

Yellowknife District No.1 Education Authority

(Yellowknife Education District No. 1)

Financial Statements

June 30, 2015





June 30, 2015

Page

Managements Discussion and Analysis.....	3 - 9
Managements Responsibility for Financial Reporting.....	10
Independent Auditors' Report	11 - 12
Statement 1 - Consolidated Statement of Financial Position.....	13
Statement 2 - Consolidated Statement of Operations.....	14
Statement 3 - Consolidated Statement of Changes in Net Financial Assets.....	15
Statement 4 - Consolidated Statement of Cash Flows.....	16
Statement 5 - Consolidated Details of Expenses.....	17
Statement 6 - Details of Aboriginal Language and Culture-Based Education Expenditures.....	18
Statement 7 - Details of Inclusive Schooling Expenditures.....	19
Statement 8 - Report on Activities of Specific Programs - French Language Program.....	20
Statement 9 - Report on Activities of Specific Programs - Aboriginal Languages.....	21
Statement 10 - Report on Activities of Specific Programs - Student Success Initiative Projects.....	22
Notes to Financial Statements.....	23 - 49



YELLOWKNIFE EDUCATION DISTRICT NO. 1 OF THE NORTHWEST TERRITORIES

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

EDUCATING FOR LIFE.

Management Discussion and Analysis

Introduction

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

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

Current Board Members:

John Stephenson, Chairperson
Allan Shortt, Acting Vice- Chairperson

Trustees:

Heather Clarke
Jay Butler
Terry Brookes
Blake Lyons

Active Committees include:

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

The YK1 Board of Trustees vision ensures all students:

- Reach their highest level of learning
- Engage in, and value, Aboriginal language and culture-based education
- With special needs flourish within an inclusive school community
- Engage in healthy lifestyles, and respectful and caring relationships.

School	Enrolment K-12		Teachers/ Admin/ PST		Pupil/Teacher ratio	
	Sep-14	Jun-15	Sep-14	Jun-15	Sep-14	Jun-15
Mildred Hall School	214.5	223.0	15.25	15.45	14.07	14.43
JH Sissons	236.0	224.0	15.00	15.00	15.73	14.93
William McDonald School	169.0	172.0	11.75	11.75	14.38	14.64
NJ Macpherson School	256.0	258.0	15.50	15.50	16.52	16.65
Range Lake North School	306.5	297.0	20.50	21.00	14.95	14.14
Sir John Franklin High School	627.0	637.0	31.10	31.10	20.16	20.48
Total District	1,809.0	1,811.0	109.10	109.80	16.58	16.49

Enrolment remained mainly consistent throughout the year.

Summary and Outlook

In 2014-2015, the YK1 faced many challenges including important decisions about the use of our facilities, the potential rollout and preparation of Junior Kindergarten ("JK") and budget restrictions. Despite these challenges, the board looks back proudly at their achievements and successes over the past year:

- The district hosted a widely successful fundraising effort for the family of Malcolm Austin, a student at Range Lake North School who has an inoperable brain tumour. The combined efforts of the fundraiser accumulated over \$26,000 in funds for the family.
- YK1 celebrated its 75th anniversary as well as 35 years of French Immersion programming. Both milestones were celebrated with the community.
- 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
- Outdoor beautification initiatives and gardening at Mildred Hall School and other schools continues to be a priority of the Board. This past spring several garden beds were installed at the front of Mildred Hall School in collaboration with Northern United Place residents and Betty House residents.
- Several parent conversation nights held at every YK1 school encouraged parents to speak about what programming they wanted to see at their schools. Several parent survey and feedback opportunities were available to parents, who then had the opportunity provide input into the 2015-2016 program.
- A clear bullying prevention policy which was drafted and approved by the Policy Committee was distributed to all parents and staff.
- There are two underground fuel tanks at two of our schools. YK1 will be work with the Department of Public Works and the Department of Education, Culture and Employment to conduct an environmental assessment of the area surrounding the two underground fuel tanks and draft plans for their removal and replacement and complete any environmental remediation as necessary.

Foreseeable challenges for 2015 -2016

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



Yellowknife District No. 1 Education Authority

(the Authority)

Management Responsibility for Financial Reporting

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

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

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

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

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

Metro Huculak
Superintendent
Yellowknife District No. 1 Education Authority

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

Independent Auditors' Report

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

We have audited the accompanying consolidated financial statements of the Yellowknife District No. 1 Education Authority (the Authority), which comprise of the consolidated statement of financial position as at June 30, 2015, consolidated statements of operations, consolidated changes in net assets, and consolidated cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Independent Auditors' Report (continued)*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Yellowknife District No. 1 Education Authority as at June 30, 2015, and its consolidated financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

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



**Yellowknife, Northwest Territories
September 8, 2015**

Chartered Accountants



Yellowknife District No. 1 Education Authority

(the Authority)

Consolidated Statement of Financial Position

Statement 1

As at June 30,	2015 \$	2014 \$
FINANCIAL ASSETS		
Cash (Note 4)	-	1,990,654
Portfolio Investments (Note 7)	6,183,106	6,165,410
Due from Government of Canada (Note 13)	96,833	101,025
Accounts Receivable (Note 8)	1,504,072	751,902
	7,784,011	9,008,991
LIABILITIES		
Bank Indebtedness (Note 4)	45,244	-
Accounts Payable and Accrued Liabilities (Note 10)	432,182	355,430
Payroll Liabilities (Note 35)	3,079,425	3,025,449
Leave and Termination Benefits (Note 17)	1,853,265	1,912,682
Deferred Revenue (Note 11)	72,000	1,433,087
	5,482,116	6,726,648
NET FINANCIAL ASSETS	2,301,895	2,282,343
NON-FINANCIAL ASSETS		
Prepaid Expenses (Note 20)	170,421	167,320
Tangible Capital Assets (Note 19)	15,545,293	16,483,457
Inventories (Note 9)	26,807	-
	15,742,521	16,650,777
ACCUMULATED SURPLUS	18,044,416	18,933,120
Represented by:		
Operating Fund	1,352,510	1,174,553
Investment in Tangible Capital Assets	15,545,293	16,483,457
Decentralized Surplus	242,448	370,945
Capital Fund Reserve	904,165	904,165
	18,044,416	18,933,120

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

Approved on behalf of the board:

Trustee

Trustee



Yellowknife District No. 1 Education Authority

(the Authority)

Consolidated Statement of Operations

Statement 2

For the year ended June 30,

	2015 Budget \$	2015 Actual \$	2014 Actual Restated (note 39) \$
REVENUE			
Government of the Northwest Territories			
Regular contributions	23,464,131	24,275,943	24,212,611
Other contributions (Note 33)	123,000	216,750	175,393
Aboriginal languages	60,000	73,900	60,000
French revenue	410,000	466,500	410,000
Total ECE	24,057,131	25,033,093	24,858,004
GNWT other contributions (Note 34)	60,775	46,875	8,000
Property tax requisitioned	5,788,986	5,737,836	5,704,347
Education authority generated funds			
Rental income	360,000	382,722	379,816
Portfolio investment income	100,000	129,279	138,350
Other (Note 37)	627,432	564,869	717,558
	1,087,432	1,076,870	1,235,724
Total revenue	30,994,324	31,894,674	31,806,075
EXPENDITURES			
School programs	20,521,991	20,725,074	20,281,870
Inclusive schooling	5,342,545	5,455,847	5,246,219
Staff accommodations	175,500	177,930	208,180
Operations and maintenance	2,921,068	3,193,088	3,196,175
Administration	1,429,925	1,250,306	1,688,972
Aboriginal language/cultural programs	936,535	939,196	951,765
Amortization	-	1,041,938	1,163,041
Total operating expenditures	31,327,564	32,783,379	32,736,222
Operating deficit before other items	(333,240)	(888,705)	(930,147)
Other items			
Grant in-kind - GNWT Assets provided at no cost (Note 23)	-	1,799,769	1,799,769
Rent expense - GNWT Assets provided at no cost (Note 23)	-	(1,799,769)	(1,799,769)
Operating deficit	(333,240)	(888,705)	(930,147)
Opening accumulated surplus	18,933,121	18,933,121	19,863,268
Closing accumulated surplus	18,599,881	18,044,416	18,933,121

**Yellowknife District No. 1 Education Authority****(the Authority)****Consolidated Statement of Changes in Net Financial Assets****Statement 3**

For the ended June 30,	2015 \$	2014 \$
Operating deficit	(888,705)	(930,147)
Acquisition of tangible capital assets (2015 budget \$70,000)	(103,774)	-
Amortization of tangible capital assets	1,041,938	1,163,041
	49,459	232,894
Change in inventory	(26,807)	-
Change in prepaid expenses	(3,100)	(63,912)
	(29,907)	(63,912)
Increase (decrease) in net assets	19,552	168,982
Net asset at beginning of year	2,282,343	2,113,361
Net asset at end of year	2,301,895	2,282,343



Yellowknife District No. 1 Education Authority

(the Authority)

Consolidated Statement of Cash Flows

Statement 4

For the year ended June 30,	2015 \$	2014 \$
<i>Cash provided by (used in)</i>		
OPERATING TRANSACTIONS		
Operating deficit	(888,706)	(930,144)
Item not affecting cash:		
Amortization	1,041,938	1,163,040
Changes in non-cash assets and liabilities		
Decrease (increase) Due from (to) Government of Canada	4,192	(2,561)
Decrease (increase) accounts receivable	(752,170)	15,831
Increase (decrease) accounts payable	76,754	(252,842)
Increase (decrease) payroll liabilities	53,976	(708,975)
Increase (decrease) deferred revenue	(1,361,087)	(61,049)
Increase (decrease) post-employment benefits	(59,417)	38,197
Decrease (increase) inventory	(26,807)	-
Decrease (increase) prepaid expenses	(3,101)	(63,911)
CASH USED FOR OPERATING TRANSACTIONS	(1,914,428)	(802,414)
INVESTING TRANSACTIONS		
Disposition of portfolio investments	-	706,564
Acquisition of portfolio investments	(17,696)	-
CASH PROVIDED BY (USED FOR) INVESTING TRANSACTIONS	(17,696)	706,564
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(103,774)	-
Proceeds of disposition of tangible capital assets	-	-
CASH USED FOR CAPITAL TRANSACTIONS	(103,774)	-
FINANCING TRANSACTIONS		
Repayment of capital lease obligation	-	-
Proceeds from capital lease obligation	-	-
CASH PROVIDED BY (USED FOR) FINANCING TRANSACTIONS	-	-
DECREASE IN CASH AND CASH EQUIVALENTS	(2,035,898)	(95,850)
CASH AT BEGINNING OF YEAR	1,990,654	2,086,504
CASH (BANK INDEBTEDNESS) AT END OF YEAR	(45,244)	1,990,654
Total interest paid during the year	-	-



Yellowknife District No. 1 Education Authority

(the Authority)

Consolidated Details of Expenses

Statement 5

For the year ended June 30,	School Programs \$	Inclusive Schooling \$	Student Accommodation \$	Operations and Maintenance \$	Administration \$	Aboriginal Languages \$	Total 2015 \$	Budget 2015 \$	Total 2014 \$
SALARIES									
Honoraria	-	-	-	-	68,115	-	68,115	68,722	109,753
Instructional assistants	797,421	2,161,438	-	-	-	93,831	3,052,690	2,938,374	2,957,904
Non-instructional staff	1,878,079	-	21,825	457,708	934,861	193,077	3,485,550	3,379,232	3,645,378
Teachers	12,596,201	2,231,578	-	-	18,636	286,142	15,132,557	14,190,926	14,366,341
	15,271,701	4,393,016	21,825	457,708	1,021,612	573,050	21,738,912	20,577,254	21,079,376
EMPLOYEE BENEFITS									
Employee benefits/allowances	2,923,658	857,525	1,513	107,635	233,070	91,656	4,215,057	5,489,717	4,823,996
Leave and termination benefits	152,285	-	-	10,472	(222,173)	-	(59,416)	-	-
	3,075,943	857,525	1,513	118,107	10,897	91,656	4,155,641	5,489,717	4,823,996
SERVICES PURCHASED									
Advertising and printing	-	-	-	-	25,321	-	25,321	30,800	27,658
Communication	62,406	-	-	7,514	30,189	-	100,109	84,850	107,511
Contracted services	249,220	77,987	-	333,933	-	141,873	803,013	653,562	764,883
Maintenance and repairs	60,924	29,547	39,606	415,301	85	31,293	576,756	593,984	592,723
Other	137,837	-	-	-	88,176	-	226,013	185,500	267,509
Professional and technical	286,209	48,486	-	-	24,608	51,826	411,129	402,500	323,382
Rentals and leases	150,209	-	-	-	7,435	-	157,644	162,960	136,944
Student transportation	376,457	13,523	-	-	-	3,157	393,137	380,000	375,699
Travel	6,454	-	-	-	-	370	6,824	5,000	20,537
Utilities									
Heating	-	-	45,129	709,188	-	-	754,317	745,000	982,228
Electricity	-	-	47,529	926,864	-	-	974,393	780,000	883,422
Water/Sewage	-	-	21,144	152,693	-	-	173,837	137,002	159,820
	1,329,716	169,543	153,408	2,545,493	175,814	228,519	4,602,493	4,161,158	4,642,316
MATERIALS									
Awards and student events	13,391	-	-	-	11,733	-	25,124	25,632	40,495
Freight	12,828	-	-	395	110	-	13,333	30,500	20,242
Materials and supplies	1,021,495	35,763	1,184	71,385	30,140	45,971	1,205,938	1,043,303	966,756
	1,047,714	35,763	1,184	71,780	41,983	45,971	1,244,395	1,099,435	1,027,493
AMORTIZATION	-	-	-	-	1,041,938	-	1,041,938	-	1,163,041
Total operating expenditures	20,725,074	5,455,847	177,930	3,193,088	2,292,244	939,196	32,783,379	31,327,564	32,736,222



Yellowknife District No. 1 Education Authority

(the Authority)

Details of Aboriginal Language and Culture-Based Education Expenditures

Statement 6

For the year ended June 30,	Student Instruction \$	Professional Development \$	School Activities and Integrated Community Programs \$	Total 2015 \$
SALARIES				
ALCBE Teachers	286,142	-	-	286,142
Instructional Assistants	93,831	-	-	93,831
Non Instructional Staff	-	-	193,077	193,077
	379,973	-	193,077	573,050
EMPLOYEE BENEFITS	91,656	-	-	91,656
SERVICES PURCHASED				
Professional and technical	-	51,826	-	51,826
Travel	-	370	-	370
Maintenance and repairs	-	-	31,293	31,293
Student travel	-	-	3,157	3,157
Contracted services	-	-	141,873	141,873
	-	52,196	176,323	228,519
MATERIALS				
Materials and supplies	-	-	45,971	45,971
Total operating expenditures	471,629	52,196	415,371	939,196

**Yellowknife District No. 1 Education Authority****(the Authority)****Details of Inclusive Schooling Expenditures****Statement 7**

For the year ended June 30,	Student Resources \$	General Inclusive Schooling \$	Total 2015 \$
SALARIES			
Program support teachers	-	2,231,578	2,231,578
Support assistants	21,825	2,139,613	2,161,438
	21,825	4,371,191	4,393,016
EMPLOYEE BENEFITS	-	857,525	857,525
SERVICES PURCHASED			
Professional and technical	48,486	-	48,486
Student transportation	13,523	-	13,523
Maintenance and repairs	29,547	-	29,547
Contracted services	77,987	-	77,987
	169,543	-	169,543
MATERIALS			
Materials and supplies	35,763	-	35,763
Total operating expenditures	227,131	5,228,716	5,455,847



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, 2015

	Contribution from the Department \$	Commitment from the Authority \$	Expenses \$	Over(under) funding \$
Literacy Coach (Salary)	70,000	50,000	137,495	(17,495)
Teacher Assistants (Salary)	35,000	35,000	84,192	(14,192)
Intensive & Enhance French (Salary)	70,000	230,000	559,153	(259,153)
PIF (Elective courses at SJF)	50,000	10,000	63,691	(3,691)
Special Projects				
French Camps	13,000	2,000	16,029	(1,029)
French Resources	46,000	10,000	50,237	5,763
Assessment, Intensive French	15,000	5,000	32,885	(12,885)
Early Immersion, Lead Class				
Cultural Activities	12,000	3,000	14,283	717
Highschool, Additional Courses				
Professional Development	31,000	9,000	77,472	(37,472)
Consultant	80,000	140,000	228,277	(8,277)
Total	422,000	494,000	1,263,714	(347,714)



Yellowknife District No. 1 Education Authority

(the Authority)

Report on Activities of Specific Programs

Statement 9

Aboriginal Languages

For the periods and year ended June 30,

2015
\$

Secretary of State (Heritage Canada)

REVENUE

Contribution from federal government

60,000

EXPENDITURES

Salaries and benefits

114,622

114,622

Surplus (deficit)

(54,622)



Yellowknife District No. 1 Education Authority

(the Authority)

Report on Activities of Specific Programs

Statement 10

Student Success Initiative Projects

For the year ended June 30,

2015

\$

Revenue

Government of the Northwest Territories
Deficit from Prior Years
Deficit Rollover 2014/15

123,000
(66,799)
30,976

Total revenue

87,177

Expenses

Salaries/Wages

Facilitator fees (including per diems)
Substitute teacher wages

10,475
57,464

Travel

Facilitator travel
Staff Travel

1,266
4,401

Workshop expenses

Refreshments
Resources
Miscellaneous (Stationery)

332
255
12,984

Total expenses

87,177

Deficit

-



June 30, 2015

1. Nature of the Organization

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

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

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

2. Significant Accounting Policies

a) Basis of Accounting

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

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

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



June 30, 2015

2. Significant Accounting Policies (Continued)

Operating Fund Surplus

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

Investment in Tangible Capital Assets

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

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

Decentralized Budget Accumulated Surplus

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

b) Cash and Cash Equivalents

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



June 30, 2015

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

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

Financial assets measured at fair value include portfolio investments.

At the end of each reporting period, management assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired. If there is an indication of impairment, management determines whether a significant adverse change has occurred in the expected timing or the amount of future cash flows from the asset, in which case the asset's carrying amount is reduced to the highest expected value that is recoverable by either holding the asset, selling the asset or by exercising the right to any collateral. The carrying amount of the asset is reduced directly or through the use of an allowance account and the amount of the reduction is recognized as an impairment loss in operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset is recognized in operations.



June 30, 2015

2. Significant Accounting Policies (Continued)

d) Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

e) Tangible Capital Assets

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

Asset Category Amortization Period:

Land and improvements - Indefinite

Buildings - 40 years

Equipment and furnishings - 4 - 10 years

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

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

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



June 30, 2015

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

June 30, 2015

2. Significant Accounting Policies (Continued)

Local Tax Revenue:

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

Other Contributions:

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

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

Deferred Revenue:

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

Investment Income:

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



June 30, 2015

2. Significant Accounting Policies (Continued)

School Funds

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

g) Infrastructure Funding

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

h) Budget Data

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

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

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

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

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

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



June 30, 2015

2. Significant Accounting Policies (Continued)

i) Measurement Uncertainty

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

j) Inventories Including Materials and Supplies

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

k) Payroll Liabilities

Payroll costs for teachers are accrued for July and August.

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

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

m) Special Purpose Funds

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

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



June 30, 2015

2. Significant Accounting Policies (Continued)

n) Fund Accounting

The Authority uses fund accounting to separate transactions.

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

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

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

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

o) Impact of the Change in Accounting Policy

Effective July 1, 2014, the Authority adopted Section PS 3260, *Liability for Contaminated Sites* Issues by the Canadian Public Sector Accounting Standards Board. This section establishes standards for governments and government type organization reporting under Canadian public sector accounting standards about how to account for and report a liability which is association with remediation of a contaminated site. The change in accounting policy has been applied prospectively.

There have not been any adjustments to the financial statements as a result of the adoption of PS3280 but has resulted in additional disclosures.



June 30, 2015

3. Future Accounting Changes

Related Party Transactions: Inter-entity Transfer Valuations (PS3420)

Under section PS 3420, Yellowknife Education District No.1 will be required to report any inter-entity transfer valuations on the financial statements. This new section is not required until April 2017. Management's opinion is that this will have little impact on the presentation of the financial statements.

Student Activity Funds

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

4. Cash (Bank Indebtedness)

	2015	2014
	\$	\$
Cash (Bank indebtedness)	(45,244)	1,990,654

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

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, 2015

7. Portfolio Investments

	2015 \$	2014 \$
GIC Investment with CIBC (interest rate range from 1.7% to 1.77% and maturity range from November 18, 2015 to April 17, 2017)	4,158,886	4,026,123
GIC Investment with RBC Dominion Securities (interest rate range from 1.8% to 2.04% and maturity range from November 4, 2015 to November 17, 2016)	2,024,220	2,139,287
	6,183,106	6,165,410

The investments are recorded at fair market value plus any interest earned to June 30, 2015. The fair market value at June 30, 2015 is equal to the cost.

8. Accounts Receivable

	2015 \$Net	2014 \$Net
South Slave DEC	15,271	-
Yellowknives Dene First Nation (Kalemi Dene School)	807,002	286,305
Dettah District Education Authority (Kaw Tay Whee School)	397,082	167,577
Commission Scolaire Francophone Territories Du Nord Ouest	14,895	14,380
Department of Education, Culture and Employment	92,326	161,405
Department of Health and Social Services	8,741	2,494
Trade Receivables	168,755	119,741
Total	1,504,072	751,902

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

9. Inventories

Inventory consists of computer equipment held for use for the 2015/2016 school year.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

10. Accounts Payable and Accrued Liabilities

	2015 \$	2014 \$
Aurora College	-	1,000
Dettah DEA (Kaw Tay Whee School)	1,000	1,859
Accrued interest	12	12
Damage deposits	28,798	28,001
Trades payable	401,512	314,558
WSCC	860	10,000
	432,182	355,430

11. Deferred Revenue

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

	2015 \$	2014 \$
City of Yellowknife - tax requisition received in advance	-	1,426,087
GNWT - Active After School Program	-	3,250
GNWT ECE - Preschool	12,000	-
GNWT ECE - TLC	60,000	-
Other	-	3,750
	72,000	1,433,087

12. Contribution Repayable

The Authority does not have any contribution repayable.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

13. Due from (to) the Government of Canada

Receivables	2015 \$	2014 \$
GST Receivable	96,833	101,025
Projects on behalf of the Gov't of Canada	-	-
Miscellaneous Receivables	-	-
	96,833	101,025
Payables		
GST Payables	-	-
Advances for Projects on behalf of the Gov't of Canada	-	-
Miscellaneous Payables	-	-
	-	-

14. Capital Lease Obligations

The Authority does not have any Capital Lease Obligations.



June 30, 2015

15. Pension

During the year the Authority transferred the pensions for the members of the Northwest Territories Teachers' Association based on the negotiated collective agreement to the Northern Employee Benefits Service Pension Plan (NEBS) effective September 2014.

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

The amount contributed to the NEBS pension was \$5,306,506. 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 \$159,705 for January 2015, and \$156,872 for January 2014. The maximum monthly contributions is \$2,129 for January 2015, and \$2092 for January 2014.

NEBS is an employer owned program and as such the Authority will be liable for its portion of any shortfall. The Plan serves 2,354 Employee Members and 85 Employer Members (total active, disabled and on leave 1376).

As of January 1, 2015, the excess (deficiency) of actuarial value of net assets over actuarial present value of defined benefits is estimated to be \$988,700 on a going concern valuation basis. The Plan had a solvency ratio deficiency of \$71,296,000 and a solvency ratio of 67%. 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, 2014, the NEBS Pension plan had an accumulated surplus of \$15,474,029.

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 will be enacted October 1, 2015. NEBS is now operating under Bill 12.

16. Long-Term Debt

The Authority does not have long-term debt.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

17. Leave and Termination Benefits

Under conditions of employment, teachers and other staff employed by the Authority may qualify for resignation and retirement benefits and assistance with removal expenses. The amount recorded is an estimated value based on experience. Amounts are not funded by the Department until the funds are disbursed by the Authority.

	2015 \$	2014 \$
Leave and termination benefits - current	537,273	461,397
Leave and termination benefits - non-current	1,315,992	1,451,285
	1,853,265	1,912,682
Comprised of:		
Removal	847,334	663,309
Annual and compensatory sick leave	311,565	639,587
Severance and sick leave (excluded)	472,336	391,417
Severance (USWA)	100,755	88,769
Non-moving accrual (NWTTA)	121,275	129,600
	1,853,265	1,912,682

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, 2015

19. Tangible Capital Assets

	Cost \$	Accumulated Amortization \$	2015 Net Book Value \$	2015 Net Book Value \$
Land and improvements	1,299,476	-	1,299,476	1,299,476
School buildings				
Ecole Sir John Franklin	2,253,435	(942,967)	1,310,468	1,270,967
William McDonald	7,078,328	(5,839,621)	1,238,707	1,415,666
Mildred Hall	11,009,651	(5,476,191)	5,533,460	5,808,701
Range Lake North	8,215,859	(4,518,722)	3,697,137	3,902,533
N. J. Macpherson	5,329,162	(3,679,916)	1,649,246	1,785,704
Ecole J. H. Sissons	2,436,769	(2,436,769)	-	-
	36,323,204	(22,894,186)	13,429,018	14,183,571
Other buildings				
Administration office	1,070,827	(588,955)	481,872	508,643
Nordic Arms residence	595,205	(595,205)	-	-
Total land and buildings	39,288,712	(24,078,346)	15,210,366	15,991,690
Equipment and furnishings				
Schools	4,427,048	(4,133,290)	293,758	445,452
Playgrounds	149,972	(149,972)	-	-
Residences	64,045	(64,045)	-	-
Administration office	322,132	(322,132)	-	-
Vehicles	246,532	(205,363)	41,169	46,315
	5,209,729	(4,874,802)	334,927	491,767
	44,498,441	(28,953,148)	15,545,293	16,483,457



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

20. Prepaid Expenses

	2015 \$	2014 \$
Insurance	32,450	12,301
Professional Development	9,250	7,175
Materials and Supplies	108,783	116,110
Licenses	19,938	31,734
	170,421	167,320



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

21. Accumulated Surplus/ Deficit

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

Details of Funds

For the year ended June 30,	2015 \$	2014 \$
OPERATING FUND		
Balance, beginning of year	1,174,553	1,004,429
Operating deficit (Statement 2)	(888,705)	(930,147)
Transfer (to) from Capital Fund (budget \$70,000)	(103,774)	-
Transfer (to) from Investment in Tangible Capital Assets	1,041,938	1,163,040
Transfer (to) from Playground/Recreational Equipment Fund Reserve	-	10,060
Transfer (to) from Decentralized Surplus	128,498	(72,829)
Balance, end of year	1,352,510	1,174,553
INVESTMENT IN TANGIBLE CAPITAL ASSETS		
Balance, beginning of year	16,483,457	17,646,497
Acquisition of tangible capital assets	103,774	-
Amortization	(1,041,938)	(1,163,040)
Balance, end of year	15,545,293	16,483,457



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

21. Accumulated Surplus/ Deficit (Continued)

Details of Surplus and Reserves

For the year ended July 1 through June 30,	2015 \$	2014 \$
DECENTRALIZED SURPLUS		
Balance, beginning of year	370,945	298,116
Transfer (to) from Operating Fund	(128,497)	72,829
Balance, end of year	242,448	370,945
CAPITAL FUND RESERVE		
Balance, beginning of year	904,165	904,165
Balance, end of year	904,165	904,165
PLAYGROUND/RECREATIONAL EQUIPMENT FUND RESERVE		
Balance, beginning of year	-	(10,060)
Transfer (to) from schools	-	10,060
Balance, end of year	-	-

22. Capital Advances

The Authority does not have any Capital Advances.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

23. GNWT Assets Provided at no cost

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

	Cost	Accumulated Amortization	2015 Net Book Value	2014 Net Book Value
	\$	\$	\$	\$
Ecole Sir John Franklin	25,965,232	22,664,462	3,300,770	5,186,925
Ecole Sir John Franklin portable classrooms	419,724	285,977	133,747	144,237
N.J. Macpherson	1,413,831	273,698	1,140,133	1,175,486
	27,798,787	23,224,137	4,574,650	6,506,648
Deferred capital contributions				
Ecole Sir John Franklin	(1,442,500)	(1,211,098)	(231,402)	(363,631)
	26,356,287	22,013,039	4,343,248	6,143,017

Rent expense of \$1,799,769 (2014 - \$1,799,769) was offset by a grant in-kind.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

24. Contractual Obligations (Commitments)

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

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

The Authority has a collective bargaining agreement with the NWT Teachers Association for teachers, specialists and education assistance which expires August 31, 2016.

The Authority has a collective bargaining agreement with the United Steelworkers for support staff which expires on June 30, 2016.

The Authority has a Xerox equipment lease with annual payments of \$40,946.09 plus maintenance expiring in September 24, 2016. The Authority also leases from Lenovo computers with annual lease payments of \$64,232.01 expires December 2018.

	Expires in Fiscal Year	2016 \$	2017- 2019 \$	Total \$
Commitments:				
Commercial and Residential Leases	2017	37,800	37,800	75,600
Equipment Leases	2019	116,135	135,430	251,565
Operational Leases (Bussing)	2018	350,000	700,000	1,050,000
Total		503,935	873,230	1,377,165

25. Contingencies

The Authority does not have contingencies.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

26. Related Parties

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

	2015 \$Net	2014 \$Net
Accounts Payable:		
Dettah District Education Authority	1,000	1,859
Aurora College	-	1,000
Accounts Receivable:		
South Slave DEC	15,271	-
Yellowknives Dene First Nation (Kalemi Dene School)	807,002	286,305
Dettah District Education Authority	396,182	167,577
Commission Scolaire Francophone Territoires Du Nord Quest	14,895	14,380
Department of Education, Culture and Employment	92,326	161,405
Department of Health and Social Services	8,741	2,494

27. Budget Data

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

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

The budget figures presented are those approved by the Trustees of the Authority on June 10, 2014 and have not been audited.

28. Economic Dependence

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



June 30, 2015

29. Financial Instruments

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

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

a) Credit risk

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

b) Interest rate risk

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



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

29. Financial Instruments (Continued)

c) Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet all cash outflow obligations as they come due. The Authority mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise. Some of the Authority's financial assets and most of the financial liabilities at March 31, 2015 mature within the next six months. Total financial assets \$7,784,011 (2014 - \$9,008,991) of which \$4,145,862 (2014 - \$2,929,498) are not expected to mature within one year. Total financial liabilities are \$5,410,116 (2014 - \$5,293,561). The authority has disclosed future financial liabilities and commitments in Note 13.

30. Expenditures By Object

	2015 Budget \$	2015 Actual \$	2014 Actual \$
Amortization	-	1,041,943	1,163,041
Compensation	26,046,973	25,894,553	25,913,905
Other	5,280,591	3,766,173	5,659,276
	31,327,564	30,702,669	32,736,222

31. Subsequent Events

There were no material subsequent events that have taken place between June 30, 2015 and the date the audit report was signed.

32. Comparative Figures

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



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

33. ECE Other Contributions

	2015	2014
	\$	\$
Student Success Initiatives	123,000	123,000
TLC Vote 4	60,000	-
Self Regulation Project	20,000	-
Resource Travel and PD	13,750	-
Environmental Remediation	-	52,393
	216,750	175,393

34. GNWT Other Contributions

	2015	2014
	\$	\$
Government of the Northwest Territories:		
Department of Human Resources	46,875	-
Department of Municipal and Community Affairs	-	8,000
	46,875	8,000



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

35. Payroll Liabilities

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

	2015 \$	2014 \$
NWTTA Payable at end of July	1,535,964	1,509,910
NWTTA Payable at end of August	1,543,461	1,515,539
	3,079,425	3,025,449

36. Statement of Remeasurement Gains and Losses

The Authority does not have remeasurement gains or losses.

37. Other Revenue

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

	2015 \$	2014 \$
Pancake Donation	-	427
Superintendent Services	133,593	65,729
Range Lake North preschool	113,483	235,011
Mildred Hall preschool	78,368	84,371
J.H.Sissons preschool	188,223	272,888
Other funding and donations	51,202	59,132
	564,869	717,558



June 30, 2015

38. Liability for Contaminated Sites

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

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

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

The Authority has identified possible environmental liabilities at William MacDonald School and Range Lake North School that have underground fuel tanks. The Authority will undertake an environmental assessment to determine if an environmental liability exists during the 2015/2016 school year.

39. Correction of accounting error

The consolidated statement of operations of the Authority has been restated to include the in-kind grant received from the Government of the Northwest Territories. During the 2014 fiscal year, ECE allowed the Authority to use schools owned by the GNWT for no consideration. The effect of the change is to increase grant in-kind and increase rent expense. There is no net impact to the consolidated statement of operations as a result of this restatement

Consolidated Statement of Operations for the year ended June 30, 2014:

	Previously Reported	As Restated	Change
	\$	\$	\$
Increase grand in-kind	-	1,799,769	1,799,769
Increase rent expense	-	1,799,769	1,799,769
Increase in operating deficit	-	-	-