food for families	\$53,410

YK1 expenses variance highlights are:

- School Programs has a positive variance of \$1,155,203 due to a decrease in average salaries of teachers, unstaffed positions, bus contract savings due to no bussing once schools shut down in March. Substitute costs savings due to shutting down in March and lower costs for maternity leaves.
- Inclusive Schooling costs are higher than budget due to an increase in Jordan Principle costs of \$1,723,483, which are coded under Inclusive Education.
- Staff Accommodations expenses increased by \$752,250 due to an environmental liability accrual for future hazardous material abatement for Nordic Arms Apartment building as identified in the report from Associated Environmental and Kasteel Construction.
- Indigenous Language/Cultural programs costs are lower than budget due to shutting down schools in March. Many of the cultural camps and on the land activities planned were cancelled. Unused ECE funding of \$93,522 is deferred until next school year.
- Operations and Maintenance costs are higher by \$709,299 due to:
  - o Insurance costs higher by \$373,000 due to increase in insurance premiums;
  - o Mildred Hall School Parking Lot redesign and paving costs \$68,392;
  - o Mildred Hall School Boiler \$79,353;
  - o Increase in Hazardous materials liability for future abatement cost of schools \$68,713;
- Capital purchases for the year include a new boiler for Mildred Hall School (\$79,354), and new computer servers at all schools (\$138,736) and locations, which total \$218,090.

<b>Yellowknife Education District No.1</b>		<b>Enrolment</b>		<b>Teachers/ Admin</b>		<b>Early Childhood Instructors</b>		<b>Pupil/Teacher ratio</b>	
<b>School</b>	<b>K-12</b>	<b>JK</b>	<b>K-12</b>	<b>JK</b>	<b>K-12</b>	<b>JK</b>	<b>K-12</b>	<b>JK</b>	
	<b>Sep-19</b>	<b>Sep-19</b>							
Mildred Hall School	265.50	21.00	17.00	2.00	15.62	10.50			
JH Sissons	275.50	45.00	17.50	4.00	15.74	11.25			
William McDonald School	245.00		16.75		14.63				
NJ Macpherson School	320.00	63.50	18.00	6.00	17.78	10.58			
Range Lake North School	242.00	17.00	15.50	2.00	15.61	8.50			
Sir John Franklin High School	648.00		33.47		19.36				
<b>Total District</b>	<b>1,996.0</b>	<b>146.5</b>	<b>118.22</b>	<b>14.00</b>	<b>16.88</b>	<b>10.46</b>			

Overall enrolment for September 2019 is 2142.50, an increase of 40.20 full time equivalent (FTE) students from September 2018.

## Summary and Outlook

In 2019-2020, YK1 faced a number of challenges and made important decisions related to the École J.H. Sissons Project. YK1 is part of the Steering Committee for the project, which also has representation from the Department of Education, Culture, and Employment and the Department of Infrastructure. With the help of its partners, YK1 released a student accommodation plan for the duration of construction (expected 2020-2022) in December 2019. Now that the school year is done, learning materials and resources from EJHS have been packed up and moved to EWMS, which will become a JK-7 for the next two years (with Grade 8 students moving to ESJF). The demolition of EJHS is scheduled for the summer of 2020.

Working with The Department of Education and the Department of Infrastructure to plan the EWMS roof replacement (August 2020) and the mold abatement (July 2019)

The completion of the Mildred Hall School Parking lot and drop off.

The replacement of a boiler at Mildred Hall School.

The replacement of all information Technology computer servers at all school and district office.

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
- All YK1 schools continued to offer food programs, which included breakfast, lunch and snacks for students who need that support.
- At the start of COVID19 and after schools shut down, YK1 principals were giving out grocery gift cards to families of students that would normally partake in the breakfast and lunch programs provided by schools.
- Parent meetings were held throughout the school year so that parents and stakeholders could provide feedback on the École J.H. Sissons Project.

## **Foreseeable Challenges for 2020-2021**

- Continuing to navigate the COVID-19 pandemic and adhering to public health recommendations issued by the Office of the Chief Public Health Officer. District Office and school staff must plan diligently so that staff and students can return to schools safely in the fall. Re-entry plans have already been submitted for approval. Important factors to consider include additional physical distancing guidelines, engineering recommendations, administrative recommendations, infection prevention and control and the provision of personal protective equipment. This could result in added pressures for staff and students, whose safety must always remain our top priority. YK1 will also incur more expenses to provide these safety measures, which could also prove challenging for our school district. Other considerations include protocols for staff and students who become ill, self-isolation requirements, reporting and assessing and supporting vulnerable families among many others.
- Accommodating EJHS students at EWMS, which will become a JK-7 school while YK1's new school is built (anticipated build 2020-2022).
- Planning and preparing for a potential Trustee election in the fall of 2021, which would be out of sync with the next municipal election. YK1 has lobbied the territorial government since 2018 to synchronize our election with the City's so that we can save significantly on enumeration, promotion and coordination costs.
- YK1 insurance providers Alberta School Boards Insurance Exchange ASBIE has been dissolved as of June 1, 2020. YK1 will be contracting Lloyd Sadd Insurance Brokers to be the insurance providers for YK1 after October 2021.
- Yellowknife Catholic Schools (YCS) and YK1 will be issuing a request for proposal for bussing services for the 2022 school year in early 2021.
- The Department of Health and Social Services will be providing Counsellors to YK1 schools. There are 7 CYCC Counsellors that will be providing counseling services to our students. We have lost funding for the Counsellors positions in our regular funding from the Department of Education.



**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 are the responsibility of 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.

Ed Lippert  
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

#### Report on the Audit of the Financial Statements

##### *Opinion*

We have audited the accompanying financial statements of the Yellowknife District No. 1 Education Authority (the "Authority"), which comprise of the statement of financial position as at June 30, 2020, 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Yellowknife District No. 1 Education Authority as at June 30, 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

##### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Other Information*

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independent Auditors' Report (Continued)

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



### Independent Auditors' Report (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### *Report on Compliance with Specified Authorities*

In conjunction with the audit of the financial statements, we have audited transactions of the Authority coming to our notice for compliance with specified authorities. The specified authority against which compliance was audited is the Government of the Northwest Territories - Department of Education, Culture and Employment.

In our opinion, the transactions of the Authority that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above.

Management is responsible for the Authority's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the entity to comply with the specified authorities.

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.



Yellowknife, Northwest Territories  
September 8, 2020

Chartered Professional Accountants



**Yellowknife District No. 1 Education Authority**

(the "Authority")

**Statement of Financial Position**

**Statement 1**

As at June 30,	2020 \$	2019 \$
<b>FINANCIAL ASSETS</b>		
Cash (Note 4)	7,907,990	5,291,918
Portfolio Investments (Note 7)	2,126,244	4,126,915
Accounts Receivable (Note 8)	77,368	276,213
Due from Government of Canada (Note 13)	593,158	102,327
	<b>10,704,760</b>	<b>9,797,373</b>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities (Note 10)	596,306	390,290
Payroll Liabilities (Note 10)	4,574,092	5,134,148
Vacation Payable (Note 10)	284,711	204,094
Deferred Revenue (Note 11)	711,444	450,014
Leave and Termination Benefits (Note 17)	1,611,927	1,720,878
Environmental Liabilities (Note 35)	935,901	110,938
	<b>8,714,381</b>	<b>8,010,362</b>
<b>NET FINANCIAL ASSETS</b>	<b>1,990,379</b>	<b>1,787,011</b>
<b>NON-FINANCIAL ASSETS</b>		
Inventories (Note 9)	-	58,766
Tangible Capital Assets (Note 19)	11,145,713	11,872,352
Prepaid Expenses (Note 20)	351,704	124,333
	<b>11,497,417</b>	<b>12,055,451</b>
<b>ACCUMULATED SURPLUS (Note 36)</b>	<b>13,487,796</b>	<b>13,842,462</b>
<b>Represented by:</b>		
Operating Fund	385,842	444,854
Investment in Tangible Capital Assets	11,145,713	11,872,352
Decentralized Surplus	348,497	365,440
Pellet Boiler Reserve	350,000	-
Capital Fund Reserve	904,165	904,165
LED Reserve	353,579	255,651
	<b>13,487,796</b>	<b>13,842,462</b>

Contractual Obligations (Note 22), Contingencies (Note 23)

Approved on behalf of the board:

Trustee Lina Drew

Trustee Sateh Gh



# Yellowknife District No. 1 Education Authority

(the "Authority")

## Statement of Operations

## Statement 2

For the year ended June 30,

	2020 Budget \$	2020 Actual \$	2019 Actual \$
<b>REVENUE</b>			
<b>Government of the Northwest Territories</b>			
Regular contributions	29,055,450	29,219,831	28,180,648
Other contributions	123,000	123,000	130,000
Indigenous languages	-	-	69,000
French revenue	422,000	484,850	499,250
<b>Total ECE (Note 31)</b>	<b>29,600,450</b>	<b>29,827,681</b>	<b>28,878,898</b>
<b>GNWT other contributions (Note 32)</b>	<b>-</b>	<b>109,305</b>	<b>141,610</b>
<b>Government of Canada - Jordan's Principle</b>	<b>-</b>	<b>1,723,483</b>	<b>909,680</b>
<b>Other education bodies</b>	<b>167,500</b>	<b>190,020</b>	<b>246,267</b>
<b>Property tax requisitioned</b>	<b>6,769,000</b>	<b>6,795,185</b>	<b>6,339,311</b>
<b>Education authority generated funds</b>			
Rental income	380,000	383,440	386,115
Portfolio investment income	160,000	223,352	206,865
Other	20,000	79,643	159,242
	560,000	686,435	752,222
<b>Total revenue</b>	<b>37,096,950</b>	<b>39,332,109</b>	<b>37,267,988</b>
<b>EXPENDITURES</b>			
School programs	24,345,034	23,189,831	23,405,977
Inclusive schooling	6,622,062	8,273,598	7,521,033
Staff accommodations	197,500	947,014	121,865
Operations and maintenance	3,175,823	3,885,122	3,661,354
Administration	1,536,770	1,560,199	1,532,144
Indigenous language/cultural programs	1,219,761	1,104,372	1,210,539
Amortization	914,776	944,729	943,984
<b>Total operating expenditures</b>	<b>38,011,726</b>	<b>39,904,865</b>	<b>38,396,896</b>
<b>Operating deficit before other items</b>	<b>(914,776)</b>	<b>(572,756)</b>	<b>(1,128,908)</b>
<b>Other items</b>			
Grant in-kind - GNWT assets provided at no cost (Note 21)	-	99,712	45,843
Rent expense - GNWT assets provided at no cost (Note 21)	-	(99,712)	(45,843)
Transfer to tangible capital assets	-	218,090	72,881
<b>Operating deficit</b>	<b>(914,776)</b>	<b>(354,666)</b>	<b>(1,056,027)</b>
<b>Opening accumulated surplus</b>	<b>13,842,462</b>	<b>13,842,462</b>	<b>14,898,489</b>
<b>Closing accumulated surplus</b>	<b>12,927,686</b>	<b>13,487,796</b>	<b>13,842,462</b>

**Yellowknife District No. 1 Education Authority****(the "Authority")****Statement of Changes in Net Financial Assets****Statement 3**

<b>For the ended June 30,</b>	<b>2020 Budget \$</b>	<b>2020 Actual \$</b>	<b>2019 Actual \$</b>
<b>Operating deficit</b>	<b>(914,776)</b>	<b>(354,666)</b>	<b>(1,056,027)</b>
Acquisition of tangible capital assets	-	<b>(218,090)</b>	(72,881)
Amortization of tangible capital assets	-	<b>944,729</b>	943,984
	<b>(914,776)</b>	<b>371,973</b>	<b>(184,924)</b>
Acquisition of supplies inventories	-	-	(58,766)
Consumption of supplies inventories	-	<b>58,766</b>	28,406
Purchase of prepaid expenses	-	<b>(351,704)</b>	(124,333)
Use of prepaid expenses	-	<b>124,333</b>	96,832
	-	<b>(168,605)</b>	<b>(57,861)</b>
<b>Increase (decrease) in net financial assets</b>	<b>(914,776)</b>	<b>203,368</b>	<b>(242,785)</b>
<b>Net financial asset at beginning of year</b>	<b>1,787,011</b>	<b>1,787,011</b>	<b>2,029,796</b>
<b>Net financial asset at end of year</b>	<b>872,235</b>	<b>1,990,379</b>	<b>1,787,011</b>

**Yellowknife District No. 1 Education Authority**

(the "Authority")

**Statement of Cash Flows****Statement 4**

<b>For the year ended June 30,</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATING TRANSACTIONS</b>		
Operating deficit	(354,666)	(1,056,027)
<b>Item not affecting cash:</b>		
Amortization	944,729	943,984
<b>Changes in non-cash assets and liabilities</b>		
Decrease in due from Government of Canada	198,845	20,038
Decrease (increase) in accounts receivable	(490,831)	1,021,443
Increase (decrease) in accounts payable	206,016	(83,652)
Increase (decrease) in payroll liabilities	(560,056)	434,838
Increase in environmental liabilities	824,963	-
Decrease in leave and termination benefits	(108,951)	69,855
Increase (decrease) in vacation payable	80,617	(73,646)
Increase in deferred revenue	261,430	305,014
Increase prepaid expenses	(227,371)	(27,505)
Decrease (increase) in inventories	58,766	(30,360)
<b>CASH PROVIDED BY OPERATING TRANSACTIONS</b>	<b>833,491</b>	<b>1,523,982</b>
<b>INVESTING TRANSACTIONS</b>		
Disposition of portfolio investments	2,000,671	933,900
<b>CASH PROVIDED BY INVESTING TRANSACTIONS</b>	<b>2,000,671</b>	<b>933,900</b>
<b>CAPITAL TRANSACTIONS</b>		
Acquisition of tangible capital assets	(218,090)	(72,881)
<b>CASH USED FOR CAPITAL TRANSACTIONS</b>	<b>(218,090)</b>	<b>(72,881)</b>
<b>INCREASE IN CASH</b>	<b>2,616,072</b>	<b>2,385,001</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>5,291,918</b>	<b>2,906,917</b>
<b>CASH AT END OF YEAR</b>	<b>7,907,990</b>	<b>5,291,918</b>



# Yellowknife District No. 1 Education Authority

(the "Authority")

## Details of Expenditures

For the year ended June 30,	School Programs \$	Inclusive Schooling \$	Staff Accommodation \$	Operations and Maintenance \$	Administration \$	Indigenous Languages \$	Transfer and Other \$	Totals 20
<b>SALARIES</b>								
Honoraria	-	-	-	-	73,608	77,040	-	1
Instructional assistants	1,214,577	2,754,814	-	-	-	178,395	-	4,1
Non-instructional staff	2,095,414	-	-	525,054	1,070,483	300	-	3,6
Teachers	13,784,324	3,726,378	-	-	-	550,248	-	18,0
	17,094,315	6,481,192	-	525,054	1,144,091	805,983	-	26,0
<b>EMPLOYEE BENEFITS</b>								
Employee benefits/allowances	3,170,314	1,209,171	-	98,756	176,928	142,391	-	4,7
Leave and termination benefits	(95,553)	-	-	-	-	-	-	(
	3,074,761	1,209,171	-	98,756	176,928	142,391	-	4,7
<b>SERVICES PURCHASED</b>								
Advertising and printing	-	-	-	-	18,951	-	-	-
Communication	68,480	3,675	-	8,724	49,128	-	-	1
Contracted services	411,388	287,658	-	735,541	-	57,389	-	1,4
Maintenance and repairs	138,136	6,850	811,370	708,577	2,390	-	-	1,6
Other	159,074	-	-	-	119,625	-	-	2
Professional and technical	414,662	46,465	-	21,772	24,199	36,838	-	5
Rentals and leases	79,245	-	-	-	3,633	-	-	-
Student transportation	386,993	17,897	-	-	-	6,472	-	4
Travel	222,167	1,383	-	-	-	53	-	2
Utilities								
Heating	-	-	59,265	683,265	-	-	-	7
Electricity	-	-	37,842	918,566	-	-	-	9
Water/Sewage	-	-	37,051	183,329	-	-	-	2
	1,880,145	363,928	945,528	3,259,774	217,926	100,752	-	6,7
<b>MATERIALS</b>								
Awards and student events	4,450	-	-	-	7,265	-	-	-
Freight	5,304	-	-	1,101	-	-	-	-
Materials and supplies	1,130,856	219,307	1,486	437	13,989	55,246	-	1,4
	1,140,610	219,307	1,486	1,538	21,254	55,246	-	1,4
<b>AMORTIZATION</b>								
	-	-	-	-	-	-	944,729	9
<b>Total operating expenditures</b>	<b>23,189,831</b>	<b>8,273,598</b>	<b>947,014</b>	<b>3,885,122</b>	<b>1,560,199</b>	<b>1,104,372</b>	<b>944,729</b>	<b>39,9</b>





# Yellowknife District No. 1 Education Authority

(the "Authority")

## Details of Inclusive Schooling Expenditures

Statement 6

For the year ended June 30,	General Inclusive Schooling \$	Staff Development (SSI) \$	Assistive Technology \$	Magnet Facilities \$	Jordan's Principle \$	Total 2020 \$
<b>SALARIES</b>						
Regional Coordinator	267,550	-	-	-	-	267,550
Program support teachers/counsellors	2,249,792	-	-	487,286	487,563	3,224,641
Support assistants	1,992,790	24,978	-	52,079	919,154	2,989,001
	4,510,132	24,978	-	539,365	1,406,717	6,481,192
<b>EMPLOYEE BENEFITS</b>						
	861,177	-	-	101,097	246,897	1,209,171
<b>STAFF DEVELOPMENT (INCLUDING TRAVEL)</b>						
	182,533	98,022	-	-	-	280,555
<b>SERVICES PURCHASED</b>						
Professional and technical	3,675	-	-	-	54,340	58,015
Other contracted services	12,696	-	-	-	-	12,696
	16,371	-	-	-	54,340	70,711
<b>MATERIALS</b>						
Materials and supplies	37,535	-	155,866	23,039	15,529	231,969
<b>Total operating expenditures</b>	<b>5,607,748</b>	<b>123,000</b>	<b>155,866</b>	<b>663,501</b>	<b>1,723,483</b>	<b>8,273,598</b>



**Yellowknife District No. 1 Education Authority**

(the "Authority")

**Details of Indigenous Language and Culture-Based Education Expenditures**

**Statement 7**

<b>For the year ended June 30,</b>	<b>Indigenous Education \$</b>	<b>Our Languages Curriculum Resource Development \$</b>	<b>Community Support \$</b>	<b>Total 2020 \$</b>
<b>SALARIES</b>				
Regional ILE Coordinators	122,736	-	-	122,736
Indigenous Language Instruction	183,111	75,902	-	259,013
Cultural Resource Staff	275,854	-	57,336	333,190
Elders in Schools	-	-	91,044	91,044
	<b>581,701</b>	<b>75,902</b>	<b>148,380</b>	<b>805,983</b>
<b>EMPLOYEE BENEFITS</b>				
	109,576	16,917	15,898	142,391
<b>SERVICES PURCHASED</b>				
Professional/Technical Services	38,170	9,206	74,552	121,928
Student Transportation (Busing)	-	-	6,470	6,470
Other Contracted Services	545	-	14,746	15,291
	<b>38,715</b>	<b>9,206</b>	<b>95,768</b>	<b>143,689</b>
<b>MATERIAL</b>				
Materials	12,309	-	-	12,309
<b>TOTAL</b>	<b>742,301</b>	<b>102,025</b>	<b>260,046</b>	<b>1,104,372</b>



**Yellowknife District No. 1 Education Authority**

(the "Authority")

**Report on Activities of Specific Programs**

**Statement 8**

**French Language Program**

**BILATERAL AGREEMENT FUNDING**

**For the year ended June 30, 2020**

	<b>Contribution from the Department \$</b>	<b>Commitment from the Authority \$</b>	<b>Expenses \$</b>	<b>Over (under) funding \$</b>
Teacher Assistants (Salary)	35,000	35,000	84,402	(14,402)
Literacy Coach (Salary)	70,000	55,000	144,015	(19,015)
Intensive & PIF (Salary)	70,000	230,000	614,845	(314,845)
PIF (Elective courses at SJF)	12,000	1,000	10,811	2,189
<b>Special Projects</b>				
French Camps	35,000	7,000	23,654	18,346
Assessment, Intensive French	35,000	5,000	24,966	15,034
French Resources	40,000	5,000	46,250	(1,250)
Cultural Activities	12,000	6,000	20,162	(2,162)
Professional Development	33,000	10,000	33,335	9,665
Consultant	80,000	140,000	192,884	27,116
<b>Total</b>	<b>422,000</b>	<b>494,000</b>	<b>1,195,324</b>	<b>(279,324)</b>



**Yellowknife District No. 1 Education Authority**

(the "Authority")

**Report on Activities of Specific Programs**

**Statement 9**

**Student Success Initiative Projects**

For the year ended June 30,

2020  
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**Revenue**

Government of the Northwest Territories

**123,000**

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**Total revenue**

**123,000**

**Expenses**

**Salaries/Wages**

Facilitator fees (including per diems)

**1,383**

Substitute teacher wages

**24,978**

Staff PD and miscellaneous

**87,960**

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**Total expenses**

**114,321**

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**Surplus**

**8,679**

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**Yellowknife District No. 1 Education Authority**

(the "Authority")

**Report on Activities of Specific Programs**

**Statement 10**

Jordan's Principle

	June 30, 2020 Budget	June 30, 2020 Actual	June 30,2019 Actual	July 2019 to March 2020 Actual	April 2020 to June 2020 Actual
<b>Revenue</b>					
Government of Canada					
- First Nation and Inuit Health Branch	1,923,961	1,923,961	1,230,302	1,923,961	-
Carry Forward from Previous Year	413,974	413,974	93,350	413,974	-
<b>Total Revenue</b>	<b>2,337,935</b>	<b>2,337,935</b>	<b>1,323,652</b>	<b>2,337,935</b>	<b>-</b>
<b>Expenses</b>					
Administration	-	-	-	-	-
Personnel	2,185,541	1,653,614	714,153	983,387	670,226
Transportation (Bus)	-	-	75,071	-	-
Materials and Supplies	19,987	15,529	32,158	15,529	-
Rent and Utilities	-	-	-	-	-
Evaluation	45,700	8,840	36,100	5,400	3,440
Speech	22,800	16,593	35,821	12,393	4,200
Tutoring Service	31,723	3,407	-	3,407	-
After School Care	23,625	25,500	16,375	25,500	-
Other	8,559	-	-	-	-
<b>Total Expenses</b>	<b>2,337,935</b>	<b>1,723,483</b>	<b>909,678</b>	<b>1,045,617</b>	<b>677,866</b>
<b>Net Surplus/(Deficit)</b>	<b>-</b>	<b>614,452</b>	<b>413,974</b>		<b>614,452</b>
<b>Deferred Revenue</b>	<b>-</b>	<b>614,452</b>	<b>413,974</b>		<b>614,452</b>



# Yellowknife District No. 1 Education Authority

(the "Authority")

## Notes to Consolidated Financial Statements

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June 30, 2020

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### 1. Nature of the Organization

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

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

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

### 2. Significant Accounting Policies

#### a) Basis of Accounting

The 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 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 expenditures 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.



**June 30, 2020**

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

**c) Financial Instruments**

Financial assets originated or acquired or financial liabilities issued or assumed in an 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 and due from Government of Canada.

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

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

**d) Non-financial Assets**

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



# Yellowknife District No. 1 Education Authority

(the "Authority")

## Notes to Consolidated Financial Statements

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June 30, 2020

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### 2. Significant Accounting Policies (Continued)

#### e) Tangible Capital Assets

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

Asset Category	Amortization Period:
Land and improvements	Indefinite
School and Other 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, 2020**

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

**f) Revenue Recognition**

**Government Transfers:**

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

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

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

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

**GNWT - Regular Contributions:**

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



# Yellowknife District No. 1 Education Authority

(the "Authority")

## Notes to Consolidated Financial Statements

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June 30, 2020

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### 2. Significant Accounting Policies (Continued)

#### Local Tax Revenue:

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

#### Other Contributions:

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

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

#### Deferred Revenue:

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

#### Investment Income:

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



# Yellowknife District No. 1 Education Authority

(the "Authority")

## Notes to Consolidated Financial Statements

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June 30, 2020

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### 2. Significant Accounting Policies (Continued)

#### School Generated Funds

School generated funds are generated at the school level from fundraising, and used in a number of different ways to enhance the development of educational activities and to support school initiatives. The school generated funds are internally restricted as to purpose, and may include the proceeds of fundraising, contributions or fees paid to a specific planned benefit. Examples might include student trips or funds specifically designated for the purchase of equipment or materials required to support an activity. The balances of school generated funds are not included in the audited financial statements.

A summary of school generated funds administered by the Authority is disclosed in Note 38.

#### g) Budget Data

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

The 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 the original Minister approved budget for the school year. Schools carry forward surplus or deficit amounts from their school budgets.



**June 30, 2020**

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

**h) 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.

**i) Inventories Including Materials and Supplies**

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

**j) Payroll Liabilities**

Payroll costs for teachers are accrued for July and August.

**k) Post-employment benefits, compensated absences and termination benefits**

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

**l) Expenditures**

Expenditures are recorded on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Transfers include grants and contributions and are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.



**June 30, 2020**

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

**m) Foreign Currency Translation**

Foreign currency transactions are to be translated in Canadian dollars. Revenue and expenses denominated in a foreign currency are reported at a rate in the date of the transaction. Monetary items that have yet to be settled at the exchange rate are translated at the exchange rate in effect on the date of financial statement. Exchange gain or loss resulting from foreign exchange rate would be accounted for in the financial statement.

**n) Fund Accounting**

The Authority uses fund accounting to separate transactions between its Operating fund surplus, Investment in tangible capital assets, decentralized surplus, capital fund reserve and the LED reserve, and the Pellet Boiler reserve.

**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.



# Yellowknife District No. 1 Education Authority

(the "Authority")

## Notes to Consolidated Financial Statements

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June 30, 2020

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### 2. Significant Accounting Policies (Continued)

#### Capital Fund Reserve

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

#### 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 the Authority to convert current lights to LED lights which are expected to result in a decrease of at least 30% in electricity costs.

#### Decentralized Surplus

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

#### Pellet Boiler Reserve

The Pellet Boiler Reserve is the 25% (\$350,000) of the estimated cost of the installation of pellet boilers for Mildred Hall School and Range Lake North School. The Authority is approved for the Green House Gas (GHG) Grant program, which will contribute \$1,050,000 or 75% of the eligible expenditures, whichever amount is less to the installation of the two pellet boilers. The pellet boilers once installed will help to reduce green house gas emissions, which is a condition of the grant.

#### o) Inter-entity transactions

Inter-entity transactions are transactions between commonly controlled entities and GNWT departments.

Inter-entity transactions are recorded at the exchange amount when they are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length.



**Yellowknife District No. 1 Education Authority**

(the "Authority")

**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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

**p) Related parties**

The Authority initially measures related party balances in accordance with the substance of the transactions that gave rise to them. The Authority subsequently measures related party balances in accordance with the Authority's policies for financial instruments, as set out in note (c). The Authority is related in terms of common control to all Government of the Northwest Territories departments, board and agencies.

The Authority enters into transactions with these entities in the normal course of business and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

**3. Future Accounting Changes and Adoption of New Accounting Standards**

Effective July 1, 2022, Education Bodies will be required to adopt PS 3400 Revenue. This standard provides guidance on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. The impact of these standards on the consolidated financial statements is currently being assessed.

**4. Cash**

	2020	2019
	\$	\$
Cash	7,907,990	5,291,918

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

**5. Special Purpose Funds**

The Authority does not have special purpose funds.

**6. Restricted Assets**

The Authority does not have restricted assets.



# Yellowknife District No. 1 Education Authority

(the "Authority")

## Notes to Consolidated Financial Statements

June 30, 2020

### 7. Portfolio Investments

	2020	2019
	\$	\$
<b>RBC Dominion Securities Investment 1</b>		
Balance at June 30	-	1,013,356
Dollar Value of Interest earned	-	13,356
Cost of Investment	-	1,000,000
Market Value	-	1,013,356
Balance at March 31	-	1,008,162
Date Purchased: 6 November 2017		
Term of Investment: 2 years		
Maturity Date: 6 November 2019		
Annual Interest Rate: 2.092%		

	2020	2019
	\$	\$
<b>CIBC Wood Gundy Investment 1</b>		
Balance at June 30	2,126,244	2,067,160
Dollar Value of Interest earned	126,244	67,160
Cost of Investment	2,000,000	2,000,000
Market Value	2,126,244	2,067,160
Balance at March 31	2,111,394	2,052,728
Date Purchased: 26 April 2018		
Term of Investment: 3 Years		
Maturity Date: 27 April 2021		
Annual Interest Rate: 2.85%		

	2020	2019
	\$	\$
<b>CIBC Wood Gundy Investment 2</b>		
Balance at June 30	-	1,046,399
Dollar Value of Interest earned	-	46,399
Cost of Investment	-	1,000,000
Market Value	-	1,046,399
Balance at March 31	-	1,041,883
Date Purchased: 15 June 2017		
Term of Investment: 29 months		
Maturity Date: 18 November 2019		
Annual Interest Rate: 1.75%		





**Yellowknife District No. 1 Education Authority**

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**Notes to Consolidated Financial Statements**

**June 30, 2020**

**7. Portfolio Investments (Continued)**

These are guaranteed investment certificates (GIC) with CIBC Wood Gundy and RBC Investment Securities with fixed income interest rates and fixed term dates. The investments are low risk to the Authority. The total investments with prior year comparative figures are presented below:

	2020	2019
	\$	\$
<b>RBC Dominion Securities</b>		
Investment 1	-	1,013,356
	-	1,013,356
<b>CIBC Wood Gundy</b>		
Investment 1	2,126,244	2,067,160
Investment 2	-	1,046,399
	<b>2,126,244</b>	<b>3,113,559</b>
<b>Total portfolio investments</b>	<b>2,126,244</b>	<b>4,126,915</b>

**8. Accounts Receivable**

	2020	2019
	\$	\$
Accrued interest receivable	68,607	10,000
Due from other related parties (Note 24)	-	215,136
Due from Government of the Northwest Territories (Note 24)	4,229	16,688
Other	4,532	34,389
<b>Total</b>	<b>77,368</b>	<b>276,213</b>

Allowance for doubtful accounts at June 30, 2020 is \$nil (2019 - \$nil).

**9. Inventories**

There is no inventory recorded as at June 30, 2020.



# Yellowknife District No. 1 Education Authority

(the "Authority")

## Notes to Consolidated Financial Statements

June 30, 2020

### 10. Accounts Payable and Accrued Liabilities

	2020	2019
	\$	\$
Accrued interest	45	34
Damage deposits	27,455	24,953
Due to Commission Scolaire Francophone TNO (Note 24)	-	15,770
Trade payable	568,806	349,533
	<b>596,306</b>	<b>390,290</b>
	2020	2019
	\$	\$
<b>Payroll Liabilities</b>		
To employees (July & August wages & deferred NEBS pension)	4,574,092	5,134,148
Vacation payable (annual leave)	284,711	204,094
	<b>4,858,803</b>	<b>5,338,242</b>

### 11. Deferred Revenue

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

	2020	2019
	\$	\$
Nordic Arms Prepaid Rent	3,470	-
Jordan's Principal - Federal	614,452	413,974
GNWT ECE - Curriculum	93,522	36,040
	<b>711,444</b>	<b>450,014</b>

### 12. Contribution Repayable

The Authority does not have any contribution repayable.



**Yellowknife District No. 1 Education Authority**

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**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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**13. Due from Government of Canada**

Receivables	2020	2019
	\$	\$
GST Receivable	92,812	102,327
Government of Canada (Jordan's Principle)	500,346	-
	<b>593,158</b>	<b>102,327</b>

**14. Capital Lease Obligations**

The Authority does not have any capital lease obligations.

**15. Pension**

The Authority makes contributions to the Northern Employee Benefits (NEBS) Pension Plan ("the 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 \$3,595,159. 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 \$175,156 for January 2020, and \$171,368 for January 2019. The maximum monthly contributions is \$3,092 for January 2020, and \$3,026 for January 2019.

NEBS is an employer owned program and as such the Authority will be liable for its portion of any shortfall. The Plan serves 3,364 Employee Members and 116 Employer Members (total active, disabled and on leave: 1,992).

As of January 1, 2020, the excess (deficiency) of actuarial value of net assets over actuarial present value of defined benefits is estimated to be \$31,200,000 - funded ratio 113% (2019 - \$25,200,000 and 112%) on a going concern valuation basis. The Plan had a solvency ratio deficiency of \$142,700,000 and a solvency ratio of 66%. 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.

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.



**June 30, 2020**

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

The Authority does not have long-term debt.

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

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

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

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

### **Valuation results**

The actuarial valuation was completed as at March 31, 2020. The effective date of the next actuarial valuation is March 31, 2021. The liabilities are actuarially determined as the present value of the accrued benefits at March 31, 2020 and the results extrapolated to June 30, 2020. The values presented 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, 2020**

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

<b>Changes in Obligation</b>	<b>Severance and Removal \$</b>	<b>Compensated Absences \$</b>	<b>2020 \$</b>	<b>2019 \$</b>
Accrued benefit obligation beginning of year	1,242,366	455,183	1,697,549	1,208,946
Current period benefit cost	77,323	34,215	111,538	109,474
Interest accrued	40,223	14,773	54,996	46,659
Benefits payments	(104,465)	(159,969)	(264,434)	(56,633)
Actuarial (gain)/loss	(425,670)	74,289	(351,381)	363,858
Plan amendments	-	-	-	25,245
<b>Accrued benefit obligation end of year</b>	<b>829,777</b>	<b>418,491</b>	<b>1,248,268</b>	<b>1,697,549</b>
Unamortized net actuarial loss/(gain)	584,575	(220,916)	363,659	23,329
<b>Total employee future benefits and compensated absences</b>	<b>1,414,352</b>	<b>197,575</b>	<b>1,611,927</b>	<b>1,720,878</b>
Benefits expense				
Current period benefit cost	77,323	34,215	111,538	109,474
Interest accrued	40,223	14,773	54,996	46,659
Amortization of net actuarial (gain)/loss	(36,181)	25,130	(11,051)	(54,890)
Plan amendments	-	-	-	25,245
<b>Total benefits expense</b>	<b>81,365</b>	<b>74,118</b>	<b>155,483</b>	<b>126,488</b>



**Yellowknife District No. 1 Education Authority**

(the "Authority")

**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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

The discount rate used in the 2020 fiscal year to determine the accrued benefit obligation was an average of 2.7% (2019 - 3.2%). The expected payments during the next five fiscal years are:

	<b>Severance and Removal</b>	<b>Compensated Absences</b>	<b>Total</b>
	\$	\$	\$
2020	116,626	52,328	<b>168,954</b>
2021	113,709	50,691	<b>164,400</b>
2022	111,560	51,968	<b>163,528</b>
2023	109,538	56,994	<b>166,532</b>
2024	101,899	51,878	<b>153,777</b>
2025-2029	358,976	189,054	<b>548,030</b>
<b>Total</b>	<b>912,308</b>	<b>452,913</b>	<b>1,365,221</b>

**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, 2020**

**19. Tangible Capital Assets**

	Cost \$	Additions \$	Disposals \$	Amortization \$	Accumulated Amortization beginning of year \$	Accumulated Amortization \$
<b>Land and improvements</b>	1,299,476	-	-	-	-	-
<b>School buildings</b>						
Ecole Sir John Franklin	2,253,436	-	-	(56,247)	(1,192,036)	(1,248,283)
William McDonald	7,078,328	-	-	(176,958)	(6,547,453)	(6,724,411)
Mildred Hall	11,009,651	79,354	-	(280,532)	(6,577,156)	(6,857,688)
Range Lake North	8,215,859	-	-	(205,396)	(5,340,308)	(5,545,704)
N. J. Macpherson	5,329,162	-	-	(136,459)	(4,225,750)	(4,362,209)
Ecole J. H. Sissons	2,436,769	-	-	-	(2,436,769)	(2,436,769)
	36,323,205	79,354	-	(855,592)	(26,319,472)	(27,175,064)
<b>Other buildings</b>						
Administration office	1,070,827	-	-	(26,771)	(696,037)	(722,808)
Nordic Arms residence	595,205	-	-	-	(595,205)	(595,205)
<b>Total land and buildings</b>	39,288,713	79,354	-	(882,363)	(27,610,714)	(28,493,077)
<b>Equipment and furnishings</b>						
Schools	4,546,839	138,736	-	(49,932)	(4,438,663)	(4,488,595)
Playgrounds	149,972	-	-	-	(149,972)	(149,972)
Residences	64,045	-	-	-	(64,045)	(64,045)
Administration office	322,132	-	-	-	(322,132)	(322,132)
Vehicles	319,413	-	-	(12,434)	(233,236)	(245,670)
	5,402,401	138,736	-	(62,366)	(5,208,048)	(5,270,414)
	44,691,114	218,090	-	(944,729)	(32,818,762)	(33,763,491)



**Yellowknife District No. 1 Education Authority**

(the "Authority")

**Notes to Consolidated Financial Statements**

June 30, 2020

**20. Prepaid Expenses**

	2020 \$	2019 \$
Insurance	270,957	47,774
Professional Development	-	1,750
Materials and Supplies	80,421	-
Leases	326	22,588
WSCC	-	52,221
	<b>351,704</b>	<b>124,333</b>

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

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

	Cost \$	Accumulated Amortization \$	2020 Net Book Value \$	2019 Net Book Value \$
Ecole Sir John Franklin	25,965,232	25,965,232	-	-
Ecole Sir John Franklin portable classrooms	419,724	338,427	81,297	91,787
Ecole Sir John Franklin NACC	1,660,480	1,167,415	493,065	542,580
Ecole Sir John Franklin Sewer Line	108,852	14,876	93,976	98,330
N.J. Macpherson	1,413,831	450,463	963,368	998,721
	29,568,119	27,936,413	1,631,706	1,731,418
<b>Deferred capital contributions</b>				
Ecole Sir John Franklin	(1,442,500)	(1,442,500)	-	-
	28,125,619	26,493,913	1,631,706	1,731,418

Rent expense of \$99,712 (2019 - \$45,843) was offset by a grant in-kind.





# Yellowknife District No. 1 Education Authority

(the "Authority")

## Notes to Consolidated Financial Statements

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June 30, 2020

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### 22. Contractual Obligations

The Authority has a contract with First Student for student transportation. The Authority is invoiced monthly and the amounts vary depending on a number of factors including: the number of students, routes, and bus passes sold. The contract is renewed until June 2021.

The Authority leases space from Route 51. The contract is renewed until June 2022.

The Authority has a collective bargaining agreement with the NWT Teachers Association ("NWTTA") for teachers, specialists and education assistance which expired August 31, 2020. The Authority is planning to meet with the NWTTA to bargain a new Collective Agreement in November 2020.

The Authority has a collective bargaining agreement with the United Steelworkers for support staff which expires on June 30, 2022.

The Authority has a Ricoh photocopy equipment leases and Lenovo lease for computers.

The Authority has entered into a contract for the construction of a school, beginning in the fall of 2020, and is being funded by the Government of the Northwest Territories.

	Expiry Date	2021 \$	2022 \$	Total \$
<b>Equipment Leases:</b>				
Ricoh Route 51	1 July 2021	2,024	-	2,024
Ricoh SJF	4 June 2021	5,861	-	5,861
Ricoh	30 Mar 2021	15,149	-	15,149
<b>Operational Contracts:</b>				
First Student Bussing	30 Jun 2021	450,000	-	450,000
<b>Commercial &amp; Residential Leases:</b>				
Route 51	30 Jun 2022	37,800	37,800	75,600
<b>Total</b>		<b>510,834</b>	<b>37,800</b>	<b>548,634</b>

### 23. Contingencies

The Authority does not have contingencies.



# Yellowknife District No. 1 Education Authority

(the "Authority")

## Notes to Consolidated Financial Statements

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June 30, 2020

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### 24. Related Parties

During the year, the Authority entered into transactions with the following related parties:

N'Dilo District Education Authority, common control  
Dettah District Education Authority, common control  
Commission Scolaire Francophone Territoires Du Nord Ouest, common control  
South Slave DEC, common control  
Dehcho Divisional Education Council, common control  
Stanton Territorial Health Authority, common control  
Government of the Northwest Territories:  
    Department of Finance, common control  
    Department of Justice, common control  
    Department of Health & Social Services, common control  
    Department of Education, Culture and Employment, common control  
    Department of Municipal and Community Affairs, common control  
    Department of Environment and Natural Resources, common control  
    Department of Infrastructure, common control  
    Department of Industry, Tourism and Investment, common control  
    Legislative Assembly of the Northwest Territories



# Yellowknife District No. 1 Education Authority

(the "Authority")

## Notes to Consolidated Financial Statements

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June 30, 2020

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### 24. Related Parties (Continued)

	2020	2019
	\$	\$
<b>Due to Related Parties (Accounts Payable):</b>		
<b>Government of the Northwest Territories:</b>		
<b>Other Education Bodies:</b>		
Commission Scolaire Francophone TNO	-	15,770
<b>Total Due to Related Parties</b>	<b>-</b>	<b>15,770</b>
<b>Due from Related Parties (Accounts Receivable):</b>		
<b>Other Education Bodies:</b>		
Dehcho Divisional Education Council	-	617
N'Dilo District Education Authority	-	150,128
Dettah District Education Authority	-	64,391
<b>Subtotal - other related parties</b>	<b>-</b>	<b>215,136</b>
<b>Government of the Northwest Territories:</b>		
Department of Education, Culture and Employment	4,229	16,688
<b>Subtotal - Government of the Northwest Territories</b>	<b>4,229</b>	<b>16,688</b>
<b>Total Due from Related Parties</b>	<b>4,229</b>	<b>231,824</b>

These balances due from related parties are unsecured, non-interest bearing with no specific terms of repayment.



**Yellowknife District No. 1 Education Authority**

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**Notes to Consolidated Financial Statements**

**June 30, 2020**

**24. Related Parties (Continued)**

	2020 \$	2019 \$
<b>Revenues from Related Parties:</b>		
<b>Government of the Northwest Territories:</b>		
Department of Education Culture & Employment - Regular contributions	29,219,831	28,180,648
Department of Education Culture & Employment - Other contributions	122,000	130,000
Department of Education Culture & Employment - Indigenous languages	-	69,000
Legislative Assembly of Northwest Territories	1,000	-
Department of Education Culture & Employment - French languages	484,850	499,250
Department of Finance - Interest	149,755	105,044
Department of Health & Social Services - GNWT other contributions	8,505	20,560
Department of Municipal and Community Affairs - GNWT other contributions	91,800	112,550
Department of Environment and Natural Resources - GNWT other contributions	8,000	8,500
<b>Other Education Bodies:</b>		
Commission Scolaire Francophone TNO (CSF TNO)	-	3,943
N'Dilo District Education Authority	30,000	30,000
Dettah District Education Authority - Other education bodies	130,020	212,325
South Slave DEC - Other education bodies	30,000	-
<b>Total Revenues from Related Parties</b>	<b>30,275,761</b>	<b>29,371,820</b>



**Yellowknife District No. 1 Education Authority**

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**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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**24. Related Parties (Continued)**

	2020	2019
	\$	\$
<b>Expenditures Paid to Related Parties:</b>		
<b>Government of the Northwest Territories:</b>		
Department of Infrastructure - Maintenance and repairs	5,336	3,803
Department of Industry, Tourism and Investment - Materials and supplies	1,376	-
Department of Financial and Employee Shared Services - Professional and technical	1,750	-
Department of Justice	-	100
Department of Education, Culture & Employment - Professional and technical	4,625	2,175
<b>Stanton Territorial Health Authority - Maintenance and repairs</b>	<b>553</b>	<b>6,683</b>
<b>Other Education Bodies:</b>		
South Slave Divisional Education Council - Contracted services	-	915
Deh Cho Divisional Education Council - Materials & supplies	600	600
<b>Total Expenses paid to Related Parties</b>	<b>14,240</b>	<b>14,276</b>

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.



## Yellowknife District No. 1 Education Authority

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### Notes to Consolidated Financial Statements

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June 30, 2020

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#### 25. Budget Data

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

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

The budget figures presented are those approved by the Trustees of the Authority on May 14, 2019 and submitted to the Minister of Education, Culture and Employment and have not been audited. The Budget for fiscal year 2019/2020 was submitted to the minister on June 28, 2019 the budget deficit is \$914,776.

#### 26. Economic Dependence

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



June 30, 2020

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## 27. 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 and recipients of services. 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. However, at June 30, 2020, receivables from these two districts is nil (2019 - 90%). Due to COVID-19, all schools were shut down mid-March. Payroll was completed to end of the school year early, therefore both Dettah and N'Dilo paid all of the costs of payroll bill before June 30, 2020.

There is a concentration risk in cash and portfolio investments. The full balance in these accounts is held at one financial institution (2019 - two). The daily balance in the operating bank account is invested with the GNWT Investment Pool. 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.

### 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.



**Yellowknife District No. 1 Education Authority**

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**Notes to Consolidated Financial Statements**

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**June 30, 2020**

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**27. Financial Instruments (Continued)**

**c) Liquidity risk**

Liquidity risk is the risk that the Authority will not be able to meet all cash outflow obligations as they come due. The Authority mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise. Some of the Authority's financial assets and most of the financial liabilities at June 30, 2020 mature within the next year. The Authority has disclosed future financial liabilities and commitments in Note 22.

**28. Expenditures By Object**

	<b>2020</b>	<b>2020</b>	<b>2019</b>
	Budget	Actual	Actual
	\$	\$	\$
Amortization	914,776	944,729	943,984
Compensation	30,763,221	30,752,642	30,651,166
Other	6,333,729	8,207,494	6,801,746
	<hr/>	<hr/>	<hr/>
	38,011,726	39,904,865	38,396,896
	<hr/>	<hr/>	<hr/>

**29. Subsequent Events**

There were no material subsequent events that have taken place between June 30, 2020 and the date of the audit report.

**30. 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, 2020**

**31. ECE Contributions**

	Budget 2020 \$	Actual 2020 \$	Actual 2019 \$
Original Contribution	28,884,450	29,131,353	27,792,229
Student Success Initiatives	123,000	123,000	123,000
Updated Average Salary	-	-	76,924
Termination Benefits	100,000	88,578	111,995
French Language	422,000	422,000	422,000
Mentorship Release Time	45,000	31,382	45,500
Junior Kindergarten Materials	-	-	14,000
Birchbark Teaching Program	26,000	26,000	140,000
<b>Updated Contribution</b>	<b>29,600,450</b>	<b>29,822,313</b>	<b>28,725,648</b>
Indigenous Language (Deferred to fiscal 2021)	-	(93,522)	69,000
French Cultural Resources	-	3,600	30,250
French Partnership Funding SSDEC	-	35,000	35,000
French Language Communications	-	24,250	12,000
Inclusive Education - Self Regulation	-	-	7,000
Health and Wellness Funding	-	36,040	-
<b>Total Contributions</b>	<b>29,600,450</b>	<b>29,827,681</b>	<b>28,878,898</b>



**Yellowknife District No. 1 Education Authority**

(the "Authority")

**Notes to Consolidated Financial Statements**

---

**June 30, 2020**

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**32. GNWT Other Contributions**

	Budget 2020	Actual 2020	Actual 2019
	\$	\$	\$
<b>Department of Municipal &amp; Community Affairs (MACA):</b>			
Active After School	-	91,800	92,550
Youth Corp	-	-	20,000
<b>Department of Executive (Legislative Assembly):</b>	-	1,000	-
<b>Department of Health and Social Services (HSS):</b>			
Drop the Pop	-	8,505	20,560
<b>Department of Environment &amp; Natural Resources (ENR):</b>			
Take a Kid Trapping	-	-	8,500
Compost Program	-	8,000	-
<b>Total</b>	-	<b>109,305</b>	<b>141,610</b>

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**June 30, 2020**

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### **33. Contingent Assets**

The Authority does not have contingent assets.

### **34. Contractual Rights**

The Authority does not have contractual rights.

### **35. Environmental Liabilities**

#### **Liability for Contaminated Sites**

The Authority has identified possible environmental liabilities at William McDonald School and Range Lake North School that have underground fuel tanks. The Department of Education, Culture and Employment, and the Department of Infrastructure is working towards replacing the underground fuel tanks. The Authority has purchased Environmental Liabilities Insurance in addition to the General Liabilities insurance to ensure adequate insurance coverage for the fuel tanks.

#### **Environmental Liabilities**

The Authority contracted Associated Environmental to complete a Hazardous Building Materials Assessment on all of the Buildings owned and managed by the Authority in 2018. The final reports are completed and a Hazardous Materials management plan is put in place. YK1 has contracted Kasteel Construction to provide supplementary cost estimates for the asbestos abatement of Nordic Arms in June 2020. Liabilities discovered as a result of the assessment were communicated to the GNWT Department of Education, Culture, and Employment. The abatement for Sir John Franklin High School was completed by the GNWT in March 2018, and the abatement for the maintenance building was completed in March 2019. The abatement for JH Sissons School is to be completed in July 2020 before its demolition. A liability totaling \$179,651 has been recorded for the asbestos abatement of the Mildred Hall School and William McDonald School. There is also a separate liability recorded for the future abatement of Nordic Arms Apartment complex in the amount of \$756,250. Total liability recorded for future asbestos abatement is \$935,901 (2019 - \$110,938). Management will continue to monitor these buildings under the Hazardous Materials management plan.



**Yellowknife District No. 1 Education Authority**

(the "Authority")

**Notes to Consolidated Financial Statements**

---

**June 30, 2020**

---

**36. Accumulated Surplus**

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

**Details of Funds**

---

<b>For the year ended June 30,</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATING FUND</b>		
Balance, beginning of year	444,854	511,577
Operating deficit (Statement 2)	(354,666)	(1,056,027)
Acquisition of tangible capital assets	(218,090)	(72,881)
Transfer from Investment in Tangible Capital Assets	944,729	943,984
Transfer from Decentralized Surplus	16,943	21,056
Transfer to Pellet Boiler Reserve	(350,000)	-
Transfer (to) from LED reserve Utilities/LED Lights	(97,928)	97,145
<b>Balance, end of year</b>	<b>385,842</b>	<b>444,854</b>
<b>INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>		
Balance, beginning of year	11,872,352	12,743,455
Acquisition of tangible capital assets	218,090	72,881
Amortization	(944,729)	(943,984)
<b>Balance, end of year</b>	<b>11,145,713</b>	<b>11,872,352</b>



**Yellowknife District No. 1 Education Authority**

(the "Authority")

**Notes to Consolidated Financial Statements**

---

**June 30, 2020**

---

**36. Accumulated Surplus (Continued)**

**Details of Surplus and Reserves**

---

For the year ended June 30,	2020	2019
	\$	\$
<b>DECENTRALIZED SURPLUS</b>		
Balance, beginning of year	365,440	386,496
Transfer to Operating Fund	(16,943)	(21,056)
<b>Balance, end of year</b>	<b>348,497</b>	<b>365,440</b>
<b>PELLET BOILER RESERVE</b>		
Balance, beginning of year	-	-
Transfer from Operating Fund	350,000	-
<b>Balance, end of year</b>	<b>350,000</b>	<b>-</b>
<b>CAPITAL FUND RESERVE</b>		
Balance, beginning of year	904,165	904,165
<b>Balance, end of year</b>	<b>904,165</b>	<b>904,165</b>
<b>LED RESERVE</b>		
Balance, beginning of year	255,651	352,796
Transfer (to) from Operating Fund for Utility Costs	97,928	(97,145)
<b>Balance, end of year</b>	<b>353,579</b>	<b>255,651</b>



**June 30, 2020**

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**37. COVID-19**

On March 11, 2020, the World Health Organization declared a global pandemic of the novel coronavirus identified as "COVID-19". In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations, resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal, provincial and territorial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Authority and its operations in future periods.

**38. School Generated Funds (Trusts under Administration)**

School generated funds are funds that are raised and collected in the school or in the community in the name of the school by school councils, student groups or parent advisory council. The funds are administered by the school principal, and are raised or collected from sources other than the school board's operating and capital budgets.

The following balances represent the school generated funds that are held in trust by the Authority. They are not recorded in the audited financial statements:

	2020	2019
	\$	\$
Balances, beginning of year	751,026	765,453
Fundraising revenues	583,621	819,752
Total funds available	1,334,647	1,585,205
Total related expenses	(623,957)	(834,179)
Balances, end of year	710,690	751,026

**Audited Financial Statements  
Tlicho Community Services Agency  
Behchoko, NT**

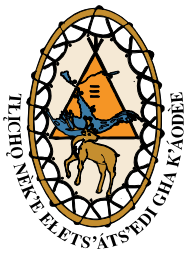
**For the year ended March 31, 2021**

**Tlicho Community Services Agency  
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**To the Ministers of Health and Social Services and Education, Culture and Employment  
Government of the Northwest Territories**

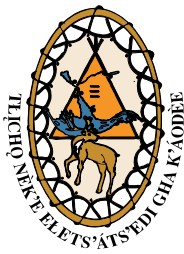
**Management Responsibility for Financial Reporting for the year ended March 31, 2021**

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 Agency in all material respects and in accordance with Canadian Public Sector Accounting Standards (CPSAS) as well as the Financial Administration Manual (FAM) 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 Tlicho Community Services Agency have been conducted within the statutory powers of the Health Authority and Divisional Education Council. The operations and administration of the Health and Education Divisions 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 Financial Administration Act, CPSAS, FAM, Human Resources Manual, Ministerial Directives and the policies of the Health Authority Board and Divisional Education Council. Any non-compliance has been specifically identified and has been previously communicated to the Ministers and Deputy Ministers.

Management hereby asserts that EPR Yellowknife Accounting Professional Corporation 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.





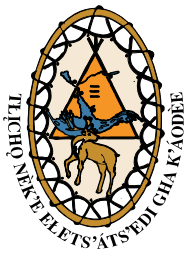
The auditors annually provide an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards. The auditors also consider whether the transactions that have come to their notice in the course of this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

**Approved and confirmed on behalf of the Tłı̨chǫ Community Services Agency**

**Kevin Armstrong, Chief Executive Officer**

**Tłı̨chǫ Community Services Agency**





## Management Discussion and Analysis

March 31, 2021



The Tlicho Community Services Agency (TCSA) is a unique organization in the Northwest Territories. It is a Government of the Northwest Territories Agency, while incorporating the values and principles of the Tlicho people.

Our mission statement “Strong Like Two People” was developed to ensure that the TCSA is committed to the development of a continuum of care that will return control of education, health, and social programs and services to the people of our communities, support them in the task of strengthening their families, promote the knowledge and skills they need to survive today, and model the values they need to live in harmony with their families, communities, and the land.

The Agency is also unique in that it is the only agency in the Northwest Territories to deliver both the health and social services programs in conjunction with the education programs. All the other regions have separate agencies for the delivery of health and education programs. The advantage of the TCSA model is that we are able to more effectively link the delivery of these programs.

The TCSA serves a population of approximately three thousand people (3,000) in the communities of Behchoko, Whati, Gameti and Wekweeti. The TCSA delivers its programs through five schools and four health centers in the region, and one long term care facility located in Behchoko.

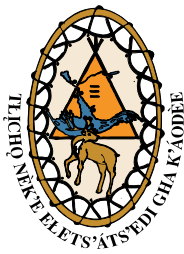
The Agency had an annual budget in fiscal 2020-2021 of \$44.661 million, a dedicated workforce of approximately 280 employees with a total payroll budget of \$36.833 million, which represents 82.5% of the Agency’s total annual budget.

For the 2020-2021 fiscal year, the TCSA Health and Social Services Activities incurred an operating deficit of \$598,640, thereby arriving at an accumulated operating deficit of \$5.539 million. The 2020-2021 operating deficit represents approximately 2.9% of the total health revenue of \$20.829 million.

The Table below demonstrating the figure upon with the Surplus Retention Policy will be applied:

	2021 Actual	2020 Actual
Operating Surplus / (Deficit)	\$ (598,640)	\$ (1,169,195)
Unfunded Items:		
Change in Employee Leave and Termination Benefits	(43,176)	(110,051)
Annual Surplus / (Deficit)	<u>\$ (641,816)</u>	<u>\$ (1,279,246)</u>





## Management Discussion and Analysis

March 31, 2021



The operating deficit in health for 2020-2021 can be attributed to a number of factors:

- (1) The costs to operate the health centers in our three main communities has increased compared to the prior year's costs, and exceeded the funding by \$361,296 (2019-2020: \$274,221). Overtime / standby costs continue to run over budgeted amounts. The overtime would normally be expected as services are required to be delivered outside of the regular business hours.
- (2) The ongoing costs to operate our Ambulance Services continue to run over funding and the operating deficit arrives \$395,086 (2019-2020: \$478,656).

For its 2020-2021 Education activities the TCSA incurred an annual surplus of \$54,589. As a result of this the TCSA Education activities now have an accumulated deficit of \$624.

While these financial statements include expenses for education from April to March, an additional set of financial statements is prepared annually for Education which runs for the school year of July 1 to June 30, and we will report to the department of Education our complete results at that time.

### Summary and Outlook

- The fiscal outlook for the TCSA remains challenging and this is in large part caused by two items:
  - The GNWT funds positions at a pay step 4 to take turnover into account. At the TCSA however, turnover is very low. As a result of this, many employees are paid at a pay step level 8 which results in the funding for regular payroll being insufficient to cover the actual payroll cost.
  - Overtime, standby and callback pay are not specifically funded by the GNWT. The majority of these expenses are unavoidable however. Because of the thin management structure of the TCSA, the percentage of the staff incurring overtime would be higher than elsewhere in the GNWT.
- The Department of Health and Social Services recognizes the above issue and has approved the Agency's 2021-2022 budget with a deficit of \$1,980,119. However, the funding for this deficit has not been addressed.
- For 2021-2022 the TCSA has received funding for three (3) positions to improve Child and Family Services. The majority of this funding is used to offset the cost of staff positions above and beyond those that are funded, as demanded by the significant caseloads in this program area.

Chief Executive Officer

June 29, 2021





**YELLOWKNIFE  
ACCOUNTING**  
PROFESSIONAL CORPORATION

**CHARTERED PROFESSIONAL  
ACCOUNTANTS**

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## INDEPENDENT AUDITOR'S REPORT

### To the Ministers of Health and Social Services and Education, Culture and Employment

#### *Qualified Opinion*

We have audited the financial statements of the Tlicho Community Services Agency, which comprise the statement of financial position as at March 31, 2021, and the statements of operations, statement of changes in net financial resources and cash flows for the year then ended. We have also audited the revenue and expenditures of programs funded through contribution agreements by the Department of Health and Social Services which total \$250,000 or more listed in Schedule A.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Tlicho Community Services Agency as at March 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards. Further, these statements present fairly, in all material respects, the funding and expenditures of all Health and Social Services funded programs \$250,000 or more in Schedule A for the year ended March 31, 2021 in accordance with the provisions established by the individual Contribution Agreements.

#### *Basis for Qualified Opinion*

The GNWT is responsible for the calculation and distribution of the salaries and wages that appear on the statement of operations, the accuracy of which is not susceptible to complete audit verification. We have satisfied ourselves that the payroll information provided by the GNWT was accurately reflected in the Agency's records.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Agency in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Agency or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Agency's financial reporting process.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

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## INDEPENDENT AUDITOR'S REPORT, continued

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Agency to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

As required by the Hospital Insurance and Health and Social Services Administration Act and the Financial Administration Act, we report that proper books and records of account have been kept by the Agency, that the consolidated financial statements are in agreement therewith, and that the transactions that have come under our notice have been, in all material respects, within the statutory powers of the Agency.

*EPR Yellowknife Accounting Prof. Corp.*

Yellowknife, NWT  
July 2, 2021

***EPR Yellowknife Accounting Professional Corporation***  
Chartered Professional Accountants

**Tlcho Community Services Agency**  
**Statement of Financial Position**  
**As at March 31, 2021**

	<u>March 31, 2021</u>	<u>March 31, 2020</u>
<b>Financial Assets</b>		
Cash and Cash Equivalents (Note 4)	\$ 4,390,030	\$ -
Accounts Receivable (Note 8)	2,459,457	1,354,583
	<u>6,849,487</u>	<u>1,354,583</u>
<b>Liabilities</b>		
Bank indebtedness (Note 10)	-	1,162,876
Accounts Payable and Accrued Liabilities (Note 11)	2,704,755	1,001,184
Deferred Revenue (Note 12)	3,038,542	1,114,304
Wages and Benefits Payable - GNWT (Note 11)	5,652,864	2,074,555
Employee Future Benefits (Note 17)	1,164,145	1,278,279
	<u>12,560,306</u>	<u>6,631,198</u>
<b>Net Financial Debt</b>	<u>(5,710,819)</u>	<u>(5,276,615)</u>
<b>Non-Financial Assets</b>		
Inventory Held for Use (Note 9)	102,000	98,200
Tangible Capital Assets (Note 19)	296,967	353,532
Prepaid Expenses (Note 20)	-	1,000
	<u>398,967</u>	<u>452,732</u>
<b>Accumulated Surplus (Deficit) (Page 6)</b>	<u>\$ (5,311,852)</u>	<u>\$ (4,823,883)</u>

**Contractual Obligations (Note 23)**

  
 \_\_\_\_\_ **Chief Executive Officer**

  
 \_\_\_\_\_ **Chairman of the Board**

**Tlicho Community Services Agency  
Consolidated Operations  
Statement of Operations  
For the year ended March 31, 2021**

	<b>Unaudited 2021 Budget</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Revenue</b>			
Health & Social Services (Page 3)	\$ 19,512,080	\$ 20,829,402	\$ 19,179,849
Education (Page 4)	23,209,412	22,359,480	18,823,541
Other Operations (Page 5)	150,000	135,511	300,641
	<u>42,871,492</u>	<u>43,324,393</u>	<u>38,304,031</u>
<b>Expenditure</b>			
Health & Social Services - Compensation	17,101,203	17,046,536	16,075,911
Health & Social Services - Other	3,727,545	4,381,506	4,273,133
Total Health & Social Services (Page 3)	<u>20,828,748</u>	<u>21,428,042</u>	<u>20,349,044</u>
Education - Compensation	19,732,177	19,231,365	16,046,432
Education - Other	3,949,759	3,073,526	3,154,741
Total Education (Page 4)	<u>23,681,936</u>	<u>22,304,891</u>	<u>19,201,173</u>
Other Operations - Compensation	-	-	-
Other Operations - Other	150,000	79,429	235,833
Total Other Operations (Page 5)	<u>150,000</u>	<u>79,429</u>	<u>235,833</u>
	<u>44,660,684</u>	<u>43,812,362</u>	<u>39,786,050</u>
<b>Operating Surplus (Deficit)</b>	<b><u>\$ (1,789,192)</u></b>	<b><u>\$ (487,969)</u></b>	<b><u>\$ (1,482,019)</u></b>
Rent Expense - GNWT Assets provided at no cost (Note 22)		568,494	579,388
Grant-In-Kind - GNWT Assets provided at no cost (Note 22)		(568,494)	(579,388)
Change to Employee Leave and Termination Benefits		114,134	329,497
		<u>114,134</u>	<u>329,497</u>
<b>Annual Surplus (Deficit)</b>	<b><u>\$ (1,789,192)</u></b>	<b><u>\$ (602,103)</u></b>	<b><u>\$ (1,811,516)</u></b>



**Tlicho Community Services Agency  
Health & Social Services  
Statement of Operations  
For the year ended March 31, 2021**

	<b>Unaudited 2021 Budget</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Revenue</b>			
Contributions from GNWT (Schedule A)	\$ 18,722,080	\$ 20,072,896	\$ 18,486,576
Interest Income	30,000	24,432	58,182
Other Income	150,000	215,357	167,388
Recoveries	610,000	516,717	467,703
	<u>19,512,080</u>	<u>20,829,402</u>	<u>19,179,849</u>
<b>Expenditure</b>			
Administrative & Support Services	2,140,958	1,651,091	1,464,457
Ambulatory Care Services	1,284,492	1,173,261	1,208,006
Community Health Programs	6,437,442	7,221,742	6,926,763
Community Social Programs	5,884,405	5,774,496	5,562,896
Long Term and Continuing Care	5,081,451	4,887,943	5,166,319
Emergency Response (COVID-19)	-	719,509	20,603
	<u>20,828,748</u>	<u>21,428,042</u>	<u>20,349,044</u>
<b>Operating Surplus (Deficit)</b>	<b>\$ (1,316,668)</b>	<b>\$ (598,640)</b>	<b>\$ (1,169,195)</b>
Rent Expense - GNWT Assets provided at no cost (Note 22)		568,494	579,388
Grant-In-Kind - GNWT Assets provided at no cost (Note 22)		(568,494)	(579,388)
Change to Employee Leave and Termination Benefits		43,176	110,051
		<u>43,176</u>	<u>110,051</u>
<b>Annual Surplus (Deficit)</b>		<b>(641,816)</b>	<b>(1,279,246)</b>
<b>Opening Accumulated Operating Deficit</b>		<b>(4,940,585)</b>	<b>(3,771,390)</b>
<b>Closing Accumulated Operating Deficit</b>		<b>\$ (5,539,225)</b>	<b>\$ (4,940,585)</b>

**Tlicho Community Services Agency  
Education  
Statement of Operations  
For the year ended March 31, 2021**

	<b>Unaudited 2021 Budget</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Operating Fund - Revenue</b>			
Government of the Northwest Territories			
Regular Contribution from ECE	\$ 17,482,236	\$ 17,718,056	\$ 17,066,630
Other ECE Contribution	140,000	838,049	183,728
Total ECE Contributions	17,622,236	18,556,105	17,250,358
Contributions from Other GNWT Departments	125,200	102,519	87,941
Total GNWT Contributions	17,747,436	18,658,624	17,338,299
Government of Canada - Jordan's Principle	5,263,070	3,376,654	1,276,433
Board Generated Funds			
Other Contributions and Miscellaneous	168,906	299,770	150,627
Investment Income	30,000	24,432	58,182
Total Generated Funds	198,906	324,202	208,809
<b>Total Revenue</b>	<b>23,209,412</b>	<b>22,359,480</b>	<b>18,823,541</b>
<b>Operating Fund Expenses - per schedule C</b>			
Aboriginal Language/Cultural Programs	2,171,696	2,157,952	2,083,244
Administration	1,357,674	1,126,531	1,160,641
Inclusive Schooling	3,272,123	3,389,655	3,246,470
School Programs	16,880,443	15,630,753	12,710,818
<b>Total Expense</b>	<b>23,681,936</b>	<b>22,304,891</b>	<b>19,201,173</b>
<b>Operating Surplus (Deficit)</b>	<b>\$ (472,524)</b>	<b>\$ 54,589</b>	<b>\$ (377,632)</b>
Change to Employee Leave and Termination Benefits		70,958	219,446
<b>Annual Surplus (Deficit)</b>		<b>\$ (16,369)</b>	<b>\$ (597,078)</b>

**Tlicho Community Services Agency  
Other Operations  
Statement of Operations  
For the year ended March 31, 2021**

	<b>Unaudited 2021 Budget</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Revenue</b>			
Recoveries - Housing	\$ 150,000	\$ 135,511	\$ 300,641
	-	-	-
<b>Expenses</b>			
General Administrative Expenditures	-	14,279	45,083
Lease Property - Housing	150,000	65,150	190,750
	150,000	79,429	235,833
<b>Operating Surplus (Deficit)</b>	<b>\$ -</b>	<b>\$ 56,082</b>	<b>\$ 64,808</b>

**Tlicho Community Services Agency  
Statement of Changes in Net Debt  
For the year ended March 31, 2021**

	<b>Unaudited 2021 Budget</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
Annual Operating Surplus (Deficit) (Page 2)	\$ (1,789,192)	\$ (487,969)	\$ (1,482,019)
Decrease (Increase) in Inventories Held for Use	-	(3,800)	-
Decrease (Increase) in Prepaid Expenses	-	1,000	-
Acquisition of Tangible Capital Assets	-	-	(395,956)
Amortization of Tangible Capital Assets	-	56,565	66,201
Increase (Decrease) in Net Financial Resources	-	(434,204)	(1,811,774)
Opening Net Financial Resources (Debt)	(5,276,622)	(5,276,622)	(3,464,842)
<b>Closing Net Financial Resources (Debt)</b>	<b>\$ (5,276,622)</b>	<b>\$ (5,710,832)</b>	<b>\$ (5,276,622)</b>
<b>Accumulated Operating Surplus (Deficit)</b>			
<b><u>Health &amp; Social Services</u></b>			
Opening Surplus - Health & Social Services	\$ (4,940,585)	\$ (4,940,585)	\$ (3,771,390)
Current Year's Operating Surplus (Deficit) (Page 3)	(1,316,668)	(598,640)	(1,169,195)
Closing Surplus (Deficit)	(6,257,253)	(5,539,225)	(4,940,585)
<b><u>Education</u></b>			
Opening Surplus - Education	(55,213)	(55,213)	322,419
Current Year's Operating Surplus (Deficit) (Page 4)	(472,524)	54,589	(377,632)
Closing Surplus (Deficit)	(527,737)	(624)	(55,213)
<b><u>General</u></b>			
Opening Surplus - Other	171,915	171,915	107,107
Current Year's Surplus (Deficit) (Page 5)	-	56,082	64,808
Closing Surplus (Deficit)	171,915	227,997	171,915
<b>Total Closing Accumulated Operating Deficit</b>	<b>\$ (6,613,075)</b>	<b>\$ (5,311,852)</b>	<b>\$ (4,823,883)</b>

**Tlich Community Services Agency  
Statement of Cash Flow  
For the year ended March 31, 2021**

	2021	2020
<b>Cash Provided by (used in) Operating Transactions</b>		
Annual Operating Surplus (Deficit)*	\$ (487,969)	\$ (1,482,019)
Items not affecting cash:		
Amortization	56,565	66,201
(Increase) decrease in Accounts Receivable	(1,104,874)	329,363
Increase (decrease) in Accounts Payable	1,703,571	(293,024)
Increase (decrease) in Wages and Benefits Payable	3,578,309	(2,463,567)
Increase (decrease) in Inventories Held for Use	(3,800)	-
Increase in Employee Future Benefits	(114,134)	(329,497)
Increase (decrease) in Deferred Revenue	1,924,238	996,775
Decrease (Increase) in Prepaid Expenses	1,000	-
<b>Net Cash Provided by (used in) Operating Transactions</b>	<b>5,552,906</b>	<b>(3,175,768)</b>
<b>Cash Provided by (used in) Investing Transactions</b>		
Disposition (Acquisition) of Tangible Capital Assets	-	(395,956)
<b>Net Cash Provided by Investing Transactions</b>	<b>-</b>	<b>(395,956)</b>
<b>Cash Provided by (used in) Financing Transactions</b>		
<b>Net Cash Provided by Financing Transactions</b>	<b>-</b>	<b>-</b>
<b>Increase (Decrease) in Cash</b>	<b>5,552,906</b>	<b>(3,571,724)</b>
<b>Cash, Beginning of the Year</b>	<b>(1,162,876)</b>	<b>2,408,848</b>
<b>(Bank Indebtedness) Cash, End of the Year</b>	<b>\$ 4,390,030</b>	<b>\$ (1,162,876)</b>

\*Total interest paid during the year \$44,918 (2020 - \$95,335).

**Tlicho Community Services Agency**  
**Notes to the Financial Statements**  
**March 31, 2021**

**1. Nature of Organization**

The Agency was established under the Tlicho Government Act by order of the Minister dated August 4, 2005. Its purpose is to administer and maintain the standards of Health and Educational programs defined under the respective Acts in the Member communities of the Tlicho Region.

The Agency was formerly known as the Dogrib Community Services Board and the Dogrib Divisional Board of Education. On May 22, 1997, an agreement was signed between the Dogrib Community Services Board and the Government of the Northwest Territories, Department of Health and Social Services, with the support of the Treaty 11 Council, to deliver Health and Social Service programs in the Dogrib region. The Tlicho Community Services Agency (TCSA) is an integrated Education and Health & Social Services Agency.

The Agency is dependent upon funding from the Government of the Northwest Territories and is a registered charity.

**2. Significant Accounting Policies**

These financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board of the Chartered Professional Accountants of Canada and by the directives of the Government of the Northwest Territories - Department of Health and Social Services ("DHSS") and Department of Education, Culture and Employment ("ECE"). Significant accounting policies are as follows.

**a) Cash**

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

**b) Funds**

The Agency records financial information in individual funds that are segregated for the purpose of carrying on specific activities or attaining certain objectives. Funds established by the Agency are:

Operating Fund- reflecting activities associated with the Agency's day-to-day operations.

Leave and Termination Liability Fund - reflecting activities in employee leave and termination benefits combined with any amounts transferred from operations to fund these liabilities. This fund represents liabilities which will be funded in the year they become due through the regular annual allocations from the Government of the Northwest Territories ("GNWT").

Endowment and Special Purpose Fund - reflecting activities relating to endowments and other special purpose funds made available to the Agency under conditions specified by donors and other providers.

**c) Surplus Reserves**

The DHSS policy requires the Agency to establish the following reserves:

Surplus Reserve- reflects funds maintained in a reserve according to the DHSS Operations and Maintenance Surplus Retention Policy.

Employee Future Benefit Reserve- the funds received in advance for the severance liability of employees who were transferred to the Agency from the GNWT. These liabilities are reduced as employees are paid out upon termination of employment with the agency.

**Tlicho Community Services Agency  
Notes to the Financial Statements  
March 31, 2021**

**2. Significant Accounting Policies (cont'd)**

**d) Tangible Capital Assets**

The GNWT retains ownership of all tangible assets (TCA) used by the Agency or purchased by the Agency (regardless of source of funding for the purchase). The GNWT amortizes TCAs over the estimated useful lives of the assets at the rates established in the Financial Administration Manual over the following terms:

Buildings	40 years
Mainframe and software systems	5-10 years
Leasehold Improvements	Lesser of useful life or lease term plus renewal option

The TCAs used by the Agency and held on behalf of, or in trust for, the GNWT are not recognized by the Agency in the financial statements.

The statement of operations reflects the Rent Expense amount that would otherwise be considered amortization expense for the fiscal year with an offsetting corresponding amount as a Grant-In-Kind revenue.

**e) Inventory of Supplies**

Inventories of supplies include inventories held for use in the process of providing services and are distributed to clients at no charge or for a nominal charge. Inventories consist of pharmacy items, parts for various equipment, and office supplies. Inventories of supplies are valued at the lower of cost and replacement value.

**f) Accrued Employee Leave and Termination Benefits**

In accordance with GNWT accounting policies specified for public agencies, the Agency annually accrues estimated employee leave and termination benefits payable

**g) Pension Contributions**

The Agency and its employees make contributions to the Public Service Superannuation Plan administered by the Government of Canada. These contributions represent the total liability to the Agency and are recognized in the accounts on a current basis.

**h) Revenue Recognition**

The Agency is primarily funded by the GNWT in accordance with budget arrangements established by the DHSS and ECE. Under the arrangements, the Agency is responsible for the net deficit from operations and is allowed to retain surpluses from core programs. Any capital funding not spent may be retained for future capital purchases. These policies do not apply to contribution agreements, where an accounting of and return of surpluses may be required.

Other revenue is recognized when the service is performed or the goods are provided.

**Government Transfers**

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except for 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

**Tlicho Community Services Agency  
Notes to the Financial Statements  
March 31, 2021**

**2. Significant Accounting Policies (cont'd)**

**i) Financial Instruments**

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

Financial instruments held at cost or amortized cost include cash, accounts receivable, bank indebtedness, accounts payable and accrued liabilities, payroll liabilities and deferred revenues. They are initially recorded 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

**j) Non-Financial Assets**

Non-financial assets are accounted for as assets by the Agency because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the Agency unless they are sold.

**k) Measurement Uncertainty**

The preparation of these financial statements, in conformity with Canadian public sector accounting standards, requires management to make estimates and assumptions. This affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the updated amounts of revenue and expenses during the period. Significant estimates include accounts receivable and doubtful accounts and the actuarial valuation of employee leave and termination benefits. Actual results could differ from these estimates.

**3. Future Accounting Changes**

**PS 3280-Asset Retirement Obligations:** This new section establishes standards on how to account for and report a liability for asset retirement obligations. This section is effective for fiscal periods beginning on or after April 1, 2021. The impact of the transition to these accounting standards has not yet been determined.

**PS 3400-Revenue:** This new section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. This section is effective for fiscal years beginning on or after April 1, 2022. Earlier adoption is permitted. This section may be applied retroactively or prospectively.

**PS 3450-Financial Instruments:** This new section is effective for fiscal years beginning on or after April 1, 2022. Items within the scope of the standard are assigned to one of two measurement categories: fair value, or cost or amortized cost. Fair value measurement will apply to derivatives and portfolio investments in equity instruments that are quoted in an active market. Also, when groups of financial assets and financial liabilities are managed on a fair value basis they may be reported on that basis. Other financial assets and financial liabilities will generally be measured at cost or amortized cost. Until an item is derecognized, gains and losses arising due to fair value remeasurement will be reported in the Statement of Remeasurement of Gains and Losses. There is no significant impact on the financial statements as a result of its application.

**PS 2601-Foreign Currency Translation:** Effective July 1, 2022, Education Bodies will concurrently be required to adopt: PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments in the same fiscal period. Government organizations that apply PSAS were required to adopt these standards effective April 1, 2012, however there is no significant impact on the financial statements as a result of this application.



**Tlicho Community Services Agency**  
**Notes to the Financial Statements**  
**March 31, 2021**

**4. Cash**

	<b>2021</b>	<b>2020</b>
Cash	\$ 4,390,030	\$ -

**5. Special Purpose Funds**

Nil Report

**6. Restricted Assets**

Nil Report

**7. Portfolio Investments**

Nil Report

**8. Accounts Receivable**

	<b>Accounts Receivable 2021</b>	<b>Allowance for Doubtful Accounts 2021</b>	<b>Net Amount 2021</b>	<b>Net Amount 2020</b>
Due from Third Parties	\$ 485,098	\$ -	\$ 485,098	\$ 301,718
Due from Government of Northwest Territories -	1,785,034	-	1,785,034	899,779
Due from Workers' Safety and Compensation Commission	1,958	-	1,958	1,958
Northwest Territories Health and Social Services Authority	187,367	-	187,367	150,928
	<b>\$ 2,459,457</b>	<b>\$ -</b>	<b>\$ 2,459,457</b>	<b>\$ 1,354,383</b>

**9. Inventories**

	<b>2021</b>	<b>2020</b>
Inventory Held for Use Health Centre Supplies	\$ 102,000	\$ 98,200

**Tlicho Community Services Agency  
Notes to the Financial Statements  
March 31, 2021**

**10. Bank Indebtedness**

	<b>2021</b>	<b>2020</b>
Credit facility	\$ -	\$ 1,162,876

The Agency does not have its own credit facility with the bank. Rather, as an Agency under the GNWT, its funds are pooled together with those of the GNWT and its other entities forming a Common Offset Balance (COB) agreement. Under the COB, the Agency and other entities of the GNWT have their respective funds pooled together whereby any negative balances are offset against positive balances in other entities of the GNWT. Therefore, the Agency will not incur fees and interest charges on the overdrawn amount and the amount of credit available is not limited.

**11. Accounts Payable and Accrued Liabilities**

	<b>2021</b>	<b>2020</b>
Due to the Government of the Northwest Territories	\$ 1,286,876	\$ 278,752
Due to NWT Housing Corporation	3,300	3,300
Due to NWT Power Corporation	483	-
Due to Northwest Territories Health and Social Services Authority	765,446	13,489
Due to NWT Education Board	300	-
Due to GNWT Genuine Mackenzie Valley	2,350	-
Due to Workers' Safety and Compensation Commission	20,753	80,051
Due to Third Parties	625,247	625,592
	\$ 2,704,755	\$ 1,001,184

	<b>2021</b>	<b>2020</b>
<b>Payroll Liabilities</b>		
Due to GNWT Payroll Liabilities	\$ 4,892,873	\$ 1,464,166
Accrued Vacation and Lieu	759,991	610,389
Government of the Northwest Territories	\$ 5,652,864	\$ 2,074,555

**Tlicho Community Services Agency**  
**Notes to the Financial Statements**  
**March 31, 2021**

**12. Deferred Revenue**

Deferred revenue consists of contributions received in advance for activities with dates beyond the fiscal year end. These amounts will be recognized in revenue as expenditures are incurred.

	<b>2021</b>	<b>2020</b>
CJBS - PC Children Charity Nutrition	\$ -	\$ 5,349
CJBS - Take A Kid Trapping	-	6,751
CJBS - On the Land Collaborative	-	28,230
CJBS - Dominion Diamond Ekati	-	22,906
CJBS - Food First Foundation	2,321	993
CJBS - Miscellaneous	-	5,120
MEZI - Take A Kid Trapping	-	5,998
MEZI - Active After School	14,084	-
MEZI - Food First Foundation	12,092	-
MEZI - Drop the Pop	-	595
MEZI - NWT Literacy Council	1,046	2,430
MEZI - Ekati Mine Culture	20,014	22,909
MEZI - Miscellaneous Account	-	687
EMES - Drop the Pop	-	1,000
EMES - Food First Foundation	17,500	-
EMES - Bookfair	1,598	-
EMES - PC Children Charity	1,802	-
EMES - Active After School	15,050	-
EMES - Breakfast Club	5,388	7,532
EMES - Literacy Account	-	442
EMES - On the Land Collaborative	14,638	6,692
AAS - Active After School	9,958	2,662
AAS - Take a Kid Trapping	8,000	-
AAS - Food First Foundation	4,128	-
AAS - Northern Distance Learning	21,867	-
AAS - PC Children Charity	396	531
AAS - On the Land Collaborative	11,845	11,845
AAS - Literacy	2,191	2,191
AAS - Miscellaneous	4,350	-
JWGS - Breakfast Club	9,199	10,156
JWGS - Food First Foundation	2,074	2,074
JWGS Fundraising	2,903	2,903
JWGS - Literacy	632	632
JWGS - Take A Kid Trapping	-	6,786
JWGS - Miscellaneous	339	339
JWGS - Active After School	16,898	14,164
JWGS - Drop the Pop	-	625
JWGS - PC Children Charity	-	2,662
JWGS - Northern Distance Learning	15,656	-
REGIONAL - COVID-19 Support	587,591	-
REGIONAL - Health & Wellness Current Pilot Support	-	13,250
REGIONAL - Indigenous Health & Wellness Elders	139,381	153,029
REGIONAL - Jordan's Principle	2,095,601	772,821
	<b>\$ 3,038,542</b>	<b>\$ 1,114,304</b>

**Tlicho Community Services Agency  
Notes to the Financial Statements  
March 31, 2021**

**13. Contribution Repayable**

Nil Report

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

Nil Report

**15. Capital Lease Obligations**

Nil Report

**16. Pensions**

The TCSA's employees participate in Canada's Public Service Plan (PSPP). The PSPP provides benefits based on the number of years of pensionable service to a maximum of 35 years. Benefits are determined by a formula set out in the legislation; they are not based on the financial status of the pension plan. The basic benefit formula is 2 percent per year of pensionable service multiplied by the average of the best five consecutive years of earnings.

The public service plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to 65 for new members joining the plan on or after January 1, 2013. For existing members, the normal retirement age remains age 60. Furthermore, contribution rates for current service for all members of the public service will increase gradually to an employer: employee cost sharing ratio of 50:50 by 2017. The employer contribution rate effective at the end of the year is 1 times (2016 - 1.15) the employees' contributions for employees who started prior to January 2013 and 1 times (2016 - 1.1) the employees' contributions for all other employees

Other benefits include survivor pensions, minimum benefits in the event of death, unreduced by early retirement, pensions and disability pensions.

Contributions to the PSPP are broken down as follows.

	<u>2021</u>	<u>2020</u>
HSS Activities		
Employee	\$ 947,111	\$ 903,719
Employer	946,063	908,548
	<u>1,893,174</u>	<u>1,812,267</u>
 EDU Activities		
Employee	1,384,655	1,205,010
Employer	1,367,490	1,175,710
	<u>2,752,145</u>	<u>2,380,720</u>
	<u>\$ 4,645,319</u>	<u>\$ 4,192,987</u>

**Tlicho Community Services Agency**  
**Notes to the Financial Statements**  
**March 31, 2021**

**17. Employee Future Benefits**

In addition to pension benefits, Tlicho Community Service Agency 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 Tlicho Community Services Agency 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 location of hire, employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

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

**Valuation Result**

The actuarial valuation was completed March 31, 2021. The effective date of the next actuarial valuation is March 31, 2022. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the Agency.

Employee Long Term Benefits Consist of:

	<b>EDU</b>	<b>HSS</b>	<b>2021</b>	<b>2020</b>
Severance and removal	\$ 625,028	\$ 255,709	\$ 880,737	\$ 975,829
Compensated absences	187,913	95,495	283,408	302,450
	<u>\$ 812,941</u>	<u>\$ 351,204</u>	<u>\$ 1,164,145</u>	<u>\$ 1,278,279</u>

	<b>Severance and Removal</b>		<b>Compensated Absences</b>		<b>2021</b>	<b>2020</b>
	<b>EDU</b>	<b>HSS</b>	<b>EDU</b>	<b>HSS</b>		
<b>Changes in obligation</b>						
Accrued benefit obligation, beginning of year	\$ 679,749	\$ 296,080	\$ 204,150	\$ 98,300	\$ 1,278,279	\$ 1,607,77
Current period benefit cost	49,607	19,153	20,471	12,844	102,075	94,86
Interest accrued	18,397	7,767	5,619	2,820	34,603	46,24
Benefits payments	(227,932)	(67,518)	(126,518)	(169,355)	(591,323)	(202,78
Plan amendment	-	-	-	-	-	-
Actuarial (gain)/loss	105,207	227	84,191	150,886	340,511	(267,83
<b>Accrued benefit obligation, end of year</b>	<b>625,028</b>	<b>255,709</b>	<b>187,913</b>	<b>95,495</b>	<b>1,164,145</b>	<b>1,278,27</b>
Unamortized net actuarial gain	287,058	(18,762)	(35,249)	(407,918)	(174,871)	219,34
<b>Net future obligation</b>	<b>912,086</b>	<b>236,947</b>	<b>152,664</b>	<b>(312,423)</b>	<b>989,274</b>	<b>1,497,62</b>
Other employee future benefits	-	-	-	-	-	-
Other compensated absences	-	-	-	-	-	-
<b>Compensated absences</b>	<b>\$ 912,086</b>	<b>\$ 236,947</b>	<b>\$ 152,664</b>	<b>\$ (312,423)</b>	<b>\$ 989,274</b>	<b>\$ 1,497,62</b>

**Tlicho Community Services Agency  
Notes to the Financial Statements  
March 31, 2021**

**17. Employee Future Benefits (cont'd)**

	Severance and Removal		Compensated Absences		2021	2020
	EDU	HSS	EDU	HSS		
<b>Benefits expense</b>						
Current period benefit cost	49,607	19,153	20,471	12,844	102,075	94,868
Interest accrued	18,397	7,767	5,619	2,820	34,603	46,248
Plan amendments	-	-	-	-	-	-
Amortization of actuarial gains	(86,195)	6,974	(15,974)	41,491	(53,704)	(21,435)
	<b>\$ (18,191)</b>	<b>\$ 33,894</b>	<b>\$ 10,116</b>	<b>\$ 57,155</b>	<b>\$ 82,974</b>	<b>\$ 119,681</b>

The discount rate used to determine the accrued benefits obligation is an average of 3.3%. No inflation rate is applied. The expected payments during the next five years are:

	Severance and Removal	Compensated Absences	Total
Year 1	\$ 115,759	\$ 36,856	\$ 152,615
Year 2	106,790	32,954	139,744
Year 3	82,557	26,418	108,975
Year 4	82,168	24,467	106,635
Year 5	82,262	24,488	106,750
	<b>\$ 469,536</b>	<b>\$ 145,183</b>	<b>\$ 614,719</b>

**18. Trust Assets and Liabilities**

Nil Report

**19. Tangible Capital Assets**

The agency has purchased buses from operating funds provided by the Department of ECE. These vehicles are being amortized on a straight line basis over 7 Years.

	Cost	Addition	Accumulated Amortization	Net Book Value 2021	Net Book Value 2020
School Buses	\$ 569,273	\$ -	\$ (272,307)	\$ 296,967	\$ 353,532

**20. Prepaid Expenses**

	2021	2020
Rent for April 2020	\$ -	\$ 1,000

**Tlcho Community Services Agency**  
**Notes to the Financial Statements**  
**March 31, 2021**

**21. Services Provided Without Charge**

Nil Report

**22. GNWT Assets Provided At No Cost**

Tangible Capital Assets (TCA) are owned by the Government of the Northwest Territories. TCA are amortized over the estimated useful life of the assets at the following rates.

- Buildings - 40 Years
- Leasehold Improvements - Lesser of useful life or lease term plus renewal option
- Mobile Equipment - 15 years

	<b>Cost</b> <b>(Unaudited)</b>	<b>Addition</b> <b>(Unaudited)</b>	<b>Accumulated</b> <b>Amortization</b> <b>(Unaudited)</b>	<b>Net Book</b> <b>Value 2021</b> <b>(Unaudited)</b>	<b>Net Book</b> <b>Value 2020</b> <b>(Unaudited)</b>
Buildings	\$ 18,682,626	\$ -	\$ (5,041,476)	\$ 13,641,150	\$ 14,132,975
Leasehold	252,800	-	(239,195)	13,605	26,164
Mobile Equipment	380,626	-	(232,651)	147,975	175,196
Medical Equipment	338,468	-	(123,145)	215,323	249,170
Other Equipment	76,007	-	(16,975)	59,032	62,072
<b>Total</b>	<b>\$ 19,730,527</b>	<b>\$ -</b>	<b>\$ (5,653,442)</b>	<b>\$ 14,077,085</b>	<b>\$ 14,645,577</b>

The TCA information was provided by the Government of the Northwest Territories. Amortization expense for 2020 - 2021 \$568,494 (2019 - 2020 \$579,388).

**23. Contractual Obligations (aka Commitments)**

The Agency has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to March 31, 2021.

	<b>Expires in Fiscal</b> <b>Year</b>	<b>2022</b>	<b>2023 and</b> <b>Thereafter</b>	<b>Total</b>
Office Leases	2022	\$ 121,992	\$ -	\$ 121,992
Residential Leases	2022-2027	88,185	454,740	542,925
Equipment Leases	2022-2026	43,333	42,284	85,617
Other Service Contracts	2023	21,894	11,906	33,800
		<b>\$ 153,412</b>	<b>\$ 508,930</b>	<b>\$ 662,342</b>

**Tlicho Community Services Agency**  
**Notes to the Financial Statements**  
**March 31, 2021**

**24. Contingent Liabilities**

In the normal course of operations, the Agency is subject to claims and pending and threatened litigation against the Agency and its staff. The Agency is defending actions brought against it and the Agency has recorded an allowance for any claim or litigation where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. The allowance is based upon estimates determined by the Agency's legal experts experience or case law in similar circumstances.

The Agency did not have any environmental liabilities during the year.

**25. Subsequent Events**

Nil Report

**26. Budget**

Budget figures are the opening budgets that were approved on June, 30 2020 by the Agency's board of directors, DHSS and ECE. The budget figures are not audited and are intended for information purposes only. These figures represent the Agency's original fiscal plan for the year and do not reflect subsequent changes arising from amendments made by the Departments.

**27. Economic Dependence**

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

**28. Comparative Figures**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.



**Tlicho Community Services Agency**  
**Notes to the Financial Statements**  
**March 31, 2021**

**29. Related Parties And Inter-Entity Transactions**

The Agency is related in terms of common ownership to all GNWT created departments and public agencies. The Agency enters into transactions with these entities in the normal course of business. The Agency is provided with various administrative services by the GNWT, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage by the Department of Finance, compensation services by the Department of Human Resources, and internal audit services by the Department of Finance.

	<u>2021</u>	<u>2020</u>
Due from Related Parties		
Government of the Northwest Territories		
Department of Finance	\$ 30,772	\$ 21,028
Department of Health and Social Services	1,740,699	808,202
Department of Education, Culture and Employment	13,563	70,548
Northwest Territories Health and Social Services Authority	187,367	150,928
Workers' Safety and Compensation Commission	1,958	1,958
	<u>\$ 1,974,359</u>	<u>\$ 1,052,664</u>
Due to Related Parties		
Government of the Northwest Territories		
Department of Finance	409,568	43,266
Department of Health and Social Services	732,887	232,410
Department of Education, Culture and Employment	141,840	-
Genuine Mackenzie Valley	2,350	-
Petroleum Products Division	2,581	3,075
NWT Education Boards	300	-
Workers' Safety and Compensation Commission	20,753	80,051
NWT Power Corporation	483	-
NWT Housing Association	3,300	3,300
Northwest Territories Health and Social Services Authority	765,446	13,489
	<u>\$ 2,079,508</u>	<u>\$ 375,591</u>
Department of Finance - Payroll Liabilities	<u>\$ 4,892,873</u>	<u>\$ 1,464,166</u>

**Tlicho Community Services Agency**  
**Notes to the Financial Statements**  
**March 31, 2021**

**29. Related Parties And Inter-Entity Transactions (cont'd)**

Revenue received from Related Parties not otherwise disclosed in the statements for schedules:

Northwest Territory Health & Social Services Authority	\$ 100,544	\$ 107,098
GNWT - Department of Health and Social Services - NHIB	320,175	271,350
	<u>\$ 420,719</u>	<u>\$ 378,448</u>

Expenses paid to Related Parties

GNWT - Department of Finance	\$ 162,751	\$ 385,508
GNWT - Department of Education, Culture and Employment	225,795	59,458
GNWT - Petroleum Products Division	11,172	12,023
GNWT - Department of Infrastructure	208	354
GNWT - Genuine Mackenzie Valley	4,750	-
Workers' Safety and Compensation Commission	1,201	551
Northwest Territories Health and Social Services Authority	78,678	729,014
NWT Housing Corporation	19,800	25,280
NWT Power Corporation	4,107	7,615
NWT Education Boards	300	9,889
James Company Limited (Owned by a Board Member)	12,000	12,200
	<u>\$ 520,762</u>	<u>\$ 1,241,892</u>

Related party transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

**30. Financial Instruments**

The Agency is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the:

(i) Credit risk

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

The Agency holds its cash, special purpose funds and trust assets deposits in trust accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation.

Accounts receivable are due from various governments, government agencies, corporations and individuals. Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection. Management has determined that a portion of accounts receivable are impaired based on specific identification as well as age of receivables.

These amounts are as disclosed in Note 8.

The Agency's maximum exposure to credit risk is represented by the financial assets for a total of \$2,459,457 (2020 - \$1,354,583).

**Tlicho Community Services Agency  
Notes to the Financial Statements  
March 31, 2021**

**30. Financial Instruments (Cont'd)**

(ii) Concentration of credit risk

Concentration of credit risk is the risk that a customer(s) has a significant portion (more than ten percent) of the total accounts receivable balance and thus there is a higher risk to the Agency in the event of a default. The Agency does have concentration of risk. At March 31, 2021, receivables from the GNWT and related parties accounted for 50% of the total outstanding accounts receivables. The Agency reduces this risk by monitoring overdue balances.

The Agency also has concentration of credit risk as deposits are held in one Canadian chartered bank.

(iii) Liquidity Risk

Liquidity risk is the risk that the Agency will not be able to meet all cash outflow obligations as they come due. The Agency 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 Agency's bank indebtedness stands at \$nil (2020 - \$1,162,876). Total financial assets are \$6,849,487 (2020 - \$1,354,583) and financial liabilities are \$12,560,306 (2020 - \$6,631,198). The agency has disclosed future financial liabilities and commitments in Note 23.

**31. Contingent Assets**

Nil Report

**32. Contractual Rights**

Nil Report

**Tlicho Community Services Agency**  
**Notes to the Financial Statements**  
**March 31, 2021**

**33. Expenses By Object**

<b>Health &amp; Social Services</b>	<b>2021</b>	<b>2020</b>
	<b>2021</b>	<b>2020</b>
	<b>2021</b>	<b>2020</b>
<b><u>Compensation</u></b>		
Salaries and wages	\$ 16,321,459	\$ 15,413,649
Severance and Superannuation	(43,176)	(110,051)
Other	768,253	772,313
	<b>\$ 17,046,536</b>	<b>\$ 16,075,911</b>
<b><u>Other O&amp;M</u></b>		
Amortization	\$ -	\$ 23,778
Contracted & General Services	1,837,553	2,102,171
Grants and Contributions	1,377,988	1,113,768
Materials and Supplies	643,265	676,936
Medical and Surgical Supplies	522,701	356,480
Valuation Allowances	-	-
	<b>\$ 4,381,507</b>	<b>\$ 4,273,133</b>
<b>Education</b>		
Compensation	\$ 19,231,365	\$ 16,046,432
Other O&M	3,073,526	3,154,741
	<b>\$ 22,304,891</b>	<b>\$ 19,201,173</b>
<b>Other</b>		
Compensation	\$ -	\$ -
Other O&M	79,428	235,833
	<b>\$ 79,428</b>	<b>\$ 235,833</b>
<b>Overall</b>		
Compensation	\$ 36,277,901	\$ 32,122,343
Other O&M	7,534,461	7,663,707
	<b>\$ 43,812,362</b>	<b>\$ 39,786,050</b>

**34. Covid-19 Impact**

In January 2020, the World Health Organization declared a public health emergency due to the spread of the COVID-19. By March 2020, a series of outbreaks in Canada, led the federal government to implement various restrictive measures designed to curb the spread of the virus. Following suit, the Territorial Government of Northwest Territories enacted measures of similar intent. The impact of the measures has led to widespread economic uncertainty.

Management has assessed the impact of the COVID-19 and the impact of the Federal and Territorial Government's restrictive measures, and has determined that there is no impact on the amounts and information reported in the financial statements as at March 31, 2021 and that subsequent to year end, the impact of the measures to combat the spread of the virus have not caused a significant change to the assets and liabilities of the Agency or cast doubt on the going-concern assumption.

**Tlcho Community Services Agency**  
**Schedule A**  
**Schedule of Contributions from the GNWT**  
**For the year ended March 31, 2021**

	<b>Unaudited 2021 Budget</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Contributions from the GNWT</b>			
Core contribution - Department of Health & Social Services			
Administration & Support Services			
Administration	\$ 762,000	\$ 762,000	\$ 741,000
Facility Maintenance & Support	35,000	-	35,000
Finance	187,000	187,000	181,000
Human Resources	15,000	15,000	15,000
System Support	103,000	103,000	97,000
Community Health Programs			
Community Clinics & Health Centres	5,746,000	5,763,000	5,631,000
Diagnostic Services	17,000	20,000	17,000
Emergency Response (COVID-19)	-	741,000	-
Health Promotion & Community Wellness	315,000	315,000	315,000
Physician Services	841,000	841,000	829,000
Community Social Programs			
Child & Family Services	3,634,000	4,268,349	3,761,069
Child & Youth Care Counselling	650,000	605,467	532,590
Family Violence Prevention	31,000	58,000	31,000
Mental Health & Addictions	1,042,000	1,042,000	1,014,000
Long Term and Continuing Care Counselling			
Homecare & Support Services	753,000	753,000	735,000
Residential Care Children & Adults	3,605,000	3,613,000	3,526,000
Supplementary Health Programs			
Medical Travel	458,000	458,000	458,000
	<u>18,194,000</u>	<u>19,544,816</u>	<u>17,918,658</u>
Other Contribution - Department of Health & Social Services			
Enhanced Home Care - Schedule A-1	528,080	528,080	567,918
<b>Total Contributions from GNWT</b>			
	<u><b>\$ 18,722,080</b></u>	<u><b>\$ 20,072,896</b></u>	<u><b>\$ 18,486,576</b></u>

**Tlicho Community Services Agency**  
**Schedule A-1**  
**Schedule of Detailed Contribution Funding and Expense**  
**Home and Community Care Enhancement**  
**Health & Social Services - GNWT**  
**For the year ended March 31, 2021**

	<b>Unaudited 2021 Budget</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Funding</b>			
GNWT - Department of Health & Social Services	\$ 528,080	\$ 528,080	\$ 567,918
	<u>528,080</u>	<u>528,080</u>	<u>567,918</u>
<b>Expenses</b>			
Salaries	417,557	439,761	486,619
Material & Supplies	9,000	6,989	7,962
Gasoline	3,500	3,432	3,417
Food	10,000	10,047	7,496
Vehicle Maintenance	7,000	6,500	4,938
Medical and Surgical Supplies	12,200	15,069	20,163
Delivery & Courier	1,000	1,263	2,053
Telephone	7,863	8,925	750
Training	18,600	3,123	-
Travel	9,000	6,680	7,635
Equipment Maintenance	9,360	8,643	-
Minor Equipment	23,000	17,648	11,332
Contract Services	-	-	15,553
	<u>528,080</u>	<u>528,080</u>	<u>567,918</u>
<b>Excess Funding over Expense</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Tlcho Community Services Agency  
Schedule B  
Schedule of Reserves  
For the year ended March 31, 2021**

	<b>Surplus/Deficit</b>		<b>Leave &amp; Termination</b>		<b>Special Projects</b>		<b>Total Reserves</b>	
Balance, beginning of the year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additions/Reductions to/from Reserves	-	-	-	-	-	-	-	-
Transfers between Reserves	-	-	-	-	-	-	-	-
Balance, end of the year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The Agency has no funds in reserves.

**Tlicho Community Services Agency**  
**Schedule C**  
**Education Division**  
**Schedule of Expenses**  
**For the year ended March 31, 2021**

	<b>Aboriginal Languages</b>	<b>Administration</b>	<b>Inclusive Schooling</b>	<b>School Programs</b>	<b>Total</b>
<b>Salaries</b>					
Teachers	\$ 1,229,133	\$ -	\$ 1,207,818	\$ 8,166,087	\$ 10,603,038
Instructional Asst.	335,545	-	1,614,177	1,919,581	3,869,303
Non-Instructional Staff	430,690	727,053	169,013	3,101,253	4,428,009
Board Honoraria	-	18,345	-	-	18,345
<b>Employee Benefits</b>					
Benefits/Allowance	-	(36,569)	-	349,239	312,670
<b>Services Purchased/Contracted</b>					
Postage/Communication	1,653	45,891	-	58,781	106,325
Travel/Training	22,392	32,853	134,068	27,509	216,822
Maintenance and Repairs	12,062	3,406	-	48,065	63,533
Rentals and Leases	3,618	12,413	-	66,352	82,383
Vehicle Expense	3,891	261	-	78,232	82,384
Other	-	44,265	50	271,768	316,083
Contributed Services	-	187,505	-	56,565	244,070
Contract Services	15,841	35,594	123,251	321,215	495,901
Home Boarding Allowance	-	-	-	12,540	12,540
Materials	101,489	51,619	135,917	1,098,248	1,387,274
Furniture and Equipment	1,150	-	-	857	2,007
Freight	489	3,895	5,361	54,460	64,205
<b>Total Expense</b>	<b>\$ 2,157,952</b>	<b>\$ 1,126,531</b>	<b>\$ 3,389,655</b>	<b>\$ 15,630,753</b>	<b>\$ 22,304,892</b>



**Tlicho Community Services Agency  
Schedule C.1  
Education - Contribution Agreements  
Other Education Contributions  
For the year ended March 31, 2021**

<b>Contribution Agreement Revenues</b>		<b>2021</b>	<b>2020</b>
Public Library Services	Schedule C-1	\$ 124,931	\$ 140,000
Self-Regulation	Schedule C-2	7,000	-
Northern Distance Learning	Schedule C-3	69,133	43,728
Health & Wellness Curr. Pilot Support	Schedule C-4	7,400	-
Take a Kid Trapping Program	Schedule C-5	51,535	20,465
Active After School	Schedule C-6	36,087	58,424
Youth Contribution (Music) - Chief Bruneau School	Schedule C-7	-	4,000
Indigenous Health & Wellness Elders - Tlicho Government	Schedule C-8	43,648	21,971
Drop the Pop	Schedule C-9	14,896	5,054
Literacy - MEZI School	Schedule C-10	2,884	4,335
Jordan's Principle	Schedule C-11	3,376,654	1,031,652
First Food Foundation	Schedule C-12	44,952	5,459
PC Children Charity Nutrition Snack	Schedule C-13	27,767	20,978
Breakfast Club	Schedule C-14	18,201	12,331
APPLE School Foundation	Schedule C-15	34,379	77,722
Ekati Mine (Cultural)	Schedule C-16	25,801	146,081
On the Land Collaborative	Schedule C-17	30,284	28,749
Miscellaneous	Schedule C-18	16,998	36,582
<b>Total Contribution Agreement Revenues</b>		<b>\$ 3,932,550</b>	<b>\$ 1,657,531</b>

**Tlicho Community Services Agency  
Schedule C.1  
Education - Contribution Agreements  
Other Education Contributions  
For the year ended March 31, 2021**

<b>Contribution Agreement Expenditures</b>		<b>2021</b>	<b>2020</b>
Public Library Services	Schedule C-1	\$ 124,931	\$ 140,474
Self-Regulation	Schedule C-2	7,000	-
Northern Distance Learning	Schedule C-3	69,133	45,742
Health & Wellness Curr. Pilot Support	Schedule C-4	7,400	-
Take a Kid Trapping Program	Schedule C-5	51,646	20,561
Active After School	Schedule C-6	36,087	58,386
Youth Contribution (Music) - Chief Bruneau School	Schedule C-7	-	4,000
Indigenous Health & Wellness Elders - Tlicho Government	Schedule C-8	43,648	21,971
Drop the Pop	Schedule C-9	14,967	4,977
Literacy - MEZI School	Schedule C-10	2,884	4,335
Jordan's Principle	Schedule C-11	3,376,654	1,031,652
First Food Foundation	Schedule C-12	44,952	5,618
PC Children Charity Nutrition Snack	Schedule C-13	27,736	20,978
Breakfast Club	Schedule C-14	18,201	12,331
APPLE School Foundation	Schedule C-15	34,379	77,722
Ekati Mine (Cultural)	Schedule C-16	25,801	167,243
On the Land Collaborative	Schedule C-17	30,253	28,914
Miscellaneous	Schedule C-18	17,079	45,295
<b>Total Contribution Agreement Expenditures</b>		<b>\$ 3,932,751</b>	<b>\$ 1,690,199</b>
<b>Excess of Funding over Expenditures</b>		<b>\$ (201)</b>	<b>\$ (32,668)</b>

**Tlicho Community Services Agency  
Schedule C-1  
Schedule of Detailed Contribution Funding and Expenses  
Public Library Services  
For the year ended March 31, 2021**

	<b>2021 Budget</b>	<b>CJBS</b>	<b>MEZI</b>	<b>JWGS</b>	<b>EMES</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Funding</b>							
GNWT - ECE	\$ 140,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	140,000	140,000
GNWT - ECE A/P	-	-	-	(15,069)	-	(15,069)	-
<b>Total Funding</b>	<b>140,000</b>	<b>35,000</b>	<b>35,000</b>	<b>19,931</b>	<b>35,000</b>	<b>124,931</b>	<b>140,000</b>
<b>Expenses</b>							
Salaries & Benefits	169,787	35,000	30,648	14,860	35,000	115,508	102,627
Materials & Supplies	10,000	-	4,352	5,071	-	9,423	7,627
Contract Services	-	-	-	-	-	-	30,220
<b>Total Expenses</b>	<b>179,787</b>	<b>35,000</b>	<b>35,000</b>	<b>19,931</b>	<b>35,000</b>	<b>124,931</b>	<b>140,474</b>
<b>Excess Funding over Expense</b>	<b>\$ (39,787)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (474)</b>

**Tlichio Community Services Agency**  
**Schedule C-2**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Self Regulation**  
**For the year ended March 31, 2021**

	<b>2021 Budget</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Funding</b>			
GNWT - ECE	\$ -	\$ 7,000	\$ -
<b>Total Funding</b>	<b>-</b>	<b>7,000</b>	<b>-</b>
<b>Expenses</b>			
Materials & Supplies	-	7,000	-
<b>Total Expenses</b>	<b>-</b>	<b>7,000</b>	<b>-</b>
<b>Excess Funding over Expense</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Tlicho Community Services Agency  
Schedule C-3  
Schedule of Detailed Contribution Funding and Expenses  
Northern Distance Learning  
For the year ended March 31, 2021**

	<b>2021 Budget</b>	<b>CJBS</b>	<b>MEZI</b>	<b>JWGS</b>	<b>WEKWEETI</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Funding</b>							
GNWT - ECE	\$ -	\$ 17,588	\$ 20,268	\$ 20,938	\$ 22,445	\$ 81,239	\$ -
GNWT - ECE - Deferred	-	-	-	(15,654)	(21,867)	(37,521)	-
GNWT - ECE - AR - CY	-	1,424	9,983	-	-	11,407	-
GNWT - ECE - PY	-	5,372	8,636	-	-	14,008	-
GNWT - ECE - AR - PY	-	-	-	-	-	-	42,492
GNWT - ECE - PPY	-	-	-	-	-	-	5,382
GNWT - ECE - AR - PPY	-	-	-	-	-	-	(4,146)
<b>Total Funding</b>	<b>-</b>	<b>24,384</b>	<b>38,887</b>	<b>5,284</b>	<b>578</b>	<b>69,133</b>	<b>43,728</b>
<b>Expenses</b>							
Salaries	-	-	30,250	5,284	-	35,534	-
Materials & Supplies	-	1,557	2,394	-	578	4,529	153
Gasoline	-	(350)	-	-	-	(350)	875
Minor Equipment	-	857	-	-	-	857	-
Contract Services	-	20,520	6,243	-	-	26,763	41,714
Rent	-	1,800	-	-	-	1,800	3,000
<b>Total Expenses</b>	<b>-</b>	<b>24,384</b>	<b>38,887</b>	<b>5,284</b>	<b>578</b>	<b>69,133</b>	<b>45,742</b>
<b>Excess Funding over Expense</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,014)</b>

**Tlichio Community Services Agency**  
**Schedule C-4**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Health & Wellness Curr. Pilot Support**  
**For the year ended March 31, 2021**

	<b>2021 Budget</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Funding</b>			
GNWT - ECE	\$ -	\$ -	\$ 13,250
GNWT - ECE Deferred	-	13,250	(13,250)
GNWT - A/P	-	(5,850)	-
<b>Total Funding</b>	<b>-</b>	<b>7,400</b>	<b>-</b>
<b>Expenses</b>			
Materials & Supplies	-	7,400	-
<b>Total Expenses</b>	<b>-</b>	<b>7,400</b>	<b>-</b>
<b>Excess Funding over Expense</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Tlicho Community Services Agency  
Schedule C-5  
Schedule of Detailed Contribution Funding and Expenses  
Take a Kid Trapping Program  
For the year ended March 31, 2021**

	<b>2021 Budget</b>	<b>CJBS</b>	<b>MEZI</b>	<b>JWGS</b>	<b>EMES</b>	<b>WEKWEETI</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Funding</b>								
GNWT - ENR	\$ 40,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 40,000	\$ 40,000
GNWT - ENR Deferred - CY	-	-	-	-	-	(8,000)	(8,000)	-
GNWT - ENR Deferred - PY	-	6,751	5,998	6,786	-	-	19,535	(19,535)
<b>Total Funding</b>	<b>40,000</b>	<b>14,751</b>	<b>13,998</b>	<b>14,786</b>	<b>8,000</b>	<b>-</b>	<b>51,535</b>	<b>20,465</b>
<b>Expenses</b>								
Casual - Support Staff	-	-	-	5,891	-	-	5,891	-
Materials & Supplies	32,000	-	13,998	7,271	8,017	-	29,286	9,180
Gasoline	-	-	-	-	-	-	-	1,031
Food	-	-	-	919	-	-	919	-
Rental/Lease equipment	-	-	-	750	-	-	750	-
Contract Services	8,000	14,800	-	-	-	-	14,800	10,350
<b>Total Expenses</b>	<b>40,000</b>	<b>14,800</b>	<b>13,998</b>	<b>14,831</b>	<b>8,017</b>	<b>-</b>	<b>51,646</b>	<b>20,561</b>
<b>Excess Funding over Expense</b>	<b>\$ -</b>	<b>\$ (49)</b>	<b>\$ -</b>	<b>\$ (45)</b>	<b>\$ (17)</b>	<b>\$ -</b>	<b>\$ (111)</b>	<b>\$ (96)</b>

**Tlicho Community Services Agency  
Schedule C-6  
Schedule of Detailed Contribution Funding and Expenses  
Active After School  
For the year ended March 31, 2021**

	<b>2021 Budget</b>	<b>CJBS</b>	<b>MEZI</b>	<b>JWGS</b>	<b>EMES</b>	<b>Wekweeti</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Funding</b>								
GNWT - MACA	\$ 75,250	\$ 15,050	\$ 15,050	\$ 15,050	\$ 15,050	\$ 15,050	\$ 75,250	\$ 75,250
GNWT - MACA Deferred - CY	-	-	(14,084)	(16,898)	(15,050)	(9,957)	(55,989)	-
GNWT - MACA Deferred - PY	-	-	-	14,164	-	2,662	16,826	(16,826)
<b>Total Funding</b>	<b>75,250</b>	<b>15,050</b>	<b>966</b>	<b>12,316</b>	<b>-</b>	<b>7,755</b>	<b>36,087</b>	<b>58,424</b>
<b>Expenses</b>								
Materials & Supplies	62,950	15,050	966	12,316	-	7,755	36,087	57,136
Contract Services	12,300	-	-	-	-	-	-	1,250
<b>Total Expenses</b>	<b>75,250</b>	<b>15,050</b>	<b>966</b>	<b>12,316</b>	<b>-</b>	<b>7,755</b>	<b>36,087</b>	<b>58,386</b>
<b>Excess Funding over Expense</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 38</b>



**Tlicho Community Services Agency**  
**Schedule C-7**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Youth Contribution (Music) - Chief Jimmy Bruneau School**  
**For the year ended March 31, 2021**

	<b>2021 Budget</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Funding</b>			
GNWT - MACA	\$ -	\$ -	\$ 4,000
<b>Total Funding</b>	<b>-</b>	<b>-</b>	<b>4,000</b>
<b>Expenses</b>			
Contract Services	-	-	4,000
<b>Total Expenses</b>	<b>-</b>	<b>-</b>	<b>4,000</b>
<b>Excess Funding over Expense</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Tlicho Community Services Agency**  
**Schedule C-8**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Indigenous Health & Wellness Elders - Tlicho Government**  
**For the year ended March 31, 2021**

	<b>2021</b>			<b>2021</b>		<b>2020</b>	
	<b>Budget</b>	<b>Regional</b>	<b>CJBS</b>	<b>Actual</b>		<b>Actual</b>	
<b>Funding</b>							
Tlicho Government	\$ -	\$ -	\$ 30,000	\$ 30,000	\$	175,000	
Tlicho Government Deferred - PY	-	153,029	-	153,029		(153,029)	
Tlicho Government Deferred - CY	-	(109,881)	(29,500)	(139,381)		-	
<b>Total Funding</b>	<b>-</b>	<b>43,148</b>	<b>500</b>	<b>43,648</b>		<b>21,971</b>	
<b>Expenses</b>							
Salaries & Benefits	-	43,148	-	43,148		21,971	
Materials & Supplies	-	-	500	500		-	
<b>Total Expenses</b>	<b>-</b>	<b>43,148</b>	<b>500</b>	<b>43,648</b>		<b>21,971</b>	
<b>Excess Funding over Expense</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$</b>	<b>\$ -</b>	<b>\$ -</b>

**Tlicho Community Services Agency  
Schedule C-9  
Schedule of Detailed Contribution Funding and Expenses  
Drop the Pop  
For the year ended March 31, 2021**

	<b>2021 Budget</b>	<b>CJBS</b>	<b>MEZI</b>	<b>JWGS</b>	<b>EMES</b>	<b>Wekweeti</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Funding</b>								
GNWT - HSS - PY	\$ -	\$ -	\$ 1,050	\$ 625	\$ 1,000	\$ -	\$ 2,675	\$ 4,975
GNWT - HSS Deferred - CY	9,950	1,500	1,050	650	1,000	800	5,000	-
GNWT - HSS A/R	-	1,500	1,050	650	1,000	800	5,000	2,300
GNWT - HSS Deferred	-	-	596	625	1,000	-	2,221	(2,221)
<b>Total Funding</b>	<b>9,950</b>	<b>3,000</b>	<b>3,746</b>	<b>2,550</b>	<b>4,000</b>	<b>1,600</b>	<b>14,896</b>	<b>5,054</b>
<b>Expenses</b>								
Materials & Supplies	9,950	3,002	3,737	2,553	2,842	1,675	13,809	4,977
Contract Services	-	-	-	-	1,158	-	1,158	-
<b>Total Expenses</b>	<b>9,950</b>	<b>3,002</b>	<b>3,737</b>	<b>2,553</b>	<b>4,000</b>	<b>1,675</b>	<b>14,967</b>	<b>4,977</b>
<b>Excess Funding over Expense</b>	<b>\$ -</b>	<b>\$ (2)</b>	<b>\$ 9</b>	<b>\$ (3)</b>	<b>\$ -</b>	<b>\$ (75)</b>	<b>\$ (71)</b>	<b>\$ 77</b>

**Tlicho Community Services Agency**  
**Schedule C-10**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Literacy - MEZI School**  
**For the year ended March 31, 2021**

	<b>2021 Budget</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Funding</b>			
NWT Literacy Council	\$ -	\$ 1,500	\$ 6,765
NWT Literacy Council Deferred - PY	-	2,430	(2,430)
NWT Literacy Council Deferred - CY	-	(1,046)	-
<b>Total Funding</b>	<b>-</b>	<b>2,884</b>	<b>4,335</b>
<b>Expenses</b>			
Materials & Supplies	-	2,884	4,335
<b>Total Expenses</b>	<b>-</b>	<b>2,884</b>	<b>4,335</b>
<b>Excess Funding over Expense</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Tlicho Community Services Agency  
Schedule C-11  
Schedule of Detailed Contribution Funding and Expenses  
Jordan's Principle  
For the year ended March 31, 2021**

	<b>2021 Budget</b>	<b>Regional</b>	<b>CJBS</b>	<b>MEZI</b>	<b>JWGS</b>	<b>EMES</b>	<b>Wekweeti</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Funding</b>									
Government of Canada, Min. of Indigenous Services	\$ 5,263,070	\$ 3,939,255	\$ 92,400	\$ 105,000	\$ 198,450	\$ 110,880	\$ 198,450	\$ 4,644,435	\$ 1,390,363
Government of Canada, Min. of Indigenous Services Deferred - PY	-	563,702	21,829	-	116,789	17,317	108,183	827,820	(772,821)
Government of Canada, Min. of Indigenous Services Deferred - CY	-	(1,545,768)	(35,567)	(41,553)	(204,191)	(57,723)	(210,799)	(2,095,601)	414,110
<b>Total Funding</b>	<b>5,263,070</b>	<b>2,957,189</b>	<b>78,662</b>	<b>63,447</b>	<b>111,048</b>	<b>70,474</b>	<b>95,834</b>	<b>3,376,654</b>	<b>1,031,652</b>
<b>Expenses</b>									
Salaries & Benefits	4,000,981	2,364,717	70,662	62,942	78,160	61,193	80,692	2,718,366	701,292
Materials & Supplies	118,000	136,929	-	-	-	1,281	-	138,210	22,822
Delivery & Courier	-	-	-	-	-	-	-	-	146
Staff Travel & Training	13,500	2,651	-	-	-	-	-	2,651	4,612
Dues & Fees	369,820	232,222	8,000	-	9,000	8,000	9,000	266,222	89,821
Contract Services	702,000	220,670	-	505	23,888	-	6,142	251,205	212,959
<b>Total Expenses</b>	<b>5,204,301</b>	<b>2,957,189</b>	<b>78,662</b>	<b>63,447</b>	<b>111,048</b>	<b>70,474</b>	<b>95,834</b>	<b>3,376,654</b>	<b>1,031,652</b>
<b>Excess Funding over Expense</b>	<b>\$ 58,769</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Deferred Revenue</b>								<b>\$ 2,095,601</b>	<b>\$ 772,821</b>

**Tlicho Community Services Agency  
Schedule C-12  
Schedule of Detailed Contribution Funding and Expenses  
Food First Foundation  
For the year ended March 31, 2021**

	<b>2021 Budget</b>	<b>CJBS</b>	<b>MEZI</b>	<b>JWGS</b>	<b>EMES</b>	<b>Wekweeti</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Funding</b>								
Food First Foundation	\$ -	\$ 35,800	\$ 20,000	\$ -	\$ 17,500	\$ 6,700	\$ 80,000	\$ 2,000
Food First Foundation Deferred - PY	-	993	-	2,074	-	-	3,067	(3,067)
Food First Foundation Deferred - CY	-	(2,321)	(12,092)	(2,074)	(17,500)	(4,128)	(38,115)	6,526
<b>Total Funding</b>	<b>-</b>	<b>34,472</b>	<b>7,908</b>	<b>-</b>	<b>-</b>	<b>2,572</b>	<b>44,952</b>	<b>5,459</b>
<b>Expenses</b>								
Materials & Supplies	-	34,472	7,908	-	-	2,572	44,952	3,718
Contract Services	-	-	-	-	-	-	-	1,900
<b>Total Expenses</b>	<b>-</b>	<b>34,472</b>	<b>7,908</b>	<b>-</b>	<b>-</b>	<b>2,572</b>	<b>44,952</b>	<b>5,618</b>
<b>Excess Funding over Expense</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (159)</b>

**Tlicho Community Services Agency  
Schedule C-13  
Schedule of Detailed Contribution Funding and Expenses  
PC Children Charity Nutrition Snack  
For the year ended March 31, 2021**

	<b>2021 Budget</b>	<b>CJBS</b>	<b>MEZI</b>	<b>JWGS</b>	<b>EMES</b>	<b>Wekweeti</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Funding</b>								
PC Children Charity - PY	\$ 19,000	\$ 12,500	\$ -	\$ -	\$ 7,688	\$ 1,238	\$ 21,426	\$ 19,000
PC Children Charity Deferred - PY	-	5,349	-	2,659	-	531	8,539	(8,539)
PC Children Charity Deferred - CY	-	-	-	-	(1,802)	(396)	(2,198)	10,518
<b>Total Funding</b>	<b>19,000</b>	<b>17,848</b>	<b>-</b>	<b>2,659</b>	<b>5,886</b>	<b>1,373</b>	<b>27,767</b>	<b>20,978</b>
<b>Expenses</b>								
Materials & Supplies	19,000	17,873	-	2,604	5,886	1,373	27,736	20,978
<b>Total Expenses</b>	<b>19,000</b>	<b>17,873</b>	<b>-</b>	<b>2,604</b>	<b>5,886</b>	<b>1,373</b>	<b>27,736</b>	<b>20,978</b>
<b>Excess Funding over Expense</b>	<b>\$ -</b>	<b>\$ (25)</b>	<b>\$ -</b>	<b>\$ 55</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 31</b>	<b>\$ -</b>

**Tlich Community Services Agency**  
**Schedule C-14**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Breakfast Club**  
**For the year ended March 31, 2021**

	<b>2021 Budget</b>	<b>JWGS</b>	<b>EMES</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Funding</b>					
Breakfast Club of Canada	\$ -	\$ 5,000	\$ 10,100	\$ 15,100	\$ 19,270
Breakfast Club of Canada Deferred - PY	-	10,156	7,532	17,688	(17,688)
Breakfast Club of Canada Deferred - CY	-	(9,199)	(5,388)	(14,587)	10,749
<b>Total Funding</b>	<b>-</b>	<b>5,957</b>	<b>12,244</b>	<b>18,201</b>	<b>12,331</b>
<b>Expenses</b>					
Materials & Supplies	-	5,957	12,244	18,201	12,331
<b>Total Expenses</b>	<b>-</b>	<b>5,957</b>	<b>12,244</b>	<b>18,201</b>	<b>12,331</b>
<b>Excess Funding over Expense</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



**Tlich Community Services Agency**  
**Schedule C-15**  
**Schedule of Detailed Contribution Funding and Expenses**  
**APPLE School**  
**For the year ended March 31, 2021**

	<b>2021 Budget</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Funding</b>			
The APPLE School Foundation	\$ 24,906	\$ 21,785	\$ 65,370
The APPLE School Foundation - PY	-	18,344	-
The APPLE School Foundation A/R - PY	-	(12,352)	12,352
The APPLE School Foundation A/R - CY	-	6,602	-
<b>Total Funding</b>	<b>24,906</b>	<b>34,379</b>	<b>77,722</b>
<b>Expenses</b>			
Salaries & Benefits	24,906	33,266	77,722
Materials & Supplies	-	1,113	-
<b>Total Expenses</b>	<b>24,906</b>	<b>34,379</b>	<b>77,722</b>
<b>Excess Funding over Expense</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Tlicho Community Services Agency**  
**Schedule C-16**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Ekati (Cultural Program)**  
**For the year ended March 31, 2021**

	<b>2021 Budget</b>	<b>CJBS</b>	<b>MEZI</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Funding</b>					
Ekati Mine	\$ 125,000	\$ -	\$ -	\$ -	\$ 150,000
Ekati Mine Deferred - PY	-	22,906	22,909	45,815	(45,815)
Ekati Mine Deferred - CY	-	-	(20,014)	(20,014)	41,896
<b>Total Funding</b>	<b>125,000</b>	<b>22,906</b>	<b>2,895</b>	<b>25,801</b>	<b>146,081</b>
<b>Expenses</b>					
Materials & Supplies	125,000	11,120	2,895	14,015	86,471
Gasoline	-	-	-	-	844
Rental/Lease Equipment	-	-	-	-	-
Travel	-	11,786	-	11,786	59
Capital Equipment >\$5K <\$50K	-	-	-	-	79,869
<b>Total Expenses</b>	<b>125,000</b>	<b>22,906</b>	<b>2,895</b>	<b>25,801</b>	<b>167,243</b>
<b>Excess Funding over Expense</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (21,162)</b>

**Tlicho Community Services Agency**  
**Schedule C-17**  
**Schedule of Detailed Contribution Funding and Expenses**  
**On the Land Collaborative**  
**For the year ended March 31, 2021**

	<b>2021 Budget</b>	<b>CJBS</b>	<b>EMES</b>	<b>EMES</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Funding</b>						
Tides Canada	\$ -	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ 43,000
Tides Canada Deferred - PY	-	28,230	6,692	11,845	46,767	(46,767)
Tides Canada Deferred - CY	-	-	(14,638)	(11,845)	(26,483)	32,516
<b>Total Funding</b>	<b>-</b>	<b>28,230</b>	<b>2,054</b>	<b>-</b>	<b>30,284</b>	<b>28,749</b>
<b>Expenses</b>						
Materials & Supplies	-	28,199	892	-	29,091	14,152
Contract Services	-	-	1,162	-	1,162	14,762
<b>Total Expenses</b>	<b>-</b>	<b>28,199</b>	<b>2,054</b>	<b>-</b>	<b>30,253</b>	<b>28,914</b>
<b>Excess Funding over Expense</b>	<b>\$ -</b>	<b>\$ 31</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 31</b>	<b>\$ (165)</b>

**Tlicho Community Services Agency**  
**Schedule C-18**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Miscellaneous**  
**For the year ended March 31, 2021**

	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Funding</b>			
CJBS Miscellaneous	\$ -	\$ 10,750	\$ 1,960
CJBS Miscellaneous Deferred	-	-	5,123
CJBS Miscellaneous Deferred - PY	-	5,120	(5,120)
CJBS Fundraising	-	-	3,438
CJBS Get Active	-	-	1,150
MEZI Miscellaneous Deferred - PY	-	687	(687)
MEZI Miscellaneous Deferred - CY	-	-	1,500
JWGS Miscellaneous Deferred - PY	-	339	339
JWGS Miscellaneous Deferred - CY	-	(339)	(339)
JWGS Fundraising Deferred - PY	-	2,903	2,529
JWGS Fundraising Deferred - CY	-	(2,903)	(2,903)
JWGS Fundraising	-	-	374
JWGS Literacy Deferred - PY	-	(632)	632
JWGS Literacy Deferred - CY	-	632	(632)
EMES Miscellaneous Deferred - PY	-	-	1,071
EMES Literacy (Tlicho Government)	-	-	8,000
EMES Literacy (Tlicho Government) Deferred - CY	-	442	(442)
EMES Book Fair	-	-	4,213
AAS Miscellaneous	-	4,350	16,377
AAS Miscellaneous Deferred - CY	-	(4,350)	-
AAS Literacy Deferred - PY	-	2,191	(2,191)
AAS Literacy Deferred - CY	-	(2,191)	2,191
<b>Total Funding</b>	<b>-</b>	<b>16,998</b>	<b>36,582</b>
<b>Expenses</b>			
CJBS Miscellaneous	-	15,870	1,962
CJBS Fundraising	-	-	3,438
CJBS Get Active	-	-	1,113
MEZI Miscellaneous	-	682	813
EMES Miscellaneous	-	-	1,817
EMES Literacy (Tlicho Government)	-	527	7,558
EMES Bookfair	-	-	4,462
AAS Miscellaneous	-	-	19,508
AAS Youth Contribution (School Trip)	-	-	4,624
<b>Total Expenses</b>	<b>-</b>	<b>17,079</b>	<b>45,295</b>
<b>Excess Funding over Expense</b>	<b>\$ -</b>	<b>\$ (81)</b>	<b>\$ (8,713)</b>

**FINANCIAL STATEMENTS OF**  
**HAY RIVER HEALTH &**  
**SOCIAL SERVICES AUTHORITY**  
**YEAR END MARCH 31, 2021**

# **HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY**

## **FINANCIAL STATEMENTS**

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**YEAR END MARCH 31, 2021**

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### **MANAGEMENT DISCUSSION AND ANALYSIS**

### **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

### **INDEPENDENT AUDITOR'S REPORT**

### **FINANCIAL STATEMENTS**

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## Management Discussion and Analysis

### Introduction

Hay River Health and Social Services Authority (HRHSSA) has a mandate to provide publicly funded health and social services under the Hospital Insurance and Health and Social Services Administration Act. Services are provided to the residents of the Town of Hay River, Hay River Reserve, Enterprise, Kakisa, Fort Providence and Fort Resolution. It is the responsibility of the HRHSSA Public Administrator and Management to promote transparency and accountability. The preparation of the Management Discussion and Analysis is a go-forward method of acknowledging this responsibility.

Our mission is “to provide equitable care and service and encourage individuals, families and communities to make healthy choices” and our values are:

- Caring - with integrity, we treat everyone with compassion, respect, equity, dignity and we value diversity.
- Accountable - we are responsible to utilize our resources efficiently and effectively and report the impact of our work to the community.
- Relationships - we work in collaboration with all residents including individuals, families, communities, staff, other health authorities, and Indigenous Governments.
- Excellence - we pursue continuous quality improvement through innovation, integration and evidence based practice.
- Safety - we place safety at the center of all of our decisions.

Although HRHSSA has remained a separate Health and Social Services Authority, we continue to work in collaboration with the Department of Health and Social Services, Tlicho Community Services Agency and the Northwest Territories Health and Social Services Authority. System transformation has provided an opportunity for improved access to services and quality of care. The Management and staff have continued to strive to provide the best health and best care to all of our clients.

Brian Willows is our Public Administrator and Erin Griffiths, our CEO, leads the Management Team. Members of the Senior Leadership Team are Dale Snow, Director of Client Care Services, Erin Griffiths, (Acting) Director, Social Programs, Andrew Laming, Director of Finance and Administration, Jennifer Croucher, Manager, Human Resources, Glen McPhee, Manager of Quality and Risk.

The last four years has shown a decline in the annual deficit due to an increase in the net value of the pension plan asset. The financial statements present an accumulated surplus of \$9,452,627. Including in the deficit is a \$500,000 cash reserve. If we remove the pension plan asset and cash reserve from the effects of the accumulated surplus, there is a resulting adjusted accumulated deficit of \$6,113,373. This adjusted deficit is due to a non-cash transaction that is based on the requirement to account for the pension liability on a going concern basis. At year end the market value of the pension fund assets were \$15,066,000 higher than the pension obligation.

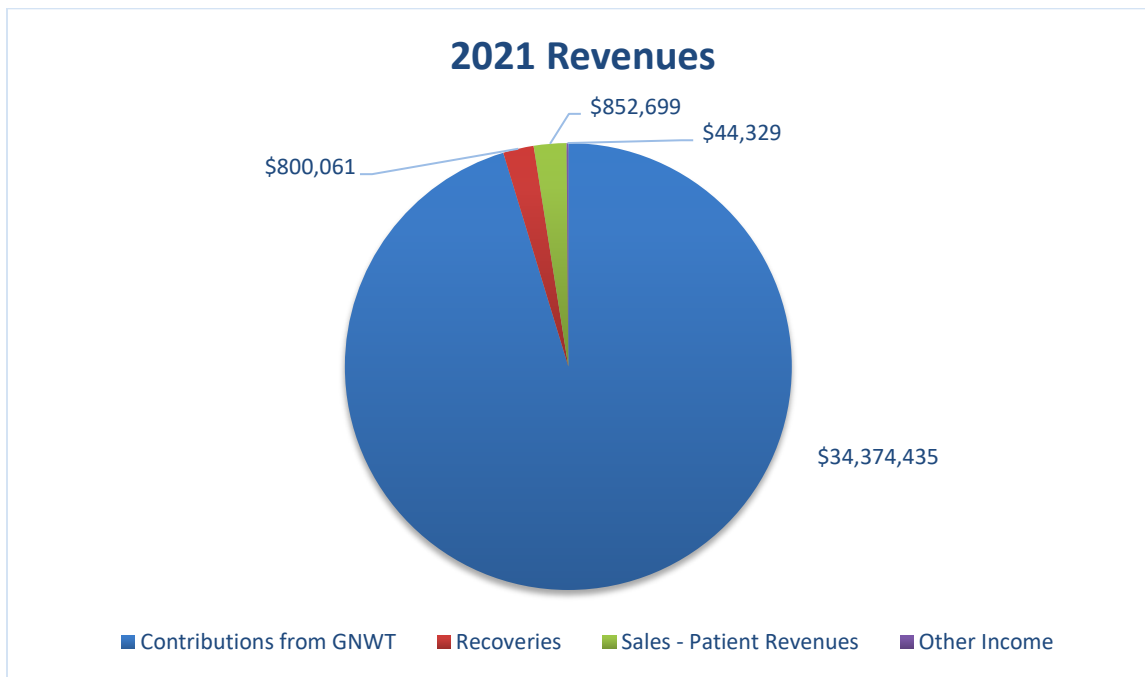


Support Services include Human Resources, Finance, Information Services, Material Management, Housekeeping, Laundry services, Engineering services, Dietary, Registration, Medical Records and Electronic Medical Records. The cost of providing basic services continue to grow; however, Management and staff continuously strive to reduce operating expenditures.

Support Services costs continue to rise as we face the challenge of recruiting staff. Ambulatory Care costs fluctuate based on the number of locum Physicians that are recruited each year.

### Financial Highlights

The Authority had \$36.1M in revenues for the year of which 95% of the funds received were obtained from the GNWT, which is consistent with prior years.

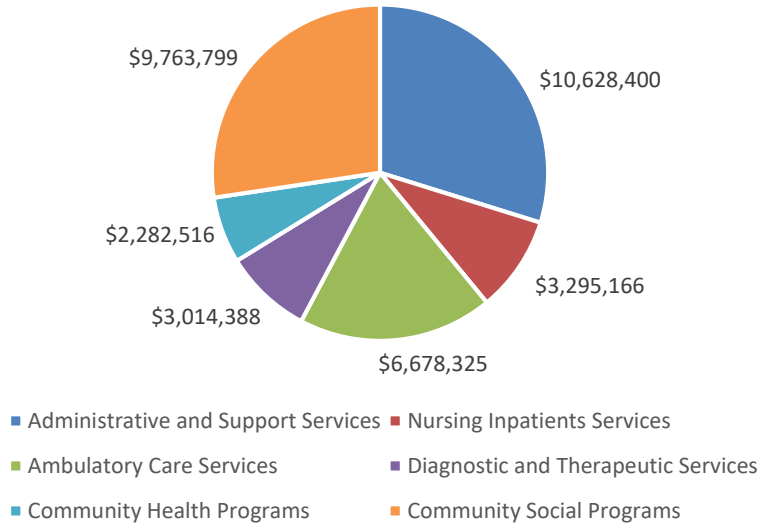


The following 2 charts show the breakdowns of expense by department and by type of expense. Expenses by department show that the largest spending in the Authority exists within the Administration and Support Services, Community Social Programs and Nursing Inpatient Services.



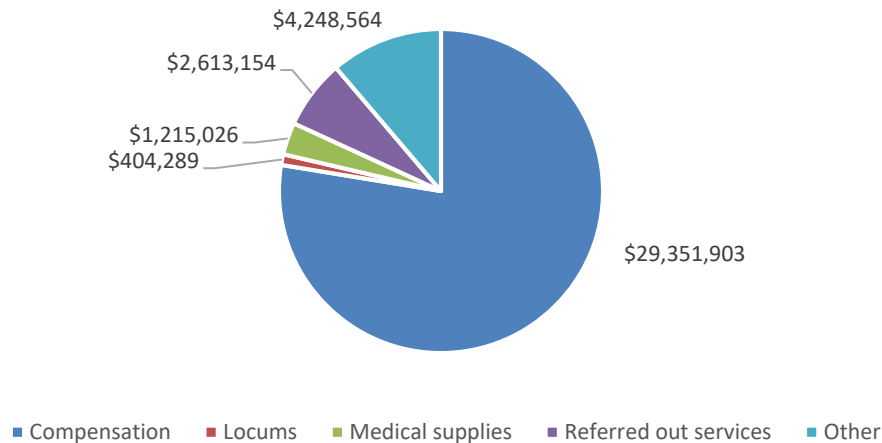


### 2021 Expense by Department



Wages account for 84% (including physicians) of total spending up slightly over prior years as additional term positions were added for up-staffing in housekeeping, dietary, long term care etc. in order to ensure sufficient staffing during the pandemic. Other costs include items such as supplies, PPE related to COVID-19, purchased services personnel, rent, equipment maintenance and other costs associated with the operation of the Authority.

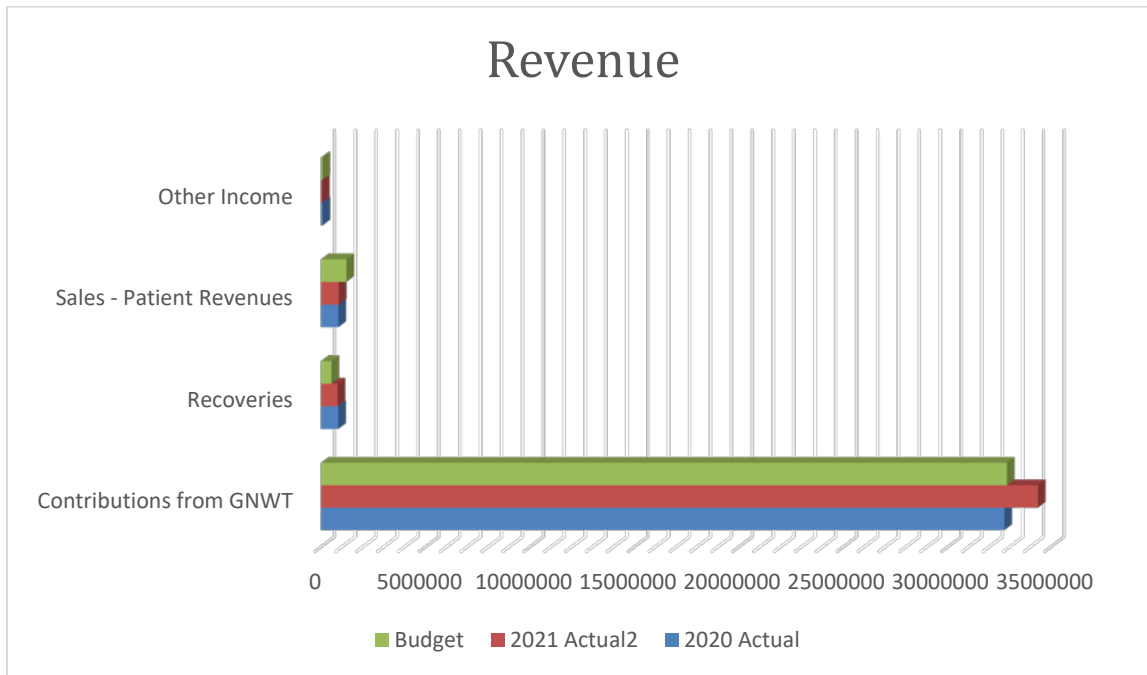
### 2021 Expenses by Type





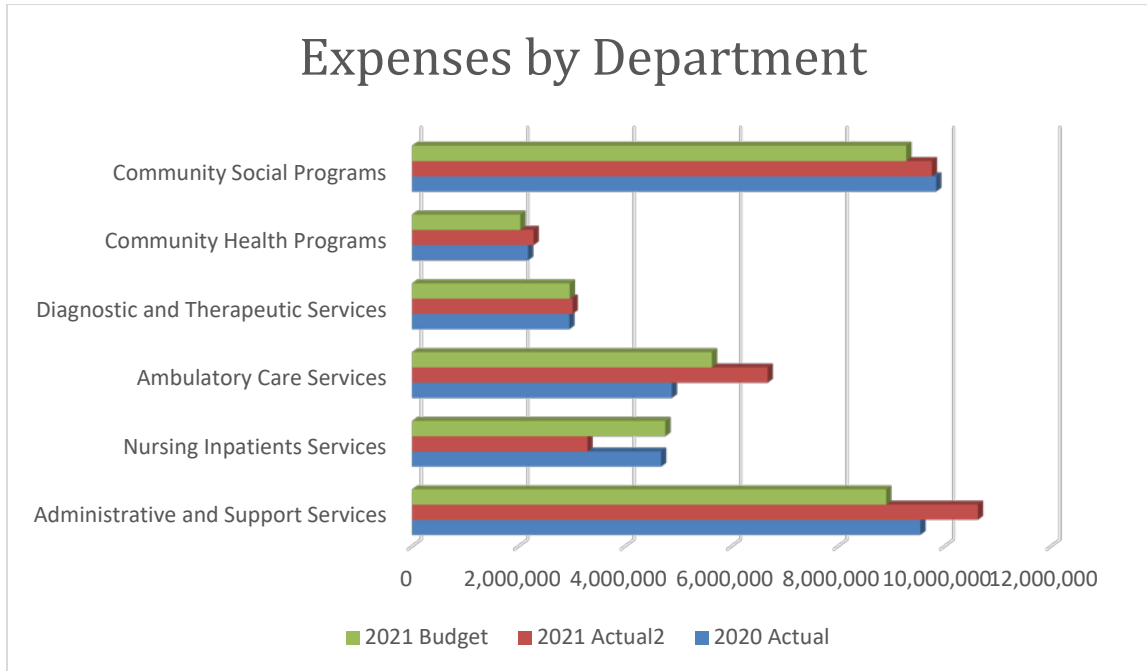
This next group of charts show the current year, prior year and budget numbers for comparative purposes.

Revenues allocations from year to year and current year to budget are consistent with expectations and no significant variances exist.



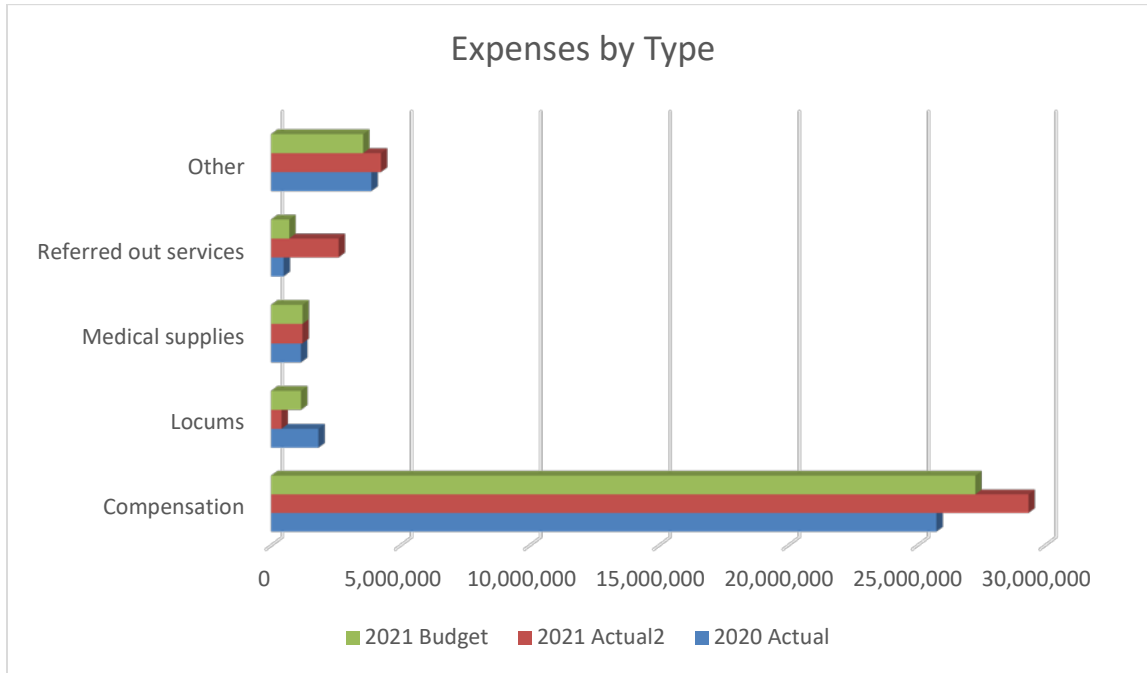


In comparing the current year expenses by department to budget, administration costs are higher than budgeted as they include the pension special payments of \$453,333 plus the unanticipated expenses directly related to the COVID-19 pandemic in the amount of \$929,758.





In comparing expenses by type, there variances in salaries for positions that were budgeted for, but not filled due to lack of qualified applicants and funding constraints. Other identifiable variance is from the funding for the expansion of the Dialysis program.





## Operating Environment

HRHSSA's strength has always been a dedicated and long-standing staff in both front-line and Manager/Supervisory roles that are dedicated to providing quality care and support to our community. During the year there were 17,937 appointments in the medical clinic and 6,331 emergency visits. We continue to provide services under a locum model of physicians and nurse practitioners. As we continue to actively recruit for these positions, we take pride in our staff as they are providing relationship-based care and services for our community. Demand on services continues to increase as the smaller surrounding communities travel to Hay River to access our services and our local vulnerable population (homeless) continues to grow.

With the introduction of the COVID-19 pandemic in March 2020, our approach to provide safe client care drastically changed in response to the pandemic. HRHSSA is a partner in the Territorial approach to the pandemic (Authorities COVID Response Team – ACRT), which provides a consistent planning approach to the pandemic across the three Authorities. The most recent focus of the ACRT team has been continued Human Resource planning, personal protective equipment management, testing, immunization rollout, contract tracing preparations, etc. All three Health Authorities have been working in strong collaboration to ensure that necessary steps are taken to ensure care and services are provided to residents.

Child and Family Services continues to work along side the Northwest Territorial Health and Social Services Authority to implement new Standards of practice in Child and Family Services. The system is maintaining quarterly quality reviews of child protection services aimed to improve services provided to children and families. HRHSSA statistics in Child and Family Services continue to report positive results.

Funding was approved in 2020 to hire one additional Family Preservation Worker and we have successfully recruited for the position. With a staff compliment of (five) Child Protection Workers and (one) preservation worker services to families has been positively enhanced.

The Community Counselling Program has seen significant change in the past year with the introduction of the STEP Care Counselling Model. The team moved from a 29-week waitlist to a 0 – 48 hour wait time to see a Counsellor. The STEP Care model has seen a shift in how services are provided to the Community. There will also be greater opportunities to collaborate with other local organizations to enhance Mental Health services in Hay River.

The Health Family Program continues to be involved in the Healthy Family Renewal project. The goal of the Renewal project is to have a more system approach to offering services to the families we work with. Some recommended principles intended to guide the program design include; more engagement with families, a stronger focus on culture and language, making the program accessible and inclusive of not only parents and children, but also extended family caregivers. The project intends to focus on strengthening our partnerships with other local organizations that prove resources and supports for families in Hay River.

The Healthy Family Program team is very excited to have been chosen as one of the sites who will be piloting the new programming.



## Financial Conditions

The financial health of the Authority is in critical condition as the deficit continues to grow and the cash flow continues to decline. The accumulated adjusted deficit can mainly be attributed to staffing costs, which include wages, compensation and locum fees, and account for just over 84% of our spending. Relocation, responsibility pay, maternity/paternity, severance, overtime and standby costs are not included in the core funding. These unfunded items of the collective agreement totalled over \$2,1M. Further there are non-budget items such as pandemic costs of \$119,758 (net of recoveries) which the Authority had to absorb plus sick, special, education and discretionary totalling in excess of \$1,2M.

With cash of \$1,963,562 and current liabilities of \$5,624,602 it is evident that the liquidity of the Authority is a concern. There is always a constant struggle in the last quarter to ensure bills are paid and payroll is met. In addition to the above mentioned liabilities, there are disputed contributions repayable to the GNWT in the amount of \$1,184,362, which have not been repaid due to cash flow.

The financial statements identify a deficit from operations in the year of \$1,761,412. However, this amount includes both the pension plan and the employee leave and termination benefits. Once these unfunded amounts are backed out of the surplus, the result is a surplus of \$228,625.



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## Summary and Outlook

The 2020-2021 fiscal year represented our efforts to strengthen and establish new relationships internally with our colleagues, and externally with our local and Territorial partners. In developing these relationships, the HRHSSA Senior Leadership Team is keenly aware of the importance of open and effective communication practices across the organization and to the public. HRHSSA leadership has a communication strategy to assist in the continuous improvement of communication to all staff, stakeholders and the general public.

Organizational wide improvements continue to be identified and reviewed to ensure HRHSSA delivers quality programs and services that are consistent with our Territorial partners.

HRHSSA recognizes that providing culturally appropriate care is necessary to improve better health outcomes. HRHSSA is working in collaboration with our Territorial partners to address improved access to primary health care that will meet the needs of our community and our goal to provide the right care, at the right time, at the right place, by the right provider.

Recruitment of health and social services professionals is challenging across Canada and HRHSSA continues to work with both our local and Territorial partners to enhance our recruitment efforts to attract and retain qualified professionals.

In alignment with the Department of Health and Social Services' Strategic Priorities, our focus will move HRHSSA towards a system, which will allow us to provide quality care and services while improving access, improving the client experience and building an organizational structure that is supportive and collaborative. Our future is bright, and we look forward to engaging our workforce and our community to develop culturally safe and efficient care and services.

Erin Griffiths  
Chief Executive Officer

June 24, 2021



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**To the Minister of Health and Social Services**

**Management Responsibility for Financial Reporting for the year ended March 31, 2021.**


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 (PSAS) as well as the Financial Administration Manual (FAM) 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; those 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, 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 Hay River Health and Social Services Authority (the Authority) have been conducted within the statutory powers of the Authority. The operations and administration of the Authority and its supporting internal controls are regularly monitored to ensure their effectiveness and continued compliance with all relevant legislation, standards, directives and policies including, but not limited to, the Financial Administration Act, PSAS, FAM, Human Resources Manual, Ministerial Directives and the policies of the Authority's Public Administrator. Any non-compliance has been specifically identified and has been 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 Health and Social Services of the Government of the Northwest Territories.

**Approved and confirmed on behalf of the Hay River Health and Social Services Authority**

  
\_\_\_\_\_  
Erin Griffiths  
Chief Executive Officer  
Hay River Health & Social Services Authority

June 28, 2021  
\_\_\_\_\_  
Date





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PROFESSIONAL CORPORATION

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## Independent Auditor's Report

To the Minister of Health and Social Services  
The Chief Executive Officer

### **Opinion**

We have audited the accompanying financial statements of Hay River Health and Social Services (the Authority), which comprise the statement of financial position as at March 31, 2021, statement of operations, the statement of changes in net financial assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards. Furthermore, in our opinion, these statements present fairly, in all material respects, the revenues and expenditures of all programs funded through contribution agreements with the Department of Health and Social Services which total \$250,000 or more in schedule A and A-1 for the year ended March 31, 2021, in accordance with the provisions established by the individual contribution agreements.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Other Matters**

The prior year financial statements were audited by another auditor. The auditor had provided an unqualified opinion on July 2, 2020.

*EPR Yellowknife Accounting Prof. Corp.*

EPR Yellowknife Accounting Professional Corporation  
Yellowknife, Northwest Territories  
June 25, 2021

**HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY**

**Statement I**

**Statement of Financial Position**

**As at March 31, 2021**

	2021 Actual	2020 Actual
<b>Financial Assets</b>		
Cash and cash equivalent ( <i>Note 4</i> )	\$ 1,963,562	\$ 602,391
Accounts receivable ( <i>Note 7</i> )	2,299,417	1,081,430
Due From Government of Canada ( <i>Note 10</i> )	-	3,434
Trust Assets ( <i>Note 14</i> )	87,333	74,027
Pensions asset ( <i>Note 12</i> )	15,066,000	16,783,000
<b>TOTAL FINANCIAL ASSETS</b>	<b>19,416,312</b>	<b>18,544,282</b>
<b>Liabilities</b>		
Accounts payable and accrued Liabilities ( <i>Note 9</i> )	2,536,879	697,356
Employee and payroll- related liabilities ( <i>Note 9</i> )	3,001,159	2,694,836
Contributions repayable ( <i>Note 27</i> )	3,177,693	2,582,320
Employee future benefits and compensated absences ( <i>Note 13</i> )	1,360,933	1,633,970
Accountable capital advance, GNWT, ( <i>Note 28</i> )	5,829	5,829
Deferred revenue ( <i>Note 26</i> )	63,193	56,633
Trust liabilities ( <i>Note 14</i> )	86,564	73,258
<b>Total Liabilities</b>	<b>10,232,250</b>	<b>7,744,202</b>
<b>Net Financial Assets (Debts)</b>	<b>9,184,062</b>	<b>10,800,080</b>
<b>Non - Financial Assets</b>		
Inventory held for use ( <i>Note 8</i> )	193,984	205,459
Prepaid expenses and deposits ( <i>Note 25</i> )	74,581	208,500
<b>Total Non - Financial Assets</b>	<b>268,565</b>	<b>413,959</b>
<b>Accumulated Surplus ( Deficit) ( Note 29)</b>	<b>\$ 9,452,627</b>	<b>\$ 11,214,039</b>

Contractual Obligations (*Note 16*)

Contingent Liabilities (*Note 17*)

Approved on behalf of the Hay River Health & Social Services Authority:



Public Administrator



Chief Executive Officer



Director of Finance

**HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY**  
**Statement of Operations**  
**For the year ended March 31, 2021**

**Statement II**

	2021		2020
	Budget (Unaudited)	Actual	Actual
<b>Revenue</b>			
Contributions from GNWT (Schedule A)	\$ 32,865,340	\$ 34,346,589	\$ 33,280,717
Recoveries	505,700	827,907	292,228
Sales - Patient Revenues	1,219,079	852,699	833,087
Interest	72,000	44,329	77,593
<b>Total Revenue</b>	<b>34,662,119</b>	<b>36,071,524</b>	<b>34,483,625</b>
<b>Expenses</b>			
Administrative and Support Services	8,906,648	9,698,651	9,400,737
Administrative and Support Services-COVID-19 Expense	-	929,758	145,899
Nursing Inpatients Services	4,756,974	3,295,166	4,675,923
Ambulatory Care Services	5,631,779	6,678,325	4,877,923
Diagnostic and Therapeutic Services	2,961,809	3,014,388	2,954,722
Community Health Programs	2,032,668	2,282,516	2,178,429
Community Social Programs	9,281,350	9,763,799	9,843,619
Undistributed	390,000	2,170,333	(981,000)
<b>Total Expenses ( Note 24)</b>	<b>33,961,228</b>	<b>37,832,936</b>	<b>33,096,252</b>
<b>Operating Surplus/ Deficit</b>	<b>700,891</b>	<b>(1,761,412)</b>	<b>1,387,373</b>
<b>Unfunded Items</b>			
(Increase) Decrease in post-employment benefits ( Note 12)	-	1,717,000	(1,656,000)
(Increase) Decrease in employee future benefits and Compensated absences , ( Note 13)	-	273,037	89,166
<b>Adjusted operating surplus (Deficit) before the undernoted</b>	<b>-</b>	<b>228,625</b>	<b>(179,461)</b>
<b>Tangible Capital Assets Rent expense (Note 15)</b>	<b>-</b>	<b>2,211,383</b>	<b>2,119,933</b>
<b>Grant - in - kind - GNWT Assets provided at no cost (Note 15)</b>	<b>-</b>	<b>(2,211,383)</b>	<b>(2,119,933)</b>
<b>Adjusted operating surplus (deficit) for the year</b>	<b>-</b>	<b>228,625</b>	<b>(179,461)</b>
<b>Opening Accumulated Surplus (Deficit)</b>	<b>-</b>	<b>11,214,039</b>	<b>9,826,666</b>
<b>Operating Surplus (Deficit)</b>	<b>-</b>	<b>(1,761,412)</b>	<b>1,387,373</b>
<b>Closing, Accumulated Surplus ( Deficit)</b>	<b>\$ -</b>	<b>\$ 9,452,627</b>	<b>\$ 11,214,039</b>

The accompanying notes and schedules form an integral part of the financial statements.

**HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY**  
**Statement of Changes in Net Financial Resources**  
**For the year ended March 31, 2021**

**Statement III**

	2021	2020
<b>Annual surplus (deficit)</b>	<b>\$ (1,761,412)</b>	<b>\$ 1,387,373</b>
Adjustments:		
- (Increase) Decrease in inventory	11,475	11,801
- (Increase) Decrease in prepaids and deposits	133,919	(7,938)
<b>Increase (decrease) in net financial assets</b>	<b>(1,616,018)</b>	<b>1,391,236</b>
Opening net financial resources	10,800,080	9,408,844
<b>Closing net financial resources</b>	<b>\$ 9,184,062</b>	<b>\$ 10,800,080</b>

The accompanying notes and schedules form an integral part of the financial statements.

**HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY**  
**Statement of Cash Flows**  
**For the year ended March 31, 2021**

**Statement IV**

	2021	2020
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Annual surplus (deficit)	\$ (1,761,412)	\$ 1,387,373
<b>Item not affecting cash:</b>		
Increase (decrease) in pensions ( <i>Note 12</i> )	1,717,000	(1,656,000)
Adjusted annual deficit	(44,412)	(268,627)
Changes in non-cash assets and liabilities		
Decrease (increase) in due to/ from the Government of Canada	3,434	50,023
Increase (decrease) in accounts receivable	(1,217,987)	203,517
Increase (decrease) in inventory	11,475	11,801
Decrease (increase) in prepaid	133,919	(7,938)
Increase (decrease) in accounts payable and payroll liabilities	2,145,846	331,447
Increase (decrease) in contributions repayable	595,373	(21,584)
Increase (decrease) in employee future benefits and compensated absences ( <i>Note 13</i> )	(273,037)	(89,166)
Increase (decrease) in deferred revenues	6,560	-
Increase (decrease) in trust liability	13,306	(10,432)
Cash provided by operating transactions	1,418,889	467,668
Net cash provided by (used in) operating activities	1,374,477	199,041
Increase (Decrease) in cash and cash equivalents	1,374,477	199,041
Cash and cash equivalents at beginning of year	676,418	477,377
<b>Cash and cash equivalents at the end of year</b>	<b>2,050,895</b>	<b>676,418</b>
Cash consists of:		
Cash and cash equivalents ( <i>Note 4</i> )	1,963,562	602,391
Trust asset	87,333	74,027
	<b>\$ 2,050,895</b>	<b>\$ 676,418</b>

# **HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY**

## **Notes to Financial Statements**

**For the year ended March 31, 2021**

---

### **1. HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY**

The HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY (the "Authority") was established under the Societies Act on November 1, 2003. The Authority operates under the Hospital Insurance and Health and Social Services Act of the Northwest Territories to manage, control and operate the public health facilities and services assigned to it by the Government of the Northwest Territories Department of Health and Social Services.

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

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### **2(a) Basis of Presentation**

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Canadian Public Sector Accounting Board and by the directive of the Government of the Northwest Territories - Department of health and Social Services ("DHSS"). Significant aspects of the accounting policies adopted by the Authority are as follows:

The financial statements do not include the assets, liabilities and activities of any organizations that are related to the Authority, such as the Hay River Health and Wellness Foundation

#### **2(b) Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. Revenues are recognized in the year in which they are earned and measurable. Expenses are recorded as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

#### **2(c) Fund Accounting**

The accounts of the Authority are maintained in accordance with fund accounting procedures. The operations of the Authority are segregated for the purpose of carrying on specific activities or attaining certain objectives. Funds established by the Authority are as follows:

- (i) Operating Fund - activities associated with the Authority's daily operations.
- (ii) Employee Leave and termination Liability Fund - reflecting activities in employee leave and termination benefits combined with any amounts transferred from operations to fund these liabilities. This fund represents liabilities which will be funded in the year they become due through regular annual allocations from the Government of the Northwest Territories (GNWT)
- (iii) Endowment and Special Purpose Fund - reflecting activities relating to endowments and other special purpose funds made available to the Authority under conditions specified by donors and other providers.

#### **2(d) Revenue and Expenditure Recognition**

The basis of accounting followed in the financial statement presentation includes revenues 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 estimating is impracticable.

The Authority is primarily funded by the GNWT in accordance with budget arrangements established by the DHSS. Under the arrangement, the Authority is responsible for the net deficit from operations and is allowed to retain surpluses from core programs. Any capital funding not spent may be retained for future capital purchases. These policies do not apply to contribution agreements, where an accounting of and return of surpluses may be required.

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Notes to the financial statements

For the year ended March 31, 2021

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### 2. SIGNIFICANT ACCOUNTING POLICIES....(continued)

#### 2(d) Revenue and Expenditure Recognition....(continued)

Other revenue is recognized when the service is performed or the goods are provided.

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 revenues 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 eligible criteria have been met and reasonable estimates of the amounts can be determined.

The Authority follows the deferral method of accounting for restricted contributions. These revenues are recognized in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received and be reasonably estimated and collection is reasonably assured.

Expenditures are recognized in the period the goods and services are acquired, a liability is incurred or transfers are due.

#### 2(e) Cash and Cash equivalents

Cash and cash equivalents consists of cash on hand and balances within banks, net of outstanding cheques, and are not subject to significant risk of changes in value.

#### 2(f) Reserves

The DHSS policy requires the Authority to establish the following reserves:

(i) Surplus Reserve - reflects funds maintained in a reserve according to the DHSS Operations and maintenance surplus Retention policy.

(ii) Employee Future Benefit Reserve - the funds received in advance for the severance liability of employees who were transferred to the Authority from the GNWT. These liabilities are reduced as employees are paid out upon termination of employment with the Authority.

(iii) Cash reserve - established for the purpose of assisting with any future short-term cash deficiency. Withdrawals from the reserve will be made only when an insufficient cash balance exists to make necessary payments. Appropriations to this reserve will be done to maintain the \$500,000 balance as approved by the GNWT.

The Authority does not have sufficient funds to cover these reserves.

#### 2(g) Tangible Capital assets

The GNWT retains ownership of all tangible capital assets (TCA) used by the Authority, or purchased by the Authority (regardless of source of funding for the purpose). The GNWT amortizes TCA's over the estimated useful lives of the assets at the rates established in the Financial Administration manual of the GNWT over the following terms:

Buildings	40 years
Hardware and Software Systems	5 - 10 years
Major Medical Equipment	5-15 years
Leasehold Improvements	Lesser of useful life or lease term plus renewal

The TCAs 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 rent expense amount that would otherwise be considered amortization expense for the fiscal year with an offsetting corresponding amount as a Grant-in-Kind revenue.



# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Notes to the financial statements

For the year ended March 31, 2021

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### 2. SIGNIFICANT ACCOUNTING POLICIES....(continued)

#### 2(h) Inventories

Inventories of supplies include inventory held for use in the process of providing the services of the Authority. Inventories consist of equipment, parts, pharmaceuticals and office supplies, which are distributed to clients at no or nominal charges. Inventory is recorded at the lower of cost and replacement value. Cost is determined on a first-in, first-out basis using average cost.

#### 2(i) Employee Future Benefits and Compensated absences

Under the terms and conditions of employment, Health Authority employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. Eligibility is based on a variety of factors including place of hire, date employment commenced and reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. The Expected cost of providing these benefits is recognized as employees render services. Termination benefits are also recorded when employees are identified for lay-off. Compensated absences include sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave and recognized in the period the employee provides services, whereas parental and maternity leave are event driven and are recognized when the leave commences.

For benefits earned prior to September 1, 1996 but still outstanding, no accrual is made for contingent revenue as described in Note 13. The revenue is expected to be received in the year that the outstanding liability falls due.

#### 2(j) Pensions

Pension benefits to the Retirement Plan for Employees of the Hay River Health & Social Services Authority are reported on an actuarial going concern basis. This is done to determine the current value of future entitlement and uses various estimates. When actual experience varies from estimates or when actuarial assumptions change, the adjustments are amortized on a straight line basis over the estimated average remaining service lives of the contributors. Recognition of actuarial gains and losses commences in the year following the effective date of the related actuarial valuations. In addition, immediate recognition of a previously unrecognized net actuarial gain or loss may be required upon a plan amendment, curtailment or settlement.

The Authority and its contracted physicians make contributions to a physician directed investment fund administered by the Government of Canada. These contributions represent the total pension liability of the Authority and are recognized in the accounts on a current basis.

#### 2(k) Financial instruments

All significant financial assets, liabilities and equity instruments of the Authority are either recognized or disclosed in the financial statements together with available information for a reasonable assessment of future cash flows, credit risk, liquidity risk and actuarial risk. Where practical the fair values of financial assets and liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed

The Authority's accounting policy for financial instruments is as follows:

This category includes cash, trust assets, accounts receivable, accounts payable, accrued liabilities, payroll liabilities, capital advances, and trust 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. Financial instruments with actively traded markets are reported at fair value, with any unrealised gains and losses reported in income. All other financial instruments are reported at amortized costs and tested for impairment at each reporting date. Any impairments of the financial assets is charged to income in the period in which the impairment is determined. In the event that a previously impaired asset increases and the increase can be related to an event that occurred after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement.

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

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

Transaction costs on the acquisition, sale or issue of financial instruments are expensed when incurred.

# **HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY**

## **Notes to the financial statements**

**For the year ended March 31, 2021**

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### **2. SIGNIFICANT ACCOUNTING POLICIES....(continued)**

#### **2(l) Non-Financial Assets**

Non-financial assets are accounted for as assets by the Authority because they can be used to provide government services in future periods. These assets are not available to discharge existing liabilities. 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 consolidated change in net financial assets (debt) for the year.

#### **2(m) Measurement uncertainty**

The preparation of 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, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Items requiring the use of significant estimates include accounts receivable, accounts payable and accrued liabilities, estimated useful lives of tangible capital assets, and estimated employee benefits, pension benefits.

Estimates are based on the best information available at the time of preparation of financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

#### **2(n) Segmented Information**

The Authority segments its operating expenses for financial reporting purposes based upon areas of service type. This information is provided on the statement of operations.

### **3. FUTURE ACCOUNTING CHANGES**

#### **Revenue - Section PS 3400**

PSAB has implemented changes to Section PS 3400 - Revenue, that specifically outlines the accounting treatment and reporting of revenues arising from transactions that include performance obligations; such that the revenues should not be realized until the entity has satisfied the performance obligations. These changes are to be applied to fiscal years beginning on or after April 1, 2022, but early adoption is permitted. The updated PS 3400 has not yet been adopted by the Authority and the impact of the transition to these changes has not yet been determined.

#### **Assets Retirement obligations - PS 3280**

This new section establishes standards on how to account for and report a liability for asset retirement obligations. This section is effective for fiscal periods beginning on or after April 1, 2021. The impact of the transition to these accounting standards has not yet been determined.

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Notes to the financial statements

For the year ended March 31, 2021

### 4. CASH AND CASH EQUIVALENTS

	2021	2020
Cash	\$ 1,963,562	\$ 602,391

### 5. SPECIAL PURPOSE FUNDS

The Authority doesn't have special purpose funds for the year ending March 31, 2021.

### 6. PORTFOLIO INVESTMENTS

The Authority doesn't have portfolio investments for the year ending March 31, 2021.

### 7. ACCOUNTS RECEIVABLE

	Accounts Receivable 2021	AFDA 2020	Net 2021	Net 2020
Due from GNWT-HSS	\$ 1,975,766	\$ -	\$ 1,975,766	\$ 790,551
Due from GNWT-Finance	20,265	-	20,265	12,690
Due from GNWT-Infrastructure	551	-	551	4,189
Due from GNWT-Justice	-	-	-	1,549
Due from WSCC	13,777	-	13,777	29,587
Due from NTHSSA	69,386	-	69,386	59,336
Hay River Hospital & Wellness Foundation	-	-	-	381
GST rebate receivable	13,655	-	13,655	17,442
General accounts receivable	303,517	97,500	206,017	165,705
	<b>\$ 2,396,917</b>	<b>\$ 97,500</b>	<b>\$ 2,299,417</b>	<b>\$ 1,081,430</b>

### 8. INVENTORIES

	2021	2020
Medical and surgical	\$ 143,363	\$ 150,314
Pharmaceutical	22,979	22,224
Laboratory	13,936	10,249
Other Supplies	13,706	22,672
	<b>\$ 193,984</b>	<b>\$ 205,459</b>

Inventories are held for consumption in the process of providing services and are distributed at no charge or for a nominal fee.

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Notes to the financial statements

For the year ended March 31, 2021

### 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
Due to GNWT - HSS	\$ 159,682	\$ 2,954
Due to GNWT- Finance	-	-
Due to GNWT- Justice	-	-
Due to GNWT - Infrastructure	-	567
Due to NTHSSA	2,063,893	51,955
Due to Government of Nunavut	-	-
Due to WSCC	-	-
Hay River Hospital & Wellness Foundation	542	681
Accounts payable and accrued liabilities	234,480	565,264
Unspent donations	21,636	18,156
Special purpose fund liabilities	56,646	57,779
	<b>\$ 2,536,879</b>	<b>\$ 697,356</b>
Payroll liabilities	3,001,159	2,694,836
	<b>\$ 5,538,038</b>	<b>\$ 3,392,192</b>

### 10. DUE FROM AND TO THE GOVERNMENT OF CANADA

	2021	2020
Receivables:		
Miscellaneous receivables	-	3,434
	<b>\$ -</b>	<b>\$ 3,434</b>

### 11. CAPITAL LEASE OBLIGATIONS

The Authority doesn't have capital lease obligations for the year ending March 31, 2021.

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Notes to the financial statements

For the year ended March 31, 2021

### 12. PENSIONS

The Authority sponsors a contributory defined benefit pension plan for substantially all of its employees called "**Retirement Plan for Employees of the Hay River Health and Social Services Authority**". The net value of the plan asset and liability is recorded on the statement of financial position based on the funded status of the plan on a going concern valuation performed by an independent actuary. An actuary valuation is done on an annual basis as of January 1 and is extrapolated to March 31 for presentation on the financial statements. The extrapolation assumes that from January 1 to March 31 the plan will follow the pattern from the January 1 valuation exactly, but actual contribution amounts are used.

Employees are required to contribute 8.15% of their pensionable earnings up to the yearly maximum pensionable earnings (YMPE) plus 10.4% of their earnings, if any, in excess of the YMPE. The Authority contributes to the plan 1.88 (prior to January 1, 2020 was 1.68) times the employee portion and provides additional funding when the present value of the obligation under the solvency method exceeds the accumulated assets available to fund the member's benefit entitlements in the plan.

The pension plan provides benefits based on the number of years of credited service limited to the maximum allowed within the plan. Benefits are determined by a formula set out within the plan; they are not based on the financial status of the pension plan. The basic benefit formula is 1.5 percent per year of pensionable service multiplied by the average of the best five consecutive years of earnings up to the YMPE and 2% for amounts in excess of the YMPE.

	2021	2020
Accrued benefit obligation	\$ 61,224,000	\$ 50,238,000
Market - related value of pension fund assets	76,290,000	67,021,000
	(15,066,000)	(16,783,000)
Unamortized actuarial gains / (losses)	(5,640,000)	(1,945,000)
Pension liability (accrued asset)	(20,706,000)	(18,728,000)
Impairment on value of accrued pension asset	(5,640,000)	1,945,000
Adjusted pension liability (accrued asset) realizable by the Authority	\$ (15,066,000)	\$ (16,783,000)

The pension liability (asset) includes the following components:

	2021	2020
Pension liability (accrued asset) - beginning of year	\$ (18,728,000)	\$ (15,127,000)
Cash items:		
Member contributions	(1,347,000)	(1,172,000)
Employer contributions	(2,311,000)	(3,405,000)
Benefit payments	(2,140,000)	(2,236,000)
Draw-down from plan assets	2,140,000	2,236,000
Net change to pension liability from cash items	(3,658,000)	(4,577,000)
Accrual items:		
Current period benefit cost	2,861,000	2,741,000
Amortization of actuarial gains/losses	(346,000)	(705,000)
Interest on average accrued benefit obligation	2,452,000	2,281,000
Expected earnings on average pension fund assets	(3,287,000)	(3,341,000)
	1,680,000	976,000
Pension liability (accrued asset) before impairment	\$ (20,706,000)	\$ (18,728,000)

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Notes to the financial statements

### For the year ended March 31, 2021

#### Note 12 Pensions (continued)

The Pension expense (revenue) is included in the statement of operations as a component of undistributed amounts.

	2021	2020
<b>Pension expense (revenue)</b>	<b>\$ 1,717,000</b>	<b>\$ (1,656,000)</b>
Expected earnings on plan assets	4.85%	5.22%
Actual earnings on plan assets	4.90%	5.23%
Difference between actual and expected	0.5%	0.01%

#### Valuation method and assumptions:

Actuarial valuations for accounting purposes are performed using the projected benefit method prorated on services. The net Unamortized actuarial loss is to be amortized on a straight-line basis over the expected average remaining service life of the related employee groups.

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect the government's best estimates. The significant actuarial assumptions and rates are listed below:

	2021	2020
Date of actuarial valuation	January 1, 2021	January 1, 2020
Date of next valuation	January 1, 2022	January 1, 2021
Discount rate at valuation	4.05%	4.55%
Date of audited financial statements	March 31, 2021	March 31, 2020
Discount rate at March 31 extrapolation	4.05%	4.85%
Market value of the plan assets	\$ 84,035,000	\$ 65,275,000
Expected return on plan assets	4.85%	5.40%
Future inflation	2.00%	2.00%
Future compensation increases	2.50%	2.50%
Expected average remaining service life (years)	7.8 years	7.7 years

The asset was valued using an adjusted market value method, which spreads out any variance between the return on investment accrued in the year and the expected return on the investments using the going concern rates as outlined above. Inclusion rates for these variances are 33% of the prior year, 67% of the variance from 2 years prior and 100% of all variances beyond. This assumption allows for a smoothed value of the asset.

The employer funding targets, under the going concern method, are valued using the actuarial cost method, which allows for a more accurate matching of accrued benefits to contributions. The funding target is equal to the present value of the benefit based on employee service years incurred prior to the valuation date and the projected average earnings upon retirement. A deficit results when the market value of the investment is less than the funding target. By law, a deficit must be funded over a max of 15 years through special payments and a surplus can be used to pay current employer contributions. There is a plan surplus under the going concern method. Under the solvency method of accounting, it is assumed that all employees that are eligible for the pension plan will cease being members and will be paid out based on their situation as of the valuation date. Under the solvency method there is a plan deficit that is required to be funded in accordance with the requirements of the Pension Benefits Standards Act, 1985 with minimum special payments over a 5 year term of \$32,500 per month.

#### Plan amendments:

As at the valuation date, there have been no amendments to the plan since the date of the previous valuation.

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Notes to the financial statements

For the year ended March 31, 2021

### 13. EMPLOYEE FUTURE BENEFITS AND COMPENSATED ABSENCES

In addition to pension benefits, the Authority provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to its employees. The benefits 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 Hay River Health and Social Services Authority 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.

The benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being location of hire, employee category and length of service. The benefits under these categories were valued using a projection methodology based on the date employees are projected to leave the Authority.

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

#### Valuation Results

The actuarial valuation was completed as at March 31, 2021. The effective date of the next actuarial valuation is March 31, 2022. The liabilities are actuarially determined as the present value of the accrued benefits at February 15, 2021 and the results extrapolated to March 31, 2021. The values presented below are the benefits under the Compensated Absences and Termination Benefits for the Authority extracted from the valuation report for the consolidated Government of the Northwest Territories.

	Severance and Removal	Compensated Absences	2021	2020
<u>Changes in Obligation</u>				
Accrued benefit obligation, opening	\$ 2,304,847	\$ 173,140	\$ 2,477,987	\$ 2,744,249
Current period benefit costs	201,071	14,785	215,856	201,276
Interest accrued	61,957	4,606	66,563	84,108
Benefit payments	(472,924)	(244,087)	(717,011)	(537,776)
Plan amendments	-	-	-	-
Actuarial gains (losses)	(42,215)	202,141	159,926	(13,870)
Accrued benefit obligation, closing	2,052,736	150,585	2,203,321	2,477,987
Unamortized net actuarial (gain) loss	(53,910)	896,298	(842,388)	(844,017)
Accrued benefit obligation, opening	2,106,646	(745,713)	<b>1,360,933</b>	<b>1,633,970</b>
Other employee future benefits	-	-	-	-
Other compensated absences	-	-	-	-
Total employee future benefits compensated absences	\$ 2,106,646	\$ (745,713)	\$ <b>1,360,933</b>	\$ <b>1,633,970</b>
<u>Benefits Expense</u>				
Current period benefit cost	201,071	14,785	215,856	201,276
Interest accrued	61,957	4,606	66,563	84,108
Plan amendments	-	-	-	-
Amortization of actuarial (gain) loss	34,502	127,053	161,555	163,226
Accrued benefit obligation, closing	\$ <b>297,530</b>	\$ <b>146,444</b>	\$ <b>443,974</b>	\$ <b>448,610</b>

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Notes to the financial statements

### For the year ended March 31, 2021

#### Note 13. Employee Future Benefits and Compensated Absences (Continued)

The discount rate used to determine the accrued benefit obligation is an average of 2.70%, down from the prior years rate of 3.20% . No inflation rate was applied. The expected payments during the next five fiscal years are:

	Severance and Removal	Compensated Absences	Total
2022	\$ 323,893	\$ 24,767	\$ 348,660
2023	257,879	18,508	276,387
2024	225,205	15,524	240,729
2025	194,301	12,514	206,815
2026	205,173	13,562	218,735
	<b>\$ 1,206,451</b>	<b>\$ 84,875</b>	<b>\$ 1,291,326</b>

#### Contingent Revenue

Revenue of \$55,841 representing accrued severance and removal for employees on August 31, 1996 and which, in management's view, pursuant to the terms of the transfer agreement on that date between the GNWT and the Town of Hay River, is owed to the Authority by GNWT, has not been recorded in these financial statements. Recognition of this amount is contingent upon GNWT agreeing to payment terms.

#### 14. TRUST ASSETS AND LIABILITIES

The amount held in patient trust assets are funds held on behalf of the patients in residential care. The funds do not belong to the Authority as they are restricted for those patients. The amount in the patient trust liability is equivalent to the balance owed to the residential care patients. The discrepancy between the trust asset and liability are for amounts deposited into the bank account in error.

	2021	2020
Patient Trust Asset	87,333	74,027
Patient Trust Liability	86,564	73,258

#### 15. SERVICES PROVIDED WITHOUT CHARGE

During the year, the Authority received without charge from the Government various administrative services, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage, actuarial valuations and internal audit services provided by the Department of Finance and use of vehicles, building repairs and utilities by the Department of Public Works.

The Authority also receives from the Government, without any rental charges, the use of facilities and equipment to provide public health and social services. The rental facilities used include the new Hay River Regional Health Center, the HH Williams Memorial Hospital, Woodland Manor, the Adult Supported Living units, Various medical equipment is also provided free of any rental fees. The use of these facilities would have cost the Authority an estimated **\$2,211,383** (**\$2,119,933** in 2020) based on the Government's amortization expense for these assets.



# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Notes to the financial statements

### For the year ended March 31, 2021

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#### 16. CONTRACTUAL OBLIGATIONS

Contractual obligations are obligations of the Authority to others that will become liabilities in the future when the terms of those contracts or agreements are met.

The Authority has entered into agreements for, or is contractually committed to, the followings expenses payable subsequent to March 31, 2021

Expires in fiscal year	Residential 2021	Equipment 2021	Operational 2021	Total
2022	\$ 149,700	\$ 149,001	\$ 79,033	\$ 377,734
2023	149,700	39,334	19,600	208,634
2024 and after	149,700	14,864	-	164,564
	\$ 449,100	\$ 203,199	\$ 98,633	\$ 750,932

#### 17. CONTINGENT LIABILITIES

In common with many health authorities, claims are made against the Authority and its staff. The Authority is defending actions brought against them and management does not believe a significant loss will occur. An allowance has been made for any claim or litigation where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. The allowance is based upon estimates determined by the Authority's legal experts and human resources staff experience or case law and historical data in similar circumstances. With any employer, especially those with a union, there are always risks of employee grievances.

At the end of the fiscal year a number of grievances were awaiting arbitration. In the opinion of management and legal council, no material accrued liability needs to be established. Should any further loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

The Authority's operations are affected by federal, territorial and local laws and regulations regarding Environmental protection. The Authority is committed to meeting these existing laws and regulations. Management is not aware of any material environmental liabilities that resulted during the year.

Under the terms of the contribution agreement between the Government of the Northwest Territories, the Authority may be liable to repay any restricted or contributed fund not expended in accordance with contribution agreements. The Authority has recorded all known unexpended contribution funds repayable.

#### 18. BUDGET

The budget figures are the opening budgets as approved by the Authority's Public Administrator and the GNWT Department of Health and Social Services. The budget figures are not audited and are intended for information purposes only.

#### 19. 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 operations would be significantly affected.

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Notes to the financial statements

For the year ended March 31, 2021

### 20. SUBSEQUENT EVENTS

The significant decrease in market values due to the drop in the economy at the declaration of the world pandemic declared in March 2020 have since recovered. This has resulted in the significant decrease in the net pension plan asset from theft market value at March 31, 2021 as reported in Note 12. At the time of issuance of these financial statements, the effect in economic activity on the Authority's operations, assets, liabilities, fund balances, revenues and expenses is estimated by the management are as follows:

	2021	2020
Revenue	\$ (810,000)	\$ -
Expenses	929,758	145,899
	\$ 119,758	\$ 145,899

### 21. COMPARATIVE FIGURES

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

### 22. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

The Authority is related in terms of common ownership to all GNWT created departments and public agencies. The Authority enters into transactions with these entities in the normal course of operations. The Authority is provided various administrative services by the GNWT, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage by the Department of Finance, internal audit services provided by the Department of Finance and repairs, utilities and facility and equipment rental provided by the Department of Infrastructure. Transactions with related parties and balances at year-end are included in the financial statements, but not disclosed separately other than in this note:

	Accounts Receivables 2021	Allowance for doubtful account 2021	2021	2020
<u>Due from related parties</u>				
Accounts Receivable				
GNWT, Note 7				
Department of HSS	1,975,766	-	\$ 1,975,766	\$ 790,551
Department of Finance	20,265	-	20,265	12,690
Department of Infrastructure	551	-	551	4,189
Department of Justice	-	-	-	1,549
	1,996,582	-	1,996,582	808,979
NTHSSA- HQ, Note 7	69,386	-	69,386	15,429
NTHSSA - Finance	-	-	-	31,626
NTHSSA - Other	-	-	-	8,765
Stanton Territorial Health Region	-	-	-	747
Yellowknife/Fort Resolution Region	-	-	-	2,769
	2,065,968	-	-	59,336
Hay River Hospital Foundation	-	-	-	381
	<b>2,065,968</b>	-	<b>\$ 2,065,968</b>	<b>\$ 868,696</b>

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Notes to the financial statements

For the year ended March 31, 2021

### 22. RELATED PARTIES AND RELATED PARTY TRANSACTIONS....(Continued)

	2021	2020
Due to related parties		
Accounts payable:		
GNWT, Note 9		
Department of HSS	\$ 2,155,682	\$ 2,954
Department of Infrastructure	-	567
	2,155,682	3,521
NTHSSA - HQ, Note 9		
Yellowknife Region	67,893	49,108
Stanton Territorial Health Region	-	2,847
	67,893	51,955
Hay River Hospital Foundation	542	681
	\$ 2,224,117	\$ 56,157
Deferred revenues, GNWT - HSSA, (Note 26)	56,633	56,633
Contributions repayable, GNWT- HSSA, (Note 27)	3,177,693	2,581,623
Accountable capital advances, GNWT- HSSA, (Note 28)	5,829	5,829
	\$ 5,464,272	\$ 2,700,242
	2021	2020
<b>Revenues</b>		
GNWT		
Department of Health & Social Services	\$ 34,358,436	\$ 33,054,429
Department of Finance	-	12,690
Department of Infrastructure	-	6,595
Department of Justice	401	2,173
Department of Human Resources	-	559
	34,358,837	33,076,446
NTHSSA - HQ	24,709	36,850
Dehcho HSSA	-	5,409
Yellowknife HSSA	250	4,739
Stanton Territorial Health Authority	116,719	1,581
Beaufort - Delta HSSA	-	1,428
Fort Smith Health Centre	38,181	1,311
Finance	141,286	-
Hay River Hospital Foundation	11,504	362
NWT Housing Corp.	-	-
	\$ 34,691,486	\$ 33,128,126

**HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY**  
**Notes to the financial statements**  
**For the year ended March 31, 2021**

**22. RELATED PARTIES AND RELATED PARTY TRANSACTIONS....(Continued)**

	2021	2020
<b>Expenses</b>		
GNWT		
Department of Health & Social Services	\$ 7,666	\$ 5,495
	7,666	5,495
NTHSSA		
Stanton Territorial Health Authority	488,182	157,146
Yellowknife HSSA	29,031	65,024
	\$ 524,879	\$ 227,665

Related party transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties

**23. FINANCIAL INSTRUMENTS**

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

**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, special purpose funds, trust assets and accounts receivable. The Authority holds its cash and trust assets, deposits in trust accounts, with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation.

Accounts receivable are due from various governments, government agencies, corporations and individuals. Credit risk related to accounts receivable is mitigated by internal controls as well as policies and oversight over arrears for ultimate collection. Management has determined that a portion of accounts receivable are impaired based on specific identification as well as age of receivables. These amounts are as disclosed in Note 7.

The Authority's maximum exposure to credit risk is represented by the financial assets less the pension plan and trust asset for a total of **\$1,687,255 (2020 - \$1,687,255)**.

The world pandemic that was declared in March 2020 has resulted in an increase in unemployment, volatile financial markets and overall economic uncertainty. As a result the Authority is exposed to an increased amount of credit risk from its customers and has account for this increased risk in allowance for doubtful accounts.

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Notes to the financial statements

For the year ended March 31, 2021

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### 22. FINANCIAL INSTRUMENTS...(Continued)

#### Concentration of Credit Risk

Concentration risk arises when a customer has more than ten percent of the total accounts receivable, which increases the Authority's risk in the event the customer does not fulfill their obligation. The Authority does have concentration risk. At March 31, 2021, one customer in accounts receivable accounts for 74% (2020 - 74%) of the total balance which subjects the Authority to concentration risk. This risk is monitored through regular review of the outstanding balances in receivables. As all the Authority's cash is held in one Canadian bank, they are subject to further concentration risk.

#### 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. Total financial assets are **\$19,416,312** including the **\$15,066,000** pension asset; financial liabilities are \$10,232,250. The authority has disclosed future financial liabilities and commitments in Notes 13, 16 and 17.

#### Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is composed of currency risk, interest rate risk and other price risk. The defined benefit pension plan asset valuation holds significant risk due to market fluctuations which can significantly impact the value. As a result of the world pandemic declared in March 2020, the value of the pension plan has taken a significant decrease and the actuarial has adjusted the valuation accordingly. This associated risk in market value is reduced through ensuring that the pension plan has a widely divested portfolio.

#### Currency Risk

The Authority deals exclusively in Canadian funds held in the bank, but does carry some foreign investments within the pension plan and is reduced through ensuring that the pension plan has a widely divested portfolio. There have been no significant changes from the previous year in the exposure to risk or policies, procedures, and methods used to measure the risk.

**HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY**  
**Notes to the financial statements**  
**For the year ended March 31, 2021**

**24. EXPENSE BY OBJECT**

	2021	2021	2020
	Budget	Actual	Actual
Compensation:			
Salary and Wages	\$ 25,334,371	\$ 26,849,246	\$ 26,494,886
Severance and removal	305,164	332,324	227,689
Pension Plan special payments and valuation adjustment	783,259	2,170,333	(981,000)
Locum	1,839,127	404,289	1,754,714
Medical Supplies	1,110,639	1,215,026	1,124,828
Referred out services	609,205	2,613,154	525,479
Grants and contributions	691,710	747,300	680,000
Travel Assistance	368,236	304,951	421,162
Equipment maintenance	418,759	408,135	358,296
Rent	253,006	231,003	323,509
Foster Care	432,845	434,112	317,974
Phone and postage	281,898	370,983	314,659
Locum removal	343,310	215,889	288,968
Travel	176,714	124,169	214,025
Professional fees	341,698	219,572	213,382
Training	101,730	79,640	163,498
Office supplies	171,673	258,801	150,344
Purchases service personnel	52,403	137,974	99,741
Minor equipment	60,740	318,607	80,496
Software Licensing	101,888	113,858	71,234
Honorariums	62,058	46,975	64,311
Garbage	33,165	31,545	33,872
Memberships	47,813	12,309	16,035
Advertising	32,396	25,453	36,645
Bank charges	7,421	21,256	13,202
Bad debt	-	146,032	88,303
<b>Total</b>	<b>\$ 33,961,228</b>	<b>\$ 37,832,936</b>	<b>\$ 33,096,252</b>

**25. PREPAID EXPENSES AND DEPOSITS**

	2021	2020
Service and maintenance packages	\$ 72,581	\$ 110,376
Pension special payments	-	95,000
Travel	-	1,124
Deposits	2,000	2,000
	<b>\$ 74,581</b>	<b>\$ 208,500</b>

**HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY**  
**Notes to the financial statements**  
**For the year ended March 31, 2021**

**26. DEFERRED REVENUE**

Deferred revenue represents funds that have been received for specific programs but remain unspent at March 31, 2021 as follows:

	2021	2020
Government of the Northwest Territories Department of Health and Social Services		
Professional Development Initiative	\$ 63,193	\$ 56,633

**27. CONTRIBUTIONS REPAYABLE**

Contributions repayable represents funds that have been received for specific programs and are required to be repaid to the contributor as of March 31, 2021:

	2021	2020
Government of the Northwest Territories Department of Health and Social Services		
Core Physical Services Funding	\$ 652,027	\$ 652,027
Core Physician services Funding 12/13	532,335	532,335
Homecare Enhancement 13/14	297	297
Grad Placement Program K. Miller 13/14	8,064	8,064
Transitional unspent funding 16/17	448,000	448,000
Children Who witness violence 17/18 - double payment	6,250	6,250
Foster care unspent restricted funding 18/19	12,391	12,391
Homecare unspent restricted funding 18/19	4,459	4,459
Transitional unspent funding - New Health Center 18/19	271,137	271,137
Referred Out Services - Core funding overpayment 18/19	355,000	355,000
Transitional unspent funding - New Health Center 10/20	161,384	161,384
Foster Care unspent restricted funding 19/20	66,087	66,087
Homecare unspent restricted funding 19/20	42,760	42,760
Midwifery unspent restricted funding 19/20/21	21,432	21,432
Unspent funding's	595,373	-
	\$ 3,176,996	\$ 2,581,623
Hay River Metis Government Council Living in Balance unspent funding 16/17	697	697
	<b>\$ 3,177,693</b>	<b>\$ 2,582,320</b>

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Notes to the financial statements

For the year ended March 31, 2021

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### 28. ACCOUNTABLE CAPITAL ADVANCES FROM GNWT

The Authority has received advances from GNWT under capital contribution agreements for purchases of capital assets. These advances are deferred by the Authority and purchases which fall under the agreements, reduce the balance carried forward.

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	<b>2021</b>		<b>2020</b>
Beginning balance	\$ 5,829	\$	5,829

---

### 29. ACCUMULATED SURPLUS (DEFICIT)

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	<b>2021</b>		<b>2020</b>
Operating fund accumulated surplus (deficit)	\$ 11,037,966	\$	12,526,341
Employee leave and termination liability fund	(2,085,339)		(1,812,302)
Cash Reserve	500,000		500,000
	<b>\$ 9,452,627</b>	<b>\$</b>	<b>11,214,039</b>

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**HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY**  
**Schedule of Contributions from the GNWT**  
**For the year ended March 31, 2021**

Schedule A

	2021	2021	2020
Contributions from the GNWT			
<b>Department of Health and Social Services</b>			
Core Contribution Department of Health			
Administrative and Support Services	\$ 7,635,000	\$ 7,998,000	\$ 8,207,000
Nursing Inpatient Services	4,579,000	4,579,000	4,541,000
Ambulatory Care	2,685,000	3,474,000	2,683,000
Diagnostic and Therapeutic Services	3,024,000	3,058,000	3,003,000
Community Health Programs	12,078,000	12,617,000	11,963,000
Community Social Programs	2,324,000	2,493,000	2,312,000
Supplementary Health Programs	22,000	22,000	22,000
	32,347,000	34,241,000	32,731,000
Add: Additional funding for Renal Dialysis	-	94,000	-
Less: Allocation of other region's physician surplus	-	(592,881)	-
	32,347,000	33,742,119	32,731,000
Other Department of Health and Social Services Contributions			
Core Contribution Department of Health			
Home and Community Care ( Schedule (A-1)	272,998	313,923	283,978
French Language	130,053	156,943	130,053
Medical Travel	115,289	113,192	115,289
Collective Kitchen	-	20,412	20,397
	518,340	604,470	549,717
Total Department of Health	32,865,340	34,346,589	33,280,717
<b>Total Contribution from the GNWT</b>	<b>\$ 32,865,340</b>	<b>\$ 34,346,589</b>	<b>\$ 33,280,717</b>

**HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY**  
**Schedule of Detailed Contribution Funding and Expenditures -**  
**Home and Community Care**  
**For the year ended March 31, 2021**

**Schedule A-1**

	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Funding</b>		
Government of the Northwest Territories		
Department of Health and Social Services	\$ 562,095	\$ 316,476
Less, contribution repayable	(248,172)	(32,498)
	<b>313,923</b>	<b>283,978</b>
<b>Expenditures</b>		
Compensation and benefits	240,668	255,373
Supplies	7,617	8,328
Sundry	1,330	1,371
Equipment expense	27,163	3,786
Equipment - Vehicle	35,486	-
Training	1,659	15,120
	<b>\$ 313,923</b>	<b>\$ 283,978</b>
	<b>\$ -</b>	<b>\$ -</b>

**HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY**

**Schedule of Reserves**

**For the year ended March 31, 2021**

	Leave and Termination Benefits Reserve		Cash Reserve		Total Reserves	
	2021	2020	2021	2020	2021	2020
<b>Balance, beginning of the year</b>	\$ (1,812,302)	\$ (1,723,136)	\$ 500,000	\$ 500,000	\$ (1,312,302)	\$ (1,223,136)
Change to opening balances	-	-	-	-	-	-
(Increase) Decrease in employee future benefits and compensated absence	(273,037)	(89,166)	-	-	(273,037)	(89,166)
Transfers between reserves	-	-	-	-	-	-
<b>Balance, end of year</b>	\$ (2,085,339)	\$ (1,812,302)	\$ 500,000	\$ 500,000	\$ (1,585,339)	\$ (1,312,302)



2020 • 2021

# Annual Report Rapport Annuel

Northwest Territories Health and Social Services Authority  
Administration des services de santé et des services sociaux des  
Territoires du Nord-Ouest



NTHSSA•ASTNO

Mot en français du Président et de la directrice générale





## VERSION NOTE:

v1 - Created, November 24, 2021

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## MESSAGE FROM THE CHAIRPERSON

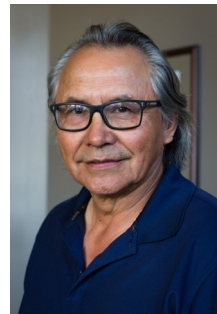
On behalf of the Northwest Territories Health and Social Services Leadership Council, it is my pleasure to present the 2020-21 Annual Report for the Northwest Territories Health and Social Services Authority (NTHSSA).

Throughout 2020-21, the hard work of staff at the NTHSSA has been highlighted through their critical role in the response to the COVID-19 pandemic. While the public facing work of the Authority has been marked by their efforts to ensure residents were cared for through a global pandemic, in the background work towards improving our health and social service system for all residents continued in earnest.

Progress from this year, and this important work, is documented in this report.

I want to thank all of the members of the NWT Health and Social Services Leadership Council and Regional Wellness Council, administrators, executives, practitioners, and front-line staff for their ongoing dedication and commitment to providing the best care for a better future in the Northwest Territories.

This report also includes the 2020-21 Audited Financial Statements, reviewed and audited by the Auditor General of Canada, fulfilling the Leadership Council's responsibility and commitment to public accountability for the operational and financial performance of the Authority.



A handwritten signature in black ink, appearing to read 'Jim Antoine', written in a cursive style.

Máhsı

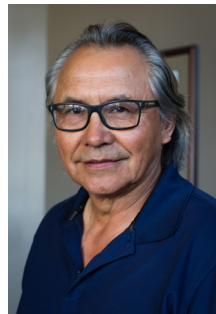
**Jim Antoine**

*Chair,*

*Northwest Territories Health and Social Services Leadership Council*

## MOT DU PRÉSIDENT

### FRENCH CHAIRPERSON MESSAGE



A handwritten signature in black ink, which appears to read "Jim Antoine".

Máhsi

**Jim Antoine**

*Président*

*Conseil de leadership des services de santé et des services sociaux  
des Territoires du Nord-Ouest*

## MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

2020-21 has been a year like no other for health and social services systems across Canada. The NTHSSA has had to pivot operations to meet the needs of our residents impacted by COVID-19 and respond to the public health orders and advice enacted to protect residents of the NWT.

Specifically, the NTHSSA's response to meet the demand of the COVID-19 pandemic has been driven by the following principles:

- We want to be transparent and build confidence in our healthcare response to COVID-19.
- We need the public to know what to expect from a patient care perspective should the situation for COVID-19 escalate in the NWT.
- We want people to understand the capacity of our health and social services system to respond to COVID-19 and encourage them to continue to follow the measures put in place by the Chief Public Health Officer to manage the spread of COVID-19.

My first few months as CEO have certainly shown the complexity, and challenges, we face as a Territory in responding to COVID-19, but I am appreciative of the staff that have been able to provide care during uncertain times and adapt when needed.

I must recognize Ms. Sue Cullen, who was instrumental in establishing the NTHSSA and guided much of the improvement work, and COVID-19 response work, before my arrival as CEO in July of 2021. Sue continuously emphasized that our organization's success was grounded in the excellent and committed staff who work throughout our health and social services system. In the short time that I have been in the CEO role, I echo that statement and wish her well in retirement and thank her for her service.

I look forward to continued progress around improving the sustainability of the NWT Health and Social Services System in 2021-22, and I'm confident that we can adapt to the challenges we may face next year while providing quality care to patients, clients, families and communities across the NWT.



Sincerely

**Kimberly Riles**

*Chief Executive Officer,*

*Northwest Territories Health and Social Services Authority.*

## MESSAGE DU CHEF DE LA DIRECTION

FR STATEMENT

A handwritten signature in black ink, appearing to read 'Kimberly Riles', with a long horizontal stroke extending to the right.

Sincerely

**Kimberly Riles**

*Chief Executive Officer,*

*Northwest Territories Health and Social Services Authority.*

The provision of quality health and social services across the NWT that are culturally safe, collaborative and centered around continuous improvement.

- Intent as an Organization (Mission Statement)

#### PURPOSE OF THE NTHSSA

The NTHSSA's purpose is a combination of its intent as an organization (Mission Statement), how it wants to collectively act/ behave (Values), how it guides decision-making to achieve its goals (Guiding Principles), and how it supports the goals of the NWT health and social services system (Vision).



SYSTEM VISION

**Better Future:**  
Build a sustainable health and social services system.

**Best Care:**  
Care and services are responsive to children, individuals, families and communities.

**Best Health:**  
Support the health and wellness of the population.

GUIDING PRINCIPLES

**Safe:** Aligning cultural safety and staff safety with avoiding harm to patients/clients through the care that is intended to help them.

**Connected:** Providing care that is built on partnerships and is responsive and reflective of the individual and community needs.

**Effective:** Providing programs and services based on feedback and knowledge to all who could benefit and refraining from providing services to those not likely to benefit (avoiding underuse and misuse, respectively).

**Equitable:** Providing care that does not vary in quality because of personal characteristics such as gender, ethnicity, geographic location, and socio-economic status.

**Efficient:** Avoiding waste of resources (equipment, supplies, ideas, energy, time, and people).

**Client Centred:** Providing care that is respectful of and responsive to individual's preferences, needs, and values and ensuring that those values guide all care decisions.

VALUES

**Caring:** We treat everyone with compassion, respect, fairness and dignity and we value diversity.

**Accountable:** We report publicly on organization and system measures and assesses outcomes.

**Relationships:** We work in collaboration with all of our stakeholders, partners and staff.

**Excellence:** We pursue continuous quality improvement through innovation, integration and evidence based practice.

**VALUES** for the NTHSSA define accepted and encouraged behaviours for staff, partners and stakeholders.

**GUIDING PRINCIPLES** define how the NTHSSA strives to make decisions. The actions stemming from its decisions should align with its values.

Our guiding principles are built on a foundation for quality, with a focus on improvement.

# A Year of Extraordinary Challenges

At the close of the 2019-20 fiscal year, the NTHSSA had pivoted operations to enact pandemic planning and prepare for a response to COVID-19, which had well begun to impact health care systems around the globe. Changes to operations and processes to prevent viral spread were balanced with the continuation of non-COVID healthcare services. Many NTHSSA operational initiatives and projects were delayed as focus was directed to ensuring the protection of NWT residents.

The NTHSSA has continued to provide best care and services to NWT residents while adapting regular processes to ensure all possible measures were taken to safeguard both patients and staff. As an organization, these challenges to regular operations have brought focus to new possibilities for the provision of care and crystallized the understanding of the unique circumstances that health services face in the NWT.

## COVID-19 RESPONSE MILESTONES IN THE NWT:

February, 2020

### COVID-19 Tri-Authority Response Team Established

The Authorities Covid Response Team was created to provide consistent collaboration and oversight for the NWT's response to COVID-19.

March, 2020

### First COVID-19 Case in the NWT

Pandemic response activities continue while COVID-19 presents in the NWT for the first time.

April, 2020

### NTHSSA Launches Dedicated Web Resource

A central resource hub for all COVID-19 related content is created and promoted to ensure coordination of communication.

June, 2020

### Rapid Testing Roll Out

NTHSSA leads roll-out of rapid testing equipment, supplies, and processes across the NWT to ensure we can effectively and quickly test, trace, and isolate any cases.

August, 2020

### HSSA-Wide Facility and Office Masking Protocols

Health and social services system facilities move to universal masking protocols.

August, 2020

### Pandemic Plan Released

NTHSSA in collaboration with other health authorities releases the NWT pandemic plan, which has been developed to coordinate response efforts.

December, 2020

### NWT-Wide Vaccine Rollout Begins

The most complex and ambitious vaccine campaign in NWT history begins as we prioritize indigenous and remote communities and vulnerable populations and eventually offer vaccine to all residents by March 2021.



# 2020-2021 Strategic Direction & Aims

As a result of COVID-19’s disruption to NTHSSA operations and the Authority’s inability to effectively engage patients, staff and stakeholders around strategic planning, the NWT HSS Leadership Council endorsed the extension of the 2019-20 operational plan direction and aims for 2020-21.

Effectively, this direction allowed the NTHSSA to focus its efforts on mobilizing resources, policy and planning around the COVID-19 Response while continuing to work towards meeting the operational plan actions established in 2019-20.

<b>NWT HSS SYSTEM GOAL</b>	<b>BETTER FUTURE</b> Build a sustainable health and social services system	<b>BEST CARE</b> Care and Services are responsive to children, individuals, families and communities	<b>BEST HEALTH</b> Support the health and wellness of the population
<b>NTHSSA 2019-20 Strategic Direction</b>	Enable the sustainability of our organization by developing our people and building collaborative partnerships that enable stability	Optimize our processes towards a foundation of quality and continuous improvement that is culturally safe, appropriate and accessible	Realize improved quality of programs and services
<b>NTHSSA 2019-20 Operational Aims</b>	<ul style="list-style-type: none"> <li>Advance a culture of quality and safety</li> <li>Promote operational sustainability</li> <li>Enhance operational supports for programs and services</li> </ul>	<ul style="list-style-type: none"> <li>Improve the integration of programs and services across the NWT</li> <li>Promote compliance with organizational standards of care</li> </ul>	<ul style="list-style-type: none"> <li>Enhance service delivery models</li> <li>Improve patient and client experience</li> </ul>





## OUR SERVICES

# 339,051

## ENCOUNTERS

Each encounter represents a service to a resident as documented in the electronic medical record

# 412,620

## LAB TESTS

Accurate and timely lab testing is a critical part of health service delivery.

## MEDICAL TRAVEL

## 13,579

Patient  
Movements

## 4,840

Approved  
Escorts

## 1,172

Medevac  
Movements

# 28,152

Diagnostic imaging procedures were completed, at Stanton and the YPCC laboratory site.

# 685

Babies born across the NWT.

## OUR PEOPLE

# 1,664

## EMPLOYEES

Provided services to the 44,895 residents of the Northwest Territories.

In 2020-2021 NTHSSA employees comprised over 25% of the entire GNWT workforce. With employees in almost every community and several programs and services operating 24/7 staff at the NTHSSA make daily contributions to the health and wellness of NWT residents.

# 43.3

AVERAGE AGE

# 22%

OF EMPLOYEES  
IDENTIFY AS  
INDIGENOUS

# 7.1

AVERAGE YEARS  
OF SERVICE

# 140

NEW HIRES



## 2,152 VISITS

Staff from the Indigenous Wellness Program at Stanton regularly visit patients in the facility. Each visit is an opportunity for connection, comfort, and a check in on how patient experience and satisfaction is perceived.

## 24,608

Bed days were recorded in 2019-2020. Each bed day represents one 24 hour period where care was provided.

## 1,670

Surgeries were completed at Stanton Territorial Hospital.

## 567

Births were recorded at Stanton.

## 18,435

Emergency department visits.

## 4,064

Patients were admitted to Stanton in-patient units.

## COVID-19 OPERATIONS

The Better Future direction and aims reflect the activities that will enable the NTHSSA to support quality improvement activities across the system.

### AUTHORITIES COVID RESPONSE TEAM

To align the response of the NWT healthcare system to COVID-19, the three Authorities, the Northwest Territories Health and Social Services Authority (NTHSSA), Tlicho Community Services Agency (TCSA), and the Hay River Health and Social Services Authority (HRHSSA), collaborated to establish the Authorities COVID-19 Response Team (ACRT). This brought together leads from clinical, operations, and logistics areas from across the three health authorities, to collaborate on system planning and work with their respective local teams to ensure operational planning and readiness was carried out.

The ARCT facilitated and enacted the extensive planning and evaluation of potential health and social services system impacts of COVID-19 across the NWT. This includes planning for emergency response, establishing reporting processes to facilitate redeployment of resources, collaborative response management across the regions and authorities, addressing and managing outbreaks, coordinating testing and contact tracing, and the deployment of teams to administer COVID-19 vaccinations across the NWT.

### PATIENT AND STAFF SAFETY DURING COVID-19

During the initial stages of the Pandemic response within the NWT, business, offices, and gatherings were closed to protect the public. When most residents were managing isolation protocols to protect the public, the NTHSSA's front-line staff continued to work through uncertain times to ensure the continued provision of care and services to residents.

Many front-line staff were also redeployed to assist with the rapid testing, screening, and contact tracing. These staff have faced unique challenges, including the

requirement to continuously wear Personal Protective Equipment for the duration of their shifts, the cancellation of vacation leave, and challenges with school/day home closures, coupled with the inability to work from home, isolation from family due to potential exposure, increased hours of work and above all else, the constant potential for exposure to COVID-19.

The public health orders established to minimize the effect of COVID-19 in the NWT impacted programs and services for residents and their daily routines. With these changes, the NTHSSA witnessed an increase in social services issues, including a rise in mental health and child protection service demands due to the extreme uncertainty, grief, anxiety, and depression many residents experienced as a result of the pandemic. The continuous dedication, hard work, extra hours, and commitment to the residents of the NWT made by NTHSSA staff over the last year has been a real time demonstration of the NTHSSA's vision: Best Health, Best Care, for a Better Future.

### COVID-19 TESTING

As a result of the requirement to test a significant amount of the NWT population, the NTHSSA's lab testing team had to procure several means to perform tests. With the aide of federal funding, these new testing devices were quickly secured, staff were trained, and the devices activated. Approximately 500 Covid-19 tests per week can now be routinely processed in the NWT at Stanton and Inuvik Hospital laboratories.

Surge capacity has allowed the NWT to process approximately 1600 laboratory tests and 800 ID Now Point of Care Tests per week when necessary. Testing for shortening self-isolation periods can be done using the ID Now rapid test. Results are available in as little as 15 minutes, which compares to the initial turnaround time of 4-8 days at the beginning of the pandemic.

Since December 2020, approximately 95% of all COVID-19 tests have been processed within the NWT with almost all completed within 24 hours of sample arrival at the laboratory. COVID-19 Point-of-care testing is available in each of the NWT's 22 health centres and 7 health stations. These provide preliminary results in 15 minutes or less.

To date over 25,000 COVID-19 tests have been completed.

## CONTACT TRACING

In September 2020, through direction of the NWT HSS Leadership, the ACRT enhanced testing efforts across the NWT, including the deployment of an appropriate supply of Laboratory Testing equipment across the NWT, establishment of off-site COVID-19 testing locations, and the establishment of a Rapid Response Team to support outbreak management.

As a result of the increased amount of COVID-19 testing, contact tracing became one of the most important aspects of pandemic management, as contacts who develop COVID-19 can transmit infection to others without developing symptoms. By promoting contact tracing and other essential public health prevention measures, communities contribute to managing the spread of COVID-19 and help to protect vulnerable people.

Early on, the rapid response team and public health teams, in collaboration with ACRT, planned and practiced managing mock outbreaks of COVID-19 within the NWT. This became even more important as the mock session of a COVID-19 outbreak in Fort Liard became a reality, prompting swift action by the Office of the Chief Public Health Officer and the deployment of the rapid response team to contain the outbreak and ensure that the community was tested, treated and protected.

## VACCINATION DELIVERY

With the introduction of the COVID-19 vaccine in Canada, the COVID Immunization Response Team (CIRT) was established in advance of receiving our first shipment of the Moderna Vaccine. This team was established to ensure an effective receipt and safe delivery of the vaccine to all eligible residents of the NWT -which came with unique challenges.

The COVID-19 immunization response has been the largest vaccination program rollout ever deployed in the NWT, with the first vaccination occurring over the December holiday period. The CIRT team established procedures, protocols, and logistics support to ensure vaccinations could be provided as quickly as possible to priority

populations, with planning for future rollout to all eligible residents of the NWT.

In collaboration with Indigenous governments and leaders, several new communication processes for providing vaccination awareness and access were introduced and used to such a degree of effectiveness that the campaign's success resulted in the NWT being one of the leading jurisdictions for vaccination in Canada. All 33 NWT communities have been provided with several opportunities to receive vaccinations and processes has been developed to ensure ongoing availability in all communities.

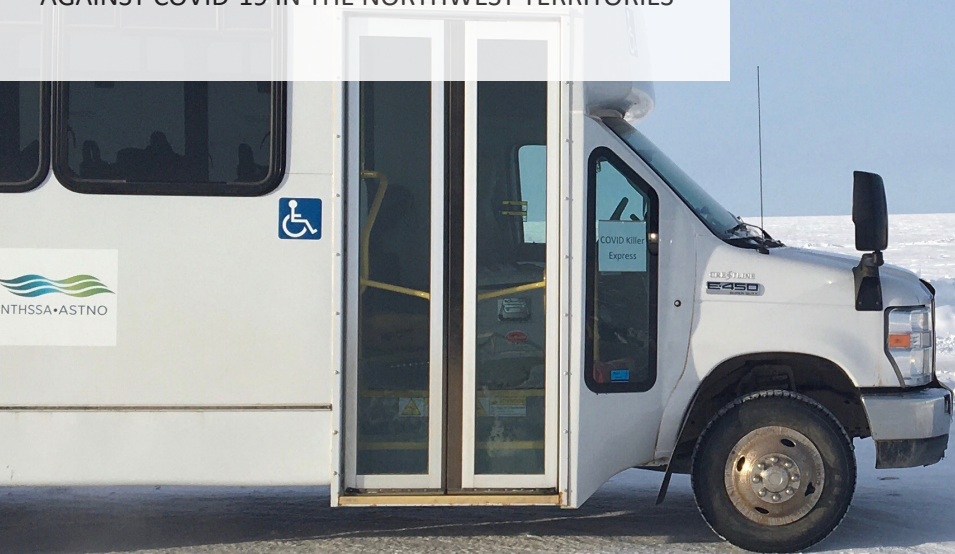
The CIRT was able to secure the Pfizer vaccine through the collaboration with other jurisdictions and as a result the NWT was the first in Canada, if not the first jurisdiction in the world to provide the vaccine to the 12-18 population. This initiative allowed for a greater percentage of the population to be protected against COVID-19. As a result of the quick thinking, hard work, collaboration, communication and innovation of the CIRT, the residents of the NWT can feel much safer about the impact of COVID-19 on our communities





### COVID RESPONSE SPOTLIGHT

2020-2021 WAS A YEAR OF GREAT CHALLENGES THAT GALVANIZED NTHSSA STAFF IN A JOINT FIGHT AGAINST COVID-19 IN THE NORTHWEST TERRITORIES





## BETTER FUTURE

The Better Future direction and aims reflect the activities that will enable the NTHSSA to support quality improvement activities across the system.

*Operational Aim:*

### ADVANCE A CULTURE OF QUALITY AND SAFETY

#### EXPAND CULTURAL SAFETY AND OCCUPATIONAL HEALTH AND SAFETY TRAINING FOR ALL STAFF

Nearly 200 health system employees participated in the 11-pilot cultural competency two-day workshops, and Cultural Competency training is continuously available through internal education sessions done online and in-person where possible.

The NTHSSA is continuing the development of an internal supervisor familiarization course accessible to all managers/supervisors that meets the legislated requirements in the OHS Regulations, with a predicted completion in late 2021. Safety presentations, covering topics from PPE to incident reporting, and immunization safety, have been conducted for staff at biweekly meetings and the materials made available for later review on the internal staff website. Staff across various regions underwent the Non-Violent Crisis Intervention (NVCI) "Train the Trainer" program, to ensure continuous education with the NVCI material for staff by endowing staff with the knowledge and skills to teach others within the organization.

#### IMPROVE ACCESS TO DATA AND MEASUREMENT

The COVID-19 pandemic highlighted the need and urgency for improved data access. A series of facilitated sessions

were held with representation from across the NWT HSS System to discuss and document root causes, barriers, and next steps. Privacy, risk, and technical barriers were identified which facilitated automation of data transfer to Public Health for analysis. The recommendations identified in the discovery session are being used to define a road map over the next several years for improved data access across the NWT HSS System.

#### TRANSITION TO A SINGLE FINANCIAL INFORMATION SYSTEM

Prior to restructuring, the Northwest Territories Health and Social Service Authority used six different financial information systems. The move to one financial information system - completed in January, 2020 - has created the structure and tools for stronger comptrollership functions for the NTHSSA.

Replacing six independent financial systems with one cohesive set of tools and processes enhances financial intelligence and will help the Authority identify efficiencies and align with the rest of the GNWT. This includes more reliable financial and procurement information to make better business decisions. A single financial system also provides the tools for more consistent reporting across the NTHSSA with access to real-time data for decision making.

*Operational Aim:*

### PROMOTE OPERATIONAL SUSTAINABILITY

#### IMPLEMENT STANDARD ONBOARDING AND ORIENTATION FOR NEW EMPLOYEES

Development of the NTHSSA onboarding and orientation program has expanded to include an onboarding and orientation series. This will now include a one day Centralized New Employee Orientation, HSS System Centralized Strategic Onboarding Framework for new and new-to-role employees, a Management & Leadership Navigation Program for employees new to management

positions within the HSS System, and an Executive Leadership Integration Program for employees new to Sr. Leadership positions.

Program development is actively underway with a target date for completion by the end of the 2021-22 fiscal year.

The NTHSSA Learning Management System (LMS) has been expanded to meet the needs of staff across the full HSS System, as it offers health specific programs and capabilities within its learning library. The HSS System Centralized Strategic Onboarding Framework will now be housed within this system.

*Operational Aim:*

## **ENHANCE OPERATIONAL SUPPORTS FOR PROGRAM AND SERVICES**

### CO-DEVELOP A DIGITAL CARE STRATEGY AND HEALTH INFORMATICS PLANNING TOOLS

Virtual care tools and policies have been implemented and deployed across the territory and are being used as another option to provide client care. The Department of Health and Social Services has drafted a roadmap for major systems projects with input from NTHSSA for review and discussion; the upcoming end of support of the existing electronic medical records system and the need to determine a replacement strategy will be a major focus in the coming year.

### IMPROVE THE CLIENT EXPERIENCE OF THE MEDICAL TRAVEL PROGRAM

The Medical Travel Program continues to monitor and review its operations for improvement. Over the past fiscal year medical travel has hired additional team members in Inuvik, Yellowknife and Fort Simpson which has made significant impacts on the day-to-day operations of the program.

A new benefit application and travel coordination form was developed which has helped to standardize program administration, as well as to capture essential information that is shared and available to all program staff. This helps to ensure better communication of client travel information and coordination throughout the clients' trip.

At the onset of the pandemic in March 2020, the medical travel program worked closely with airlines and other government departments to ensure transportation routes were maintained, and that the air ambulance contract was ready and able to meet potential surge capacity or increased use, with a second tier of service for patients who simply would not be able to travel on commercial airlines if they had minor symptoms. The medical travel program also worked closely with boarding home contractors and supplementary health benefit programs to address pandemic-related changes to boarding home business operations.

## BEST CARE

The Best Care direction and aims are focused on improving internal processes that meet a level of quality that is culturally safe and responsive to clients and families

*Operational Aim:*

### IMPROVE THE INTEGRATION OF PROGRAM AND SERVICES ACROSS THE NWT

#### ORGANIZE TERRITORIAL SCREENING PROGRAMS WITH A FOCUS ON COLORECTAL AND BREAST SCREENING

In January 2020 the Northwest Territories Health and Social Services Cancer Care team travelled to Inuvik to meet with regional stakeholders, to secure support for the roll out of an organized colorectal cancer (CRC) screening program to eligible residents in the Beaufort Delta. Awareness and community engagement campaigns were launched in all Beaufort Delta communities.

Throughout 2020, 1157 fecal immunochemical test (FIT) kits were mailed to every eligible individual across all Beaufort Delta communities. This led to a doubling in the screening participation of eligible individuals in the Beaufort Delta region. A feedback survey on the implementation of the CRC screening program was also distributed to relevant staff in the Beaufort Delta to help assess the program's effectiveness in tactics.

In early 2021, awareness and community engagement campaigns were launched in all Sahtu communities. 333 fecal immunochemical test (FIT) kits were distributed to every eligible resident across all the communities in the Sahtu Region. This led to a doubling of the screening participation of eligible individuals from the Sahtu region.

A referral pathway has been developed between the Cancer Screening and the Cancer Navigation programs to assist residents facing a potential cancer diagnosis.

The territorial CRC screening program will continue to expand services with the aim to roll out on a continuous basis to all regions across the NWT. Feedback from local stakeholders, healthcare providers, community residents and local governments will continue to be incorporated to improve and optimize service design and delivery.

#### PROVIDE CARE CLOSER TO HOME FOR CANCER PATIENTS

In all of 2020 the Cancer Navigation Program had 179 new patient referrals and 1357 patient interactions. Comparatively, between January to May (5 months) in 2021 the Cancer Navigation Program has had 98 new patient referrals and 1192 patient interactions, and these statistics do not include all the interactions the program has with health care providers.

In August 2020, an Oncology Medical Social Worker was added to the Cancer Navigation program, alongside the two Cancer Nurse Navigators. The addition of the Oncology Medical Social Worker highlighted gaps and barriers in our system and reinforced the need for a collaborative care model of both nursing and social work services to best support cancer patients and their loved ones.

Increased coordination, seamless integration, and daily collaboration between NTHSSA Cancer Navigation Team, Stanton's Chemotherapy Unit, and General Practitioner Oncologists have provided improved communication and continuity of care between the chemotherapy patients. The CIBC Run for Our Lives Committee approved a funding commitment of \$126,155 to the NTHSSA to help enhance cancer care services at Stanton. The funding will go towards the purchase of equipment and items that will positively impact the hospital patient's experience, improve the quality of care, enhance operations at the hospital and promote care closer to home.

#### IMPROVE SUICIDE PREVENTION AND CRISIS RESPONSE ACTIVITIES

2020-21 saw the development and implementation of two Suicide Risk Assessment (SRA) tools, one for adults and one for children/youth, which include policies and procedures to guide staff use of these tools. A specialized



tool for adults with dementia to screen for depression was also put into use, since standard SRA tools do not work for this population.

These tools include the development of extensive training and an information suite designed to expand the number of front-line staff able to perform suicide risk assessments. Training included staff from Health Centers, Child and Family Services, Inpatient Psychiatry, Emergency Department, and Community Counselling Program.

*Operational Aim:*

## **PROMOTE COMPLIANCE WITH ORGANIZATIONAL STANDARDS OF CARE**

### ADVANCE PRIVACY AND POLICY STANDARDS AND TRAINING

All NTHSSA teams are using the organization's Policy Management Framework and templates to standardize the development of standard operating procedures (SOPs) and organizational policies. A dedicated working group is available to provide feedback on the efficiency and clarity of the Policy Management Framework. Activities continue around the updating and appropriately rescinding of the historical policies/SOPs still active prior to the amalgamation of the NTHSSA.

Collaborating with the Department of Health and Social Services, in 2020-21, the NTHSSA initiated the development of new privacy training to be available to all NTHSSA staff in the next fiscal year.

### MEET AND MAINTAIN COMPLIANCE WITH ACCREDITATION CANADA'S STANDARDS

In 2019, The Northwest Territories Health and Social Service Authority (NTHSSA), the Hay River Health and Social Services Authority (HRHSSA) and the Tlicho Community Services Agency (TCSA) all received Accredited status from Accreditation Canada. System accreditation

is an important and major milestone for our health and social services system. It signals that our system meets fundamental national standards of practice, policies and programs.

Over 2020-2021, the NTHSSA continued to complete self-assessments to determine if the organization remains compliant with standards and has created action plans to achieve those standards where necessary, as the next Accreditation Canada onsite survey is scheduled to take place in 2023.

## ADVANCE THE NWT CHOOSING WISELY PROGRAM

Choosing Wisely NWT (CWNT) is working towards the Level 1 Choosing Wisely Hospital Designation, for both our territorial (Stanton Territorial Hospital) and regional hospitals (Inuvik Regional Hospital). The CWNT program is engaged with Integrated Primary Care Teams to share Choosing Wisely resources and identify how recommendations can be embedded into practice.

There has also been direct engagement with nursing students to promote awareness of Choosing Wisely, and to assess the efficacy of current interventions in place. The CWNT has continued to develop the Choosing Wisely sustainability plan as well as a Rural Medicine Toolkit for practitioners working in the more remote areas of the NWT. Most currently, CWNT activities are focused on the planning and implementation of an Audit and Feedback system for practitioners, and on improving access to Choosing Wisely resources for health care professionals across the territory.

## BEST HEALTH

The Best Health direction and aims are motivated by improving the NTHSSA performance and client experience that build towards improved outcomes.

*Operational Aim:*

### ENHANCE SERVICE DELIVERY MODELS

#### IMPROVE IN-PATIENT SERVICES FOR MENTAL HEALTH AND ADDICTIONS CLIENTS

Stanton Territorial Hospital's Inpatient unit is part of a larger Stanton Hospital Quality Working Group that meets regularly to discuss quality improvement initiatives specific to Mental Health throughout Stanton. Through this working group, there are a variety of improvement initiatives underway which include policy updates, improved care planning, improved discharge planning, and establishment of assessments and tools.

In addition to the Stanton Territorial Hospital Quality Working Group there is an Addictions Working Group that meets regularly to discuss improvements to access and care provided to patients with addictions. This includes additional and updated staff education, policy development and engagement with the team to improve overall programming and care provided to clients admitted to inpatient acute care for addictions.

Staff development has been a priority, with a review of mandatory certifications and the development of a competency checklist necessary for inpatient nursing staff in collaboration with staff education. A training plan has been established for the fall 2021, which includes offering Motivational Interviewing, Mental Health First Aid, ASSIST training and Critical Incident Group Debriefing as well as a conference on the Recovery Model of Care

#### CO-DEVELOP PRIMARY CARE REFORM AND RELATIONSHIP-BASED CARE INITIATIVES

2020-21 included the continued enhancement of Integrated Care Teams (ICT) and other service innovations to support relationship-based care and cultural safety as part of primary health care reform. The introduction of Holistic Wellness Advisors and Community Health Nurses in the integrated care team model of care has filled a vital piece of providing client-centered care. Additionally, regular ICT training occurred in 2020-21 to facilitate team building through the understanding of individual and team styles, team building exercises, conflict management, and change management.

Collaborating with Hotì ts'eeda: NWT SPOR Support Unit and the Institute of Health Economics of Alberta, the NTHSSA launched phase two of the Integrated Care team demonstration project which focuses on the evaluation and data collection needed to support continued improvement.

#### SUPPORT AND CHAMPION CHILD AND FAMILY SERVICES IMPROVEMENTS

Child and Family Services (CFS) has continued to progress in transforming the CFS system to better meet the needs of children, youth, families, and communities. A new structure was created and implemented in Child, Family and Community Wellness this year, and the design is intended to optimize equitability and standardization of services across the NWT, along with a strong focus on prevention and preservation.

A Territorial Family Preservation Program was developed with a Wrap Around model, which was identified as a core program component for supporting family agency and for bringing community and culture together around families. A Territorial supervisor on-call model that focuses on collaboration was established to ensure that community social service workers have consistent access to practice advice and guidance after hours.

CFS has also implemented the Healthy Family Program

renewal and training, to ensure that early childhood parenting supports are reflective of northern Indigenous cultures, are universally accessible, and family centered. Increased supports were able to be offered to families through the introduction of a Brief Services Agreement in 2020 in response to Covid-19.

The NTHSSA continues to evolve key indicators to collect and track data that help determine whether the Child and Family Services System is meeting its goals and better supporting children, youth and families. Engagement with Community and Indigenous Organizations has been prioritized as the Child, Family and Community Wellness system incorporates the new federal legislation Act respecting First Nations, Inuit and Metis children, youth and families as a result of Bill C-92 into their practice. New standards have been implemented to reflect these changes.

The implementation of a consistent approach to managing and supporting foster caregivers has been further improved by creating specialized foster care caseloads in all regions. Accelerated Core Training was implemented as a response to the pandemic as per the restrictions on travel and gathering in person. This was followed by hybrid training: a combination of virtual and face to face training for small groups. The NTHSSA along with the Foster Family Coalition of the NWT have established respite services for foster caregivers in the NWT to support them during the COVID-19 pandemic.

*Operational Aim:*

## **IMPROVE PATIENT AND CLIENT EXPERIENCE**

### ESTABLISH A SIMPLIFIED POINT OF CONTACT AND PROCESS FOR CLIENT FEEDBACK

Currently, the Quality and Risk Managers continue to be a point of contact for residents in each region for client feedback. In collaboration with the Department of Health and Social Services, the NTHSSA is expanding our risk management software with a new module that will provide a simplified point of contact and process for client experience and complaints. Work is underway to

design and implement this new system and is anticipated to be launched in 2021-22.

### SUPPORT THE DEVELOPMENT OF REGIONAL AND TERRITORIAL PATIENT ADVISORY BODIES

In 2019-2020 the Northwest Territories Health and Social Services Leadership Council met five times. The focus of the Leadership Council meetings have been to bring forward local concerns to understand the needs of NWT residents and understand where the NWT Health and Social Services system can make collective improvements to better serve the needs of residents, as well as, ensure corporate accountability of the NTHSSA.

Leadership Council members continued their governance development by establishing several committee structures that continues the evolution of a well-functioning governance system.

Through 2019-20, the Leadership Council members continued to advocate for the development of a culturally safe and accountable organization and identified priorities such as fiscal sustainability and cultural awareness as key priorities.

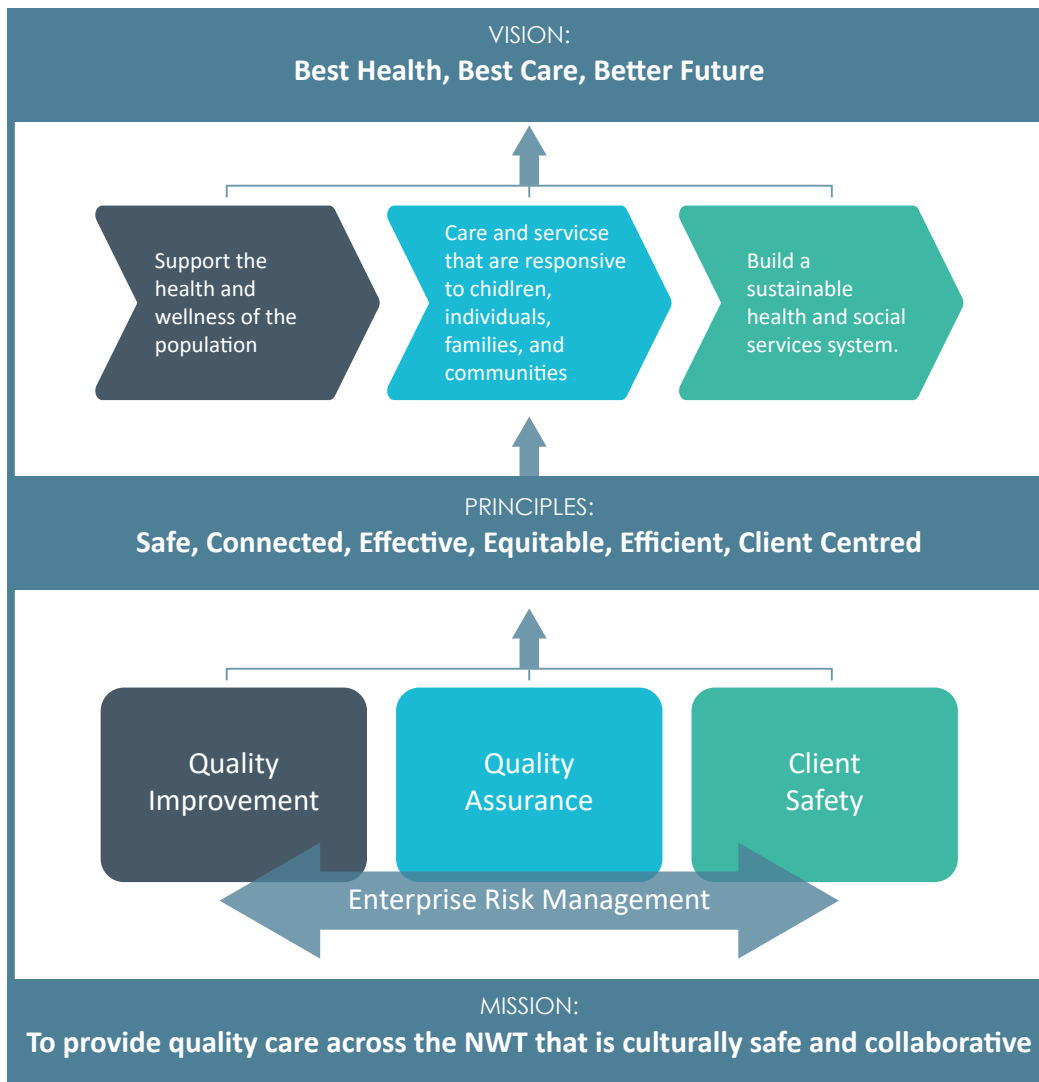
# Quality Improvement & Performance Reporting

The integrity of a health and social services system and improvements in patient and client care ultimately depend upon quality assurance activities driven through performance reporting and client and patient feedback.

In April, 2021, the NTHSSA launched a comprehensive Quality Assurance Framework to clarify processes that identify and investigate Patient Safety Incidents in a protected setting and incorporate the learning from those processes to improve the quality of patient and client care services within the NTHSSA. Additionally, throughout 2020-

21 the NTHSSA collaborated with HSS system partners to improve the data and performance measurement available in its Quality Improvement and Patient Safety Scorecard (QIPSS) scorecard and continued reporting quarterly to the NWT HSS Leadership Council.

The QIPSS indicators include reporting specific to strategic level priority indicators and organizational plan level indicators, as follows:



The impact of COVID-19 will continue to have a significant impression on the operations of the NTHSSA from both human and financial resource perspectives. The NTHSSA has led the work on the NWT Authorities COVID-19 Response Team planning, in collaboration with the Department of Health and Social Services, TCSA, HRHSSA and the wider GNWT emergency management approach to COVID-19, and a primary focus for 2021-2022 fiscal year will be to continue to balance the transition of established pandemic response activities and functions into ongoing operations.

It is expected the NWT HSS System will introduce refreshed strategic aims alongside the Department of Health and Social Services' 4-year Business plans. These aims will guide the 2021-22 NTHSSA operational plan while continuing to define and realize deficit reductions strategies through partnership with the Department of Health and Social Services and the Department of Finance.

Core to the NTHSSA's future operational plan and activities will be efforts to minimize the staffing challenges that are expected to increase as a result of the impact COVID-19 has had on the health and social services systems, across Canada. As COVID-19 continues to influence operational planning, the NTHSSA

# NTHSSA Operations, Leadership & Governance

2020-2021 is the conclusion of the fourth full year of operations for the NTHSSA. Established in 2016, the NTHSSA consolidated the delivery and operations of health and social services for the majority of the NWT, including the Beaufort Delta, Dehcho, Sahtu, Fort Smith, and Yellowknife regions, as well as the operations of the Stanton Territorial Hospital.

The remaining regions are serviced by their respective health and social services authorities: Tlicho Community Services Agency and the Hay River Health and Social Services Authority, who are regular collaborators with the NTHSSA in ensuring access to health and social care across the NWT.

The Northwest Territories Health and Social Services Leadership Council is the board of management for the NTHSSA. The Leadership Council provides overall leadership to the NTHSSA and helps facilitate the NTHSSA's legislated mandate to:

- deliver health services, social services, and health and wellness promotional activities within the NWT;
- manage, control and operate each health and social services facility for which the NTHSSA is responsible; and
- manage the financial, human and other resources necessary to perform the NTHSSA's duties.

In 2020-2021 the Northwest Territories Health and Social Services Leadership Council met six times. The Leadership Council meetings are focused around bringing forward local concerns to better understand the needs of NWT residents, and to review the performance of the organization to support collective improvements to better serve the needs of residents, as well as ensure corporate accountability of the NTHSSA.

## LEADERSHIP COUNCIL:

- Chairperson: Mr. James Antoine
- Vice-Chairperson: Ms. Ethel-Jean Gruben (Chair, Beaufort-Delta RWC)

## Members:

- Ms. Patricia Schaefer (Chair, Fort Smith RWC)
- Mr. Brian Willows (Chair, Hay River RWC)
- Ms. Gina Dolphus (Chair, Sahtu RWC)
- Mr. Ted Blondin (Chair, TCSA)
- Ms. Ruby Simba (Chair, Dehcho RWC)
- Ms. Nancy Trotter (Chair, Yellowknife RWC)

## Ex-officio and non-voting Members:

- Mr. Bruce Cooper (Deputy Minister, DHSS)

## Finance Committee

- Chairperson: Brian Willows (Hay River)

## Members:

- Ruby Simba (Dehcho)
- Patricia Schaefer (Fort Smith)

## Governance and Human Resources Committee

- Chairperson: James Antoine

## Members

- Ethel-Jean Gruben
- Ted Blondin
- Bruce Cooper

## Quality Committee

- Chairperson: Ted Blondin

## Members:

- James Antoine
- Ethel-Jean Gruben
- Patricia Shafer
- Brian Willows
- Gina Dolphus
- Ted Blondin
- Ruby Simba
- Nancy Trotter

## NTHSSA LEADERSHIP TEAM

(as at March 31, 2021)

- Chief Executive Officer, Ms. Sue Cullen
- Chief Financial Officer, Ms. Gloria Badari
- Executive Director, Clinical Integration, Ms. Kimberly Riles
- Executive Director, Corporate and Support Services, Mr. Tim Van Overliw
- Territorial Medical Director, Dr. AnneMarie Pegg
- Chief Operating Officer (Beaufort Delta Region), Ms. Arlene Jorgensen
- Chief Operating Officer (Sahtu Region), Ms. Mireille Hamlyn
- Chief Operating Officer (Dehcho Region), Mr. Wilson Dimsdale
- Chief Operating Officer (Yellowknife Region), Ms. Liliana Canadic
- Chief Operating Officer (Fort Smith Region), Ms. Brenda Gauthier
- Chief Operating Officer (Stanton Territorial Hospital), Ms. Georgina Veldhorst
- Senior Advisor to the Chief Executive Officer, Mr. Kevin Whitehead
- Senior Advisor, Governance, Mr. Allen Stanzell



APPENDIX A  
MANAGEMENT  
DISCUSSION AND  
ANALYSIS





**NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY**

**Financial Statements**

**March 31, 2021**

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# Northwest Territories Health and Social Services Authority

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## **Management Discussion & Analysis**

### **Introduction**

In preparation of the 2020-2021 year-end financial statement, this Management Discussion and Analysis was developed to provide an overview of all activities relating to operations and to demonstrate the core values of transparency and accountability held by Northwest Territories Health and Social Services Authority (NTHSSA) management and the Northwest Territories Health and Social Services Leadership Council (Leadership Council). This overview will also help to provide context for financial information contained within the 2020-2021 Audited Financial Statements.

2020-2021 is the conclusion of the fourth full year of operations for the NTHSSA. Established in 2016, the NTHSSA consolidated the delivery and operations of health and social services for the majority of the NWT, including the Beaufort Delta, Dehcho, Sahtu, Fort Smith, and Yellowknife regions, as well as the operations of the Stanton Territorial Hospital. The remaining regions are serviced by their respective health and social services authorities: Tlicho Community Services Agency and the Hay River Health and Social Services Authority, who are regular collaborators with the NTHSSA in ensuring access to health and social care across the NWT.

As an agency of the Government of the Northwest Territories (GNWT), the NTHSSA is responsible to the Minister of Health and Social Services for governing, managing and providing health and social services in accordance with the territorial plan set out by the Minister, specifically with a role to:

- plan, develop and deliver programs and services;
- ensure operational policies, guidelines and standards of care are within the context of legislation, regulation and Department of Health and Social Services policies;
- provide budget development, funding allocation, monitoring and financial reporting;
- provide quality and risk management;
- ensure recruitment, supervision and retention of professional staff;
- ensure staff training and professional development; and
- report and be accountable in accordance with legislation, regulations and agreements.

## **Structure of the NTHSSA**

The Leadership Council is the board of management for the NTHSSA. The Leadership Council provides overall leadership to the NTHSSA and helps facilitate the NTHSSA's legislated mandate to:

- deliver health services, social services, and health and wellness promotional activities within the NWT;
- manage, control and operate each health and social services facility for which the NTHSSA is responsible; and
- manage the financial, human and other resources necessary to perform the NTHSSA's duties.

The Leadership Council is accountable to the Minister of Health and Social Services and provides advice to the Minister on strategic directions for the delivery of projects and programs related to those services.

The Leadership Council is made up of nine (9) members; a Chairperson as appointed by the Minister, the chairperson of each the Regional Wellness Councils (6); the chairperson of the Tłı̄ch̄q Community Services Agency; and the Deputy Minister of the Department of Health and Social Services (ex-officio and non-voting).

The 2020-2021 Leadership Council included:

Chairperson: Mr. James Antoine

Vice-Chairperson: Ms. Ethel-Jean Gruben (Chair, Beaufort-Delta RWC)

Member: Ms. Patricia Schaefer (Chair, Fort Smith RWC)

Member: Mr. Brian Willows (Chair, Hay River RWC)

Member: Ms. Gina Dolphus (Chair, Sahtu RWC)

Member: Mr. Ted Blondin (Chair, TCSA)

Member: Ms. Ruby Simba (Chair, Dehcho RWC)

Member: Ms. Nancy Trotter (Chair, Yellowknife RWC)

Ex-officio and non-voting Member: Mr. Bruce Cooper (Deputy Minister, DHSS)

Through the NTHSSA's CEO, operational and financial reporting is provided to the Leadership Council at regularly scheduled Leadership Council meetings. The NTHSSA is structured with seven executive branches that are responsible for delivering health and social services across the NWT. Regional operations in the Beaufort Delta, Dehcho, Sahtu, Fort Smith and Yellowknife regions of the NWT, as well as the operation of the Stanton Territorial Hospital, are all supported by Territorial operational branches guided by the CEO office.

**Office of the Chief Executive Officer:** Corporate leadership; practitioner leadership; corporate workforce planning; system collaboration; governance support.

**Finance:** Financial leadership; budgeting; financial reporting; financial compliance and operations.

**Clinical Integration:** Territorial quality, patient safety, and client experience leadership; quality improvement and support for health services; mental health and community wellness; corrections health services; sheltering services; adult support services.

**Child, Family and Community Wellness:** Child and family services; foster care and adoption services; child and youth in territory placement services; family preservation and Healthy Families services; quality assurance and training and practice improvement.

**Corporate and Support Services:** Informatics and health technology support and leadership; strategy and planning leadership; patient movement operations; communications support.

**Regional Operations:** Primary care; community health clinics operations; home care; mental health and addictions services; health promotion; public health; family violence programs; rehabilitation services; long term care; facility operations.

**Stanton Territorial Hospital:** Acute inpatient services; emergency services, specialty clinics, diagnostic and therapeutic services; rehabilitation services in partnership with regional operations.

In addition, each of the regions comprising the NTHSSA has a Regional Wellness Council that acts in an advisory capacity to collect community feedback specific to the needs within their regions, to provide residents with an avenue to approach and discuss the NWT health and social services system, and to promote activities that support service delivery for the health and well-being of patients, clients, and families.

### **Operating Environment**

The NTHSSA provides health and social services in the vast geographical area of the NWT, from the remote high Arctic communities of Paulatuk, Ulukhaktok, and Sachs Harbour to the southern NWT/Alberta border community of Fort Smith. Delivering the NTHSSA mandate to such a large geographic area requires well-defined systems, a robust logistical support network, as well as a team of committed staff who are dedicated to ensuring quality health and social services are provided to all NWT residents.

The NWT Health and Social Services System Strategic Planning Framework sets out a vision for a health and social services system that supports the residents of the NWT to be as healthy as they can be. The vision and goals are reflective of

engagement and consultation across the NWT and the HSS System's partners, stakeholders, patients, clients and staff.

**Best Health:** Support the health and wellness of the population.

**Best Care:** Care and services are responsive to children, individuals, families and communities.

**Better Future:** Build a sustainable health and social services system.

### **COVID-19 Impact**

At the close of the 2019-20 fiscal year, the NTHSSA had to pivot its operations to enact pandemic planning and prepare for the response to COVID-19, which had well begun to impact health care systems around the globe. Changes to operations and processes to prevent viral spread were balanced with the continuation of non-COVID healthcare services. Many NTHSSA operational initiatives and projects were deferred and delayed, as focus was directed to ensuring the protection of NWT residents.

The impact of COVID-19 will continue to have a significant impact on operations from both human and financial resource perspectives. The NTHSSA has led the work on the NWT Authorities COVID Response Team planning and activities, in collaboration with the Department of Health and Social Services and the wider GNWT emergency management approach to COVID-19. As a result, throughout the 2020-21 fiscal year the NTHSSA has experienced the following operational impacts:

- Establishment of dedicated COVID-19 response positions and functions
- Redeployment of NTHSSA staff to COVID-19 response activities
- Significant purchases to secure personal protective equipment and essential supplies and equipment supported by Government of Canada donations
- Program and service disruptions and delays
- Expanded occupational health and safety and infection prevention and control protocols for staff and programs
- Increased laboratory testing and public health supports
- Increased funding supports to NTHSSA partners and stakeholders

The NTHSSA has continued to provide best care and services to NWT residents while shifting regular processes to ensure all possible measures were taken to safeguard both patients and staff. As an organization, these challenges to regular operations have also brought focus to new possibilities for the provision of care and crystallized the understanding of the unique circumstances that health services face in the NWT.

## **Financial Condition**

As of March 31, 2021, the NTHSSA incurred an operating deficit of \$32.9M, which was \$13.7M higher than the budgeted operating deficit of \$19.2M. This increased NTHSSA's accumulated deficit to \$159.9M.

	In Thousands	
	2020-2021 Actual	2019-2020 Actual
<b>Accumulated (deficit) closing</b>	(159,922)	(126,991)
<b>Accumulated (deficit) opening</b>	(126,991)	(100,862)
<b>Annual (deficit)</b>	(32,931)	(26,129)
<b>Recovery of prior years' expenses</b>	1,112	1,185
<b>Employee future benefits reserve</b>	0	69
<b>Unfunded items - Employee future benefit liability</b>	6,621	8,646
<b>Change in Employee future benefit</b>	(2,025)	(1,470)

The NTHSSA remains committed to meeting its' operational mandate and expected service levels; notwithstanding the significant pressure on resources that exists within the NTHSSA has resulted in an increase in accumulated deficit by \$32.9M.

Recognizing the significant financial pressure the NTHSSA has experienced since its establishment, the Authority has committed to integrating the recommendations, where appropriate, from recent operational reviews and analysis of the fiscal environment. These activities included:

- Identifying many examples of best practice as evident through the 2019 Accreditation Canada assessments
- Integrating activities that enabled the organization to better plan and deliver services
- Addressing the recommendations identified in audits of our financial operations and programs
- Positioning the NTHSSA, through the introduction of an integrated financial system, SAM, to enhance purchasing practices and monitor/control spending and enhance financial reporting
- Initiating planning for services as a system through the management of job vacancies, monitoring of staffing patterns and coordinating an approach for staffing approvals

A key element of the NTHSSA's sustainability planning is understanding the components of and interrelationships between the demand side and the supply side

of the operating environment. A thorough appraisal of the supply side of the NTHSSA's operations informs cost-containment strategies that will directly maintain expenses to prevent unnecessary spending and/or reduce expenses to improve operating costs.

As part of this planning, the following cost-containment activities have been initiated over 2020-21 and identified as priorities to support the broader sustainability improvement plans in the future:

- Address and improve controllable overtime usage
- Document and improve billing practices
- Enhance procurement processes and contract alignment
- Align asset management activities
- Continue improvements related to position management

### **Operating Revenue and Expenses**

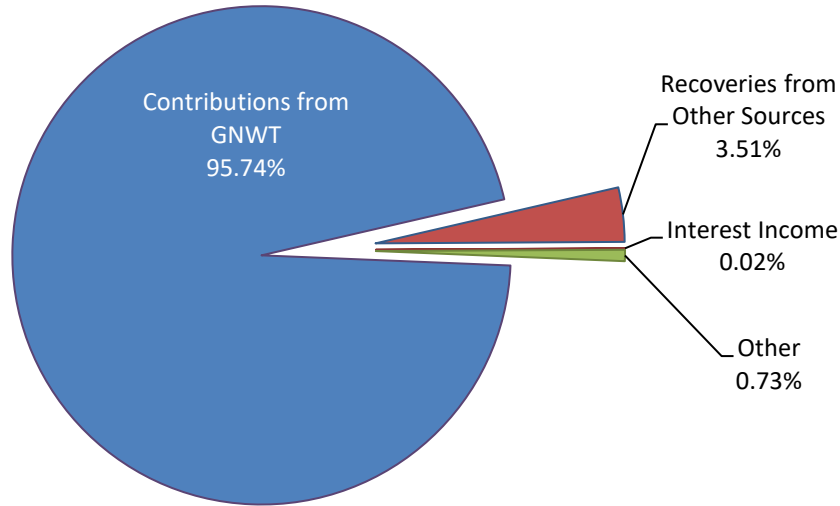
The actual annual revenue for 2020-21 was approximately \$62.1 million higher than the initial budget. Throughout the fiscal year, as COVID-19 impacted operations, program changes, new initiatives, and projects were identified; corresponding adjustments have been made to the initial fiscal year's budget. Actual expenses were approximately \$75.8 million higher than budgeted.

### **2020-2021 GNWT Funding Contribution Highlights**

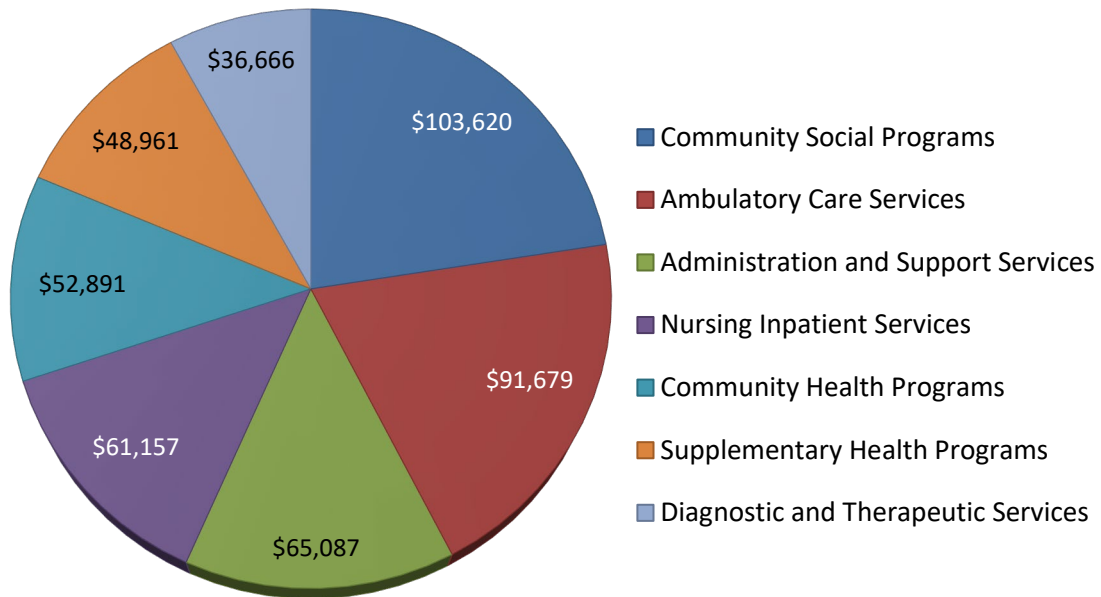
- Increase in funding for Child and Family Initiative, Phase 2
- Increase in funding for School and Community Child and Youth Counsellors Initiative, Phase 3
- Increase in funding for Aven's A Community for Seniors
- Increase in funding for Workforce Planning Initiative
- Increase in funding for Strategic Cancer Initiative Program
- Increase in funding for Covid-19 Pandemic costs

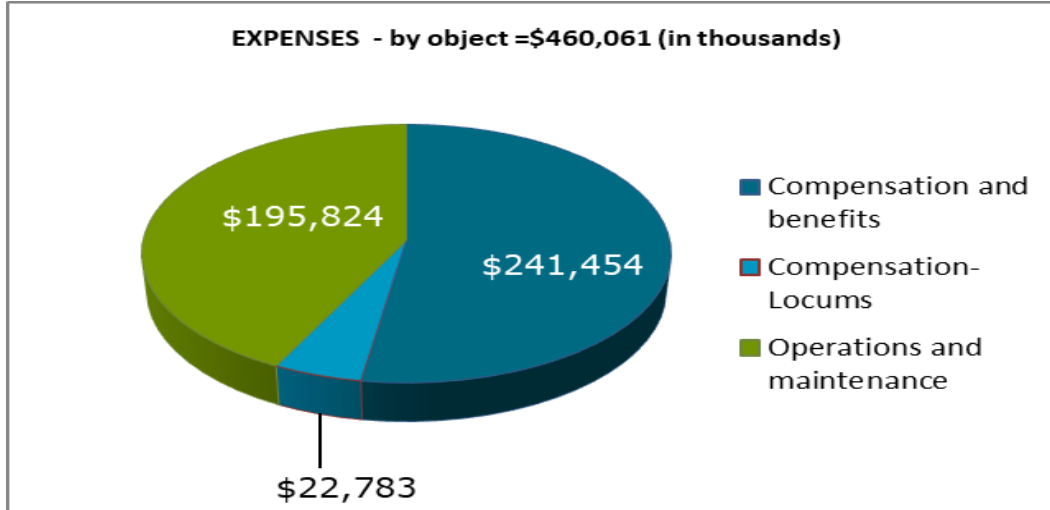


## REVENUE = \$427,130 (in thousands)

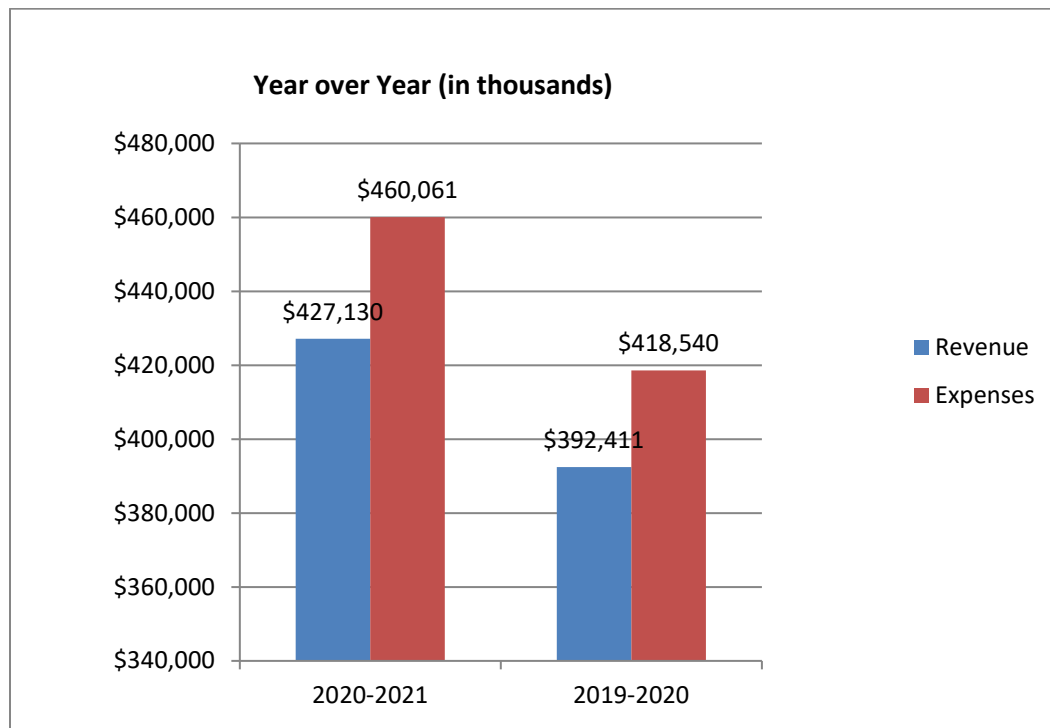


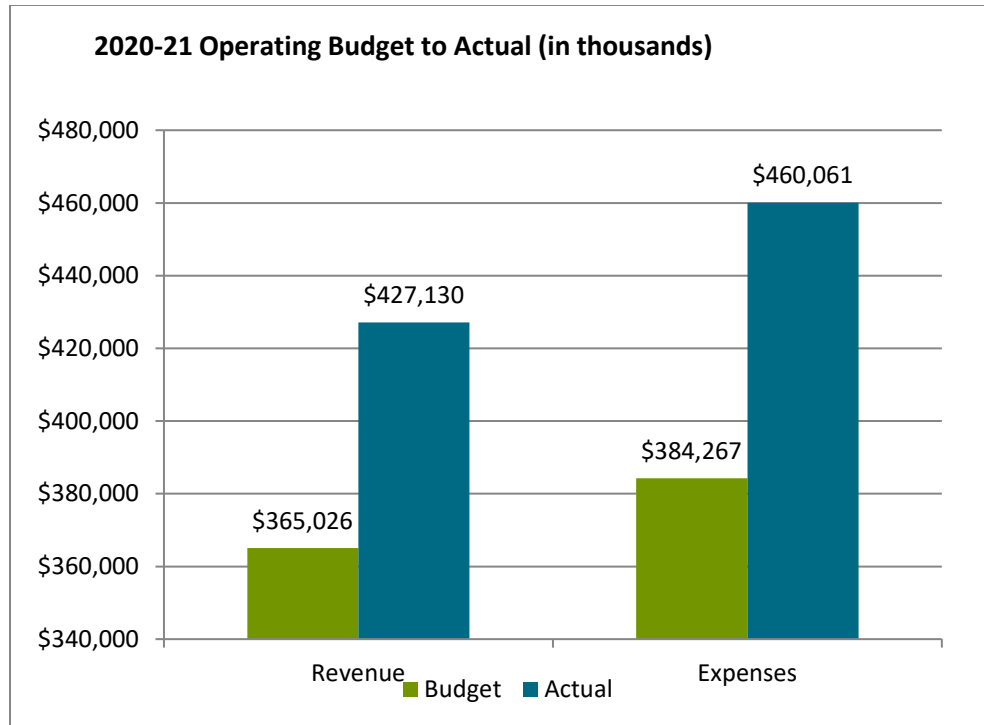
## EXPENSES by Program (in thousands) Total: \$460,061





In comparing 2019-2020 to 2020-21:





## Summary and Outlook

In review of the operating landscape for the NTHSSA, while continuing to function in the environment of a global pandemic, there are several key opportunities and challenges ahead for the Authority.

### Addressing Challenges

NTHSSA leadership remains cognizant of the staffing levels that are currently required to meet service level demands and the resultant fiscal pressures. NTHSSA leadership is reviewing core service requirements, current position allocations and quality improvements with the goal of implementing changes that would stabilize staffing models to meet program and service delivery demand.

The NTHSSA also recognizes that the health and social care professionals are in high demand across Canada and will continue to work with both internal and external resources to expand health and human resource plans to improve efforts to attract and retain qualified employees. This was a particular challenge in the 2020-2021 fiscal year, where casual staff use increased in several program areas.

### Capturing Opportunities

In conjunction with the NTHSSA's onboarding to the GNWT's financial management system (SAM), some processes and staff have transitioned to the Department of Finance and the NTHSSA Finance function has undergone significant change. During the SAM implementation, NTHSSA Finance activities shifted to allow for improved support to NTHSSA executive and the regional operations. Additional actions will be required to continue to restructure the NTHSSA Finance functions to provide standardized sharing of financial information for decision making and monitoring operations.

### Outlook

The NTHSSA's primary focus for the 2021-2022 fiscal year will be to transition established pandemic response activities and functions into ongoing operations. Additionally, the NTHSSA will focus its efforts to minimize the staffing challenges that are expected to increase as a result of the impact COVID-19 has had on the health and social services systems across Canada.

As COVID-19 continues to drive operational planning, the NTHSSA will continue to define and realize deficit reductions strategies through partnership with the Department of Health and Social Services and the Department of Finance.



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**KIMBERLY RILES**

**CHIEF EXECUTIVE OFFICER**

**18 November 2021**

APPENDIX B  
AUDITED FINANCIAL  
STATEMENTS

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## Northwest Territories Health and Social Services Authority



### Northwest Territories Health and Social Services Authority

#### Management's Responsibility for Financial Reporting

Management is responsible for preparing the accompanying financial statements in accordance with Canadian public sector accounting standards ("PSAS"). Where PSAS permits alternative accounting methods, management has chosen those it deems most appropriate in the circumstances. A summary of significant accounting policies are described in Note 2 to the financial statements. Management is responsible for making certain estimates and judgments required for the preparation of the financial statements. Management is responsible for ensuring that financial information presented elsewhere in the annual report is consistent with the financial statements.

Management is responsible for maintaining financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis, that assets are acquired economically, are used to further the Authority's objectives, are protected from loss or unauthorized use and that the Authority complies with applicable legislation. Management recognizes its responsibility for conducting the Authority's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to an agent of the Territorial Government. Management reviews the operation of financial and management systems to promote compliance and to identify changing requirements or needed improvements.

The Auditor General of Canada provides an independent, objective audit for the purpose of expressing her opinion on the financial statements. She also considers whether the transactions that come to her notice in the course of the audit are, in all significant respects, in accordance with the specified legislation.

The financial statements have been approved by the Northwest Territories Health and Social Services Leadership Council (Leadership Council).

A handwritten signature in black ink, appearing to read "Kimberly Riles", positioned above a horizontal line.

Kimberly Riles  
Chief Executive Officer

A handwritten signature in blue ink, appearing to read "Elizabeth Johnson", positioned above a horizontal line.

Elizabeth Johnson  
Acting Chief Financial Officer

November 18, 2021



## INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Northwest Territories Health and Social Services Authority

### *Opinion*

We have audited the financial statements of the Northwest Territories Health and Social Services Authority (the Authority), which comprise the statement of financial position as at 31 March 2021, and the statement of operations and accumulated deficit, statement of changes in net debt and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at 31 March 2021, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Other matters*

We wish to draw to your attention that subsection 92(1) of the *Financial Administration Act* of the Northwest Territories states that no person shall make a disbursement on behalf of a public agency unless an expenditure officer and an accounting officer provide the required certifications. Medical travel disbursements in excess of \$17 million were made during the year without the required expenditure and accounting authority certifications.

In addition, subsection 32(1) of the *Financial Administration Act* of the Northwest Territories requires the Northwest Territories Health and Social Services Authority to submit its annual report to its Minister not later than 90 days after the end of its financial year, or an additional period, not exceeding 60 days, that the Minister of Finance may allow. The Northwest Territories Health and Social Services Authority did not meet its statutory deadline for submitting its annual report to its Minister for the year ended 31 March 2021.



David Irving, CPA, CA  
Principal  
for the Auditor General of Canada

Edmonton, Canada  
18 November 2021

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# Northwest Territories Health and Social Services Authority

## Statement of Financial Position

(All figures in thousands of dollars)

As at March 31,	2021	2020
<b>Financial Assets</b>		
Cash	\$ 15,501	\$ 25,122
Accounts receivable (note 4)	10,782	8,524
Due from Government of the Northwest Territories (note 5)	67,079	39,596
Due from Government of Canada	274	206
	<b>93,636</b>	73,448
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 6)	34,297	28,635
Due to Government of the Northwest Territories (note 5)	224,971	166,978
Due to Government of Canada	9	49
Employee future benefits and compensated absences (note 7)	6,621	8,646
	<b>265,898</b>	204,308
<b>Net Debt</b>	<b>(172,262)</b>	(130,860)
<b>Non-Financial Assets</b>		
Inventory held for use	10,919	3,204
Prepaid expenses	1,421	665
	<b>12,340</b>	3,869
<b>Accumulated Deficit (note 8)</b>	<b>\$ (159,922)</b>	\$ (126,991)

### Contractual Obligations and Contingencies (notes 9 and 10)

Approved on behalf of the Authority:



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Jim Antoine  
Leadership Council  
Board Chairperson



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Brian Willows  
Leadership Council  
Finance Committee Chair

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The accompanying notes are an integral part of these financial statements.

# Northwest Territories Health and Social Services Authority

## Statement of Operations and Accumulated Deficit

(All figures in thousands of dollars)

For the year ended March 31,	2021		2020
	Budget	Actual	Actual
<b>Revenues</b>			
Recoveries from other sources	\$ 16,791	\$ 15,019	\$ 12,663
Recoveries from Government of Nunavut	2,515	2,053	2,167
Contributions from other sources	116	1,057	919
Interest income	573	65	518
Other income	352	2	843
<b>Total Revenue</b>	<b>20,347</b>	<b>18,196</b>	17,110
<b>Expenses (note 15)</b>			
Community social programs	93,115	103,620	91,265
Ambulatory care services	68,393	91,679	69,944
Administration and support services	53,987	65,087	61,316
Nursing inpatient services	40,432	61,157	62,364
Community health programs	43,456	52,891	46,931
Supplementary health programs	53,326	48,961	52,664
Diagnostic and therapeutic services	31,558	36,666	34,056
<b>Total Expenses</b>	<b>384,267</b>	<b>460,061</b>	418,540
<b>Deficit for the year before Government contributions</b>	<b>(363,920)</b>	<b>(441,865)</b>	(401,430)
<b>Government contributions</b>			
Core contributions from GNWT (note 16)	301,401	339,082	298,257
Other contributions from GNWT (note 16)	6,087	6,152	6,585
Recoveries from GNWT	23,085	17,446	27,739
Recoveries - non insured health services	14,106	13,852	16,556
Recoveries of prior year expenses	-	1,112	1,185
Grant-in-kind GNWT (note 12)	-	31,290	24,979
<b>Total Government contributions</b>	<b>344,679</b>	<b>408,934</b>	375,301
<b>Annual deficit</b>	<b>(19,241)</b>	<b>(32,931)</b>	(26,129)
<b>Accumulated deficit, beginning of year</b>	<b>(126,991)</b>	<b>(126,991)</b>	(100,862)
<b>Accumulated deficit, end of year</b>	<b>\$ (146,232)</b>	<b>\$ (159,922)</b>	\$ (126,991)

The accompanying notes are an integral part of these financial statements.

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## Northwest Territories Health and Social Services Authority

### Statement of Changes in Net Debt

(All figures in thousands of dollars)

For the year ended March 31,	2021		2020
	Budget	Actual	Actual
<b>Annual deficit for the year</b>	<b>\$ (19,241)</b>	<b>\$ (32,931)</b>	<b>\$ (26,129)</b>
<b>Adjustments</b>			
Acquisition of inventories held for use	-	<b>(15,374)</b>	(6,370)
Consumption of inventories held for use	-	<b>7,659</b>	6,387
Acquisition of prepaid expenses	-	<b>(1,403)</b>	(3,249)
Use of prepaid expenses	-	<b>647</b>	3,624
<b>Increase in net debt for the year</b>	<b>(19,241)</b>	<b>(41,402)</b>	<b>(25,737)</b>
<b>Net debt, beginning of year</b>	<b>(130,860)</b>	<b>(130,860)</b>	<b>(105,123)</b>
<b>Net debt, end of year</b>	<b>\$ (150,101)</b>	<b>\$ (172,262)</b>	<b>\$ (130,860)</b>

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The accompanying notes are an integral part of these financial statements.

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## Northwest Territories Health and Social Services Authority

### Statement of Cash Flow

(All figures in thousands of dollars)

For the year ended March 31,	2021	2020
<b>Cash (used in) provided by operating transactions</b>		
Annual deficit	\$ (32,931)	\$ (26,129)
Changes in non-cash assets and liabilities		
Change in accounts receivable	(2,258)	(1,135)
Change in accounts payable and accrued liabilities	5,662	7,456
Net change in due to/(from) Government of the Northwest Territories	30,510	31,600
Change in employee future benefits and compensated absences	(2,025)	(1,470)
Net change in due to/(from) Government of Canada	(108)	456
Change in inventory	(7,715)	17
Change in prepaid expenses	(756)	374
<b>Cash (used in) provided by operating transactions</b>	<b>(9,621)</b>	11,169
<b>(Decrease) increase in cash</b>	<b>(9,621)</b>	11,169
<b>Cash, beginning of year</b>	<b>25,122</b>	13,953
<b>Cash, end of year</b>	<b>\$ 15,501</b>	\$ 25,122

There were no financing, investing, or capital transactions during the year.

Total interest received during the year \$65 (2020 - \$518).

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# Northwest Territories Health and Social Services Authority

## Notes to the Financial Statements

(All figures in thousands of dollars)

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March 31, 2021

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### 1. Authority and Operations

The Northwest Territories Health and Social Services Authority (the "Authority") operates pursuant to the *Hospital Insurance and Health and Social Services Administration Act* (the Act) of the Northwest Territories and is an agency under Schedule A of the *Financial Administration Act* (FAA) of the Northwest Territories. Accordingly, the Authority operates in accordance with its Act and regulations, and any directives issued to it by the Minister responsible for the Authority.

The Authority was established to manage, control and operate the public health facilities and services assigned to it by the Government of the Northwest Territories ("GNWT"). When the Authority was created, six of the eight Health and Social Services Authorities ("HSSAs") were amalgamated under the Authority. The reporting entity comprises the newly created Authority and the operations from six former HSSAs including Beaufort-Delta, Dehcho, Fort Smith, Sahtu, Yellowknife and Stanton Territorial Hospital.

Hay River Health and Social Services Authority ("HRHSSA") and Tlicho Community Services Agency ("TCSA") remain outside the Authority; however, the legislation does include provisions to bring the HRHSSA into the Authority at a later date. The Authority serves as a single integrated delivery system for Northwest Territories health and social service programs while recognizing that the TCSA retains a unique role through the provisions of the Tlicho Agreement.

Through the Chief Executive Officer, the Authority reports to and takes direction from the Northwest Territories Health and Social Services Leadership Council (Leadership Council) that is comprised of nine persons appointed in accordance with the Act, including one non-voting member. The Authority is exempt from taxation pursuant to Paragraph 149 of the federal *Income Tax Act*.

#### Budget

The budgeted figures represent the Authority's original fiscal plan for the year approved by the Leadership Council and the GNWT. To be consistent with the format of the financial statements, presentation changes have been applied as disclosed in note 18.

#### Going concern and economic dependence

Upon amalgamation in 2016, the predecessor HSSAs had an accumulated deficit of \$50,824 which was transferred to the Authority and included in its opening financial position. For the year ended March 31, 2021 the Authority had an annual deficit of \$32,931, accumulated deficit of \$159,922, liabilities of \$265,898 (including \$224,971 due to the GNWT), and total financial assets of only \$93,636.

The Authority was created as part a system-wide transformation of the health and social services system in the NWT, including addressing financial pressures. The Authority remains economically dependent upon the annual appropriations received from the GNWT, the GNWT's authorization for incurring annual deficits, the GNWT's continued support for payments of payroll costs on behalf of the Authority combined with the GNWT's continued financing of the payroll liability. The Authority anticipates that the GNWT will continue to provide the current financial support, while working collaboratively with the Authority to identify ways to address the financial pressures.

Since the Authority's inception, the GNWT has increased its funding to the Authority each year. The Authority's operations have also expanded with the opening of a health centre, long-term care facility and hospital. The going concern basis of accounting has been deemed appropriate for the current financial statements.

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# Northwest Territories Health and Social Services Authority

## Notes to the Financial Statements

(All figures in thousands of dollars)

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March 31, 2021

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### 2. Basis of presentation and significant accounting policies

#### Basis of presentation

These financial statements have been prepared in accordance with Canadian public sector accounting standards as issued by the Canadian Public Sector Accounting Board. Significant aspects of the accounting policies adopted by the Authority are as follows:

##### (a) Measurement uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses recognized in the financial statements and disclosed in the accompanying notes. By their nature, all estimates are inherently subject to some measurement uncertainty. The estimates are based on facts and circumstances, historical experience and reflect management's best estimate of the related amount at the end of the reporting period. Estimates and underlying assumptions are reviewed annually at March 31.

Measurement uncertainty that is material exists when it is reasonably possible that a material variance could occur in the reported or disclosed amount in the near term. Near term is defined as a period of time not to exceed one year from March 31. Changes in estimates and assumptions will occur based on passage of time and occurrence or non-occurrence of certain future events. Revisions to accounting estimates are recognized in the period in which estimates are revised if revisions affect only that period or in the period of revision and future periods if revisions affect both current and future periods.

Contingent liabilities are subject to measurement uncertainty due to the use of estimates relating to both the outcome of the future event as well as the value of the potential loss. The estimate of the provision for claims is continuously reviewed and refined in light of several factors, including ongoing negotiations, recent settlements and decisions made by the courts. Accounts receivable and Due from GNWT includes accrued receivables based on estimates of patient services provided but not yet assessed for recoverability from third parties. Historical experiences related to these assessments can be inconsistent resulting in challenges predicting future outcomes. This may lead to a greater possibility of a material variance between estimates recognized in the financial statements and the results ultimately realized.

##### (b) Cash

Cash is comprised of bank account balances, net of outstanding cheques.

##### (c) Tangible capital assets

The GNWT retains ownership of all tangible capital assets (TCA) used by the Authority. The GNWT's financial statements include these TCAs and as such the Authority has no TCAs recognized in its financial statements.

The Authority has recognized grant-in-kind revenue for the use of these TCAs provided free of charge by the GNWT. In addition, the Authority has recognized a corresponding rent expense for these TCAs based on the GNWT's amortization which is the GNWT's cost. This rent expense has been allocated to the Authority's programs in the Statement of Operations and Accumulated Deficit.

##### (d) Inventories held for use

Inventories consist of pharmaceuticals and general inventories including medical and surgical supplies. Inventories held for use are valued at the lower of cost and replacement value.

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# Northwest Territories Health and Social Services Authority

## Notes to the Financial Statements

(All figures in thousands of dollars)

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March 31, 2021

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### 2. Basis of presentation and significant accounting policies (continued)

#### (e) Revenue recognition

##### Government transfers

Government transfers are recognized as revenues when the transfer is authorized, reasonable estimates of the amounts can be determined and any eligibility criteria and stipulations have been met, except for 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 and Accumulated Deficit as the stipulation liabilities are settled.

##### Recoveries

Government recoveries which include amounts recovered for expenses paid by the Authority primarily relating to hospital services and non-insured health benefits, are recognized as revenue when the amounts are known. Other recoveries are recognized when the amount is known and includes reimbursements from Workers' Safety and Compensation Commission and their equivalent entities throughout Canada, and recovery of medical fees for items such as client medical travel costs.

##### Recoveries of prior years' expenses

Recoveries of prior years' expenses and reversal of prior years' expense accruals in excess of actual expenditures are reported separately from other revenues on the Statement of Operations and Accumulated Deficit. Pursuant to the FAA, these recoveries cannot be used to increase the amount appropriated for current year expenses.

##### Other revenue

Other revenue is recognized when the service is performed or the goods are provided. The Authority may provide uninsured medical services for which revenue is recognized and food sales from its hospital cafeterias.

#### (f) Other employee future benefits and compensated absences

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



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# Northwest Territories Health and Social Services Authority

## Notes to the Financial Statements

(All figures in thousands of dollars)

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March 31, 2021

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### 2. Basis of presentation and significant accounting policies (continued)

#### (g) Pensions

The Authority and its eligible employees make contributions to the Public Service Pension Plan administered by the Government of Canada. These contributions represent the total liability of the Authority and are recognized in the financial statements as expenses when they are incurred. The Authority is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Pension Plan.

The Authority and its contracted physicians make contributions to a physician directed investment fund administered by the Canadian Medical Association. These contributions represent the total pension liability of the Authority and are recognized in the financial statements as expenses when they are incurred.

#### (h) Financial instruments

The Authority classifies its financial instruments at cost or amortized cost.

This category includes cash, accounts receivable, due (to) from Government of the Northwest Territories, due (to) from Government of Canada, and accounts payable and accrued 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.

#### (i) Non-financial assets

Non-financial assets are accounted for as assets by the Authority because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Authority unless they are sold.

#### (j) Contractual obligations and contingencies

The nature of the Authority's activities requires entry into operational contracts that can be significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual obligations are commitments for operating, commercial and residential leases. Contractual obligations are obligations of the Authority to others that will become liabilities in the future when the terms of those contracts or agreements are met.

The contingencies of the Authority are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is considered likely to occur and is quantifiable, an estimated liability is accrued. If the occurrence of the confirming future event is likely but the amount cannot be reasonably estimated, the contingency is disclosed. If the occurrence of the confirming event is not determinable, the contingency is disclosed.

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# Northwest Territories Health and Social Services Authority

## Notes to the Financial Statements

(All figures in thousands of dollars)

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March 31, 2021

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### 2. Basis of presentation and significant accounting policies (continued)

#### (k) Expenses

Expenses are reported on an accrual basis. The cost of all goods and services received during the year are expensed, except for certain services provided without charge which are described in Note 12.

#### (l) Related parties

Related party transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties, except for certain services and other contributions provided by the GNWT at no cost. The Authority is related in terms of common ownership to all GNWT created departments, public agencies and key management personnel and close family members. Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Authority.

Services provided at no cost, that are part of the central agency role of the GNWT and cannot be reasonably estimated are not recorded in these financial statements. These services include, building utilities, repairs and maintenance, payroll processing, insurance and risk management, legal counsel, construction management, records storage, computer operations, asset disposal, project management and translation services.

Other assets and services provided at no cost by the GNWT are recorded in the financial statements. Use of assets which include, buildings, leasehold improvements, equipment, and vehicles, are recorded as described in Note 2 (c). Donated assets recognized as grant-in-kind in the Statement of Operations Accumulated Deficit, when donations are received. Operating costs paid on the Authority's behalf are recognized as contracted services expense and grant-in-kind in the Statement of Operations. Grant-in-kind is measured using the cost incurred by the GNWT.

#### (m) Accounts payable and accrued liabilities

Liabilities are present obligations arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits.

Accounts payable and accrued liabilities primarily include obligations to pay for goods and services acquired prior to year-end, reimbursement of medical related travel expenses, and to pay for employee compensation earned prior to year-end.

Annually, employees earn vacation and lieu credits in accordance with their respective collective bargaining agreement or contract. Any unused credits that have not been paid out are recorded as payable at the employees' pay rate at year end.

### 3. Designated assets

The Authority records financial information in individual funds that are internally segregated for the purpose of carrying on specific activities or attaining certain objectives. These funds are included in cash on the Statement of Financial Position totaling \$71 (2020 - \$277). Funds established by the Authority include a special project reserve \$71 (2020 - \$208) which are donations made to the Authority under non-contractual conditions and a funded employee future benefits reserve \$nil (2020 - \$69) for funds received for the severance liability of employees who were transferred to the Authority from the Government.

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# Northwest Territories Health and Social Services Authority

## Notes to the Financial Statements

(All figures in thousands of dollars)

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March 31, 2021

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### 4. Accounts receivable

The Authority administers the GNWT's medical travel program for both residents and non-residents of the territory. Non-residents of the territory accessing the medical travel program are invoiced directly and any outstanding invoices from non-residents are included in receivables at March 31. Interest is not charged on outstanding amounts receivable. All payments from customers of the Authority are expected within 30 days.

	Accounts Receivable	Allow. For Doubtful Accounts	2021	2020
Trade Receivables	\$ 13,139	\$ (7,220)	\$ 5,919	\$ 6,880
Government of Nunavut	1,789	(109)	1,680	430
Due from WSCC	320	-	320	447
Due from related parties (note 14)	2,875	(12)	2,863	767
<b>Total accounts receivable</b>	<b>\$ 18,123</b>	<b>\$ (7,341)</b>	<b>\$ 10,782</b>	<b>\$ 8,524</b>

### 5. Due from/(to) Government of the Northwest Territories

For contribution agreements, the Authority receives transfer payments from the GNWT on a monthly basis. For other recoveries, the Authority receives payments within 30 days of submitting an invoice.

#### Due from Government of the Northwest Territories

	2021	2020
Health and Social Services	\$ 64,884	\$ 38,579
Finance	2,025	942
Justice	125	23
Education, Culture and Employment	42	43
Infrastructure	2	-
Environment and Natural Resources	1	-
Municipal and Community Affairs	-	9
<b>Total due from Government of the Northwest Territories</b>	<b>\$ 67,079</b>	<b>\$ 39,596</b>

#### Due to Government of the Northwest Territories

	2021	2020
Liability for payroll services provided by the Government	\$ 211,637	\$ 155,501
Health and Social Services	5,974	8,141
Finance	5,135	3,082
Infrastructure	2,169	254
Education, Culture and Employment	56	-
<b>Total due to Government of the Northwest Territories</b>	<b>\$ 224,971</b>	<b>\$ 166,978</b>

The due to Government of the Northwest Territories is unsecured, without interest and due on demand.

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# Northwest Territories Health and Social Services Authority

## Notes to the Financial Statements

(All figures in thousands of dollars)

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March 31, 2021

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### 6. Accounts payable and accrued liabilities

The Authority follows the GNWT for payment practices of accounts payable invoices and pays northern vendors within 20 days and all other vendors within 30 days. The Authority administers the GNWT's Medical travel program for residents of the Northwest Territories and reimbursement of medical related travel expenses are paid to residents accessing the program accordingly. These payables are included in the trade payable.

	2021	2020
Trade payable	\$ 23,101	\$ 20,750
Annual leave and lieu time	10,562	7,505
Due to related parties (note 14)	634	380
<b>Total accounts payable and accrued liabilities</b>	<b>\$ 34,297</b>	<b>\$ 28,635</b>

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### 7. Employee future benefits and compensated absences

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 Authority 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 location of hire, employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

Compensated absence benefits generally accrue as employees 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, or death of an immediate family member. Non-accruing benefits include maternity and parental leave. Benefits that accrue under compensated absence benefits were actuarially valued using the expected utilization methodology.

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# Northwest Territories Health and Social Services Authority

## Notes to the Financial Statements

(All figures in thousands of dollars)

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March 31, 2021

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### 7. Other employee future benefits and compensated absences (continued)

#### Valuation results

The most recent actuarial valuation was completed as at February 15, 2019. The results were extrapolated to March 31, 2021. The effective date of the next actuarial valuation is March 31, 2022. The table below provides details on the change in the accrued benefit obligation as well as the liability for employee future benefits and compensated absences.

	2021	2020
Accrued benefit obligations, beginning of year	\$ 8,927	\$ 10,379
Current period benefit cost	725	675
Interest accrued	237	311
Benefits payments	(2,906)	(2,904)
Actuarial loss	850	466
<hr/>		
Accrued benefit obligations, end of year	7,833	8,927
<hr/>		
Unamortized net actuarial (loss)	(1,983)	(1,161)
<hr/>		
Employee future benefits & compensated absence liability - actuarially valued	5,850	7,766
<hr/>		
Other compensated absences liability - not actuarially valued	771	880
<hr/>		
Total employee future benefits and compensated absences	\$ 6,621	\$ 8,646

#### Benefits expense

Current period benefit cost	\$ 724	\$ 676
Interest accrued	237	311
Amortization of actuarial (gain)/loss	29	(28)
<hr/>		
	\$ 990	\$ 959

The discount rate used to determine the accrued benefit obligation is an average of 3.3% (2020 - 2.7%).

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# Northwest Territories Health and Social Services Authority

## Notes to the Financial Statements

(All figures in thousands of dollars)

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March 31, 2021

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### 8. Accumulated deficit

	2021	2020
Accumulated deficit upon amalgamation in 2016	\$ 50,824	\$ 50,824
Addition to the accumulated deficit since amalgamation	<u>109,098</u>	<u>76,167</u>
Accumulated deficit	<u>\$ 159,922</u>	<u>\$ 126,991</u>

### 9. Contractual obligations

The Authority has entered into agreements for equipment, operations and services (Government medical travel program) or is contractually committed to, the following amounts which are currently expected to become liabilities subsequent to March 31, 2021:

	Expires in Fiscal Year	2022	2023	2024	2025	2026	2027	Total
Equipment leases	2024	\$ 76	\$ 51	\$ 1	\$ -	\$ -	\$ -	\$ 128
Operational leases	2023	1,235	54	-	-	-	-	1,289
Service contracts	2027	54,057	19,346	1,450	874	841	839	77,407
		<u>\$55,368</u>	<u>\$19,451</u>	<u>\$ 1,451</u>	<u>\$ 874</u>	<u>\$ 841</u>	<u>\$ 839</u>	<u>\$ 78,824</u>

### 10. Contingencies

In the normal course of operations, the Authority is subject to claims and pending and threatened litigation against the Authority and its staff. At year end, the Authority estimated the total claimed amount for which the outcome is not determinable at \$10 (2020 - \$10). No provision for such claims has been made in these financial statements as it is not determinable that any future event will confirm that a liability has been incurred as at March 31, 2021.

### 11. Trust assets under administration

The authority administers \$294 (2020 - \$242) of trust assets, consisting of cash held on behalf of patients, which are not included in the reported Authority's assets and liabilities.

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# Northwest Territories Health and Social Services Authority

## Notes to the Financial Statements

(All figures in thousands of dollars)

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March 31, 2021

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### 12. Government assets provided at no cost

Details on government assets and other contributions provided at no cost recognized in the financial statements are as follows:

Contributed asset/service	2021	2020
Use of Assets <sup>(1)</sup>	\$ 21,694	\$ 18,079
Stanton Territorial Hospital P3 costs <sup>(2)</sup>	7,100	6,900
Donated inventory	2,496	
Grant-in-kind GNWT	<u>\$ 31,290</u>	<u>\$ 24,979</u>

<sup>(1)</sup> Included in Use of Assets is the estimated cost to rent the new Stanton Territorial Hospital based on its current amortization expense of approximately \$8,053 (2020 - \$7,382).

<sup>(2)</sup> Stanton Territorial Hospital P3 cost relate to the operations and maintenance cost which the Government pays on behalf of the Authority

### 13. Pensions

All eligible employees participate in Canada's Public Service Pension Plan ("PSPP"). The PSPP provides benefits based on the number of years of pensionable service to a maximum of 35 years. Benefits are determined by a formula set out in the legislation; they are not based on the financial status of the pension plan. The basic benefit formula is two percent per year of pensionable service multiplied by the average of the best five consecutive years of earnings.

The PSPP was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the plan on or after January 1, 2013. For members with start dates before January 1, 2013, the normal retirement age remains age 60. The employer contribution rate effective at the end of the year is 1.01 times (2020 – 1.01) the employees' contributions for employees who started prior to January 2013 and 1.0 times (2020 – 1.0) the employees' contributions for all other employees.

The Authority and the contracted physician's contribute to the Physician Retirement Income Benefit ("PRIB"). The Physician's contribution rate is 7.5 percent of the Physician's base salary, minus the Physician's contribution to the Canada Pension Plan. The Authority contribution rate is 15 percent of the Physician's base salary, minus the Employer's contribution to the Canada Pension Plan on behalf of the Physician. The Authority contributed \$11,734 (2020 – \$10,891) to PSPP and \$2,067 (2020 – \$2,135) to the Physician's fund. The employee's contributions were \$11,675 (2020 – \$10,748) and \$952 (2020 – \$1,006) respectively.

# Northwest Territories Health and Social Services Authority

## Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2021

### 14. Related party balances and transactions

Related party transactions not disclosed elsewhere are as follows:

Due from related parties	Accounts Receivable	Allow. For Doubtful Accounts	Net 2021	Net 2020
Hay River Health and Social Services Authority	\$ 2,011	\$ -	\$ 2,011	\$ 29
Tlicho Community Services Agency	829	(12)	817	733
Northwest Territories Power Corporation	35	-	35	1
Northwest Territories Housing Corporation	-	-	-	4
	<b>\$ 2,875</b>	<b>\$ (12)</b>	<b>\$ 2,863</b>	<b>\$ 767</b>

Due to related parties:	2021	2020
Aurora College	\$ 405	\$ 175
Tlicho Community Services Agency	149	119
Northwest Territories Housing Corporation	-	26
Hay River Health and Social Services Authority	71	42
Fuel Services Division	3	11
Northwest Territories Power Corporation	6	6
Marine Transportation Services	-	1
	<b>\$ 634</b>	<b>\$ 380</b>

Revenues from related parties:	2021	2020
Hay River Health and Social Services Authority	\$ 2,454	\$ 187
Tlicho Community Services Agency	875	809
Northwest Territories Power Corporation	105	105
GNWT - Education, Culture and Employment	25	83
GNWT - Municipal and Community Affairs	25	3
Yellowknife Education District #1	-	26
Yellowknife Public Denominational District Education Authority (Yellowknife Catholic School Board)	-	5
	<b>\$ 3,484</b>	<b>\$ 1,218</b>



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# Northwest Territories Health and Social Services Authority

## Notes to the Financial Statements

(All figures in thousands of dollars)

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March 31, 2021

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### 14. Related party balance and transactions (continued)

Expenses paid to related parties:	2021	2020
Hay River Health and Social Services Authority	\$ 405	\$ 175
Tlicho Community Services Agency	317	369
GNWT	8,254	317
Aurora College	183	-
Northwest Territories Power Corporation	92	34
Northwest Territories Housing Corporation	66	105
Fuel Services Division	41	20
Marine Transportation Services	-	2
NWT Business Development and Investment Corporation	-	2
Stanton Territorial Hospital Foundation	-	1
	<b>\$ 9,358</b>	<b>\$ 1,025</b>

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### 15. Expenses by object

	2021	2020
Compensation expense (1)	\$ 241,454	\$ 211,128
Contracted out services	93,153	84,343
Medical travel and other travel	24,435	29,167
Compensation - locums	22,783	17,121
Supplies	22,466	18,068
Rent (note 12)	21,695	18,079
Contributions	16,145	18,881
Administration	8,279	12,087
Program expenses	6,179	5,419
Equipment expense	2,309	2,599
Valuation expenses	1,163	1,648
<b>Total expenses</b>	<b>\$ 460,061</b>	<b>\$ 418,540</b>

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(1) Compensation expense is paid by the Government and reimbursed by the Authority when funds are available, see note 5 for the balance payable to the Government at March 31.

# Northwest Territories Health and Social Services Authority

## Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2021

### 16. Contributions from the Government of the Northwest Territories

	2021 Budget	2021 Actual	2020 Actual
<b>Core contribution</b>			
Community health programs	\$ 130,511	\$ 133,663	\$ 127,684
Administrative and support services	39,916	39,950	39,850
Nursing inpatient services	33,602	33,609	32,557
Community social services	25,770	29,415	23,930
Ambulatory care services	27,242	27,426	28,082
Diagnostic and therapeutic services	24,084	24,900	24,258
Safe restart northern bundle COVID pandemic	-	29,018	-
Supplementary health programs	20,276	21,101	21,896
	<b>301,401</b>	<b>339,082</b>	298,257
<b>Other contributions</b>			
FNIHCC Home and Community Care	3,800	3,858	4,190
French Language Services	826	461	742
Integrated Primary Care Teams Demonstration Project	-	397	-
Respite Care Program	250	250	260
Mental Health Initiatives	-	241	362
Collective Kitchens	168	168	168
OMTP Territorial Lead Case Manager	140	140	160
CHIIRP - Injury Reporting & Prevention	85	131	-
QRCE - IPAC	-	96	-
Community Care Giver Pilot	445	93	121
Implementation Lead Healthy Families Program	-	85	-
Oral Health Program	-	85	250
T.A.S.T.E - Traditional Foods	62	62	-
FASCETS - FASD Training	-	48	55
Oral Health Toolkits for LTC Residents	32	32	-
ECD - Hearing Aids for Children	7	4	-
Inuvik Emergency Warming Centre	75	-	75
FASD training	-	-	110
Sahtu Sahtugot'ine Nats'eju Initiative	80	-	42
Uluhaktok Indigenous Languages Pilot	117	-	-
Other	-	-	50
	<b>6,087</b>	<b>6,151</b>	6,585
<b>Total contributions from the GNWT</b>	<b>\$ 307,488</b>	<b>\$ 345,233</b>	<b>\$ 304,842</b>

# Northwest Territories Health and Social Services Authority

## Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2021

### 16. Contributions from the Government of the Northwest Territories (continued)

The following table summarizes the Authority's project budget and actual eligible costs incurred for other contributions in excess of \$250.

	2021 Budget	2021 Actual	2020 Actual
<b>FNIHCC Home and Community Care Agreement</b>			
Compensation	\$ 2,832	\$ 3,443	\$ 3,092
Equipment expense	-	1	-
Medical travel and other travel	-	-	67
Contracted out services	-	128	45
Other	968	286	986
	<b>\$ 3,800</b>	<b>\$ 3,858</b>	<b>\$ 4,190</b>
<b>French Language Services</b>			
Compensation	\$ 733	\$ 443	\$ 700
Other	93	18	42
	<b>\$ 826</b>	<b>\$ 461</b>	<b>\$ 742</b>
<b>Integrated Primary Care Teams Demonstration</b>			
Compensation	\$ -	\$ 397	\$ -
	<b>\$ -</b>	<b>\$ 397</b>	<b>\$ -</b>
<b>Respite Care Program</b>			
Contracted out services	\$ 250	\$ 250	\$ 260
	<b>\$ 250</b>	<b>\$ 250</b>	<b>\$ 260</b>
<b>Community Care Giver Pilot</b>			
Compensation	\$ 445	\$ -	\$ 121
Other	-	93	-
	<b>\$ 445</b>	<b>\$ 93</b>	<b>\$ 121</b>

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# Northwest Territories Health and Social Services Authority

## Notes to the Financial Statements

(All figures in thousands of dollars)

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March 31, 2021

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### 17. Financial Instruments

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

#### (a) Credit risk

Credit risk is the risk of financial loss of 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 holds its cash with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Authority's cash is insured up to \$100.

Accounts receivable are due from various governments, government agencies, corporations and individuals. Credit risk related to accounts receivable is mitigated by internal controls as well as policies and oversight over arrears for ultimate collection. Management has determined that a portion of accounts receivable are impaired based on specific identification as well as age of receivables. These amounts are as disclosed in Note 4.

The Authority's maximum exposure to credit risk is represented by the financial assets for a total of \$93,636 (2020 - \$73,448).

#### Concentration of credit risk

Concentration of credit risk is the risk that one or more customers has a significant portion (more than ten percent) of the total accounts receivable balance and thus there is a higher risk to the Authority in the event of a default. The Authority does have concentration of credit risk. At March 31, 2021, receivables from the Government comprised 86% of the total outstanding accounts receivables (2020 - 82%). The Authority manages this risk by monitoring overdue balances.

#### (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, deferring repayment to the Government (Note 1) and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise. All of the Authority's financial assets and financial liabilities as at March 31, 2021 mature within six months of year end.

Total financial assets are \$93,636 (2020 - \$73,448) and financial liabilities are \$265,898 (2020 - \$204,308). The Authority has disclosed contractual obligations in Note 9. There have been no significant changes from the previous year in the exposure to risk or policies, procedures, and methods used to measure the risk.

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# Northwest Territories Health and Social Services Authority

## Notes to the Financial Statements

(All figures in thousands of dollars)

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March 31, 2021

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### 18. Budget

The approved budget have been reclassified where applicable to conform to the presentation used in financial statements as follows:

	Budget per Statement of Operations and Accumulated Deficit	Government Approved Budget	Difference
<b>Revenue</b>			
Recoveries from other sources	\$ 16,791	\$ 16,592	\$ 199
Recoveries from Government of Nunavut	2,515	-	2,515
Contributions from other sources	116	116	-
Interest income	573	573	-
Other income	352	352	-
<b>Total Revenue</b>	<b>20,347</b>	<b>17,633</b>	<b>2,714</b>
<b>Expenses</b>			
Community social programs	93,115	92,998	117
Ambulatory care services	68,393	68,393	-
Administration and support services	53,987	53,844	143
Nursing inpatient services	40,432	40,432	-
Community health programs	43,456	43,456	-
Supplementary health programs	53,326	52,645	681
Diagnostic and therapeutic services	31,558	31,558	-
Undistributed	-	941	(941)
<b>Total Expenses</b>	<b>384,267</b>	<b>384,267</b>	<b>-</b>
<b>Government contributions</b>			
Core contributions from GNWT	301,401	301,401	-
Other contributions from GNWT	6,087	8,801	(2,714)
Recoveries from GNWT	23,085	23,085	-
Recoveries - non insured health services	14,106	14,106	-
<b>Total Government contributions</b>	<b>344,679</b>	<b>347,393</b>	<b>(2,714)</b>
<b>Annual deficit</b>	<b>\$ (19,241)</b>	<b>\$ (19,241)</b>	<b>\$ -</b>

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# Northwest Territories Health and Social Services Authority

## Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2021

### 18. Budget (continued)

The Authority's budget is approved at the start of the fiscal year. Adjustments to the budget relating to government funding are approved throughout the fiscal year through Notice of Target Adjustments ("NOTAs"). The budget does not include the Grant-in-kind GNWT; therefore the impact of the Grant-in-kind GNWT must be factored in when comparing to the actual results. The revised budget is detailed below:

	Original Budget	NOTAs	Grant-in- kind	Revised Budget	Actual Amount	Over (Under) Budget
<b>Revenue</b>						
Recoveries from other sources	\$ 16,791	\$ -	\$ -	\$ 16,791	\$ 15,019	\$ (1,772)
Recoveries from Government of Nunavut	2,515	-	-	2,515	2,053	(462)
Contributions from other sources	116	-	-	116	1,057	941
Interest income	573	-	-	573	65	(508)
Other income	352	-	-	352	2	(350)
<b>Total Revenue</b>	<b>20,347</b>	<b>-</b>	<b>-</b>	<b>20,347</b>	<b>18,196</b>	<b>(2,151)</b>
<b>Expenses</b>						
Community social programs	93,115	4,965	1,137	99,217	103,620	4,403
Ambulatory care services	68,393	2,349	7,416	78,158	91,679	13,521
Administration and support services	53,987	6,655	161	60,803	65,087	4,284
Nursing inpatient services	40,432	(16)	12,130	52,546	61,157	8,611
Community health programs	43,456	20,420	5,680	69,556	52,891	(16,665)
Supplementary health programs	53,326	1,200	-	54,526	48,961	(5,565)
Diagnostic and therapeutic services	31,558	5,235	2,270	39,063	36,666	(2,397)
<b>Total Expenses</b>	<b>384,267</b>	<b>40,808</b>	<b>28,794</b>	<b>453,869</b>	<b>460,061</b>	<b>6,192</b>
<b>Government contributions</b>						
Core contributions from GNWT	301,401	40,808	-	342,209	339,082	(3,127)
Other contributions from GNWT	6,087	-	-	6,087	6,151	64
Recoveries from GNWT	23,085	-	-	23,085	17,446	(5,639)
Recoveries - Non-insured health services	14,106	-	-	14,106	13,852	(254)
Recoveries of prior year expenses	-	-	-	-	1,112	1,112
Grant-in-kind GNWT	-	-	31,290	31,290	31,290	-
<b>Total Government contributions</b>	<b>344,679</b>	<b>40,808</b>	<b>31,290</b>	<b>416,777</b>	<b>408,933</b>	<b>(7,844)</b>
<b>Annual deficit</b>	<b>\$ (19,241)</b>	<b>\$ -</b>	<b>\$ 2,496</b>	<b>\$ (16,745)</b>	<b>\$ (32,932)</b>	<b>\$ (16,187)</b>

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# Northwest Territories Health and Social Services Authority

## Notes to the Financial Statements

(All figures in thousands of dollars)

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March 31, 2021

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### 19. Impact of COVID-19 pandemic response

On March 22, 2020, the GNWT declared a public health emergency in response to the coronavirus ("COVID-19") pandemic. The Authority continues to experience a change in demand for its services and is working diligently to mitigate the financial impacts of COVID-19.

In response to COVID-19, the GNWT provided the Authority with incremental funding of \$29,018 up to March 31, 2021. The funds were used for incremental expenditures arising from testing, surveillance and treatment of patients as well as air services. These amounts have been recorded in various expense accounts in the Statement of Operations and Accumulated Deficit.

The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the severity and length of COVID-19 will continue to have on the financial results and condition of the Authority in future periods.







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