



Commission scolaire francophone Territoires du Nord-Ouest

Le 28 octobre 2011

Honorable Jackson Lafferty
Ministre de l'Éducation, de la culture et de la formation
Gouvernement des Territoires du Nord-Ouest
CP 1320
Yellowknife, NT X1A 2L9

Objet : Transmission états financiers 2010-2011 vérifiés

Monsieur le Ministre Lafferty,

Nous avons le plaisir de vous transmettre ci-joint, les états financiers vérifiés de la Commission scolaire francophone Territoires du Nord-Ouest pour l'année fiscale 2010-2011 et nous vous en souhaitons une bonne réception.

Les états financiers vérifiés et le rapport des vérificateurs ont été adoptés par résolution **R2011/10/17-03** lors de la réunion publique du bureau de direction de la Commission scolaire le 17 octobre 2011.

La Commission scolaire a clôturé l'année fiscale 2010-2011 avec un déficit de 362 139\$ sur les opérations courantes. Ceci porte le surplus opérationnel accumulé à 33 351\$.

Nous avons beaucoup apprécié la bonne collaboration du personnel du Ministère tout au long de l'année fiscale 2010-2011.

Nous demeurons disponibles pour toute demande d'information supplémentaire que votre Ministère aimerait obtenir.

Veuillez agréer, Monsieur le Ministre, l'expression de notre haute considération.

La Présidente de la Commission scolaire,


Suzette Montreuil



**Commission scolaire francophone
Territoires du Nord-Ouest**

October 28, 2011

Honourable Jackson Lafferty
Minister of Education, Culture and Employment
Government of the Northwest Territories
PO Box 1320
Yellowknife NT X1A 2L9

RE: Audited Financial Statements 2010-2011

We are pleased to present to you the audited financial statements for the fiscal year 2010-2011.

The audited financial statements for 2010-2011 were adopted by resolution **R2011/10/17-03** at the public board meeting on October 17, 2011.

As of June 30 2011, the Commission scolaire financial statements show an operating deficit of \$362 139. The accumulated operating surplus is \$33 351.

We appreciated the support of your department staff throughout the ended fiscal year.

Should your Department have any question or require further information, we will be happy to provide answers.

Sincerely,

Suzette Montreuil

Chairperson

Commission scolaire francophone Territoires du Nord-Ouest

Financial Statements

June 30, 2011

Commission scolaire francophone Territoires du Nord-Ouest

Financial Statements

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Independent Auditors' Report

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

We have audited the accompanying financial statements of the Commission scolaire francophone Territoires du Nord-Ouest ("the Commission Scolaire"), which comprises the statement of financial position as at June 30, 2011 and the statement of accumulated surplus (deficit), the statement of operations and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management of the Commission Scolaire in accordance with the policies and standards prescribed for education authorities by the Government of the Northwest Territories, Department of Education, Culture and Employment.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the policies and standards prescribed for education authorities by the Government of the Northwest Territories, Department of Education, Culture and Employment, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, 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 financial statements are free material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the 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 controls relevant to the entity's preparation and fair presentation of the non-consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal controls. An audit also included 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 financial statements.

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

Basis for Qualified Opinion

Salaries and benefits paid to employees of the Commission are administered by the Government of the Northwest Territories. Our audit scope was limited as we did not audit the components of salaries and benefits expenditures. Accordingly, we were not able to determine whether any adjustments might be necessary to salaries and employee benefits, employee leave and termination benefits, employee deductions payable or vacation payable.

**CHARTERED
ACCOUNTANTS**

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Independent Auditors' Report (continued)

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Commission Scolaire as at June 30, 2011 and the results of its operations for the year then ended in accordance with the policies and standards prescribed for education authorities by the Government of the Northwest Territories, Department of Education, Culture and Employment.

Further, in our opinion, Schedule 1, when considered in relation to the aforementioned financial statements, presents fairly the additional information shown therein.

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 Commission Scolaire, 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 Commission Scolaire.

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to report the activities of the Commission Scolaire, and will be consolidated into the financial statements of the Government of the Northwest Territories. As a result, the financial statements may not be suitable for any other purpose. Our report is intended solely for the Commission Scolaire and the Government of the Northwest Territories - Department of Education, Culture and Employment.

Yellowknife, Northwest Territories
October 12, 2011



Chartered Accountants

Commission scolaire francophone Territoires du Nord-Ouest

Statement of Financial Position

As at June 30, **2011** **2010**

Assets

Current

Cash	\$ 80,535	\$ 715,467
Restricted cash (Note 2)	6,250	60,671
Temporary investment (Note 3)	11,473	11,452
Due from the Government of the Northwest Territories	562,687	48,342
Other accounts receivable	49,841	46,747
Prepaid expenses and deposits	26,752	32,622
	\$ 737,538	\$ 915,301

Liabilities

Current

Accounts payable and accrued liabilities	\$ 491,135	\$ 202,757
Employee deductions payable	2,454	2,731
Vacation payable	185,748	203,775
Current portion of employee leave and termination benefits (Note 4)	-	3,242
Contributions repayable	19,468	-
Deferred revenue (Note 5)	5,382	60,671
	704,187	473,176
Employee leave and termination benefits (Note 4)	81,349	46,635
	785,536	519,811

Net Assets

Accumulated surplus (deficit) (Note 6)	(47,998)	395,490
	\$ 737,538	\$ 915,301

Commitments (Note 7)

Contingencies (Note 8)

Approved on behalf of the Board

Trustee

Trustee

Commission scolaire francophone Territoires du Nord-Ouest

Statement of Operations

For the year ended June 30	2011 Budget	2011 Actual	2010 Actual
Revenue			
Government of the Northwest Territories			
Regular contributions	\$ 3,519,393	\$ 3,598,975	\$ 3,802,197
French minority language	1,152,850	1,152,850	1,152,850
Other contributions	-	6,522	109,342
Infrastructure adjustment	-	6,544	9,520
	4,672,243	4,764,891	5,073,909
Government of Canada			
Other contributions	44,400	37,795	44,543
Board Generated Funds			
Other contributions	20,000	160,534	60,223
Interest	-	21	-
School fees	7,500	10,539	17,285
	27,500	171,094	77,508
	4,744,143	4,973,780	5,195,960
Expenditures (Schedule 1)			
School programs	3,197,303	3,441,235	3,321,108
Inclusive schooling	745,869	729,615	731,482
Operations and maintenance	114,000	75,635	260,451
Administration	783,801	1,035,983	829,170
Aboriginal languages	87,000	134,800	83,406
	4,927,973	5,417,268	5,225,617
Surplus (deficit)	\$ (183,830)	\$ (443,488)	\$ (29,657)

Commission scolaire francophone Territoires du Nord-Ouest

Statement of Accumulated Surplus (Deficit)

For the year ended June 30	2011	2010
Accumulated surplus, beginning of year	\$ 395,490	\$ 425,147
Deficit	(443,488)	(29,657)
Accumulated surplus (deficit), end of year	\$ (47,998)	\$ 395,490

Commission scolaire francophone Territoires du Nord-Ouest**Statement of Cash Flows**

For the year ended June 30**2011****2010**

Operating transactions**Cash received from:**

Government of Canada	\$ 21,500	\$ 67,593
Government of the Northwest Territories	4,182,752	4,887,453
Recoveries and general revenue	216,269	146,833

4,420,521 **5,101,879**

Cash paid for:

Compensation and benefits	(4,151,136)	(3,889,994)
Operations and maintenance	(958,717)	(1,480,149)

(5,109,853) **(5,370,143)**

Cash provided by operating transactions**(689,332)** **(268,264)**

Investing transaction

Restricted cash	54,421	(60,671)
Temporary investments	(21)	-

Cash used for investing transactions**54,400** **(60,671)****Change in cash position****(634,932)** **(328,935)****Cash, beginning of year****715,467** **1,044,402**

Cash, end of year**\$ 80,535** **\$ 715,467**

Notes to Financial Statements

June 30, 2011

1. Accounting Policies

The financial statements of the Commission scolaire francophone Territoires du Nord-Ouest ("the Commission") have been prepared in accordance with accounting principles that are considered appropriate for organizations of this type and in accordance with the legislative directives and requirements of the Government of the Northwest Territories - Department of Education, Culture and Employment, ("the Department"). The financial statements have, in the administration's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

(a) Reporting entity and services offered

The 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.

(b) Temporary investments

Temporary investments are recorded at the lower of cost or net realizable value.

(c) Financial instruments

All significant financial assets, financial liabilities and equity instruments of the Commission 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.

(d) Employee leave 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 Commission and other criteria as outlined in the negotiated collective agreements and management handbook guidelines of the GNWT.

Notes to Financial Statements

June 30, 2011

1. Accounting Policies (continued)

(e) Revenue recognition

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 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 recognize when received or receivable.

The Commission is economically dependent on the GNWT to provide funding for continued operations.

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 reasonably 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 either deferred revenue or contributions repayable depending upon the terms of the contribution agreement.

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 Commission as they do not constitute any part of the approved budget and are available for use at the discretion of each individual school.

Interest

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

(f) Inventory

Inventories of books, supplies and other expendables purchased by the Commission are treated as expenditures during the year of acquisition and are not recorded on the balance sheet.

(g) Capital assets

The Commission does not carry any tangible capital assets. All tangible capital assets used by the Commission are purchased by and remain the property of the GNWT.

(h) Donated goods and services

The school buildings occupied by the Commission are the property of the GNWT. The fair value of the use of the building can not be readily determined and, accordingly, has not been reported in the financial statements.

Notes to Financial Statements

June 30, 2011

1. Accounting Policies (continued)

(i) Budget data

Section 117 of the *Education Act* of the Northwest Territories requires that Boards of Education prepare an annual budget.

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

This annual budget includes estimates of revenue and expenditures for operations. 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 Commission policy, regulations and approved budget procedures. The budget data presented in the financial statements reflect the amended budget for the fiscal year, and therefore, include any amendments that may have been made during the year. The budget has not been audited.

(j) Use of estimates

The preparation of these financial statements in conformity with the directives of the Department 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.

2. Restricted Cash

Restricted cash represents funds held in trust for the purpose of covering legal costs related to legal action against the GNWT for the provision of additional classroom space in Hay River (Note 8).

3. Temporary Investment

The temporary investment is a prime linked GIC with the Royal Bank of Canada which accrues interest at 0.001%. The investment matures on June 2012.

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Financial Statements

June 30, 2011

4. Employee Leave and Termination Benefits

	2011	2010
Leave and termination benefits	\$ 81,349	\$ 49,877
Less: current portion of employee leave and termination benefits	-	3,242
	<u>\$ 81,349</u>	<u>\$ 46,635</u>

5. Deferred Revenue

Deferred revenue consists of funding received from the Programme d'appui aux droits linguistiques / Language Rights Support Program of Canada for expenditures not yet incurred.

6. Operating Surplus

Under block funding agreements the Commission does not receive funding for the leave and termination liability and is excluded from any funding advances to the Commission. For management purposes, the Department recalculates the surplus as shown below.

	2011	2010
Accumulated surplus (deficit) per balance sheet	\$ (47,998)	\$ 395,490
Accrual for leave and termination benefits	81,349	49,877
	<u>\$ 33,351</u>	<u>\$ 445,367</u>

Notes to Financial Statements

June 30, 2011

7. Commitments

The Commission is committed to a photocopier lease agreement. The lease agreement is with IOS Financial Services and expires in 2014.

The Commission is committed to a rental agreement with Dundee Canada West (GP) Inc. for the Commission's head office. The agreement expires in 2012.

The Commission is committed to a rental agreement for living space for the French Monitors in Hay River. The agreement expires in 2011.

The Commission is committed to a busing services agreement with Cardinal Coach Lines Ltd. The agreement expires in 2012.

The leases are payable in varying monthly installments. The future minimum payments are as follows:

2012	\$	61,425
2013		13,425
2014		13,425
2015		3,285
2016		4,928
		<hr/>
		\$ 96,488

8. Contingencies

The Commission brought legal action against the GNWT to provide additional classroom space in Hay River. The case has been heard by the court but a judgment has not been decreed.

The L'Association des Parents Ayants Droit has brought legal action against the GNWT to provide additional classroom space in Yellowknife. The case has been heard by the court but a judgment has not been decreed. The Commission is providing support in this action.

The Commission does not expect any loss or gain from these legal actions against the GNWT.

9. Comparative Figures

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

Notes to Financial Statements

June 30, 2011

10. Financial Instruments

Financial instruments consist of recorded amounts of temporary investments, amounts due from the Government of the Northwest Territories and other accounts receivable which will result in future cash receipts, as well as accounts payable and accrued liabilities, employee deductions payable, vacation payable, employee leave and termination benefits and contributions repayable which will result in future cash outlays.

The Commission 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 Commission is exposed to credit risk from government funding departments and agencies. This risk is minimized due to the credit worthiness of the territorial and federal government.

b) Fair value

The Commission's carrying value of cash, temporary investments, due from the GNWT, other accounts receivable, accounts payable and accrued liabilities, employee deductions payable, vacations payable, employee leave and termination benefits and contribution repayable approximates its fair value due to the immediate or short-term maturity of these instruments.

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 1 - Details of Expenditures

For the year ended June 30 2011

Salaries	School Programs	Inclusive Schooling	Operation & Maintenance	Administration	Aboriginal Languages	Total
Teachers salaries	\$ 2,435,705	\$ 290,673	\$ -	\$ -	\$ 28,407	\$ 2,754,785
Instruction assistants	154,919	254,900	-	-	-	409,819
Non-instructional staff	354,572	84,246	-	484,307	-	923,125
Board/trustee honorarium	-	-	-	26,500	51,355	77,855
	2,945,196	629,819	-	510,807	79,762	4,165,584
Employee benefits						
Employee benefits	-	-	8,416	-	-	8,416
Leave and termination benefits	-	-	31,382	-	-	31,382
	-	-	39,798	-	-	39,798
Services purchased						
Advertising/printing	-	-	18,471	11,550	-	30,021
Communications	12,420	658	-	10,964	-	24,042
Contracted services	32,492	8,220	-	375,003	-	415,715
Maintenance/repair	5,910	1,254	-	41	-	7,205
Other	52,109	31,603	-	25,986	-	109,698
Rental/leases	84,151	-	-	66,252	-	150,403
Student travel	56,637	-	-	-	-	56,637
Travel	23,645	22,321	-	20,798	24,142	90,906
Utilities	-	-	17,366	-	-	17,366
	267,364	64,056	35,837	510,594	24,142	901,993
Supplies and materials						
Freight	783	-	-	3,402	-	4,185
Materials	227,892	35,740	-	11,180	30,896	305,708
	228,675	35,740	-	14,582	30,896	309,893
	\$ 3,441,235	\$ 729,615	\$ 75,635	\$ 1,035,983	\$ 134,800	\$ 5,417,268

Commission scolaire francophone Territoires du Nord-Ouest**Schedule 2 - Details of Inclusive Schooling Expenditures**

For the year ended June 30 2011

	Staff Development	Student Resources	General Inclusive Schooling	Total
Function Salaries				
Consultants	\$ -	\$ -	\$ 84,246	\$ 84,246
Program support teachers	31,603	-	290,673	322,276
Supportive assistants	-	-	254,900	254,900
	31,603	-	629,819	661,422
Services Purchased/Contracted				
Other contracted	-	-	8,879	8,879
Travel	-	-	22,321	22,321
	-	-	31,200	31,200
Materials/Supplies/Freight				
Freight	-	-	1,254	1,254
Materials	-	35,740	-	35,740
	-	35,740	1,254	36,994
	\$ 31,603	\$ 35,740	\$ 662,273	\$ 729,616

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 3 - Details of Aboriginal Language and Culture Expenditures

For the year ended June 30 2011

	Student Instructions	School Activities & Integrated Community Programs	Total
Function Salaries			
ALCBE teachers	\$ 28,407	\$ -	\$ 28,407
Honoraria	51,355	-	51,355
	79,762	-	79,762
Services Purchased/Contracted			
Travel	-	24,142	24,142
Materials/Supplies/Freight			
Materials	-	30,896	30,896
	\$ 79,762	\$ 55,038	\$ 134,800

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 4 - French Language Funding

For the year ended June 30 2011

	Contributions from GNWT	Commitments from Commission	Expenditures	(Under) Over Funding
2 grade level per class (salary)	\$ 250,350	\$ 1,537,859	\$ 2,320,994	\$ (532,785)
2 secretaries / librarian (salary)	117,500	39,155	157,103	(448)
Assistant-superintendent pedagogy (O&M)	40,000	-	14,550	25,450
Assistant-superintendent pedagogy (salary)	115,000	15,000	169,196	(39,196)
Cultural activities	40,000	-	19,156	20,844
Cyber pedagogy (salary)	115,000	-	110,177	4,823
French resource purchase	10,000	25,000	46,471	(11,471)
Music projects (ÉASC)	30,000	-	31,824	(1,824)
Partnership early childhood	30,000	-	22,500	7,500
Professional development	10,000	48,000	80,143	(22,143)
Retention bursaries	10,000	-	3,500	6,500
School administration (salary)	225,000	-	298,809	(73,809)
Teacher assistants for francisation (salary)	120,000	187,878	170,859	137,019
Technology resources	40,000	30,000	60,044	9,956
Total	\$ 1,152,850	\$ 1,882,892	\$ 3,505,326	\$ (469,584)

Regular GNWT Funding

Total \$ 3,598,975

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 5 - Student Success Initiative

For the year ended June 30 2011

	Total
Revenue	\$ 37,002
Expenditures	
Salaries/Wages	
Facilitator fees	15,278
Travel	
Facilitator travel	12,900
Staff travel	8,386
	21,286
Workshop expense	
Material	4,861
Total Expenditures	41,425
Surplus	\$ (4,423)

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 6 - Infrastructure Revenues and Expenditures

For the year ended June 30 2011

	Total
Personnel Infrastructure Contributions	\$ 83,779
Expenditures	
Dental premiums	10,274
Removal in/transfer	31,382
Staff advertising	18,471
WCB premiums	8,416
	68,543
Personnel infrastructure net	15,236
 Utilities & Leases Infrastructure Contributions	 63,101
Expenditures	
Electricity	-
Fuel	-
Leases	50,694
Other	12,452
Water/sewer	-
Maintenance	5,748
	68,894
Utilities & leases infrastructure net	(5,793)
Surplus	\$ 9,443
