

Dettah District Education Authority

Financial Statements

June 30, 2014

Dettah District Education Authority

Financial Statements

June 30, 2014

Page

Management Responsibility for Financial Reporting	3
Independent Auditors' Report	4 - 5
Statement of Financial Position	6
Statement of Operations	7
Statement of Changes in Net Financial Resources	8
Statement of Cash Flows	9
Notes to Financial Statements	10 - 15
Schedule 1 - Revenues	16
Schedule 2 - Details of Expenditures	17
Schedule 3 - Aboriginal Language and Culture Program Expenditures	18
Schedule 4 - Details of Inclusive Schooling Expenses	19

Management Responsibility for Financial Reporting

To the Minister of Education, Culture and Employment

Government of Northwest Territories

and

To the Members of Dettah District Education Authority

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity, and objectivity of the information provided. The financial statements have been prepared in accordance with Canadian public sector accounting standards. 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 manual, and accountability for performance within appropriate and well-defined areas of responsibility. The Authority's 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 a District Education Authority.

The independent 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 the audit are, in all significant aspects, in accordance with specified legislation and directives from the Department of Education, Culture, and Employment of the Government of the Northwest Territories.

Lea Lamay
Chairperson
Dettah District Education Authority

for the DDEA Chair
- Charlene Sandberg

Independent Auditors' Report

**To the Minister of Education, Culture and Employment
Government of Northwest Territories
and
To the Members of Dettah District Education Authority**

We have audited the accompanying financial statements of the Dettah District Education Authority (the Authority), which comprise of the statement of financial position as at June 30, 2014, statement of changes in net financial resources, statement of operations, and statement of 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 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.

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 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 financial statements.

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

Basis for Qualified Opinion

The Yellowknife Education District #1 is responsible for the calculation and distribution of the salaries and wages to indeterminate and term employees. Our audit scope was limited, as we did not audit the components of wages and salaries expenditures. Accordingly, we are not able to determine whether any adjustments might be necessary to wages and salaries expenditures, liabilities and net financial resources.



Independent Auditors' Report (continued)

Qualified Opinion

In our opinion, except for the effects of adjustments, if any, 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 Authority as at June 30, 2014, and the results of its operations, changes in net financial resources and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

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

Crowe MacKay LLP

Chartered Accountants

Yellowknife, Northwest Territories
September 24, 2014

Dettah District Education Authority

Statement of Financial Position

As at June 30,

2014

2013

Financial Assets

Cash	\$ 837,357	\$ 722,837
Short-term investment (note 3)	28,466	28,395
Accounts receivable (note 4)	26,195	-
	892,018	751,232

Liabilities

Accounts payable and accrued liabilities (note 5)	44,350	64,755
Accounts payable - Yellowknife Education District #1	165,077	74,986
Deferred revenue (note 6)	50,000	-
	259,427	139,741

Net Financial Resources and Accumulated Surplus

\$ 632,591 \$ 611,492

Commitments (note 7)

Approved on behalf of the Authority

Léa Lamoureux ^{for} (Léa Lamoureux) ^{Principal}
Chairperson for Chair of the DEA
Secretary/Treasurer
Charlene Sundberg

Dettah District Education Authority

Statement of Operations

For the year ended June 30,	2014	2014	2013
	Budget (unaudited)	Actual	Actual
Revenues - Schedule 1			
Government of the Northwest Territories - Department of Education, Culture and Employment	\$ 1,338,615	\$ 1,419,004	\$ 1,632,514
Government of the Northwest Territories - Department of Municipal and Community Affairs	-	12,000	-
Other revenue	3,000	56,647	11,172
	1,341,615	\$1,487,651	\$ 1,643,686
Expenditures - Schedule 2			
Administration	294,220	355,402	122,541
Inclusive schooling	136,203	201,998	197,361
School programs	753,667	766,557	640,366
Operations and maintenance	60,583	50,845	54,423
Aboriginal languages	79,832	91,750	88,435
Other	-	-	397,618
	\$1,324,505	\$1,466,552	\$ 1,500,744
Surplus	17,110	21,099	142,942
Accumulated surplus, beginning of year	611,492	611,492	468,550
Accumulated surplus, end of year	\$628,602	\$ 632,591	\$ 611,492

Dettah District Education Authority**Statement of Changes in Net Financial Resources**

<u>For the year ended June 30,</u>	<u>2014</u>	<u>2013</u>
Surplus	\$ 21,099	\$ 142,942
Net financial resources, beginning of year	611,492	468,550
Net financial resources, end of year	\$ 632,591	\$ 611,492

Dettah District Education Authority

Statement of Cash Flows

For the year ended June 30,

2014

2013

Operating Activities

Cash received from:

Government of the Northwest Territories - Department of Education, Culture and Employment	\$ 1,442,809	\$ 1,636,514
Government of the Northwest Territories - Department of Municipal and Community Affairs	12,000	-
Other revenue	56,647	11,172

1,511,456 1,647,686

Cash paid for:

Compensation and benefits	(723,028)	(759,454)
Operations and maintenance	(673,837)	(780,784)

(1,396,865) (1,540,238)

Change in cash position

114,591 107,448

Cash position, beginning of year

751,232 643,784

Cash, position, end of year

\$ 865,823 \$ 751,232

Represented by

Cash	\$ 837,357	\$ 722,837
Short-term investment	28,466	28,395

\$ 865,823 \$ 751,232

Dettah District Education Authority

Notes to Financial Statements

June 30, 2014

1. Nature of Operations

The Dettah District Education Authority ("the Authority") was established on February 12, 2004 under the *Education Act* of the Northwest Territories by order of the Minister. Its purpose is to administer and maintain the standards of educational programs in Dettah as defined under the Act. A full range of instructional programs ranging from kindergarten through grade 12 is offered by the Authority.

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.

2. Significant Accounting Policies

The financial statements of the Authority have been prepared in accordance with Canadian public sector accounting standards. These financial statements have, in administration's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

(a) Tangible capital assets

The Authority operates using tangible capital assets owned by the GNWT. Although the Minister grants to the Authority full occupancy and use of such facilities and equipment required for the administration and delivery of the education programs within the community, they are not shown on the balance sheet. Other capital assets such as equipment, tools, and office equipment purchased by the Authority are treated as expenditures during the accounting period of acquisition and accordingly do not appear on the balance sheet.

(b) Revenue recognition

GNWT - Regular Contributions

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

Dettah District Education Authority

Notes to Financial Statements

June 30, 2014

2. Significant Accounting Policies (continued)

(b) Revenue recognition (continued)

Government transfers

Revenues are recognized in the period 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 authorised 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.

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 is recognized as acquired or built.

GNWT - Other Contributions

Revenue received and not spent is deferred where contribution agreements provide for funding to be carried over to subsequent years.

Other revenue

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.

(c) Budget data

The *Education Act* of the Northwest Territories requires that Education Authorities 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 Authority which also establishes 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 Authority. 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 Authority and have not been audited.

Detta District Education Authority

Notes to Financial Statements

June 30, 2014

2. Significant Accounting Policies (continued)

(d) 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 expensed.

Financial assets subsequently measured at amortized cost include cash, short term investments and accounts receivable.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, and accounts payable - Yellowknife Education District #1.

The Authority has not measured any financial assets 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.

(e) 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 updated amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Dettah District Education Authority

Notes to Financial Statements

June 30, 2014

3. Short-term Investment

The Authority's guaranteed investment certificate (GIC) is regarded as a short-term investment to obtain a return on a temporary basis. It is a prime-linked cashable GIC with maturity at November 6, 2014.

4. Accounts receivable

	2014	2013
Government of the Northwest Territories - Department of Education, Culture and Employment	\$ 26,195	\$ -

5. Accounts payable and accrued liabilities

	2014	2013
Accounts payable and accrued liabilities	\$ 38,365	\$ 55,835
Government remittances payable	5,985	8,920
	<hr/> \$ 44,350	<hr/> \$ 64,755

6. Deferred Revenue

	2014	2013
Dominion Diamond Ekati Corporation	\$ 50,000	\$ -

7. Commitments

The Authority has entered into a commitment with Clark Builders for the installation and supply of cabinetry in the amount of \$94,195 plus GST.

Dettah District Education Authority

Notes to Financial Statements

June 30, 2014

8. Economic Dependence

The Authority receives a substantial portion of its revenue from the GNWT. Administration is of the opinion that the operations would be significantly affected if the funding changed.

9. Related Party Transactions

Entity	Relationship	Type of transaction	2014	2013
Yellowknife Education District #1	Associated School Board	Accounts payable - payroll	\$ 165,077	\$ 74,986

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.

10. Pensions

Defined Contribution Plan

The Authority's indeterminate staff have the option to participate in a voluntary defined contribution pension plan ("the Plan").

The Authority makes contributions to the Plan in an amount equal to the employees contributions. Employees contributions are calculated at a rate of 4.8% for the amount up to the yearly maximum pensionable earnings and at a rate of 6.5% for the amount above the yearly maximum pensionable earnings. On January 1, 2014, the yearly maximum pension earnings increased to \$52,500 from \$51,100 in 2013.

During fiscal year ended June 30, 2014 the Authority contributed \$25,335.84 (2013 - \$23,985) to the Plan. This contribution was treated as an expense during the year.

All of the Plan's assets are held by a Trustee in favour of individual employees. The only obligation to the Authority is to match employee contributions. The Authority fully funds its obligation under the Plan each month. The Authority did not have any liability under the provision of the Plan as of June 30, 2014.

No assets or liabilities related to the Plan are recorded in the financial statements of the Authority.

11. Line of Credit

A line of credit has been authorized by the bank to a maximum of \$200,000 and bears interest at 3.55%. At June 30, 2014, the line of credit had not been used by the Authority.

Dettah District Education Authority

Notes to Financial Statements

June 30, 2014

12. Comparative Figures

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

13. Financial Instruments

Financial instruments consist of recorded amounts of cash, short term investments and accounts receivable which will result in future cash receipts, as well as accounts payable and accrued liabilities and accounts payable - Yellowknife Education District #1 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. The Authority has a concentration of credit risk as it has funds due primarily from the GNWT - Department of Education, Culture and Employment. The Authority is also exposed to credit risk in cash and short term investments of \$865,823 (2013 - \$751,232) as a result of having funds with a chartered bank in excess of the insurable limit. Furthermore the full balance of cash is held at one financial institution.

Dettah District Education Authority

Schedule 1 - Revenues

For the year ended June 30,	2014	2013
Government of the Northwest Territories - Department of Education, Culture and Employment		
Child Day Care Services	\$ 2,246	\$ -
Core Funding	1,345,615	1,604,214
Healthy Children Initiative	53,863	-
Other	2,280	-
Screen Smart Initiative	-	13,300
Small Communities' Initiative	15,000	15,000
	1,419,004	1,632,514
Government of the Northwest Territories - Department of Municipal and Community Affairs		
Active After School Program	12,000	-
Other Revenue		
Breakfast Clubs of Canada	2,400	2,400
Breakfast for learning	4,200	3,308
Donations - Dominion Diamond Ekati Corporation	35,000	-
Donations - NWT Recreation and Parks Association	6,000	-
Donations - Other	1,892	-
Drop the pop	2,250	1,838
Interest	3,754	3,626
Miscellaneous	1,151	-
	56,647	11,172
Total Revenues	\$1,487,651	\$1,643,686

Detah District Education Authority

Schedule 2 - Details of Expenditures

For the year ended June 30,

										2014	2013
	School Programs	Operations & Maintenance	Administration	Aboriginal Languages	Inclusive Schooling	Other	Total		Total		
Salaries											
Teachers	\$ 273,256	\$ -	\$ 42,504	\$ -	\$ 150,408	\$ -	\$ 466,168	\$ 439,751			
Instructional assistant	28,614	-	-	-	-	-	28,614	85,427			
YK1 Superintendent	-	-	22,500	-	-	-	22,500	27,500			
Non-instructional staff	-	35,303	11,931	79,864	2,352	-	129,450	76,252			
Board/Trustee honoraria	19,069	-	580	-	-	-	19,649	20,760			
School secretary	37,532	-	-	3,472	3,356	-	44,360	49,832			
Total Salaries	358,471	35,303	77,515	83,336	156,116	-	710,741	699,522			
Employee Benefits											
Employee benefits and allowances	49,638	-	16,755	7,522	28,462	-	102,377	15,539			
Services Purchased or Contracted											
Accounting and legal	1,856	-	37,225	-	-	-	39,081	24,929			
Art and physical education	-	-	16,365	-	-	-	16,365	16,282			
Contracted services	7,339	-	569	-	21	-	7,929	28,744			
Library and guided program	4,908	-	26,774	-	-	-	31,682	15,047			
Lunch / snack program	-	-	26,707	-	-	-	26,707	21,198			
Maintenance and repairs	-	9,616	-	-	-	-	9,616	8,683			
Office supplies and admin	20,413	-	10,448	-	125	-	30,986	29,341			
Postage and communications	-	-	-	-	-	-	-	1,848			
Renovation of computer lab	-	-	-	-	-	-	-	11,605			
Robotics and technology	-	-	28,810	-	-	-	28,810	9,620			
School fees	254,396	-	-	-	-	-	254,396	391,389			
School wide promotions	-	-	47,689	-	-	-	47,689	32,067			
Staff development	633	-	11,929	-	16,217	-	28,779	38,239			
Student travel and busing	59,371	-	-	-	-	-	59,371	64,643			
Total Services Purchased or Contracted	348,916	9,616	206,516	-	16,363	-	581,411	693,635			
Materials, Supplies and Freight											
Freight	-	-	348	-	-	-	348	1,367			
Furniture and equipment	-	-	4,722	-	-	-	4,722	3,763			
Materials	9,532	5,926	49,546	892	1,057	-	66,953	86,918			
Total Materials, Supplies, and Freight	9,532	5,926	54,616	892	1,057	-	72,023	92,048			
Total Expenditures	\$ 766,557	\$ 50,845	\$ 355,402	\$ 91,750	\$ 201,998	\$ -	\$ 1,466,552	\$ 1,500,744			

Dettah District Education Authority

Schedule 3 Aboriginal Language and Culture Program Expenditures

For the year ended June 30,

2014

Function	Student Instruction	Teaching/ Learning Resources	Professional Development	Integrated Community Programs	School Activities and	Total
Salaries						
Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Language consultants	-	-	-	-	-	-
Instruction assistants	-	-	-	-	-	-
Non-instructional staff	79,864	-	-	-	-	79,864
Honoraria	-	-	-	-	-	-
School secretary	3,472	-	-	-	-	-
	83,336	-	-	-	-	79,864
Employee Benefits						
Employee benefits/allowances	7,522	-	-	-	-	7,522
Services Purchased/Contracted						
Advertising/printing/publishing	-	-	-	-	-	-
Maintenance/repair	-	-	-	-	-	-
Other contracted services	-	-	-	-	-	-
Professional/technical services	-	-	-	-	-	-
Rentals/leases	-	-	-	-	-	-
Student transportation (bussing)	-	-	-	-	-	-
Travel	-	-	-	-	-	-
Materials/Supplies/Freight						
Freight	-	-	-	-	-	-
Materials	892	-	-	-	-	892
Total	\$ 91,750	\$ -	\$ -	\$ -	\$ -	\$ 88,278

Dettah District Education Authority

Schedule 4 Details of Inclusive Schooling Expenses

For the year ended June 30,

2014

Function	Staff Development	Intervention Strategies	Assistive Technology	Student Resources	Southern Placements	Magnet Facilities	General Inclusive Schooling	Total
Salaries								
Program support teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,408	\$ 150,408
Consultants	-	-	-	-	-	-	-	-
Support assistants	-	-	-	-	-	-	-	-
Non-instructional staff	-	-	-	-	-	-	2,352	2,352
School secretary	-	-	-	-	-	-	3,356	3,356
	-	-	-	-	-	-	156,116	156,116
Employee Benefits								
Employee benefits/allowances	-	-	-	-	-	-	28,462	28,462
Services Purchased/Contracted								
Professional/technical services	-	-	-	-	-	-	16,217	16,217
Travel	-	-	-	-	-	-	-	-
Student transportation (bussing)	-	-	-	-	-	-	-	-
Advertising/printing/publishing	-	-	-	-	-	-	-	-
Maintenance/repair	-	-	-	-	-	-	-	-
Rentals/leases	-	-	-	-	-	-	-	-
Other contracted services	-	-	-	-	-	-	146	146
Materials/Supplies/Freight								
Materials	-	-	-	-	-	-	1,057	1,057
Freight	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 201,998	\$ 201,998