



Public Accounts 2016-2017

Section IV

SUPPLEMENTARY FINANCIAL STATEMENTS – BOARDS



Government of
Northwest Territories

**PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF THE NORTHWEST TERRITORIES
FOR THE YEAR ENDED MARCH 31, 2017**

**SECTION IV
SUPPLEMENTARY FINANCIAL STATEMENTS
BOARDS**

**HONOURABLE ROBERT C. MCLEOD
Minister of Finance**

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

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**BEAUFORT-DELTA EDUCATION COUNCIL
INUVIK, NT**

**CONSOLIDATED ANNUAL FINANCIAL REPORT
June 30, 2016**

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BEAUFORT- DELTA EDUCATION COUNCIL

Aklavik, Fort. McPherson, Inuvik, Paulatuk, Sachs Harbour, Tsiigehtchic, Tuktoyaktuk,
Ulukhaktok

Management Discussion and Analysis

For the Year Ended June 30, 2016



BEAUFORT- DELTA EDUCATION COUNCIL

Aklavik, Fort. McPherson, Inuvik, Paulatuk, Sachs Harbour, Tsiigehtchic, Tuktoyaktuk,
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Message from Superintendent of Schools Denise McDonald

On behalf of the Beaufort Delta Education Council (BDEC), we are pleased to present the Annual Report for 2015 - 2016. The Management Discussion and Analysis (MD&A) is presented as a go-forward responsibility of the management and the Board Members to promote transparency and accountability.

This fiscal year marks the end of the first year of BDEC's 2014 – 2017 Strategic Plan. BDEC's Strategic Plan and Action Plan define our direction and determine our allocation of resources. BDEC's goals are clearly defined as:

- Student Success
- Small Community Schools
- Assessment Practices
- Early Childhood Development
- Professional Capacity
- Culture, Identity and Well-being
- System Accountability

This approach will enable BDEC to clearly state the progress that the organization has made and will highlight areas where improved is needed. Some of the key accomplishments in 2015 - 2016 include:

- Continued partnership with the Gwich'in Tribal Council (GTC) on development of a high school course to reflect the Gwich'in culture and history.
- Partnership with the Inuvialuit Regional Corporation (IRC). The IRC continues to contribute financially to BDEC's eLearning Program and supporting the Data Analyst position
- Expansion of the eLearning program to include 2 schools outside of our region. The schools added to the program were Fort Liard and Fort Resolution. The eLearning program provides high school students from small communities the opportunity to stay in their home community to complete high school. The program offers courses that are not available in the smaller communities; courses that require specialists that cannot be afforded. The program hosted out of East Three Secondary School provides 'face to face' live classes through videoconferencing to students from three NWT regions. The pilot program has already begun to show signs of an increase in the average success rate of students and this is a principal factor for continuing the program.
- BDEC has collaborated with IRC's initiative to hire candidates referred to as "Student and Family Support Workers" who are working in the communities of Inuvik, Aklavik, Tuktoyaktuk, Ulukhaktok, Paulatuk and Sachs Harbour. The Student and Family Support Workers will work with students (with parental approval) to improve student success by addressing attendance concerns and other matters.
- Common Math Assessments (CMAs) continue where each unit in math was assessed in grades 2-9. These assessments will help BDEC achieve greater consistency in mathematics assessment across the district. Student results are being collected with the long-term goal of identifying areas of strength and weakness which will assist in program planning and providing more targeted supports in math and numeracy.

- BDEC students in Grades 6 and 9 wrote the Alberta Achievement Test (AATs) in English language Arts, mathematics and French Language Arts. Alberta had planned to discontinue the Grade 6 and Grade 9 AATs in 2015 and 2016 respectively, this plan has been postponed. Students in grades 6 and 9 in the NWT will continue to write the AATs until further notice.
- Grade 12 students currently write the June sitting of the Alberta Diploma Examinations. Diploma Exams currently weighted at 50% of a student's final grade are being heavily debated in Alberta. In the 2015-2016 school year; the weight of the Diploma Exams was reduced to 30% in Alberta.
- Access to High School Education, formerly the 'Home Boarding Program' provides academic, behavioral and financial support for students who do not have access to high school courses in their communities. Students are from Sachs Harbour and Tsiigehtchic.

The world of education is changing globally, nationally and territorially. The Beaufort Delta Education Council (BDEC) recognizes the importance of embracing these changes to prepare northern students for participation in a 21st century economy. This environment of change has naturally lead BDEC staff to re-examine the conventional teaching and learning model as it pertains to the Aboriginal student. There is a significant achievement gap between Aboriginal students and non-Aboriginal students. BDEC is committed to addressing this achievement gap. Research indicates that culture-based educational strategies impact student outcomes. First, culture-based education (CBE) positively impacts student socio-emotional well-being. Second, enhanced socio-emotional well-being in turn affects math and reading test scores. Third, CBE is positively related to math and reading test scores for all students, and particularly for those with low socio-emotional development.

We acknowledge the work and thinking that has led us to this point in our region. BDEC has been shaped by the staffs and families who have contributed to our successes and upon whose work and input we continue to build.

Overview

The Beaufort Delta Education Council (BDEC) provides kindergarten to Grade 12 instruction for 1,350 students through 9 schools in the in 8 communities of Inuvik, Aklavik, Fort McPherson, Tsiigehtchic, Tukoyaktuk, Sachs Harbour, Ulukhaktok, and Paulatuk.

Fort McPherson, Sachs Harbour and Paulatuk offer education only to Grade 9 at which time the Access to Education program makes arrangements for the students to live in Inuvik for full time attendance of high school. The program encourages students to become role models for other students in their communities. The Access to Education program accomplishes this by ensuring that the students have regular visits with their families, regular trips home, and provides assistance for the family to attend the graduation of their children from the Inuvik High School.

BDEC is committed to delivery of culture-based education to the students and receives extensive support for various programs from the Gwich'in Tribal Council (GTC) and the Inuvialuit Regional Corporation (IRC). Both GTC and IRC are actively involved in helping to develop on the land programs, and additional support was received from ITI for the Take a Kid Hunting and Take a Kid Trapping programs. All of the schools provide Aboriginal Language and Culture programs which encourages students to succeed through a better understanding and awareness of their culture and language.

Vision

Empowered by culture-based education, students are inspired to succeed.

Mission Statement

Beaufort Delta Education Council will strengthen partnerships to build thriving school communities which embrace and deliver culture-based education by providing tools and resources for student success.

Strategic Plan

The fundamental purpose of the BDEC's Strategic Plan is to align our resources and actions with our Mission and Vision. BDEC is committed to providing what our communities are requesting: an education system that is purposeful and relevant to the lives and future goals of northern students. In addition to reaching consensus through consultation with community members, parents and school staff in partnership with the Gwich'in Tribal council and the Inuvialuit Regional Corporation, BDEC is committed to confronting our fiscal reality. With declining education dollars all school boards are faced with doing more with less funding.

BDEC's strategic plan consists of Three Pillars:

Pillar 1: Encourage every child to reach their full potential through inclusive and culture-based education.

Pillar 2: Strengthen and build community partnerships to foster strong relationships that inspire BDEC students as future northern leaders.

Pillar 3: Support and sustain BDEC schools by effectively and creatively managing our organizational, physical and financial resources.

BDEC Board of Directors

The BDEC Board of Directors are appointed by the DEA's from the local communities. Both Gwich'in Tribal Council and the Inuvialuit Regional Corporation have the authority to appoint one position each on the BDEC Board. DEA positions are elected in the local communities and serve for a three year term. The BDEC Board typically has one face to face meeting yearly, and two video conference meetings yearly.

Chairperson	Lesa Semmler
Vice-Chairperson	Tena Blake
Member-at-Large	Maureen Pokiak
Aklavik	Lorna Storr
Fort McPherson	Tena Blake
Inuvik	Janelle Wainman
Paulatuk	Gilbert Thrasher Sr
Sachs Harbour	Emma Nakimayak
Tsiigehtchic	Anna May MacLeod
Tuktoyaktuk	Maureen Pokiak
Ulukhaktok	Linda Kataoyak
Gwich'in Tribal Council	Robert Charlie
Inuvialuit Regional Corporation	Evelyn Storr

The Executive Committee consists of the Chairperson, the Vice-Chairperson, the Member-at-Large which are elected by the BDEC Board, and the two appointed positions from GTC and IRC. The Executive Committee meets monthly with the BDEC Board Office Staff.

BDEC Staff

Superintendent of Schools	Denise McDonald
Assistant Superintendent of Schools	Greta Sittichinli
Supervisor of Schools	Chris Gilmour
Comptroller	Gary McBride
Public Affairs Coordinator	Sheila Nasogaluak
LAN Manager	Michael Reardon
Technical Officer	Dylan Blais
Finance Officers	Ken Crocker
	Kurt Scheiwiller

Consultants

Literacy Coordinator k-12	Bernice Oden
Inclusive Schooling	Theresa Hartley
Math Science	Tara Gilmour/ Lisa Mackenzie
eLearning	Gene Jenks
PowerSchool	Lorna Jones-Martin

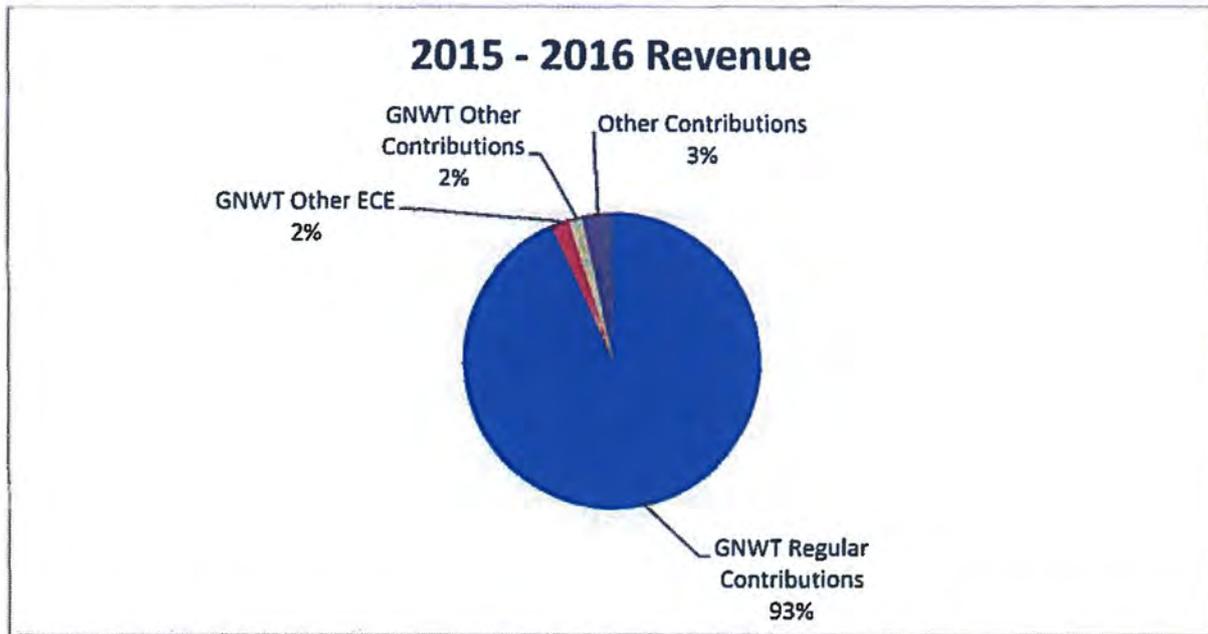
Principals

Angik – Paulatuk
Chief Julius – Fort McPherson
Chief Paul Nitidchie – Tsiighetchic
Helen Kalvak – Uluhaktok
Inualthuyak – Sachs Harbour
Mangilaluk – Tuktoyaktuk
Moose Ker School – Aklavik
East Three Elementary – Inuvik
East Three Secondary – Inuvik

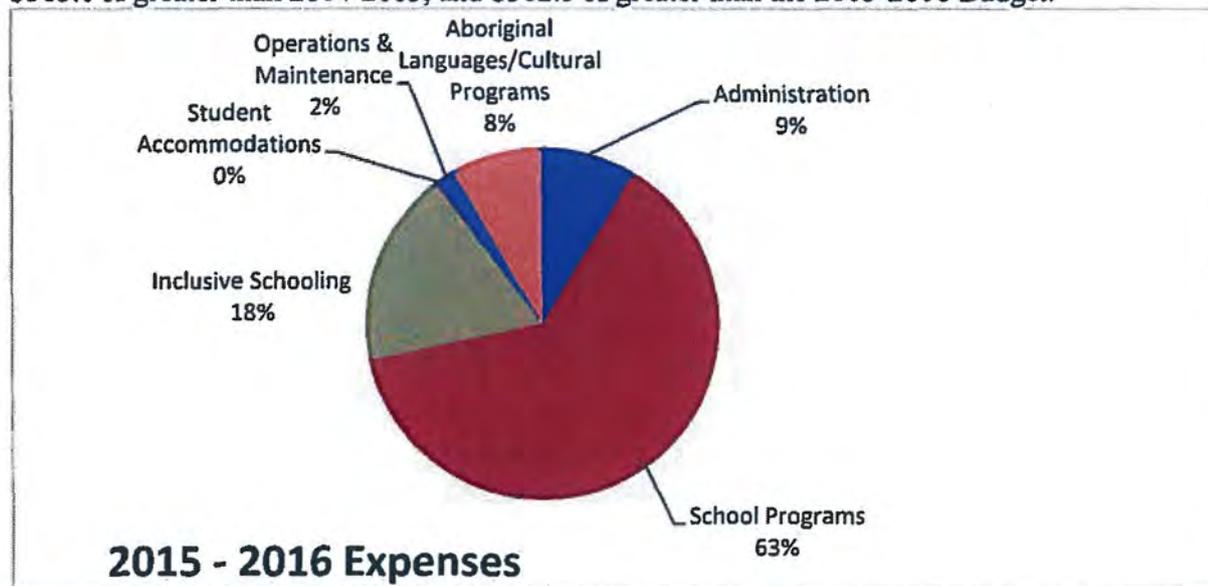
Debbie Redden-Cormier
Shirley Snowshoe
Sonia Gregory
Richard McKinnon
Lawrence Berger
Agnes Cudmore
Velma Illisiak
Deborah Reid
Deborah Reid

Financial Highlights

Revenues for 2015–2016 of \$30.2 million were \$1.65 million higher than budgeted. GNWT regular contributions accounted for a 93% of the revenue at \$28.2 million an increase of \$38.5K from 2014-2015 year. Other contribution agreements from the GNWT brought the total GNWT contributions to \$29.2 million which is a drop of \$303.8K from the 2014 – 2015 year. Total revenues of \$30.2 million were a decrease of \$475.4K from the 2014-2015 year.



Expenses are broken into program cost; school programs accounted for 63% of cost at \$18.4 million, Inclusive schooling for 18% of cost at \$5.3 million. Overall total expenses at \$29.1 million were \$363.1 K greater than 2014-2015, and \$562.5 K greater than the 2015-2016 Budget.

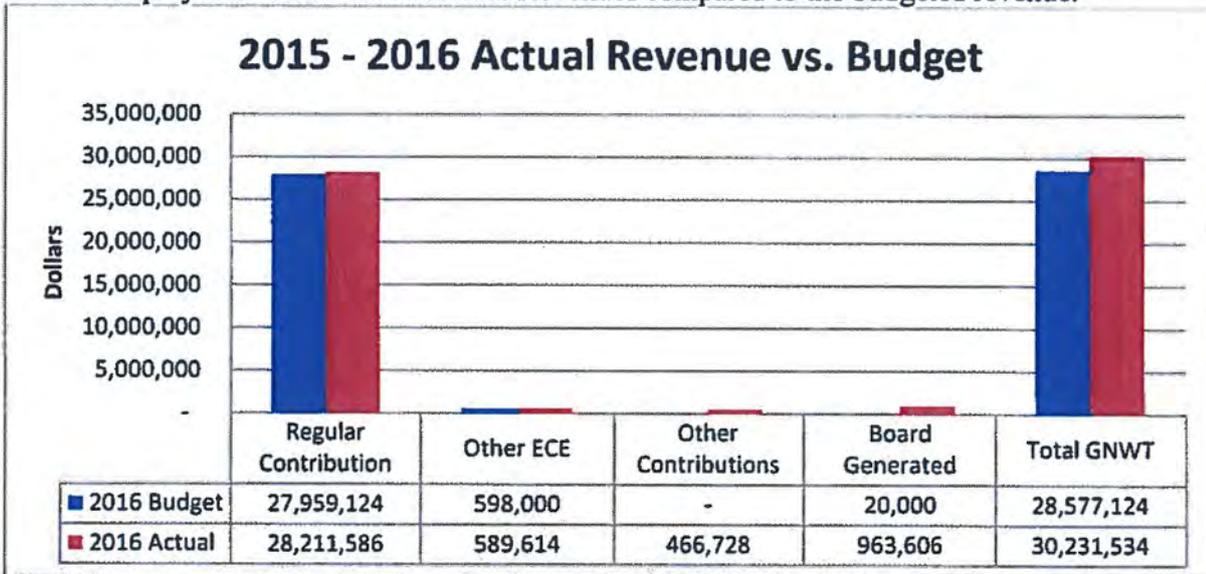


2015 – 2016 Revenues

For 2015 - 2016 BDEC Consolidated Statement of Operations had an Accumulated Surplus of \$1,101,515 compared to a budgeted surplus of \$9,613. This is attributed to additional contribution agreements from the Government of the NWT (\$689.8 above budget) and Revenue from Board Generated Funds (\$943.6K above budget).

Once again this year both the DEA's and BDEC have been successful in finding funding partners that will allow us to maintain our programs and to offer some specialty programming. In the Communities the schools and the DEA's continue to look for ways to enhance the education of our students through additional funding methods, with many of the programs focused on Cultural Based Education and On the Land Programming.

Chart 1 displays our 2015 – 2016 Actual Revenues compared to the budgeted revenue.



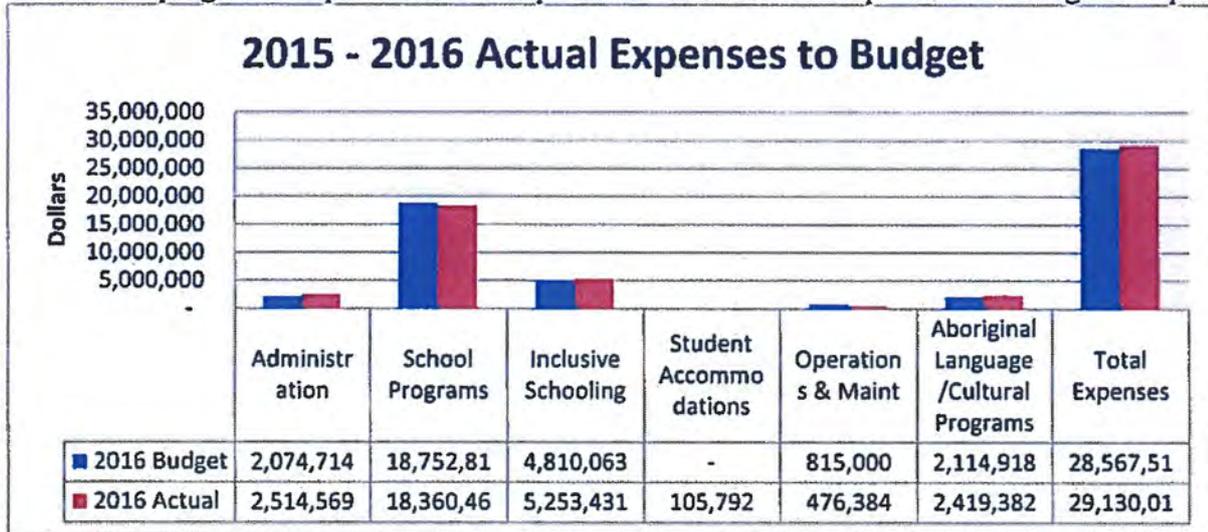
2015 – 2016 Expenses

Expenses for the year end June 2016 were \$562.5K more than the budget of \$28.6 million for a total cost of \$29.1 million. This represents a \$363.1K increase in expenditures from 2014 -2015, or a 1.3% increase in program spending.

Inclusive schooling had expenses of \$5.3 million representing an increase in spending from the 2014 - 2015 year of \$1.3 million. The focus of the Inclusive schooling was to be responsive to the students that needed additional support. To accomplish this goal, additional Education Assistants EA's were hired in the communities where the needs had been identified, and additional support equipment was purchased for each of the schools.

Aboriginal Languages/Cultural Programs had expenses of \$2.4 million which represents an increase of expenditures of \$177.9K from the 2014 – 2015 year. This represents the increased support for Cultural and On the Land programs.

Chart 2 is a program comparison of our expenses for 2015-2016 compared to the budgeted expenses.



When comparing 2016 against 2015, BDEC experienced a 1.5% decrease in revenues, and an increase in expenses of 1.3% resulting in an operating surplus of \$1,101,515 compared to the operating surplus for 2015 of \$1,939,938. The Operating Surplus was a result of DEA fundraising, and Schools entering into contribution agreements for additional program funding.

Chart 3 is a comparison of the Year-end 2016 GNWT Revenues compared to the 2015 Revenues

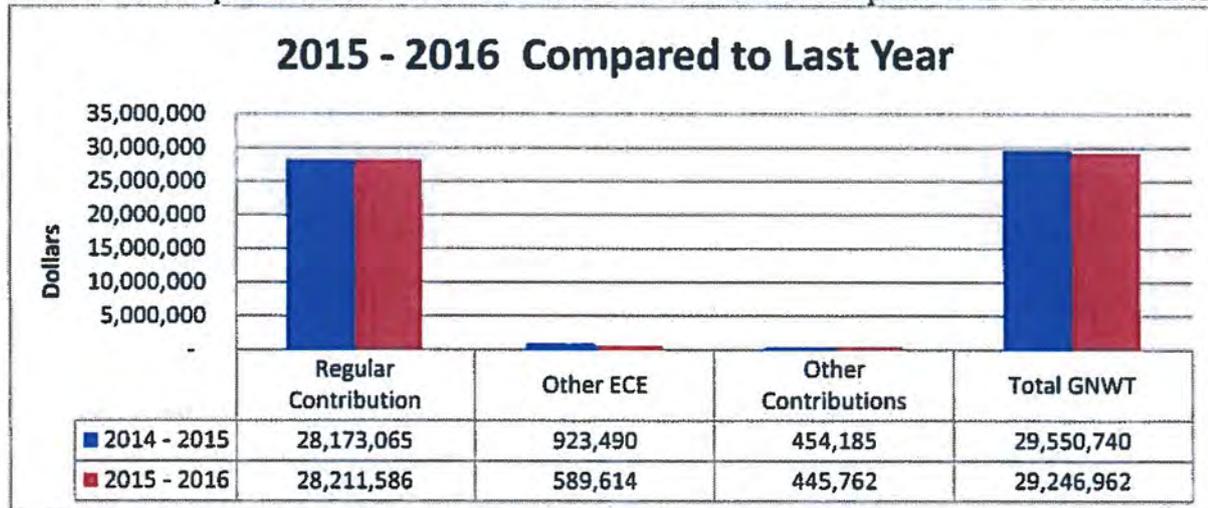
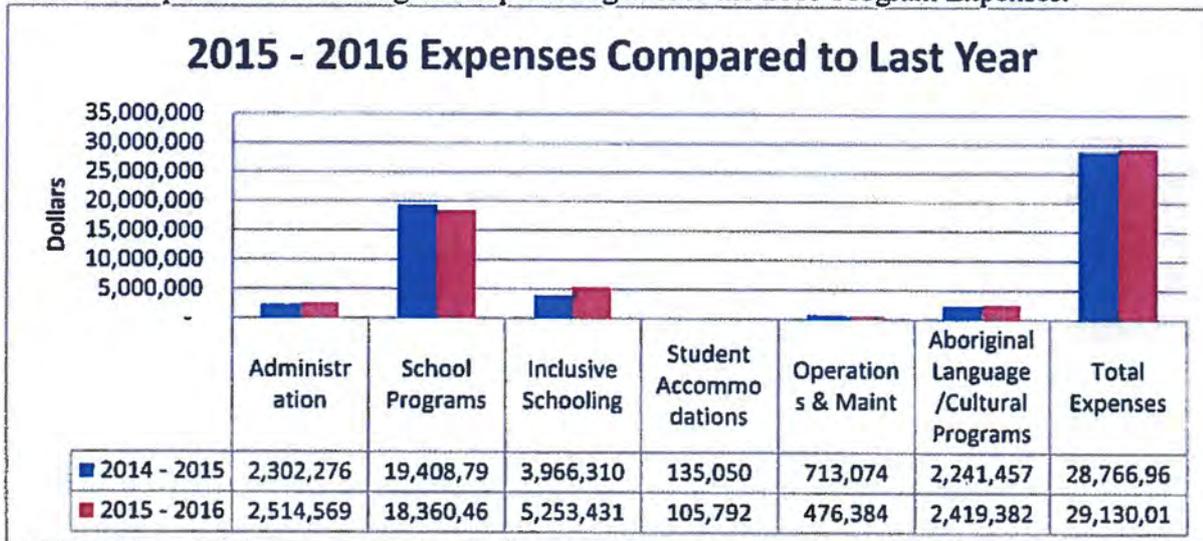


Chart 4 compares the 2016 Program Expenses against to the 2015 Program Expenses.



2015 - 2016 continues the trend from 2012-2013 of achieving an operating surplus. In 2013-2014 BDEC after four years of having an Accumulated Deficit managed a small Accumulated Surplus. With the \$1.1 million operating surplus has an Accumulated Surplus of \$3.5 million. The Accumulated Surplus has been achieved through the DEA's and Schools finding additional Funding Partners, and continued cost controls. Student welfare is put first with our Cultural Based Education. Programs are continuously evaluated to ensure that the Student needs are being met through a cost effective method.

The strength of the organization is the commitment of the staff working for the Beaufort Delta Education Council, and their dedication to the students in our area. The weakness of the organization is the remoteness of some of the schools, the distance between the schools and the high turnover of the staff. Each year represents a major recruiting drive to replace approximately 20% of the teaching staff. Student attendance remains a high concern, and many initiatives have been put forward to increase the student's attendance in the schools.

Student and Teacher population for each school

Community	School	2016 Students	2016 Teachers	2015 Students	2015 Teachers
Aklavik	Moose Kerr	146.0	10.25	151.00	11.93
Fort McPherson	Chief Julius	138.5	11.00	145.00	12.00
Inuvik	East 3 Elem	347.00	18.50	347.00	17.00
Inuvik	East 3 Second	266.00	17.50	266.00	20.00
Inuvik DEA	Subtotal	613.00	36.00	613.00	37.00
Paulatuk	Angik	51.75	4.50	51.75	5.50
Sachs Harbour	Inualthuyak	20.00	2.00	20.00	2.00
Tsiigehtchic	Chief Paul Niditchie	33.00	3.00	33.00	3.00
Tuktoyaktuk	Mangilaluk	221.50	14.00	221.50	14.00
Ulukhaktok	Helen Kalvak	107.00	7.00	107.00	7.00
Total		1330.8	87.75	1342.25	92.43

The Mary Bryant Award for Improvement in English (Award)

A joint venture between the Beaufort Delta Education Council, (BDEC) the Mary and Joe Bryant family (Family) and the Ottawa Independent Writers (OIW): "the Parties", wish to establish a fund to be known as the "Mary Bryant Award for Student Improvement in English". The fund shall consist of a principal amount, to be determined, and interest earned and accrued on such principal amount. Additional contributions may be received by BDEC from individual donors to the fund in future years. Such contributions shall be added to the principal amount. The fund is currently administrated by the Ottawa Independent Writers in combination with other funds administrated through the organization.

Background

Ottawa resident Mary Bryant, now deceased, spent many years working in the North, and taught school in Aklavik. She was an avid writer and long-time member of the Ottawa Independent Writers organization (www.oiw.ca). Upon her passing in spring 2011, the OIW Board felt that an appropriate tribute to her amazing life would be an award to a deserving student within the BDEC, with emphasis on English skills. The idea was proposed to the Family and the BDEC, and was met with great enthusiasm. This paper sets out the proposed operation and other issues pertaining to the Award.

Concept

OIW, the Family and other interested parties will contribute to the Award, to be managed by the BDEC. It will be set up as an endowment, with the principal to be invested and the annual award to be paid from interest earned, although the initial award, hopefully given in 2012, and some incidental set-up expenses may be drawn from the principal as there will be little time available for interest earning. The Family will act as financial advisors to BDEC, to ensure the Award will be available for a deserving student for many years to come. The Award is intended to be a yearly event, unless for some reason no student qualifies for the criteria established by the BDEC.

The Parties agree that they will act collegially on the ongoing management of the Award. OIW commits to an initial contribution of \$1000, the Family to at least \$2000, and OIW will solicit additional contributions from persons familiar with Mary. BDEC will issue tax receipts to those contributors who indicate a desire for same.

The Award Recipient

The Award is intended for a high school student within the BDEC jurisdiction, with particular emphasis, but not necessarily to the exclusion of other areas, on the regions of Aklavik, Tuktoyaktuk, and Fort McPherson, as these communities had special interest to Mary. The BDEC will set up the selection process as it sees fit: the Award is intended for a high school student who has shown the most improvement in written English skills during the school year. BDEC will develop the specific criteria to be used to select the winning student, and advise the other Parties of the winner and the reasons for choosing that student. The Award will be presented in a suitable ceremony near the end of the school year. The other Parties will attempt to take part in the ceremony in some electronic fashion if possible. The Award is independent of any other honors the recipient may receive. The recipient will receive a cheque for the designated amount, as determined by the BDEC and the Family, plus a small token of

remembrance he or she may keep. There will also be a modest plaque or similar item created by the BDEC that will identify the Award, and each year's recipient; the enduring plaque will rotate from school to school on an annual basis as winners are selected. While the student may use the Award in whatever manner he or she wishes, OIW and the Family would prefer that it be used in some way that advances the student's educational career.

The Award is open to all high school students attending a school within BDEC's jurisdiction and shall be granted to the student who shows the most improvement in English studies throughout the school year. The Award is intended to be a yearly event, unless for some reason no student qualifies for the criteria established by BDEC.

Criteria used to determine the recipient of the award shall be developed by BDEC, in consultation with the Parties. The Parties and BDEC agree to act collegially on the ongoing management of the fund/Award.

In the event that unforeseen circumstances make the specified use of this Fund no longer practical or desirable, BDEC is hereby authorized to make any changes it may deem appropriate, such changes however to be in keeping, as far as possible, with the spirit and general intent of the fund and with agreement of the Parties.

Stallworthy-Carpenter Fund

Sarah Hilda Stallworthy was the widow of an RCMP officer who served the NWT during the 1940s. Mrs. Stallworthy had never been to the NWT, but maintained an interest in its development and was concerned about the difficulties she believed native children faced in higher education.

The Superintendent of the BDEC was able to describe for Mrs. Stallworthy an initiative the Board would be taking over the next few years to ease the transition for native students from small communities as they are brought into the high school in Inuvik.

Mrs. Stallworthy felt that this plan has significant merit, and in April 1990 made the Beaufort-Delta Board the beneficiary of her estate.

Mrs. Stallworthy passed away in August 1990. The estate of approximately \$215,000 will be held in trust with the annual interest to be used at the discretion of the Superintendent to further the secondary education of native students within the Board. The fund has been designated by the Board the Harry Stallworthy/Noah Carpenter fund. Mr. Stallworthy developed his wife's enduring interest in the north; Mr. Carpenter is a native resident from the jurisdiction of the Board who has completed higher education including a medical degree and thus provides a positive role model for students of the Board.

The will stated that BDEC should receive this money with the provision that the principal remain intact and all interest earned to be used to fund aboriginal students for activities in keeping with the intent of the Will.

Initially, the intent of the Will was to fund orientation visits for students who would be attending high school outside of their community. After our regional residence closed, the BDEC Executive broadened the scope to include activities for more senior students to travel nationally and internationally. Such travel must contain some element that supports or promotes the post-secondary education and/or success in school. Travel for sport activities is NOT eligible.

In 2004/05 the BDEC executive decided to allocate to a maximum of \$2K/eligible school. This was raised to \$2.5K/eligible school in 2011/12. Meritorious proposals are presented to the Executive each spring for the ensuing school year.

2015 - 2016 Long Term Service Awards

The Beaufort Delta Education Council believes that our successes come from the dedication of staff in each of our communities. Even with the challenge of high staff turn-over each year, there continues to be a group of dedicated long-term staff working for BDEC. In recognition of their dedication each year BDEC recognizes the contribution of our long term staff with long term service awards. For the 2014 – 2015 year the following individual were recognized by the management team.

Community	Name	Service Years
Aklavik	Inga Gardlund	5
	Shannon J. Kailek	10
	Florence Greenland	20
Fort McPherson	Jennifer Ann Thompson	5
	Louisa Lucy Kay	20
Inuvik	Kenzie MacDonald	5
	Ashley Megan Wood	5
	Denise McDonald	5
	Alexandra Winchester	5
	Kurt Scheiwiller	10
	Kirsten Fleuty	10
	Lorna Jones-Martin	15
	Sandra Jane Ipana	25
	Greta Anne Sitichinli	25
Wayne Joy Allen	25	
Tuktoyaktuk	Holly Carpenter	5
	Heavenly Gloria Elias	10
	Sandra Edwards	10
Ulukhaktok	Mary Catherine Dodds	5

Accomplishments

The BDEC office received the 2016 Premiers Award for Excellence; long-term staff member Finance Officer Kurt Scheiwiller accepted the award from Premier Bob McLeod at the ceremony in Yellowknife.

eLearning Consultant Gene Jenks received the 2016 Prime Ministers award for his work with the eLearning Program.

Superintendent Denise McDonald was one of the nominees for the Top School Administrator in Canada which is awarded by the Canadian Association of School Administrators and she also received the NWT Wise Woman Award in 2016.

Summary and Outlook

BDEC has completed a most successful year both scholastically and financially. Many of the communities have introduced community specific programs which encourages attendance. This year resulted in a number of graduate looking to further their education through advanced schooling. Attendance continues to be a major concern. The schools are constantly reviewing and looking for better ways to engage the students and their parents in encouraging attendance. With our hiring program this year we were pleased to offer positions to a number of our former graduate. These individuals have become role models for our students as to what they can accomplish, and that they can bring their education back to their community to help others.

Financially we have managed to accumulate a surplus through effective cost controls, forming partnerships with other groups, and through the efforts of staff to bring forward ideas where we have been funded with additional contribution agreements.

Looking forward, there is a concern about the potential for reduced funding. Our staff continue to look for opportunities to deliver education in an effective and efficient manner. The opportunities are forming education partnerships, eLearning, and new approaches to education. Staff continue to develop skill sets through attendance at conferences, and a number of staff continue to upgrade their skill set to become better at their positions. With this dedication, even with the possibility of reduced funding we believe the future is bright for the students of the Beaufort Delta.

BEAUFORT-DELTA EDUCATION COUNCIL

MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

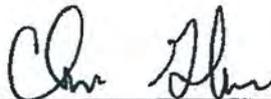
The Management Discussion & Analysis, Financial Statements, Schedules and Notes herein submitted have been reviewed by management. They provide full disclosure and accurately reflect the financial and non-financial condition of the authority in all material respects and in accordance with Canadian Public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

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

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

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

Approved and confirmed on behalf of the Beaufort-Delta Education Council


for _____
Denise McDonald
Superintendent



Gary McBride
Comptroller



VERY COOPER & CO. LTD.
Certified General Accountants

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INDEPENDENT AUDITORS' REPORT

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Beaufort-Delta Education Council which comprise the Consolidated Statement of Financial Position as at June 30, 2016 and the Consolidated Statements of Changes in Net Financial Assets (Debt), Revenue and Expenses and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Basis for Qualified Opinion

The Government of the Northwest Territories is responsible for the calculation and distribution of a significant portion of the wages and benefits that appear on the consolidated statement of operations, the accuracy of which is not susceptible to complete audit verification. We have satisfied ourselves that the payroll information provided by the GNWT was accurately reflected in the records of the Beaufort-Delta Education Council. Consequently, we were unable to determine whether adjustments to the financial performance and cash flows might be necessary for the year ended June 30, 2016.

INDEPENDENT AUDITORS' REPORT - cont'd.

Qualified Opinion

In our opinion, except for the matter described in the Basis for Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the Beaufort-Delta Education Council as at June 30, 2016 and its 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, in our opinion, proper books of account have been maintained by the Beaufort-Delta Education Council, the consolidated financial statements are in agreement therewith and the transactions that have come under our notice have, in all significant aspects, been within the statutory powers of the Council.

Other Matter

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements of Beaufort-Delta Education Council taken as a whole. The supplementary information included on Schedules 2 through 34 is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of consolidated financial statements taken as a whole.

Avery Cooper & Co. Ltd.

AVERY COOPER & CO. LTD.
Certified General Accountants
Yellowknife, NT

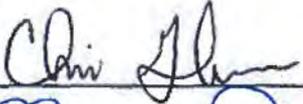
October 7, 2016

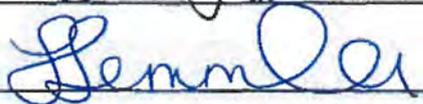
BEAUFORT-DELTA EDUCATION COUNCIL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 June 30, 2016

Statement I

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents (Note 4)	\$ 9,007,811	\$ 8,697,156
Restricted Assets (Note 6)	256,459	258,247
Accounts Receivable (Note 8)	<u>279,911</u>	<u>370,135</u>
	<u>9,544,181</u>	<u>9,325,538</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 10)	787,872	686,478
Payroll Liabilities (Note 35)	2,683,825	3,523,631
Contribution Repayable (Note 12)	38,264	122,532
Employee Deductions Payable	1,537	37,343
Deferred Revenue (Note 11)	310,707	283,771
Post-Employment Benefits (Note 17)	<u>2,207,324</u>	<u>2,278,677</u>
	<u>6,029,529</u>	<u>6,932,432</u>
NET FINANCIAL ASSETS (Statement II)	<u>3,514,652</u>	<u>2,393,106</u>
NON-FINANCIAL ASSETS		
Prepaid Expenses (Note 20)	<u>9,241</u>	<u>31,022</u>
	<u>9,241</u>	<u>31,022</u>
ACCUMULATED SURPLUS (Statement IV)	<u>\$ 3,523,893</u>	<u>\$ 2,424,128</u>
CONTINGENCIES (Note 25)		

Approved:


 _____ for Superintendent


 _____ Council Member

See the accompanying notes and schedules.

BEAUFORT-DELTA EDUCATION COUNCIL

Statement II

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

June 30, 2016

	2016 Budget (Unaudited)	2016 Actual	2015 Actual
OPERATING SURPLUS	\$ 9,613	\$ 1,101,515	\$ 1,939,938
Net Income from Stallworthy / Carpenter Fund	-	(1,750)	694
Acquisition of Prepaid Expenses	-	(9,241)	(31,022)
Use of Prepaid Expenses	<u>-</u>	<u>31,022</u>	<u>2,549</u>
	-	20,031	(27,779)
INCREASE IN NET FINANCIAL ASSETS	<u>9,613</u>	<u>1,121,546</u>	<u>1,912,159</u>
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>2,393,106</u>	<u>2,393,106</u>	<u>480,947</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 2,402,719</u>	<u>\$ 3,514,652</u>	<u>\$ 2,393,106</u>

See the accompanying notes and schedules.

BEAUFORT-DELTA EDUCATION COUNCIL

Statement III

CONSOLIDATED STATEMENT OF OPERATIONS

For the Year Ended June 30, 2016

	2016 Budget (Unaudited)	2016 Actual	2015 Actual
REVENUE			
Government of the NWT			
Regular contributions	\$ 27,959,124	\$ 28,211,586	\$ 28,173,065
Other ECE contributions (Note 33)	598,000	589,614	923,490
Other contributions (Note 34)	<u>-</u>	<u>445,762</u>	<u>454,185</u>
Total Government of the NWT	<u>28,557,124</u>	<u>29,246,962</u>	<u>29,550,740</u>
Government of Canada	<u>-</u>	<u>20,966</u>	<u>82,440</u>
Board Generated Funds			
Investment Income	20,000	67,718	66,658
Rentals	-	3,829	12,150
Other (Note 38)	<u>-</u>	<u>892,059</u>	<u>994,910</u>
Total Board Generated Funds	<u>20,000</u>	<u>963,606</u>	<u>1,073,718</u>
TOTAL REVENUE	<u>28,577,124</u>	<u>30,231,534</u>	<u>30,706,898</u>
EXPENSES (Schedule 1)			
Administration	2,074,714	2,514,569	2,302,276
School Programs	18,752,816	18,360,461	19,408,793
Inclusive Schooling	4,810,063	5,253,431	3,966,310
Student Accommodations	-	105,792	135,050
Operations & Maintenance	815,000	476,384	713,074
Aboriginal Languages/Cultural Programs	<u>2,114,918</u>	<u>2,419,382</u>	<u>2,241,457</u>
TOTAL EXPENSES	<u>28,567,511</u>	<u>29,130,019</u>	<u>28,766,960</u>
OPERATING SURPLUS	<u>\$ 9,613</u>	<u>\$ 1,101,515</u>	<u>\$ 1,939,938</u>

See the accompanying notes and schedules.

BEAUFORT-DELTA EDUCATION COUNCIL

Statement IV

CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS

For the Year Ended June 30, 2016

	<u>2016</u>	<u>2015</u>
OPERATING FUND SURPLUS		
Operating Fund Surplus/(Deficit), Beginning of Year	2,165,919	225,943
Operating Surplus	<u>1,101,515</u>	<u>1,939,938</u>
Operating Fund Surplus, End of Year	<u>3,267,434</u>	<u>2,165,881</u>
STALLWORTHY / CARPENTER ENDOWMENT		
Opening Endowment Balance	<u>258,247</u>	<u>257,553</u>
Opening Endowment Balance, as restated	258,247	257,553
Interest Income	3,212	3,194
Endowment Expenses	<u>(5,000)</u>	<u>(2,500)</u>
Closing Endowment Balance (Note 6)	<u>256,459</u>	<u>258,247</u>
Total Closing Accumulated Surplus	<u>3,523,893</u>	<u>2,424,128</u>

See the accompanying notes and schedules.

BEAUFORT-DELTA EDUCATION COUNCIL

Statement V

CONSOLIDATED STATEMENT OF CASH FLOW

For the Year Ended June 30, 2016

Cash provided by (used in):	<u>2016</u>	<u>2015</u>
OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ 1,101,515	\$ 1,939,938
Items not affecting cash:		
Changes in valuation allowances	38	-
Changes in non-cash assets and liabilities:		
Decrease (increase) in accounts receivable	90,224	215,348
Increase (decrease) in accounts payable	101,394	(74,550)
Increase (decrease) in payroll liabilities	(839,806)	690,308
Increase (decrease) in contributions repayable	(84,268)	16,992
Increase (decrease) in employee deductions payable	(35,806)	1,260
Increase (decrease) in deferred revenue	26,936	54,799
Increase (decrease) in post-employment benefits	(71,353)	(6,775)
Decrease (increase) in prepaid expenses	<u>21,781</u>	<u>(28,473)</u>
Cash provided by operating transactions	<u>310,655</u>	<u>2,808,847</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	310,655	2,808,847
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>8,697,156</u>	<u>5,888,309</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 9,007,811</u>	<u>\$ 8,697,156</u>

See the accompanying notes and schedules.

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 NATURE OF ORGANIZATION

The Beaufort-Delta Education Council was established under the Education Act of the government of the Northwest Territories by order of the Minister dated March 3, 1989. Its purpose is to administer and maintain the standards of educational programs defined under the Act in the member communities of the Beaufort-Delta region.

Member communities have formed local District Education Authorities (DEA) which have assumed the responsibility to provide adequate educational programs within their respective communities.

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, changes in net financial assets (debt) and change in financial position of the reporting entity. This entity comprises the Education Council operations plus all of the member District Education Authorities that are owned or controlled by the Beaufort-Delta Education Council and are, therefore, accountable to the Council for the administration of their financial affairs and resources. At present, the DEA's that are owned or controlled by the organization are Aklavik, Tsiigehtchic, Fort McPherson, Inuvik, Paulatuk, Sachs Harbour, Tuktoyaktuk and Ulukhaktok.

Interdepartmental and organizational transactions and balances between these organizations have been eliminated for consolidation purposes.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

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

(b) Cash and Cash Equivalents

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

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Financial Instruments

Financial assets originated or acquired or financial liabilities issued or assumed in an arms' length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

Financial assets subsequently measured at amortized cost include cash, accountable funds, due from the GNWT and other accounts receivable.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, payroll liabilities, deferred revenue, post-employment benefits and accountable funds.

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

(d) Non-Financial Assets

Prepaid expenses and other non-financial assets are accounted for as assets by the Beaufort-Delta Education Council because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the Beaufort-Delta Education Council.

(e) Tangible Capital Assets

All buildings and works, furniture, equipment and vehicles are the property of the GNWT. The minister grants to the Beaufort-Delta Education Council the full occupancy and use of such facilities and equipment where required for the administration and delivery of the education programs. Capital assets with a value in excess of \$50,000 are recorded at cost and amortized in accordance with the Financial Administration Manual guidelines by the GNWT. Capital assets with a value of less than \$50,000 are recorded as a current expense.

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Revenue Recognition

Government Transfers:

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

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

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

Capital transfers or transfers of tangible capital assets are initially recognized as deferred revenue and subsequently recognized as revenue when the related tangible capital assets are recognized as acquired or built.

GNWT - Regular contributions:

The regular contributions from the GNWT are determined by a funding formula and are received in monthly installments. The Beaufort-Delta Education Council retains surpluses and is responsible for deficits. Any funding requests, over and above those levels provided by the formula, must be first approved by the GNWT.

Other contributions:

The Beaufort-Delta Education Council follows the deferral method of accounting for other contributions. Unrestricted contributions are recognized as revenue when they are received or receivable, if the amount can be reasonably estimated and its collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Stallworthy / Carpenter Endowment contributions:

Endowment contributions and investment income are recognized as direct increases in accumulated surplus.

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Infrastructure Funding

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

(h) Budget Data

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

The priorities and funding allocations are determined by the Board of Trustees of each Beaufort-Delta Education Council and the budget is legally adopted by a motion of the board in accordance with Section 135(3) of the Education Act.

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

This annual budget includes estimates of revenues, expenses and the net operating surplus (deficit). Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Beaufort-Delta Education Council.

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

(i) Measurement Uncertainty

The preparation of these consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the amounts of revenue and expenses during the period. Actual results could differ from those estimates. Accounts subject to measurement uncertainty are post-employment benefits as determined by an actuary.

(j) Inventories including Materials and Supplies

Inventories of books, materials, supplies and other expendables purchased by the Beaufort-Delta Education Council are treated as expenses during the year of acquisition and are not recorded on the statement of financial position.

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, continued

(k) Payroll Liabilities

According to the Northwest Territories Teachers Association (NWTTA) and GNWT Collective Agreement, teaching staff have their salary issued by the GNWT bi-weekly pay system. NWTTA staff will have earned their annual salary by June 30th which provides for continued payment during the summer. GNWT payroll for NWTTA starts with the annualized salary commitment for compensation and then allocates the complete payout of that value over the number of pay periods between August 1 and July 31. Pay periods falling in July are therefore accrued.

The duties and compensation base for UNW School year employees are scheduled to align with the academic year although actual start dates and durations vary by specific location and job function. Accordingly, the Beaufort-Delta Education Council determines the start dates of their UNW employees and accrues the related payroll liability as appropriate.

All other staff are accrued to include earnings to June 30.

(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 the number of years of service. Certain employees will also receive assistance with removal costs to return to their point of recruitment. Payment of the removal and termination is dependent on employees leaving the Beaufort-Delta Education Council and other criteria as outlined in the negotiated collective agreements and management handbook guidelines of the GNWT.

(m) Special Purpose Funds

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

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

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, continued

(n) Contributed Materials and Services

The Beaufort-Delta Education Council recognizes contributions of materials and services, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations and would otherwise have been purchased.

NOTE 3 FUTURE ACCOUNTING CHANGES

In March 2015, the Public Sector Accounting Board (PSAB) issued Section PS 3420, "Inter-entity transactions". This new Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. The main features of the new Section are:

- under a policy of cost allocation, revenues and expenses are recognized on a gross basis;
- transactions are measured at their carrying amount, except in special circumstances;
- a recipient may choose to recognize unallocated costs for the provision of goods and services and measure them at the carrying amount, fair value or other amount dictated by policy, accountability structure or budget practice, and
- the transfer of an asset or liability for nominal or no consideration is measured by the provider at the carrying amount and by the recipient at the carrying amount or fair value.

This Section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The Beaufort-Delta Education Council is currently assessing the impact of this Section.

Also in March 2015, the Public Sector Accounting Board (PSAB) issued Section PS 2200, "Related party disclosures". This new Section defines a related party and established disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material effect on the consolidated financial statements. This Section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The Beaufort-Delta Education Council is currently assessing the impact of this Section.

In June 2015, the PSAB issued Section PS 3210, "Assets". This new Section provides guidance for applying the definition of assets and establishes general disclosure standards for assets. Disclosure of information about the major categories of assets that are not recognized is required. When an asset is not recognized because a reasonable estimate of the amount involved cannot be made, the reason(s) for this should be disclosed. This Section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The Beaufort-Delta Education Council is currently assessing the impact of this Section.

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

NOTE 3 FUTURE ACCOUNTING CHANGES, continued

Also in June 2015, the new Section PS 3320, Contingent assets, was issued to define and establish disclosure standards on contingent assets. Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the organization's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset. Disclosure of information about contingent assets is required when the occurrence of the confirming future event is likely. This Section applies to fiscal years beginning on or after April 1, 2017. Early adoption is permitted. The organization is currently assessing the impact on the financial statements.

Also in June 2015, the new Section PS 3380, Contractual rights, was issued to define and establish disclosure standards on contractual rights. Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future. Disclosure of information about contractual rights is required including a description about their nature and extent and the timing. This Section applies to fiscal years beginning on or after April 1, 2017. Early adoption is permitted. The organization is currently assessing the impact on the financial statements.

NOTE 4 CASH AND CASH EQUIVALENTS

	<u>2016</u>	<u>2015</u>
Cash	\$ <u>9,007,811</u>	\$ <u>8,697,156</u>
	\$ <u>9,007,811</u>	\$ <u>8,697,156</u>

NOTE 5 SPECIAL PURPOSE FUNDS

(Not applicable)

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

NOTE 6 RESTRICTED ASSETS

The Council received a bequest to establish the Harry Stallworthy - Noah Carpenter Fund. The terms of the bequest state that the principal shall remain intact and the net annual income therefrom shall be made available to students of Inuit heritage for financial assistance in the High School Orientation Program.

		<u>2016</u>	<u>2015</u>
Comprised of:			
Short-term	- GIC 0.95% due June 22, 2018	\$ 250,000	\$ 250,000
	- Due from general cash	<u>6,459</u>	<u>8,247</u>
		<u>\$ 256,459</u>	<u>\$ 258,247</u>
Stallworthy / Carpenter Endowment Fund: (Note 21)			
	Principal proceeds received	\$ 216,515	\$ 216,515
	Interest earned to date	255,645	255,645
	Expenses to date	<u>(215,701)</u>	<u>(213,913)</u>
		<u>\$ 256,459</u>	<u>\$ 258,247</u>

NOTE 7 PORTFOLIO INVESTMENTS

(Not applicable)

NOTE 8 ACCOUNTS RECEIVABLE

	<u>Accounts Receivable</u>	<u>Allowance</u>	<u>2016</u>	<u>2015</u>
Government of the Northwest Territories:				
- Education, Culture and Employment	\$ 53,544	\$ -	\$ 53,544	\$ 29,910
- Health and Social Services	4,466	-	4,466	4,466
- Municipal and Community Affairs	<u>4,630</u>	<u>-</u>	<u>4,630</u>	<u>4,630</u>
Due from GNWT	62,640	-	62,640	39,006
Other Accounts receivable	<u>379,872</u>	<u>162,601</u>	<u>217,271</u>	<u>331,129</u>
	<u>\$ 442,512</u>	<u>\$ 162,601</u>	<u>\$ 279,911</u>	<u>\$ 370,135</u>

NOTE 9 INVENTORY

(Not applicable)

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

NOTE 10 ACCOUNTS PAYABLE

	<u>2016</u>	<u>2015</u>
Government of the Northwest Territories:		
Education, Culture and Employment	\$ 23,212	\$ 41,106
Municipal and Community Affairs	29,630	7,066
Finance	-	19,086
Taxation	-	1,742
Justice	3,592	3,592
Industry, Tourism and Investment	6,717	25,119
Public Works	<u>-</u>	<u>2,674</u>
Due to GNWT	63,151	100,385
Various BDEC schools	235,518	301,738
Accounts payable	262,355	40,066
Accrued payables	<u>226,847</u>	<u>244,270</u>
	<u>\$ 787,871</u>	<u>\$ 686,459</u>

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

NOTE 11 DEFERRED REVENUE

	<u>2016</u>	<u>2015</u>
Education, Culture & Employment		
- HKS Playground	\$ -	\$ 20,000
- HKS Kitchen Upgrade	19,800	19,800
- E3E Playground	23,816	50,000
- NGDG	-	6,641
- Healthy Food for Learning	81,707	104,130
- Safe and Caring Schools	2,160	2,160
- Resiliency & Leadership	865	-
- Elders in School	21,842	-
Justice		
- New Beginnings - Inuvik DEA	5,159	5,159
Library		
- School & Public Library Services - Ft. McPherson DEA	7,537	9,979
- Library - Ulukhaktok DEA	21,849	14,280
Healthy and Social Services		
- Drop the Pop	11,025	7,153
Municipal & Community Affairs		
- Ivvavik	<u>5,155</u>	<u>5,155</u>
Government of the Northwest Territories	200,915	244,457
Health Canada - Community Oral Health initiative	13,074	1,197
Inuvik Community Corporation	9,238	12,350
Aklavik Community Corporation	-	804
Canadian Womens Foundation - A Relationship to die four	92	-
Hamlet of Sachs Harbour	1,500	1,500
Inuvialuit Regional Corporation	33,732	14,163
Food First Foundation	6,024	-
NWT Literacy Council	-	1,900
Beaufort Delat Recreation Association	20,741	-
Show Kids You Care	-	2,400
E3E Breakfast	5,000	5,000
Tides - OTL - Collaborative Fund	18,650	-
NWT Parks & Rec Get Active NWT	<u>1,741</u>	<u>-</u>
	<u>\$ 310,707</u>	<u>\$ 283,771</u>

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

NOTE 12 CONTRIBUTION REPAYABLE

	<u>2016</u>	<u>2015</u>
Education, Culture & Employment - Library Services - Aklavik DEA	1,717	-
Municipal & Community Affairs - Employee Secondment	-	122,532
Tlicho Community Services eLearning	<u>36,547</u>	<u>-</u>
	<u>38,264</u>	<u>122,532</u>

NOTE 13 DUE FROM AND TO THE GOVERNMENT OF CANADA

(Not applicable)

NOTE 14 CAPITAL LEASE OBLIGATION

(Not applicable)

NOTE 15 PENSIONS

(Not applicable)

NOTE 16 LONG-TERM DEBT

(Not applicable)

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

NOTE 17 POST-EMPLOYMENT BENEFITS, COMPENSATED ABSENCES AND TERMINATION BENEFITS

In addition to the pension benefits, The Council provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Severance benefits are paid to The Council's employees based on the type of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee was hired, the rate of pay, the number of years of continuous employment and age and the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology for June 30, 2016 and management estimates for June 30, 2015.

Compensated absence benefits for all staff are accrued as employee render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to employee or dependent illness and death of an immediate family member. Non-accruing benefits include maternity and parental leave. Under PSAB 3255, accumulating vesting and non-vesting (sick leave paid only upon illness-related absence) are required to be accrued.

Change in estimate

During the year ended June 30, 2016, the method for calculating other employee future benefits and compensated absence was refined to better reflect the probability that these benefits would be used in the future based on past experience. The GNWT has contracted an actuarial company to place a value on the expected cost of sick leave usage in the future based on employee data. Compensated absences are the total value of vested and non-vested future sick leave costs that were actuarially valued using the expected utilization methodology.

Valuation results

The actuarial valuation includes the liabilities as at June 30, 2016. The liabilities are actuarially determined as the present value of the accrued benefits at June 30, 2016. The balances for June 30, 2015 were not actuarially valued, they were management estimates based on employee data at June 30, 2015 and does not include non-vested future sick leave costs. The values presented for June 30, 2016 below are for all of the benefits under the Compensated Absences and Termination Benefits for The Council.

These liabilities are to be funded in the year they become due through regular annual budget allocations.

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

	<u>2016</u>	<u>2015</u>
Annual leave and lieu time	\$ 99,422	\$ 98,421
Retirement and resignation benefits	1,257,942	1,170,586
Ultimate removal assistance	<u>849,960</u>	<u>1,009,670</u>
	<u>\$ 2,207,324</u>	<u>\$ 2,278,677</u>

NOTE 18 TRUST ASSETS UNDER ADMINISTRATION

(Not applicable)

NOTE 19 TANGIBLE CAPITAL ASSETS

(Not applicable)

NOTE 20 PREPAID EXPENSES

	<u>2016</u>	<u>2015</u>
Air North	-	4,195
First Air	-	1,661
Alberta Assessment Consortium	1,100	1,100
Career Cruising	998	998
Studentlink Canada Ltd.	-	250
Cleaning supplies - Inuvik schools	-	21,009
R Agnes	2,450	-
Canadian North	2,508	-
Ontario Public Support	944	-
WSCC overpayment - Tuk DEA	-	722
Bingo licensing and rental - Tuk DEA	-	1,087
Arctic Inn	525	-
WestJet	<u>716</u>	<u>-</u>
	<u>9,241</u>	<u>31,022</u>

NOTE 21 ACCUMULATED SURPLUS/DEFICIT

Accumulated Surplus is comprised of an Operating Fund Surplus and the Stallworthy / Carpenter Endowment. Refer to Statement IV Statement of Accumulated Surplus for further details.

NOTE 22 CAPITAL ADVANCES

(Not applicable)

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

NOTE 23 GNWT ASSETS PROVIDED AT NO COST

	<u>Cost</u>	<u>Accumulated Amortization</u>	2016 <u>Net Book Value</u>	2015 <u>Net Book Value</u>
BBDEC Student Housing				
Inuvik	\$ 182,650	\$ 182,650	\$ -	\$ -
East Three Secondary School Carpentry shop	461,563	461,563	-	-
East Three Secondary School Auto Shop	541,689	452,977	88,712	104,140
Moose Kerr School	8,123,452	4,815,638	3,307,814	3,372,291
Aklavik Portable Classrooms	62,052	62,052	-	-
Chief Julius School	9,146,834	4,358,344	4,788,490	5,019,260
Mangilaluk School	7,146,891	4,274,920	2,871,971	3,080,841
Inualthuyak School	2,298,578	1,142,604	1,155,974	1,288,086
Helen Kalvak School	8,864,887	6,254,721	2,610,166	2,908,471
Angik School	3,697,250	1,876,345	1,820,905	1,608,217
Chief Paul Nittchie School	2,467,761	699,142	1,768,619	1,839,839
Moose Kerr Foundation Replacement	753,546	98,938	654,608	673,445
Tsiigehtchic Gym	1	-	1	1
Moose Kerr School - Ventilation	173,505	45,155	128,350	139,931
Angik School Retrofit	123,278	35,727	87,551	97,557
Helen Kalvak School Vent & DDC Retrofit	354,896	96,118	258,778	288,353
East Three New Inuvik School	106,182,229	10,180,884	96,001,345	98,661,891
Tsiigehtchic Gym Pilings	205,668	15,854	189,814	194,956
Aklavik Community Library	<u>234,794</u>	<u>98,325</u>	<u>136,469</u>	<u>142,338</u>
	<u>\$151,021,524</u>	<u>\$ 35,151,957</u>	<u>\$115,869,567</u>	<u>\$119,419,617</u>

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

NOTE 24 CONTRACTUAL OBLIGATIONS

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

	<u>Expires in Fiscal Year:</u>	<u>2017</u>	<u>2018-2021</u>	<u>Total</u>
Commercial Leases	2020	\$ 146,100	\$ 365,249	\$ 511,349
Equipment Leases	2021	<u>94,556</u>	<u>174,871</u>	<u>269,427</u>
Total		<u>\$ 240,656</u>	<u>\$ 540,120</u>	<u>\$ 780,776</u>

Estimated lease payments are as follows:

2016	\$ 240,656
2017	234,711
2018	214,038
2019	88,011
2020	<u>3,360</u>
	<u>\$ 780,776</u>

NOTE 25 CONTINGENCIES

(Not applicable)

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

NOTE 26 RELATED PARTY TRANSACTIONS

The Beaufort-Delta Education Council is related in terms of common ownership to all GNWT-created departments, agencies and corporations. The Council enters into transactions with these entities in the normal course of operations. The Council is provided with various administrative services by the GNWT, the value of which is not reflected in these consolidated financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage by the Department of Finance, payroll services by the Department of Human Resources, internal audit services by the Department of Finance, and utility and maintenance by the Department of Public Works and Services. Transactions with related parties and balances at year end not disclosed elsewhere in the consolidated financial statements are disclosed in this note.

These transactions are in the normal course of operations and have been valued at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to and from related parties are non-interest bearing, and due within normal trade terms.

	<u>2016</u>	<u>2015</u>
<u>Accounts receivable:</u>		
Department of Education, Culture & Employment	\$ 53,544	\$ 29,910
Department of Health and Social Services	4,466	4,466
Department of Municipal & Community Affairs	\$ <u>4,630</u>	\$ <u>4,630</u>
	<u>62,640</u>	<u>39,006</u>
<u>Accounts payable:</u>		
Department of Education, Culture & Employment	\$ 23,212	\$ 41,106
Department of Municipal & Community Affairs	29,630	7,066
Department of Finance	-	19,086
Department of Taxation	-	1,742
Department of Justice	3,592	3,592
Department of Industry, Tourism and Investment	6,717	25,119
Department of Public Works	-	2,674
Various BDEC Schools	\$ <u>235,518</u>	\$ <u>301,738</u>
	<u>298,669</u>	<u>402,123</u>

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

NOTE 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 Beaufort-Delta Education Council which may or may not include the establishment of a tax levy to support the approved budget in accordance with Section 135, Assessment and Taxation, of the Education Act.

The annual budget includes estimates of revenue and expenses for the Operating fund. Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Beaufort-Delta Education Council.

The budget figures presented are those approved by the Minister of Education, Culture and Employment on and have not been audited.

NOTE 28 ECONOMIC DEPENDENCE

The Beaufort-Delta Education Council receives its funding primarily from the GNWT. If the funding arrangements were to change, management is of the opinion that Beaufort-Delta Education Council operations would be significantly affected.

NOTE 29 FINANCIAL INSTRUMENTS

The Council's financial instruments consist of cash and temporary investments, accounts receivable, due from GNWT, accounts payable and accrued liabilities, accrued payroll, leave and termination benefits and due to GNWT. Unless otherwise noted, it is management's opinion that the Council is not exposed to significant interest rate, liquidity, credit, market, currency or cash flow risks arising from these financial instruments.

The Council's carrying value of cash and accrued salaries approximate fair value due to the immediate and short-term maturity of these instruments.

The Council's carrying value of the accrued leave and termination benefits approximates fair value based on information readily available in the NWTTA, UNW and Senior Manager's handbook.

The Council is subject to credit risk with respect to accounts receivable. Credit risk arises from the possibility that customers to which the Council provides services may experience financial difficulty and be unable to fulfil their obligations. The Council regularly monitors the amounts of outstanding receivables and initiates collection procedures to minimize credit risk.

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

NOTE 30 EXPENSES BY OBJECT

	2016 Budget <u>(Unaudited)</u>	2016 <u>Actual</u>	2015 <u>Actual</u>
Compensation	\$ 23,150,511	\$ 24,602,895	\$ 24,875,954
Other	<u>5,417,000</u>	<u>4,527,124</u>	<u>3,891,006</u>
	<u>\$ 28,567,511</u>	<u>\$ 29,130,019</u>	<u>\$ 28,766,960</u>

NOTE 31 SUBSEQUENT EVENTS

(Not applicable)

NOTE 32 COMPARATIVE FIGURES

(Not applicable)

NOTE 33 ECE OTHER CONTRIBUTIONS

	<u>2016</u>
French Program	\$ 90,000
eLearning	226,000
TLC - Gwichin	39,000
TLC - Inuvialuit	39,000
Library Operations	48,337
NWT Literacy Program (Aklavik)	13,487
Library (Aklavik)	37,893
Public Library Services (Ft McPherson)	40,741
Community Literacy Projects (Ft McPherson)	13,073
Literacy (Ulukhaktok)	11,352
Library (Ulukhaktok)	<u>30,731</u>
	<u>\$ 589,614</u>

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

NOTE 34 GNWT OTHER CONTRIBUTIONS

	<u>2016</u>
HKS Playground	20,000
E3E Playground	26,184
Ivvavik	10,000
Sports Leadership (MACA)	4,000
Lights On (MACA)	4,000
YELS (MACA)	30,000
RYS - Basketball (MACA)	8,000
RYS - Soccer (MACA)	5,000
NGDG Summit (MACA)	37,000
RYS - Volleyball (MACA)	2,487
GNWT - RYS Hockey (MACA)	2,500
Drop the Pop (H & SS)	19,447
Take a Kid Trapping (TTI)	7,500
Enhancing students (MACA)	3,000
After School Physical Activity (MACA)	119,101
HKS Resiliency (YK Catholic School)	98,768
Take a Kid Trapping (TTI)	28,194
Keepers (MACA)	14,292
GNWT - Others	4,000
NWT Literacy Council (Ft McPherson)	1,900
Misc revenue (Ulukhaktok)	<u>389</u>
	<u><u>445,762</u></u>

NOTE 35 PAYROLL LIABILITIES

	<u>2016</u>
NWTTA	2,107,680
UNW School Year	458,510
Other June 30	<u>117,635</u>
	<u><u>2,683,825</u></u>

NOTE 36 STATEMENT OF REMEASUREMENT GAINS AND LOSSES

(Not applicable)

NOTE 37 RESTATEMENTS

(Not applicable)

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

NOTE 38 OTHER REVENUE

	<u>2016</u>
NWTTA SSI	63,329
French Monitor	27,563
NGDG Summit	28,900
Breakfast for Learning	47,445
eLearning	140,000
Inuvialuit Indicators	100,000
IRC - Tobacco Free	96,328
Other less than 20K	46,271
Other Contributions (Aklavik DEA)	12,790
Other less than 20K (Aklavik DEA)	24,012
TGC - Social Skills Program (Ft. McPherson DEA)	94,000
Other less than 20K (Ft. McPherson DEA)	20,434
Inuvik Community Corporation (Inuvik DEA)	48,113
Facility Use (Inuvik DEA)	23,165
Other less than 20K (Inuvik DEA)	5,481
Other less than 20K (Paulatuk DEA)	18,066
Bings (Tuktoyaktuk DEA)	33,232
Brighter Futures (Tuktoyaktuk DEA)	21,440
Other less than 20K (Tuktoyaktuk DEA)	8,071
Other less than 20K (Ulukhaktok DEA)	28,410
Other less than 20K (Sachs Harbour DEA)	<u>5,009</u>
	<u>892,059</u>

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 1

CONSOLIDATED DETAILS OF EXPENSES

For the Year Ended June 30, 2016

	<u>School Programs</u>	<u>Inclusive Schooling</u>	<u>Student Accommodations</u>	<u>Operations & Maintenance</u>	<u>Administration</u>	<u>Aboriginal Languages</u>	<u>2016</u>
SALARIES:							
Teachers	\$ 10,639,607	\$ 1,131,020	\$ -	\$ -	\$ -	\$ 1,132,337	\$ 12,902,964
Instruction Assistants	95,350	-	-	-	-	45,636	140,986
Non-instructional Staff	1,878,295	1,771,392	-	-	1,406,485	266,676	5,322,848
Board/Trustee Honoraria	11,125	-	-	-	79,265	47,644	138,034
EMPLOYEE BENEFITS							
Employee Benefit/Allowance	4,103,849	1,054,178	-	151,063	320,807	468,168	6,098,065
SERVICES PURCHASED/ CONTRACTED							
Professional/Technical Services	-	188,746	-	-	64,897	-	253,643
Postage/Communication	83,585	-	2,220	-	43,150	-	128,955
Utilities & Leases	1,630	1,000	-	-	-	-	2,630
Travel	150,987	116,016	2,257	-	170,562	77,819	517,641
Student Travel	75,375	55,399	101,155	-	4,177	15,893	251,999
Advertising/Printing/Publishing	-	-	61	-	3,841	1,054	4,956
Maintenance/Repair	43,295	-	-	-	13,679	8,249	65,223
Rentals/Leases	124,929	21,950	-	151,634	19,339	8,400	326,252
Others	33,043	8,388	-	173,687	118,330	4,230	337,678
Contracted Services	112,059	252,425	-	-	27,407	182,201	574,092
MATERIALS/SUPPLIES/FREIGHT							
Materials	875,253	301,135	99	-	171,229	140,867	1,488,583
Furniture and Equipment	74,651	285,416	-	-	61,014	12,199	433,280
Freight	57,428	66,366	-	-	10,387	8,009	142,190
CONTRIBUTIONS/TRANSFERS							
Total	\$ 18,360,461	\$ 5,253,431	\$ 105,792	\$ 476,384	\$ 2,514,569	\$ 2,419,382	\$ 29,130,019

AKLAVIK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2016

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 74,317	\$ 25,044
Due from Related Parties	4,956	24,030
Accounts Receivable	<u>18,947</u>	<u>14,149</u>
	<u>98,220</u>	<u>63,223</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	-	1,293
Due to Related Parties	35,628	960
Payroll Liabilities	776	1,165
Contribution Repayable	1,717	-
Deferred Revenue	<u>5,000</u>	<u>804</u>
	<u>43,121</u>	<u>4,222</u>
ACCUMULATED SURPLUS	<u>\$ 55,099</u>	<u>\$ 59,001</u>

AKLAVIK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2016

	2016 Budget (Unaudited)	2016 <u>Actual</u>	2015 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 68,966	\$ 59,038	\$ 74,294
Other ECE contributions	51,800	51,380	65,350
Government of Canada	-	-	50,988
Other	<u>8,000</u>	<u>36,802</u>	<u>48,166</u>
TOTAL REVENUE	<u>128,766</u>	<u>147,220</u>	<u>238,798</u>
EXPENSES			
Administration	41,056	44,893	15,909
School Programs	51,800	62,003	78,939
Aboriginal Languages/Cultural Programs	<u>35,910</u>	<u>44,226</u>	<u>93,856</u>
TOTAL EXPENSES	<u>128,766</u>	<u>151,122</u>	<u>188,704</u>
OPERATING DEFICIT	-	(3,902)	50,094
OPENING ACCUMULATED SURPLUS	<u>58,999</u>	<u>58,999</u>	<u>8,905</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 58,999</u>	<u>\$ 55,097</u>	<u>\$ 58,999</u>

AKLAVIK DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
 For the Year Ended June 30, 2016

	<u>School</u>	<u>Administration</u>	<u>Aboriginal</u>	<u>2016</u>
	<u>Programs</u>	<u>Administration</u>	<u>Languages</u>	<u>2016</u>
SALARIES:				
Non-instructional Staff	\$ 46,430	\$ 25,700	\$ 9,175	\$ 81,305
Board/Trustee Honoraria	-	5,300	-	5,300
EMPLOYEE BENEFITS				
Employee Benefit/Allowance	847	847	2,542	4,236
SERVICES PURCHASED/ CONTRACTED				
Professional/Technical Services	-	-	-	-
Postage/Communication	-	889	-	889
Travel	-	1,413	-	1,413
Rentals/Leases	400	-	800	1,200
Others	690	3,992	(200)	4,482
Contracted Services	-	-	4,566	4,566
MATERIALS/SUPPLIES/FREIGHT				
Materials	8,728	6,752	27,343	42,823
Furniture and Equipment	1,060	-	-	1,060
Freight	3,848	-	-	3,848
	<u>3,848</u>	<u>-</u>	<u>-</u>	<u>3,848</u>
Total	<u>\$ 62,003</u>	<u>\$ 44,893</u>	<u>\$ 44,226</u>	<u>\$ 151,122</u>

FT MCPHERSON DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2016

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 47,560	\$ 14,538
Due from Related Parties	4,897	34,165
Accounts Receivable	<u>1,760</u>	<u>4,540</u>
	<u>54,217</u>	<u>53,243</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	20,441	19,414
Due to Related Parties	1,220	-
Payroll Liabilities	1,708	2,380
Deferred Revenue	<u>7,537</u>	<u>11,879</u>
	<u>30,906</u>	<u>33,673</u>
ACCUMULATED SURPLUS	<u>\$ 23,311</u>	<u>\$ 19,570</u>

FT MCPHERSON DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2016

	2016 Budget (Unaudited)	2016 <u>Actual</u>	2015 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 66,091	\$ 132,713	\$ 156,525
Other ECE contributions	53,300	53,814	65,302
Other contributions	-	1,900	4,100
Other	<u>12,000</u>	<u>114,434</u>	<u>117,657</u>
TOTAL REVENUE	<u>131,391</u>	<u>302,861</u>	<u>343,584</u>
EXPENSES			
Administration	44,261	57,237	69,768
School Programs	53,950	90,218	131,214
Inclusive Schooling	-	16,024	21,906
Aboriginal Languages/Cultural Programs	<u>33,180</u>	<u>123,883</u>	<u>135,890</u>
TOTAL EXPENSES	<u>131,391</u>	<u>287,362</u>	<u>358,778</u>
OPERATING SURPLUS	-	15,499	(15,194)
OPENING ACCUMULATED SURPLUS	<u>19,565</u>	<u>19,565</u>	<u>34,759</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 19,565</u>	<u>\$ 35,064</u>	<u>\$ 19,565</u>

**FT MCPHERSON DISTRICT EDUCATION AUTHORITY
 DETAILS OF EXPENSES
 For the Year Ended June 30, 2016**

	<u>School Programs</u>	<u>Inclusive Schooling</u>	<u>Administration</u>	<u>Aboriginal Languages</u>	<u>2016</u>
SALARIES:					
Instruction Assistants	\$ 73,704	\$ -	\$ -	\$ -	\$ 73,704
Non-instructional Staff	-	4,982	29,207	67,769	101,958
Board/Trustee Honoraria	-	-	5,500	25,493	30,993
EMPLOYEE BENEFITS					
Employee Benefit/Allowance	2,953	-	1,772	7,086	11,811
SERVICES PURCHASED/ CONTRACTED					
Professional/Technical Services	-	-	150	-	150
Postage/Communication	-	-	2,303	-	2,303
Travel	-	-	-	600	600
Rentals/Leases	-	14,640	-	1,200	15,840
Others	350	(3,708)	1,039	800	(1,519)
MATERIALS/SUPPLIES/FREIGHT					
Materials	12,620	110	17,266	20,821	50,817
Freight	<u>591</u>	<u>-</u>	<u>-</u>	<u>114</u>	<u>705</u>
Total	<u>\$ 90,218</u>	<u>\$ 16,024</u>	<u>\$ 57,237</u>	<u>\$ 123,883</u>	<u>\$ 287,362</u>

INUVIK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2016

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 179,369	\$ 77,133
Due from Related Parties	18,712	95,255
Accounts Receivable	<u>24,194</u>	<u>2,000</u>
	<u>222,275</u>	<u>174,388</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	5,281	12,138
Due to Related Parties	-	15,517
Payroll Liabilities	10,625	9,356
Deferred Revenue	<u>19,396</u>	<u>5,509</u>
	<u>35,302</u>	<u>42,520</u>
ACCUMULATED SURPLUS	<u>\$ 186,973</u>	<u>\$ 131,868</u>

INUVIK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2016

	2016 Budget (Unaudited)	2016 <u>Actual</u>	2015 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 240,788	\$ 248,888	\$ 305,235
Other	<u>117,360</u>	<u>76,759</u>	<u>90,907</u>
TOTAL REVENUE	<u>358,148</u>	<u>325,647</u>	<u>396,142</u>
EXPENSES			
Administration	121,258	102,840	98,820
School Programs	79,119	57,366	52,573
Inclusive Schooling	-	-	72,313
Aboriginal Languages/Cultural Programs	<u>157,771</u>	<u>110,337</u>	<u>102,494</u>
TOTAL EXPENSES	<u>358,148</u>	<u>270,543</u>	<u>326,200</u>
OPERATING SURPLUS	-	55,104	69,942
OPENING ACCUMULATED SURPLUS	<u>131,869</u>	<u>131,869</u>	<u>61,927</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 131,869</u>	<u>\$ 186,973</u>	<u>\$ 131,869</u>

**INUVIK DISTRICT EDUCATION AUTHORITY
 DETAILS OF EXPENSES
 For the Year Ended June 30, 2016**

	<u>School</u>	<u>Administration</u>	<u>Aboriginal</u>	<u>2016</u>
	<u>Programs</u>		<u>Languages</u>	
SALARIES:				
Instruction Assistants	\$ -	\$ -	\$ 41,110	\$ 41,110
Non-instructional Staff	-	71,986	37,000	108,986
Board/Trustee Honoraria	-	8,500	-	8,500
EMPLOYEE BENEFITS				
Employee Benefit/Allowance	-	4,978	5,393	10,371
SERVICES PURCHASED/ CONTRACTED				
Professional/Technical Services	-	-	-	-
Postage/Communication	-	3,393	-	3,393
Utilities & Leases	1,630	-	-	1,630
Travel	-	-	1,285	1,285
Student Travel	679	-	-	679
Advertising/Printing/Publishing	-	-	1,054	1,054
Maintenance/Repair	-	5,000	-	5,000
Rentals/Leases	20,400	-	-	20,400
Others	18,438	940	3,000	22,378
Contracted Services	10,698	128	4,700	15,526
MATERIALS/SUPPLIES/FREIGHT				
Materials	5,521	5,578	4,596	15,695
Furniture and Equipment	-	2,337	12,199	14,536
Total	\$ <u>57,366</u>	\$ <u>102,840</u>	\$ <u>110,337</u>	\$ <u>270,543</u>

PAULATUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2016

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 873	\$ 4,878
Due from Related Parties	<u>2,745</u>	<u>12,028</u>
	<u>3,618</u>	<u>16,906</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	4,000	4,000
Due to Related Parties	1,283	7,816
Payroll Liabilities	908	1,313
Deferred Revenue	<u>3,019</u>	<u>3,545</u>
	<u>9,210</u>	<u>16,674</u>
ACCUMULATED SURPLUS (DEFICIT)	<u>\$ (5,592)</u>	<u>\$ 232</u>

PAULATUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2016

	2016 Budget <u>(Unaudited)</u>	2016 <u>Actual</u>	2015 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 37,391	\$ 37,321	\$ 39,832
Other	<u>14,500</u>	<u>18,066</u>	<u>20,766</u>
TOTAL REVENUE	<u>51,891</u>	<u>55,387</u>	<u>60,598</u>
EXPENSES			
Administration	21,801	25,488	22,740
School Programs	13,700	26,090	22,708
Aboriginal Languages/Cultural Programs	<u>16,390</u>	<u>9,633</u>	<u>11,505</u>
TOTAL EXPENSES	<u>51,891</u>	<u>61,211</u>	<u>56,953</u>
OPERATING DEFICIT	-	(5,824)	3,645
OPENING ACCUMULATED SURPLUS	<u>233</u>	<u>233</u>	<u>(3,412)</u>
CLOSING ACCUMULATED SURPLUS (DEFICIT)	<u>\$ 233</u>	<u>\$ (5,591)</u>	<u>\$ 233</u>

PAULATUK DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
 For the Year Ended June 30, 2016

	<u>School</u>	<u>Administration</u>	<u>Aboriginal</u>	<u>2016</u>
	<u>Programs</u>		<u>Languages</u>	
SALARIES:				
Non-instructional Staff	\$ 8,385	\$ 11,272	\$ 7,795	\$ 27,452
Board/Trustee Honoraria	-	8,625	-	8,625
EMPLOYEE BENEFITS				
Employee Benefit/Allowance	511	682	511	1,704
SERVICES PURCHASED/ CONTRACTED				
Professional/Technical Services	-	-	-	-
Postage/Communication	-	450	-	450
Others	-	443	-	443
Contracted Services	4,000	1,952	-	5,952
MATERIALS/SUPPLIES/FREIGHT				
Materials	11,926	2,064	1,327	15,317
Freight	<u>1,268</u>	<u>-</u>	<u>-</u>	<u>1,268</u>
Total	<u>\$ 26,090</u>	<u>\$ 25,488</u>	<u>\$ 9,633</u>	<u>\$ 61,211</u>

**SACHS HARBOUR DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION**

For the year ended June 30, 2016

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 17,464	\$ 20,719
Due from Related Parties	<u>54,421</u>	<u>46,210</u>
	<u>71,885</u>	<u>66,929</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	17,303	-
Due to Related Parties	5,660	11,160
Payroll Liabilities	74	48
Deferred Revenue	<u>1,500</u>	<u>1,500</u>
	<u>24,537</u>	<u>12,708</u>
ACCUMULATED SURPLUS	<u>\$ 47,348</u>	<u>\$ 54,221</u>

SACHS HARBOUR DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2016

	2016 Budget (Unaudited)	2016 <u>Actual</u>	2015 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 28,068	\$ 21,208	\$ 23,416
Other	<u>-</u>	<u>5,009</u>	<u>-</u>
TOTAL REVENUE	<u>28,068</u>	<u>26,217</u>	<u>23,416</u>
EXPENSES			
Administration	3,976	11,357	3,401
School Programs	16,232	18,728	12,710
Aboriginal Languages/Cultural Programs	<u>7,860</u>	<u>3,003</u>	<u>-</u>
TOTAL EXPENSES	<u>28,068</u>	<u>33,088</u>	<u>16,111</u>
OPERATING DEFICIT	-	(6,871)	7,305
OPENING ACCUMULATED SURPLUS	<u>54,222</u>	<u>54,222</u>	<u>46,917</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 54,222</u>	<u>\$ 47,351</u>	<u>\$ 54,222</u>

SACHS HARBOUR DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
 For the Year Ended June 30, 2016

	<u>School</u>	<u>Administration</u>	<u>Aboriginal</u>	<u>2016</u>
	<u>Programs</u>		<u>Languages</u>	
SALARIES:				
Teachers	\$ 3,719	\$ -	\$ -	\$ 3,719
Board/Trustee Honoraria	-	1,450	-	1,450
EMPLOYEE BENEFITS				
Employee Benefit/Allowance	445	-	-	445
SERVICES PURCHASED/ CONTRACTED				
Professional/Technical Services	-	-	-	-
Postage/Communication	-	123	-	123
Travel	-	1,817	-	1,817
Others	-	805	-	805
Contracted Services	12,000	800	600	13,400
MATERIALS/SUPPLIES/FREIGHT				
Materials	2,469	3,140	2,403	8,012
Furniture and Equipment	-	3,222	-	3,222
Freight	95	-	-	95
Total	\$ 18,728	\$ 11,357	\$ 3,003	\$ 33,088

TSIIGEHTCHIC DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2016

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 55,416	\$ 44,402
Due from Related Parties	50,383	93,398
Accounts Receivable	<u>900</u>	<u>5,200</u>
	<u>106,699</u>	<u>143,000</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	9,506	8,882
Due to Related Parties	-	7,047
Payroll Liabilities	<u>151</u>	<u>986</u>
	<u>9,657</u>	<u>16,915</u>
ACCUMULATED SURPLUS	<u>\$ 97,042</u>	<u>\$ 126,085</u>

TSIIGEHTCHIC DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2016

	2016 Budget <u>(Unaudited)</u>	2016 <u>Actual</u>	2015 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 24,354	\$ 24,354	\$ 22,666
Rentals	3,200	2,300	12,150
Other	<u>-</u>	<u>-</u>	<u>2,500</u>
TOTAL REVENUE	<u>27,554</u>	<u>26,654</u>	<u>37,316</u>
EXPENSES			
Administration	7,400	12,663	18,225
School Programs	7,864	32,453	14,923
Aboriginal Languages/Cultural Programs	<u>12,290</u>	<u>10,582</u>	<u>4,054</u>
TOTAL EXPENSES	<u>27,554</u>	<u>55,698</u>	<u>37,202</u>
OPERATING DEFICIT	-	(29,044)	114
OPENING ACCUMULATED SURPLUS	<u>126,080</u>	<u>126,080</u>	<u>125,966</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 126,080</u>	<u>\$ 97,036</u>	<u>\$ 126,080</u>

TSIIGEHTCHIC DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
 For the Year Ended June 30, 2016

	<u>School</u>	<u>Administration</u>	<u>Aboriginal</u>	<u>2016</u>
	<u>Programs</u>		<u>Languages</u>	
SALARIES:				
Instruction Assistants	\$ -	\$ -	\$ 4,526	\$ 4,526
Non-instructional Staff	-	-	656	656
Board/Trustee Honoraria	-	4,725	-	4,725
EMPLOYEE BENEFITS				
Employee Benefit/Allowance	-	-	51	51
SERVICES PURCHASED/ CONTRACTED				
Professional/Technical Services	-	-	-	-
Student Travel	4,450	-	1,601	6,051
Rentals/Leases	7,325	-	400	7,725
Others	-	1,881	-	1,881
Contracted Services	8,400	220	1,129	9,749
MATERIALS/SUPPLIES/FREIGHT				
Materials	12,278	3,099	2,219	17,596
Furniture and Equipment	-	<u>2,738</u>	-	<u>2,738</u>
Total	<u>\$ 32,453</u>	<u>\$ 12,663</u>	<u>\$ 10,582</u>	<u>\$ 55,698</u>

TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2016

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 16,946	\$ 7,117
Due from Related Parties	2,792	20,288
Accounts Receivable	<u>5,252</u>	<u>47</u>
	<u>24,990</u>	<u>27,452</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	13,534	24,461
Due to Related Parties	6,284	2,396
Payroll Liabilities	1,098	3,168
Deferred Revenue	<u>18,074</u>	<u>6,197</u>
	<u>38,990</u>	<u>36,222</u>
NET FINANCIAL DEBT	<u>(14,000)</u>	<u>(8,770)</u>
NON-FINANCIAL ASSETS		
Prepaid Expenses	<u>-</u>	<u>1,810</u>
ACCUMULATED DEFICIT	<u>\$ (14,000)</u>	<u>\$ (6,960)</u>

TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2016

	2016 Budget <u>(Unaudited)</u>	2016 <u>Actual</u>	2015 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 122,681	\$ 75,057	\$ 116,822
Government of Canada	29,000	19,966	28,602
Other	<u>46,000</u>	<u>62,743</u>	<u>55,788</u>
TOTAL REVENUE	<u>197,681</u>	<u>157,766</u>	<u>201,212</u>
EXPENSES			
Administration	41,650	64,347	46,450
School Programs	62,399	59,985	116,580
Inclusive Schooling	55,260	-	26,624
Aboriginal Languages/Cultural Programs	<u>38,372</u>	<u>26,656</u>	<u>29,783</u>
TOTAL EXPENSES	<u>197,681</u>	<u>150,988</u>	<u>219,437</u>
OPERATING SURPLUS	-	6,778	(18,225)
OPENING ACCUMULATED DEFICIT	<u>(6,963)</u>	<u>(6,963)</u>	<u>11,262</u>
CLOSING ACCUMULATED DEFICIT	<u>\$ (6,963)</u>	<u>\$ (185)</u>	<u>\$ (6,963)</u>

TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
 For the Year Ended June 30, 2016

	<u>School</u>	<u>Administration</u>	<u>Aboriginal</u>	<u>2016</u>
	<u>Programs</u>		<u>Languages</u>	
SALARIES:				
Non-instructional Staff	\$ 19,773	\$ 8,927	\$ -	\$ 28,700
Board/Trustee Honoraria	-	5,600	7,855	13,455
EMPLOYEE BENEFITS				
Employee Benefit/Allowance	5,907	4,390	-	10,297
SERVICES PURCHASED/ CONTRACTED				
Professional/Technical Services	-	-	-	-
Postage/Communication	-	45	-	45
Travel	-	288	1,922	2,210
Student Travel	-	3,350	-	3,350
Maintenance/Repair	-	260	-	260
Rentals/Leases	-	6,815	-	6,815
Others	2,000	5,315	-	7,315
Contracted Services	2,268	1,800	13,586	17,654
MATERIALS/SUPPLIES/FREIGHT				
Materials	30,037	7,241	3,181	40,459
Furniture and Equipment	-	19,679	-	19,679
Freight	-	637	112	749
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	\$ 59,985	\$ 64,347	\$ 26,656	\$ 150,988

ULUKHAKTOK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION

For the year ended June 30, 2016

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 52,634	\$ 35,956
Due from Related Parties	7,945	10,911
Accounts Receivable	<u>321</u>	<u>400</u>
	<u>60,900</u>	<u>47,267</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	250	250
Payroll Liabilities	750	1,015
Deferred Revenue	<u>25,586</u>	<u>17,177</u>
	<u>26,586</u>	<u>18,442</u>
ACCUMULATED SURPLUS	<u>\$ 34,314</u>	<u>\$ 28,825</u>

ULUKHAKTOK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS

For the Year Ended June 30, 2016

	2016 Budget <u>(Unaudited)</u>	2016 <u>Actual</u>	2015 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 73,407	\$ 73,407	\$ 72,087
Other ECE contributions	50,227	42,083	55,505
Other contributions	-	387	1,393
Rentals	-	1,529	-
Other	<u>27,945</u>	<u>28,410</u>	<u>25,592</u>
TOTAL REVENUE	<u>151,579</u>	<u>145,816</u>	<u>154,577</u>
EXPENSES			
Administration	25,898	32,219	28,698
School Programs	73,678	63,249	90,642
Inclusive Schooling	20,415	-	16,054
Aboriginal Languages/Cultural Programs	<u>31,588</u>	<u>24,445</u>	<u>23,589</u>
TOTAL EXPENSES	<u>151,579</u>	<u>119,913</u>	<u>158,983</u>
OPERATING SURPLUS	-	25,903	(4,406)
OPENING ACCUMULATED SURPLUS	<u>28,819</u>	<u>28,819</u>	<u>33,225</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 28,819</u>	<u>\$ 54,722</u>	<u>\$ 28,819</u>

ULUKHAKTOK DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
For the Year Ended June 30, 2016

	<u>School</u> <u>Programs</u>	<u>Administration</u>	<u>Aboriginal</u> <u>Languages</u>	<u>2016</u>
SALARIES:				
Teachers	\$ 9,466	\$ -	\$ -	\$ 9,466
Non-instructional Staff	39,574	13,670	20,508	66,752
Board/Trustee Honoraria	-	10,025	2,250	12,275
EMPLOYEE BENEFITS				
Employee Benefit/Allowance	-	4,587	-	4,587
SERVICES PURCHASED/ CONTRACTED				
Professional/Technical Services	-	-	-	-
Utilities & Leases	-	-	-	1,000
Student Travel	9,110	827	-	9,937
Rentals/Leases	-	-	-	6,000
Others	325	2,981	-	3,306
MATERIALS/SUPPLIES/FREIGHT				
Materials	4,774	-	1,687	6,461
Freight	-	129	-	129
	<u>-</u>	<u>129</u>	<u>-</u>	<u>129</u>
Total	<u>\$ 63,249</u>	<u>\$ 32,219</u>	<u>\$ 24,445</u>	<u>\$ 119,913</u>

NON-CONSOL BEAUFORT DELTA EDUCATION COUNCIL
STATEMENT OF FINANCIAL POSITION

For the year ended June 30, 2016

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 8,563,232	\$ 8,467,369
Accounts Receivable	228,537	343,798
Restricted Assets	<u>256,459</u>	<u>258,247</u>
	<u>9,048,228</u>	<u>9,069,414</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	717,456	616,021
Due to Related Parties	96,876	291,389
Payroll Liabilities	2,667,735	3,504,200
Contribution Repayable	36,547	122,532
Employee Deductions Payable	1,537	37,343
Deferred Revenue	230,595	237,160
Post-Employment Benefits	<u>2,207,324</u>	<u>2,278,677</u>
	<u>5,958,070</u>	<u>7,087,322</u>
NET FINANCIAL RESOURCES	<u>3,090,158</u>	<u>1,982,092</u>
NON-FINANCIAL ASSETS		
Prepaid Expenses	<u>9,241</u>	<u>29,212</u>
ACCUMULATED SURPLUS	<u>\$ 3,099,399</u>	<u>\$ 2,011,304</u>

NON-CONSOL BEAUFORT DELTA EDUCATION COUNCIL
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2016

	2016 Budget <u>(Unaudited)</u>	2016 <u>Actual</u>	2015 <u>Actual</u>
REVENUE			
Government of the NWT			
Regular contributions	\$ 27,959,124	\$ 28,211,586	\$ 28,173,065
Other ECE contributions	228,200	442,337	737,333
Other contributions	<u>598,600</u>	<u>443,475</u>	<u>448,692</u>
Total Government of the NWT	<u>28,785,924</u>	<u>29,097,398</u>	<u>29,359,090</u>
Government of Canada	<u>-</u>	<u>1,000</u>	<u>2,850</u>
Board Generated Funds			
Investment Income	20,000	67,718	66,658
Other	<u>523,484</u>	<u>549,836</u>	<u>633,534</u>
Total Board Generated Funds	<u>543,484</u>	<u>617,554</u>	<u>700,192</u>
TOTAL REVENUE	<u>29,329,408</u>	<u>29,715,952</u>	<u>30,062,132</u>
EXPENSES			
Administration	2,069,141	2,356,594	2,206,902
School Programs	18,386,293	18,096,919	19,049,758
Inclusive Schooling	5,601,943	5,274,420	4,028,303
Student Accommodations	200,000	105,792	135,050
Operations & Maintenance	815,000	476,384	713,074
Aboriginal Languages/Cultural Programs	<u>2,247,418</u>	<u>2,315,977</u>	<u>2,082,382</u>
TOTAL EXPENSES	<u>29,319,795</u>	<u>28,626,086</u>	<u>28,215,469</u>
OPERATING SURPLUS	9,613	1,089,866	1,846,663
OPENING ACCUMULATED SURPLUS	<u>1,753,043</u>	<u>1,753,043</u>	<u>(93,620)</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 1,762,656</u>	<u>\$ 2,842,909</u>	<u>\$ 1,753,043</u>

**NON-CONSOL BEAUFORT DELTA EDUCATION COUNCIL
 DETAILS OF EXPENSES
 For the Year Ended June 30, 2016**

	<u>School Programs</u>	<u>Inclusive Schooling</u>	<u>Student Accommodations</u>	<u>Operations & Maintenance</u>	<u>Administration</u>	<u>Aboriginal Languages</u>	<u>2016</u>
SALARIES:							
Teachers	\$ 10,626,422	\$ 1,131,020	\$ -	\$ -	\$ -	\$ 1,132,337	\$ 12,889,779
Instruction Assistants	21,646	-	-	-	-	-	21,646
Non-instructional Staff	1,764,133	1,773,410	-	-	1,245,723	123,773	4,907,039
Board/Trustee Honoraria	11,125	-	-	-	29,540	12,046	52,711
EMPLOYEE BENEFITS							
Employee Benefit/Allowance	4,093,186	1,054,178	-	151,063	303,551	452,585	6,054,563
SERVICES PURCHASED/ CONTRACTED							
Professional/Technical Services	-	188,746	-	-	64,747	-	253,493
Postage/Communication	83,585	-	2,220	-	35,947	-	121,752
Travel	150,987	116,016	2,257	-	167,044	74,012	510,316
Student Travel	61,136	55,399	101,155	-	-	14,292	231,982
Advertising/Printing/Publishing	-	-	61	-	3,841	-	3,902
Maintenance/Repair	43,295	-	-	-	8,419	8,249	59,963
Rentals/Leases	96,804	1,310	-	151,634	12,524	6,000	268,272
Others	11,240	12,096	-	173,687	100,934	630	298,587
Contracted Services	74,693	252,425	-	-	22,507	157,620	507,245
MATERIALS/SUPPLIES/FREIGHT							
Materials	786,900	301,025	99	-	126,089	77,290	1,291,403
Furniture and Equipment	73,591	285,416	-	-	33,038	-	392,045
Freight	51,626	66,366	-	-	9,621	7,783	135,396
CONTRIBUTIONS/TRANSFERS							
Transfers - Other	<u>146,550</u>	<u>37,013</u>	<u>-</u>	<u>-</u>	<u>193,069</u>	<u>249,360</u>	<u>625,992</u>
Total	<u>\$ 18,096,919</u>	<u>\$ 5,274,420</u>	<u>\$ 105,792</u>	<u>\$ 476,384</u>	<u>\$ 2,356,594</u>	<u>\$ 2,315,977</u>	<u>\$ 28,626,086</u>

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 29

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
INFRASTRUCTURE**

For the Year Ended June 30, 2016

	<u>2016</u>	<u>2015</u>
PERSONNEL INFRASTRUCTURE		
Contributions	<u>816,293</u>	<u>536,346</u>
Expenses:		
Removal In/Transfer	346,198	282,272
Ultimate Removal	(172,511)	179,155
WSCC Premiums	<u>150,987</u>	<u>108,778</u>
Total Expenses	<u>324,674</u>	<u>570,205</u>
Net Surplus (Deficit)	<u>491,619</u>	<u>(33,859)</u>
LEASES INFRASTRUCTURE		
Contributions	<u>-</u>	<u>138,665</u>
Expenses:		
Leases	<u>151,634</u>	<u>141,624</u>
Total Expenses	<u>151,634</u>	<u>141,624</u>
Net Surplus (Deficit)	<u>(151,634)</u>	<u>(2,959)</u>
REPAYABLE TO EDUCATION, CULTURE AND EMPLOYMENT	<u>-</u>	<u>-</u>

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 30

REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS

FRENCH LANGUAGE PROGRAM

For the Year Ended June 30, 2016

	<u>Contributions</u>	<u>Total Expenses</u>	<u>Variance</u>
	<u>July 1 to June 30</u>	<u>July 1 to June 30</u>	
Bilateral Agreement Funding			
Special Projects:			
Teacher's Assistant Salary	\$ 60,000	\$ -	\$ 60,000
Core French 1:12 Salary	-	146,927	(146,927)
French Resources	5,000	13,160	(8,160)
Cultural Activities	5,000	45	4,955
Professional Development	5,000	-	5,000
French Monitor	<u>15,000</u>	<u>14,997</u>	<u>3</u>
Total	\$ <u>90,000</u>	\$ <u>175,129</u>	\$ <u>(85,129)</u>
Regular GNWT Funding			
Immersion Program	\$ 90,000		
Core French Instruction	<u>28,563</u>		
Total	\$ <u>118,563</u>		

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 31

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
ABORIGINAL LANGUAGES
For the Year Ended June 30, 2016**

	<u>July 1 to March 31</u>	<u>April 1 to June 30</u>	<u>Total</u>
<u>Contribution Agreement Aboriginal Languages</u>			
Revenue			
Funding Received	<u>78,000</u>	<u>-</u>	<u>78,000</u>
Expenses			
Salaries	100,000	(100,000)	-
Other O & M	<u>53,000</u>	<u>100,000</u>	<u>153,000</u>
Total Expenses	<u>153,000</u>	<u>-</u>	<u>153,000</u>
Net Surplus (Deficit)	<u>(75,000)</u>	<u>-</u>	<u>(75,000)</u>

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 32

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
STUDENT SUCCESS INITIATIVE
For the Year Ended June 30, 2016**

NWT Student Success Initiative

Professional Development Initiative

Title of Project: Ongoing Development of Collaborative Teams and Response to Intervention

	<u>2016</u>
Revenue	<u>63,329</u>
Expenses:	
Travel	
Air Charter	84,169
Accommodation	33,054
Daily Per Diems	18,054
Workshop Expenses	
Room Rental	318
Miscellaneous	<u>49,679</u>
Total Expenses	<u>185,274</u>
Net Surplus (Deficit)	<u>(121,945)</u>

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 33

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
DETAILS OF ABORIGINAL LANGUAGE AND CULTURAL-BASED EDUCATION EXPENSES
For the Year Ended June 30, 2016**

<u>FUNCTION</u>	<u>Student Instruction</u>	<u>Teaching/ Learning Resources</u>	<u>Professional Development</u>	<u>School Activities and Integrated Community Programs</u>	<u>Total</u>
<u>SALARIES</u>					
ALCBE Teachers	\$ 1,132,337	\$ -	\$ -	\$ -	\$ 1,132,337
Language Consultants	123,773	-	-	-	123,773
Instruction Assistants	45,636	-	-	-	45,636
Non Instructional Staff	-	-	-	142,903	142,903
Honoraria	-	-	-	47,644	47,644
<u>EMPLOYEE BENEFITS</u>					
Employee Benefits/Allowances	452,585	-	-	15,583	468,168
<u>SERVICES PURCHASED/ CONTRACTED</u>					
Travel	15,676	-	17,516	44,627	77,819
Student Transportation (bussing)	-	-	-	15,893	15,893
Maintenance/Repair	-	-	-	8,249	8,249
Rentals/Leases	-	-	-	8,400	8,400
Other Contracted Services	-	177,451	-	4,750	182,201
Others	-	-	-	4,230	4,230
<u>MATERIAL/SUPPLIES/FREIGHT</u>					
Materials	-	25,909	1,331	113,627	140,867
Furniture and Equipment	-	-	-	12,199	12,199
Freight	-	1,023	-	6,986	8,009
TOTAL	\$ <u>1,770,007</u>	\$ <u>204,383</u>	\$ <u>18,847</u>	\$ <u>425,091</u>	\$ <u>2,418,328</u>

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 34

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
 DETAILS OF INCLUSIVE SCHOOLING EXPENSES
 For the Year Ended June 30, 2016**

<u>FUNCTION</u>	<u>Staff Development</u>	<u>Assistive Technology</u>	<u>Student Resources</u>	<u>General Inclusive Schooling</u>	<u>Total</u>
<u>SALARIES</u>					
Program Support Teachers	\$ -	\$ -	\$ -	\$ 1,131,020	\$ 1,131,020
Consultants	-	-	-	133,121	133,121
Support Assistants	-	-	-	1,374,190	1,374,190
Non Instructional Staff	-	42,913	-	221,168	264,081
<u>EMPLOYEE BENEFITS</u>					
Employee Benefits/Allowances	-	-	-	1,054,178	1,054,178
<u>SERVICES PURCHASED/ CONTRACTED</u>					
Professional/Technical Services	-	-	-	188,746	188,746
Travel	-	-	-	1,000	1,000
Travel	70,266	-	-	45,750	116,016
Student Transportation (bussing)	-	-	-	55,399	55,399
Rentals/Leases	-	-	-	21,950	21,950
Other Contracted Services	60,702	-	-	191,723	252,425
Others	1,730	-	-	6,658	8,388
<u>MATERIAL/SUPPLIES/FREIGHT</u>					
Materials	-	9,486	151,886	139,763	301,135
Furniture and Equipment	-	-	-	285,416	285,416
Freight	-	-	-	66,366	66,366
TOTAL	\$ 132,698	\$ 52,399	\$ 151,886	\$ 4,916,448	\$ 5,253,431

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

Consolidated Financial Statements

June 30, 2016

Commission scolaire francophone Territoires du Nord-Ouest

Consolidated Financial Statements

June 30, 2016

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Commission scolaire francophone Territoires du Nord-Ouest

Le rapport de gestion

L'objectif du rapport de gestion consiste à expliquer, du point de vue du bureau central, la situation financière et les perspectives d'avenir de la Commission scolaire francophone TNO. Le rapport de gestion est la responsabilité de la direction et des commissaires de la Commission scolaire francophone TNO et sert à promouvoir la transparence et la reddition de compte.

Les objectifs de la gestion financière de la Commission scolaire francophone TNO se résument en deux objectifs :

- 1) Fournir les meilleurs programmes d'éducation possible selon les ressources financières allouées.
- 2) Gérer les ressources financières avec compétence et être redevable pour ces ressources financières devant le Ministère de l'Éducation, de la Culture et de la Formation des Territoires du Nord-Ouest et le gouvernement du Canada.

La vision de la Commission scolaire francophone TNO est de permettre à l'élève de développer ses compétences et de cultiver ses talents, selon ses besoins spécifiques, dans une perspective de développement global de sa personne et de son identité francophone.

Selon la Loi sur l'Éducation des Territoires du Nord-Ouest, la Commission scolaire francophone compte six sièges de commissaires élus: 3 à Yellowknife et 3 à Hay River.

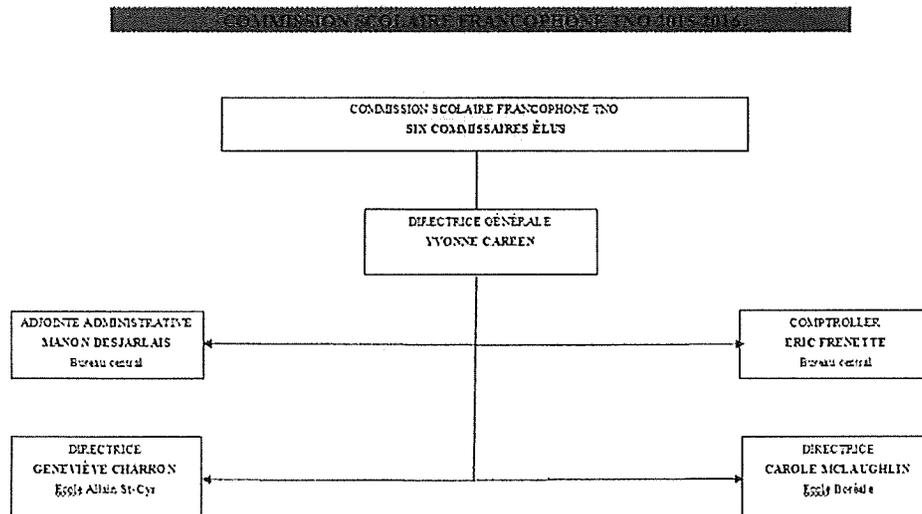
Ce sont les commissaires qui doivent superviser la gestion de la Commission scolaire et des écoles. En fait, ils constituent le lien entre les élèves, les parents, les écoles et les deux paliers de gouvernement.

Les commissaires pour 2015-16 étaient :

Nom	Position
Simon Cloutier	Président
Étienne Croteau	Vice-président
Michael St-Amour	Trésorier
David Couture	Commissaire
Natalie Campbell	Commissaire
Christian Marcoux	Commissaire

La Commission scolaire francophone TNO gouverne deux écoles publiques en français langue première de la maternelle à la 12^e année: l'école Allain St-Cyr à Yellowknife et l'école Boréale à Hay River. En 2015-16, la CSFTNO avait trois employés au bureau central et trente-deux employés dans les écoles pour un total de trente-cinq employés.

L'organigramme de la Commission scolaire francophone pour l'année scolaire 2015-16:



En 2015-2016, 131.5 élèves ont fréquenté l'école Allain St-Cyr et 85 ont fréquenté l'école Boréale.

La Commission scolaire a adopté son plan stratégique 2015-2020 le 17 décembre 2015. Le plan comprend 5 priorités :

- La réussite et le bien-être de chaque élève;
- Espace francophone et communautaire;
- Engagement des parents et des familles;
- L'école francophone, le premier choix des parents; et
- Gestion et gouvernances efficaces.

Priorité : La réussite et le bien-être de chaque élève

- Développer les compétences à l'ère numérique chez nos élèves de la maternelle à la 12e année;
- Appuyer nos élèves à partir d'une compréhension commune de « la réussite » et du « bien-être »;
- Améliorer la diversité et la qualité des programmes et des services offerts dans nos écoles;
- Entretenir un climat sain, inclusif et sécuritaire dans nos écoles;
- Assurer l'utilisation efficace et judicieuse des technologies informatiques et de communication pour améliorer l'expérience d'apprentissage;
- Maintenir un personnel engagé et compétent;
- Assurer le développement professionnel continu et l'échange de pratiques qui favorisent la réussite et le bien-être des élèves; et
- Favoriser le développement de l'autonomie chez les élèves tout au long de leur parcours scolaire.

Priorité : Espace francophone et communautaire

- Favoriser le développement de la construction identitaire chez nos élèves;
- Renforcer les partenariats avec la communauté pour appuyer l'apprentissage de chaque élève; et
- Promouvoir la valeur ajoutée de l'éducation en français langue première et de la dualité linguistique canadienne.

Priorité : Engagement des parents et des familles

- Impliquer nos parents comme partenaires dans l'apprentissage et l'épanouissement de leur enfant;
- Aider nos parents afin qu'ils puissent accompagner leur enfant; et
- Assurer une communication ouverte et soutenue avec les parents.

Priorité : L'école francophone, le premier choix des parents

- Assurer la pérennité et la vitalité de nos écoles; et
- Favoriser la rétention et le recrutement des élèves.

Priorité : Gestion et gouvernances efficaces

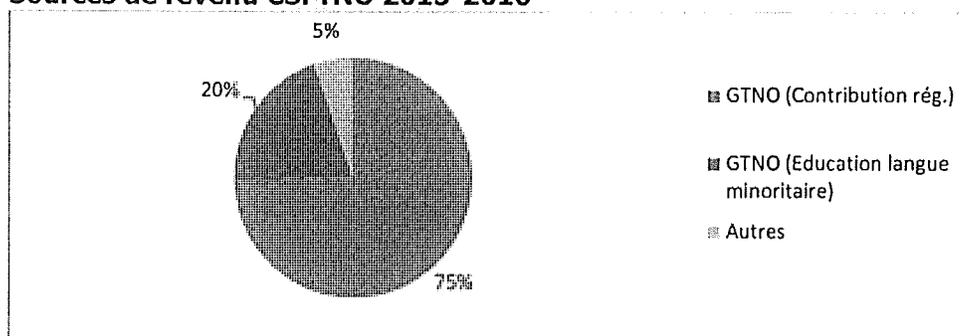
- Mettre à jour les politiques de gouvernance de la CSFTNO;
- Renforcer les capacités de leadership au sein de la CSFTNO; et
- Améliorer la communication et la diffusion d'information auprès des parents et des membres de la communauté.

Revenus

La source principale de revenu provient du Gouvernement des Territoires du Nord-Ouest. Cette source de revenu est majoritairement divisée entre 2 catégories :

- Les contributions régulières calculées par le Cadre de financement scolaire des Territoires du Nord-Ouest; et
- La contribution provenant de l'entente Enseignement en français langue de la minorité de Patrimoine canadien.

Sources de revenu CSFTNO 2015-2016

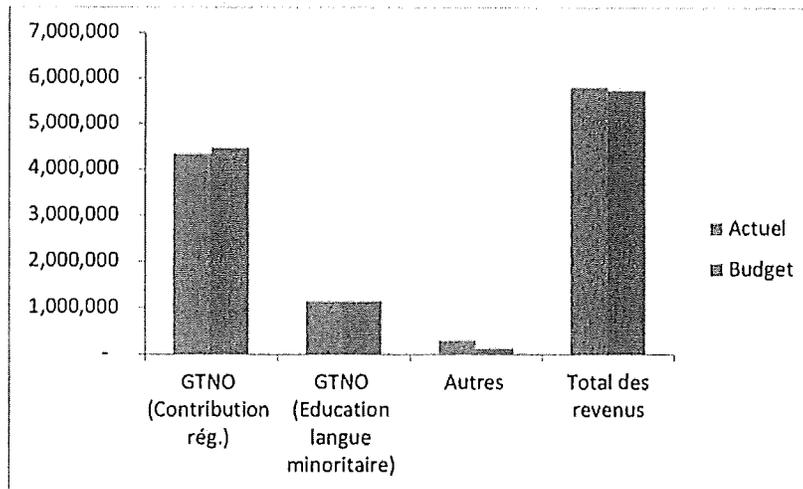


En 2015-2016, la Commission scolaire francophone TNO a enregistré des revenus d'une somme de 5.79 M\$ comparativement à un montant budgété de 5.74 M\$. Cette variance de 50 K\$ s'explique principalement par trois facteurs :

- Les revenus pour les ordonnances de la cour ont été 12K\$ plus que prévu.
- Les contributions additionnelles de 73K\$ reçues par le Gouvernement des Territoires du Nord-Ouest pendant l'année scolaire 2015-16 non incluent dans le budget approuvé.
- Les revenus de 35K\$ budgété en trop qui aurait été reçus si la cause de la CSFTNO avait été entendu à la Cour suprême du Canada. (Programme de contestation judiciaire du Canada)

Voici un tableau illustrant les revenus actuels comparativement aux revenus budgétés :

Revenus actuels vs. budgétés 2015-16

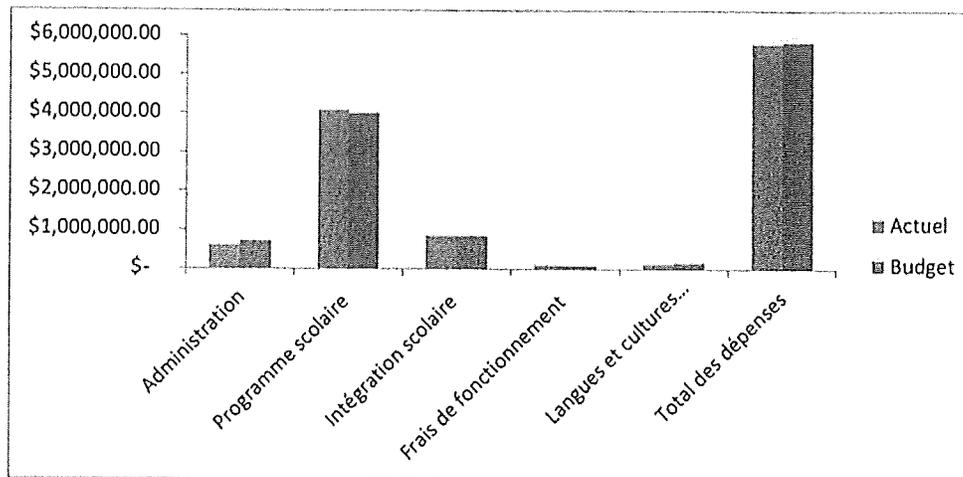


Dépenses

Le total des dépenses de la Commission scolaire francophone TNO au 30 juin 2016 se chiffrait à 5,79 M\$ comparativement à un budget approuvé de 5.84 M\$.

Voici un tableau illustrant les dépenses réelles comparativement aux dépenses budgétées par programme :

Dépenses actuelles vs. Budgétées



Programmes

- Administration

La section administration comprend les dépenses pour les salaires et bénéfices des employés au bureau central, les honoraires du Conseil d'administration et les dépenses administratives de la Commission scolaire francophone TNO.

- Programme scolaire

Cette section inclue les dépenses opérationnelles des écoles telles que les salaires et bénéfices des enseignants, aide-enseignants, consultants, secrétaires et concierges. Le programme scolaire comprend également les frais de développement professionnel, transport par autobus, matériaux scolaire et les fournitures scolaires dans les écoles.

- **Intégration scolaire**

Les dépenses pour l'intégration scolaire supportent les écoles pour permettre à tous les élèves l'inclusion et la participation dans les classes régulières. Cette section inclut les salaires et bénéfices des enseignants, les aides-enseignants, le développement professionnel, matériaux et fournitures de classes associés avec le programme d'intégration scolaire.

- **Frais de fonctionnement**

Les frais de fonctionnement consistent aux dépenses d'opérations et de maintenances des écoles non couvert par le Gouvernement des Territoires du Nord-Ouest.

- **Langues et cultures autochtones**

Ce programme comprend les salaires et bénéfices des enseignants, les matériaux et les fournitures reliés au programme de Langue et Cultures Autochtones.

Sommaire

La Commission scolaire francophone TNO a approuvé un déficit de (103 404 \$) en raison des dépenses légales prévues pour l'année 2015-16.

La Commission scolaire francophone TNO a terminé l'année fiscale avec un déficit annuel de (733\$). Par conséquent, le surplus accumulé est diminué à 576 831\$ comparativement à 577 564\$ au 30 juin 2015. Ce déficit annuel s'explique majoritairement par des revenus excédentaires non budgétés d'environ 55K\$ et des dépenses légal moins grande qu'anticipés.

En 2016-17, nous sommes heureux d'offrir un nouveau Programme préscolaire pour les enfants de 4 ans – Les Renardeaux.

Finalement, les fonds budgétés pour l'année fiscale 2016-2017 s'enlignent avec notre Plan stratégique 2015-2020 dans le but de continuer à offrir un excellent programme d'éducation en français langue première dans nos deux écoles. Nous souhaitons une bonne rentrée scolaire à tous les élèves et les employés de la Commission scolaire francophone TNO.

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

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

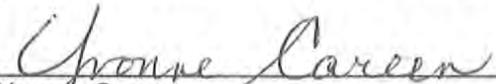
The Management Discussion and Analysis, Consolidated Financial Statements, Schedules and Notes herein submitted have been reviewed by management. They provide full disclosure and accurately reflect the financial and non-financial condition of Commission scolaire francophone Territoire du Nord-Ouest ("the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

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

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

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

Approved and confirmed on behalf of the Commission


Yvonne Careen _____ Directrice générale


Eric Frenette, CGA _____ Contrôleur financier

September 20, 2016

Independent Auditors' Report

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Commission scolaire francophone Territoires du Nord-Ouest ("the Commission") which comprise the consolidated statement of financial position as at June 30, 2016 and the consolidated statements of operations, changes in net financial asset (debt), and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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



Independent Auditors' Report (continued)

Basis for Qualified Opinion

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

Qualified Opinion

In our opinion, except for the possible effect of the matters described in the Basis of Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the Commission as at June 30, 2016 and the results of its operations, change in net debt 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*, in our opinion, proper books of account have been kept by the Commission, the consolidated financial statements are in agreement therewith, and the transactions that have come under our notice have, in all significant aspects, been within the statutory powers of the Commission.

Yellowknife, Northwest Territories
September 20, 2016

A handwritten signature in cursive script that reads "Crowe MacKay LLP".

Chartered Accountants

Commission scolaire francophone Territoires du Nord-Ouest

Consolidated Statement of Financial Position

As at June 30, 2016 2015

Financial Assets

Cash (Note 4)	\$ 1,149,689	\$ 1,372,140
Restricted assets (Note 6)	-	45,000
Accounts receivable (Note 8)	329,992	215,575
	1,479,681	1,632,715

Liabilities

Accounts payable and accrued liabilities (Note 10)	151,477	173,065
Payroll liabilities (Note 34)	576,672	666,574
Contributions repayable (Note 12)	-	17,410
Deferred revenue (Note 11)	-	45,000
Post-employment benefits (Note 17)	191,547	168,285

919,696 **1,070,334**

Net financial assets **559,985** **562,381**

Non-financial assets

Prepaid expenses and deposits (Note 20) **16,846** 15,183

Accumulated surplus **\$ 576,831** **\$ 577,564**

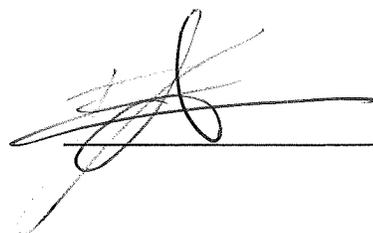
Represented By:

Operating surplus **\$ 576,831** **\$ 577,564**

Contractual obligations and contingencies (Note 24 and 25)

Approved on behalf of the Board:

 Trustee

 Trustee

Commission scolaire francophone Territoires du Nord-Ouest

Consolidated Statement of Operations

For the year ended June 30,	2016 Budget	2016 Actual	2015 Actual
Revenue			
Government of the NWT Education, Culture, & Employment			
ECE Regular contributions	\$ 4,455,809	\$ 4,333,304	\$ 4,210,418
French language instruction	1,152,850	1,152,850	1,152,850
ECE Other contributions (Note 33)	10,000	172,130	115,836
Total GNWT ECE	5,618,659	5,658,284	5,479,104
GNWT Other contributions (Note 34)	-	23,027	-
Total GNWT	5,618,659	5,681,311	5,479,104
Government of Canada			
Other contributions	44,400	47,553	39,264
Education body generated funds			
Northwest Territories Teachers' Association			
Contributions	-	9,039	9,438
Interest	-	19,298	-
School fees	5,000	12,492	4,475
Other revenue	70,000	23,732	83,854
	75,000	64,561	97,767
	5,738,059	5,793,425	5,616,135
Expenses (Schedule 1)			
Administration	718,649	598,861	724,440
School programs	3,998,029	4,083,652	3,728,314
Inclusive schooling	852,786	855,388	846,870
Operations and maintenance	103,065	110,999	131,699
Aboriginal languages	168,932	145,258	111,725
	5,841,461	5,794,158	5,543,048
Operating surplus (deficit) before other items	(103,402)	(733)	73,087
Other items			
Grant in-kind - Assets provided at no cost (Note 23)	-	164,160	164,160
Rent expense - Assets provided at no cost (Note 23)	-	(164,160)	(164,160)
Operating surplus (deficit)	(103,402)	(733)	73,087
Opening accumulated surplus (deficit)	577,564	577,564	504,477
Closing accumulated surplus	\$ 474,162	\$ 576,831	\$ 577,564

Commission scolaire francophone Territoires du Nord-Ouest

Consolidated Statement of Changes in Net Financial Assets (Debt)

For the year ended June 30,	2016	2015
Operating surplus	\$ (733)	\$ 73,087
Use (acquisition) of prepaid expenses and deposits	(1,663)	10,931
Increase in net financial assets	(2,396)	84,018
Net financial assets (debt), beginning of year	562,381	478,363
Net financial assets, end of year	\$ 559,985	\$ 562,381

Commission scolaire francophone Territoires du Nord-Ouest

Consolidated Statement of Cash Flows

For the year ended June 30, 2016 2015

Cash provided by (used in):

Operating transactions

Operating surplus \$ (733) \$ 73,087

Changes in non-cash assets and liabilities

Increase (decrease) in accounts receivable (114,417) 69,622
Increase (decrease) in accounts payable (21,587) (99,258)
Increase (decrease) in payroll liabilities (89,902) 96,381
Increase (decrease) in contributions repayable (17,410) (43,366)
Increase (decrease) in deferred revenue (45,000) 10,000
Increase (decrease) in post-employment benefits 23,262 11,638
Increase (decrease) in prepaid expenses and deposits (1,664) 10,932

Increase in cash and cash equivalents (267,451) 129,036

Cash and cash equivalents at beginning of year 1,417,140 1,288,104

Cash and cash equivalents at end of year \$ 1,149,689 \$ 1,417,140

Cash and cash equivalents consist of:

Cash \$ 1,149,689 \$ 1,372,140
Restricted cash (note 6) - 45,000

\$ 1,149,689 \$ 1,417,140

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 1
Consolidated Details of Expenses

For the year ended June 30,

	School Programs	Inclusive Schooling (schedule 3)	Operations & Maintenance	Administration	Aboriginal Languages (schedule 2)	Total 2016	Budget 2016	Total 2015
Salaries								
Teacher salaries	\$ 2,879,052	\$ 444,500	\$ -	\$ -	\$ 57,844	\$ 3,381,396	\$ 3,348,111	\$ 3,106,506
Instruction assistants	209,095	217,474	-	-	-	426,569	420,158	384,603
Non-instruction staff	391,726	49,797	-	373,492	-	815,015	817,460	869,838
Board/trustee honoraria	-	-	-	38,884	-	38,884	43,417	35,579
	3,479,873	711,771	-	412,376	57,844	4,661,864	4,629,146	4,396,526
Employee Benefits								
Employee benefit	-	-	36,823	-	-	36,823	26,000	27,959
Leave and termination	-	-	22,884	-	-	22,884	20,765	55,103
	-	-	59,707	-	-	59,707	46,765	83,062
Services Purchased/Contracted								
Advertising/Publishing	-	-	6,653	14,436	-	21,089	37,000	22,617
Communication	14,639	-	-	9,510	-	24,149	30,500	27,400
Contracted services	77,864	43,086	-	48,753	-	169,703	259,000	251,990
Maintenance & repairs	15,724	-	44,639	-	-	60,363	61,300	54,925
Other	60,865	60,675	-	40,945	36,819	199,304	206,300	150,413
Rental/leases	112,885	-	-	11,573	-	124,458	105,000	111,765
Student travel	61,738	-	-	-	-	61,738	64,000	55,527
Travel	20,688	11,118	-	34,840	14,665	81,311	57,500	37,046
	364,403	114,879	51,292	160,057	51,484	742,115	820,600	711,683
Supplies and Materials								
Freight	153	4,726	-	535	-	5,414	4,550	1,872
Materials	239,223	24,012	-	25,893	35,930	325,058	340,400	349,905
	239,376	28,738	-	26,428	35,930	330,472	344,950	351,777
Total	\$ 4,083,652	\$ 855,388	\$ 110,999	\$ 598,861	\$ 145,258	\$ 5,794,158	\$ 5,841,461	\$ 5,543,048

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 2
Details of Aboriginal Language and Culture Expenses

For the year ended June 30, 2016

	Student Instructions	School Activities & Integrated Community Programs	Total
Function Salaries			
ALCBE teachers	\$ 57,844	\$ -	\$ 57,844
Honoraria	-	26,819	26,819
Elders in the schools	-	10,000	10,000
	57,844	36,819	94,663
Services Purchased/Contracted			
Travel	-	14,665	14,665
	-	14,665	14,665
Materials/Supplies/Freight			
Materials	-	35,930	35,930
	\$ 57,844	\$ 87,414	\$ 145,258

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 3
Details of Inclusive Schooling Expenses

For the year ended June 30, 2016

	Staff Development	Student Resources	General Inclusive Schooling	Total
Function Salaries				
Consultants	\$ -	\$ -	\$ 49,797	\$ 49,797
Program support teachers	-	-	444,500	444,500
Supportive assistants	-	-	217,474	217,474
	-	-	711,771	711,771
Services Purchased/Contracted				
Contracted services	-	-	43,086	43,086
Other	60,675	-	-	60,675
Travel	-	-	11,118	11,118
	60,675	-	54,204	114,879
Materials/Supplies/Freight				
Freight	-	-	4,726	4,726
Materials	-	24,012	-	24,012
	-	24,012	4,726	28,738
	\$ 60,675	\$ 24,012	\$ 770,701	\$ 855,388

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 4
French Language Funding

For the year ended June 30, 2016

	Contributions from GNWT	Commitments from Commission	Expenditures	(Under) Over Funding
STUDENT PARTICIPATION				
School administration (salary)	\$ 231,500	\$ 20,000	\$ 250,715	\$ 785
Retention bursaries	12,000	-	25,000	(13,000)
2 grade level per class (salary)	250,350	1,700,000	2,366,897	(416,547)
2 secretaries / librarian (salary)	117,500	48,000	181,732	(16,232)
SCHOOL PROGRAMS				
Cyber pedagogy (salary)	105,000	10,000	115,339	(339)
Technology resources	60,000	-	60,054	(54)
PROGRAM ENRICHMENT				
Partnership early childhood	30,000	-	107,144	(77,144)
Teacher assistants for francisation (salary)	120,000	20,000	136,951	3,049
Art Program	75,000	-	86,495	(11,495)
Cultural activities	40,000	-	48,287	(8,287)
French resource purchase	30,000	5,000	46,857	(11,857)
EDUCATIONAL SUPPORT FOR PERSONNEL				
Mentors in literacy and numeracy	35,000	15,000	69,810	(19,810)
Mentors in literacy and numeracy (O&M)	25,500	-	50,464	(24,964)
Professional development	21,000	20,000	56,199	(15,199)
Total	\$ 1,152,850	\$ 1,838,000	\$ 3,601,944	\$ (611,094)
Regular GNWT Funding				
Total	\$ 4,333,304			

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 5
Infrastructure

For the year ended June 30, 2016

	Total
GNWT ECE - Personnel Infrastructure	
Contributions	\$ 58,765
Expenditures	
Staffing:	
Advertising	6,653
Removal in/transfer	11,391
Termination and leave	11,493
WCB casual	467
WCB permanent	36,355
	66,359
Personnel infrastructure net	(7,594)
Utilities and Leases Infrastructure	
Contributions	\$ 44,300
Expenditures	
Other	18,025
Maintenance	26,614
	44,639
Utilities and leases infrastructure net	(339)
Surplus repayable (receivable)	\$ (7,933)

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 6
Student Success Initiative

For the year ended June 30, 2016

	Total
Revenue - GNWT	\$ 23,647
Expenditures	
Salaries/Wages	
Facilitator fees	16,014
Substitute teacher	3,049
	19,063
Travel	4,477
Workshop expenditures	
Materials	330
Total expenditures	23,870
Deficit	\$ (223)

June 30, 2016

1. Nature of the Organization

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.

2. Significant Accounting Policies

(a) Basis of Accounting

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

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

(b) Cash and Cash Equivalents

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

June 30, 2016

2. Significant Accounting Policies (continued)

(c) Financial Instruments

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

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

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

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

(d) Non-financial Assets

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

(e) Tangible 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. The Minister grants to the Education Body the full occupancy and use of such facilities and equipment where required for the administration and delivery of education system programs. Capital assets with a value in excess of \$50,000 are recorded at cost and amortized in accordance with the Financial Administration Manual guidelines by the GNWT. Capital assets with a value of less than \$50,000 are recorded as a current expenditure.

2. Significant Accounting Policies (continued)

(f) Revenue Recognition

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

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

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

GNWT - regular contributions

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

GNWT - French minority language

The French minority language contributions from the GNWT are determined by additional costs related to French minority language, and are received in three installments on the first of November, January and March. The contribution revenue is recognized when received or receivable.

Other contributions

The Commission follows the deferral method of accounting for contributions from funding arrangements. Unrestricted contributions are recognized as revenue when they are received or receivable, if the amount can be reliably estimated and its collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Funds received that are not expended at year-end are recorded as either deferred revenue or contributions repayable depending upon the terms of the contribution agreement.

Special Purpose 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.

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.

June 30, 2016

2. Significant Accounting Policies (continued)

(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 Trustees of the Commission at a special meeting called for the purposes of reviewing budget proposals, recommending changes, additions or deletions and adopting the proposed budget. The budget is legally adopted by a motion of the Board in accordance with Section 135(2) 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 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 the Commission's 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. The budget has not been audited.

(i) Measurement Uncertainty

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

(j) Inventories Including Materials and Supplies

Materials and supplies are considered a cost of operations and are expensed to the applicable program when received.

June 30, 2016

2. Significant Accounting Policies (continued)

(k) Payroll Liabilities

According to the Northwest Territories Teachers' Association (NWTTA) and GNWT Collective Agreement, teaching staff have their salary issued by the GNWT bi-weekly pay system. NWTTA staff will have earned their annual salary by June 30th which provides for continued payment during the summer. GNWT Payroll for NWTTA starts with the annualized salary commitment for compensation and then allocates the complete payout of that value over the number of pay periods between August 1 and July 31. Pay periods falling in July are therefore accrued as a liability.

The duties and compensation base for UNW School Year employees are scheduled to align with the academic year although actual start dates and durations vary by specific location and job function. Accordingly, the Commission determines the start dates of their UNW employees and accrues the related payroll liability as appropriate.

All other staff salaries are accrued to include earnings to June 30.

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

(m) Special Purpose Funds

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

(n) Donated Goods and Services

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

June 30, 2016

2. Significant Accounting Policies (continued)

(o) Liability for Contaminated Sites

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

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

3. Future Accounting Changes

Related party disclosures, Section PS 2200

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

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

Inter-entity Transactions, Section PS 3420

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

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

Notes to Consolidated Financial Statements

June 30, 2016

3. Future Accounting Changes (continued)

Assets, Section PS 3210

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

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

Contingent Assets, Section PS 3320

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

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

Contractual Rights, Section PS 3380

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

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

Student Activity Funds

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

4. Cash and Cash Equivalents

	2016	2015
Cash	\$ 1,149,689	\$ 1,372,140

The cash is held in a bank account with Royal Bank of Canada (RBC).

5. Special Purpose Funds

The Commission does not have special purpose funds.

Commission scolaire francophone Territoires du Nord-Ouest**Notes to Consolidated Financial Statements**

June 30, 2016

6. Restricted Assets

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 25) received from Programme d'appui aux droits linguistiques (PADL) / Language Rights Support Program of Canada.

7. Portfolio Investments

The Commission does not have any portfolio investments.

8. Accounts Receivable

	Accounts Receivable 2016	Allowance for doubtful accounts 2016	Net 2016	Net 2015
GNWT - Department of Education, Culture and Employment	\$ 146,697	\$ -	\$ 146,697	\$ 113,891
GNWT - Department of Health and Social Services	-	-	-	2,000
Trade Receivable	183,625	330	183,295	99,684
	\$ 330,322	\$ 330	\$ 329,992	\$ 215,575

9. Inventory

The Commission does not have inventory.

10. Accounts Payable and Accrued Liabilities

	2016	2014
GNWT - Department of Education, Culture and Employment	\$ 17,410	\$ 15,792
Trade payables	134,067	157,273
	\$ 151,477	\$ 173,065

11. Deferred Revenue

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

	2016	2015
PADL funding	\$ -	\$ 45,000

Commission scolaire francophone Territoires du Nord-Ouest**Notes to Consolidated Financial Statements**

June 30, 2016

12. Contributions Repayable

Contributions repayable consists of revenues in excess of expenditures for contribution agreements in which surpluses are repayable.

	2016	2015
Government of the Northwest Territories		
Department of Education, Culture and Employment - Infrastructure funding	\$ -	\$ 17,410

13. Due From and To the Government of Canada

The Commission does not have amounts due from and to the Government of Canada.

14. Capital Lease Obligations

The Commission does not have capital lease obligations.

15. Pensions

The Commission does not have pensions.

16. Long-Term Debt

The Commission does not have long-term debt.

17. Post-Employment Benefits

Under the conditions of employment, employees earn severance remuneration based on the number of years of service. Certain employees will also receive assistance with removal costs to return to their point of recruitment. The payment of these benefits is dependent on employees leaving the Commission.

These liabilities are to be funded in the year they become due through regular annual budget allocations that are received from the GNWT.

	2016	2015
Termination and severance benefits	\$ 32,913	\$ 72,488
Removal liability benefits	158,634	95,797
	\$ 191,547	\$ 168,285

Commission scolaire francophone Territoires du Nord-Ouest**Notes to Consolidated Financial Statements**

June 30, 2016

18. Trust Assets Under Administration

The Commission does not have trust assets under administration.

19. Tangible Capital Assets

The Commission does not have tangible capital assets.

20. Prepaid Expenses and Deposits

	2016	2014
Other prepaids	\$ 16,846	\$ 15,183

21. Accumulated Surplus/Deficit

A breakdown is included in the consolidated statement of financial position.

22. Capital Advances

The Commission does not have capital advances.

23. GNWT Assets Provided At No Cost

	Cost	Accumulated Amortization	2016 Net Book Value	2015 Net Book Value
Ecole Allain St-Cyr	\$ 3,392,305	\$ 1,463,094	\$ 1,929,211	\$ 2,014,011
Ecole Boreale	3,638,058	929,710	2,708,348	2,799,131
Ecole Allain St-Cyr Phase 1	4,490,598	941,403	3,549,195	3,679,044
Final deficiencies	320,909	50,368	270,541	278,577
Ecole Boreale Modular Units	1,189,060	203,912	985,148	1,017,715
Ecole Boreale Pellet Boiler	86,115	26,911	59,204	63,510
	13,117,045	3,615,398	9,501,647	9,851,988
Deferred Capital Contribution				
Ecole Allain St-Cyr	(3,230,000)	(1,296,250)	(1,933,750)	(2,018,750)
Ecole Boreale	(2,600,000)	(686,851)	(1,913,149)	(1,977,277)
Ecole Allain St-Cyr Phase 1	(1,300,000)	(287,208)	(1,012,792)	(1,049,845)
	\$ 5,987,045	\$ 1,345,089	\$ 4,641,956	\$ 4,806,116

Rent expense of \$164,160 (2015 - \$164,160) was offset by a grant in-kind.

Commission scolaire francophone Territoires du Nord-Ouest**Notes to Consolidated Financial Statements**

June 30, 2016

24. Contractual Obligations

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

The future minimum payments are as follows:

	Expires in fiscal year	2017	2018-2021	Total
Equipment leases				
Workcenter 5955	2021	\$ 3,227	\$ 14,521	17,748
Printer/Mono Scanner				
Xerox WC7845i	2020	4,000	12,001	16,001
Canon 1R3200	2017	7,940	-	7,940
		15,167	26,522	41,689
Operational Contracts				
First Canada ULC	2018	34,000	34,000	68,000
		\$ 49,167	\$ 60,522	\$ 109,689

25. Contingencies

In early June 2012, a judgement was decreed in the legal action brought by the Commission against the GNWT to provide additional classroom space in Hay River and to assert the right to enrol students in both schools, and in a second legal action brought against the GNWT by L'Association des Parents Ayants Droit, with the support of the Commission, to provide additional classroom space in Yellowknife. In this judgement the GNWT was ordered by the Supreme Court of the Northwest Territories to reimburse \$1,127,287 to the Commission. Payment was received during the fiscal year ended June 30, 2014.

During the fiscal year ended June 30, 2015, the GNWT submitted an appeal and was successful. The Commission then submitted an appeal to the Supreme Court of Canada which was refused to be heard. The amounts owing through the GNWT appeal process have not yet been determined.

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Consolidated Financial Statements

June 30, 2016

26. Related Parties

The Commission is related in terms of common ownership to all GNWT created departments, agencies and corporations. The Commission enters into transactions with these entities in the normal course of business. The Commission is provided with various administrative services by the GNWT, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage, payroll services and internal audit services by the Department of Finance, and utilities and maintenance by Public Works and Services. Transactions with related parties and balances at year-end disclosed in the financial statements are summarized in this note.

	2016		2015
Accounts Receivable			
GNWT - Department of Education, Cultural and Employment	\$ 146,697	\$	124,149
GNWT - Department of Health and Social Services	-		2,000
	\$ 146,697	\$	126,149

Accounts Payable

GNWT - Department of Education, Cultural and Employment	\$ 17,410	\$	4,802
---	-----------	----	-------

Salaries and wages payable

GNWT - Department of Finance (salaries and wages payable)	\$ 570,684	\$	569,117
GNWT - Department of Finance (employee deductions payable)	5,988		1,075
	\$ 576,672	\$	570,192

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 Commission.

The budget figures presented are those approved by the Trustees of the Commission on June 18, 2015 and have not been audited.

June 30, 2016

28. Economic Dependence

The Commission receives its funding primarily from the GNWT. If the funding arrangements were to change management is of the opinion that the Commission's operations would be significantly affected.

29. Risk Management

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

a) Credit risk

Credit risk is the risk of financial loss to the Commission if a debtor fails to make payments of interest and principal when due. The Commission is exposed to this risk relating to its cash, restricted assets, and accounts receivable. The Commission holds its cash in accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Commission's cash in accounts are insured up to \$100,000.

The Commission's maximum exposure to credit risk is represented by the financial assets balance for a total of \$1,479,681 (2015 - \$1,632,715).

Accounts receivable are ultimately due from the departments of the Government of the Northwest Territories (GNWT) and pertain to outstanding contribution agreements. There is a concentration of credit risk in cash as the majority of the deposits are held in one Canadian chartered bank and the balance is in excess of the insurable limit. There is also a concentration risk in accounts receivable as more than 10% of the total balance is from the Government of the Northwest Territories. At June 30, 2016, receivables from the GNWT comprised approximately 44% of the total balance. The amounts represent a low credit risk as the debtors are reputable governments and government organizations with a good credit score. The Commission reduces its risk exposure by following up on old account receivables for collection.

Notes to Consolidated Financial Statements

June 30, 2016

29. Risk Management (continued)

b) Liquidity risk

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

The Commission's maximum exposure to liquidity risk is represented by accounts payable, accrued liabilities, payroll liabilities and contributions repayable for a total \$728,149 (2015 - \$857,049).

The financial assets including cash, restricted assets and accounts receivable, mature within 6 months. The financial liabilities including accounts payable and accrued liabilities, contributions repayable and payroll liabilities mature within 6 months.

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

30. Expenditures By Object

	2016 Budget	2016 Actual	2015 Actual
Compensation	\$ 4,675,912	\$ 4,710,079	\$ 4,433,711
Materials/freight	354,950	350,471	361,779
Services purchased/contracted	810,600	733,608	747,561
	\$ 5,841,462	\$ 5,794,158	\$ 5,543,051

31. Subsequent Events

There were no subsequent events that have taken place between June 30, 2016 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.

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Consolidated Financial Statements

June 30, 2016

33. ECE Other Contributions

	2016		2015
Government of the Northwest Territories - Department of Education, Culture and Employment			
Bussing	\$ 62,349	\$	56,650
Other	59,245		17,686
Rental	50,536		41,500
	<u>\$ 172,130</u>	<u>\$</u>	<u>115,836</u>

34. GNWT Other Contributions

	2016		2015
Government of the Northwest Territories			
Department of Health and Social Services	\$ 5,070	\$	-
Department of Municipal and Community Affairs	17,957		-
	<u>\$ 23,027</u>	<u>\$</u>	<u>-</u>

35. Payroll Liabilities

	2016		2015
NWTTA	\$ 409,158	\$	468,270
UNW School Year	75,895		99,616
Other June 30	91,619		98,688
	<u>\$ 576,672</u>	<u>\$</u>	<u>666,574</u>

36. Statement of Remeasurement Gains and Losses

The Commission does not have remeasurement gains and losses.

Consolidated Financial Statements of

**DEHCHO DIVISIONAL
EDUCATION COUNCIL**

June 30, 2016



DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Financial Statements

June 30, 2016

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MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

The Management Discussion and Analysis (MD&A) is a go-forward responsibility of management and the Council Members to promote transparency and accountability.

Vision and Core Strategy

The Dehcho Divisional Education Council mission is to provide quality education based on the cultures of its students and partnerships with the communities it serves.

The vision and core strategy for the Dehcho Divisional Education include a variety of goals and objectives, which include:

- Promote excellence in student performance.
- Deliver school programs and activities that support the intellectual, physical, emotional, social, and spiritual development of students.
- Deliver school programs and activities in a manner that integrates traditional and contemporary education practices.
- Provide programs that result in completion of secondary school graduation requirements so that students can pursue post-secondary education, skills, training and/or employment.
- Involve students in identification of learning needs and planning school programs.
- Build partnerships with community and regional agencies to meet student needs and strengthen wellness.
- Provide training to trustees, other educational leaders in schools and communities so that they may effectively exercise their roles and responsibilities.
- Promote and encourage the wellness of educational personnel (Trustees, Council staff and school staffs).

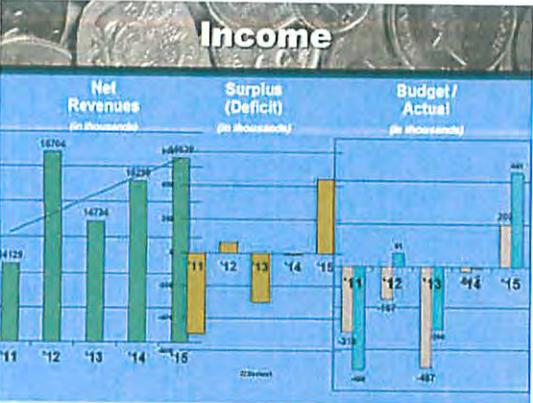
Governance, Trustees and Key Management

Presently, the Council is represented by trustees from eight communities in the Dehcho region. The Council Members are as follows:

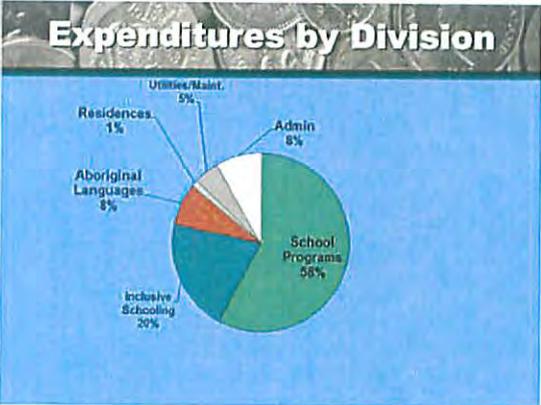
- Fort Providence- Peter Canadien
- Fort Liard- Sylvia Bertrand
- Fort Simpson- Ashley Menicoche- Vice Chairperson
- Jean Marie River- Yvonne Norwegian
- Kakisa Lake- Anita Chicot
- Trout Lake- Rebecca Murdoch- Chairperson
- Wrigley- Lisa Moses
- Nahanni Butte- Roxanne Konisenta

The management staff include Terry Jaffray, who performs the duties of the Superintendent and is responsible for school operations and overall operations of the Council and David Fiebelkorn who manages the financial and business affairs as Comptroller of the Council.

Key Financial Highlights



Revenue has fluctuated over the past five years due to fluctuating enrollment. Due to these factors and a healthy accumulated surplus from earlier years, the Council has recorded deficits or small surpluses in four of the past five years. Actual surpluses have been favorable over original budgets in four the past five years as Council tries to operate in the most financial responsible manner, taking advantage of cost saving measures wherever possible and maximizing other sources of income wherever possible. The exception to this trend is in the current year where Senior Small Schools Secondary funding claw back due to decreased enrollment, larger than budgeted retirement and leave payouts, larger than funded personnel infrastructure costs all contributed to a much larger than budgeted deficit.



School programs continue to comprise the largest component of expenditures for the Council, with a strong emphasis on Inclusive Schooling and Aboriginal Language programs. The Council has constantly strived to maintain Administration cost at below 10% of total funding.

Total Student and Teacher Populations

COMMUNITY SCHOOL	<u>FORT SIMPSON</u> Thomas Simpson School	<u>FORT PROVIDENCE</u> Bompas Deh Gah School	<u>JEAN MARIE RIVER</u> Louie Norwegian School	<u>KAKISA LAKE</u> KAKISA LAKE School	<u>TROUT LAKE</u> Charles Tetchu School	<u>WRIGLEY</u> Chief Julian Echo Yendo School	<u>FORT LIARD</u> Dene School	<u>NAHANNI BUTTE</u> Charles Yohin School	TOTAL	
<u>STUDENTS</u>										
Beginning of Year Enrollment	122.5	106.5	149.5	8	7	21	25	124.5	6	570
End of Year Enrollment	<u>122</u>	<u>111</u>	<u>149.5</u>	<u>8</u>	<u>9</u>	<u>21</u>	<u>25</u>	<u>126</u>	<u>6</u>	577.5
TOTAL BY DISTRICT EDUCATION AUTHORITY (DEA) END OF YEAR		<u>233</u>	<u>149.5</u>	<u>8</u>	<u>9</u>	<u>21</u>	<u>25</u>	<u>126</u>	<u>6</u>	<u>577.5</u>
<u>TEACHING STAFF</u>										
Beginning of Year Teachers	10	7.5	11	1	1	2	1.5	8	1	43
End of Year Teachers	<u>10</u>	<u>7.5</u>	<u>11</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>1.5</u>	<u>8</u>	<u>1</u>	<u>43</u>
TOTAL BY DISTRICT EDUCATION AUTHORITY (DEA) END OF YEAR		<u>17.5</u>	<u>11</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>1.5</u>	<u>8</u>	<u>1</u>	<u>43</u>

Operating Environment

The Dehcho Divisional Education Council has been strengthened by sound fiscal and operation management over its history. The Council has enjoyed consistency in key management positions which has allowed for solid financial and administrative decision making. It also has been fortunate in attracting and retaining personnel in key positions. It has developed strong partnership with local groups and organizations and has developed relationships that have benefited the Council and schools. In addition, Council development and training has been a key area of strength in recent years. The Council has experienced some turnover in Principal and teaching staff in recent years which has weakened the consistency in student learning and achievement. The Council sees opportunities in the Education Renewal and Innovation to offer more dynamic education initiatives throughout the region and, with its partnerships with local and First Nations, it has opportunities to improve and develop language and cultural emphasis in education.

Declining enrollment and related funding reductions represent a significant risk as well as retention of senior staff members over the next several years.

Financial Conditions

During the fiscal year ending June 30, 2016, the Council budgeted for an operating surplus to reduce the accumulated deficit and at the same time, maintain a similar level of service in the schools and communities. In doing so, the Council budgeted for an annual surplus of \$ 366,912. However, during the year, the Council experienced a claw back in Small Schools Senior Secondary funding due to declining enrollment, several larger personnel, leave and termination costs to record a deficit of \$918,668. It is expected that a large portion of this deficit amount will be recovered in the 2016-17 fiscal year when retirement and infrastructure amounts are reimbursed by Department of Education Culture and Employment. This deficit brought the overall accumulated deficit to \$738,178 after several years of declining enrollment and unexpected costs. The recovery in 2016-17 of some of these costs as well as the current cash balance of \$2,088,588 eliminated any liquidity concerns as the Council continues to maintain cost controls in the current year, while contingent liabilities are not a risk to the Council's financial health. In addition, the Council has budgeted for a surplus of \$469,774 for the 2016-17 fiscal year in order to restore the financial stability of the Council.

Summary and Outlook

During the past year, the Council was affected by several unanticipated and unbudgeted cost and funding reductions due to declining enrollment which reduced its accumulated financial position in a period of declining or stagnant enrollment. It was able to be successful in many new initiatives including distance learning courses, mental health support for small schools, resiliency programs, and self-regulation. Several programs such as literacy development, the Aboriginal Language Revitalization program in partnership with the University of Victoria, and Council governance training and development continued. Moving forward, the Council's goals for the upcoming year are to increase student achievement through continuing to provide staff and Council training and to provide programs that meet the needs of our 21st century learners and the goals of Education Renewal. Literacy, distance learning, self-regulation, and the Aboriginal Language revitalization programs will continue. New initiatives include: programs and training for incumbent Aboriginal Language Teachers, disciplinary literacy training, autism training and programs and co-teaching. Finally, Council plans to upgrade aging technology and provide ongoing training for education applications including PowerSchool.



DEHCHO DIVISIONAL EDUCATION COUNCIL

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MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

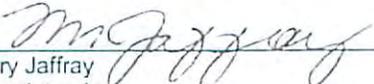
The Management Discussion & Analysis, Financial Statements, Schedules and Notes herein submitted have been reviewed by management. They provide full disclosure and accurately reflect the financial and non-financial condition of the authority in all material respects and in accordance with Canadian Public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

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

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

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

The financial statements have been reported on by Ashton Chartered Accountants. The auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements


Terry Jaffray
Superintendent
Dehcho Divisional Education Council

01-09-16
Date


David Fiebelkorn
Comptroller
Dehcho Divisional Education Council

01-09-16
Date

AUDITORS' REPORT

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

Report on the Consolidated Financial Statements

We have audited the consolidated financial statements of the Dehcho Divisional Education Council, which comprise the consolidated statement of financial position as at June 30, 2016, and the consolidated statements of operations, changes in net financial assets (debt), and 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.

Auditor's 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 in 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 and fair presentation 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 entity'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 the basis for our audit opinion.

Basis for Qualified Opinion

The Government of the Northwest Territories is responsible for the calculation and distribution of the Education Body's wages and benefits expenditure that appear on the statement of operation and the corresponding post employment benefits accrual on the statement of financial position; the accuracy of which is not susceptible to complete audit verification. We have satisfied ourselves that the payroll information provided by the GNWT is properly reflected in the Education Body's records. As a result, we were not able to determine whether any adjustments might be necessary to expenditure, liabilities or accumulated surplus.

Audit Report to the Minister of Education, Culture and Employment of the Government of the Northwest Territories (continued)

Qualified Opinion

In our opinion, except for the matter described in the Basis for Qualified Opinion paragraph, these financial present fairly, in all material respects, the financial position of the Education Body as at June 30, 2016 and its financial performance and its cash flow for the year then ended in accordance with the Canadian public sector accounting standards.

Report on Other Legal and Regulator Requirements

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



ASHTON
Chartered Accountants
Business Advisors

Hay River, NT
September 10, 2016

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Financial Position

June 30, 2016

	2016	*2015
FINANCIAL ASSETS		
Cash and cash equivalents, Note 4	\$ 2,088,588	\$ 3,040,150
Special purpose funds, Note 5	207,895	267,937
Due from Government of Canada, Note 13	-	-
Accounts receivable, Note 8	304,315	97,056
	\$ 2,600,798	\$ 3,405,143

LIABILITIES

Accounts payable and accrued liabilities, Note 10	\$ 732,485	\$ 644,337
Payroll liabilities, Note 35	996,557	1,122,018
Contributions repayable, Note 12	-	57,238
Due to the Government of Canada, Note 10 and 13	4,897	1,455
Deferred revenue, Note 11	96,450	145,560
Post-employment benefits, Note 17	1,494,968	1,237,835
Trust Liabilities, Note 18	33,619	36,210
	3,358,976	3,244,653
Net Assets (Deficit)	\$ (758,178)	\$ 160,490

NON-FINANCIAL ASSETS

Prepaid expenses, Note 20	\$ 20,000	\$ 20,000
ACCUMULATED SURPLUS (DEFICIT)	\$ (738,178)	\$ 180,490

* Reclassified for comparative purposes

Represented by:

Operating surplus (deficit)		
Divisional Education Council	\$ (957,089)	\$ (114,151)
District Education Authorities	218,911	294,641
	\$ (738,178)	\$ 180,490

Contractual obligations, Note 24

Contingencies, Note 25

Approved:

_____ Chair

_____ Vice-chair

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Operations

For the year ended June 30, 2016

	Budget 2016	Actual 2016	Actual *2015
Revenue			
Government of the NWT			
ECE regular contribution	\$ 14,472,018	\$ 14,533,006	\$ 14,616,233
Less: infrastructure repayable	-	-	(57,238)
Teaching and learning centers	73,000	73,000	73,000
French language instructions	55,000	50,000	50,000
ECE other contributions, Note 33	-	10,000	-
Total ECE contributions	14,600,018	14,666,006	14,681,995
GNWT other contributions, Note 34	-	358,220	209,560
Total GNWT	14,600,018	15,024,226	14,891,555
Government of Canada contributions	-	214,870	-
	14,600,018	15,239,096	14,891,555
Self-Generated Funds			
Rentals	36,000	29,000	30,150
Investment income	15,000	18,737	22,919
Contract and other	197,000	285,119	285,979
	248,000	332,856	339,048
Education authority self-generated funds, Schedule B-1	-	203,290	270,678
GNWT contributions to Education Authorities, Schedule B-1	-	111,426	138,109
	-	314,716	408,787
	14,848,018	15,886,668	15,639,390
Expenses			
Administration	1,141,864	1,394,595	1,315,038
School programs	8,670,428	9,711,976	8,606,617
Inclusive schooling	2,656,724	3,433,420	2,798,947
Student accommodation	-	200,847	315,971
Operations and maintenance	761,656	788,332	784,159
Aboriginal language/cultural programs	1,250,434	1,276,166	1,377,937
Amortization	-	-	-
	14,481,106	16,805,336	15,198,669
Operating surplus (deficit)	\$ 366,912	\$ (918,668)	\$ 440,721
Accumulated surplus (deficit), beginning of year		180,490	(260,231)
Accumulated surplus (deficit), end of year		\$ (738,178)	\$ 180,490

* Reclassified for comparative purposes

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Change in Net Assets (Debt)

For the year ended June 30, 2016

	2016	2015
Operating Surplus (Deficit)	(918,668)	440,721
Amortization of tangible assets	-	-
Net change in prepaids	-	-
(Increase) Decrease in net debt	(918,668)	440,721
Net assets (debt) beginning of the year	160,490	(280,231)
Net assets (debt) end of year	\$ (758,178)	\$ 160,490

Dettah District Education Authority
Consolidated Financial Statements
June 30, 2016

Dettah District Education Authority

Consolidated Financial Statements

June 30, 2016

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Management Discussion and Analysis

Introduction

Dettah District Education Authority Administration:

Metro Huculak – Superintendent of Yellowknife Educational District #1

Lea Lamoureux – Principal of Kaw Tay Whee School

Sally Ann Drygeese - Administration/Educational Assistant

Current Board Members:

Rebecca Plotner – Chairperson

James Sanderson – Vice-Chairperson

Beatrice Sangris – Member

Mary Laurie Tobie – Member

Tina Crookedhand – Member

Angela Lafferty – Member

Eileen Drygeese – Member

Acknowledgements:

The Dettah District Education Authority acknowledges the preparation of the Annual Management Discussion and Analysis as a go-forward responsibility of school management/administration and the Board Members to promote transparency and accountability.

Vision Statement:

"To create a safe learning environment where students can develop both academic and traditional skills as they become community leaders."

Mission Statement:

"We believe in working together to create a thriving community through education, culture and pride."

Core Strategies:

- Develop, build, and maintain strong and respectful working relationships between the Dettah District Education Authority and Kaw Tay Whee School management/administration and staff to best serve students and families
- Provide daily instruction in the Williiideh language and frequent opportunities for students to learn traditional ways of the community
- Recruit, train, and retain high quality, and highly qualified teaching and support staff to best serve current and future students
- Support school staff team to provide a whole-child educational experience and to provide a "wrap-around" services model to better support families in the community
- Actively engage in ensuring that students from the community from junior kindergarten to grade twelve attend and engage in educational opportunities; and work with extended families to promote the importance of school attendance and graduation
- Offer opportunities for pre-school aged children (0-5) to be involved in the wider life of the school to ease the transition when it is time for these children to register for school
- Support school management in their advocacy for services to be offered in the community school so as to ease challenges with system navigability; including but not limited to health services

- Plan for the future of a healthy thriving school and the possible provision of needed early intervention by networking and supporting new families and new parents
- Carefully ensure maximum fiscal responsibility to best meet the specific needs of students in out school
- Support school staff team in their quest to provide ample opportunities for students to have a wide variety of learning experiences so as to broaden their general knowledge base, and have a positive impact on personal health, well being, confidence, and strong personal cultural identity

Active Committees:

The Dettah District Education Authority has two main committees, comprised of the hiring committee and the finance committee. Each committee has two members, and the chairperson is also automatically added to each committee.

As a core value of the Dettah District Education Authority is collaboration and partnership with the school administration, the committees meet on an as-needed basis, and conduct business in collaboration with school management/administration.

School Staff Equivalents:

In 2015-2016, the FTE enrolment of Kaw Tay Whee School was 37.0 students from junior kindergarten to grade 8.

The school was split into four classrooms to accommodate this number of grade levels and student needs. The Multi-Age-Grouped classrooms were grouped as junior kindergarten and kindergarten, grades one to three, grades three to five, and grades six to eight.

The school employed 4.0 full time teachers, 1.0 language teacher/EA, 2.0 education assistants, and 1.0 principal/PST/teacher.

When considering school population and staffing, it is important to note that the principal/PST/teacher position includes a variety of responsibilities, not normally required in this role, due to the unique position of the Dettah District Education Authority. The Dettah District Education Authority contracts superintendency services from Yellowknife Education District Number One.

- The DDEA is site-based-managed for funding, and is also independently audited. The day-to-day responsibilities and management of these tasks is part of the principal's job; as are any responsibilities that are designated to him/her by the DEA Chair. Additionally, the principal is responsible for working with contractors, the GNWT, and many other bodies directly, as opposed to being filtered through school-board level coordinators.

Operating Environment

Strengths and Opportunities:

- Consistently positive working relationship between Dettah District Education Authority and Kaw Tay Whee School Staff; maximizing the potential for a positive learning environment for students and support for families
- An increase in the amount and quality of instruction in the local Williideh language, by a caring, and qualified individual from the community
- An increase in grades offered over the past several years, to now encompass junior kindergarten to grade eight; therefore maximizing potential for students to access high quality learning in the home community, and ensuring that there are no barriers with transportation if a student is late

- Over the past eight years, the school and school staff have received many accolades and awards; including the Prime Minister's Award for Teaching Excellence Certificate of Achievement, and a Canada's Outstanding Principal award; attesting to the change in student achievement, and attendance,
- The Dettah District Education Authority and school management have carefully managed funds to ensure that a small surplus is available for the future, should enrollment change due to moving or a low birth year

Challenges and Threats:

- Due to large families moving away from Dettah, or a low birth year in the community, school enrollment can be volatile and unpredictable from year to year; thus providing a challenge for the number of grades offered in one room, and in providing assistance for those students requiring one-on-one support. In order to minimize threat, as school funding changes, the DDEA has ensured a small surplus to attempt to maintain the integrity of school programming and staff allocations.

Financial Condition

The Authority's financial assets decreased from \$604,792 to \$444,509. This year the net financial assets (financial assets less liabilities) were \$193,657 compared to \$353,922 in the prior year.

The Authority had an operating deficit of \$160,265 for the year. This deficit is attributed to the decrease in core funding revenue for the year. The Authority managed to decrease its expenditures from the prior year by more than the revenue decrease, resulting in a lesser deficit in 2016 than in 2015. The accumulated surplus at year end is \$193,657.

Accounts payable and accrued liabilities have increased from \$31,664 to 42,592 due to increased amounts owing on VISA at year end.

The Yellowknife Education District #1 Payable decreased from \$219,206 to \$208,260. The decrease is a result of the Authority having less staff on payroll in 2016 compared to 2015.

Dettah DEA received 97% (2015 - 95%) of its funding from the GNWT. The core funding decreased from \$1,606,601 to \$1,501,126 in the current year. Other revenue in the current year mainly consists of donations from Diavik Diamond Corporation of \$25,000.

Summary and Outlook

Achievements and Successes:

- Year end school enrollment was at a 12 year high
- Students in need of speech support was also at a 12 year high; yet students received one-on-one support on a daily basis to improve their skills
- School staff remained consistent; with over 50% of employees being employed at the school for five years or longer
- Attendance of community members and family members at school events continued to increase

Top Priority Challenges for the Coming Year:

- Due to a high number of families moving out of Dettah, and several students beginning grade 9, student enrollment is projected to decrease greatly for the 2016-2017 school year; thus having a large financial impact on the funding allocations for the 2017-2018 school year, and causing a need to cut back in many areas; including staffing for the 2016-2017 school year
- In order to minimize the impact on school programming, and experiences, school management will continue to work with outside stakeholders and partners to provide opportunities for students without impacting current allocations

Management 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 Management Discussion and Analysis, Consolidated Financial Statements, Schedules and Notes herein submitted have been reviewed by management. They provide full disclosure and accurately reflect the financial and non-financial condition of Dettah District Education Authority ("the Authority") in all material respects and in accordance with Canadian public sector accounting standards (CPSAS) as well as the Financial Administration Manual (FAM) and the Financial Administration Manual for Education Authorities (FAMEA) of the Government of the Northwest Territories.

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

Management hereby asserts that auditors have been provided with all relevant records and documentation except payroll paid by Yellowknife Education District #1. Management is not aware of any undisclosed irregularities involving management or employees with either current or potential impact on financial results, fraud or suspected fraud, disbursements made for purposes not consistent with an appropriation, irregular commitments including those in the form of guarantees, violations or possible violations of laws or regulations, claims or litigation, known or suspected environmental site contaminations or of any other undisclosed environmental or safety hazards within its jurisdiction.

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

Approved and confirmed on behalf of the Authority



Chairperson
Dettah District Education Authority


Principal
Dettah District Education Authority

October 14, 2016



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Independent Auditors' Report

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

Report on the Consolidated Financial Statements

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Independent Auditors' Report (continued)

Basis for Qualified Opinion

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

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 consolidated financial statements present fairly, in all material respects, the financial position of the Authority as at June 30, 2016, and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

We report further, in accordance with the *Financial Administration Act*, in our opinion, proper books of account have been kept by the Authority, the 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.

Yellowknife, Northwest Territories
October 14, 2016

Crowe Mackay LLP

Chartered Professional Accountants

Dettah District Education Authority

Consolidated Statement of Financial Position

As at June 30, **2016** **2015**

Financial Assets

Cash (Note 4)	\$ 444,509	\$ 579,429
Accounts receivable (Note 8)	-	25,363
	444,509	604,792

Liabilities

Accounts payable and accrued liabilities (Note 10)	42,592	31,664
Due to Yellowknife Education District #1 (Note 26)	208,260	219,206
	250,852	250,870

Net Financial Assets and Accumulated Surplus	\$ 193,657	\$ 353,922
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Contractual obligations and contingencies (Note 24 and 25)

Approved on behalf of the Authority

 _____ **Chairperson**

 _____ **Principal**

Detah District Education Authority**Consolidated Statement of Operations**

For the year ended June 30,	2016	2016	2015
	Budget (unaudited)	Actual	Actual
Revenues			
Government of the NWT			
ECE Regular Contributions	\$ 1,511,826	\$ 1,501,126	\$ 1,606,601
ECE Other Contributions (Note 33)		1,464	15,921
Total ECE	1,511,826	1,502,590	1,622,522
Total GNWT	1,511,826	1,502,590	1,622,522
Education Body Generated Funds			
Donations	-	32,780	89,072
Investment Income	-	619	2,570
Yellowknife Education District #1	-	17,300	3,300
Total Generated Funds	-	50,699	94,942
Total Revenues	\$ 1,511,826	\$ 1,553,289	\$ 1,717,464
Expenditures - Schedule 1			
Administration	279,430	102,380	175,597
School Programs	771,831	1,198,587	1,245,708
Inclusive Schooling	321,736	254,389	337,306
Operations and Maintenance	63,580	39,307	79,033
Aboriginal Languages	158,000	118,891	158,489
	\$ 1,594,577	\$ 1,713,554	\$ 1,996,133
Operating Deficit before other items	(82,751)	(160,265)	(278,669)
Other Items			
Grant in-kind - Assets provided at no cost (Note 23)	-	42,111	12,238
Rent expense - Assets provided at no cost (Note 23)	-	(42,111)	(12,238)
Operating Deficit	(82,751)	(160,265)	(278,669)
Opening Accumulated Surplus	353,922	353,922	632,591
Closing Accumulated Surplus	\$ 271,171	\$ 193,657	\$ 353,922

Dettah District Education Authority

Consolidated Statement of Changes in Net Financial Assets

For the year ended June 30,	2015	2015
Operating deficit	\$ (160,265)	\$ (278,669)
Net financial asset, beginning of year	353,922	632,591
Net financial asset, end of year	\$ 193,657	\$ 353,922

Dettah District Education Authority**Consolidated Statement of Cash Flows**

For the year ended June 30,	2016	2015
<i>Cash provided by (used in):</i>		
Operating transactions		
Operating surplus (deficit)	\$ (160,265)	\$ (278,669)
Changes in non-cash assets and liabilities		
Decrease (increase) accounts receivable	25,363	832
Increase (decrease) accounts payable and accrued liabilities	10,928	(12,686)
Increase (decrease) due to Yellowknife District Education #1	(10,946)	54,129
Increase (decrease) deferred revenue	-	(50,000)
	25,345	(7,725)
Cash used for operating transactions	(134,920)	(286,394)
Decrease in cash and cash equivalents	(134,920)	(286,394)
Cash and cash equivalents at beginning of year	579,429	865,823
Cash and cash equivalents at end of year (Note 4)	\$ 444,509	\$ 579,429

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2016

1. Nature of Operations

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

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

Section 81 of the *Education Act* outlines the powers of a Board of Education which for the Authority includes all aspects of operation and management. The Authority is the lowest (and sole) level of government exercising oversight responsibility.

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

2. Significant Accounting Policies

(a) Basis of accounting

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

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

(b) Cash and Cash Equivalents

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

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2016

2. Significant Accounting Policies (continued)

(c) Financial Instruments

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

This category includes cash, accounts receivable, accounts payable and accrued liabilities, and amounts due to Yellowknife Education District #1. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

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

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

(d) Non-financial Assets

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

(e) Tangible capital assets

The Authority does not carry any tangible capital assets. All Tangible Capital Assets used by the Authority are purchased by and remain the property of the GNWT. The Minister grants to the Education Body the full occupancy and use of such facilities and equipment where required for the administration and delivery of education system programs. Tangible Capital Assets with a value in excess of \$50,000 are recorded at cost and amortized in accordance with the Financial Administration Manual guidelines by the GNWT. Tangible Capital Assets with a value of less than \$50,000 are recorded as a current expenditure.

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2016

2. Significant Accounting Policies (continued)

(f) Revenue Recognition

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

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

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

GNWT - regular contributions

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

Other contributions

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

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.

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2016

2. Significant Accounting Policies (continued)

(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 Trustees of the Authority at a special meeting called for the purposes of reviewing budget proposals, recommending changes, additions or deletions and adopting the proposed budget. The budget is legally adopted by a motion of the Board in accordance with Section 135(2) 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 operations. Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Authority.

The budget may be amended within a given fiscal year in accordance with the Authority's 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.

(i) Measurement Uncertainty

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

(j) Inventories Including Materials and Supplies

Materials and supplies are considered a cost of operations and are expensed to the applicable program when received.

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2016

2. Significant Accounting Policies (continued)

(k) Payroll Liabilities

Teacher payrolls for July and August are accrued.

(l) Post-employment Benefits, Compensated Absences and Termination Benefits

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

(m) Special Purpose Funds

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

(n) Liability for Contaminated Sites

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

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

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2016

3. Future Accounting Changes

Related Party Disclosures, Section PS 2200

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

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

Inter-entity transactions, Section PS 3420

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

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

Assets, Section PS 3210

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

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

Contingent Assets, Section PS 3320

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

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

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2016

3. Future Accounting Changes (continued)

Contractual Rights, Section PS 3380

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

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

Student Activity Funds

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

4. Cash and Cash Equivalents

	2016	2015
Cash	\$ 444,509	\$ 579,429

5. Special Purpose Funds

The Authority does not have special purpose funds.

6. Restricted Assets

The Authority does not have restricted assets.

7. Portfolio Investments

The Authority does not have any portfolio investments.

8. Accounts Receivable

	2016	2015
Government of the Northwest Territories - Department of Education, Culture and Employment	\$ -	\$ 25,363

The Authority does not have an allowance for doubtful accounts in the current year (2015 - nil).

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2016

9. Inventory

The Authority does not record inventory as per note 2(j).

10. Accounts Payable

	2015	2015
Trades payable	\$ 41,649	\$ 31,154
Government remittances payable	943	510
	\$ 42,592	\$ 31,664

11. Deferred Revenue

The Authority does not have any deferred revenue.

12. Contributions Repayable

The Authority does not have any contributions repayable.

13. Due From and To the Government of Canada

The Authority does not have amounts due from and due to the Government of Canada.

14. Capital Lease Obligations

The Authority does not have capital lease obligations.

15. Pensions

The Authority's indeterminate staff have the option to participate in a voluntary Defined Contribution (DC) pension plan (the Plan).

All DC assets of the Plan 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 DC obligation under the Plan each month. The Authority does not have any liability under the DC provision of the Plan as of June 30, 2016.

During the year, the Authority expensed \$49,384 (2015 - \$49,403) related to the Plan.

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

16. Long-Term Debt

The Authority does not have long-term debt.

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2016

17. Post-Employment Benefits

The Authority does not have a post-employment benefit liability recorded on its financial statements because they are paid by Yellowknife District Education #1.

18. Trust Assets Under Administration

The Authority does not have trust assets under administration.

19. Tangible Capital Assets

The Authority does not have tangible capital assets.

20. Prepaid Expenses and Deposits

The Authority does not have prepaid expenses and deposits.

21. Accumulated Surplus/Deficit

	2016	2015
Operating surplus	\$ 193,657	\$ 353,922

22. Capital Advances

The Authority does not have capital advances.

23. GNWT Assets Provided At No Cost

	Cost	Accumulated Amortization	2016 Net Book Value	2015 Net Book Value
Kaw Tay Whee	\$ 895,327	\$ 400,532	\$ 474,796	\$ 536,906

Rent expense of \$42,111 (2015 - \$12,328) was offset by a grant in-kind.

24. Contractual Obligations

The Authority does not have any contractual obligations.

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2016

25. Contingencies

The Authority does not have any contingencies.

26. Related Parties

The Authority is related in terms of common ownership to all GNWT created departments, agencies and corporations. The Authority enters into transactions with these entities in the normal course of business. Transactions with related parties and balances at year-end disclosed in the financial statements are summarized in this note.

Accounts Receivable

	2016	2015
GNWT - Department of Education, Cultural and Employment	\$ -	\$ 25,363

Due to Related Party

	2016	2015
Yellowknife Education District #1	\$ 208,260	\$ 219,206

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.

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 September 10, 2015 and have not been audited.

28. Economic Dependence

The Authority receives its funding primarily from the GNWT. If the funding arrangements were to change management is of the opinion that the Authority's operations would be significantly affected.

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2016

29. Risk Management

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

a) Credit risk

Credit risk is the risk of financial loss to the Authority if a debtor fails to make payments of interest and principal when due. The Authority is exposed to this risk relating to its cash, short-term investments, and accounts receivable. The Authority holds its cash in accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Authority's cash in accounts are insured up to \$100,000.

The Authority's maximum exposure to credit risk is represented by the financial assets balance for a total of \$444,509 (2015 - \$604,792).

Accounts receivable are ultimately due from the departments of the Government of the Northwest Territories (GNWT) and pertain to outstanding contribution agreements.

There is a concentration of credit risk in cash as the majority of the deposits are held in one Canadian chartered bank and the balance is in excess of the insurable limit.

b) Liquidity risk

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

The Authority's maximum exposure to liquidity risk is represented by accounts payable and accrued liabilities and due to Yellowknife Education District #1 for a total \$250,852 (2015 - \$250,870).

The financial assets including cash, short-term investments and accounts receivable, mature within 6 months. The financial liabilities including accounts payable and accrued liabilities and payroll liabilities mature within 6 months.

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

Detah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2016

30. Expenditures By Object

	2016 Budget	2016 Actual	2015 Actual
Compensation	\$ 1,130,967	\$ 956,641	\$ 1,035,285
Materials/freight	45,380	155,659	244,440
Services purchased/contracted	418,230	601,254	716,408
	<hr/>	<hr/>	<hr/>
	\$ 1,594,577	\$ 1,713,554	\$ 1,996,133

31. Subsequent Events

There were no material subsequent events that have taken place between June 30, 2016 and the audit report date.

32. Comparative Figures

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

33. ECE Other Contributions

	2016	2015
Government of the Northwest Territories - Department of Education, Culture and Employment		
Healthy Children Initiative	\$ -	\$ 15,921
Other	1,464	-
	<hr/>	<hr/>
	\$ 1,464	\$ 15,921

34. GNWT Other Contributions

There were no contributions from other departments of the GNWT.

35. Payroll Liabilities

The Authority does not have payroll liabilities because they are paid through Yellowknife District Education #1.

36. Statement of Remeasurement Gains and Losses

The Authority does not have remeasurement gains and losses.

Deftan District Education Authority

Schedule 1 - Consolidated Details of Expenditures

For the year ended June 30,

	School Programs	Operations & Maintenance	Administration	Aboriginal Languages	Inclusive Schooling	Other	Total 2016	Budget 2016	Total 2015
Salaries									
Teachers	\$ 387,239	\$ -	\$ -	\$ -	\$ 212,413	\$ -	\$ 599,652	\$ 880,667	\$ 599,363
Instructional assistant	-	-	-	-	-	-	-	25,800	32,252
YK1 superintendent	-	-	29,750	-	-	-	29,750	27,500	25,000
Non-instructional staff	-	39,307	-	97,622	-	-	136,929	164,000	194,147
Board/Trustee honoraria	-	-	15,180	-	-	-	15,180	18,000	20,150
School secretary	22,826	-	-	-	-	-	22,826	15,000	23,123
Total Salaries	410,065	39,307	44,930	97,622	212,413	-	804,337	1,130,967	894,035
Employee Benefits									
Employee benefits and allowances	96,402	-	2,127	13,014	40,761	-	152,304	-	141,250
Services Purchased or Contracted									
Advertising	26,627	-	-	-	-	-	26,627	31,700	39,430
Contracted services	368,271	-	35,228	-	-	-	403,499	202,100	381,538
Maintenance and upgrades	8,814	-	243	-	-	-	9,057	25,000	108,738
Other	41,816	-	18,307	785	-	-	60,908	64,400	67,841
Professional and technical services	28,310	-	-	-	1,215	-	29,525	31,350	48,643
Student transportation (bussing)	71,638	-	-	-	-	-	71,638	63,680	70,218
Total Services Purchased or Contracted	545,476	-	53,778	785	1,215	-	601,254	418,230	716,408
Materials and Freight									
Freight	150	-	-	-	-	-	150	-	1,498
Materials	146,494	-	1,545	7,470	-	-	155,509	45,380	242,942
Total Materials and Freight	146,644	-	1,545	7,470	-	-	155,659	45,380	244,440
Total Expenditures	\$ 1,198,587	\$ 39,307	\$ 102,380	\$ 118,891	\$ 254,389	\$ -	\$ 1,713,554	\$ 1,594,577	\$ 1,996,133

Dettah District Education Authority**Schedule 2
Aboriginal Language and Culture Program Expenditures**

For the year ended June 30, 2016

Function	Student Instruction	Teaching/Learning Resources	Professional Development	School Activities and Integrated Community Programs	Total
Salaries					
Non-instructional staff	\$ 97,622	\$ -	\$ -	\$ -	\$ 97,622
Employee Benefits					
Employee benefits/allowances	13,014	-	-	-	13,014
Services Purchased/Contracted					
Other	785	-	-	-	785
Materials/Supplies/Freight					
Materials	7,470	-	-	-	7,470
Total	\$ 118,891	\$ -	\$ -	\$ -	\$ 118,891

Deftah District Education Authority

**Schedule 3
Details of Inclusive Schooling Expenses**

For the year ended June 30,

2016

Function	Staff Development	Intervention Strategies	Assistive Technology	Student Resources	Southern Placements	Magnet Facilities	General Inclusive Schooling	Total
Salaries								
Program support teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 212,413	\$ 212,413
Consultants	-	-	-	-	-	-	-	-
Support assistants	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	212,413	212,413
Employee Benefits								
Employee benefits/allowances	-	-	-	-	-	-	40,761	40,761
Services Purchased/Contracted								
Professional/technical services	-	-	-	-	-	-	1,215	1,215
Maintenance/repair	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	1,215	1,215
Materials/Supplies/Freight								
Materials	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 254,389	\$ 254,389

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

K'alemi Dene School
(Ndilo District Education Authority)

Consolidated Financial Statements

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

Introduction:

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

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

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

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

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

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

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

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

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

Operating Environment:

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

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

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

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

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

Financial Condition:

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

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

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

Summary and Outlook:

Achievements & Successes –

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

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

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

Challenges –

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

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

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

Sincerely,



Metro Huculak
Superintendent/CEO

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

Management Responsibility for Financial Reporting

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

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

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

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

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

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

Approved and confirmed on behalf of the Authority



Metro Huculak Superintendent

September 28, 2016

Independent Auditors' Report

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

Report on the Consolidated Financial Statements

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Basis for Qualified Opinion

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

Independent Auditors' Report (continued)

Qualified Opinion

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

Report on Other Legal and Regulatory Requirements

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



Chartered Accountants

Yellowknife, Northwest Territories
September 28, 2016

K'alemi Dene School
(Ndilo District Education Authority)

Consolidated Statement of Financial Position

As at June 30, 2016 2015

Financial Assets

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

Liabilities

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

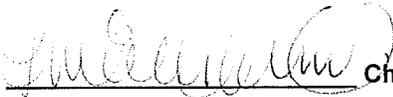
Net Financial Assets and Accumulated Surplus **\$ 677,387 \$ 1,104,801**

Represented By:

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

Contractual obligations and contingencies (Notes 24 and 25)

Approved on behalf of the Authority

 Chairperson

 Trustee

K'alemi Dene School
(Ndilo District Education Authority)

Consolidated Statement of Operations

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

K'alemi Dene School
(Ndilo District Education Authority)

Consolidated Statement of Changes in Net Financial Assets

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

K'alemi Dene School
(Ndilo District Education Authority)

Consolidated Statement of Cash Flows

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

K'alemi Dene School

Schedule 1 Consolidated Details of Expenditures

For the year ended June 30,

	2016		2016		2015
	School Programs	Inclusive Schooling (Schedule 3)	Administration (Schedule 2)	Aboriginal Languages (Schedule 2)	Total (unaudited)
					Total
Salaries					
Teachers	\$ 967,730	\$ 238,368	-	\$ 125,678	\$ 1,331,776
Instruction assistants	92,273	147,216	-	34,481	273,970
Non-instructional staff	236,125	-	-	-	236,125
Board/Trustee honoraria	-	-	13,148	-	13,148
Total Salaries	1,296,128	385,584	13,148	160,159	1,855,019
Employee Benefits					
Employee benefits and allowances	207,533	92,032	-	26,563	326,128
Services Purchased or Contracted					
Advertising	339	-	-	-	339
Electricity	2,470	-	-	-	2,470
Insurance and permits	5,844	-	-	-	5,844
Interest and Bank Charges	-	-	148	-	148
Maintenance and repairs	6,940	-	-	-	6,940
Other contracted services	12,802	-	-	800	13,602
Postage and communication	9,123	-	-	-	9,123
Professional/technical services	156,231	11,281	144,221	19,952	331,685
Rentals and lease	23,587	-	-	-	23,587
Student transportation and bussing	36,700	-	-	-	36,700
Travel	102,074	-	-	2,703	104,777
Water and sewage	2,961	-	-	-	2,961
Total Services Purchased or Contracted	359,071	11,281	144,369	23,455	538,176
Total Materials	244,203	4,217	797	20,354	269,571
Total Expenditures	\$ 2,106,935	\$ 493,114	\$ 158,314	\$ 230,531	\$ 2,988,894
					\$ 2,748,797

K'alemi Dene School**Schedule 2
Details of Aboriginal Language and Culture Program Expenditures**

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

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

K'alemi Dene School

**Schedule 3
Details of Inclusive Schooling Expenditures**

For the year ended June 30, 2016

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

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2016

1. Nature of Operations

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

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

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

2. Significant Accounting Policies

(a) Basis of Accounting

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

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

(b) Cash and Cash Equivalents

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

(c) Financial Instruments

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

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

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

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

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2016

2. Significant Accounting Policies (continued)

(d) Non-Financial Assets

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

(e) Tangible Capital Assets

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

(f) Revenue Recognition

Government Transfers

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

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

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

GNWT - Regular Contributions

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

Other Contributions

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

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2016

2. Significant Accounting Policies (continued)

(f) Revenue Recognition (continued)

Other Revenue - Donations

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

Contributed Services

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

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

(g) Infrastructure Funding

The Authority does not have any infrastructure funding.

(h) Budget Data

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

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

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

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

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

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

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2016

2. Significant Accounting Policies (continued)

(i) Measurement Uncertainty

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

(j) Inventories Including Materials and Supplies

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

(k) Payroll Liabilities

Payroll costs for teachers are accrued for July and August.

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

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

(m) Special Purpose Funds

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

(n) Donated Goods and Services

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

GNWT Tangible Capital Assets Provided At No Cost

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

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2016

2. Significant Accounting Policies (continued)

(o) Net Financial Assets (Debt)

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

(p) Liability for Contaminated Sites

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

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

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2016

3. Future Accounting Changes

Related Party Disclosures, Section PS 2200

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

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

Inter-entity transactions, Section PS 3420

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

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

Assets, Section PS 3210

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

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

Contingent Assets, Section PS 3320

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

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

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2016

3. Future Accounting Changes (continued)

Contractual Rights, Section PS 3380

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

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

Student Activity Funds

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

4. Cash and Cash Equivalents

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

5. Special Purpose Funds

The Authority does not have special purpose funds.

6. Restricted Assets

The Authority does not have restricted assets.

7. Portfolio Investments

The Authority does not have portfolio investments.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2016

8. Accounts Receivable

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

9. Inventories

The Authority does not have inventories.

10. Accounts Payable

	2016	2015
Trades payable	\$ 2,753	\$ 34,894

11. Deferred Revenue

The Authority does not have deferred revenue.

12. Contribution Repayable

The Authority does not have contribution repayable.

13. Due from and to the Government of Canada

	2016	2015
Goods and Services Tax	\$ 33,366	\$ 19,324

14. Capital Lease Obligations

The Authority does not have capital lease obligations.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2016

15. Pensions

The Authority does not have pensions.

16. Long Term Debt

The Authority does not have long term debt.

17. Post Employment Benefits

The Authority does not have post employment benefits.

18. Trust Assets Under Administration

The Authority does not have trust assets under administration.

19. Tangible Capital Assets

The Authority does not have tangible capital assets.

20. Prepaid Expenses

The Authority does not have prepaid expenses.

21. Accumulated Surplus / Deficit

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

22. Capital Advances

The Authority does not have capital advances.

23. GNWT Tangible Capital Assets Provided At No Cost

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

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

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2016

24. Contractual Obligations

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

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

25. Contingencies

As of the audit report date, the Authority does not have contingencies.

26. Related Parties

The Authority is related in terms of common ownership to all GNWT created departments, agencies and corporations. The Authority enters into transactions with these entities in the normal course of business. The Authority is provided with various administrative services by the GNWT, the value of which is not reflected in these consolidated financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage, payroll services and internal audit services by the Department of Finance, and utilities and maintenance by Public Works and Services. Transactions with related parties and balances at year-end not disclosed elsewhere in the consolidated financial statements are summarized in this note.

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

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2016

27. Budget Data

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

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

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

28. Economic Dependence

The Authority receives its funding primarily from the GNWT. If the funding arrangements were to change management is of the opinion that the Authority's operations would be significantly affected.

29. Risk Management

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

a) Credit risk

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

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

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

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2016

29. Risk Management (continued)

b) Liquidity risk

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

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

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

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

30. Expense by Object

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

31. Subsequent Events

There were no material subsequent events that have taken place between June 30, 2016 and the date the audit report was signed.

32. Comparative Figures

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

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2016

33. ECE Other Contributions

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

34. GNWT Other Contributions

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

35. Payroll Liabilities

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

36. Statement of Remeasurement Gains and Losses

The Authority does not have any remeasurement gains or losses.

37. Transfer to Accumulated Surplus

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

Consolidated Financial Statements of

Sahtu Divisional Education Council

June 30, 2016

Sahtu Divisional Education Council

Consolidated Financial Statements

June 30, 2016

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Management Discussion and Analysis (MD&A)

Introduction

The Management's Discussion and Analysis (MD&A) of the Sahtu Divisional Education Council (SDEC) financial performance provides an overall review of the Board's financial activities for the fiscal year ended June 30th 2016. The intent of this discussion and analysis is to attest on a go-forward basis the responsibility of management and the Council Members to promote transparency and accountability. Readers should also review the notes to the financial statements and the financial statements to enhance their understanding of the Sahtu Divisional Education Council financial performance.

What is the SDEC?

The Sahtu Divisional Education Council (SDEC) is responsible, under the Education Act, for all K-12 education in the Sahtu region. There are five schools in the district. In each community, a locally elected District Education Authority (DEA) is responsible for education in that community. The District Education Council (DEC) is made up of one member from each DEA and one chairperson.

As per the Education Act of the Northwest Territories, the SDEC is responsible to provide quality education to the residents of the Sahtu region. It is our hope that by reading this document, members of our community will receive valuable information on the infrastructure of the education system in the North and become involved in their community government.

Mission

To provide excellent educational environments where students will have the opportunity to experience success and contribute to society.

Council of Trustees

Chairperson

Karea Peachy – Norman Wells

Vice-Chairperson

Sally Ann Horrassi – Tulita

Angela Grandjambe – Fort Good Hope

Trudy Kochon – Colville Lake

Mary Ann Vital – Deline

Deb Hofgartner – Norman Wells

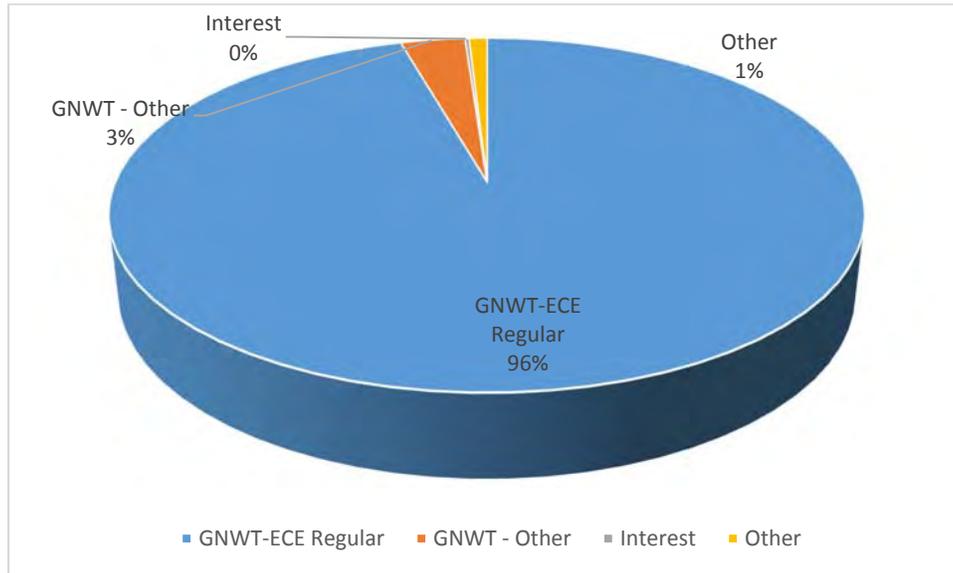
The management team of the SDEC comprised of the following;

Superintendent – Seamus Quigg

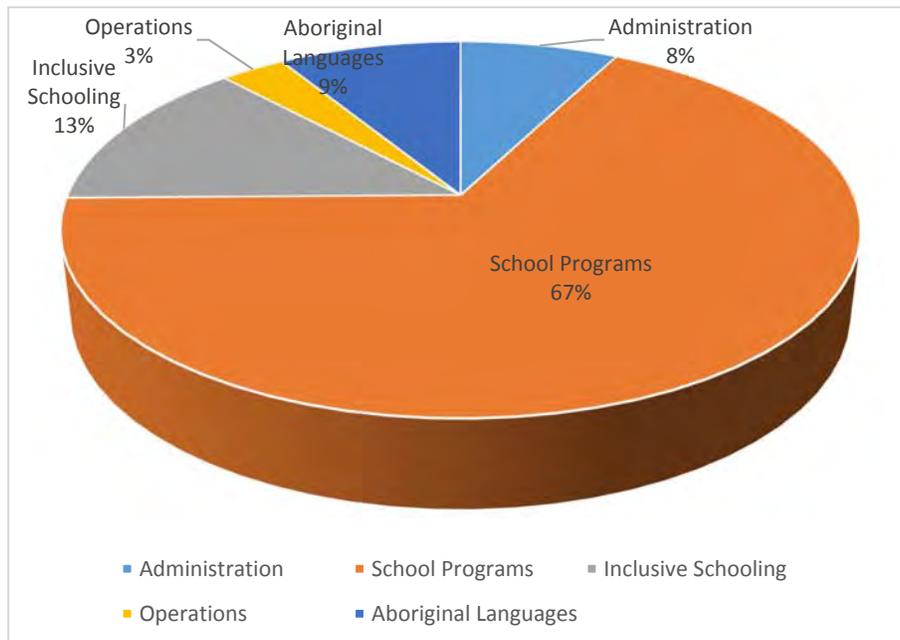
Assistant Superintendent – Renee Closs

Comptroller – Harry Cassie

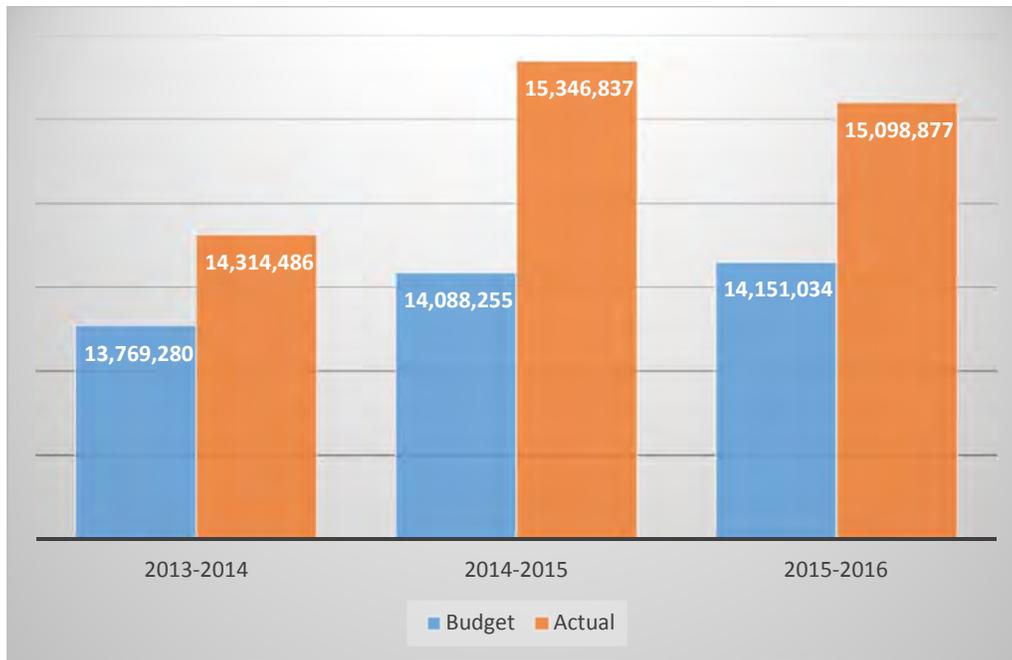
Revenues



Expenditures by Program



Operating Trends
Actual to Budget



Revenues exceeded expenditures by \$91k (2015-\$55k), compared to budget (\$184k). This resulted in a surplus fund balance \$615k (2015-\$524k) as at June 30th 2016. Additional revenues of \$945k was received resulted in additional expenses incurred compared to budget. Revenues have been trending positively compared to budget as a result of additional revenue received during the year for new initiatives, this is consistent year over year.

Total Student/Teacher Population by Schools

Schools	Students	Teachers
Mackenzie Mountain – Norman Wells	159.00	11.00
Chief Albert Wright - Tulita	91.00	8.50
Chief T' Selehye – Fort Good Hope	135.50	10.00
Ehtseo Ayha – Deline	105.00	9.00
Coville Lake, Coville Lake	44.50	3.00
Totals	535.00	41.50

Operating Environment

Strengths

Our relatively small Central Office staff of nine have good working relationships and considerable longevity. The average length of time employed here is between eight and nine years.

Our schools have also had relatively low staff turnover. Operational systems and procedures are in place, and because of our smaller size, we are very well represented on all territorial educational committees.

Long time staff at the board office, at the school turnover is relatively low, system and manuals in place and a reasonable surplus

Weakness

Shipping to the Sahtu region is challenging as we have no control over delivery times due to the limited methods of delivery over each season. The most economical way of shipping is via barge but this has been challenging with lower than normal water levels. The alternative when this happens is to fly in supplies or wait for the winter roads. This is rather challenging for teachers when you have to wait for program materials that is sitting in a warehouse.

Opportunities

There is always the need for additional funding and this is an area that can remain the status quo or the situation change with the territorial elections due late fall. There is also the opportunity to explore other program funding.

Threats

The community of Deline, Northwest Territories has ushered in a new era of their history, assuming self-government responsibilities on August 31st 2016. This agreement was 20 years in the making and will mean that the community can enact laws governing areas from municipal services to health and education. While education is not on the front burner at this, these discussions will eventually happened and at this time it is too soon to forecast an outcome.

There is nothing more we can do regarding shipping as we have no control hence there is no repair on our end, this is something that has become the norm in the Sahtu region, lobbying for government intervention may be a solution but is not like this problem is not known at the government level. Applying for additional program funding might be an area to explore. To manage risk, it basically comes down to reviewing statements more regularly to ensure Principals are staying on budget to avoid having to request the DEC to approve use of Accumulated Surplus.

Financial Condition

The Sahtu DEC health is stable with an addition of \$91k to the cumulative surplus this fiscal year. The closing surplus for the end of the fiscal year June 30, 2016 is \$615k. The main challenge faced by Sahtu DEC is having to dip into surplus funding to offset operational issues from time to time, with no additional funding for these occurrences, this year was not an issue. Improvement in budgeting and tighter controls throughout the year may lead to staying on budget but there is no guarantees due to increase cost of school supplies.

The current ratio is a liquidity and efficiency ratio that measures an organization's ability to pay off its short-term liabilities with its current assets. Sahtu DEC current ratio as at June 30th 2016 is 1.19.

Summary and Outlook

Student attendance continues to be a challenge for us in delivering our programs. We are hoping to address this issue in multiple ways ranging from incentive programs, to community meetings etc.

MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

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

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

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

The financial statements have been reported on by Ashton Chartered Accountants. The auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.



Seamus Quigg
Superintendent
Sahtu Divisional Education Council

09/29/2016

Date



Harry Cassie, CPA, CGA, CFE, CMgr FCMI, BBA (Hons.)
Comptroller
Sahtu Divisional Education Council

09/29/2016

Date

INDEPENDENT AUDITORS' REPORT

**To the Minister of Education, Culture and Employment of the GNWT
To the Board of Trustees of the Sahtu Divisional Education Council**

We have audited the consolidated financial statements of the Sahtu Divisional Education Council, which comprise the consolidated statement of financial position as at June 30, 2016, and the consolidated statements of operations and surplus, changes in net assets (debt), and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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.

Auditor's 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 in 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 and fair presentation 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 entity'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.

Basis for Qualified Opinion

The Government of the Northwest Territories is responsible for the calculation and distribution of the Education Body's wages and benefits expenditure for public service employees, the accuracy of which is not susceptible to complete audit verification. We have satisfied ourselves that the payroll information provided by the GNWT is properly reflected in the Education Body's records. As a result, we were not able to determine whether any adjustments might be necessary to expenditure, liabilities or accumulated surplus.

Independent Auditor's Report (continued)

Qualified Opinion

In our opinion, except for the possible effect of the matters described in the Basis of Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Sahtu Divisional Education Council as at June 30, 2016, and the results of its financial performance and cash flow for the year then ended in accordance with the 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 the Education Body, the consolidated financial statements are in agreement therewith, and the transactions that have come under our notice have, in all significant aspects, been within the statutory powers of the Education Body.



ASHTON
Chartered Accountants
Business Advisors

Hay River, NT
October 7, 2016

Sahtu Divisional Education Council

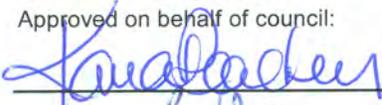
Consolidated Statement of Financial Position

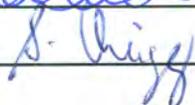
June 30, 2016

	2016	2015
FINANCIAL ASSETS		
Cash, Note 4	\$ 3,148,944	\$ 3,608,702
Special purpose funds, Note 5	267,434	206,731
Accounts receivable, Note 8	334,517	162,612
	<u>\$ 3,750,895</u>	<u>\$ 3,978,045</u>
LIABILITIES		
Accounts payable and accrued liabilities, Note 10	\$ 171,176	\$ 150,535
Payroll liabilities, Note 35	1,452,928	1,783,333
Deferred revenue, Note 11	267,435	206,731
Post-employment benefits, Note 17	1,259,373	1,337,046
	<u>3,150,912</u>	<u>3,477,645</u>
Net Financial Assets (Deficit)	<u>\$ 599,983</u>	<u>\$ 500,400</u>
NON-FINANCIAL ASSETS		
Prepaid expenses, Note 20	\$ 14,830	\$ 23,404
ACCUMULATED SURPLUS (DEFICIT)	<u>\$ 614,813</u>	<u>\$ 523,804</u>

Contractual obligations and contingencies, Note 24 and 25

Approved on behalf of council:


_____ Chair


_____ Superintendent

Sahtu Divisional Education Council

Consolidated Statement of Operations and Surplus

For the year ended June 30, 2016

	Budget 2016	Actual 2016	Actual 2015
Revenue			
Government of the Northwest Territories			
ECE Regular Contributions	\$ 13,503,034	\$ 14,146,828	\$ 14,585,748
Teaching and Learning Centres	58,000	58,000	58,000
French Language Instruction	50,000	55,000	55,000
ECE Other Contributions, Note 33	-	171,769	240,998
Total ECE	13,611,034	14,431,597	14,939,746
GNWT Other Contributions, Note 34	450,000	495,893	307,751
Total GNWT	\$ 14,061,034	\$ 14,927,490	\$ 15,247,497
Education council generated funds			
Interest income	30,000	31,034	40,320
Other	60,000	140,353	113,821
	90,000	171,387	154,141
	14,151,034	15,098,877	15,401,638
Expenses			
Administration	1,159,027	1,145,095	1,113,722
School programs	9,431,595	10,074,650	10,462,692
Inclusive schooling	2,034,806	1,994,500	1,906,760
Operations and maintenance	439,484	469,893	521,319
Aboriginal languages	1,269,843	1,323,730	1,342,344
	14,334,755	15,007,868	15,346,837
Operating Surplus (Deficit)	\$ (183,721)	\$ 91,009	\$ 54,801
Accumulated surplus (Deficit), beginning of year		\$ 523,804	\$ 469,003
Accumulated surplus (deficit), end of year		\$ 614,813	\$ 523,804

Sahtu Divisional Education Council

Consolidated Statement of Changes in Net Assets (Debt)

For the year ended June 30, 2016

	2016	2015
Annual surplus (deficit)	\$ 91,009	\$ 54,801
Change in prepaid expenses	8,574	6,589
Increase (decrease) in net financial resources	99,583	61,390
Net financial resources, beginning of year	500,400	439,010
Net financial resources, end of year	\$ 599,983	\$ 500,400

Sahtu Divisional Education Council

Consolidated Statement of Cash Flow

For the year ended June 30, 2016

	2016	2015
Cash provided by (used in):		
Operating Transactions		
Operating Surplus (Deficit)	\$ 91,009	\$ 54,801
	91,009	54,801
Change in non-cash assets and liabilities:		
Accounts receivable	(171,905)	230,329
Accounts payable and accrued liabilities	20,641	(20,296)
Payroll liabilities	(330,405)	302,731
Deferred revenue	60,704	(120,372)
Post-employment benefits	(77,673)	(72,802)
Prepaid expenses	8,574	6,589
	(490,064)	326,179
Increase (Decrease) in cash and cash equivalents	(399,055)	380,980
Cash and cash equivalents, beginning of year	3,815,433	3,434,453
Cash and cash equivalents, end of year	\$ 3,416,378	\$ 3,815,433
Consists of:		
Cash	\$ 3,148,944	\$ 3,608,702
Special purpose funds	267,434	206,731
	\$ 3,416,378	\$ 3,815,433

Sahtu Divisional Education Council

Consolidated Detail of Expenses

For the year ended June 30, 2016

Function	School Programs	Inclusive Schooling	Student Accom.	Operations & Maintenance	Administration	Aboriginal Languages	Transfers & Other	2016 Total	2016 Budget	2015 Total
Salaries										
Teachers' salaries	\$ 7,315,487	\$ 877,975	\$ -	\$ -	\$ -	\$ 1,073,496	\$ -	\$ 9,266,958	\$ 9,154,312	\$ 9,169,614
Instruction assistants	2,455	762,266	-	-	-	124,766	-	889,487	781,978	872,186
Non-instructional staff	1,098,723	194,524	-	-	862,561	13,664	-	2,169,472	2,004,874	2,689,744
Board/Trustee honorarium	-	-	-	-	37,714	45,478	-	83,192	76,000	55,255
	8,416,665	1,834,765	-	-	900,275	1,257,404	-	12,409,109	12,017,164	12,786,799
Employee Benefits										
Employee benefits and allowances	114,764	-	-	-	-	-	-	114,764	36,000	700
Leave and termination benefits	(67,586)	-	-	325,426	25,279	-	-	283,119	296,332	343,039
	47,178	-	-	325,426	25,279	-	-	397,883	332,332	343,739
Services Purchased/Contracted										
Professional services	599,442	70,927	-	-	200	-	-	670,569	531,737	322,287
Postage and communication	45,249	-	-	-	28,192	243	-	73,684	79,800	71,624
Utilities										
Heating	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-
Water/Sewage	-	-	-	-	-	-	-	-	-	-
Travel	110,332	53,158	-	-	80,282	3,206	-	246,978	288,000	382,454
Student transportation (busing)	149,000	-	-	-	-	-	-	149,000	152,000	149,000
Advertising/printing/publishing	5,725	-	-	1,895	-	945	-	8,565	7,500	6,508
Maintenance and repair	21,366	-	-	5,150	-	-	-	26,516	33,900	35,901
Rentals and leases	-	-	-	137,422	-	-	-	137,422	141,752	132,679
Other contracted services	-	15,469	-	-	-	-	-	15,469	59,000	23,591
Other	53,107	-	-	-	75,417	26,133	-	154,657	82,200	127,574
	984,221	139,554	-	144,467	184,091	30,527	-	1,482,860	1,375,889	1,251,618
Materials, Supplies and Freight										
Materials	595,408	18,743	-	-	31,643	34,266	-	680,060	441,170	916,060
Freight	31,178	1,438	-	-	3,807	1,533	-	37,956	47,200	45,330
	626,586	20,181	-	-	35,450	35,799	-	718,016	488,370	961,390
Contributions/Transfers										
Transfers	-	-	-	-	-	-	-	-	121,000	-
Debt Services										
Other	-	-	-	-	-	-	-	-	-	3,291
Total	\$ 10,074,650	\$ 1,994,500	\$ -	\$ 469,893	\$ 1,145,095	\$ 1,323,730	\$ -	\$ 15,007,868	\$ 14,334,755	\$ 15,346,837

SAHTU DIVISIONAL EDUCATION COUNCIL

Aboriginal Language and Cultural-based Education Expenses

For the year ended June 30, 2016

	Student Instruction	Teaching/ Learning Resources	Professional Development	School Activities and Integrated Community Programs	2016 Total
Salaries					
ALCBE teachers	\$ 1,073,496	\$ -	\$ -	\$ -	\$ 1,073,496
Language consultants	-	-	-	-	-
Instruction assistants	124,766	-	-	-	124,766
Non-instructional staff	-	-	-	-	-
Honoraria	-	-	-	-	-
Elders in schools	-	-	-	45,245	45,245
	1,198,262	-	-	45,245	1,243,507
Employee Benefits					
Employee benefits and allowances	-	-	-	-	-
Services Purchased/Contracted					
Professional services	-	-	-	-	-
Postage and communication	-	-	-	-	-
Travel	-	-	-	-	-
Student transportation (busing)	-	-	-	-	-
Advertising, printing and publishing	945	-	-	-	945
Maintenance and repairs	-	-	-	-	-
Rentals and leases	-	-	-	-	-
Other contracted services	4,864	-	21,269	-	26,133
	5,809	-	21,269	-	27,078
Materials, Supplies and Freight					
Materials	-	6,871	-	3,028	9,899
Freight	-	905	-	-	905
	-	7,776	-	3,028	10,804
Total	\$ 1,204,071	\$ 7,776	\$ 21,269	\$ 48,273	\$ 1,281,389

Sahtu Divisional Education Council

Inclusive Schooling Expenses

For the year ended June 30, 2016

Function	Staff Development	Intervention Strategies	Assistive Technology	Student Resources	Southern Placements	Magnet Facilities	General Inclusive Schooling	Total
Salaries								
Program support teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 877,975	\$ 877,975
Consultants	-	-	-	-	-	-	194,524	194,524
Support assistants	-	-	-	-	-	-	762,266	762,266
Non-instructional staff	-	-	-	-	-	-	-	-
Honoraria	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	1,834,765	1,834,765
Employee Benefits								
Employee benefits/allowances	-	-	-	-	-	-	-	-
Services Purchased/Contracted								
Professional/Technical services	-	20,927	-	-	-	-	50,000	70,927
Travel	8,532	-	-	-	-	-	44,626	53,158
Student transportation (busing)	-	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-	-
Maintenance/Repairs	-	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-	-
Other contracted services	-	-	-	-	-	-	15,469	15,469
	8,532	20,927	-	-	-	-	110,095	139,554
Materials, Supplies and Freight								
Materials	-	-	-	12,015	-	-	6,728	18,743
Freight	-	-	-	-	-	-	1,438	1,438
	-	-	-	12,015	-	-	8,166	20,181
Total	\$ 8,532	\$ 20,927	\$ -	\$ 12,015	\$ -	\$ -	\$ 1,953,026	\$ 1,994,500

Sahtu Divisional Education Council

French Language Programs

For the year ended June 30, 2016

	Contributions July 1 to June 30	Total Expenses July 1 to June 30	Variance
Bilateral Agreement Funding			
Special projects:	\$ -	\$ -	\$ -
Regular GNWT Funding			
Immersion Program		\$ -	
Core French Instruction		55,000	
Total		\$ 55,000	

Sahtu Divisional Education Council

Aboriginal Languages

For the year ended June 30, 2016

	July 1, 2015 to March 31, 2016	April 1, 2016 to June 30, 2016	Total Fiscal Year 2015/2016
Contribution Agreement			
Aboriginal Languages			
Revenues			
Funding Received	\$ 58,000	\$ -	\$ 58,000
	58,000	-	58,000
Expenditure			
Salaries	58,000	-	58,000
Other O & M	-	-	-
	58,000	-	58,000
Net Surplus (Deficit)	\$ -	\$ -	\$ -

Sahtu Divisional Education Council

Infrastructure

For the year ended June 30, 2016

	2016	2015
Personnel Infrastructure		
Revenue		
Contributions	\$ 289,877	\$ 217,152
Expenses		
Applicant travel	-	12,599
Staff advertising	1,895	1,895
Removal In/Transfer	290,580	249,057
Ultimate removal	(29,184)	43,952
WCB premiums	64,029	75,970
	327,320	383,473
Net Surplus (Deficit)	\$ (37,443)	\$ (166,321)
Leases Infrastructure		
Revenue		
Contributions	\$ 145,505	\$ 170,330
Expenses		
Leases	106,752	160,752
Other - repairs and maintenance	35,821	31,095
	142,573	191,847
Net Surplus (Deficit)	\$ 2,932	\$ (21,517)

Sahtu Divisional Education Council

Student Success Initiative Projects

For the year ended June 30, 2016

	School Year
Revenue	
Education, Culture and Employment	\$ 55,000
NWTTA	33,392
Total Revenue	88,392
Expenses	
Salaries and wages	
Facilitator fees (including per diems)	-
Substitute teacher wages	-
Staff (p/y)	-
Travel	
Facilitator travel	-
Air charter	-
Staff travel	-
Accommodations	-
Daily per diems	-
Workshop expenses	
Room rental	-
Refreshments	-
Resources	51,420
Miscellaneous (stationary/printing)	16,000
Total Expenses	67,420
Net Surplus (Deficit)	\$ 20,972

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2016

Note 1. Nature of Organization

The Sahtu Divisional Education Council ("The Council") was established by the *Education Act* of the Government of the Northwest Territories (GNWT) by order of the Minister dated April 1, 1989. Its purpose is to administer and maintain the standards of education program defined under the *Education Act* in the communities in the Sahtu Region.

Consequently, the Council is dependent on funding from the Department of Education, Culture, and Employment (ECE) of the GNWT. Member Communities have formed local District Education Authorities (DEA) which have assumed responsibility to provide sufficient educational programs within their respective communities.

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

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

The accompanying consolidated financial statements include the operations of the Council, and the member District Education Authorities of Colville Lake, Deline, K'asho Gotine, Norman Wells, and Tulita.

Note 2. Significant Accounting Policies

(a) Basis of Accounting

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

(b) Cash and Cash Equivalents

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

(c) Financial Instruments

Financial assets originated or acquired or financial liabilities issued or assumed in an arms' length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

Financial assets subsequently measured at amortized cost include cash, accountable funds, due from the GNWT and other accounts receivable.

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2016

Note 2. Significant Accounting Policies (continued)

(c) Financial Instruments

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, accrued salaries, deferred revenue, post-employment benefits and accountable funds.

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

(d) Non-financial Assets

Prepaid expenses and other non-financial assets are accounted for as assets by the Education Body because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the Education Body.

(e) Tangible Capital Assets

All buildings and works, furniture, equipment and vehicles are the property of the GNWT. The Minister grants to the Education Body the full occupancy and use of such facilities and equipment where required for the administration and delivery of education system programs. Capital assets with a value in excess of \$50,000 are recorded at cost and amortized in accordance with the Financial Administration Manual guidelines by the GNWT. Capital assets with a value of less than \$50,000 are recorded as a current expenditure.

(f) Revenue Recognition

Government Transfers:

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

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

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

Capital transfers or transfers of tangible capital assets are initially recognized as deferred revenue and subsequently recognized as revenue when the related tangible capital assets are recognized as acquired or built.

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2016

(f) Revenue Recognition - (Continued)

GNWT – Regular Contributions:

The regular contributions from the GNWT are determined by a funding formula and are received in monthly installments. The Education Body retains surpluses and is responsible for deficits. Any funding requests, over and above those levels provided by the formula, must be first approved by the GNWT.

Other Contributions:

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

Deferred Revenue:

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

Investment Income:

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

(g) Infrastructure Funding

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

(h) Budget Data

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

The priorities and funding allocations are determined by the Board of Trustees of each Education Body and the budget is legally adopted by a motion of the Board in accordance with Section 135(3) of the *Education Act*.

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

This annual budget includes estimates of revenues, expenditures and the net operating surplus (deficit). Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Education Body.

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

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2016

Note 2. Summary of Significant Accounting Policies (continued)

(i) Measurement Uncertainty

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

(j) Inventories Including Materials and Supplies

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

(k) Payroll Liabilities

According to the Northwest Territories Teachers Association (NWTTA) and GNWT Collective Agreement, teaching staff have their salary issued by the GNWT bi-weekly pay system. NWTTA staff will have earned their annual salary by June 30th which provides for continued payment during the summer. GNWT Payroll for NWTTA starts with the annualized salary commitment for compensation and then allocates the complete payout of that value over the number of pay periods between August 1 and July 31. Pay periods falling in July are therefore accrued.

The duties and compensation base for UNW School Year employees are scheduled to align with the academic year although actual start dates and durations vary by specific location and job function. Accordingly, the Education Body determines the start dates of their UNW employees and accrues the related payroll liability as appropriate.

All other staff are accrued to include earnings to June 30.

(l) Post-employment and Termination Benefits

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

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2016

Note 2. Summary of Significant Accounting Policies (continued)

(m) Special Purpose Funds

School activity funds which are fully controlled by the Education Body with respect to when and how the funds available can be disbursed are included. The funds reported are internally restricted as to purpose and may include the proceeds of fundraising, contributions or fees paid related to a specific planned benefits.

Student activity funds which are controlled by students or parties other than the Education Body are not included even if custody of the funds is held by the Education Body.

Note 3. Future Accounting Changes

Financial Instruments - Section PS 3450

PSAB has implemented changes to Section PS 3450, Financial instruments that outlines offsetting of financial assets and financial liabilities and the valuation of investments to be measured at fair value. These changes are to be applied on a go forward basis for all fiscal years beginning on or after April 1, 2016. Management is currently assessing the impact of the standard.

Inter-entity Transactions - Section PS 3420

PSAB approved Section PS 3420, Inter-entity transactions. This section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. The new standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. Management is currently assessing the impact of the standard.

Student Activity/Fiduciary Funds Policy

Student Activity/Fiduciary funds policy is currently under review by the GNWT - ECE for possible inclusion in Special Purpose Funds. At this time no formal directive has been released and, therefore management is unable to determine any impact that may exist on the financial statements.

Sahtu Divisional Education Council

Consolidated Statement of Operations and Surplus

For the year ended June 30, 2016

Note 4. Cash and Cash Equivalents

	2016		2015	
Cash	\$	3,148,944	\$	3,608,702
Short term investments		-		-
	\$	3,148,944	\$	3,608,702

Note 5. Special Purpose Funds

Special purpose funds consist of account balances held by each of the individual District Education Authorities for which the Education Body has control of when and how the funds are disbursed.

	2016		2015	
Colville Lake	\$	11,714	\$	12,000
Deline		50,356		57,954
Fort Good Hope		65,172		50,065
Norman Wells		87,611		43,281
Tulita		52,581		43,431
	\$	267,434	\$	206,731

Note 6. Restricted Assets - Not Applicable

Note 7. Portfolio Investments - Not Applicable

Note 8. Accounts Receivable

	Receivables 2016		AFDA 2016		Net 2016		Net 2015	
GNWT - ECE	\$	66,776	\$	-	\$	66,776	\$	61,482
GNWT - MACA		130,000		-		130,000		-
GNWT - Justice		27,925		-		27,925		-
GNWT - HSS		11,140		-		11,140		10,520
Total Due from GNWT		235,841		-		235,841		72,002
WSCC		-		-		-		-
Other		191,668		92,992		98,676		90,610
	\$	427,509	\$	92,992	\$	334,517	\$	162,612

Note 9. Inventories - Not Applicable

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2016

Note 10. Accounts Payable and Accrued Liabilities

	2016	2015
GNWT	\$ 2,799	\$ 4,794
WSCC	19,006	18,585
Trade payables	149,371	127,156
	<u>\$ 171,176</u>	<u>\$ 150,535</u>

Note 11. Deferred Revenue

	2016	2015
MACA		
Active After School	\$ 76,500	\$ 39,000
Youth Contribution	1,966	4,000
Regional Youth Sports	43,500	48,000
On the land	-	-
Drama	5,000	-
Justice		
Community Justice	51,350	14,280
ITI		
Seed	-	15,000
Other		
Food First	3,857	308
Library	84,547	86,143
Breakfast Program	715	-
	<u>\$ 267,435</u>	<u>\$ 206,731</u>

Note 12. Contribution Repayable - Not Applicable

Note 13. Due From and To the Government of Canada - Not Applicable

Note 14. Capital Lease Obligations - Not Applicable

Note 15. Pension - Not Applicable

Note 16. Long-term Debt - Not Applicable

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2016

Note 17. **Post-employment Benefits**

The Education Body provides severance (resignation and retirement), removal and compensated absence (sick, special maternity and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a deficit equal to the accrued post-employment benefits obligation.

Severance benefits are paid to employees based on the types of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee was hired, the rate of pay, the number of years of continuous employment, and age and the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being location of hire, employee category and length of service. The benefits under these two categories were valued using the Projected Unit Credit methodology.

Compensated absence benefits generally accrue as employees render services and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to employee or dependent illness and death of an immediate family member. Non-accruing benefits include maternity and parental leave. Benefits that accrue under the compensated absence benefits were valued using the expected utilization methodology.

Change in estimate

During the year ended June 30, 2016, the method for calculating other employee future benefits and compensated absences was refined to better reflect the probability that these benefits would be used in the future based on past experience. This change in accounting estimate is being accounted for on a prospective basis starting July 1, 2015 which increases the compensation and benefits expense and increases the other employee future benefits and compensated absences liability by \$471,316.

Valuation results

The actuarial valuation includes the liabilities as at June 30, 2016. The liabilities are actuarially determined as the present value of the accrued benefits at June 30, 2016. The values presented below are for all the benefits under the compensated absences and termination benefits for the Education Body.

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2016

Note 17. Post-employment Benefits (continued)

	Severance and removal	Compensated Absences	2016
Changes in Obligation			
Accrued benefits obligation at the beginning of the year	\$ 1,120,929	\$ -	\$ 1,120,929
Change in estimates	243,465	227,851	471,316
Adjusted accrued benefits obligation at the beginning of the year	\$ 1,364,394	\$ 227,851	\$ 1,592,245
Benefits earned	185,839	124,977	310,816
Interest costs	35,141	6,068	41,209
Benefits paid	(152,326)	(71,771)	(224,097)
Plan amendment	-	-	-
Actuarial gain/loss	(700,052)	(214,909)	(914,961)
Net future obligation	\$ 732,996	\$ 72,216	\$ 805,212
Leave *	-	223,161	223,161
Sahtu DEC employment contracts	231,000	-	231,000
Total employee future benefits and compensated absences	\$ 963,996	\$ 295,377	\$ 1,259,373

* Leave

- includes annual and lieu (UNW, Excluded, Senior Management, Contract).
- is considered to be a short-term liability for the purposes of distinguishing employee leave and termination benefits not short-term and long-term categories.

	Severance and removal	Compensated Absences	2016
Benefits Expense			
Benefits Earned	\$ 185,839	\$ 124,977	\$ 310,816
Interest	35,141	6,068	41,209
Plan amendments	-	-	-
Amortization of actuarial gain/loss	-	-	-
	\$ 220,980	\$ 131,045	\$ 352,025

The expected cash flow payments during the next five fiscal years are:

	Severance and removal	Compensated Absences	2016
2017	\$ 112,114	\$ 9,730	\$ 121,844
2018	106,658	8,244	114,902
2019	98,181	8,687	106,868
2020	69,490	8,999	78,489
2021	82,658	8,637	91,295
	\$ 469,101	\$ 44,297	\$ 513,398

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2016

Note 18. Trust Assets and Liabilities under Administration - Not Applicable

Note 19. Tangible Capital Asset - Not Applicable

Note 20. Prepaid Expenses

	2016	2015
Prepaid expenses	\$ 14,830	\$ 23,404

Note 21. Accumulated Surplus/Deficit - Not Applicable

(Not applicable, breakdown included in Statement of Financial Position)

Note 22. Capital Advances - Not Applicable

Note 23. GNWT Assets Provided at No Cost

	Cost	Accumulated Amortization	Net Book Value	
			2016	2015
Buildings				
Schools and colleges	\$ 64,991,525	\$ 17,489,443	\$ 47,502,082	\$ 49,984,315
Staff Housing	275,800	76,274	199,526	211,868
	\$ 65,267,325	\$ 17,565,717	\$ 47,701,608	\$ 50,196,183

Note 24. Contractual Obligations

The Education Body has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to March 31, 2016.

	Expires in Fiscal Year *	2016	2016 and thereafter	Total
Commercial and residential leases	2023	\$ 106,752	\$ 747,264	\$ 854,016

* Refers to the last fiscal year of all agreements in that line category

The lease on the Council's office expires on August 31, 2023. A 15 year lease agreement was entered into at the Edward Hodgson Building with monthly lease payments starting September 1, 2008. From September 1, 2008 to August 31, 2018 the annual lease payments will remain at \$106,752. After 10 years, the lease amount will be adjusted based on the expected market conditions for the following 5 years.

In addition, the Council is responsible for its proportionate share of utilities and cleaning services received during its term of occupancy.

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2016

Note 25. Contingencies

The Council had employment agreements directly with senior management personnel which were transferred to the GNWT in the year. Part of transferring the agreements included cancelling contracts with third party benefit providers. Management expects that there will be penalties associated with the contract cancellations. At present, the potential penalties are not determinable. The amount of any future fees would be accounted for as current transactions in the year they are levied.

Note 26. Related Parties

The Education Body is related in terms of common ownership to all GNWT created departments, agencies and corporations. The Education Body enters into transactions with these entities in the normal course of operations. The Education Body is provided with various administrative services by the GNWT, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage by the Department of Finance, payroll services by the Department of Human Resources, internal audit services by the Department of Finance, and utility and maintenance by Public Works and Services. Transactions with related parties and balances at year-end not disclosed elsewhere in the financial statements are disclosed in this note. There are no related party balances not disclosed elsewhere.

Note 27. Budget

The Education Act of the Northwest Territories requires that Education Bodies prepare an annual budget, as outlined in Section 117, Duties and Powers of Education Bodies. The budget is legally adopted by a motion of the Education Body which may or may not include the establishment of a tax levy to support the approved budget in accordance with Section 135, Assessment and Taxation, of the Education Act.

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

The budget figures presented are those approved by the Minister of education, Culture and Employment on Sept 2, 2015 and have not been audited.

Note 28. Economic Dependence

The Sahtu District Education Council received its funding primarily from the GNWT. If the funding arrangements were to change management is of the opinion that Sahtu District Education Council operations would be significantly affected.

Note 29. Financial Instruments

The Education Body is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Education Body's risk exposure and concentration as of June 30, 2016.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Education Body has little exposure to credit risk as the majority of its revenues originate from government sources with strong credit worthiness.

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2016

Note 29. Financial Instruments (continued)

Liquidity

Liquidity risk is the risk the Education Body will not be able to meet its obligations as they come due. The Education Body manages its liquidity requirements by preparing detailed cash budgets and having cash available on hand to meet its obligations.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is composed of currency risk, interest rate risk and other price risk.

Currency risk

The Education Body deals exclusively in Canadian funds and therefore has no currency risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. The Education Body minimizes risk through its normal operating and financing activities and maintains cash in a general bank account.

Note 30. Expenses by Object

	2016 Budget	2016 Actual	2015 Actual
Salaries	\$ 12,017,164	\$ 12,409,109	\$ 12,786,799
Employee Benefits	332,332	397,883	343,739
Services Purchased/Contracted	1,375,889	1,482,860	1,251,618
Materials, Supplies and Freight	488,370	718,016	961,390
Debt Services	-	-	3,291
	\$ 14,213,755	\$ 15,007,868	\$ 15,346,837

Note 31. Subsequent Events - Not Applicable

Note 32. Comparative Figures

Certain comparative figures have been reclassified to conform with current year's presentation.

Note 33. Other ECE Revenue

	2016	2015
Infrastructure funding	\$ 133,838	\$ 25,534
Self regulation	7,578	-
Junior Kindergarten	-	72,077
Library	114,900	229,800
Less: Deferred revenue & contributions repaid	(84,547)	(86,413)
	\$ 171,769	\$ 240,998

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2016

Note 34. GNWT - Other Contributions

	2016	2015
MACA		
Active After School	91,800	98,962
Girl's Leadership	-	4,000
Youth Contribution	5,000	34,000
Regional Youth Sports	43,500	108,000
On the land	5,000	40,000
TAKT	39,000	-
Drama	5,000	-
HSS		
Drop The Pop	11,300	10,159
Nutrition North	29,332	28,928
ITI		
Seed	-	15,000
Justice		
Community Justice	55,800	60,850
Not Us	5,000	
Other		
Aurora College ACLIP	155,000	-
Safe and caring	5,900	-
Resiliency Workshop	-	9,205
Northern Grad Teacher Funding	-	15,625
Self regulation & action research	-	12,000
Less: Deferred revenue & contributions repaid	44,261	(128,978)
	<u>\$ 495,893</u>	<u>\$ 307,751</u>

Note 35. Payroll Liabilities

	2016	2015
UNW School Year & NWTTA	<u>\$ 1,452,928</u>	<u>\$ 1,783,333</u>
	<u>\$ 1,452,928</u>	<u>\$ 1,783,333</u>

Note 36. Statement of Remeasurement Gains and Losses - Not Applicable

Sahtu Divisional Education Council

Schedule A-1 - Statement of Council Operations and Financial Position (Non-Consolidated)

For the year ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
Government of the Northwest Territories	\$ 14,061,034	\$ 14,927,490	\$ 15,247,497
Other education body generated funds	90,000	171,387	154,141
	<u>14,151,034</u>	<u>15,098,877</u>	<u>15,401,638</u>
Expenditure			
Administration	1,159,027	1,150,425	1,044,079
School programs	9,431,595	9,732,957	10,149,447
Inclusive schooling	2,034,806	1,994,500	1,906,760
Operations and maintenance	439,484	469,893	521,319
Aboriginal languages	1,269,843	1,281,389	1,303,603
	<u>14,334,755</u>	<u>14,629,164</u>	<u>14,925,208</u>
Excess (Deficiency) of Revenue over Expenditure	\$ (183,721)	\$ 469,713	\$ 476,430
Accumulated surplus (deficit), beginning of year		1,480,179	1,003,749
Accumulated surplus (deficit), end of year		<u>\$ 1,949,892</u>	<u>\$ 1,480,179</u>

SATHU DIVISIONAL EDUCATION COUNCIL

Schedule A-2 - Details of Council Expenses (Non-Consolidated)

For the year ended June 30, 2016

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Council Administration	Aboriginal Languages	Fiscal & Transfers	2016 Total
Salaries								
Teachers' salaries	\$ 7,315,487	\$ 877,975	\$ -	\$ -	\$ -	\$ 1,073,496	\$ -	\$ 9,266,958
Instruction Assistant	2,455	762,266	-	-	-	124,766	-	889,487
Non Instructional Staff	990,726	194,524	-	-	818,274	-	-	2,003,524
Board/Trustee Honoraria	-	-	-	-	23,297	45,245	-	68,542
	8,308,668	1,834,765	-	-	841,571	1,243,507	-	12,228,511
Employee Benefits								
Employee benefits and allowances	114,764	-	-	-	-	-	-	114,764
Leave and termination benefits	(67,586)	-	-	325,426	25,279	-	-	283,119
	47,178	-	-	325,426	25,279	-	-	397,883
Services Purchased/Contracted								
Professional/Technical Services	599,442	70,927	-	-	-	-	-	670,369
Postage/Communication	45,249	-	-	-	28,192	-	-	73,441
Utilities	-	-	-	-	-	-	-	-
Heating	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-
Water/Sewage	-	-	-	-	-	-	-	-
Travel	80,245	53,158	-	-	80,282	-	-	213,685
Student Travel (busing)	149,000	-	-	-	-	-	-	149,000
Advertising/Printing/Publishing	5,725	-	-	1,895	-	945	-	8,565
Maintenance/Repair	21,366	-	-	5,150	-	-	-	26,516
Rentals/Leases	-	-	-	137,422	-	-	-	137,422
Other - Contracted Services	-	15,469	-	-	-	-	-	15,469
Other - Miscellaneous	45,278	-	-	-	23,851	26,133	-	95,262
	946,305	139,554	-	144,467	132,325	27,078	-	1,389,729
Materials, Supplies and Freight								
Materials	402,587	18,743	-	-	26,443	9,899	-	457,672
Freight	28,219	1,438	-	-	3,807	905	-	34,369
	430,806	20,181	-	-	30,250	10,804	-	492,041
Contributions and Transfers								
Transfers to DEAs	-	-	-	-	121,000	-	-	121,000
Transfers to Capital	-	-	-	-	-	-	-	-
Amortization								
	-	-	-	-	-	-	-	-
Debt Services								
	-	-	-	-	-	-	-	-
Total	\$ 9,732,957	\$ 1,994,500	\$ -	\$ 469,893	\$ 1,150,425	\$ 1,281,389	\$ -	\$ 14,629,164

SAHTU DIVISIONAL EDUCATION COUNCIL

Schedule B-1 District Education Authorities
Statement of Operations - Non-Consolidated

For the year ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
Contributions from Divisional Council	\$ 29,000	121,000	130,000
GNWT	-	438,081	629,699
Other	-	12,115	26,050
Deferred Revenue	-	(61,010)	(206,732)
Contributions Repaid	-	(7,483)	(8,659)
	-	381,703	440,358
Total revenue	29,000	502,703	570,358
Expenditure			
Administration	29,000	115,670	69,643
School programs	-	340,364	443,245
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	42,341	38,741
	\$ 29,000	498,375	551,629
Surplus (Deficit)	-	4,328	18,729
Opening equity		43,772	25,043
Closing equity		\$ 48,100	\$ 43,772
Composition of Ending Accumulated Surplus			
Cash	\$	-	\$ -
Accounts receivable		48,516	43,772
Accounts payable		(416)	-
	\$	48,100	\$ 43,772

SAHTU DIVISIONAL EDUCATION COUNCIL

Schedule B-2 - Details of DEA Expenses
 Non-Consolidated
 For the year ended June 30, 2016

Function	School Programs	Inclusive Schooling	Student Accom.	Operations and Maintenance	Council Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non-instructional Staff	107,997	-	-	-	44,287	13,664	165,948
Board/Trustee Honorarium	-	-	-	-	14,417	233	14,650
	107,997	-	-	-	58,704	13,897	180,598
Employee Benefits							
Employee Benefits and Allowances	-	-	-	-	-	-	-
Leave and Termination	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	200	-	200
Postage/Communication	-	-	-	-	-	243	243
Utilities							
Heating	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-
Water/Sewage	-	-	-	-	-	-	-
Travel	30,087	-	-	-	-	3,206	33,293
Student Transportation (busing)	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other Contracted Services	-	-	-	-	-	-	-
Other	6,500	-	-	-	51,566	-	58,066
	36,587	-	-	-	51,766	3,449	91,802
Materials/Supplies/Freight							
Materials	192,821	-	-	-	5,200	24,367	222,388
Freight	2,959	-	-	-	-	628	3,587
	195,780	-	-	-	5,200	24,995	225,975
Total	\$ 340,364	\$ -	\$ -	\$ -	115,670	\$ 42,341	498,375

COLVILE LAKE

District Education Authority
Statement of Operations

For the year ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
Contributions from Divisional Council	\$ -	\$ 16,000	\$ 17,000
GNWT	-	20,878	59,134
Other	-	3,900	5,300
Deferred Revenue	-	(11,714)	(12,000)
Contributions Repaid	-	-	(4,707)
	-	29,064	64,727
Expenses			
Administration	-	13,574	1,776
School programs	-	5,064	42,227
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	8,000	10,000
	-	26,638	54,003
Surplus (Deficit)	-	2,426	10,724
Opening equity		10,964	240
Closing equity	\$	13,390	\$ 10,964
Composition of Closing Equity			
Cash	\$	-	\$ -
Accounts Receivable		13,390	10,964
Accounts Payable		-	-
	\$	13,390	\$ 10,964

COLVILLE LAKE

District Education Authority
Details of Expenses

For the year ended June 30, 2016

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	-	-	-
Board/Trustee Honoraria	-	-	-	-	806	233	1,039
	-	-	-	-	806	233	1,039
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	243	243
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	822	822
Student Transportation	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	-	-	-
Other	-	-	-	-	12,768	-	12,768
	-	-	-	-	12,768	1,065	13,833
Materials/Supplies/Freight							
Materials	5,064	-	-	-	-	6,702	11,766
Freight	-	-	-	-	-	-	-
	5,064	-	-	-	-	6,702	11,766
Total	\$ 5,064	\$ -	\$ -	\$ -	\$ 13,574	\$ 8,000	\$ 26,638

DELINE

District Education Authority Statement of Operations

For the year ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
Contributions from Divisional Council	\$ -	\$ 25,000	\$ 27,000
GNWT	-	70,924	152,234
Other	-	-	5,550
Deferred Revenue	-	7,290	(57,955)
Contributions Repaid	-	(2)	(146)
	-	103,212	126,683
Expenses			
Administration	-	22,229	19,562
School programs	-	74,896	86,877
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	7,317	20,000
	-	104,442	126,439
Surplus (Deficit)	-	(1,230)	244
Opening equity		3,620	3,376
Closing equity		\$ 2,390	\$ 3,620
Composition of Closing Equity			
Cash	\$ -	\$ -	-
Accounts Receivable		2,390	3,620
Accounts Payable		-	-
	\$	2,390	\$ 3,620

DELINE

District Education Authority
Details of Expenses

For the year ended June 30, 2016

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	29,948	-	-	-	11,121	2,135	43,204
Board/Trustee Honoraria	-	-	-	-	6,258	-	6,258
	29,948	-	-	-	17,379	2,135	49,462
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	9,596	-	-	-	-	774	10,370
Student Transportation	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	-	-	-
Other	4,000	-	-	-	-	-	4,000
	13,596	-	-	-	-	774	14,370
Materials/Supplies/Freight							
Materials	31,352	-	-	-	4,850	4,408	40,610
Freight	-	-	-	-	-	-	-
	31,352	-	-	-	4,850	4,408	40,610
Total	\$ 74,896	\$ -	\$ -	\$ -	\$ 22,229	\$ 7,317	\$ 104,442

FORT GOOD HOPE

District Education Authority
Statement of Operations

For the year ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
Contributions from Divisional Council	\$ -	\$ 25,000	\$ 27,000
GNWT	-	82,562	132,234
Other	-	1,358	4,400
Deferred Revenue	-	(9,106)	(50,065)
Contributions Repaid	-	(15)	-
	-	99,799	113,569
Expenses			
Administration	-	30,413	16,932
School programs	-	67,235	97,052
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	7,563	-
	-	105,211	113,984
Surplus (Deficit)	-	(5,412)	(415)
Opening equity		4,996	5,411
Closing equity		\$ (416)	\$ 4,996
Composition of Closing Equity			
Cash	\$ -	\$ -	-
Accounts Receivable		-	4,996
Accounts Payable		(416)	-
	\$	(416)	\$ 4,996

FORT GOOD HOPE

District Education Authority
Details of Expenses

For the year ended June 30, 2016

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	24,812	-	-	-	11,027	5,269	41,108
Board/Trustee Honoraria	-	-	-	-	6,517	-	6,517
	24,812	-	-	-	17,544	5,269	47,625
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	1,610	1,610
Student Transportation	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	-	-	-
Other	-	-	-	-	12,869	-	12,869
	-	-	-	-	12,869	1,610	14,479
Materials/Supplies/Freight							
Materials	42,423	-	-	-	-	684	43,107
Freight	-	-	-	-	-	-	-
	42,423	-	-	-	-	684	43,107
Total	\$ 67,235	\$ -	\$ -	\$ -	\$ 30,413	\$ 7,563	\$ 105,211

NORMAN WELLS

District Education Authority
Statement of Operations

For the year ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
Contributions from Divisional Council	\$ 29,000	\$ 29,000	\$ 31,000
GNWT	-	171,117	154,747
Other	-	1,295	1,700
Deferred Revenue	-	(38,330)	(43,281)
Contributions Repaid	-	(844)	(3,806)
	29,000	162,238	140,360
Expenses			
Administration	29,000	27,112	16,413
School programs	-	121,779	113,731
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	11,459	8,741
	29,000	160,350	138,885
Surplus (Deficit)	-	1,888	1,475
Opening equity		17,877	16,402
Closing equity		\$ 19,765	\$ 17,877
Composition of Closing Equity			
Cash	\$	-	\$ -
Accounts Receivable		19,765	17,877
Accounts Payable		-	-
	\$	19,765	\$ 17,877

NORMAN WELLS

District Education Authority
Details of Expenses

For the year ended June 30, 2016

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	22,685	-	-	-	10,837	-	33,522
Board/Trustee Honoraria	-	-	-	-	-	-	-
	22,685	-	-	-	10,837	-	33,522
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	4,331	-	-	-	-	-	4,331
Student Transportation	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	-	-	-
Other - Community Justice	2,500	-	-	-	16,275	-	18,775
	6,831	-	-	-	16,275	-	23,106
Materials/Supplies/Freight							
Materials	89,304	-	-	-	-	10,831	100,135
Freight	2,959	-	-	-	-	628	3,587
	92,263	-	-	-	-	11,459	103,722
Total	\$ 121,779	\$ -	\$ -	\$ -	\$ 27,112	\$ 11,459	\$ 160,350

TULITA

District Education Authority Statement of Operations

For the year ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
Contributions from Divisional Council	\$ -	\$ 26,000	\$ 28,000
GNWT	-	92,600	131,350
Other	-	5,562	9,100
Deferred Revenue	-	(9,150)	(43,431)
Contribution Repayable	-	(6,622)	-
	-	108,390	125,019
Expenses			
Administration	-	22,342	14,960
School programs	-	71,390	103,358
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	8,002	-
	-	101,734	118,318
Surplus (Deficit)	-	6,656	6,701
Opening equity		6,315	(386)
Closing equity	\$	12,971	\$ 6,315
Composition of Closing Equity			
Cash	\$	-	\$ -
Accounts Receivable		12,971	6,315
Accounts Payable		-	-
	\$	12,971	\$ 6,315

TULITA

District Education Authority
Details of Expenses

For the year ended June 30, 2016

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	30,552	-	-	-	11,302	6,260	48,114
Board/Trustee Honoraria	-	-	-	-	836	-	836
	30,552	-	-	-	12,138	6,260	48,950
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	200	-	200
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	16,160	-	-	-	-	-	16,160
Student Transportation	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	-	-	-
Other - Special Requests	-	-	-	-	9,654	-	9,654
	16,160	-	-	-	9,854	-	26,014
Materials/Supplies/Freight							
Materials	24,678	-	-	-	350	1,742	26,770
Freight	-	-	-	-	-	-	-
	24,678	-	-	-	350	1,742	26,770
Total	\$ 71,390	\$ -	\$ -	\$ -	\$ 22,342	\$ 8,002	\$ 101,734

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

**FORT SMITH, NT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2016**

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**Management Discussion and Analysis
For the year ended June 30, 2016**

Introduction

This management discussion and analysis is prepared as part of the responsibility of management and the *South Slave Divisional Education Council (SSDEC)* to promote transparency and accountability in its financial reporting.

The SSDEC was established in 1991 with a mandate to provide a quality pre-kindergarten (4 yr olds) to grade twelve education to approximately 1,300 students in the communities of Hay River, Fort Smith, K'atlodeeche, Fort Resolution and Lutsel K'e. The SSDEC is comprised of one representative from each of the five community-based District Education Authorities (DEAs). DEAs are elected or appointed at the community level, and each DEA chooses one of its members to represent them at the regional SSDEC meetings. The 2015-16 representatives were as follows:

Fort Smith – Ann Pischinger (Chairperson)
Fort Resolution – Bess Ann McKay (Vice-Chairperson)
Hay River – Kandis Jameson
K'atlodeeche – Wanda Salopree
Lutsel K'e – Prairie Desjarlais

Key senior management positions are as follows:

Superintendent – Dr. Curtis Brown
Assistant Superintendent – Brent Kaulback
Comptroller – James Watts, CMA

The SSDEC and its DEAs are committed to a philosophy of education which is built upon a foundation of enabling communities, DEAs, schools, staff members, and parents to help students reach their potential. Student achievement is at the heart of everyone's work at the SSDEC and is the common thread connecting the Council's vision, mission, beliefs and values.

VISION	All individuals reach their educational potential
MISSION	<i>The South Slave Divisional Education Council strives to prepare students to create their futures by ensuring high levels of learning for ALL.</i>

The SSDEC is committed to improving student *literacy, numeracy* and *social responsibility* as the key priorities for student success in school and in life.

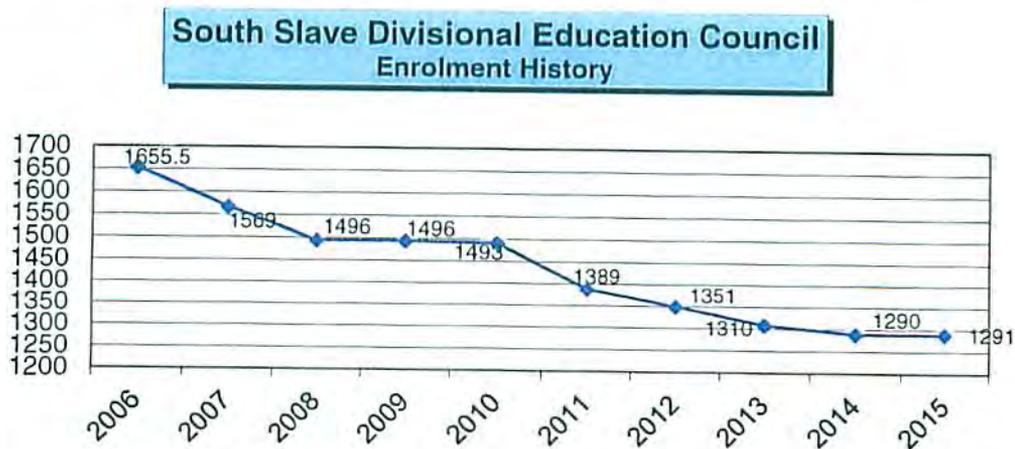
Operating Environment

The SSDEC receives the financial resources for the entire division on an annual basis, largely through funding formula established by the *GNWT Department of Education, Culture and Employment (ECE)*. Unfortunately, there are a number of unfunded and underfunded areas in the formula. For example:

- school boards are funded based on prior year staff salaries yet collective agreement provisions provide annual salary increments to staff which school boards must pay
- ECE confirms that they are underfunding school boards more than \$1 million per year for the hiring of casuals resulting from staff leave provisions in the collective agreements
- several of the funding formula line items are not indexed to keep up with inflation and have not increased in over 15 years (bussing contracts and repairs, for example, have probably more than doubled in that same timeframe)
- the formula is in the process of being updated and for the 2016-17 budget year the Council was provided with no details on how our allocation was calculated. It is hoped that this is temporary until the revised formula is formally finalized. If not, it will represent a difficult situation for the Council going forward as we depend on the formula for allocating funds to schools and DEA's. It would also be contrary to the government's stated objective of being open and transparent if the detailed formula were not shared with school boards.

A funding reduction (inclusive schooling) and an expanded mandate (adding junior Kindergarten with less funding) have also contributed to the financial challenges of the SSDEC in recent years. Prior to these decisions, the NWT already had the third worst student-educator ratio of all the provinces and territories in Canada (see <http://www.statcan.gc.ca/pub/81-582-x/2013001/tbl/tblc2.3-eng.htm>) and the second highest percentage of students with special needs.

Shrinking enrolment has also brought significant challenges over the last several years. South Slave student enrolment is now almost two thirds what it was fifteen years ago (approx. 1300 now vs. over 1800 previously). Fewer students means less funding and less flexibility the Council has to allocate the resources necessary to continue to fund its priorities and a diversity of program offerings.



The SSDEC continues to address the funding challenges by annually reviewing and applying their budget assumptions and priorities:

1. Approve a regional budget each year that prioritizes funding for the Council priorities.
2. Approve a budget each year that maintains an accumulated fund balance of at least \$500,000 after taking into account school staffing surpluses.
3. Ensure fair and equitable distribution of funds to schools and DEAs and minimize conflict between Council reps/DEAs.
4. Provide for significant community-based priority setting and related budgeting.
5. Provide transparency in budget process and allocations, and
6. Consider expenditures against a Council surplus over \$500,000, after taking into account school staffing surpluses, each year.

Each year the SSDEC determines the key priorities as well as the unfunded and underfunded areas that simply can't be overlooked, and budgets for those costs first. Upon notification of resulting allocations, staffing plans are developed by school principals for approval of their respective DEAs and the superintendent (prior to March 15th) so that the majority of teacher staffing for the next year can occur while quality applicants are still available. The SSDEC and schools have also been very successful in identifying, applying for and obtaining third party funding in order to supplement program offerings.

Another challenge for the Council is the low levels of readiness of many young children entering the school system, poor attendance by many students, and disengaged parents, probably related to the intergenerational effects of residential schooling. These varying levels and engagement can make it difficult to catch up and retain these students so that they progress and reach their potential.

In an effort to improve the life chances of more and more children, since 2007 the SSDEC has focused on a few key priorities, with carefully chosen research based strategies, and a long term and relentless commitment to results:

To improve student success in <i>literacy</i>	To increase the percentage of students meeting or exceeding expectations for reading proficiency
To improve student success in <i>numeracy</i>	To increase the percentage of students meeting or exceeding expectations for numeracy proficiency
To increase understanding and practice of <i>socially responsible behaviour</i> by all members of the school community	To increase the percentage of trustees, staff and students demonstrating responsible behaviour

Accordingly, Council has remained committed to funding the *Leadership for Literacy* initiative that places and trains experienced teachers in instructional coach roles in their respective schools. These coaches provide training and in-classroom support to other teachers and support staff so that more students will achieve success in literacy and math, the essential skills required for success in school and in life.

Much has been accomplished as evidenced by improving student achievement results over the past several years. Further indicative of the SSDEC's success are the various awards received including the three *Ministerial Literacy Awards* for the *SSDEC Literacy Project*, the *Premier's Award of Excellence* for the *Trades Awareness Program* partnership, and then the *Premier's Award for Collaboration* (with Aurora College, South Slave Career Centres, Fort Smith and Hay River Health Authorities) for the *South Slave Healthy Communities Partnership* in 2009.

Further, the SSDEC's Leadership for Literacy initiative has been recognized nationally as well, being awarded the *Canadian Education Association (CEA) and Reader's Digest Canadian Innovators in Education Award 2015*, and runner up for the CEA's "*Innovation that Sticks*" *Award and Case Study Program*. This is on the heels of the SSDEC becoming the first school board in Canada to win Gold in the education category of the *Public Sector Leadership Awards*, as selected by the *Institute of Public Administration of Canada (IPAC)* and Deloitte in 2014.

South Slave staff and students are excelling and benefitting accordingly as well. Aside from the recognition of the Council and the impressive recipients of the *SSDEC Excellence in Education Awards*, three of the South Slave school principals have now been selected to the exclusive National Academy of *Canada's Outstanding Principals (The Learning Partnership)*, and the SSDEC Superintendent and Assistant Superintendent are the first and only northern recipients of the *Canadian Superintendent of the Year* award (*Canadian Association of School System Administrators (CASSA) & American Association of School Administrators (AASA)*). Two of the five SSDEC trustees also received the *Queen's Diamond Jubilee* medals for exemplary service to their communities. The South Slave DEC also has 6 inductees into the NWT Education Hall of Fame

Two of the South Slave's educators have also received *Indspire Indigenous Educator Awards* (aka National Aboriginal Achievement Awards) and another aboriginal teacher received the *Prime Minister's Award for Teaching Excellence*. These awards are examples of how effective literacy efforts are being encouraged and supported in our Aboriginal language programs in Cree, Slavey and Chipewyan; not just English and French.

Council understands that the more engaged students and parents are, the more likely children are to achieve. This is why Council has five targets for improvement that involve parents. Below are the targets and the results for 2015-16:

- 93% of parents (77% response rate) have discussed with their teacher and understand their child's *reading* strengths and stretches (target 90% of parents with 60% response rate)
- 94% of parents say they are satisfied with their child's growth as a *reader* (target 90%)
- 91% of parents (77% response rate) have discussed with their teacher and understand their child's *math* strengths and stretches (target 90% of parents with 60% response rate)
- 90% of parents say they are satisfied with their child's growth as a *mathematician* (target 90%)

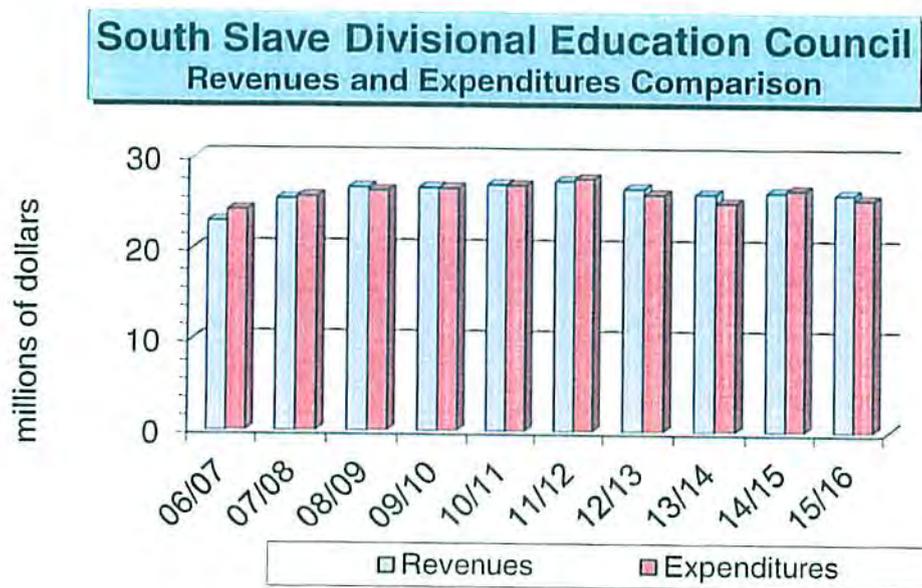
Still, only about half of South Slave students attend at least 90% of the time, meaning that half of our students have missed a full year of schooling by the time they reach grade 10. There has also

been an increase in staff use of long-term leave requests due to mental health issues. As we are unsure when staff will be able to return to their classrooms, we increasingly find ourselves hiring unqualified substitutes for repeated one and two month periods. This is not only disruptive to classroom routine, but compromises the quality of students' education and is costly for the SSDEC.

ECE's new *Education Renewal and Innovation* initiative includes aspects that look to help educate and provide support for mental health and wellness of both staff and students. Recent SSDEC strategies and targets are also intended to improve student attendance, ownership for their learning (inquiry-based, 21st century learning), pride and resiliency as part of its academic and social responsibility priorities.

Financial Condition

The bar chart below provides a historical comparison of revenues and expenditures over the past ten years.



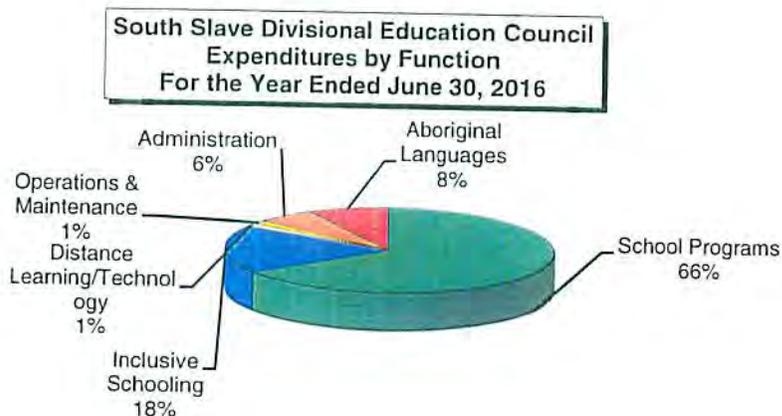
For the year ended June 30, 2016 the Council had an operating surplus of \$594,644 inclusive of DEA surpluses and deficits. This was better than the projected deficit of \$228,455 due to a difference in pay accruals. In 2014/15 there were 27 pay periods which necessitated an accrual of three pay periods at the end of the year rather than the normal two. The reversal of that accrual and the normal accrual of two pay periods at the end of the 2015/16 year resulted in reduced expenditures of approx. \$778,000. This difference in accruals should have been included in the projections throughout the year but it was not.

The accumulated uncommitted fund balance for the Council now sits at \$1,109,603 which is \$609,603 above the Council's minimum fund balance of \$500,000 spelled out in policy DFAA – Financial Surplus. The Council's budget for 2016-17 is a deficit budget of \$386,996 that projects to bring the uncommitted fund balance down to \$722,607. We are also anticipating

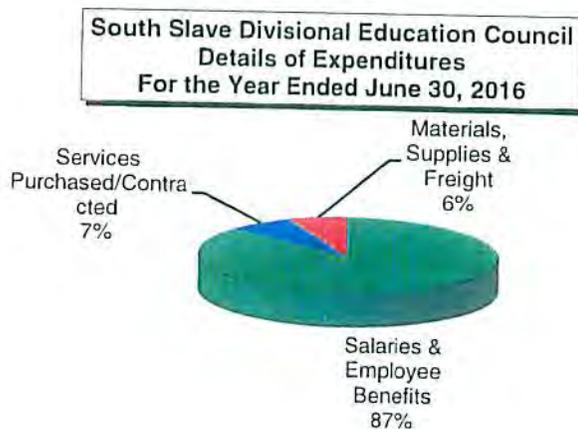
having to pay out approx. \$135,000 for a pension buyback in 2016-17 that will further reduce the Council's surplus.

Currently the Council's liquidity position is good but there is still the concern that funds could be short around the end of March. Given that about 87% (see second chart below) of the SSDEC's expenditures are for staffing payroll and benefits, any unanticipated reductions in allocations from ECE would be difficult to adjust for until the following school year.

The chart below breaks down the Council's expenditures according to the functions identified. ECE mandates that 15% of the Council's expenditures be in Inclusive Schooling. Inclusive Schooling made up 18% of the Council's expenditures in 2015-16. Funding spent on Aboriginal Languages is also above what was funded by the department. A standard range of 5-7% is generally accepted as reasonable for administration expenses. As indicated below the Council's percentage for 2015-16 is right in the middle of that range at 6%.



The chart below breaks down the Council's expenditures into three main categories: Salaries and Employee Benefits, Materials/Supplies and Freight and Purchased/Contracted Services.



Summary and Outlook

In summary, the SSDEC is currently in a positive financial position above the Council Policy that requires at least a \$500,000 uncommitted surplus.

The anticipation of a new School Funding Framework brings with it an indication from ECE that allocations have been reduced and concern that new territorial initiatives may inadvertently create more difficult challenges that undermine the SSDEC, DEAs' and schools' ability to maintain and further improve student outcomes.

Council fears the significant progress that has been made in the South Slave in the past several years could be undone with reduced allocations, compounded by existing unfunded and underfunded expenses (salary increments, casual costs, technology PYs, etc.) and cost increases (several formula funding lines not indexed to keep up with inflation), resulting in an escalating student-educator ratio and a decrease in the quality and quantity of education programs and services that can be offered.

The lack of detail in ECE's allocations to school boards for the 2016-17 year also causes concern. The SSDEC is concerned about the lack of timely information and transparency that has an adverse impact on the ability of school boards to provide sound fiscal management and a quality education. The SSDEC, however, remains eager to work with the Minister and ECE to help provide the best possible education for the students of the South Slave.



Creating
Future

RESPONSIBILITY FOR FINANCIAL REPORTING

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

Management Responsibility for Financial Reporting with respect to the fiscal year
ended June 30, 2016.

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 Council 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, and appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated (where possible), that assets are safeguarded and that proper records are maintained. Controls further include quality standards regarding the hiring and training of employees, that ensure the adequate maintenance of written policies and procedural manuals and that further provide for appropriate accountability for performance within well-defined areas of responsibility. The operations and administration of the South Slave Divisional Education Council (SSDEC) have been conducted within the statutory powers of the Council. The operations and administration of the Council as well as the supporting internal controls of the SSDEC 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 SSDEC policies. Any non-compliance has been specifically identified and has been previously communicated to the Minister and Deputy Minister.

Management hereby asserts that our 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 contaminations or of any other undisclosed environmental or safety hazards within our jurisdiction.

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



James Watts, CMA
Comptroller
Fort Smith, NT.
September 17, 2016.



Dr. Curtis Brown
Superintendent
Fort Smith, NT
September 17, 2016.



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INDEPENDENT AUDITORS' REPORT

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of South Slave Divisional Education Council which comprise the Consolidated Statement of Financial Position as at June 30, 2016 and the Consolidated Statements of Changes in Net Financial Resources (Debt), Operations and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Basis for Qualified Opinion

The Government of the Northwest Territories is responsible for the calculation and distribution of a significant portion of the Council's salaries and wages that appear on the consolidated statement of operations, the accuracy of which is not susceptible to complete audit verification. We have satisfied ourselves that the payroll information provided by the GNWT was accurately reflected in the Council's records. Consequently, we were unable to determine whether adjustments to the financial performance and cash flows might be necessary for the years ended June 30, 2015, and June 30, 2016.

INDEPENDENT AUDITORS' REPORT (continued)

Qualified Opinion

In our opinion, except for the matter described in the Basis for Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of South Slave Divisional Education Council as at June 30, 2016 and its 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, in our opinion, proper books of account have been maintained by South Slave Divisional Education Council, the consolidated financial statements are in agreement therewith and the transactions of the Council that have come under our notice have, in all significant respects, been within the statutory powers of the Council.

Other Matter

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements of South Slave Divisional Education Council taken as a whole. The supplementary information included on Schedules 2 through 28 is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of consolidated financial statements taken as a whole.

Avery Cooper & Co. Ltd.

Avery Cooper & Co. Ltd.
Certified General Accountants
Yellowknife, NT

September 17, 2016

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL RESOURCES
For the Year Ended June 30, 2016

	<u>Unaudited</u> <u>2016 Budget</u>	<u>2016</u>	<u>2015</u>
Operating Surplus/(Deficit) (Statement III)	(\$468,473)	\$594,644	(\$236,936)
Prior Year Adjustments	<u>0</u>	<u>0</u>	<u>0</u>
Increase/(Decrease) in Net Financial Resources	(\$468,473)	\$594,644	(\$236,936)
Opening Net Financial Resources	<u>2,229,630</u>	<u>2,229,630</u>	<u>2,466,566</u>
Closing Net Financial Resources	<u><u>\$1,761,157</u></u>	<u><u>\$2,824,274</u></u>	<u><u>\$2,229,630</u></u>

See attached notes and schedules.

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended June 30, 2016**

	(Note 27) (unaudited) <u>2016 Budget</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
ECE Regular Contributions	\$23,747,503	\$23,975,720	\$24,379,170
Other ECE Contributions (Note 33)	477,700	1,022,817	847,222
Total ECE Contributions	<u>\$24,225,203</u>	<u>\$24,998,537</u>	<u>\$25,226,392</u>
Other GNWT Contributions (Note 34)	\$0	\$304,653	\$272,439
Total GNWT Contributions	<u>\$24,208,105</u>	<u>\$25,303,190</u>	<u>\$25,498,831</u>
Other Education Bodies	\$0	\$68,361	\$136,283
Government of Canada Contributions	\$0	\$0	(\$25,877)
Generated Funds			
Investment Income	\$350	\$53,443	\$57,173
Non-GNWT Contributions	0	238,728	238,947
Donations	0	112,608	32,000
Other	59,500	309,256	35,992
Total Generated Funds	<u>\$59,850</u>	<u>\$714,035</u>	<u>\$688,041</u>
Total Revenues	<u>\$24,285,053</u>	<u>\$26,085,586</u>	<u>\$26,297,278</u>
<u>EXPENSES (Schedule 1)</u>			
Administration	\$1,521,680	\$1,515,303	\$1,573,167
School Programs	15,904,911	16,723,478	17,260,748
Inclusive Schooling	4,850,039	4,556,887	4,941,645
Distance Learning/Technology	336,000	326,180	320,330
Operations and Maintenance	391,794	285,636	263,007
Aboriginal Language/Cultural Programs	1,749,102	2,083,458	2,175,318
Total Expenses (Note 30)	<u>\$24,753,526</u>	<u>\$25,490,942</u>	<u>\$26,534,214</u>
OPERATING SURPLUS/(DEFICIT)	(\$468,473)	\$594,644	(\$236,936)
Accumulated Opening Fund Balance	<u>2,229,630</u>	<u>2,229,630</u>	<u>2,466,566</u>
Accumulated Closing Fund Balance	<u><u>\$1,761,157</u></u>	<u><u>\$2,824,274</u></u>	<u><u>\$2,229,630</u></u>

See attached notes and schedules.

Statement IV

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
CONSOLIDATED STATEMENT OF CASH FLOW
For the Year Ended June 30, 2016**

	<u>2016</u>	<u>2015</u>
Cash Provided By (Used In):		
Operating Surplus/(Deficit) (Statement III)	\$594,644	(\$236,936)
Changes in Non-cash Assets and Liabilities		
Decrease (increase) due from Government of Canada	\$0	\$258,436
Decrease (increase) in accounts receivable	(30,786)	32,811
Increase (decrease) in acc. payroll/emp.deductions	(87,928)	639,449
Increase (decrease) in accounts payable	67,955	(811,335)
Increase (decrease) in trust liability	279	279
Increase (decrease) in deferred revenue	40,941	82,786
Increase (decrease) in post-employment benefits	191,521	272,627
Decrease (increase) in prepaid expenses	<u>0</u>	<u>0</u>
Cash Provided by (Used In) Operating Transactions	<u>\$776,626</u>	<u>\$238,117</u>
Increase/(Decrease) in Cash and Cash Equivalents	<u>\$776,626</u>	<u>\$238,117</u>
Cash and Cash Equivalents at Beginning of Year	\$6,952,590	\$6,714,473
Cash and Cash Equivalents at End of Year (Note 4)	<u><u>\$7,729,216</u></u>	<u><u>\$6,952,590</u></u>

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2016

Note 1. Nature of the Organization

The Council was formerly known as the South Slave Divisional Board of Education. With the adoption of the new Education Act, its legal name is now the South Slave Divisional Education Council (Council).

The Council was established under the Education Act of the Government of the Northwest Territories by order of the Minister of Education dated July 1, 1991. Its purpose is to administer and maintain standards of educational programs defined under the Act in the member communities of the South Slave region.

The reporting entity consists of the accounts of the South Slave Education Council and those of Hay River DEA, Fort Smith DEA, Fort Resolution DEA, Lutsel K'e DEA and K'atlodeeche First Nations DEA. All inter-entity balances and transactions have been eliminated.

Note 2. Significant Accounting Policies

a) Basis of Accounting

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

b) Cash and Cash Equivalents

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

c) Financial Instruments

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2016

Financial assets subsequently measured at amortized costs include cash, accountable funds, due from the GNWT and other accounts receivable.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, accrued salaries, post-employment benefits and accountable funds.

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

d) Non-Financial Assets

Prepaid expenses and other non-financial assets are accounted for as assets by the Education Authority because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the Education Authority.

e) Tangible Capital Assets

Non-Yellowknife:

All buildings and works, furniture, equipment and vehicles are the property of the GNWT. The Minister grants to the Education Authority the full occupancy and use of such facilities and equipment where required for the administration and delivery of education system programs. Capital assets with a value in excess of \$50,000 are recorded at cost and amortized in accordance with the Financial Administration Manual guidelines by the GNWT. Capital assets with a value of less than \$50,000 are recorded as a current expenditure.

Yellowknife – YK1 & YK2:

Tangible capital assets acquired for more than \$50,000 are capitalized and amortized. Tangible capital assets are recorded at cost plus any betterments less accumulated amortization. The cost includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The buildings, portables and equipment will be amortized over the remaining useful life of the asset.

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2016

Capital facilities planning and construction with certain exceptions, are funded by the Government of the Northwest Territories and subject to their capital planning and approval process. Capital contributions received but not spent at year-end are recorded as deferred revenue

f) Revenue Recognition

Government Transfers:

Revenues are recognized in the period in which the transactions or events occur that give rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impractical. Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled. Operating transfers are recognized as revenue in the period in which the events giving rise to the transaction occur, providing the transfers are authorized, eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

Capital transfers or transfers of tangible capital assets are initially recognized as deferred revenue and subsequently recognized as revenue when the related tangible capital assets are recognized as acquired or built.

GNWT – Regular Contributions:

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

Other Contributions:

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

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

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2016

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

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

g) Infrastructure Funding

Any personnel 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 NWT requires that the Council prepare an annual budget, as outlined in Sections 128 and 129.

The priorities and funding allocations are determined by the Council and the budget is then legally adopted by a motion of the Council in accordance with Section 135(3) of the *Education Act*.

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

This annual budget includes estimates of revenues, expenditures and the net operating surplus/(deficit). Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Council.

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

i) Measurement Uncertainty

The preparation of these consolidated financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenue and expenses during the period. Actual results could differ from these estimates. Accounts subject to measurement uncertainty are post-employment benefits.

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2016

j) Inventories Including Materials and Supplies

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

k) Payroll Liabilities

According to the Northwest Territories Teachers Association (NWTTA) and GNWT Collective Agreement, teaching staff have their salary issued by the GNWT bi-weekly pay system. NWTTA staff will have earned their annual salary by June 30th of each year which provides for continued payment during the summer. GNWT payroll for NWTTA staff starts with the annualized salary commitment for compensation and then allocates the complete payout of that value over the number of pay periods between August 1 and July 31 (usually 26). The pay periods that fall within the month of July therefore have to be accrued.

The duties and compensation base for UNW school year employees are scheduled to align with the academic year although the actual start dates and durations vary by specific location and job function. Accordingly, the Council determines the start dates of their UNW employees and accrues the related payroll liability as necessary.

All other staff salaries are accrued to include earnings to June 30th.

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 the number of years of service. Certain employees will also receive assistance with removal costs to return to their point of recruitment. Payment of the removal and termination benefits is dependent on employees leaving the Council and other criteria as outlined in the negotiated collective agreements and management handbook guidelines of the GNWT.

m) Special Purpose Funds

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

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

Student activity funds which are controlled by students or parties other than the Council are not included in these financial statements even if custody of the funds is held by the Council. Examples might include student clubs or associations for which the Council has no on-going responsibility or liability for losses.

Note 3. Future Accounting Changes

- a) Related Part Transactions: inter-equity transfer valuations (PS3420 April 2018)
- b) Student Activity / Fiduciary funds policy under review for possible inclusion in Special Purpose Funds

Note 4. Cash and Cash Equivalents

	<u>2016</u>	<u>2015</u>
Cash	\$7,667,063	\$6,886,886
Trust Assets	80,251	79,972
Bank Indebtedness	<u>(18,098)</u>	<u>(14,268)</u>
Total	<u>\$7,729,216</u>	<u>\$6,952,590</u>

Note 5. Special Purpose Funds

Nothing to report.

Note 6. Restricted Assets

Nothing to report.

Note 7. Portfolio Investments

Nothing to report.

Note 8. Accounts Receivable

	<u>2016 Net</u>	<u>2015 Net</u>
Commission Scolaire de Francophone	\$ 0	\$ 17,124
Princess Alexandra School	0	203
GNWT – HSS	0	0
GNWT – ECE	<u>7,072</u>	<u>9,522</u>
Total due from GNWT	<u>\$ 7,072</u>	<u>\$ 26,849</u>
Due from Government of Canada	0	0
Other	<u>219,177</u>	<u>168,614</u>
Total Receivables	<u>\$226,249</u>	<u>\$195,463</u>

Note 9. Inventories

Not applicable.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

Note 10. Accounts Payable and Accrued Liabilities

	<u>2016</u>	<u>2015</u>
WSSC	\$ 52,538	\$ 31,500
GNWT – Dept. of Finance	88	7,153
Deh Cho H&SS	0	0
GNWT – Dept. of Education, Culture & Employment	<u>0</u>	<u>0</u>
Total Due to GNWT	\$ 52,626	\$ 38,653
Other	<u>204,970</u>	<u>150,988</u>
Total Accounts Payable	<u>\$257,596</u>	<u>\$ 189,641</u>

Note 11. Deferred Revenue

	<u>2016</u>	<u>2015</u>
Self-Regulation resources (from ECE)	\$ 3,794	\$ 5,116
Not Us – Hay River (Justice)	0	5,000
Deninu Youth Contribution (MACA)	5,000	0
Regional Youth Sports – DJSS (MACA)	9,500	0
Three Feathers (MACA)	5,000	0
Regional Youth Sports – Deninu (MACA)	2,500	0
TLC Funding (ECE)	<u>0</u>	<u>61,000</u>
Total GNWT	\$ 25,794	\$ 71,116
Three Feathers donations	89,291	0
My First Hunt Book	5,200	0
Autism Speaks	<u>6,914</u>	<u>15,142</u>
Total Deferred Revenue	<u>\$ 127,199</u>	<u>\$ 86,258</u>

Note 12. Contribution Repayable

Nothing to report.

Note 13. Due To/From the Government of Canada

Nothing to report.

14. Capital Lease Obligations

Nothing to report.

15. Pensions

Nothing to report.

16. Long-term Debt

Nothing to report

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

17. Post-Employment Benefits, Compensated Absences and Termination Benefits

In addition to the pension benefits, The Council provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Severance benefits are paid to The Council's employees based on the type of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee was hired, the rate of pay, the number of years of continuous employment and age and the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology for June 30, 2016 and management estimates for June 30, 2015.

Compensated absence benefits for all staff are accrued as employee render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to employee or dependent illness and death of an immediate family member. Non-accruing benefits include maternity and parental leave. Under PSAB 3255, accumulating vesting and non-vesting (sick leave paid only upon illness-related absence) are required to be accrued.

Change in estimate

During the year ended June 30, 2016, the method for calculating other employee future benefits and compensated absence was refined to better reflect the probability that these benefits would be used in the future based on past experience. The GNWT has contracted an actuarial company to place a value on the expected cost of sick leave usage in the future based on employee data. Compensated absences are the total value of vested and non-vested future sick leave costs that were actuarially valued using the expected utilization methodology.

Valuation results

The actuarial valuation includes the liabilities as at June 30, 2016. The liabilities are actuarially determined as the present value of the accrued benefits at June 30, 2016. The balances for June 30, 2015 were not actuarially valued, they were management estimates based on employee data at June 30, 2015 and does not include non-vested future sick leave costs. The values presented for June 30, 2016 below are for all of the benefits under the Compensated Absences and Termination Benefits for The Council.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

These liabilities are to be funded in the year they become due through regular annual budget allocations.

	<u>2016</u>	<u>2015</u>
Removal Assistance	\$ 693,262	\$ 666,924
Termination, Severance, Resignation & Retirement	1,932,238	1,780,841
Leave *	<u>137,930</u>	<u>124,144</u>
	<u>\$2,763,430</u>	<u>\$2,571,909</u>

* Leave includes annual and lieu time for UNW, Excluded, Senior Management and Contract employees.

18. Trust Assets Under Administration

	<u>2016</u>	<u>2015</u>
Andrew John Piche Scholarship Fund	\$80,251	\$79,972

19. Tangible Capital Assets

.Nothing to report

20. Prepaid Expenses

Nothing to report.

21. Accumulated Surplus/Deficit

Accumulated surplus/deficit is included in the Statement of Financial Position.

22. Capital Advances

Not applicable.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

23. GNWT Assets Provided at no Cost

	<u>Cost</u>	<u>Acc. Amort.</u>	<u>2016 NBV</u>	<u>2015 NBV</u>
Joseph Burr Tyrrell School	\$9,413,957	\$4,622,180	\$4,791,777	\$5,031,617
Paul William Kaeser School	7,635,685	4,694,201	2,941,484	3,155,936
Deninu School	4,934,553	4,934,553	0	0
Lutsel K'e Dene School	2,117,192	1,619,527	497,665	554,541
Princess Alexandra School	7,672,236	4,678,449	2,993,787	3,271,077
Diamond Jenness School	34,212,209	8,981,145	25,231,064	25,965,057
Harry Camsell School	6,429,919	3,768,389	2,661,530	2,854,798
Chief Sunrise Education Ctr.	2,180,110	853,990	1,326,120	1,398,906
DJSS Trades Building	2,423,804	345,280	2,078,524	2,139,064
Hay River Central Seacan	832,998	291,549	541,449	596,982
PWK High School Seacan	687,229	240,530	446,699	492,514
PWK Welding Shop	389,368	16,224	373,144	382,879
	<u>\$79,015,376</u>	<u>\$35,075,916</u>	<u>\$43,939,460</u>	<u>\$45,843,372</u>

24. Commitments

	<u>Expired in 2016</u>	<u>2017</u>	<u>2018 Onward</u>	<u>Total</u>
Commercial/Residential Leases	\$158,650	\$158,650	\$211,534	\$528,834
Equipment Leases	<u>30,234</u>	<u>15,669</u>	<u>10,268</u>	<u>56,171</u>
Totals	<u>\$188,884</u>	<u>\$174,319</u>	<u>\$221,802</u>	<u>\$585,005</u>

25. Contingencies

Nothing to report.

26. Related Parties

The Council is related, in terms of common ownership, to all GNWT created departments, agencies and corporations. The Council enters into transactions with these entities in the normal course of operations. The Council is provided with various administrative services by the GNWT, the value of which is not reflected in these consolidated financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage, payroll services and internal audit services by the Department of Finance and utilities and maintenance by Public Works and Services. Transactions with related parties and balances at year-end not disclosed elsewhere in the financial statements are disclosed in this note.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

Accounts Payable and Accrued Liabilities

	<u>2016</u>	<u>2015</u>
Dept. of Finance	\$ 88	\$ 7,153
Dept. of Education, Culture and Employment	<u>0</u>	<u>0</u>
	\$ <u>88</u>	\$ <u>7,153</u>

Accounts Receivable

Commission Scolaire de Francophone	\$ 0	\$ 17,124
Princess Alexandra School	0	203
Dept. of Health and Social Services	0	0
Dept. of Education, Culture and Employment	<u>7,072</u>	<u>9,522</u>
	\$ <u>7,072</u>	\$ <u>26,849</u>

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 Council.

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

The budget figures presented are those approved by the Minister of Education, Culture and Employment on August 11, 2015 and have not been audited.

28. Economic Dependence

The South Slave Divisional Education Council receives its funding primarily from the GNWT. If the funding arrangements were to change management is of the opinion that the South Slave Divisional Education Council's operations would be significantly affected.

29. Financial Instruments

The Council's carrying value of cash, accounts receivable, due from the GNWT, accounts payable and accrued liabilities, due to the GNWT, and accrued salaries approximate fair value due to the immediate and short-term maturity of these instruments.

The Council's carrying value of the accrued leave and termination benefits approximates fair value due to the information readily available in the NWTTA, UNW and Senior Manager's Handbook.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

It is management's opinion that the Council is not exposed to significant interest rate, currency, market, credit, liquidity or cash flow risks arising from these financial instruments and that there are no significant concentrations of such risks.

30. Expenses by Object

	<u>2016 Budget</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
Compensation	\$21,460,478	\$22,035,910	\$23,094,654
Other	3,293,048	3,455,032	3,439,650
Total	<u>\$24,753,526</u>	<u>\$25,490,942</u>	<u>\$26,534,214</u>

31. Subsequent Events

Nothing to report.

32. Comparative Figures

Nothing to report.

33. Other ECE Contributions

French as a Second Language	\$ 416,700
Aboriginal Languages	61,000
Trades Awareness	45,587
Career Coordinators	147,018
Self-Regulation Resources	11,322
French PD Travel Assistance	1,750
Library Program	15,320
First Nations Storybook App	9,600
2014/15 Infrastructure Reimb.	90,922
Aboriginal Language Trainee	144,598
Safe and Caring Schools	6,500
Four Pillars of Resilience	72,500
Total	<u>\$1,022,817</u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

34. Other GNWT Contributions

Not Us – Hay River (Justice)	\$ 5,000
Not Us – Fort Smith (Justice)	5,000
Drop the Pop (HSS)	19,284
Spirit Novel Publication (HSS)	16,193
Take a Kid Trapping – Fort Resolution (ITI)	8,000
Regional Youth Sports (MACA)	12,500
Youth Corps (MACA)	20,000
Child & Youth Resilience (MACA)	45,336
Trapping Program – K'atlodeeche (ITI)	9,100
Forestry Program (ENR)	23,265
Active After School (MACA)	119,975
Take A Kid Trapping – Lutsel K'e (ITI)	8,000
Three Feathers movie (MACA)	5,000
PWK Drumming (MACA)	5,000
Healthy Choices (MACA)	<u>3,000</u>
Total	<u>\$304,653</u>

35. Payroll liabilities

NWTTA	\$1,896,248
Other	<u>6,467</u>
Total	<u>\$1,902,715</u>

36. Statement of Measurement Gains/Losses

Nothing to report.

37. Commitments Against Surplus

The Council currently has approved commitments against its surplus of \$2,235,470 consisting mainly of school staffing surpluses as detailed in Schedule 28 to the financial statements.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended June 30, 2016

	School Programs	Inclusive Schooling	Distance Learning/Tech	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers	\$12,370,691	\$1,824,239	\$0	\$0	\$0	\$1,043,245	\$0	\$15,238,175
Instruction Assistants	\$177,816	\$1,703,418	\$0	\$0	\$0	\$488,616	\$0	\$2,369,850
Non-Instructional Staff	\$1,897,164	\$455,538	\$268,773	\$0	\$1,170,678	\$2,470	\$0	\$3,794,623
Board/Trustee Honoraria	\$425	\$4,842	\$0	\$0	\$40,604	\$13,867	\$0	\$59,738
Employee Benefits								
Employee Benefits/Allowances	\$172,045	\$69,112	\$2,941	\$0	\$8,823	\$23,528	\$0	\$276,449
Leave & Termination Benefits	\$197,563	\$79,363	\$3,377	\$0	-\$10,245	\$27,017	\$0	\$297,075
Services Purchased/Contracted								
Professional/Technical Services	\$127,806	\$32,694	\$0	\$20,000	\$40,012	\$17,804	\$0	\$238,315
Postage/Communication	\$54,481	\$0	\$0	\$0	\$54,581	\$0	\$0	\$109,062
Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Travel	\$178,108	\$197,714	\$17,086	\$0	\$74,404	\$50,080	\$0	\$517,392
Student Travel	\$109,633	\$1,800	\$0	\$0	\$0	\$3,700	\$0	\$115,133
Advertising/Printing/Publishing	\$9,944	\$2,787	\$0	\$2,961	\$19,694	\$34,613	\$0	\$69,999
Maintenance/Repair	\$4,432	\$0	\$0	\$15,066	\$14,919	\$785	\$0	\$35,202
Rentals/Leases	\$79,943	\$5,106	\$0	\$158,655	\$22,902	\$4,572	\$0	\$271,178
Contracted Services	\$311,847	\$24,840	\$0	\$5,995	\$2,340	\$116,104	\$0	\$461,126
Materials/Supplies/Freight								
Materials	\$1,021,758	\$153,839	\$33,878	\$66,350	\$73,308	\$255,911	\$0	\$1,605,044
Freight	\$9,823	\$1,595	\$124	\$16,609	\$3,282	\$1,146	\$0	\$32,579
Total (Statement 1)	\$16,723,478	\$4,556,887	\$326,180	\$285,636	\$1,515,303	\$2,083,458	\$0	\$25,490,942

FORT SMITH DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2016

	<u>2016</u>	<u>2015</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$175,230	\$118,137
Cash Held in Trust	80,251	79,972
Other Accounts Receivable (net)	<u>1,033</u>	<u>2,133</u>
Total Financial Assets	<u>\$256,514</u>	<u>\$200,242</u>
<u>Liabilities</u>		
Accounts Payable & Accrued Liabilities	(\$3)	(\$845)
Trust Liability	<u>80,251</u>	<u>79,972</u>
Total Liabilities	<u>\$80,248</u>	<u>\$79,127</u>
Net Financial Resources	<u>\$176,266</u>	<u>\$121,115</u>
Fund Balance	<u><u>\$176,266</u></u>	<u><u>\$121,115</u></u>

**FORT SMITH DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2016**

	<u>2016 Budget</u> <u>(unaudited)</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
ECE Regular Contributions	\$505,991	\$505,991	\$568,788
Other ECE Contributions	0	93,601	102,180
Total ECE Contributions	<u>\$505,991</u>	<u>\$599,592</u>	<u>\$670,968</u>
Other GNWT Contributions	\$0	\$0	\$10,000
Total GNWT Contributions	<u>\$505,991</u>	<u>\$599,592</u>	<u>\$680,968</u>
Generated Funds			
Investment Income	\$350	\$648	\$798
Other	32,000	69,849	52,334
Total Generated Funds	<u>\$32,350</u>	<u>\$70,497</u>	<u>\$53,131</u>
Total Revenues	<u>\$538,341</u>	<u>\$670,089</u>	<u>\$734,099</u>
<u>EXPENSES (Schedule 4)</u>			
Administration	\$61,550	\$71,912	\$68,889
School Programs	348,326	398,358	415,866
Inclusive Schooling	52,029	14,007	22,358
Student Accommodations	0	0	0
Operations and Maintenance	0	27,034	25,019
Aboriginal Language/Cultural Programs	103,701	103,627	140,364
Total Expenses	<u>\$565,606</u>	<u>\$614,938</u>	<u>\$672,495</u>
Operating Surplu/(Deficit)	(\$27,265)	\$55,151	\$61,605
Fund Balance at beginning of year	121,115	121,115	59,510
Prior Period Adjustment	<u>\$0</u>	<u>\$0</u>	<u>0</u>
Fund Balance at end of year	<u>\$93,850</u>	<u>\$176,266</u>	<u>\$121,115</u>

FORT SMITH DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2016

	School Programs	Inclusive Schooling	Student Accom.	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers	\$912							\$912
Instruction Assistants								\$0
Non-Instructional Staff					\$64,449			\$64,449
Board/Trustee Honoraria								\$0
Employee Benefits								
Employee Benefits/Allowances								\$0
Leave & Termination Benefits								\$0
Services Purchased/Contracted								
Professional/Technical Services								\$0
Postage/Communication	\$27,404				\$3,045			\$30,449
Utilities								\$0
Travel								\$0
Student Travel								\$0
Advertising/Printing/Publishing	\$669							\$669
Maintenance/Repair	\$2,703							\$2,703
Rentals/Leases	\$13,384				\$1,487			\$14,871
Contracted Services	\$71,987							\$71,987
Materials/Supplies/Freight								
Materials	\$281,299	\$14,007		\$27,034	\$2,931	\$103,627		\$428,898
Freight								\$0
Total	\$398,358	\$14,007	\$0	\$27,034	\$71,912	\$103,627	\$0	\$614,938

**HAY RIVER DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2016**

	<u>2016</u>	<u>2015</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$259,471	\$354,812
Due from the GNWT	0	17,326
Other Accounts Receivable (net)	19,899	0
Total Financial Assets	<u>\$279,370</u>	<u>\$372,138</u>
<u>Liabilities</u>		
Accounts Payable & Accrued Liabilities	<u>\$115,379</u>	<u>\$1,240</u>
Total Liabilities	<u>\$115,379</u>	<u>\$1,240</u>
Net Financial Resources	<u>\$163,991</u>	<u>\$370,898</u>
Fund Balance	<u><u>\$163,991</u></u>	<u><u>\$370,898</u></u>

**HAY RIVER DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2016**

	<u>2016 Budget (unaudited)</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
ECE Regular Contributions	\$557,141	\$557,141	\$577,253
Other ECE Contributions	0	80,506	202,592
Total ECE Contributions	<u>\$557,141</u>	<u>\$637,647</u>	<u>\$779,845</u>
Other GNWT Contributions	\$0	\$23,265	\$111,326
Total GNWT Contributions	<u>\$557,141</u>	<u>\$660,912</u>	<u>\$111,326</u>
Generated Funds			
Investment Income	\$0	\$792	\$786
Other	27,500	108,491	105,745
Total Generated Funds	<u>\$27,500</u>	<u>\$109,283</u>	<u>\$106,531</u>
Total Revenues	<u>\$584,641</u>	<u>\$770,195</u>	<u>\$997,702</u>
<u>EXPENSES (Schedule 7)</u>			
Administration	\$119,502	\$120,057	\$118,721
School Programs	465,140	776,444	676,576
Inclusive Schooling	0	0	0
Student Accommodations	0	0	0
Operations and Maintenance	0	37,023	34,114
Aboriginal Language/Cultural Programs	0	43,578	61,411
Total Expenses	<u>\$584,642</u>	<u>\$977,102</u>	<u>\$890,822</u>
Operating Surplus/(Deficit)	(\$1)	(\$206,907)	\$106,880
Fund Balance at beginning of year	<u>370,898</u>	<u>370,898</u>	<u>264,018</u>
Fund Balance at end of year	<u>\$370,897</u>	<u>\$163,991</u>	<u>\$370,898</u>

HAY RIVER DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2016

	School Programs	Inclusive Schooling	Student Accom.	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers								\$0
Instruction Assistants	\$148,438					\$19,903		\$168,341
Non-Instructional Staff					\$105,865			\$105,865
Board/Trustee Honoraria					\$9,068			\$9,068
Employee Benefits								
Employee Benefits/Allowances								\$0
Leave & Termination Benefits								\$0
Services Purchased/Contracted								
Professional/Technical Services	\$91,455							\$91,455
Postage/Communication	\$26,062				\$2,789			\$28,851
Utilities								\$0
Travel								\$0
Student Travel	\$3,214							\$3,214
Advertising/Printing/Publishing								\$0
Maintenance/Repair								\$0
Rentals/Leases	\$39,659							\$39,659
Contracted Services	\$151,255							\$151,255
Materials/Supplies/Freight								
Materials	\$316,361			\$21,702	\$2,335	\$23,675		\$364,073
Freight				\$15,321				\$15,321
Total	\$776,444	\$0	\$0	\$37,023	\$120,057	\$43,578	\$0	\$977,102

K'ATLODEECHE FIRST NATIONS DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2016

	<u>2016</u>	<u>2015</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$6,879	\$21,678
Other Accounts Receivable (net)	<u>1,710</u>	<u>13,600</u>
Total Financial Assets	<u>\$8,589</u>	<u>\$35,278</u>
<u>Liabilities</u>		
Accounts Payable & Accrued Liabilities	<u>\$14,665</u>	<u>\$27,920</u>
Total Liabilities	<u>\$14,665</u>	<u>\$27,920</u>
Net Financial Resources	<u>(\$6,076)</u>	<u>\$7,358</u>
Fund Balance	<u><u>(\$6,076)</u></u>	<u><u>\$7,358</u></u>

K'ATLODEECHE FIRST NATIONS DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2016

	<u>2016 Budget</u> <u>(unaudited)</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
Regular ECE Contributions	\$44,204	\$44,204	\$68,076
Other ECE Contributions	0	43,665	71,934
Total ECE Contributions	<u>\$44,204</u>	<u>\$87,869</u>	<u>\$140,010</u>
Other GNWT Contributions	\$0	\$45,950	\$17,371
Total GNWT Contributions	<u>\$44,204</u>	<u>\$133,819</u>	<u>\$157,381</u>
Generated Funds			
Investment Income	\$0	\$3	\$12
Other	0	26,395	50,958
Total Generated Funds	<u>\$0</u>	<u>\$26,398</u>	<u>\$50,970</u>
Total Revenues	<u>\$44,204</u>	<u>\$160,217</u>	<u>\$208,351</u>
<u>EXPENSES (Schedule 10)</u>			
Administration	\$24,878	\$21,000	\$19,323
School Programs	14,626	85,733	161,258
Inclusive Schooling	0	43,327	29,027
Student Accommodations	0	0	0
Operations and Maintenance	3,200	5,492	4,636
Aboriginal Language/Cultural Programs	1,500	18,100	13,713
Total Expenses	<u>\$44,204</u>	<u>\$173,651</u>	<u>\$227,957</u>
Operating Surplus/(Deficit)	<u>\$0</u>	<u>(\$13,434)</u>	<u>(\$19,606)</u>
Fund Balance at beginning of year	<u>7,358</u>	<u>7,358</u>	<u>26,964</u>
Fund Balance at end of year	<u><u>\$7,358</u></u>	<u><u>(\$6,076)</u></u>	<u><u>\$7,358</u></u>

K'ATLODEECHE FIRST NATIONS DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2016

	School Programs	Inclusive Schooling	Student Accom.	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers								\$0
Instruction Assistants	\$29,378							\$29,378
Non-Instructional Staff	\$5,181	\$11,897				\$2,470		\$19,548
Board/Trustee Honoraria	\$425	\$4,842			\$10,750	\$8,167		\$24,184
Employee Benefits								
Employee Benefits/Allowances								\$0
Leave & Termination Benefits								\$0
Services Purchased/Contracted								
Professional/Technical Services	\$2,329				\$5,646			\$7,974
Postage/Communication					\$3,333			\$3,333
Utilities								\$0
Travel	\$4,682	\$18,437				\$1,630		\$24,749
Student Travel								\$0
Advertising/Printing/Publishing								\$0
Maintenance/Repair	\$1,615					\$785		\$2,399
Rentals/Leases	\$3,868							\$3,868
Contracted Services	\$850	\$3,600				\$950		\$5,400
Materials/Supplies/Freight								
Materials	\$37,405	\$4,552		\$5,492	\$1,271	\$4,098		\$52,818
Freight								\$0
Total	\$85,733	\$43,327	\$0	\$5,492	\$21,000	\$18,100	\$0	\$173,651

**FORT RESOLUTION DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2016**

	<u>2016</u>	<u>2015</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$181,906	\$186,950
Due from GNWT	0	0
Other Accounts Receivable (net)	0	0
	<u>0</u>	<u>0</u>
Total Financial Assets	<u>\$181,906</u>	<u>\$186,950</u>
<u>Liabilities</u>		
Payroll Liabilities	(333)	(46)
	<u>(333)</u>	<u>(46)</u>
Total Liabilities	<u>(333)</u>	<u>(46)</u>
Net Financial Resources	<u>\$182,239</u>	<u>\$186,996</u>
Fund Balance	<u><u>\$182,239</u></u>	<u><u>\$186,996</u></u>

FORT RESOLUTION DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2016

	<u>2016 Budget</u> <u>(unaudited)</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
Regular ECE Contributions	\$83,724	\$83,724	\$81,784
Other ECE Contributions	0	104,355	72,270
Total ECE Contributions	<u>\$83,724</u>	<u>\$188,079</u>	<u>\$154,054</u>
Other GNWT Contributions	\$0	\$63,611	\$46,004
Total GNWT Contributions	<u>\$83,724</u>	<u>\$251,690</u>	<u>\$200,058</u>
Generated Funds			
Investment Income	\$0	\$196	\$0
Other	0	47,016	45,605
Total Generated Funds	<u>\$0</u>	<u>\$47,212</u>	<u>\$45,605</u>
Total Revenues	<u>\$83,724</u>	<u>\$298,902</u>	<u>\$245,663</u>
<u>EXPENSES (Schedule 13)</u>			
Administration	\$22,250	\$44,370	\$47,388
School Programs	24,750	178,347	94,654
Inclusive Schooling	4,974	36,380	33,624
Student Accommodations	0	0	0
Operations and Maintenance	4,500	11,817	3,048
Aboriginal Language/Cultural Programs	27,250	32,745	44,203
Total Expenses	<u>\$83,724</u>	<u>\$303,659</u>	<u>\$222,917</u>
Operating Surplus/(Deficit)	\$0	(\$4,757)	\$22,746
Fund Balance at beginning of year	<u>186,996</u>	<u>186,996</u>	<u>164,250</u>
Fund Balance at end of year	<u>\$186,996</u>	<u>\$182,239</u>	<u>\$186,996</u>

FORT RESOLUTION DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2016

School Programs	Inclusive Schooling	Student Accom.	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
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Salaries

Teachers							\$0
Instruction Assistants							\$0
Non-Instructional Staff	\$15,596			\$3,289			\$18,885
Board/Trustee Honoraria				\$11,200			\$11,200

Employee Benefits

Employee Benefits/Allowances							\$0
Leave & Termination Benefits							\$0

Services Purchased/Contracted

Professional/Technical Services							\$0
Postage/Communication				\$5,428			\$5,428
Utilities							\$0
Travel				\$2,851	\$400		\$3,251
Student Travel	\$6,078	\$212			\$3,700		\$9,989
Advertising/Printing/Publishing	\$1,785			\$6,731	\$171		\$8,687
Maintenance/Repair							\$0
Rentals/Leases	\$19,355			\$2,352	\$1,100		\$22,806
Contracted Services	\$53,963	\$1,240		\$4,875	\$13,350		\$73,428

Materials/Supplies/Freight

Materials	\$97,167	\$18,673		\$6,942	\$10,816	\$13,924	\$147,521
Freight		\$660			\$1,704	\$100	\$2,464

Total	\$178,347	\$36,380	\$0	\$11,817	\$44,370	\$32,745	\$0	\$303,659
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**LUTSEL K'E DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2016**

	<u>2016</u>	<u>2015</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$0	\$0
Other Accounts Receivable (net)	<u>0</u>	<u>7,900</u>
Total Financial Assets	<u>\$0</u>	<u>\$7,900</u>
<u>Liabilities</u>		
Bank Indebtedness	\$18,098	\$14,268
Accounts Payable & Accrued Liabilities	<u>88</u>	<u>43</u>
Total Liabilities	<u>\$18,186</u>	<u>\$14,310</u>
Net Financial Resources	<u>(\$18,186)</u>	<u>(\$6,410)</u>
Fund Balance	<u>(\$18,186)</u>	<u>(\$6,410)</u>

LUTSEL K'E DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2016

	<u>2016 Budget</u> <u>(unaudited)</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
Regular ECE Contributions	\$60,102	\$60,102	\$73,307
Other ECE Contributions	0	19,914	27,900
Total ECE Contributions	<u>\$60,102</u>	<u>\$80,016</u>	<u>\$101,207</u>
Other GNWT Contributions	\$0	\$25,300	\$31,005
Total GNWT Contributions	<u>\$60,102</u>	<u>\$105,316</u>	<u>\$132,212</u>
Generated Funds			
Investment Income	\$0	\$0	\$0
Donations	0	106,400	32,000
Other	0	11,615	55,983
Total Generated Funds	<u>\$0</u>	<u>\$118,015</u>	<u>\$87,983</u>
Total Revenues	<u>\$60,102</u>	<u>\$223,331</u>	<u>\$220,195</u>
<u>EXPENSES (Schedule 16)</u>			
Administration	\$30,000	\$16,241	\$14,851
School Programs	17,300	165,123	119,929
Inclusive Schooling	0	2,020	4,193
Student Accommodations	0	0	0
Operations and Maintenance	4,500	7,588	10,713
Aboriginal Language/Cultural Programs	7,870	44,134	76,878
Total Expenses	<u>\$59,670</u>	<u>\$235,107</u>	<u>\$226,564</u>
Operating Surplus/(Deficit)	\$432	(\$11,776)	(\$6,369)
Fund Balance at beginning of year	<u>(6,410)</u>	<u>(6,410)</u>	<u>(41)</u>
Fund Balance at end of year	<u><u>(\$5,978)</u></u>	<u><u>(\$18,186)</u></u>	<u><u>(\$6,410)</u></u>

LUTSEL K'E DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2016

School Programs	Inclusive Schooling	Student Accom.	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
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Salaries

Teachers							\$0
Instruction Assistants							\$0
Non-Instructional Staff				\$25			\$25
Board/Trustee Honoraria				\$5,711			\$5,711

Employee Benefits

Employee Benefits/Allowances							\$0
Leave & Termination Benefits							\$0

Services Purchased/Contracted

Professional/Technical Services							\$0
Postage/Communication	\$1,015			\$2,342			\$3,357
Utilities							\$0
Travel	\$1,378				\$430		\$1,808
Student Travel	\$21,342						\$21,342
Advertising/Printing/Publishing	\$2,000						\$2,000
Maintenance/Repair	\$115						\$115
Rentals/Leases	\$2,719	\$1,706		\$1,819	\$1,706		\$7,951
Contracted Services	\$17,959		\$1,120	\$2,340	\$24,820		\$46,239

Materials/Supplies/Freight

Materials	\$110,791	\$281		\$5,180	\$3,336	\$17,068	\$136,656
Freight	\$7,806	\$33		\$1,288	\$667	\$110	\$9,904

Total	\$165,123	\$2,020	\$0	\$7,588	\$16,241	\$44,134	\$0	\$235,107
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**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at June 30, 2016**

	<u>2016</u>	<u>2015</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$7,042,256	\$6,203,663
Due from the GNWT	7,072	9,522
Other Accounts Receivable	200,296	155,927
	<hr/>	<hr/>
Total Financial Assets	<u>\$7,249,624</u>	<u>\$6,369,112</u>
<u>Liabilities</u>		
Current		
Accounts Payable and Accrued Liabilities	\$77,369	\$131,973
Due to the GNWT	52,538	38,610
Payroll Liabilities	1,903,048	1,990,689
Deferred Revenue	127,199	86,258
Post-Employment Benefits	2,763,430	2,571,909
	<hr/>	<hr/>
Total Liabilities	<u>\$4,923,584</u>	<u>\$4,819,439</u>
Net Financial Resources	<u>\$2,326,040</u>	<u>\$1,549,673</u>
<u>Non-Financial Assets</u>		
Prepaid Expenses (Note 20)	\$0	\$0
Accumulated Fund Balance	<u>\$2,326,040</u>	<u>\$1,549,673</u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NON-CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL RESOURCES
For the Year Ended June 30, 2016

	<u>2016</u>	<u>2015</u>
Annual Surplus/(Deficit) (Schedule 19)	\$776,367	(\$402,192)
Prior Year Adjustments	<u>0</u>	<u>0</u>
Increase/(Decrease) in Net Financial Resources	\$776,367	(\$402,192)
Opening net Financial Resources	<u>1,549,673</u>	<u>1,951,865</u>
Closing Net Financial Resources	<u><u>\$2,326,040</u></u>	<u><u>\$1,549,673</u></u>

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NON-CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended June 30, 2016**

	2016 Budget (unaudited)	<u>2016 Actual</u>	<u>2015 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
Regular ECE Contributions	\$23,747,503	\$23,975,720	\$24,379,169
Other ECE Contributions	477,700	1,007,497	658,219
Total ECE Contributions	<u>\$24,225,203</u>	<u>\$24,983,217</u>	<u>\$25,037,388</u>
Other GNWT Contributions	\$0	\$233,588	\$56,733
Total GNWT Contributions	<u>\$24,225,203</u>	<u>\$25,216,805</u>	<u>\$25,094,121</u>
Federal Government	\$0	\$0	(\$25,877)
Other Education Bodies	\$0	\$63,361	\$136,283
Generated Funds			
Investment Income	\$0	\$51,804	\$55,577
Non-GNWT Contributions	0	238,728	238,947
Donations	0	6,208	0
Other	0	45,890	49,296
Total Generated Funds	<u>\$0</u>	<u>\$342,630</u>	<u>\$343,820</u>
Total Revenues	<u>\$24,225,203</u>	<u>\$25,622,796</u>	<u>\$25,548,347</u>
<u>EXPENSES</u>			
Administration	\$1,263,500	\$1,241,724	\$1,303,995
School Programs	15,034,769	15,400,492	16,020,781
Inclusive Schooling	4,793,036	4,461,152	4,852,443
Distance Learning/Technology	336,000	326,180	320,330
Operations and Maintenance	379,594	196,682	185,477
Aboriginal Language/Cultural Programs	1,608,781	1,884,048	1,841,106
Transfers to DEAs	1,251,162	1,336,151	1,426,407
Total Expenses (Schedule 20)	<u>\$24,666,842</u>	<u>\$24,846,429</u>	<u>\$25,950,539</u>
Operating Surplus/(Deficit)	(\$441,639)	\$776,367	(\$402,192)
Fund Balance at beginning of year	<u>1,549,673</u>	<u>1,549,673</u>	<u>1,951,865</u>
Fund Balance at end of year	<u><u>\$1,108,034</u></u>	<u><u>\$2,326,040</u></u>	<u><u>\$1,549,673</u></u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF EXPENDITURES
(Non-Consolidated)
For the Year Ended June 30, 2016

	School Programs	Inclusive Schooling	Distance Learning/Tech	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers	\$12,369,779	\$1,824,239				\$1,043,245		\$15,237,263
Instruction Assistants		\$1,703,418				\$468,713		\$2,172,130
Non-Instructional Staff	\$1,891,983	\$428,045	\$268,773		\$997,050	\$0		\$3,585,850
Board/Trustee Honoraria		\$0			\$3,875	\$5,700		\$9,575
Employee Benefits								
Employee Benefits/Allowances	\$172,045	\$69,112	\$2,941		\$8,823	\$23,528		\$276,449
Leave & Termination Benefits	\$197,563	\$79,363	\$3,377		-\$10,245	\$27,017		\$297,076
Services Purchased/Contracted								
Professional/Technical Services	\$34,022	\$32,694		\$20,000	\$34,366	\$17,804		\$138,886
Postage/Communication		\$0			\$37,645			\$37,645
Utilities								\$0
Travel	\$172,048	\$179,277	\$17,086		\$71,553	\$47,620		\$487,583
Student Travel	\$79,000	\$1,588						\$80,588
Advertising/Printing/Publishing	\$5,490	\$2,787		\$2,961	\$12,963	\$34,442		\$58,642
Maintenance/Repair				\$15,066	\$14,919			\$29,985
Rentals/Leases	\$958	\$3,400		\$158,655	\$17,244	\$1,766		\$182,022
Contracted Services	\$15,833	\$20,000				\$76,984		\$112,817
Materials/Supplies/Freight								
Materials	\$211,078	\$116,327	\$33,878		\$52,619	\$72,131		\$486,034
Freight	\$2,017	\$902	\$124		\$911	\$936		\$4,890
Transfers to DEA's								
	\$248,675					\$64,164	\$1,336,151	\$1,648,990
Total (Schedule 19)	\$15,400,492	\$4,461,152	\$326,180	\$196,682	\$1,241,724	\$1,884,048	\$1,336,151	\$24,846,429

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES
ABORIGINAL LANGUAGES**

For the Year Ended June 30, 2016

	July 1, 2015 to March 31, 2016	April 1, 2016 to June 30, 2016	Total 2015/16
Revenues			
Funding Received	\$61,000		\$61,000
Total Funding	\$61,000	\$0	\$61,000
Expenditures			
Materials & Supplies	\$47,551	\$13,252	\$60,803
Wages & Benefit	\$0	\$0	\$0
Total Expenditures	\$47,551	\$13,252	\$60,803
Surplus/(Deficit)	\$13,449	(\$13,252)	\$197

Revenue was actually received in June 2015 but deferred until the 2015/16 year.

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES
FRENCH LANGUAGE**

For the Year Ended June 30, 2016

	Contributions July 1, 2015 to June 30, 2016	SSDEC Commitment July 1, 2015 to June 30, 2016	Total Expenses July 1, 2015 to June 30, 2016	Under/(Over) Funding
Bilateral Agreement Funding				
Core French 1-12 (salary)	\$193,000	\$234,000	\$477,645	(\$50,645)
Immersion Pioneer Class (salary)	70,000	\$50,000	\$355,095	(\$235,095)
Resources	10,000	\$5,000	\$14,284	\$716
Partnership with YK1	15,000			\$15,000
French Monitor		\$6,000	\$54,610	(\$48,610)
Professional Development		\$5,000	\$24,305	(\$19,305)
Intensive French: Salary	112,500	\$75,000	\$120,006	\$67,494
Intensive French: Camp	2,400	\$1,600	\$272	\$3,728
Intensive French: Resources	4,800	\$3,200	\$13,226	(\$5,226)
Intensive French: Training/Visits	9,000	\$6,000	\$6,884	\$8,116
Totals	\$416,700	\$385,800	\$1,066,327	(\$263,827)

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES
INFRASTRUCTURE**

For the Year Ended June 30, 2016

Personnel Infrastructure

Funding Received	\$219,393
Expenditures	
Applicant Travel	
Advertising	\$2,961
Legal Fees	\$20,000
Removal In/Transfer	\$122,146
Ultimate Removal	\$49,817
Worker's Compensation	\$132,625
Medical Travel Assistance	
Total Expenditures	\$327,549
Net Surplus/(Deficit)	(\$108,156)

Leases Infrastructure

Funding received	\$160,201
Expenditures	
Leases	\$158,655
Leasehold improvements	\$15,066
Total Expenditures	\$173,721
Net Surplus/(Deficit)	(\$13,520)

Overall Surplus/(Deficit)	(\$121,676)
----------------------------------	--------------------

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES
NWT STUDENT SUCCESS INITIATIVE - PROFESSIONAL DEVELOPMENT**

For the Period July 1, 2015 to June 30, 2016

Funding Received	
<u>Expenditures</u>	
<u>Salaries/Wages</u>	
Facilitator's Fees	\$326,914
Substitute Teachers Wages	\$10,616
<u>Travel</u>	
Facilitator Travel	\$58,111
Staff Travel	\$17,312
Accommodation	\$15,427
Per Diems	\$12,200
<u>Workshop Expenses</u>	
Room Rental	
Tuition	\$3,975
Refreshments	\$3,317
Resources	\$8,940
Miscellaneous	\$6,547
Total Expenses	\$463,359
Net Surplus/(Deficit)	-\$463,359

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES
NWT STUDENT SUCCESS INITIATIVE**

For the Period July 1, 2015 to June 30, 2016

Funding Received	\$55,000
<u>Expenditures</u>	
<u>Salaries/Wages</u>	
Salaries	\$971,697
Facilitator's Fees	
Substitute Teachers Wages	
<u>Travel</u>	
Facilitator Travel	
Staff Travel	
Accommodation	
Per Diems	
<u>Workshop Expenses</u>	
Room Rental	
Tuition	
Refreshments	
Resources	\$20,559
Miscellaneous	
Total Expenses	\$992,256
Net Surplus/(Deficit)	-\$937,256

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENSES
INCLUSIVE SCHOOLING**

For the Year Ended June 30, 2016

	Staff Development	Intervention Strategies	Assistive Technology	Student Resources	Southern Placements	Magnet Facilities	General	Total
Salaries								
Program Support Teachers						\$156,379	\$1,802,695	\$1,959,074
Consultants		\$325,547						\$325,547
Instruction Assistants							\$1,671,080	\$1,671,080
Non-Instructional Staff							\$27,493	\$27,493
Honoraria							\$4,842	\$4,842
Employee Benefits								
Employee Benefits/Allowances							\$148,475	\$148,475
Services Purchased/Contracted								
Professional/Technical Services		\$32,694						\$32,694
Travel	\$179,277						\$18,437	\$197,714
Student Travel (Bussing)							\$1,800	\$1,800
Advertising/Printing/Publishing							\$2,787	\$2,787
Maintenance/Repair								\$0
Rentals/Leases	\$3,400						\$1,706	\$5,106
Contracted Services							\$24,840	\$24,840
Materials/Supplies/Freight								
Materials	\$4,871		\$8,859				\$140,108	\$153,838
Freight			\$902				\$693	\$1,595
Total	\$187,548	\$358,242	\$9,761	\$0	\$0	\$156,379	\$3,844,957	\$4,556,886

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENSES
ABORIGINAL LANGUAGE AND CULTURE-BASED EDUCATION**

For the Year Ended June 30, 2016

	Student Instruction	Teaching Resources	Professional Development	School ** Activities	Total
Salaries					
ALCBE Teachers	\$1,043,245				\$1,043,245
Language Consultants					\$0
Instruction Assistants	\$468,713			\$19,903	\$488,616
Non-Instructional Staff				\$2,470	\$2,470
Honoraria	\$69,864			\$8,167	\$78,031
Employee Benefits					
Employee Benefits/Allowances	\$50,545				\$50,545
Services Purchased/Contracted					
Professional/Technical Services		\$17,804			\$17,804
Travel			\$47,620	\$2,460	\$50,080
Student Transportation (Bussing)				\$3,700	\$3,700
Advertising/Printing/Publishing		\$34,442		\$171	\$34,613
Maintenance/Repair				\$785	\$785
Rentals/Leases		\$1,766		\$2,806	\$4,572
Contracted Services		\$76,984		\$39,120	\$116,104
Materials/Supplies/Freight					
Materials		\$67,583	\$4,548	\$119,618	\$191,749
Freight		\$936		\$210	\$1,146
Total	\$1,632,366	\$199,514	\$52,168	\$199,410	\$2,083,458

** from respective DEA schedules

Schedule 28

**South Slave Divisional Education Council
2015/16 Fund Balances**

	<u>SSDEC</u>	<u>Fort Smith</u>	<u>Hay River</u>	<u>K'atlodeeche</u>	<u>Fort Resolution</u>	<u>Lutsel K'e</u>
Fund Balances as per audited Financial Statements	\$2,326,040	\$176,266	\$163,991	(\$6,076)	\$182,239	(\$18,186)
less: Staffing Surpluses						
- Lutsel K'e Dene School	\$45,210					
- Paul William Kaeser	\$173,960					
- Harry Camsell	\$79,695					
- Joseph Burr Tyrrell	\$78,588					
- Chief Sunrise	\$113,625					
- Princess Alexandra	\$117,960					
- Diamond Jenness Secondary School	\$359,979					
- Deninu School	\$247,420					
	(\$1,216,437)					
Commitments against surpluses						
- Council Office	(\$609,603)					
- Fort Resolution DEA plan					(\$174,010)	
- Hay River DEA plan			(\$108,705)			
- Fort Smith plan		(\$126,715)				
Uncommitted Fund Balance	\$500,000	\$49,551	\$55,286	(\$6,076)	\$8,229	(\$18,186)
2015/16 contributions from SSDEC		\$495,506	\$552,864	\$56,091	\$82,286	\$74,830
Fund Balance percentage *		10.00%	10.00%	-10.83%	10.00%	-24.30%

* Calculated as per SSDEC policy DFAA - Financial Surplus

**Yellowknife Catholic Schools
(Yellowknife Public Denominational
District Education Authority)**

Annual Financial Report

June 30, 2016

Yellowknife Catholic Schools
(Yellowknife Public Denominational District
Education Authority)

Annual Financial Report

June 30, 2016



Yellowknife Catholic Schools

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis (MD&A) of the consolidated financial position and results of operations of Yellowknife Public Denominational District Education Authority (Yellowknife Catholic Schools) for the year ended June 30, 2016 should be read in conjunction with Yellowknife Catholic Schools' audited consolidated financial statements and related notes. The preparation of this report is the responsibility of management. It is the responsibility of the Board of Trustees to promote transparency and accountability.

In the next year, the staff at Yellowknife Catholic Schools will continue to provide all students with the opportunities to achieve their potential with limited resources. We will continue to focus on the theme of Mercy That Welcomes and will continue to provide students the support they need to be successful. Our strategic plan will focus on spirituality, student achievement in literacy and numeracy and increasing Aboriginal student achievement.

As our educational landscape moves us towards ensuring our students have the skills needed to be successful in the workplace, we will focus on the 21st century skills of collaboration, communication, critical thinking and creativity using innovative teaching models that include inquiry, technology, and interest-based learning in personalized, student-centered environments.

Mission, Values and Beliefs

Yellowknife Catholic Schools is a family of learners: developing faith, celebrating culture, supporting diversity, teaching critical thinking and inspiring service to others.

Through Christ we value: truth, honesty, compassion, respect, forgiveness, service, love and living the faith.

We believe that we are a Catholic, Christ-centered community that strives to nurture the spiritual, intellectual, emotional, social and physical development of all learners.

Board of Trustees

There are seven trustees at Yellowknife Catholic Schools. Mr. Miles Welsh is the Acting Chair. Other trustees are Erin Currie, John Dalton, Revi Lau-a, Tina Schauerte and Steven Voytilla. There is one vacant position due to the resignation of the chair, Simon Taylor. There are two committees in place – Finance and Facilities. Trustee meetings are held each month and are open to the public.



Yellowknife Catholic Schools

Yellowknife Catholic Schools

Yellowknife Catholic Schools (YCS) is the only Catholic school board in the Northwest Territories. YCS was established in July of 1951. Yellowknife Catholic Schools' primary operation is the education of students from pre-Kindergarten to Grade 12.

YCS programs operate out of: Ecole St. Patrick High School (ESPHS), Weledeh Catholic School (WCS), Ecole St. Joseph School (ESJS), the Kimberlite Career and Technical Centre (KCTC), the Tallah Building, the Yellowknife Family Centre, Jim Murphy Maintenance Building and the Central Services Building. All of our facilities are in excellent condition.

The senior administration team consists of Claudia Parker – Superintendent; John Bowden – Assistant Superintendent – Learning, Janet Toner – Assistant Superintendent – Business and Simone Gessler – Associate Assistant Superintendent.

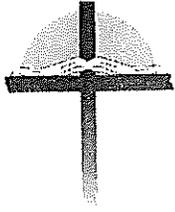
The principal at Ecole St. Patrick High School is Coleen McDonald. The principal at Weledeh Catholic School was Liz Baile for the 2015/2016 school year. The principal at Ecole St. Joseph School is Pat Sullivan.

Student and Teacher Population

The following is the student enrolment as of September 30th and the teachers that were employed as of September 30, 2015.

	Enrolment	Teachers	Pupil/Teacher Ratio
Ecole St Patrick High School	489	32	15
Weledeh Catholic School	350	24	14
Ecole St Joseph School	461	31	15
KCTC	0	5	0
TTC	0	1	0
	<u>1,300</u>	<u>93</u>	<u>14</u>

There was a total of 165 staff at YCS as of September 2015.



Yellowknife Catholic Schools

Strategic Plan

Vision Statement for 2016-2019

YCS will strive to provide engaging, collaborative, innovative, inquiry and faith-based learning environments as a means to develop versatile and involved learners that are advocates of their personal learning journey.

Goals

The goals of YCS are to:

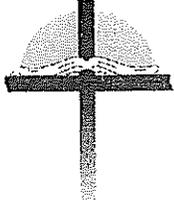
- Foster inquiry and collaboration throughout the integration of technology and the development of 21st century classrooms.
- Provide rich literacy and numeracy instruction through collaborative and supporting programming.
- Develop spiritually and culturally-rich global citizens with a sense of social justice and community awareness.

Commitments

YCS is committed to the following:

- Engage in continuous growth and improvement, make decisions to enhance student learning and provide opportunities for the community to learn together.
- Provide all learners with a safe environment that promotes spiritual, academic, physical, emotional, and social growth, encouraging inquiry, innovation and self-reflection.
- Allocate resources based on our vision and commitment to our learners.

YCS realizes its responsibility to provide an excellent education for our students. Our district is proud of its reputation for providing high-quality education to the students of our community through continuous improvement and the cooperative efforts of the Government of the Northwest Territories department of Education, Culture and Employment, administration, teachers, staff, students, families and a supportive community.



Yellowknife Catholic Schools

Financial Condition

The audited consolidated financial statements were prepared for the Government of the Northwest Territories (GNWT) Minister of Education, Culture and Employment (ECE), in accordance with Canadian public sector accounting standards.

Highlights of YCS Financial Position

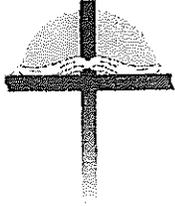
Financial Assets

The cash balance is approximately \$4,521,653 indicating good cash flow. This year, the cash position is lower than the prior year. This is due to a large deposit at the end of the prior year for the insurance claim for the fire at Ecole St. Joseph School in August 2006. The insurance proceed was owing to the GNWT and was paid during the year.

Liabilities

Liabilities mainly consist of payroll liabilities, accounts payable and long term debt. The payroll liabilities consist of payroll liabilities to staff for July and August. The accounts payable is lower this year. In the prior year, a payable to the GNWT – Department of ECE was recorded for the insurance proceeds and was paid during the year. The other significant liability is the long term debt. YCS issued debentures for the construction of Weledeh Catholic School and for the purchase of the Tallah Building. Future streams of revenue (rental revenue for the Tallah building and GNWT Core funding for the Weledeh debenture) will more than cover the net financial debt. During 2015/2016 YCS made \$820,498 in principal repayments on our debentures.

The Consolidated Statement of Financial Position has a subtotal called "Net debt". This line is an indicator of the ability to discharge all of the entity's debt with financial assets. The net debt is consistent with the prior year.



Yellowknife Catholic Schools

Non-financial Assets

Non-financial assets include land and buildings that YCS has no intention of selling and that would not be able to be quickly converted to cash.

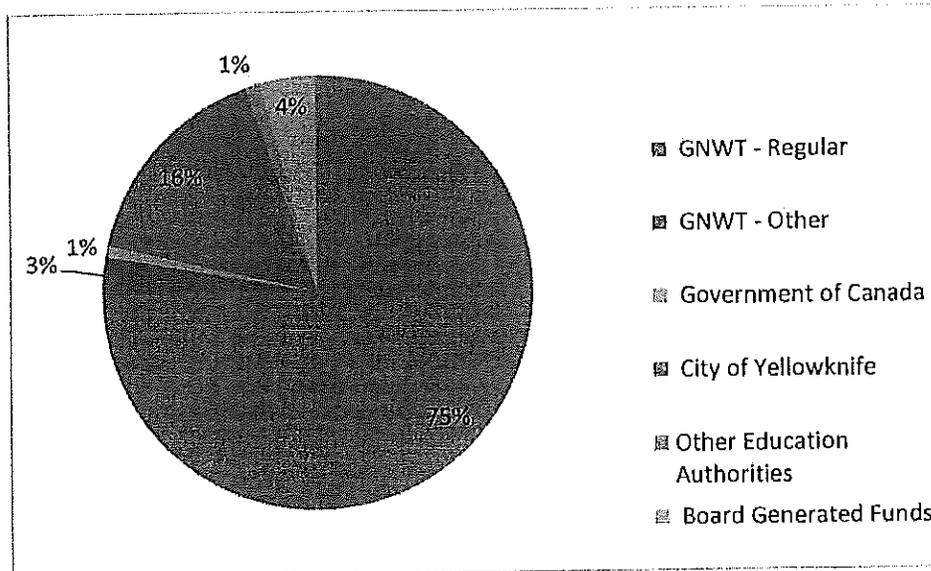
The \$1,431,878 decrease in tangible capital assets relates to depreciation of tangible capital assets for this fiscal year partially offset by the capital purchases of phone system upgrade, LED light system, and an IT improvement.

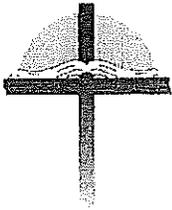
Accumulated Surplus

Accumulated surplus is equal to the difference between Non-financial assets and Net debt. Accumulated surplus represents the equity that YCS has generated in the last 65 years. The largest component of accumulated surplus is the Investment in Tangible Capital Assets. A further breakdown of accumulated surplus can be found on the Consolidated Statement of Accumulated Surplus.

Highlights of YCS Operations

Operating Revenue





Yellowknife Catholic Schools

Operating Revenue

The majority of the funding for YCS comes from the Government of the Northwest Territories (GNWT) Department of Education, Culture and Employment (ECE) as core funding. The core funding is derived from a funding formula developed by ECE. The most important factor in the funding formula is student enrollment. GNWT core funding also includes \$860,000 paid to YCS each year to cover principal and interest payments on a debenture issued by YCS to fund the construction of Weledeh Catholic School.

YCS generates revenue from property taxes. The City of Yellowknife collects property tax revenue on our behalf.

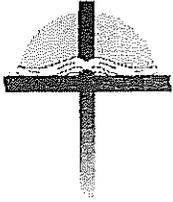
Yellowknife Catholic Schools has a contract with the Government of Canada for the Yellowknife Family Centre.

Other GNWT funding includes contribution agreement funding for: French language programs, the Four Plus program, Yellowknife Family Centre, preschool programs, active after-school programs and for the development of materials for aboriginal languages.

Board generated funds include donations, bus pass sales, day care fees, investment revenue, and rental revenue.

YCS generates revenue from other school districts when a student from that district attends a YCS school and the other district receives GNWT core funding for that student.

YCS is economically dependent upon the GNWT for the majority of its operating revenue. Significant changes to enrollment in Yellowknife or to the GNWT funding formula would have dramatic effects on the future operations of YCS.

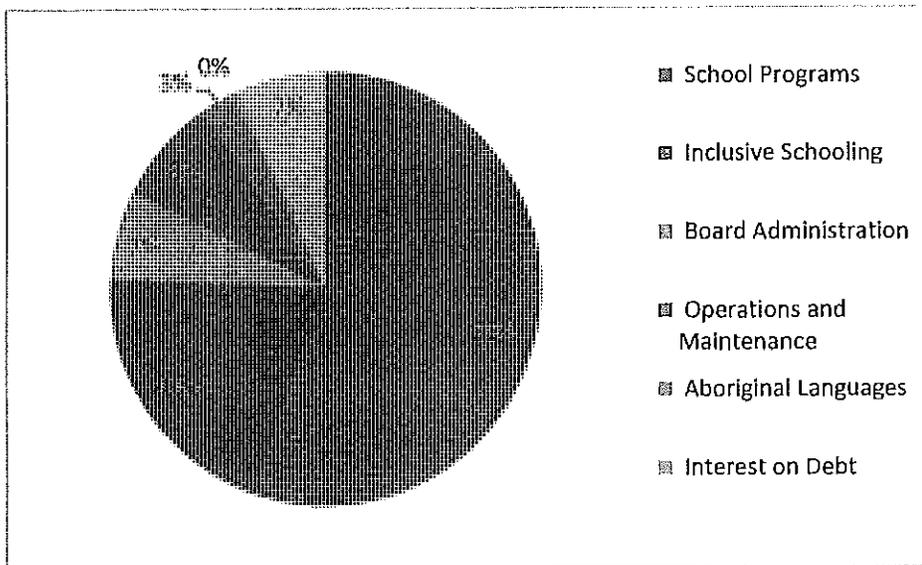


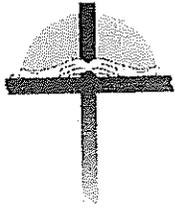
Yellowknife Catholic Schools

Operating Expenditures

The Consolidated Statement of Operations and Schedule 1 provide two different ways to classify expenditures. In the Consolidated Statement of Operations, expenditures are classified by program. Schedule 1 of the consolidated financial statements provides an additional breakdown by object.

Expenditures – By Program



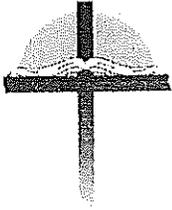


Yellowknife Catholic Schools

Expenditures – By Program

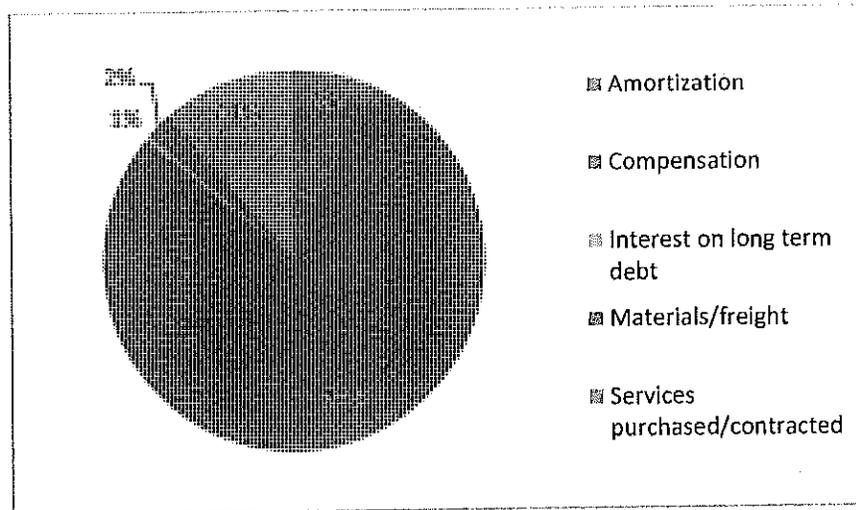
Program categories for YCS are:

- **Aboriginal Language and Culture:** Includes salary and benefits of Dogrib Language instructors, salary and benefits of the literacy coach, costs related to the creation of learning materials in the Dogrib language and the cost of running our aboriginal language and culture camps.
- **Board Administration:** Includes salary and benefits for central services administrative staff, honoraria for trustees, audit and legal fees, travel costs, advertising and publishing costs.
- **Debt service:** Relates to interest on long-term debt for the repayment of debentures for WCS and the Tallah Building. The WCS debenture repayments are fully funded through an agreement with the GNWT. Debenture repayments for the Tallah building are mostly funded through lease payments from Aurora College.
- **Inclusive schooling:** Expenditures in this program relate to supporting students with diverse needs. This support can include enrichment opportunities as well as supporting students with learning challenges. Salary and benefits for program support teachers, literacy and early intervention teachers, the student services coordinator, counselors, classroom assistants, advanced placement teachers, and Do Edaezhe program staff are included in this category.
- **Operations and maintenance:** Includes salary and benefits of maintenance staff, cost of electricity, fuel and water, expenditures on janitorial services, expenditures on repair and maintenance of our facilities (including minor capital projects).
- **School programs:** Salary and benefits for the majority of teachers are recorded in this program. Other large components of expenditure in this program are salary and benefits for school administrative assistants, library technicians, technology staff and curriculum coordinators, the cost for school textbooks and supplies and the cost of busing services. The cost of ever-greening computers is also included in this category.
- **Amortization:** This expense relates to the rational and systematic manner to write off the value of the tangible capital asset over an appropriate number of accounting periods.



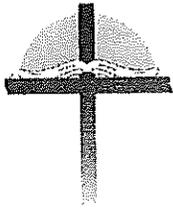
Yellowknife Catholic Schools

Expenditures by Object



Expenditures by Object

- **Salaries:** Includes salary for teachers, coordinators, classroom assistants, maintenance staff, administration assistants, library technicians, counselors, technology staff, administrative staff and trustee honoraria. The majority of YCS staff are unionized and collective agreements with the unions specify pay and benefits for these staff. Collective agreements with the Northwest Territories Teachers' Association (NWTTA) and the Union of North Workers (UNW) were ratified during the 2012/2013 fiscal year. The contracts have expired and no new agreements have been ratified.
- **Employee benefits:** Consist of employer contributions to pension plans, extended health and dental plans, CPP, EI, WSCC premiums, life insurance, long term disability insurance, maternity leave, professional development, medical travel, vacation travel, removal benefits and other allowances.
- **Services Purchased/contracted services:** Include busing, janitorial services, insurance services, security services and snow removal.
- **Materials/freight:** Include expenses for material and freight of goods.
- **Amortization:** This expense relates to the rational and systematic manner to write off the value of the tangible capital asset over an appropriate number of accounting periods.
- **Debenture interest:** Include interest expense paid during the year for the Weledah and Tallah building debentures.



Yellowknife Catholic Schools

Summary of Accumulated Surplus

	Opening	Increase (Decrease)	Closing
Operating Fund Surplus	\$ 1,183,276	-\$ 844,023	\$ 339,253
Investment in Tangible Capital Assets	42,466,068	-611,380	41,854,688
Decentralized Budget Accumulated Surplus	214,302	55,884	270,186
	<u>\$ 43,863,646</u>	<u>-\$ 1,399,519</u>	<u>\$ 42,464,127</u>

At the end of the year, there was a surplus of \$372,897 before the amortization expense. After the amortization expense, there was an operating deficit of \$1,399,519. The operating surplus equity decreased by \$844,023. This decrease was planned as part of the budget process for the 2015/2016 school year. The trustees decided to support the continuation of the Do Edaezhe program and avoid lay-offs.

Investment in tangible capital assets represents the amount of funds received and recognized as revenue that allow us to purchase our tangible capital assets less accumulated amortization. The decrease in this account this year is due to amortization of our tangible capital assets offset by the principal portion of the repayment of debentures on WCS and the Tallah Building.

The decentralized budget accumulated surplus consists of funds, which are committed to or designated to specific purposes. The majority of these funds are professional development obligations carried forward under the terms of employment contracts. Other significant amounts in the decentralized budget accumulated surplus are school-based funds. Decisions on expenditure of school based funds are made by individual schools under YCS' School Based Decision Making Procedure.

The bottom line:

We will continue to provide all students with the opportunities to achieve their full potential with limited resources. Moving forward, there will be a balanced approach ensuring that today's dollars are spent to educate today's students with a focus on 21st century learning initiatives and student centered learning.

YCS had a small operating fund deficit for the year and has a strong cash position that will allow us to continue to operate in a financially prudent manner in the future. We will continue to be challenged to provide quality education in a fiscally responsible manner.



Yellowknife Catholic Schools

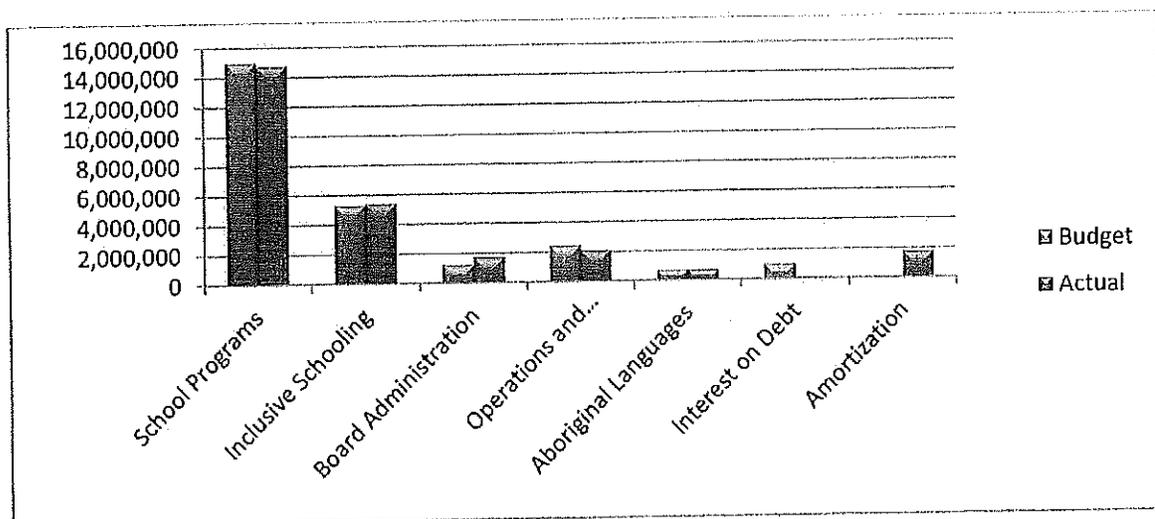
Budget Variance

In 2015/2016, an annual deficit of \$843,427 was budgeted and the actual deficit was \$1,399,519.

The budgeted revenue for 2015/2016 was \$24,748,930 and the actual revenue was \$25,180,112. The increase in revenue is due to increased core and other contributions of approximately \$326,000 from the Government of Education, Culture and Employment. There was also an increase in education authority generated funds due to funds from a staff secondment and other sources of income.

The budgeted expenditures for 2015/2016 were \$25,592,357 and the actual expenditures were \$26,579,631. The difference was due to increased payroll costs from additional costs for the pension and sick benefits.

Expenditures – Budget vs. Actual





Yellowknife Catholic Schools

Summary and Outlook

The 2016/2017 school year will be an exciting year at all three schools. We will continue to focus on 21st century learning skills.

As our population is growing, we are challenged by our space needs. As a temporary solution we have moved our grade 8 students from Ecole St. Joseph School and Weledeh Catholic School to our high school. Our grade 8 students are excited to join the students at the high school and become part of the Irish team at Ecole St. Patrick High School.

We continue to struggle with the special needs requirements in the classroom. Due to financial constraints, we are unable to increase the number of classroom assistants.

In the budget for 2016/2017, the Trustees committed to supporting all the present programs and positions at Yellowknife Catholic Schools. The Trustees and administration will continue to work together to provide the best education while being fiscally responsible.

We have developed a five year capital plan that has identified the capital needs of the schools. Many of the projects will save operational costs as we look at providing more energy efficient items in our schools.

In 2016/2017, we will welcome one new principal. Mr. Todd Stewart will become the new principal at Weledeh Catholic School. Mr. Stewart was the Assistant Principal at Ecole St. Patrick High School. Ms. Alicia Baldwin-Larade will become the Assistant Principal at Ecole St. Patrick High School. Ms. Liz Baille will join the District office staff as the Student Services Coordinator.

While we are faced with financial constraints, we will ensure that today's dollars are spent on today's students. This will ensure that all of our students are prepared for their exciting lives.

**Yellowknife Catholic Schools
(Yellowknife Public Denominational
District Education Authority)**

Consolidated Financial Statements

June 30, 2016

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Consolidated Financial Statements

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

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

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

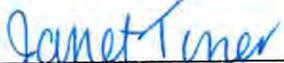
Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that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

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

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

Approved and confirmed on behalf of the Yellowknife Catholic Schools.

 **Superintendent**

 **Assistant Superintendent - Business**

September 14, 2016



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Independent Auditors' Report

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

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Yellowknife Public Denominational District Education Authority ("Yellowknife Catholic Schools"), which comprises the consolidated statement of financial position as at June 30, 2016, and the consolidated statement of changes in net debt, the consolidated statement of operations, the consolidated statement of cash flows and the consolidated statement of accumulated surplus for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion 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 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, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of Yellowknife Catholic Schools as at June 30, 2016 and the results of its operations, changes in net debt 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 Catholic Schools, the consolidated financial statements are in agreement therewith and the transactions that have come under our notice have, in all significant aspects, been within the statutory powers of Yellowknife Catholic Schools.

Crowe MacKay LLP

Chartered Accountants

Yellowknife, Northwest Territories
September 14, 2016

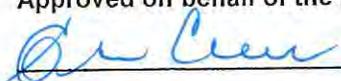
Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Consolidated Statement of Financial Position

As at June 30,	2016	2015
Financial Assets		
Cash and cash equivalents (Note 4)	\$ 4,521,653	\$ 6,198,619
Due from the Government of Canada (Note 13)	118,976	142,583
Accounts receivable (Note 8)	275,827	105,744
	4,916,456	6,446,946
Liabilities		
Accounts payable and accrued liabilities (Note 10)	418,415	1,401,749
Payroll benefits payable	322,928	564,965
Due to the Government of Canada (Note 13)	33,058	5,860
Pensions (Note 15)	59,900	26,400
Long term debt (Note 16)	2,369,017	3,189,515
Deferred revenue (Note 11)	66,480	126,383
Post-employment benefits (Note 17)	753,217	640,074
Accrued payroll liabilities (Note 35)	2,707,128	2,347,959
	6,730,143	8,302,905
Net debt	(1,813,687)	(1,855,959)
Non-financial Assets		
Tangible capital assets (Note 19)	44,223,705	45,655,583
Prepaid expenses and deposits (Note 20)	54,109	64,022
	44,277,814	45,719,605
Accumulated Surplus	\$ 42,464,127	\$ 43,863,646
Represented By:		
Operating fund surplus	\$ 339,253	\$ 1,183,276
Investment in tangible capital assets	41,854,688	42,466,068
Decentralized budget accumulated surplus	270,186	214,302
	\$ 42,464,127	\$ 43,863,646

Contractual obligations and contingencies (Note 24 and 25)

Approved on behalf of the Board

 Trustee

 Trustee

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Consolidated Statement of Changes in Net Debt

For the period ended June 30,	2016	2015
Annual deficit	\$ (1,399,519)	\$ (735,161)
Change in prepaid expenses and deposits	9,913	59,592
Change in tangible capital assets	1,431,878	1,547,495
Decrease in net debt	42,272	871,926
Net debt, beginning of year	(1,855,959)	(2,727,885)
Net debt, end of year	\$ (1,813,687)	\$ (1,855,959)

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Consolidated Statement of Operations

For the period ended June 30,	2016 Budget	2016 Actual	2015 Actual
Revenue			
Government of the Northwest Territories			
Operating grant	\$ 18,652,338	\$ 18,885,920	\$ 18,278,896
ECE - Other contributions (Note 33)	611,593	631,592	1,555,421
GNWT - Other contributions (Note 34)	-	72,968	117,556
	19,263,931	19,590,480	19,951,873
Government of Canada - grants and contributions	182,000	208,242	189,909
City of Yellowknife - property tax requisitioned	4,046,000	4,058,319	4,013,000
Other Education Authorities			
Extra-jurisdictional tuition	360,000	271,189	346,976
	360,000	271,189	346,976
Education authority generated funds (Note 37)	896,999	1,051,882	1,144,212
	24,748,930	25,180,112	25,645,970
Expenditures			
Aboriginal language and culture	706,674	706,050	682,232
Board administration (Schedule 1)	1,196,234	1,693,519	1,228,297
Debt service (Schedule 1)	980,000	115,695	156,552
Inclusive schooling (Schedule 2)	5,286,549	5,399,981	5,777,016
Operations and maintenance (Schedule 1)	2,443,647	2,117,151	2,201,821
School programs (Schedule 1)	14,979,253	14,774,819	14,611,566
Amortization (Schedule 1)	-	1,772,416	1,723,647
	25,592,357	26,579,631	26,381,131
Annual deficit	\$ (843,427)	\$ (1,399,519)	\$ (735,161)

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Consolidated Statement of Cash Flows

For the period ended June 30,	2016	2015
Cash provided by (used in):		
Operating transactions		
Operating deficit	\$ (1,399,519)	\$ (735,161)
Items not affecting cash:		
Amortization	1,772,416	1,723,647
	372,897	988,486
Changes in non-cash working capital items		
Due from the Government of Canada	23,607	455,660
Accounts receivable	(170,083)	468,960
Accounts payable	(983,334)	705,334
Payroll benefits payable	(242,037)	77,700
Due to the Government of Canada	27,198	(1,862)
Pensions	33,500	12,300
Deferred revenue	(59,903)	(820,082)
Post employment benefits	113,143	(6,237)
Accrued payroll liabilities	359,169	82,499
Prepaid expenses	9,913	59,592
	(888,827)	1,033,864
Cash flow from financing activities		
Repayment of long term debt	(820,498)	(779,641)
Cash flow from capital activity		
Purchase of tangible capital asset	(340,538)	(176,152)
Increase (decrease) in cash	(1,676,966)	1,066,557
Cash, beginning of year	6,198,619	5,132,062
Cash, end of year	\$ 4,521,653	\$ 6,198,619

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Consolidated Statement of Accumulated Surplus

For the period ended June 30,	2016	2015
Operating Fund Surplus		
Operating fund surplus, beginning of year	\$ 1,183,276	\$ 981,349
Annual deficit	(1,399,519)	(735,161)
Transfer from investment in tangible capital assets	611,380	767,854
Transfer from (to) decentralized budget accumulated surplus	(55,884)	169,234
Operating fund surplus, end of year	\$ 339,253	\$ 1,183,276
Transfer from Investment in Tangible Capital Assets consists of:		
Amortization	\$ 1,772,416	\$ 1,723,647
Capital acquisitions	(340,538)	(176,152)
Debenture principal repayment	(820,498)	(779,641)
	\$ 611,380	\$ 767,854
Investment in Tangible Capital Assets		
Investment in tangible capital assets, beginning of year	\$ 42,466,068	\$ 43,233,922
Amortization	(1,772,416)	(1,723,647)
Capital acquisitions	340,538	176,152
Debenture principal repayment	820,498	779,641
Investment in tangible capital assets, end of year	\$ 41,854,688	\$ 42,466,068
Decentralized Budget Accumulated Surplus		
Decentralized budget accumulated surplus, beginning of year	\$ 214,302	\$ 383,536
Transferred from (to) operating fund surplus	55,884	(169,234)
Decentralized budget accumulated surplus, end of year	\$ 270,186	\$ 214,302
Total Accumulated Surplus	\$ 42,464,127	\$ 43,863,646

Yellowknife Catholic Schools

(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2016

1. Nature of the Organization

Yellowknife Public Denominational District Education Authority, Yellowknife Catholic Schools ("YCS") was established in July 1951 and is presently the only Catholic school board in the Northwest Territories. A full range of instructional programs ranging from Kindergarten through Grade 12 is offered by the YCS.

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

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

2. Significant Accounting Policies

(a) Basis of Accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. The consolidated financial statements reflect the assets, liabilities, revenue and expenses of the reporting entity, which is composed of all organizations which are controlled by YCS. These organizations include the three schools, maintenance shop and Kimberlite Career and Technical Centre.

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

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

Operating Fund Surplus

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

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2016

2. Significant Accounting Policies (continued)

(a) Basis of Accounting (continued)

Operating Fund Surplus (continued)

In summary, the Operating fund surplus is used to account for all financial activities except those accounted for in the Investment in tangible capital assets fund and Decentralized budget accumulated surplus.

Investment in Tangible Capital Assets

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

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

Decentralized Budget Accumulated Surplus

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

(b) Cash and Cash Equivalents

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

(c) Financial Instruments

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

This category includes cash and cash equivalents, accounts receivable, due to/from the Government of Canada, accounts payable and accrued liabilities, long term debt, payroll benefits payable and accrued payroll liabilities. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

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

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

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2016

2. Significant Accounting Policies (continued)

(d) Non-Financial Assets

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

(e) Tangible Capital Assets

Tangible capital assets acquired for more than \$50,000 are capitalized and amortized. Tangible capital assets are recorded at cost plus any betterments less accumulated amortization. The cost includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The buildings, portables and equipment will be amortized using the straight line method, based on their useful life. The buildings, portables and equipment have useful lives of 40, 25 and 10 years respectively. Any additions to the buildings and portables will be amortized over the remaining useful life of the assets.

(f) Revenue Recognition

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

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.

Yellowknife Catholic Schools

(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2016

2. Significant Accounting Policies (continued)

(f) Revenue Recognition (continued)

GNWT - Regular Contributions

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

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

Local Tax Revenue

The *Education Act*, by virtue of Section 136(2), empowers a Board of Education to determine the amount, after taking into consideration territorial grants and other revenue, that is to be requisitioned from the municipality within the territory under the jurisdiction of the Board. This requisitioned amount is one portion of the property tax paid annually by property owners.

The City of Yellowknife is advised subsequent to the adoption of the budget of the amount of the requisition of the YCS and is responsible for the collection of taxes.

Section 136(4) of the *Education Act* requires the amount requisitioned to be paid to the YCS in equal quarterly installments on or before the first day of the months of June, September, December and March.

Other Contributions

YCS follows the deferral method of accounting for contributions from funding arrangements. Unrestricted contributions are recognized as revenue when they are received or receivable, if the amount can be reasonably estimated and its collection is reasonably assured. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred. Tuition fees revenue is recognized as educational services are provided. Insurance proceeds relating to ongoing expenses are recognized as the expenses are incurred. Insurance proceeds relating to building and equipment loss are recognized at the date of loss.

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.

Special Purpose 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 consolidated financial statements of the YCS 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.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2016

2. Accounting Policies (continued)

(g) Infrastructure Funding

YCS does not have any infrastructure funding.

(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(2) of the *Education Act*.

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

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

(i) Measurement Uncertainty

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

(j) Inventories Including Materials and Supplies

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

Yellowknife Catholic Schools

(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2016

2. Accounting Policies (continued)

(k) Payroll Liabilities

Payroll costs for teachers are accrued for July and August. Payroll costs for members of the Union of Northern Workers (UNW) and employees who work for 10 and 11 months during the fiscal year are accrued as appropriate.

(l) Employee Future Benefits

i) Post employment benefits

YCS provides post employment benefits for certain employees pursuant to certain contracts and collective agreements. These include removal assistance, severance, long and short term disability, and sick leave.

Teachers and UNW employees leaving Yellowknife within one year of the date of resignation, after completing a minimum of two years experience with YCS, will receive removal assistance of \$1,500 plus \$400 for each year of consecutive service with YCS, excluding years on deferred salary leave. Teachers who leave the employment of YCS after twenty years of consecutive service will receive an additional payment of \$2,000. This benefit is considered to vest and accumulate. YCS recognizes a liability and expense for this post employment benefit in the period in which teachers and UNW employees render services to YCS.

YCS recognizes a liability and an expense for post employment benefits and compensated absences that do not vest or accumulate when the event that obligates YCS occurs. This includes benefits to employees in the event of an accident or injury. The benefit would be accrued when the accident or injury occurs.

ii) Sick leave

Sick leave benefits accumulate but do not vest and are normally paid only upon an illness or injury-related absence. Such benefits are obligations and would be recognized. The actuarial company hired by the GNWT conducted a review and has estimated the sick leave obligation as at June 30, 2016.

iii) Pensions

Prior to May 1, 2013 all indeterminate full-time employees had the option to participate in a Defined Contribution (DC) pension plan. YCS contributions to this plan were recognized as an expense on a current year basis and represented YCS total pension obligations.

Effective May 1, 2013 the YCS added a Defined Benefit (DB) provision to the Pension Plan for the employees of Yellowknife Catholic Schools. The pension benefits under the DB provision are reported on an actuarial basis. This is done to determine the current value of future entitlements and uses various assumptions. When actual experience varies from assumptions, the resulting gains or losses are amortized on a straight line basis over the estimated average remaining service lives of the contributors.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2016

2. Accounting Policies (continued)

(m) Employee Benefit Plans

The YCS contributes 100% of the premiums related to life insurance, long term disability insurance and extended health care benefits for eligible employees, in accordance with negotiated salary agreements and employment practices.

In addition, the YCS contributes 100% of the premiums related to dental insurance in accordance with negotiated salary agreements and employment practices.

Employee and employer contributions are made on behalf of all employees for statutory federal deductions related to Canada Pension Plan and Employment Insurance.

(n) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Transfers include entitlements and grants and are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

(o) Liability for Contaminated Sites

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

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

(p) Net Debt

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

Yellowknife Catholic Schools

(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2016

3. Future Accounting Changes

Related Party Disclosures, Section PS 2200

In December of 2014, PSAB approved Section PS 2200, Related Party Disclosures. The new section defines related parties and establishes disclosures required for related party transactions. It is expected that reasonable efforts would be made to identify related party transactions. This may involve adopting policies and procedures designed to ensure that these transactions are appropriately identified, measured and disclosed in the financial statements. Not all related party relationships or transactions occurring between related parties are required to be disclosed. Disclosure is generally required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated. However, not all of these transactions are reportable under this Section. Only those transactions that have or could have a material financial effect on the financial statements are disclosed. The effective date for Section PS 2200 is April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards has been reviewed by management.

Inter-entity Transactions, Section PS 3420

In December of 2014, PSAB approved Section PS 3420, Inter-entity Transactions. This Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. This section may be applied in conjunction with Related Party Disclosures, Section 2200. The effective date for Section PS 3420 is April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards has been reviewed by management.

Assets, Section PS 3210

PSAB approved Section PS 3210, Assets. This Section is effective for fiscal periods beginning on or after April 1, 2017. Earlier adoption is permitted. This Section provides guidance on how to apply the definition of assets as set out in Section PS 1000, and establishes standards for disclosure of assets except certain specific types of assets, which are dealt with in other Sections. The impact of the transition to this accounting standard has not yet been determined.

Contingent Assets, Section PS 3320

PSAB approved Section PS 3320, Contingent Assets. This Section is effective for fiscal periods beginning on or after April 1, 2017. Earlier adoption is permitted. This Section defines and establishes standards for disclosure of contingent assets except certain specific types of contingent assets. The impact of the transition to this accounting standard has not yet been determined.

Contractual Rights, Section PS 3380

PSAB approved Section PS 3380, Contractual Rights. This Section is effective for fiscal periods beginning on or after April 1, 2017. Earlier adoption is permitted. This Section defines and establishes standards for disclosure of rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future except certain specific types of contractual rights. The impact of the transition to this accounting standard has not yet been determined.

Student Activity Funds

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

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

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4. Cash and Cash Equivalents

	2016	2015
Cash	\$ 4,521,653	\$ 6,198,619

The cash is held in a bank account with the Canadian Imperial Bank of Commerce (CIBC) and is invested with the GNWT's investment pool.

5. Special Purpose Funds

YCS does not have special purpose funds.

6. Restricted Assets

YCS does not have any restricted assets.

7. Portfolio Investments

YCS does not have any portfolio investments.

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Notes to Consolidated Financial Statements

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8. Accounts Receivable

	Accounts Receivable		AFDA	Net 2016		Net 2015
Government of the Northwest Territories - Departments/Agencies						
Aurora College	\$	-	\$	-	\$	2,985
Education, Culture and Employment		125,410		-		72,000
Health and Social Services		11,554		-		-
Yellowknife Health and Social Services		-		-		15,332
		136,964		-		90,317
Other						
Other		138,863		-		15,427
Total	\$	275,827	\$	-	\$	105,744

9. Inventories

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

10. Accounts Payable and Accrued Liabilities

	2016	2015
Accrued interest	\$ 68,015	\$ 68,016
Damage deposits	3,262	5,426
GNWT - Department of Education, Culture and Employment	-	1,166,199
Trades payable	347,026	157,370
Workers' Safety and Compensation Commission	112	4,738
	\$ 418,415	\$ 1,401,749

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

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11. Deferred Revenue

	2016	2015
Government of the Northwest Territories Aboriginal Language	\$ -	\$ 59,000
Government of Canada - Public Health Agency Canada	66,480	67,383
	\$ 66,480	\$ 126,383

12. Contribution Repayable

YCS does not have any contribution repayable.

13. Due from and to the Government of Canada

	Accounts Receivable		AFDA		Net 2016		Net 2015	
Receivable								
Indigenous and Northern Affairs Canada	\$ -	\$ -	-	-	-	-	-	19,000
GST receivable	118,976	-	-	-	118,976	-	-	123,583
	\$ 118,976	\$ -	\$ -	\$ -	\$ 118,976	\$ -	\$ -	142,583
Payable								
Public Health Agency Canada	\$ 33,058	\$ -	-	-	33,058	-	-	-
GST payable	5,860	-	-	-	-	-	-	5,860
	\$ 38,918	\$ -	\$ -	\$ -	\$ 33,058	\$ -	\$ -	5,860

14. Capital Lease Obligations

YCS does not have any capital lease obligations.

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

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15. Pensions

(a) Defined Contribution Plan

Since January 1, 1966 Yellowknife Catholic Schools indeterminate staff have had the option to participate in a voluntary Defined Contribution (DC) pension plan. Since January 1, 1988, that participation has been in the Pension Plan for the Employees of Yellowknife Catholic Schools (the Plan).

All DC assets of the Plan are held by a Trustee in favour of individual employees. The only obligation to YCS is to match employee contributions. YCS fully funds its DC obligation under the Plan each month. YCS did not have any liability under the DC provision of the Plan as of June 30, 2016.

Effective May 1, 2013 teaching and non-union staff could no longer contribute to the DC provision. Instead all indeterminate teaching and non-unionized staff joined a new Defined Benefit (DB) provision of the Plan. Effective July 1, 2013, all indeterminate unionized non-teaching staff also ceased to make contributions to the DC provision and joined the DB provision of the Plan. After July 1, 2013, there are no employees making contributions to the DC provision.

DC assets of the Plan will continue to be held in Trust for the individual employees unless they either elect to transfer their DC account to the DB provision or leave the employment of Yellowknife Catholic Schools.

No assets or liabilities related to the DC provision are recorded in the financial statements of Yellowknife Catholic Schools.

(b) Defined Benefit Plan

Effective May 1, 2013 a Defined Benefit (DB) provision was added to the Pension Plan for the Employees of Yellowknife Catholic Schools.

Summary of Defined Benefit provision:

Each permanent full-time employee, belonging to an eligible class of employees, automatically becomes a Member of the plan as of the first day of employment with YCS.

Each permanent part-time employee, belonging to an eligible class of employees, automatically becomes a Member of the plan if the employee earns at least 37% of the equivalent full-time earnings for his or her particular position.

All Members and the Employer have agreed to share the cost of benefits accrued annually, plus the administrative expenses of the DB plan in the following ratio:

- Employer 52.38%
- Employee 47.62%

Members are required to make contributions at 8.80% of earnings below the Year's Maximum Pensionable Earnings (YMPE) and 11.60% of earnings above YMPE. The YMPE for the 2016 calendar year is \$54,900 (2015 - \$53,600).

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2016

15. Pensions (continued)

(b) Defined Benefit Plan (continued)

The employer must contribute to the DB pension trust fund each year no less than its portion of the total current service cost as determined by the Actuary. In addition, YCS shall contribute to the Solvency Account such additional amounts as may be required, based on the advice of the Actuary, to amortize any going concern unfunded liabilities and solvency deficiencies of the Plan.

Normal retirement date for an employee is when they terminate employment with YCS having reached the age of 65. An employee would be entitled to an unreduced early retirement date when the Members' age plus years of service at YCS total 90. A Member may elect to retire up to 10 years prior to their normal retirement date or their unreduced retirement date and take a reduced pension benefit.

The annual pension payable to Member who retires at the normal retirement date is equal to 1.30% of the a Member's Best Average Pensionable Earnings up to the Average YMPE plus 2% of the Member's Best Average Pensionable Earnings in excess of the Average YMPE, multiplied by years of Pensionable Service. Pensionable Earnings and the YMPE are averaged over the best 10 years prior to termination, death or retirement.

The plan provides inflation protection during retirement at 75% of the increase in Northwest Territories Consumer Price Index.

Benefits are vested immediately.

During fiscal 2015/2016 Yellowknife Catholic Schools contributed **\$1,591,275** (\$1,585,297 in fiscal 2014/2015) in respect of DB accruals.

The date of the most recent actuarial valuation of the Plan is June 30, 2015. The Accrued Benefit Obligation was calculated using the projected unit credit method, pro-rated on service.

The DB Pension Trust fund assets are recorded at fair market value.

(c) Supplementary Defined Benefit Pension Plan

The supplementary plan applies to the Superintendent and the Assistant Superintendents. The supplementary plan provides a pension benefit for pensionable earnings in excess of the defined benefit limit set out in the Income Tax Act. This plan is a non-contributory plan and is not funded until the employee terminates their employment from Yellowknife Catholic Schools. The employer is responsible to provide a pension at retirement equivalent to what the employee would have earned under the Defined Benefit provision of the Pension Plan for the Employees of Yellowknife Catholic schools if there were no *Income Tax Act* maximum pension limits in place. The Accrued Benefit Obligation was calculated using the projected unit credit method, pro-rated on service.

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15. Pensions (continued)

Information about the Defined Benefit Plan and Supplementary Defined Benefit Pension Plan as at June 30, 2016 is as follows:

(d) Plan assets

	Pension Plan	Supplementary Plan	2016
Fair value, beginning of year	\$ 10,237,300	\$ -	\$ 10,237,300
Expected return on plan assets	519,500	-	519,500
Employer contributions	1,690,200	-	1,690,200
Employee contributions	1,464,200	-	1,464,200
Employee prior service contributions	5,100	-	-
Benefit payments and expenses	(544,900)	-	(544,900)
Experience (loss) gain	(258,500)	-	(258,500)
Fair value, end of year	\$ 13,112,900	\$ -	\$ 13,112,900

(e) Accrued benefit obligations

	Pension Plan	Supplementary Plan	2016
Balance, beginning of year	\$ 9,895,300	\$ 24,800	\$ 9,920,100
Current service cost	2,779,400	33,000	2,812,400
Interest cost on accrued benefit obligation	559,100	700	559,800
Employer prior service cost	18,200	-	18,200
Employee prior service cost	5,100	-	5,100
Benefit payments and expenses	(544,900)	-	(544,900)
(Gains) / losses on accrued benefit obligation	169,700	15,600	185,300
Balance, end of year	\$ 12,881,900	\$ 74,100	\$ 12,956,000

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2016

15. Pensions (continued)

(f) Funded status

	Pension Plan	Supplementary Plan	2016
Plan surplus / (deficit)	\$ 231,000	\$ (74,100)	\$ 156,900
Unrecognized (gains) losses	431,300	14,200	445,500
Accrued benefit asset (liability) before limit on assets	662,300	(59,900)	602,400
Impact of limit on assets	(662,300)	-	(662,300)
Accrued benefit asset (liability) after limit on assets	\$ -	\$ (59,900)	\$ (59,900)

(g) Determination of pension cost

	Pension Plan	Supplementary Plan	2016
Current service cost	\$ 1,315,200	\$ 33,000	\$ 1,348,200
Interest on accrued benefit obligation	39,600	700	40,300
Amortization of losses / (gains)	200	(200)	-
Extraordinary items	18,200	-	18,200
Change in valuation allowance	317,000	-	317,000
Pension expense	\$ 1,690,200	\$ 33,500	\$ 1,723,700

Yellowknife Catholic Schools
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June 30, 2016

15. Pensions (continued)

Information about the Defined Benefit Plan and Supplementary Defined Benefit Pension Plan as at June 30, 2015 is as follows:

(h) Plan assets

	Pension Plan	Supplementary Plan	2015
Fair value, beginning of year	\$ 3,450,600	\$ -	\$ 3,450,600
Expected return on plan assets	258,500	-	258,500
Employer contributions	1,593,300	-	1,593,300
Employee contributions	1,437,500	-	1,437,500
Employee prior service contributions	3,574,300	-	3,574,300
Benefit payments and expenses	(229,100)	-	(229,100)
Experience (loss) gain	152,200	-	152,200
Fair value, end of year	\$ 10,237,300	\$ -	\$ 10,237,300

(i) Accrued benefit obligations

	Pension Plan	Supplementary Plan	2015
Balance, beginning of year	\$ 3,216,100	\$ 14,200	\$ 3,230,300
Current service cost	2,774,200	12,000	2,786,200
Interest cost on accrued benefit obligation	305,200	300	305,500
Employer prior service cost	50,700	-	50,700
Employee prior service cost	3,574,300	-	3,574,300
Benefit payments and expenses	(229,100)	-	(229,100)
(Gains) / losses on accrued benefit obligation	203,900	(1,700)	202,200
Balance, end of year	\$ 9,895,300	\$ 24,800	\$ 9,920,100

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2016

15. Pensions (continued)

(j) Funded status

	Pension Plan	Supplementary Plan	2015
Plan surplus (deficit)	\$ 342,000	\$ (24,800)	\$ 317,200
Unrecognized (gains) losses	3,300	(1,600)	1,700
Accrued benefit asset (liability) before limit on assets	345,300	(26,400)	318,900
Impact on limit of assets	(345,300)	-	(345,300)
Accrued benefit asset (liability)	\$ -	\$ (26,400)	\$ (26,400)

(k) Determination of pension cost

	Pension Plan	Supplementary Plan	2015
Current service cost	\$ 1,336,700	\$ 12,000	\$ 1,348,700
Interest on accrued benefit obligation	46,700	300	47,000
Amortization of losses/ (gains)	(3,500)	-	(3,500)
Extraordinary items	50,700	-	50,700
Change in valuation allowance	162,700	-	162,700
Pension expense	\$ 1,593,300	\$ 12,300	\$ 1,605,600

(l) Actuarial assumptions

	2016	2015
Discount rate - pension plan	4.50%	4.50%
Discount rate - supplementary plan	1.20%	1.20%
Expected return on plan assets - pension plan	4.50%	4.50%
Expected return on plan assets - supplementary plan	n/a	n/a
Salary increase - pension plan	2.00%	2.00%
Salary increase - supplementary plan	2.00%	2.00%
Mortality table	120% of the CPM 2014 table *	120% of the CPM 2014 table *
Expected average remaining services lifetime (EARSL) - pension plan	13.9 Years	14.2 Years
Expected average remaining services lifetime (EARSL) - supplementary plan	11.5 Years	7.5 Years

* 120% of the 2014 Canadian Pensioners' Private Sector Mortality Table with projection scale CPM-B.

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2016

15. Pensions (continued)

(m) Plan assets consist of:

	2016	2015
Fixed income securities	60%	60%
Equity securities	40%	40%

16. Long Term Debt

	2016	2015
VersaBank (formerly Pacific and Western) debenture facilities number 2, 3, and 4, repayable in monthly installments of \$68,016, including interest at 5.73%, final installment on maturity due in March 2018.	\$ 1,417,219	\$ 2,129,876
Government of the Northwest Territories debenture, repayable in monthly installments of \$10,000 including interest. Interest rate consistent with GNWT cost of borrowing at a current rate of 1.20%. If rates do not change the final installment will be due in 2024.	951,798	1,059,639
	\$ 2,369,017	\$ 3,189,515

The debenture are repayable annually as follows:

2017	\$ 863,763
2018	773,123
2019	111,828
2020	113,156
2021 and thereafter	507,147
	\$ 2,369,017

The debentures are registered.

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Notes to Consolidated Financial Statements

June 30, 2016

17. Post Employment Benefits and Compensated Absences

In addition to pension benefits, the YCS provides severance, removal and compensated absence (sick, accident or injury, special) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Severance benefits are paid to YCS employees based on the appropriate combinations that include inputs such as when the employee was hired, the rate of pay, and the number of years of continuous employment. Removal benefits are paid to YCS employees based on the number of years of continuous employment. The benefits under these two categories were actuarially valued using the Projected Unit Credit methodology.

Compensated absence benefits generally accrue as employees render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to employee or dependent illness, and death of an immediate family member. Non-accruing benefits include maternity and parental leave. Benefits that accrue under compensated absence were actuarially valued using the expected utilization methodology.

Change in estimate

During the year the method for calculating post employment benefits and compensated absences was refined to better reflect the probability that these benefits would be used in the future based on past experience.

Valuation results

The values presented below reflect the liability of the YCS' post employment benefits and compensated absences, actuarially determined as the present value of the accrued benefit obligation at June 30, 2016.

	2016	2015
Compensated absences	\$ 23,683	\$ -
Severance and removal	729,534	640,074
	\$ 753,217	\$ 640,074

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Notes to Consolidated Financial Statements

June 30, 2016

17. Post Employment Benefits and Compensated Absences (continued)

The discount rate used to determine the accrued benefit obligation was an average of 2.5%. The expected payments during the next five fiscal years are:

	Severance and removal	Compensated absences	Total
2017	\$ 183,009	\$ 3,066	\$ 186,075
2018	126,304	2,144	128,448
2019	121,322	2,125	123,447
2020	82,497	1,779	84,276
2021	58,778	1,585	60,363
	\$ 571,910	\$ 10,699	\$ 582,609

18. Trust Assets Under Administration

YCS does not have any trust assets under administration.

Yellowknife Catholic Schools
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Notes to Financial Statements

June 30, 2016

19. Tangible Capital Assets

	Cost	Additions	Disposals	Amortization	Accumulated Amortization	Net Book Value, June 30, 2016	Net Book Value, June 30, 2015
Land and Improvements	\$ 1,838,825	\$ -	\$ -	\$ -	\$ -	\$ 1,838,825	\$ 1,838,825
Equipment	169,701	293,413	-	63,508	134,693	328,421	98,516
Buildings and Portables							
Career and Technical Centre	2,878,913	-	-	73,888	883,938	1,994,975	2,068,863
Central Services offices	953,899	-	-	34,426	542,541	411,358	445,784
Ecole St. Joseph School	37,333,024	47,125	-	958,888	11,496,852	25,883,297	26,795,059
Ecole St. Patrick High School	11,723,901	-	-	295,787	6,152,402	5,571,499	5,867,287
Tallah Building	621,027	-	-	15,758	57,591	563,436	579,193
Weledeh Catholic School	12,557,840	-	-	330,161	4,925,946	7,631,894	7,962,056
	66,068,604	47,125	-	1,708,908	24,059,270	42,056,459	43,718,242
	\$ 68,077,130	\$ 340,538	\$ -	\$ 1,772,416	\$ 24,193,963	\$ 44,223,705	\$ 45,655,583

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Notes to Consolidated Financial Statements

June 30, 2016

20. Prepaid Expenses and Deposits

	2016	2015
Deposits	\$ 1,105	\$ 6,087
Other prepaids	53,004	57,935
	\$ 54,109	\$ 64,022

21. Accumulated Surplus/Deficit

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

22. Capital Advances

YCS does not have any capital advances.

23. GNWT Assets Provided At No Cost

YCS does not have any GNWT assets provided at no cost.

24. Contractual Obligations

YCS has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2016. YCS is committed to five janitorial contracts for various schools and buildings. All of the contracts expire in June 2017. YCS has a contract with First Canada ULC (o/a First Student Canada) for student transportation. The contract expires in June 2018 and can be extended for another three year period to June 2021. YCS has a contract with ThyssenKrupp for elevator maintenance. YCS is invoiced annually. This contract expires in February 2021. In its normal course of operations, YCS has leases for equipment. The equipment leases are payable in varying quarterly and annual installments.

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24. Contractual Obligations (continued)

The future minimum payments are as follows.

	Expires in fiscal year	2017	2018 - 2021	Total
Equipment leases	2017 - 2019			
Photocopier leases	2017	\$ 4,768	\$ -	\$ 4,768
Photocopier leases	2019	12,585	30,019	42,604
		17,353	30,019	47,372
Operation contracts	2017 - 2021			
Employee assistance program	2019	10,243	17,925	28,168
Mail services	2017	6,353	-	6,353
Janitorial services	2017	572,057	-	572,057
Bussing services	2018	360,547	360,547	721,094
Elevator maintenance	2021	27,005	160,677	187,682
		976,205	539,149	1,515,354
		\$ 993,558	\$ 569,168	\$ 1,562,726

Collective agreements with the Northwest Territories Teachers' Association and the Public Service Alliance of Canada as represented by its agent the Union of Northern Workers expired in June 2016. Subsequent to year end, negotiation packages have been exchanged between parties and dates for negotiation sessions have not been determined.

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Notes to Consolidated Financial Statements

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25. Contingencies

As of the audit report date, YCS does not have any contingencies.

26. Related Parties

YCS has the following transactions with government and other government controlled organizations:

	2016	2015
Revenue		
Aurora College (Tallah Building rent)	\$ 117,654	\$ 116,083
Beaufort Delta Divisional Educational Council	-	15,000
Fort Smith Health and Social Services	-	1,736
GNWT - Department of Education, Cultural and Employment	19,517,512	19,834,317
GNWT - Other Government Departments (Note 35)	72,968	117,556
South Slave Divisional Education Council	-	15,000
Yellowknife Health and Social Services	30,791	60,413
	\$ 19,738,925	\$ 20,160,105

Accounts Receivable

Aurora College (Tallah Building rent)	\$ -	\$ 2,985
GNWT - Department of Education, Cultural and Employment	125,409	72,000
Yellowknife Health and Social Services	11,553	15,332
	\$ 136,962	\$ 90,317

Accounts Payable

GNWT - Department of Education, Culture and Employment	\$ -	\$ 1,166,199
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Yellowknife Catholic Schools

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Notes to Consolidated Financial Statements

June 30, 2016

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 YCS.

The budget figures presented are those approved by the Trustees of YCS on May 20, 2015 and have not been audited.

28. Economic Dependence

YCS receives its funding primarily from the GNWT. If the funding arrangements were to change management is of the opinion that YCS operations would be significantly affected.

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29. Risk Management

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

a) Credit risk

Credit risk is the risk of financial loss to the YCS if a debtor fails to make payments of interest and principal when due. The YCS is exposed to this risk relating to its cash and cash equivalents, due from the Government of Canada, and accounts receivable. The YCS holds its cash in accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the YCS's cash in accounts are insured up to \$300,000.

YCS's maximum exposure to credit risk is represented by the financial assets balance for a total of \$4,916,452 (2015 - \$6,446,946).

Accounts receivable are ultimately due from the departments of the Government of Canada and the Northwest Territories and pertain to outstanding contribution agreements. Accounts receivable from the Government of Canada represents goods and services tax receivable from the Government of Canada. There is a concentration of credit risk as the majority of the deposits are held in one Canadian chartered bank and more than 10% of the total accounts receivable is from the Government of the Northwest Territories. The amounts represent a low credit risk as the debtors are reputable governments and government organizations with a good credit score.

b) Interest rate risk

YCS manages its exposure to interest rate risk through fixed rate borrowings for its debentures. The fixed rate debts are subject to interest rate price risk, as the value will fluctuate as a result of changes in interest rates.

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June 30, 2016

29. Risk Management (continued)

c) Liquidity risk

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

The table below shows when various financial assets and liabilities mature.

Financial assets	Up to 6 months	6 months to 1 year	1 to 5 years	Over 5 years
Cash and cash equivalents	\$ 4,521,653	\$ -	\$ -	\$ -
Due from the government of Canada	118,976	-	-	-
Accounts receivable	275,827	-	-	-
Total assets	\$ 4,916,456	\$ -	\$ -	\$ -
Total assets - prior year	\$ 6,446,946	\$ -	\$ -	\$ -
Financial liabilities	Up to 6 months	6 months to 1 year	1 to 5 years	Over 5 years
Accounts payable and accrued liabilities	\$ 418,415	\$ -	\$ -	\$ -
Payroll benefits payable	322,928	-	-	-
Due to the Government of Canada	33,058	-	-	-
Long term debt	-	863,763	1,112,305	392,949
Accrued payroll liabilities	2,707,128	-	-	-
Total liabilities	\$ 3,481,529	\$ 863,763	\$ 1,112,305	\$ 392,949
Total liabilities - prior year	\$ 4,320,533	\$ 779,641	\$ 2,568,874	\$ 620,641
Net total	\$ 1,434,927	\$ (863,763)	\$ (1,112,305)	\$ (392,949)
Net total - prior year	\$ 2,126,413	\$ (779,641)	\$ (2,568,874)	\$ (620,641)

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

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2016

30. Expenditures By Object

	2016 Budget	2016 Actual	2015 Actual
Amortization	\$ -	\$ 1,772,416	\$ 1,723,647
Compensation	20,914,718	21,079,290	20,704,652
Interest on long term debt	980,000	115,695	156,552
Materials/freight	568,472	586,809	722,705
Services purchased/contracted	3,129,167	3,025,421	3,073,575
	\$ 25,592,357	\$ 26,579,631	\$ 26,381,131

31. Subsequent Events

There were no subsequent events that have taken place between June 30, 2016 and the date the audit report was signed.

32. Comparative Figures

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

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2016

33.ECE Other Contributions

	2016	2015
Government of the Northwest Territories - Department of Education, Culture and Employment		
Aboriginal language	\$ 59,000	\$ 59,000
Do Edaezhe	-	923,000
Four Plus	100,000	100,000
French language - mentorship and other funding	68,875	47,000
French language	280,500	309,390
Other	46,217	55,031
Safe and caring schools	10,000	-
Yellowknife Family Center	67,000	62,000
	\$ 631,592	\$ 1,555,421

34.GNWT Other Contributions

	2016	2015
Government of the Northwest Territories		
Department of Industry, Tourism and Investment	\$ 8,000	\$ 13,500
Department of Health and Social Services	12,545	33,870
Department of Municipal and Community Affairs	52,423	70,186
	\$ 72,968	\$ 117,556

35.Payroll Liabilities

	2016	2015
Teachers - Northwest Territories Teachers' Association	\$ 2,137,079	\$ 1,791,394
Non-Teacher - Union of Northern Workers	570,049	556,565
	\$ 2,707,128	\$ 2,347,959

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2016

36. Statement of Remeasurement Gains and Losses

YCS does not have any remeasurement gains or losses.

37. Education Authority Generated Funds

	2016 Budget	2016 Actual	2015 Actual
Donations	\$ 36,000	\$ 53,897	\$ 118,969
Fees and sales	464,000	405,992	466,222
Investments	60,000	54,378	65,744
Other	161,000	371,463	316,019
Rentals	175,999	166,152	177,258
	\$ 896,999	\$ 1,051,882	\$ 1,144,212

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Schedule 1
Operating Fund - Detail of Expenditures

For the period ended June 30, 2016

	School Programs	Inclusive Schooling (Schedule 2)	Operations & Maintenance	Administration	Board Administration	Aboriginal Languages (Schedule 3)	Transfers & Others	Total 2016	Budget 2016	Total 2015
Salaries										
Teachers	\$8,928,447	\$1,807,109	\$ -	\$ -	\$ -	\$ 490,530	\$ -	\$11,226,086	\$10,986,743	\$11,450,740
Instruction assistants	28,550	1,582,540	-	-	-	-	-	1,611,090	2,036,763	1,493,377
Non-instructional	1,281,953	459,896	336,297	649,264	68,474	-	-	2,727,410	2,952,965	2,771,131
Board honoraria	-	-	-	68,474	68,474	-	-	68,474	63,745	65,335
	10,238,950	3,849,545	336,297	717,738	490,530	-	-	15,633,060	16,040,216	15,780,583
Employee Benefits										
Employee benefits	3,459,771	1,324,013	104,156	189,008	-	149,836	-	5,226,784	4,857,502	4,914,716
Leave and termination benefits	10,257	-	-	209,189	-	-	-	219,446	17,000	9,353
	3,470,028	1,324,013	104,156	398,197	149,836	-	-	5,446,230	4,874,502	4,924,069
Services Purchased/Contracted										
Advertising/publishing	12,004	-	-	43,191	-	12,504	-	67,699	89,750	89,658
Communication	49,282	3,554	6,604	21,406	-	-	-	80,846	85,238	88,406
Contracted services	542,717	12,964	619,322	2,430	-	8,235	-	1,185,668	1,225,387	1,190,923
Maintenance & repairs	2,114	1,596	294,887	155	-	3,627	-	302,379	487,556	305,798
Other	7,489	12,637	12,976	288,693	-	-	-	321,775	60,600	132,815
Professional/technical	12,420	22,650	-	101,011	-	10,655	-	146,736	141,658	245,585
Rental/leases	37,317	71,689	-	1,520	-	775	-	111,301	121,870	122,635
Student transportation	265	11,398	-	-	-	-	-	11,663	9,750	15,194
Travel	5,755	-	-	48,690	-	-	-	54,445	57,183	53,150
Utilities: Electricity	-	-	426,019	-	-	-	-	426,019	428,675	427,715
Heating	-	-	219,418	-	-	-	-	219,418	327,000	306,457
Water/sewage	-	-	97,472	-	-	-	-	97,472	94,500	95,239
	669,343	136,488	1,676,698	507,096	35,796	-	-	3,025,421	3,129,167	3,073,575
Materials/Freight										
Materials	392,132	89,935	-	70,488	-	29,888	-	582,443	556,472	714,591
Freight	4,366	-	-	-	-	-	-	4,366	12,000	8,114
	396,498	89,935	-	70,488	29,888	-	-	586,809	568,472	722,705

Continued on next page

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Schedule 1 (Continued)
Operating Fund - Detail of Expenditures

For the period ended June 30, 2016

	School Programs	Inclusive Schooling (Schedule 2)	Operations & Maintenance	Administration	Aboriginal Languages (Schedule 3)	Transfers & Others	Total 2016	Budget 2016	Total 2015
Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,772,416	\$ 1,772,416	\$ -	\$ 1,723,647
Debtenture Interest	-	-	-	-	-	115,695	115,695	980,000	156,552
	-	-	-	-	-	1,888,111	1,888,111	980,000	1,880,199
Total	\$14,774,819	\$ 5,399,981	\$ 2,117,151	\$ 1,693,519	\$ 706,050	\$ 1,888,111	\$26,579,631	\$25,592,357	\$26,381,131

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Schedule 2
Detail of Inclusive Schooling Expenditures

For the period ended June 30, 2016

	Staff Development	Intervention Strategies	Assistive Technology	Early Childhood	Magnet Facilities	Do Edaeze	General Inclusive Schooling	Total
Salaries								
Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 123,318	\$ 123,318
Non-instructional	-	205,249	-	254,647	-	-	-	459,896
Support assistants	-	1,525,574	-	-	56,966	-	-	1,582,540
Teachers	37,097	1,166,934	-	-	107,127	372,633	-	1,683,791
	37,097	2,897,757	-	254,647	164,093	372,633	123,318	3,849,545
Employee Benefits	90,710	979,488	-	86,452	49,837	85,442	32,084	1,324,013
Services Purchased/Contracted								
Contracted services	-	-	-	12,964	-	-	-	12,964
Communication	-	-	-	3,554	-	-	-	3,554
Maintenance & repairs	-	-	1,596	-	-	-	-	1,596
Professional/technical	-	7,216	-	15,434	-	-	-	22,650
Rental/leases	-	149	-	71,541	-	-	-	71,690
Student transportation	-	9,249	-	37	-	2,111	-	11,397
Other	-	12,637	-	-	-	-	-	12,637
	-	29,251	1,596	103,530	-	2,111	-	136,488
Materials/Freight	12,145	26,792	10,832	24,596	1,682	13,888	-	89,935
Total	\$ 139,952	\$ 3,933,288	\$ 12,428	\$ 469,225	\$ 215,612	\$ 474,074	\$ 155,402	\$ 5,399,981

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Schedule 3
Aboriginal Language and Culture Program Expenditures

For the period ended June 30, 2016

	Student Instruction	Teaching/ Learning Resources	Total
Salaries			
Elders honorarium	\$ 52,150	\$ -	\$ 52,150
Teachers	414,962	23,418	438,380
	467,112	23,418	490,530
Employee Benefits	143,187	6,650	149,836
Services Purchased/Contracted			
Contracted services	8,235	-	8,235
Maintenance and repairs	3,627	-	3,627
Printing and publishing	-	12,504	12,504
Professional/technical	10,655	-	10,655
Rentals	775	-	775
	23,292	12,504	35,796
Materials/Freight	25,474	4,414	29,888
Total	\$ 659,065	\$ 46,986	\$ 706,050

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 4
Aboriginal Language Materials

For the period ended June 30, 2016

	July 1, 2015 to March 31, 2016	April 1, 2016 to June 30, 2016	Total
Revenue			
Secretary of State Funding Aboriginal Languages	\$ 44,250	\$ 14,750	\$ 59,000
Expenditures			
Salary and benefits	17,511	12,556	30,067
Supplies and materials	12,165	4,753	16,918
	29,676	17,309	46,985
Surplus (Deficit)	\$ 14,574	\$ (2,559)	\$ 12,015

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 5
Four Plus

For the period ended June 30, 2016

	July 1, 2015 to March 31, 2016	April 1, 2016 to June 30, 2016	Total
Revenue			
Contract	\$ 75,000	\$ 25,000	\$ 100,000
Usage	29,951	12,447	42,398
	104,951	37,447	142,398
Expenditures			
Operations and maintenance	5,063	1,087	6,150
Salary and benefits	102,892	74,308	177,200
	107,955	75,395	183,350
Surplus (deficit)	\$ (3,004)	\$ (37,948)	\$ (40,952)

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 6
Yellowknife Family Centre

For the period ended June 30, 2016

	July 1, 2015 to March 31, 2016	April 1, 2016 to June 30, 2016	Total
Revenue			
Health Canada	\$ 184,800	\$ 23,442	\$ 208,242
Government of the Northwest Territories	50,250	16,750	67,000
Other	2,272	758	3,030
	237,322	40,950	278,272
Expenditures			
Operations and maintenance	101,686	31,604	133,290
Salary and benefits	96,071	67,827	163,898
	197,757	99,431	297,188
Surplus (deficit)	\$ 39,565	\$ (58,481)	\$ (18,916)

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Schedule 7
French Language Programs

For the period ended June 30, 2016

	Contribution from GNWT	Commitment from YCS	Actual Expenditures	Over (under) Expenditures
Bilateral Agreement Funding				
Special Projects				
Consultant - Immersion/Core French	\$ 60,000	\$ 87,000	\$ 151,282	\$ (4,282)
Core French (salary and benefits)	100,000	182,000	411,536	(129,536)
Early Immersion/Literacy (salary and benefits)	56,000	65,000	155,451	(34,451)
French cultural activities	4,000	5,000	7,040	1,960
French monitor	-	14,000	28,550	(14,550)
French resources	11,000	8,000	18,732	268
Professional development	4,000	8,000	17,144	(5,144)
Teacher assistant (salary and benefits)	45,500	30,000	82,347	(6,847)
Total	\$ 280,500	\$ 399,000	\$ 872,082	\$ (192,582)
Regular GNWT Funding				
Core French			\$ 445,203	
Immersion Program			1,511,070	
Total			\$ 1,956,273	

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 8
Student Success Initiative Projects

For the period ended June 30, 2016

	21st Century/ Google	Differentiated Professional Development	Total
Revenue			
Government of Northwest Territories - Department of Education, Culture and Employment	\$ 55,000	\$ 48,000	\$ 103,000
Expenditures			
Professional development	-	7,444	7,444
Staff salary and benefits	48,135	31,649	79,784
Substitute teacher wages	7,865	29,229	37,094
	56,000	68,322	124,322
Deficit	\$ (1,000)	\$ (20,322)	\$ (21,322)

Yellowknife District No.1 Education Authority

(Yellowknife Education District No. 1)

Financial Statements

June 30, 2016





Yellowknife District No. 1 Education Authority

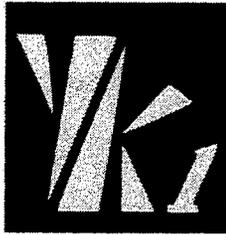
(the Authority)

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EDUCATING FOR LIFE.

YELLOWKNIFE EDUCATION DISTRICT NO. 1 OF THE NORTHWEST TERRITORIES

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

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
Duff Spence, Vice- Chairperson

Trustees:

Allan Shortt
Tina Drew
Jay Butler
Terry Brookes
Rajiv Rawat

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
- Receive programming which responds to their diverse learning needs in a respectful and inclusive manner
- Engage in Indigenous Languages, perspectives, and culture-based education
- Engage in healthy lifestyles and respectful, caring relationships.

YK1 core strategies

To ensure all students reach their highest level of learning by:

- Increasing success rate of early learners
- Consistently increasing the percentage of students working at grade level
- Increasing the percentage of students who successfully graduate or complete high school programs
- Increasing the success of all students reflecting the diversity of the student population
- Increasing student success in Mathematics and Science

To ensure all students receive programming which responds to their diverse learning needs in a respectful and inclusive manner by:

- Maintaining a high level of satisfaction with our Inclusive Education Program.
- Strengthening inclusive school communities
- Increasing the level of competence among teachers in their ability to deal with diverse needs

To ensure all students are engaged in Indigenous Languages, perspectives, and culture-based education by:

- Integrating culturally relevant learning into instructional programming
- Increasing the offerings of the Willideh language
- Ensuring all schools reflect Indigenous Language and culture
- Engaging all students in Indigenous cultural experiences
- Increasing the number of skilled instructors of Indigenous Language and Culture-based education
- Strengthening relationships with Indigenous communities

To ensure all students engage in healthy lifestyles and respectful, caring relationships.

- Increasing student participation in physical activities
- Improving student involvement and participation in the Arts
- Increasing student awareness of nutrition and the importance of healthy food choices
- Promoting positive relationships, resiliency and good citizenship
- Increasing awareness and access to wellness and mental health activities

Operating Environment

YK1 operates six schools in the City of Yellowknife. The following are the key programming highlights in each of our schools:

Mildred Hall School:

- Mildred Hall School (MHS) offers grades from Pre-Kindergarten to Grade 8.
- Mildred Hall is an English school that offers Core French, Aboriginal Language and culture based education is available to all grade levels.
- Special programs include Choir, Band, Aboriginal Education and Hockey Academy.
- There are a wide variety of extracurricular sports and clubs available.
- Exploratory programs include outdoor education, wood working, technology, foods, mountain bike riding, snowshoeing and skiing
- An "On the Land Mentorship" program was established, where students are paired with Aboriginal experts and elders to learn important skills like snaring, tanning moose hide and setting nets.
- This past year Mildred Hall School won the Staples "Superpower your School Contest". The schools had to demonstrate initiatives they had implemented to help save the planet. Mildred Hall was selected because of their ongoing sustainability efforts, and as a result the school was awarded \$25,000 to be spent on new technology.
- Mildred Hall also has a large garden, where the students grow vegetables that are used in the foods program.

N.J Macpherson School:

- N.J. Macpherson School (NJM) offers grades from Kindergarten to Grade 5 (the Pre- Kindergarten program is run by the Montessori Society)
- N.J.M is an English school that offers Core French.
- Special programs include Montessori, Visual Arts, Music, Drama and Gymnastics
- Extracurricular sports and clubs are offered.
- Aboriginal Language and Culture is integrated into classroom sessions, and students get to attend a culture camp.

École J.H. Sissons:

- École J.H. Sissons offers French Immersion grades from Pre-Kindergarten to Grade 5.
- Students get to participate in French culture camps, Camp de Neige, and Grade 8 French student travel to Quebec
- Special programs include Choir, Musical Theatre, Afterschool Athletic Program, and Speedskating Academy
- Aboriginal Language and Culture is integrated into classroom sessions, and students get to attend a culture camp.

École William McDonald Middle School:

- École William McDonald Middle School (WMS) offers grades 6 to 8 in both English and French Immersion.
- Other French options include Intensive French is offered in Grade 6, Post-Intensive French in Grade 7 & 8, and Core French is offered from Grade 6 to 8.
- Exploratory programs including Industrial Arts, Home Economics, Outdoor Education
- Multi-Sport "Sports Academy" program which includes: hockey, soccer, dance, fitness and cross training
- A new fitness room was constructed which will allow the school to expand its sports programming in the 2016-17 school year
- Special multiple day camps available for grade 8 students such as Camp Akaitcho and Hidden Lake Canoe Trip
- Legislative Assembly Page program

Range Lake North School:

- Range Lake North School (RLN) offers grades from Pre-Kindergarten to Grade 8
- Intensive French is offered in Grade 6, Post-Intensive French in Grade 7 & 8, and Core French is offered in Grade 6 to 8
- Aboriginal Language and Culture is integrated into classroom sessions, and students get to attend a culture camps
- Special programs include music, band, choir and drama
- Advanced technology program and technology classes offered
- Athletic Excellence program and extracurricular sports

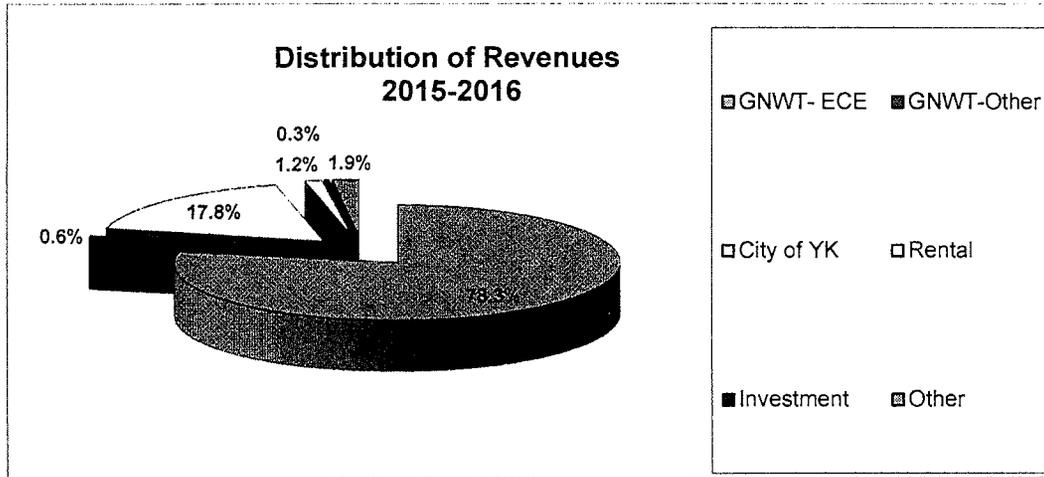
École Sir John Franklin High School:

- École Sir John Franklin High School (SJF) offers grades 9 to 12 in both English and French Immersion
- Dynamic Fine Arts program that includes music, band, choir, drama and visual arts
- Extensive trades curriculum and work experience, that includes Industrial Arts, automotives and esthetics
- Aboriginal culture programming and camps, including language instruction
- Extra-curricular sports and clubs offered
- At Risk Student program that provides support and resources for students struggling in school, socially or at home. Each at risk student is assigned a student support staff person, and they organize weekly check-ins with the student to ensure they are on track for graduation. For those students that need counseling or suffer from addictions, weekly visits from Yellowknife Health & Social Services are arranged.
- Opportunities for students to travel abroad for volunteering, scuba club and a French Immersion trip
- Night classes are available

Route 51 Learning:

- Route 51 Learning Institute is an alternate high school program
- Offers a flexible schedule designed to accommodate students
- Offers credits for work experience
- Smaller student to teacher ratio, and students can focus on one course at a time

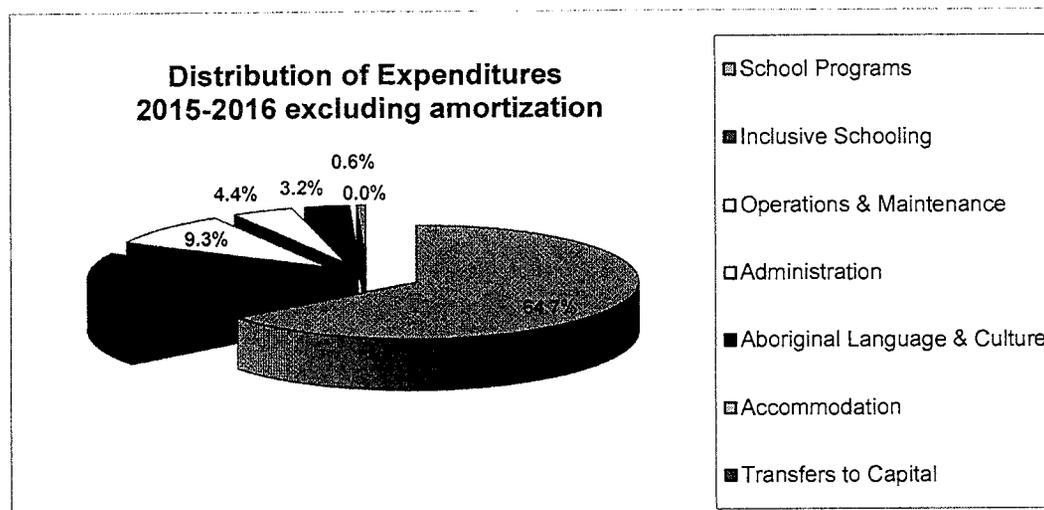
Financial Condition



Revenues

	<u>2015/2016</u>	<u>2014/2015</u>
GNWT- ECE	25,914,913	25,033,093
GNWT-Other	304,393	46,875
City of YK	5,879,078	5,737,836
Rental	398,626	382,722
Investment	103,222	129,279
Other	508,997	564,869
Total Revenues	33,109,229	31,894,674

Funding from the Department of Education, Culture and Employment (ECE) make up 78.3% of the revenues. The City of Yellowknife funds 17.8% and the remainder is generated from investment income, Nordic Arms apartment rentals, preschool fees, superintendent services, and parking lot rentals.



Expenses (excludes amortization)

	<u>2015/2016</u>	<u>2014/2015</u>
School Programs	21,594,279	20,725,075
Inclusive Schooling	5,971,619	5,455,847
Operations & Maintenance	3,164,669	3,193,088
Administration	1,506,972	1,250,306
Aboriginal Language & Culture	1,068,510	939,196
Accommodation	201,858	177,930
Transfer to Capital		103,774
Total Expenses	<u>33,507,907</u>	<u>31,845,216</u>

Expenditure allocations are based on the Department of Education, Culture and Employment (ECE) funding formula. Eighty five percent (85%) of expenditures consists of School Programs, Inclusive Schooling, and Aboriginal Language and Culture which are directly related to schools. There is a decrease in Operations and Maintenance when compared to the budgeted amount due to decrease in utilities costs.

Unrestricted Surpluses:

The accumulated operating surplus is the overall operations of the district, the decentralized surplus is school operations and maintenance, and capital surplus is for major capital expenditures.

	<u>2015/2016</u>	<u>2014/2015</u>	<u>Change</u>
Operating	729,781	1,352,510	(622,729)
Capital	904,165	904,165	
Decentralized (schools)	<u>130,049</u>	<u>242,448</u>	<u>(112,399)</u>
Total	<u>1,763,995</u>	<u>2,499,123</u>	<u>(735,128)</u>

The accumulated operating surplus decreased by (\$622,729) and the decentralized surplus decreased by (\$112,399), the total change is an overall decrease of (\$735,128). The overall unrestricted surpluses is 5% of total expenditures.

The accumulated unrestricted surplus has enabled YK1 to maintain quality programming for its students which has been a key strength of the district. Programming in schools was not affected this year, despite overall funding cuts from the Department of Education Culture & Employment (ECE) to fund JK in the communities.

YK1 has older schools that require replacement or renovation. YK1 has been lobbying ECE to have École J.H. Sissons' renovated or replaced, and for Mildred Hall School renovations to be completed.

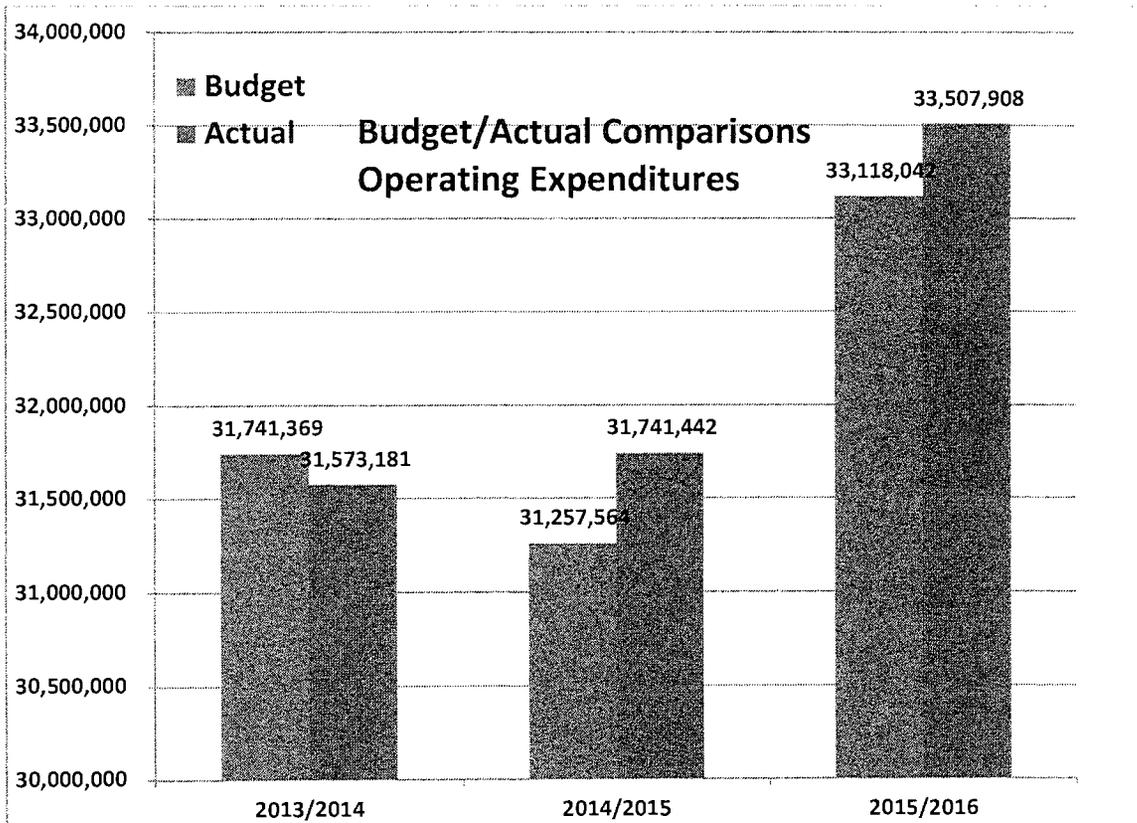
Some of the District's schools are underutilized due to declining enrolment. YK1 participates in space sharing with Commission Scolaire Francophone Territories Du Nord-Ouest and various other groups to fill some of these spaces.

Restricted Reserves

LED Lights Conversion Reserve:

Unspent ECE utility funding 2014/2015	\$90,778
Unspent ECE utility funding 2015/2016	<u>245,672</u>
Total Reserve	<u>336,450</u>

Department of Education, Culture and Employment has agreed to allow YK1 to maintain the unspent utility funding to be used for conversion of current lighting to LED lighting in the schools. LED lights can save 30% or more of energy cost. This is a direct savings to ECE as the energy costs decrease the funding for energy would decrease accordingly.



YK1 revenues are higher than budget by \$901,145 due to:

- ECE, \$90,000 Playground equipment funding for MHS and JHS
- ECE, \$256,897 termination funding which is a year after it is paid
- ECE, \$ 115,000 pupil teacher ratio (PTR) top-up funding
- ECE \$62,400 for mentorship(\$35,000), self- regulation (\$13,000), safe and caring schools (\$14,400)
- Urban Partnerships program \$60,000 (\$120,000 in total) funding for ALC from Alberta Native Friendships Centres Association
- MACA, \$100,800 for Active after school and take a kid trapping funding
- District generated revenue and miscellaneous contributions \$112,466
- Rental revenue higher by \$18,626

YK1 expenses are higher than budget by 1,413,978 due to:

- amortization of fixed assets of \$1,024,113 was not considered when the budget was prepared
- schools spending their surpluses by \$112,399
- school programs O&M increase overall of \$226,000 due to bussing, recruitment, resources.

<u>School</u>	Enrolment K-12		Teachers/ Admin/ PST		Pupil/Teacher ratio	
	Sep-15	Jun-16	Sep-15	Jun-16	Sep-15	Jun-16
Mildred Hall School	228.5	240.0	15.00	15.00	15.23	16.00
JH Sissons	249.5	245.0	17.60	17.60	14.18	13.92
William McDonald School	177.0	167.0	12.25	12.25	14.45	13.63
NJ Macpherson School	272.5	278.0	17.50	17.50	15.57	15.89
Range Lake North School	301.0	305.0	21.35	21.35	14.10	14.29
Sir John Franklin High School	616.5	599.0	33.00	33.00	18.68	18.15
Total District	1,845.0	1,834.0	116.70	116.70	15.81	15.72

Overall enrolment decrease by 9 students by the end of the year.

Summary and Outlook

In 2015-2016, YK1 faced many challenges including important decisions about the use of its 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:

- 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
- The Board has approved that going forward in the 2016-17 school year the District will start transitioning from fluorescent lightbulbs to LED lightbulbs. This will be more environmentally sustainable, and will save the District and ECE money in the long term.
- Outdoor beautification initiatives and gardening at the District’s schools continues to be a priority of the Board. This past spring several garden beds were installed at William MacDonald School. There was also a new mural unveiled at Mildred Hall School that represents the school’s community philosophy of modern and traditional learning.
- All of the schools continued to offer a food program, which included a breakfast, lunch and snacks for students who need that kind of support. Students were also able to take home food kits for the weekend.
- Parent conversation nights held at YK1 schools encouraged parents to speak about what programming they wanted to see at their schools. Several parent survey and feedback opportunities were conducted, allowing guardians to provide input on the 2016-17 programming.
- The Board finalized the Strategic Plan for 2016-2019, which includes a strong focus on literacy and numeracy, inclusive schooling, Aboriginal culture, and promoting healthy relationships and lifestyles.

Foreseeable challenges for 2016-2017:

- 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 rollout of the GNWT’s JK in YK1 schools in the 2017-18 school year with no additional funding for implementation within our schools.



Yellowknife District No. 1 Education Authority

(the Authority)

Management Responsibility for Financial Reporting

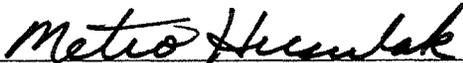
To the Minister of Education, Culture and Employment Government of the Northwest Territories

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.

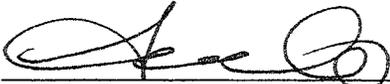
Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that 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, 2016, 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

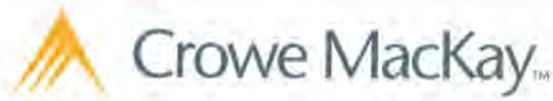
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements 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, 2016, 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 transactions that have come under our notice, have, in all significant respects, been within the statutory powers of Yellowknife District No. 1 Education Authority.

Crowe MacKay LLP

**Yellowknife, Northwest Territories
September 13, 2016**

Chartered Accountants



Yellowknife District No. 1 Education Authority

(the Authority)

Consolidated Statement of Financial Position

Statement 1

As at June 30,	2016	2015
	\$	\$
FINANCIAL ASSETS		
Cash (Note 4)	668,843	-
Portfolio Investments (Note 7)	5,193,662	6,183,106
Due from Government of Canada (Note 13)	89,104	96,833
Accounts Receivable (Note 8)	1,569,312	1,504,072
	7,520,921	7,784,011
LIABILITIES		
Bank Indebtedness (Note 4)	-	45,244
Accounts Payable and Accrued Liabilities (Note 10)	292,534	432,182
Payroll Liabilities (Note 35)	3,363,405	3,079,425
Leave and Termination Benefits (Note 17)	1,645,992	1,576,617
Vacation payable	267,122	276,648
Deferred revenue (Note 11)	26,000	72,000
	5,595,053	5,482,116
NET FINANCIAL ASSETS	1,925,868	2,301,895
NON-FINANCIAL ASSETS		
Prepaid Expenses (Note 20)	147,714	170,421
Tangible Capital Assets (Note 19)	14,521,180	15,545,293
Inventories (Note 9)	26,865	26,807
	14,695,759	15,742,521
ACCUMULATED SURPLUS	16,621,627	18,044,416
Represented by:		
Operating Fund	729,783	1,352,510
Investment in Tangible Capital Assets	14,521,180	15,545,293
Decentralized Surplus	130,049	242,448
Capital Fund Reserve	904,165	904,165
LED Reserve	336,450	-
	16,621,627	18,044,416

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,	2016 Budget \$	2016 Actual \$	2015 Actual \$
REVENUE			
Government of the Northwest Territories			
Regular contributions	24,730,708	25,143,756	24,275,943
Other contributions (Note 33)	123,000	213,000	216,750
Aboriginal languages	60,000	120,000	73,900
French revenue	472,000	438,157	466,500
Total ECE	25,385,708	25,914,913	25,033,093
GNWT other contributions (Note 34)	-	304,393	46,875
Property tax requisitioned	5,865,800	5,879,078	5,737,836
Education authority generated funds			
Rental income	380,000	398,626	382,722
Portfolio investment income	102,000	103,222	129,279
Other (Note 37)	474,576	508,997	564,869
	956,576	1,010,845	1,076,870
Total revenue	32,208,084	33,109,229	31,894,674
EXPENDITURES			
School programs	21,555,593	21,594,278	20,725,074
Inclusive schooling	5,717,655	5,963,079	5,455,847
Staff accommodations	197,500	201,858	177,930
Operations and maintenance	3,243,824	3,164,669	3,193,088
Administration	1,446,019	1,506,971	1,250,306
Aboriginal language/cultural programs	957,451	1,077,050	939,196
Amortization	-	1,024,113	1,041,938
Total operating expenditures	33,118,042	34,532,018	32,783,379
Operating deficit before other items	(909,958)	(1,422,789)	(888,705)
Other items			
Grant in-kind - GNWT Assets provided at no cost (Note 23)	-	1,799,767	1,799,767
Rent expense - GNWT Assets provided at no cost (Note 23)	-	(1,799,767)	(1,799,767)
Operating deficit	(909,958)	(1,422,789)	(888,705)
Opening accumulated surplus	-	18,044,416	18,933,121
Closing accumulated surplus	(909,958)	16,621,627	18,044,416



Yellowknife District No. 1 Education Authority

(the Authority)

Consolidated Statement of Changes in Net Financial Assets

Statement 3

For the ended June 30,	2016	2015
	\$	\$
Operating deficit	(1,422,789)	(888,705)
Acquisition of tangible capital assets	-	(103,774)
Amortization of tangible capital assets	1,024,113	1,041,939
	(398,676)	49,460
Change in inventory	(60)	(26,807)
Change in prepaid expenses	22,707	(3,101)
	22,647	(29,908)
Increase (decrease) in net assets	(376,029)	19,552
Net asset at beginning of year	2,301,895	2,282,343
Net asset at end of year	1,925,866	2,301,895



Yellowknife District No. 1 Education Authority

(the Authority)

Consolidated Statement of Cash Flows

Statement 4

For the year ended June 30,	2016 \$	2015 \$
<i>Cash provided by (used in)</i>		
OPERATING TRANSACTIONS		
Operating deficit	(1,422,793)	(888,706)
Item not affecting cash:		
Amortization	1,024,113	1,041,938
Changes in non-cash assets and liabilities		
Decrease (increase) Due from (to) Government of Canada	7,729	4,192
Decrease (increase) accounts receivable	(65,240)	(752,170)
Increase (decrease) accounts payable	(149,174)	353,402
Increase (decrease) payroll liabilities	283,980	53,976
Increase (decrease) deferred revenue	(46,000)	(1,361,087)
Increase (decrease) post-employment benefits	69,375	(336,065)
Decrease (increase) inventory	(58)	(26,807)
Decrease (increase) prepaid expenses	22,707	(3,101)
CASH USED FOR OPERATING TRANSACTIONS	(275,361)	(1,914,428)
INVESTING TRANSACTIONS		
Disposition of portfolio investments	989,448	-
Acquisition of portfolio investments	-	(17,696)
CASH PROVIDED BY (USED FOR) INVESTING TRANSACTIONS	989,448	(17,696)
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	714,087	(2,035,898)
CASH (BANK INDEBTEDNESS) AT BEGINNING OF YEAR	(45,244)	1,990,654
CASH (BANK INDEBTEDNESS) AT END OF YEAR	668,843	(45,244)
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 \$	Staff Accommodation \$	Operations and Maintenance \$	Administration \$	Aboriginal Languages \$	Total 2016 \$	Budget 2016 \$	Total 2015 \$
SALARIES									
Honoraria	-	-	-	-	62,145	-	62,145	70,784	68,115
Instructional assistants	731,435	2,272,441	-	-	-	96,833	3,100,709	3,278,265	3,052,690
Non-instructional staff	1,995,611	-	20,431	496,372	926,592	295,591	3,734,597	3,297,584	3,485,550
Teachers	13,483,777	2,351,226	-	-	28,240	252,874	16,116,117	14,856,480	15,132,557
	16,210,823	4,623,667	20,431	496,372	1,016,977	645,298	23,013,568	21,503,113	21,738,912
EMPLOYEE BENEFITS									
Employee benefits/allowances	2,819,660	882,527	1,376	119,494	168,619	106,151	4,097,827	5,712,556	4,215,057
Leave and termination benefits	(296,107)	273,606	-	27,722	37,619	27,481	70,321	-	(59,416)
	2,523,553	1,156,133	1,376	147,216	206,238	133,632	4,168,148	5,712,556	4,155,641
SERVICES PURCHASED									
Advertising and printing	-	-	-	-	30,744	-	30,744	30,800	25,321
Communication	63,500	-	-	8,353	60,120	-	131,973	88,300	100,109
Contracted services	228,351	96,145	-	278,372	-	167,462	770,330	721,773	803,013
Maintenance and repairs	87,017	34,298	79,480	479,726	914	20,992	702,427	631,077	576,756
Other	96,805	-	-	-	102,234	-	199,039	200,500	226,013
Professional and technical	710,905	17,598	-	68,099	34,981	29,270	860,853	436,500	411,129
Rentals and leases	141,305	-	-	-	7,317	-	148,622	164,670	157,644
Student transportation	421,124	16,094	-	-	-	12,326	449,544	405,000	393,137
Travel	103,405	-	-	-	-	-	103,405	5,000	6,824
Utilities	-	-	-	-	-	-	-	1,897,000	-
Heating	-	-	28,237	539,828	-	-	568,065	-	754,317
Electricity	-	-	48,379	917,075	-	-	965,454	-	974,393
Water/Sewage	-	-	22,148	160,779	-	-	182,927	-	173,837
	1,852,412	164,135	178,244	2,452,232	236,310	230,050	5,113,383	4,580,620	4,602,493
MATERIALS									
Awards and student events	16,492	-	-	-	24,654	-	41,146	45,963	25,125
Freight	18,669	-	-	411	2,095	-	21,175	29,000	13,332
Materials and supplies	972,329	19,144	1,807	68,438	20,697	68,070	1,150,485	1,246,790	1,205,938
	1,007,490	19,144	1,807	68,849	47,446	68,070	1,212,806	1,321,753	1,244,395
AMORTIZATION									
	-	-	-	-	1,024,113	-	1,024,113	-	1,041,938
Total operating expenditures	21,594,278	5,963,079	201,858	3,164,669	2,531,084	1,077,050	34,532,018	33,118,042	32,783,379



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 2016 \$
SALARIES				
ALCBE Teachers	252,874	-	-	252,874
Instructional Assistants	96,833	-	-	96,833
Non Instructional Staff	-	-	295,591	295,591
	349,707	-	295,591	645,298
EMPLOYEE BENEFITS	133,632	-	-	133,632
SERVICES PURCHASED				
Professional and technical	-	29,270	-	29,270
Maintenance and repairs	-	-	20,992	20,992
Student travel	-	-	12,326	12,326
Contracted services	-	-	167,462	167,462
	-	29,270	200,780	230,050
MATERIALS				
Materials and supplies	-	-	68,070	68,070
Total operating expenditures	483,339	29,270	564,441	1,077,050



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 2016 \$
SALARIES			
Program support teachers	-	2,351,226	2,351,226
Support assistants	20,431	2,252,010	2,272,441
	20,431	4,603,236	4,623,667
EMPLOYEE BENEFITS			
	-	1,156,133	1,156,133
SERVICES PURCHASED			
Professional and technical	17,598	-	17,598
Student transportation	16,094	-	16,094
Maintenance and repairs	34,298	-	34,298
Contracted services	96,145	-	96,145
	164,135	-	164,135
MATERIALS			
Materials and supplies	19,144	-	19,144
Total operating expenditures	203,710	5,759,369	5,963,079



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, 2016

	Contribution from the Department \$	Commitment from the Authority \$	Expenses \$	Over(under) funding \$
Literacy Coach (Salary)	70,000	50,000	139,355	(19,355)
Teacher Assistants (Salary)	35,000	35,000	146,381	(76,381)
Intensive & Enhance French (Salary)	70,000	230,000	538,645	(238,645)
PIF (Elective courses at SJF)	50,000	10,000	52,466	7,534
Special Projects				
French Camps	13,000	2,000	17,662	(2,662)
French Resources	46,000	10,000	52,093	3,907
Assessment, Intensive French	15,000	5,000	33,793	(13,793)
Cultural Activities	12,000	3,000	16,161	(1,161)
Professional Development	31,000	9,000	50,911	(10,911)
Consultant	80,000	140,000	208,267	11,733
Total	422,000	494,000	1,255,734	(339,734)



Yellowknife District No. 1 Education Authority

(the Authority)

Report on Activities of Specific Programs

Statement 9

Aboriginal Languages

For the year ended June 30,

**2016
\$**

Secretary of State (Heritage Canada)

Revenue

Contribution from federal government

60,000

Expenses

Salaries and benefits

113,259

Other operating and maintenance

1,364

114,623

Deficit

(54,623)



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,

2016
\$

Revenue

Government of the Northwest Territories
Deficit from Prior Years

123,000
(30,976)

Total revenue

92,024

Expenses

Salaries/Wages

Facilitator fees (including per diems)
Substitute teacher wages

39,607
47,525

Travel

Other expenses

5,500

Workshop expenses

Staff PD and miscellaneous

5,541

Total expenses

98,173

Deficit

(6,149)



Yellowknife District No. 1 Education Authority

(the Authority)

Report on Activities of Specific Programs

Statement 11

Community Outreach Program

For the year ended June 30,

2016
\$

Revenue

Alberta Native Friendship Centres Association

120,000

Expenses

Salaries and benefits

121,185

Materials and supplies

14,588

Total expenses

135,773

Deficit

(15,773)



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2016

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, 2016

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.

LED Reserve

The LED Lights Reserve represents the unspent portion of the ECE's utility funding since the 2014/2015 school year as a result of lower fuel costs. The reserve funds will be used for YK1 to convert current lights to LED lights which are expected to result in a decrease of at least 30% in electricity costs.

b) Cash and Cash Equivalents

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



June 30, 2016

2. Significant Accounting Policies (Continued)

c) Financial Instruments

Financial assets originated or acquired or financial liabilities issued or assumed in an arms's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

Financial assets measured at amortized cost include cash, portfolio investments accounts receivable, 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.

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.



June 30, 2016

2. Significant Accounting Policies (Continued)

e) Tangible Capital Assets

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

Asset Category	Amortization Period:
Land and improvements	- Indefinite
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, 2016

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.



June 30, 2016

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, 2016

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, 2016

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 in the Special Purpose Funds line item. 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.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2016

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.

The LED Lights Reserve is unspent utility funding from ECE set aside by the Authority for conversion to energy efficient lighting in schools.



June 30, 2016

3. Future Accounting Changes

Related Party Transactions: Inter-entity Transfer Valuations, Section PS 2200

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

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

Assets, Section PS 3210

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

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

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)

	2016	2015
	\$	\$
Cash (Bank indebtedness)	668,843	(45,244)

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.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2016

5. Special Purpose Funds

The Authority does not have special purpose funds.

6. Restricted Assets

The Authority does not have restricted assets.

7. Portfolio Investments

	2016 \$	2015 \$
GIC Investment with CIBC (interest rate range from 1.7% to 1.77% and maturity range from November 18, 2016 to April 17, 2017)	3,169,590	4,158,886
GIC Investment with RBC Dominion Securities (interest rate range from 1.83% to 1.95% and maturity range from November 17, 2016 to November 6, 2017)	2,024,072	2,024,220
	5,193,662	6,183,106

The investments are recorded at fair market value plus any interest earned to June 30, 2016. The fair market value at June 30, 2016 is equal to the cost.



Yellowknife District No. 1 Education Authority

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Notes to Consolidated Financial Statements

June 30, 2016

8. Accounts Receivable

	2016 \$Net	2015 \$Net
Aurora College	5,184	-
South Slave DEC	-	15,271
Yellowknives Dene First Nation (Kalemi Dene School)	1,140,715	807,002
Dettah District Education Authority (Kaw Tay Whee School)	211,268	397,082
Commission Scolaire Francophone Territoires Du Nord Ouest	16,250	14,895
Department of Education, Culture and Employment	10,105	92,326
Department of Health and Social Services	-	8,741
Yellowknife Catholic Schools	1,070	-
Trade Receivables	184,720	168,755
Total	1,569,312	1,504,072

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

9. Inventories

Inventory consists of computer equipment held for use for the next school year.

10. Accounts Payable and Accrued Liabilities

	2016 \$	2015 \$
Aurora College	1,050	-
Dettah DEA (Kaw Tay Whee School)	-	1,000
Accrued interest	17	12
Damage deposits	25,602	28,798
Trade payable	265,865	401,512
WSCC	-	860
	292,534	432,182



Yellowknife District No. 1 Education Authority

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Notes to Consolidated Financial Statements

June 30, 2016

11. Deferred Revenue

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

	2016	2015
	\$	\$
GNWT HSS - Drop the Pop	3,000	-
GNWT MACA - Take a Kid Trapping	8,000	-
GNWT ECE - Preschool	-	12,000
GNWT ECE - TLC	-	60,000
GNWT MACA - Youth Corps	15,000	-
	26,000	72,000

12. Contribution Repayable

The Authority does not have any contribution repayable.

13. Due from the Government of Canada

Receivables	2016	2015
	\$	\$
GST Receivable	89,104	96,833
Projects on behalf of the Gov't of Canada	-	-
Miscellaneous Receivables	-	-
	89,104	96,833

14. Capital Lease Obligations

The Authority does not have any Capital Lease Obligations.



June 30, 2016

15. Pension

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 \$1,267,516. 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 \$163,715 for January 2016, and \$159,705 for January 2015. The maximum monthly contributions is \$2,183 for January 2016, and \$2,129 for January 2015.

NEBS is an employer owned program and as such the Authority will be liable for its portion of any shortfall. The Plan serves 2,481 Employee Members and 93 Employer Members (total active, disabled and on leave 1430).

As of January 1, 2016, the excess (deficiency) of actuarial value of net assets over actuarial present value of defined benefits is estimated to be \$12,500,000 - funded ratio 109% (2015 - \$2,600,000 and 102%) on a going concern valuation basis. The Plan had a solvency ratio deficiency of \$90,903,100 and a solvency ratio of 64%. 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, 2015, the NEBS Pension plan had an accumulated surplus of \$24,872,610.

As of April 2004, the OSFI has exempted NEBS from compliance with the Pension Benefits Standards Act (PBSA). On April 2015, the Legislative Assembly passed The Northern Employee Benefits Act (Bill 12) which was enacted October 1, 2015. NEBS is now operating under Bill 12.

16. Long-Term Debt

The Authority does not have long-term debt.



June 30, 2016

17. Other Employee Future Benefits and Compensated Absences

In addition to the pension benefits, The Authority provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Severance benefits are paid to The Authority's employees based on the type of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee was hired, the rate of pay, the number of years of continuous employment and age and the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology for June 30, 2016 and management estimates for June 30, 2015.

Compensated absence benefits for all staff are accrued as employee render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to employee or dependent illness and death of an immediate family member. Non-accruing benefits include maternity and parental leave. Under PSAB 3255, accumulating vesting and non-vesting (sick leave paid only upon illness-related absence) are required to be accrued.

Change in estimate

During the year ended June 30, 2016, the method for calculating other employee future benefits and compensated absences was refined to better reflect the probability that these benefits would be used in the future based on past experience. The GNWT has contracted an actuarial company to place a value on the expected cost of sick leave usage in the future based on employee data. Compensated absences are the total value of vested and non-vested future sick leave costs, that were actuarially valued using the expected utilization methodology.

Valuation results

The actuarial valuation includes the liabilities as at June 30, 2016. The liabilities are actuarially determined as the present value of the accrued benefits at June 30, 2016. The balances for June 30, 2015 were not actuarially valued, they were management estimates based on employee data at June 30, 2015 and does not include non-vested future sick leave costs. The values presented for June 30, 2016 below are for all of the benefits under the Compensated Absences and Termination Benefits for the Authority.



Yellowknife District No. 1 Education Authority

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Notes to Consolidated Financial Statements

June 30, 2016

17. Other Employee Future Benefits and Compensated Absences (Continued)

	2016	2015
	\$	\$
Resignation, retirement, and compensated absences	893,976	608,008
Removal	752,016	968,609
	1,645,992	1,576,617

The discount rate used in the 2016 fiscal year to determine the accrued benefit obligation was an average of 2.5%. The expected payments during the next fiscal year is \$55,035.

18. Trust Assets Under Administration

The Authority does not have any trust assets under administration.



Yellowknife District No. 1 Education Authority

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Notes to Consolidated Financial Statements

June 30, 2016

19. Tangible Capital Assets

	Cost \$	Accumulated Amortization \$	2016 Net Book Value \$	2016 Net Book Value \$
Land and improvements	1,299,476	-	1,299,476	1,299,476
School buildings				
Ecole Sir John Franklin	2,253,436	(1,007,241)	1,246,194	1,310,468
William McDonald	7,078,328	(6,016,579)	1,061,749	1,238,707
Mildred Hall	11,009,651	(5,751,432)	5,258,219	5,533,460
Range Lake North	8,215,859	(4,724,119)	3,491,740	3,697,136
N. J. Macpherson	5,329,162	(3,816,374)	1,512,788	1,649,246
Ecole J. H. Sissons	2,436,769	(2,436,769)	-	-
	36,323,205	(23,752,514)	12,570,690	13,429,017
Other buildings				
Administration office	1,070,827	(615,725)	455,102	481,872
Nordic Arms residence	595,205	(595,205)	-	-
Total land and buildings	39,288,713	(24,963,444)	14,325,268	15,210,365
Equipment and furnishings				
Schools	4,427,048	(4,267,157)	159,891	293,759
Playgrounds	149,972	(149,972)	-	-
Residences	64,045	(64,045)	-	-
Administration office	322,132	(322,132)	-	-
Vehicles	246,532	(210,509)	36,021	41,169
	5,209,729	(5,013,815)	195,912	334,928
	44,498,442	(29,977,259)	14,521,180	15,545,293



Yellowknife District No. 1 Education Authority

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Notes to Consolidated Financial Statements

June 30, 2016

20. Prepaid Expenses

	2016	2015
	\$	\$
Insurance	27,813	32,450
Professional Development	27,341	9,250
Materials and Supplies	8,382	108,783
Licenses	12,965	19,938
Workers' Safety Compensation Commission	71,213	-
	147,714	170,421



Yellowknife District No. 1 Education Authority

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Notes to Consolidated Financial Statements

June 30, 2016

21. Accumulated Surplus/ Deficit

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

Details of Funds

For the year ended June 30,	2016	2015
	\$	\$
OPERATING FUND		
Balance, beginning of year	1,352,510	1,174,553
Operating deficit (Statement 2)	(1,422,789)	(888,705)
Transfer (to) from Capital Fund (budget \$70,000)	-	(103,774)
Transfer (to) from Investment in Tangible Capital Assets	1,024,113	1,041,938
Transfer (to) from Decentralized Surplus	112,399	128,498
Transfer (to) from LED reserve	(336,450)	-
Balance, end of year	729,783	1,352,510
INVESTMENT IN TANGIBLE CAPITAL ASSETS		
Balance, beginning of year	15,545,293	16,483,457
Acquisition of tangible capital assets	-	103,774
Amortization	(1,024,113)	(1,041,938)
Balance, end of year	14,521,180	15,545,293



Yellowknife District No. 1 Education Authority

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Notes to Consolidated Financial Statements

June 30, 2016

21. Accumulated Surplus/ Deficit (Continued)

Details of Surplus and Reserves

For the year ended June 30,	2016	2015
	\$	\$
DECENTRALIZED SURPLUS		
Balance, beginning of year	242,448	370,946
Transfer (to) from Operating Fund	(112,399)	(128,498)
Balance, end of year	130,049	242,448
CAPITAL FUND RESERVE		
Balance, beginning of year	904,165	904,165
Balance, end of year	904,165	904,165
LED Reserve		
Balance, beginning of year	-	-
Transfer (to) from Operating Fund	336,450	-
Balance, end of year	336,450	-

22. Capital Advances

The Authority does not have any Capital Advances.



Yellowknife District No. 1 Education Authority

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Notes to Consolidated Financial Statements

June 30, 2016

23. GNWT Assets Provided at no Cost

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

	Cost	Accumulated Amortization	2016 Net Book Value	2015 Net Book Value
	\$	\$	\$	\$
Ecole Sir John Franklin	25,965,232	24,550,616	1,414,616	3,300,770
Ecole Sir John Franklin portable classrooms	419,724	296,467	123,257	133,747
N.J. Macpherson	1,413,831	309,051	1,104,780	1,140,133
	<u>27,798,787</u>	<u>25,156,134</u>	<u>2,642,653</u>	<u>4,574,650</u>
Deferred capital contributions				
Ecole Sir John Franklin	(1,442,500)	(1,343,328)	(99,172)	(231,402)
	<u>26,356,287</u>	<u>23,812,806</u>	<u>2,543,481</u>	<u>4,343,248</u>

Rent expense of \$1,799,767 (2015 - \$1,799,767) was offset by a grant in-kind.



June 30, 2016

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 expired August 31, 2016. The Authority will commence negotiations with the NWT Teachers Association in the fall of 2016.

The Authority has a collective bargaining agreement with the United Steelworkers for support staff which expired on June 30, 2016. The Authority will commence negotiations with the United Steelworkers union in the fall of 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 \$82,236. The last lease expires April 1, 2020.

	Expires in Fiscal Year	2017 \$	2018- 2020 \$	Total \$
Commitments:				
Commercial and Residential Leases	2017	37,800	-	37,800
Equipment Leases	2019	89,060	71,800	160,860
Operational Leases (Bussing)	2018	420,000	420,000	840,000
Total		546,860	491,800	1,038,660

25. Contingencies

The Authority does not have contingencies.



Yellowknife District No. 1 Education Authority

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Notes to Consolidated Financial Statements

June 30, 2016

26. Related Parties

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

	2016 \$Net	2015 \$Net
Accounts Payable:		
Dettah District Education Authority	1,000	1,000
Aurora College	1,050	-
Accounts Receivable:		
South Slave DEC	-	15,271
Yellowknives Dene First Nation (Kalemi Dene School)	1,140,715	807,002
Dettah District Education Authority	211,268	396,182
Commission Scolaire Francophone Territoires Du Nord Ouest	16,250	14,895
Department of Education, Culture and Employment	10,105	92,326
Department of Health and Social Services	8,741	8,741
Yellowknife Catholic Schools	1,070	-

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 9, 2015 and have not been audited.



June 30, 2016

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.

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, 2016, receivables from two organizations comprised approximately 92% (2015 - 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, 2016, 48% (2015 - 22%) of other account receivable was non-current which represents \$1,474,773 (2015 - \$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

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Notes to Consolidated Financial Statements

June 30, 2016

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 \$7,520,921 (2015 - \$7,784,011) of which \$3,055,043 (2015 - \$4,145,862) are not expected to mature within one year. Total financial liabilities are \$5,569,053 (2015 - \$5,410,116). The authority has disclosed future financial liabilities and commitments in Note 13.

30. Expenditures By Object

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Amortization	-	1,024,113	1,041,938
Compensation	27,215,669	27,181,716	25,894,553
Other	5,902,373	6,326,189	5,846,888
	33,118,042	34,532,018	32,783,379

31. Subsequent Events

There were no material subsequent events that have taken place between June 30, 2016 and the date the audit report was signed.

32. Comparative Figures

The 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, 2016

33. ECE Other Contributions

	2016	2015
	\$	\$
Student Success Initiatives	123,000	123,000
TLC Vote 4	-	60,000
Playground Equipment JHS	50,000	-
Playground Equipment MHS	40,000	-
Self Regulation Project	-	20,000
Resource Travel and PD	-	13,750
	213,000	216,750

34. GNWT Other Contributions

	2016	2015
	\$	\$
Government of the Northwest Territories:		
Department of Human Resources	35,000	46,875
Department of Health and Social Services	17,960	-
Department of Education, Culture and Employment (preschool)	150,633	-
Department of Municipal and Community Affairs	100,800	-
	304,393	46,875

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:

	2016	2015
	\$	\$
NWTTA Payable at end of July	1,680,030	1,535,964
NWTTA Payable at end of August	1,683,375	1,543,461
	3,363,405	3,079,425



June 30, 2016

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.

	2016	2015
	\$	\$
Pancake Donation	2,551	
Superintendent Services	55,000	133,593
Range Lake North preschool	124,062	113,483
Mildred Hall preschool	22,678	78,368
J.H.Sissons preschool	192,240	188,223
Tree of Peace ALC	60,000	-
Other funding and donations	52,466	51,202
	508,997	564,869

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 is working towards an environmental assessment to determine if an environmental liability exists.

Financial Report
Tlicho Community Services Agency
Behchoko, NT
For the year ended March 31, 2017

Tlicho Community Services Agency

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Tłı̨chǫ̀ Community Services Agency

Management Discussion Analysis March 31, 2017

The Tłı̨chǫ̀ Community Services Agency (TCSA) is a unique organization in the Northwest Territories. It is a Government of the Northwest Territories Agency, while incorporating the values and principles of the Tłı̨chǫ̀ people.

Our mission statement “Strong Like Two People” was developed to ensure that the TCSA is committed to the development of a continuum of care that will return control of education, health and social programs and services to the people of our communities, support them in the task of strengthening their families, promote the knowledge and skills they need to survive today and model the values they need to live in harmony with their families, our communities and our land.

The Agency is also unique in that it is the only agency in the Northwest Territories to deliver both the health and social services programs along in conjunction with the education programs. All the other regions have separate Agencies for the delivery of health and education programs. The advantage of the TCSA model is that we are able to more effectively link the delivery of the programs.

The TCSA serves a population of approximately three thousand people (3,000) in the communities of Behchoko, Whati, Gameti and Wekweeti. The TCSA delivers its programs through five schools, 4 health centres in the region and Long Term Care Facility located in Behchoko.

The Agency had an annual budget in fiscal 2016-2017 of \$ 32.354 million, a dedicated workforce of approximately 220 employees with a total payroll budget of \$ 27.560 million.

For the 2016-2017 fiscal year, the TCSA Health and Social Services Activities incurred an operating deficit of \$ 889,081, thereby arriving at an accumulated operating deficit of \$2.326 million. The 2016-2017 operating deficit represents approx. 5.8% of the total health budget.



Tłı̨chǫ Community Services Agency

The operating deficit in health for 2016-2017 can be attributed to a number of factors:

- (1) The Agency was underfunded for the delivery of Child and Family Services. Spending for Foster care exceeded the budgeted amount by \$578,000. This spending was required due to the number of children in Care. This operating deficit was partially offset by a surplus of \$160,000 in the Social Programs support program. The department recognized the requirements of the TCSA for Foster Care and has increased funding in this area for 2017-2018.
- (2) The costs to operate the health centres in our three main communities continue to increase. Overtime / standby costs continue to run over budgeted amounts by \$715,000. The overtime is largely unavoidable as services are required to be delivered outside of the regular business hours. The Agency has been running the Health Centers with a reduced number of employees to partially offset these costs.
- (3) The ongoing costs to operate our Ambulance Services continue to run over budget but the operating deficit has been reduced to \$91,600 (2015-2016 \$242,000).

For its 2016-2017 Education activities the TCSA incurred an annual deficit of \$845,705. As a result of this the TCSA Education activities now have a closing deficit of \$127,797.

While these financial statements include expenses for education from April to March, an additional set of financial statements is prepared annually for Education which runs for the school year of July 1 to June 30, and we will report to the department of education our complete results at that time.

Summary and Outlook

- The fiscal outlook for the TCSA remains challenging this is in large part caused by two items:
 - The GNWT funds positions at a pay step 4 to take turnover into account. At the TCSA however, turnover is very low. As a result of

this many employees are paid at a pay step level 8 which results in the Funding for regular payroll being insufficient to cover the actual payroll cost.



Tłı̄chǫ Community Services Agency

- Overtime, Standby and Callback pay are not specifically funded by the GNWT. The majority of these expenses are unavoidable however. The TCSA is able to offset part of these costs by keeping vacancies. Increasing the vacancy rate would be difficult as it would adversely affect the service standards required.
- The department of Health recognizes this issue and has approved the 2017-2018 budget of the TCSA with a deficit of \$383,424.
- For the Department of Health the cumulative surplus has now been absorbed by the 2016-2017 operating deficit. Focus for 2017-2018 will be:
 - Implementation of Junior Kindergarten
 - Re-evaluation as to how School Bus Services are delivered in Behchokǫ. The fact students have to be bussed from Behchokǫ to Edzo for the high school and from Edzo to Behchokǫ for elementary makes the school bus service an essential component of the Education program.

Chief Executive Officer

June 29, 2017



Tłı̨chǫ Community Services Agency

Management Responsibility Letter

To the Ministers' of Health and Social Services and Education, Culture and Employment

Management Responsibility for Financial Reporting for the year ended March 31, 2017

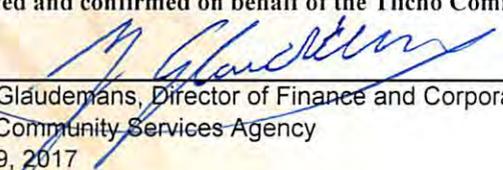
The Management Discussion & Analysis, Financial Statements, Schedules and Notes herein submitted have been reviewed by management. They provide full disclosure and accurately reflect the financial and non-financial condition of the authority in all material respects and in accordance with Canadian Public Sector Accounting Standards (CPSAS) as well as the Financial Administration Manual (FAM) 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 hiring and training of employees, that ensure the adequate maintenance of written policies and procedural manuals and that further provide for appropriated accountability for performance within well-defined areas of responsibility. The operations and administration of Tłı̨chǫ Community Services Agency have been conducted with the statutory powers of the Health Authority and Divisional Education Council. The operations and administration of the Health and Education as well as the supporting internal controls of the entity are regularly monitored to ensure their effectiveness and their continued compliance with all relevant legislation, standards, directives and policies including but not limited to the Financial Administration Act, CPSAS, FAM, Human Resources Manual, Ministerial Directives and the policies of the Health Authority Board and Divisional Education Council. Any non-compliance has been specifically identified and has been previously communicated to the 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 and employees with either current or potential impact on financial results, fraud or suspected fraud, disbursements made for purposes not consistent with an appropriation, irregular commitments including those in the form of guarantees, violations or possible violations of laws or regulations, claims or litigation, known or suspected environmental site contaminations or of any other undisclosed environmental or safety hazards with its jurisdiction.

The Auditors annually provide an independent, objective audit for the purpose of expressing an opinion of the financial statements in accordance with generally accepted auditing standards. The auditor also considers whether the transactions that come to their notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the Department of Health and Social Services and Department of Education, Culture and Employment, Government of the Northwest Territories.

Approved and confirmed on behalf of the Tłı̨chǫ Community Services Agency


Johan Glaudemans, Director of Finance and Corporate Services
Tłı̨chǫ Community Services Agency
June 29, 2017



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INDEPENDENT AUDITORS' REPORT

To the Ministers of Health and Social Services and Education, Culture and Employment Government of the Northwest Territories

Report on the Financial Statements

We have audited the accompanying financial statements of the Tlicho Community Services Agency, which comprise the Statement of Financial Position as at March 31, 2017, and the Statements of Operations, Changes in Net Financial Resources and Cash Flow for the year then ended. We have also audited the revenue and expenditures of programs funded through contribution agreements by the Departments of Health and Social Services which total \$250,000 or more as listed in Schedule A.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation 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 auditors' 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 of the effectiveness of the entity'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 audit opinion.

Basis for Qualified Opinion

The GNWT is responsible for the calculation and distribution of the salaries and wages that appear on the statement of operations, the accuracy of which is not susceptible to complete audit verification. We have satisfied ourselves that the payroll information provided by the GNWT was accurately reflected in the Agency's records.

Qualified Opinion

In our opinion, except for the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2017 and the results of operations, net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards. Furthermore, these statements present fairly in all material respects, the funding and expenditures of all Health and Social Services funded programs in \$250,000 or more in Schedule A for the year ended March 31, 2017 in accordance with the provisions established by the individual contribution agreements.

Report on Other Legal and Regulatory Requirements

We further report, in accordance with the Financial Administration Act, in our opinion, proper books of account have been kept by the Tlicho Community Services Agency, 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 Agency.

Avery Cooper & Co. Ltd.

Avery Cooper & Co. Ltd.
Chartered Professional Accountants
Yellowknife, NT

June 29, 2017

Tlcho Community Services Agency
Statement of Financial Position
As at March 31, 2017

	March 31, 2017	March 31, 2016
Financial Assets		
Cash and Cash Equivalents (Note 4)	\$ 741,795	\$ 2,467,472
Accounts Receivable (Note 8)	604,393	349,987
	1,346,188	2,817,459
Liabilities		
Accounts Payable (Note 10)	694,991	659,943
Wages and Benefits Payable - GNWT (Note 10)	1,481,023	1,433,423
Employee Future Benefits (Note 16)	1,557,142	1,409,970
Deferred Revenue (Note 11)	172,978	219,823
	3,906,134	3,723,159
Contingent Liabilities (Note 23)		
Net Financial Assets (Debt)	(2,559,946)	(905,700)
Non Financial Assets		
Inventory held for use (Note 9)	\$ 56,864	61,000
Prepaid Expenses (Note 19)	-	3,373
Tangible Capital Assets (Note 18)	120,852	169,389
	177,716	233,762
Accumulated Surplus (Deficit)- per page 8	\$ (2,382,230)	\$ (671,938)



Chief Executive Officer



Chairman of the Board

**Tlich Community Services Agency
Consolidated Operations
Statement of Operations
For the year ended March 31, 2017**

	Budget (Unaudited)	Actual 2017	Actual 2016
Revenue			
Health & Social Services - per page 5	\$ 15,292,000	\$ 16,031,647	\$ 15,776,050
Education - per page 6	16,762,000	17,419,754	17,440,156
Other Operations - per page 7	300,000	250,089	322,008
	32,354,000	33,701,490	33,538,214
Expenditure			
Health & Social Services - Compensation	11,198,979	12,771,413	12,457,450
Health & Social Services - Other	4,093,021	4,149,315	3,833,299
Total Health and Social Services - per page 5	15,292,000	16,920,727	16,290,749
Education - Compensation	15,435,194	15,119,663	15,414,741
Education - Other	2,373,291	3,140,796	3,204,991
Total Education - per page 6	17,808,485	18,260,459	18,619,732
Other Operations - Compensation	-	-	-
Other Operations - Other	300,000	230,596	273,272
Total Other Operations - per page 7	300,000	230,596	273,272
	33,400,485	35,411,782	35,183,753
Operating Surplus / (Deficit)	\$ (1,046,485)	\$ (1,710,292)	\$ (1,645,539)
Rent Expense - GNWT Assets provided at no cost (note 21)		275,357	155,177
Grant-In-Kind - GNWT Assets Provided at no cost (note 21)		(275,357)	(155,177)
Annual Surplus / (Deficit)	\$ (1,046,485)	\$ (1,710,292)	\$ (1,645,539)

**Tlicho Community Services Agency
Health and Social Services
Statement of Operations
For the year ended March 31, 2017**

	Budget (Unaudited)	Actual 2017	Actual 2016
Revenue			
Contributions from GNWT (Schedule A)	\$ 14,881,000	\$ 15,314,760	\$ 15,125,077
Interest Income	30,000	24,168	33,970
Other Income	70,000	163,495	116,464
Recoveries	311,000	529,223	482,123
Recoveries of prior years' expenses	-	-	18,416
	15,292,000	16,031,647	15,776,050
Expenses			
Administrative and Support Services	1,132,944	1,324,880	1,328,922
Ambulatory Care Services	795,086	1,010,602	1,027,429
Community Health Programs	7,172,381	7,537,395	7,427,227
Community Social Programs	6,191,589	7,047,851	6,507,169
	15,292,000	16,920,727	16,290,748
Operating Surplus / (Deficit)	0	(889,081)	(514,697)
Rent Expense - GNWT Assets provided at no cost (note 21)		275,357	155,117
Grant-In-Kind - GNWT Assets Provided at no cost (note 21)		(275,357)	(155,117)
Annual Surplus / (Deficit)		\$ (889,081)	\$ (514,697)
Opening accumulated (deficit)		\$ (1,437,149)	\$ (922,452)
Closing accumulated (deficit)		\$ (2,326,230)	\$ (1,437,149)

**Tlicho Community Services Agency
Education
Statement of Operations
For the year ended March 31, 2017**

	Budget (Unaudited)	Actual 2017	Actual 2016
OPERATING FUND - REVENUE			
Government of the Northwest Territories			
Regular Contribution	\$ 16,762,000	16,719,739	\$ 16,623,289
Other ECE	-	-	-
	<u>16,762,000</u>	<u>16,719,739</u>	<u>16,623,289</u>
BOARD GENERATED FUNDS			
Other contributions and miscellaneous	-	54,645	52,154
Investment income	-	24,168	33,970
Projects Revenue (Schedule C.1)	-	621,201	730,742
	<u>-</u>	<u>700,015</u>	<u>816,867</u>
TOTAL OPERATING REVENUE	<u>16,762,000</u>	<u>17,419,754</u>	<u>17,440,156</u>
OPERATING FUND EXPENSES - per schedule			
School Programs	11,542,618	11,577,571	11,649,147
Inclusive Schooling	2,829,079	2,713,993	3,158,777
Operations and Maintenance	200,000	156,334	151,360
Administration	1,165,398	1,174,208	1,255,049
Aboriginal Language/Cultural Programs	2,071,390	1,985,425	1,659,132
Projects Expenditures (Schedule C.1)	-	652,928	746,267
TOTAL EXPENSE	<u>17,808,485</u>	<u>18,260,459</u>	<u>18,619,732</u>
EXCESS REVENUE	<u>\$ (1,046,485)</u>	<u>\$ (840,705)</u>	<u>\$ (1,179,576)</u>

**Tlich Community Services Agency
Other Operations
Statement of Operations
For the year ended March 31, 2017**

Revenue	Budget (Unaudited)	Actual 2017	Actual 2016
Other Revenue	\$ -	\$ -	\$ -
Recoveries Housing	300,000	250,089	322,008
	300,000	250,089	322,008
 Expenses			
General Administrative Expenditures		12,268	4,472
Leased Property - Housing	300,000	218,328	268,800
	300,000	230,596	273,272
 Operating Surplus / (Deficit)		\$ 19,494	\$ 48,735

**Tlcho Community Services Agency
Statement of Changes in Net Debt
For the year ended March 31, 2017**

	2017	2016
Annual Surplus (Deficit)	\$ (1,710,292)	\$ (1,645,539)
Decrease/(Increase) in Inventories held for use	4,136	-
Decrease (Increase) in Prepaid Expenses	3,373	(3,373)
Amortization of tangible capital assets	48,537	48,537
Increase (Decrease) in Net Financial Resources	<u>(1,654,246)</u>	<u>(1,600,375)</u>
Opening Net Financial Resources	<u>(905,700)</u>	694,675
Closing Net Debt	<u><u>(2,559,946)</u></u>	<u><u>(905,700)</u></u>
 Accumulated Surplus (Deficit)		
 <u>Health and Social Services</u>		
Opening Surplus - Health and Social Services	(1,437,149)	(922,452)
Current years' surplus (deficit) per page 5	<u>(889,081)</u>	<u>(514,697)</u>
Closing Surplus (Deficit)	<u><u>(2,326,230)</u></u>	<u><u>(1,437,149)</u></u>
 <u>Education</u>		
Opening Surplus - Education	712,908	1,892,484
Current years' (deficit) per page 6	<u>(840,705)</u>	<u>(1,179,576)</u>
Closing Surplus (Deficit)	<u><u>(127,797)</u></u>	<u><u>712,908</u></u>
 <u>General</u>		
Opening Surplus - Other	52,298	3,564
Current years' surplus (deficit) per page 7	19,494	48,735
Closing surplus	<u><u>71,791</u></u>	<u><u>52,298</u></u>
Total Closing Accumulated Surplus (Deficit)	<u><u>\$ (2,382,231)</u></u>	<u><u>\$ (671,938)</u></u>

**Tlich Community Services Agency
Statement of Cash Flow
For the year ended March 31, 2017**

	<u>2017</u>	<u>2016</u>
Cash Provided by (used in) Operating Transactions		
Annual Surplus /(Deficit)	\$ (1,710,292)	\$ (1,645,539)
Items not affecting cash:		
Change in valuation allowances	-	-
Amortization	48,537	48,537
(Increase) Decrease in due to (from) the Government of Canada		
(Increase) Decrease in Accounts Receivable	(254,406)	244,000
Increase (Decrease) in Accounts Payable	35,048	(168,205)
Increase (Decrease) in Wages and Benefits Payable	47,600	386,141
Increase (Decrease) in Inventory held for use	4,136	-
Increase in Employee Future benefits	147,172	94,643
Increase (Decrease) in Deferred Revenue	(46,846)	(46,372)
Decrease (Increase) Prepaid Expenses	3,373	(3,373)
Net Cash Provided from Operating Transactions	<u>(1,725,677)</u>	<u>(1,090,168)</u>
Cash Provided by (used in) Investing Transactions		
Disposition (Acquisition) of Portfolio Investments	-	-
Net Cash Provided by Investing Transactions	<u>-</u>	<u>-</u>
Cash Provided by (used in) Financing Transactions		
Net Proceeds from (Repayment) of Capital Lease Obligations	-	-
Net Cash Provided by Financing Transactions	<u>-</u>	<u>-</u>
Increase (Decrease) in Cash and Cash Equivalents	(1,725,677)	(1,090,168)
Cash and Cash Equivalents at Beginning of Year	<u>2,467,472</u>	<u>3,557,640</u>
Cash and Cash Equivalents at End of Year (Note 4)	<u><u>\$ 741,795</u></u>	<u><u>\$ 2,467,472</u></u>

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2017

1. NATURE OF ORGANIZATION

The Agency was established under the Tlicho Government Act by order of the Minister dated August 4, 2005. Its purpose is to administer and maintain the standards of Health and Educational programs defined under the respective Acts in the Member communities of the Tlicho Region.

The Agency was formerly known as the Dogrib Community Services Board and the Dogrib Divisional Board of Education. On May 22, 1997, an agreement was signed between the Dogrib Community Services Board and the Government of the Northwest Territories, Department of Health and Social Services, with the support of the Treaty 11 Council, to deliver Health and Social Service programs in the Dogrib region. The Tlicho Community Services Agency (TCSA) is an integrated Education and Health & Social Services Agency.

The Agency is dependent upon funding from the Government of the Northwest Territories.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board and by the directives of the Government of the Northwest Territories - Department of Health and Social Services ("DHSS") and Department of Education, Culture and Employment ("ECE"). Significant accounting policies are as follows.

a) Cash and cash equivalents

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

b) Funds

The Agency records financial information in individual funds that are segregated for the purpose of carrying on specific activities or attaining certain objectives. Funds established by the Agency are:

Operating Fund- reflecting activities associated with the Agency's day-to-day operations.

Leave and Termination Liability Fund - reflecting activities in employee leave and termination benefits combined with any amounts transferred from operations to fund these liabilities. This fund represents liabilities which will be funded in the year they become due through the regular annual allocations from the Government of the Northwest Territories ("GNWT").

Endowment and Special Purpose Fund - reflecting activities relating to endowments and other special purpose funds made available to the Agency under conditions specified by donors and other providers.

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c) Surplus Reserves

The DHSS policy requires the Agency to establish the following reserves:

Surplus Reserve- reflects funds maintained in a reserve according to the DHSS Operations and Maintenance Surplus Retention Policy. Employee
Future Benefit Reserve- the funds received in advance for the severance liability of employees who were transferred to the Agency from the GNWT. These liabilities are reduced as employees are paid out upon termination of employment with the agency.

d) Tangible Capital Assets

The GNWT retains ownership of all tangible assets (TCA) used by the Agency or purchased by the Agency (regardless of source of funding for the purchase). The GNWT amortizes TCAs over the estimated useful lives of the assets at the rates established in the Financial Administration Manual over the following terms:

Buildings	40 years
Mainframe and software systems	5-10 years
Leasehold Improvements	Lesser of useful life or lease term plus renewal option

The TCAs used by the Agency and held on behalf of, or in trust for, the GNWT are not recognized by the Agency in the financial statements.

The statement of operations reflects the Rent Expense amount that would otherwise be considered amortization expense for the fiscal year with an offsetting corresponding amount as a Grant-In-Kind revenue.

e) Inventory of Supplies

Inventories of supplies include inventories held for use in the process of providing services and are distributed to clients at no charge or for a nominal charge. Inventories consist of pharmacy items, parts for various equipment, and office supplies. Inventories of supplies are valued at the lower of cost and replacement value.

f) Accrued Employee Leave and Termination Benefits

In accordance with GNWT accounting policies specified for public agencies, the Agency annually accrues estimated employee leave and termination benefits payable

g) Pension Contributions

The Agency and its employees make contributions to the Public Service Superannuation Plan administered by the Government of Canada. These contributions represent the total liability to the Agency and are recognized in the accounts on a current basis.

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

h) Revenue Recognition

The Agency is primarily funded by the GNWT in accordance with budget arrangements established by the DHSS and ECE. Under the arrangements, the Agency is responsible for the net deficit from operations and is allowed to retain surpluses from core programs. Any capital funding not spent may be retained for future capital purchases. These policies do not apply to contribution agreements, where an accounting of and return of surpluses may be required.

Other revenue is recognized when the service is performed or the goods are provided.

Government transfers

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

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

i) Financial Instruments

The Agency classifies its financial instruments at cost or amortized cost.

The Agency's accounting policy for this financial instrument category is as follows:

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

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

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

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

j) Non-financial assets

Non-financial assets are accounted for as assets by the Agency because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the Agency unless they are sold.

k) Measurement uncertainty

The preparation of these financial statements, in conformity with Canadian public sector accounting standards, requires management to make estimates and assumptions. This affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the updated amounts of revenue and expenses during the period. Significant estimates include accounts receivable and doubtful accounts and the actuarial valuation of employee leave and termination benefits. Actual results could differ from these estimates.

3. FUTURE ACCOUNTING CHANGES

a) Inter-entity transactions, Section PS 3420

This section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and a recipient perspective. This section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

b) Assets Section PS 3210

This section provides guidance for applying the definition of assets and establishes general disclosure standards for assets. Disclosure information about the major categories of assets that are not recognized in the consolidated financial statements is required. This section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

c) Contingent Assets, Section PS 3320

This section defines and establishes disclosure on contingent assets. Disclosure of information about contingent assets is required when the occurrence of the confirming future event is likely. This section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

d) Contractual Rights, Section PS 3380

This section defines and establishes disclosure standards on contractual rights. Disclosure of the nature, extent, and timing of any contractual right is required. This section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

Tlcho Community Services Agency
Notes to the Financial Statements
March 31, 2017

3. FUTURE ACCOUNTING CHANGES (Cont'd.)

e) Restructuring Transactions, Section PS 3430

This section establishes standards on how to record assets, liabilities, revenues and expenses relating to restructuring transactions as well as disclosure requirements for the recipient and transferor. This section applies to fiscal years beginning on or after April 1, 2018. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

4. CASH AND CASH EQUIVALENTS

	<u>2017</u>	<u>2016</u>
Cash	\$ 741,795	\$ 2,467,472

5. SPECICAL PURPOSE FUNDS

Nil Report

6. RESTRICTED ASSETS

Nil Report

7. PORTFOLIO INVESTMENTS

Nil Report

8. ACCOUNTS RECEIVABLE

	Accounts Receivable	Allow. For Doubtful Accounts	Net <u>2017</u>	Net <u>2016</u>
Due from Third Parties	\$ 205,246	\$ -	\$ 205,246	\$ 148,493
Due from GNWT	300,002	-	300,002	167,708
Workers' Safety and Compensation Commission	1,262	-	1,262	1,545
Yellowknife Health and Social Services Authority	-	-	-	6,961
Stanton Territorial Health Authority	50,820	-	50,820	25,280
Due from MEZI School	18,166	-	18,166	0
Due from CJBS School	28,896	-	28,896	0
	<u>\$ 604,393</u>	<u>\$ -</u>	<u>\$ 604,393</u>	<u>\$ 349,987</u>

Tlcho Community Services Agency
Notes to the Financial Statements
March 31, 2017

9. INVENTORIES

	<u>2017</u>	<u>2016</u>
Inventory held for use		
Health Centre Supplies	\$ 56,864	\$ 61,000

10 a) ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2017</u>	<u>2016</u>
Due to the Government of the Northwest Territories	\$ 66,588	\$ 134,812
Due to NWT Housing Corporation	5,628	
Due to Workers Safety and Compensation Commission	11,620	-
Due to Stanton Territorial Health Authority	11,748	23,308
Due to NWT Health and Social Services Authority	291	
Due to Sahtu Health and Social Services Authority	2,113	0
Due to Hay River Health and Social Services Authority	1,750	0
Payable to Gameti School	63,621	72,551
Payable to Elizabeth Mackenzie Elementary School	27,307	
Payable to Wekweti School	40,186	18,983
Due to Third Parties	464,139	410,289
	\$ 694,991	\$ 659,943

2017 2016

b) Payroll Liabilities

Due to GNWT payroll liabilities	1,018,972	1,006,949
Accrued Vacation and Lieu	462,031	426,474
Government of the Northwest Territories	\$ 1,481,023	\$ 1,433,423

Tlcho Community Services Agency
Notes to the Financial Statements
March 31, 2017

11. DEFERRED REVENUE

Deferred revenue consists of contributions received in advance for activities with dates beyond the fiscal year end. These amounts will be recognized in revenue as expenditures are incurred.

	<u>2017</u>	<u>2016</u>
CJBS Breakfast for Learning	\$ 1,691	\$ 1,700
CJBS Breakfast for Learning- High School	8,628	8,100
CJBS Miscellaneous		37,993
CJBS Food First	1,022	-
CJBS - BHP Culture	25,000	-
MEZI Food first	1,200	-
MEZI Breakfast for Learning	1,240	-
MEZI BHP Culture	25,105	10,277
MEZI Miscellaneous	-	10,500
MEZI Fundraising	-	13,295
EMES Literacy / Book fair	2,491	-
EMES BHP Culture	19,074	18,121
EMES Health Food First	626	219
EMES Breakfast for Learning	10,011	-
EMES Miscellaneous	-	17,687
AAS Miscellaneous	13,213	7,525
AAS Food First	-	1,196
AAS BHP Culture	38,281	70,288
AAS Breakfast for Learning	3,253	1,832
JWGS - Literacy	-	1,368
JWGS - Food First	-	4,018
JWGS Breakfast for Learning	-	3,997
JWGS - Yoga Fitness	3,414	777
JWGS BHP Culture	18,728	-
JWGS Miscellaneous	-	9,471
JWGS Fundraising	-	1,461
	<u>\$ 172,978</u>	<u>\$ 219,823</u>

12. CONTRIBUTIONS REPAYABLE

Nil Report

13. DUE FROM AND TO THE GOVERNMENT OF CANADA

Nil Report

14. CAPITAL LEASE OBLIGATIONS

Nil Report

Tlcho Community Services Agency
Notes to the Financial Statements
March 31, 2017

15. PENSIONS

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

The public service plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to 65 for new members joining the plan on or after January 1, 2013. For existing members, the normal retirement age remains age 60. Furthermore, contribution rates or current service for all members of the public service will increase gradually to an employer: employee cost sharing ratio of 50:50 by 2017. The employer contribution rate effective at the end of the year is 1 times (2016 - 1.15) the employees' contributions for employees who started prior to January 2013 and 1 times (2016 - 1.1) the employees' contributions for all other employees

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

Contributions to the PSPP are broken down as follows.

	<u>2017</u>	<u>2016</u>
HSS activities		
Employee	\$ 1,094,824	\$ 581,781
Employer	\$ 996,708	\$ 764,699
	<u>\$ 2,091,531</u>	<u>\$ 1,346,480</u>
ECE activities		
Employee	\$ 1,590,574	\$ 1,017,503
Employer	1,563,100	1,280,638
	<u>\$ 3,153,674</u>	<u>\$ 2,298,140</u>
	<u>\$ 5,245,205</u>	<u>\$ 3,644,620</u>

Tlichco Community Services Agency
Notes to the Financial Statements
March 31, 2017

16. EMPLOYEE FUTURE BENEFITS

In addition to pension benefits, Tlichco Community Service Agency provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

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

Compensated absence benefits generally accrue as employees render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to employee or dependent illness and death of an immediate family member. Non-accruing benefits include maternity and parental leave. Benefits that accrue under compensated absence benefits were actuarially valued using the expected utilization methodology.

Valuation result

The last actuarial valuation was dated March 31, 2017. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the Agency.

Employee Long term Benefits consist of:

	ECE	HSS	<u>2017</u>	<u>2016</u>
Severance and Removal	\$ 896,582	\$ 329,621	\$ 1,226,203	\$ 1,409,970
Compensated Absences	235,606	95,333	330,939	-
	<u>\$ 1,132,188</u>	<u>\$ 424,954</u>	<u>\$ 1,557,142</u>	<u>\$ 1,409,970</u>
Net Change				
Change in Estimate Adj	\$ 26,183	(\$45,203)	(\$19,020)	
Current period Benefit Cost	59,884	24,039	83,923	
Actuarial (Gain) Loss	132,419	23,978	156,397	
Benefits Payments	(65,985)	(48,930)	(114,915)	
Interest accrued	29,043	11,745	40,788	
	<u>181,544</u>	<u>(34,371)</u>	<u>147,173</u>	

The primary actuarial assumptions include a discount rate of 3.3% to determine the accrued benefit obligation and salary scale of 2% per annum. No inflation rate was applied. The expected payments during the next five years are:

Tlcho Community Services Agency
Notes to the Financial Statements
March 31, 2017

16. EMPLOYEE FUTURE BENEFITS (cont'd)

	Severance and Removal	Compensated Absences	Total
Year 1	\$ 417,327	\$84,016	\$501,343
Year 2	179,756	54,195	233,951
Year 3	117,049	41,395	158,444
Year 4	96,813	34,713	131,526
Year 5	97,583	33,375	130,958
Next 5 Years	\$ 389,171	\$119,450	\$508,621

17. TRUST LIABILITIES

Nil Report

18. TANGIBLE CAPITAL ASSETS

The agency has purchased buses and ambulances from operating funds provided by the Department of Health and Social Services and Education. These vehicles are being amortized over a straight line basis over 7 Years .

	Cost (unaudited)	Accumulated Amortization (unaudited)	Net book Value 2017 (unaudited)	Net book Value 2016 (unaudited)
2014 Ford XLT Ambulance	\$ 166,443	(95,110)	71,333	95,110
School Buses	173,318	(123,798)	49,519	74,279
Total	<u>\$ 339,761</u>	<u>\$ (218,909)</u>	<u>\$ 120,852</u>	<u>\$ 169,389</u>

19. PREPAID EXPENSES

	<u>2017</u>	<u>2016</u>
Prepaid course fees	<u>\$ -</u>	<u>\$ 3,373</u>

20. CAPITAL ADVANCE FROM THE GNWT

Nil Report

Tlcho Community Services Agency
Notes to the Financial Statements
March 31, 2017

21. GNWT ASSETS PROVIDED AT NO COST

Tangible Capital Assets (TCA) are owned by the Government of the Northwest Territories. TCA are amortized over the estimated useful life of the assets at the following rates.

Buildings - 40 Years

Leasehold Improvements - Lesser of useful life or lease term plus renewal option

Mobile Equipment - 15 years

	Cost (unaudited)	Accumulated Amortization (unaudited)	Net book Value 2017 (unaudited)	Net book Value 2016 (unaudited)
Buildings	\$ 18,273,929	\$ 3,070,767	\$ 15,203,162	\$ 1,015,466
Leasehold	252,800	188,959	63,841	76,400
Mobile Equipment	325,112	134,867	190,245	211,916
Total	\$ 18,851,841	\$ 3,394,593	\$ 15,457,248	\$ 1,303,782

The TCA information was provided by the Government of the Northwest Territories.

Amortization expense 2016 - 2017 \$275,357 (2015 - 2016 \$155,117)

22. CONTRACTUAL OBLIGATIONS (aka Commitments)

The Agency has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to March 31, 2017.

	Expires in Fiscal Year	2018	2019 and thereafter	Total
Residential Leases	2021-2022	\$ 236,400	\$ 886,800	\$ 1,123,200
Equipment Leases	2018-2022	56,311	151,099	207,410
		\$ 292,711	\$ 1,037,899	\$ 1,330,610

23. CONTINGENT LIABILITIES

In the normal course of business, the Agency is subject to claims and pending and threatened litigation against the Agency and its staff. The Agency is defending actions brought against it and the Agency has recorded an allowance for any claim or litigation where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. The allowance is based upon estimates determined by the Agency's legal experts experience or case law in similar circumstances.

The Agency did not have any environmental liabilities during the year.

24. PRIOR YEAR FUNDING

Nil Report

Tlcho Community Services Agency
Notes to the Financial Statements
March 31, 2017

25. BUDGET

Budget figures are the opening budgets that were approved by the Agency's board of directors, DHSS and ECE. The budget figures are not audited and are intended for information purposes only. These figures represent the Agency's original fiscal plan for the year and do not reflect subsequent changes arising from amendments made by the Departments.

26. ECONOMIC DEPENDANCE

The Agency receives its funding primarily from the GNWT. If the funding arrangements were to change management is of the opinion that the Agency operations would be significantly affected

27. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

28. RELATED PARTIES

Related Party Transactions

The Agency is related in terms of common ownership to all GNWT created departments and public agencies. The Agency enters into transactions with these entities in the normal course of business. The Agency is provided with various administrative services by the GNWT, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage by the Department of Finance, compensation services by the Department of Human Resources, and internal audit services by the Department of Finance.

	<u>2017</u>	<u>2016</u>
Due from Related Parties		
Government of the Northwest Territories		
Department of Finance	\$0	\$101,037
Department of Human Resources	0	
Department of Health and Social Services	165,740	61,526
Department of Education, Culture and Employment	134,262	5,145
Stanton Territorial Health Authority	50,820	25,280
MEZI School	18,166	-
CJBS School	28,896	-
Yellowknife Health and Social Services Authority	-	6,961
Workers' Safety and Compensation Commission	1,262	1,545
	<u>\$399,147</u>	<u>\$201,494</u>

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2017

28. RELATED PARTIES (Cont'd)

Due to Related Parties

Government of the Northwest Territories		
Department of Finance	\$31,962	48,844
Department of Human Resources	3,334	2,048
Department of Health and Social Services	29,556	57,676
Department of Education, Culture and Employment	0	25,498
Department of Public Works	198	746
Department of municipal & Community Affairs	0	-
Petroleum Products Division	1,538	
Gameti School	63,621	72,551
Elizabeth MacKenzie Elementary School	40,186	-
Hay River Health and Social Services	1,750	-
Stanton Territorial Hospital Authority	11,748	23,308
Wekweti School	27,307	18,983
Workers' Safety and Compensation Commission	11,620	
Sahtu Health & Social Services Authority	2,113	
NWT Housing Association	5,628	
NWT Health and Social Services Authority	291	-
	<u>\$230,852</u>	<u>\$249,654</u>
Department of Finance - Payroll Liabilities	<u>1,481,023</u>	<u>\$ 1,433,423</u>

Revenue received from Related Parties not otherwise disclosed in statements or schedules

Stanton Territorial Health Authority	\$ 99,062	\$ 106,334
GNWT - Department of Health and Social Services - NHIB	327,675	272,650

Expenses paid to Related Parties

GNWT - Department of Finance	\$ 167,502	\$ 215,883
GNWT Department of Health and Social Services	82,066	119,588
GNWT Department of Human Resources	6,804	9,836
GNWT - Petroleum products	10,549	13,038
Stanton Territorial Health Authority	89,572	101,242
Yellowknife Health and Social Services	717,996	717,996
NWT Health and Social Services Authority	291	
NWT Housing Corporation	\$ 23,853	\$ 72,000

Related party transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2017

29. FINANCIAL INSTRUMENTS

The Agency is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of

(i) Credit risk

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

The Agency holds its cash, special purpose funds and trust assets deposits in trust accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation.

Accounts receivable are due from various governments, government agencies, corporations and individuals. Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection. Management has determined that a portion of accounts receivable are impaired based on specific identification as well as age of receivables.

These amounts are as disclosed in Note 8.

The Agency's maximum exposure to credit risk is represented by the financial assets for a total of \$604,393 (2016 - \$349,987).

Concentration of credit risk

Concentration of credit risk is the risk that a customer(s) has a significant portion (more than ten percent) of the total accounts receivable balance and thus there is a higher risk to the Agency in the event of a default. The Agency does have concentration risk. At March 31, 2017, receivables from the GNWT and related parties accounted for 50% of the total outstanding accounts receivables. The Agency reduces this risk by monitoring overdue balances.

The Agency also has concentration risk of credit risk as deposits are held in one Canadian chartered bank.

Liquidity Risk

Liquidity risk is the risk that the Agency will not be able to meet all cash outflow obligations as they come due. The Agency mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise. Total financial assets are \$1,346,188 (2016 - \$2,817,459) and financial liabilities are \$3,906,134 (2016 - \$3,723,159). The agency has disclosed future financial liabilities and commitments in Note 22.

Tlcho Community Services Agency
Notes to the Financial Statements
March 31, 2017

30. EXPENSES BY OBJECT

	<u>2017</u>	<u>2016</u>
HEALTH		
<u>Compensation</u>		
Severance and Superannuation	\$ (129,705)	\$ 1,306,404
Removal	0	34,166
Salaries and Wages	12,112,057	10,397,520
Other	789,060	719,359
	<u>12,771,412</u>	<u>12,457,450</u>
<u>Other</u>		
Grants and contributions	1,139,723	1,107,406
Valuation Allowances	0	0
Medical and Surgical Supplies	356,175	370,448
Amortization	23,778	23,778
Contracted & General Services	1,993,561	1,773,882
Other	636,079	557,786
	<u>4,149,315</u>	<u>3,833,299</u>
	<u>\$ 16,920,727</u>	<u>\$ 16,290,749</u>
EDUCATION		
Compensation	\$ 15,119,663	\$ 15,414,741
Other	3,140,796	3,204,991
	<u>\$ 18,260,459</u>	<u>\$ 18,619,732</u>
OTHER		
Compensation	\$ -	\$ -
Other	230,596	273,272
	<u>\$ 230,596</u>	<u>\$ 273,272</u>
OVERALL		
Compensation	\$ 27,891,075	\$ 27,872,191
Other	7,520,707	7,311,562
	<u>\$ 35,411,782</u>	<u>\$ 35,183,753</u>

**Tlcho Community Services Agency
Health and Social Services
Schedule A
Schedule of Contributions from the GNWT
For the year ended March 31, 2017**

	Budget (Unaudited)	Actual 2017	Actual 2016
Contributions from the GNWT			
Department of Health and Social Services			
Core Contribution Department of Health			
Administration	\$ 700,000	\$ 700,000	\$ 700,000
Finance	173,000	173,000	173,000
System Support	68,000	53,000	88,074
Human Resources	-	-	75,000
Community Clinics & Health Centres	6,207,000	6,231,000	6,243,000
Community Mental Health & Addictions	973,000	973,000	973,000
Health Promotion & Community Wellness	315,000	315,000	312,000
Homecare & Support Services	697,000	697,000	697,000
Residential Care Children & Adults	2,813,000	2,636,000	2,813,000
Child & Family Services	2,016,000	2,549,000	2,016,000
Family Violence	31,000	31,000	31,000
Protective Services	-	-	-
Foster Care	-	-	-
Medical Travel	458,000	458,000	458,000
	<u>14,451,000</u>	<u>14,816,000</u>	<u>14,579,074</u>
Enhanced Home Care - Schedule A -1	430,000	437,961	421,003
Victims of Family Violence - Schedule A-2	-	30,107	-
On the Land - Schedule A -3	-	-	125,000
Mental Health First Aid Training - Schedule A-4	-	12,715	-
Assist - Schedule - A-5	-	17,978	0
	<u>-</u>	<u>17,978</u>	<u>0</u>
Total Contributions from the GNWT	<u>\$14,881,000</u>	<u>\$15,314,760</u>	<u>\$15,125,077</u>

Tlich Community Services Agency
Schedule A-1
Schedule of Detailed Contribution Funding and Expense
Home and Community Care Enhancement - (HSS01-000002214)
Health & Social Services - GNWT
For the year ended March 31, 2017

Enhanced Home Care	Budget (Unaudited)	Actual 2017	Actual 2016
Funding			
GNWT - Department of Health & Social Services	\$ 430,000	\$ 437,961	\$ 421,003
Contributions Repayable	-	-	-
A/R GNWT	-	-	-
	<u>430,000</u>	<u>437,961</u>	<u>421,003</u>
Regional Home Care			
Salaries	387,453	397,899	391,226
Materials and Supplies	4,000	2,413	6,822
Gasoline	3,000	1,987	1,162
Food	8,000	6,000	6,639
Vehicle Maintenance	3,500	4,000	-
Medical and Surgical Supplies	4,000	4,000	3,250
Delivery and Courier	2,500	855	70
Telephone	1,000	1,080	990
Travel	8,000	11,141	9,745
Equipment Maintenance	1,000	-	500
Minor Equipment	3,000	1,433	-
Contract Services	4,547	600	3,317
PIECES Training	-	-	-
Functional Fitness for Falls Training	-	1,415	-
Continuing Care Manager - Supervisor Travel	-	5,138	-
Total Regional Home Care	<u>430,000</u>	<u>437,961</u>	<u>423,720</u>
Excess Funding over Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,717)</u>

Tlcho Community Services Agency
Schedule A-2
Schedule of Detailed Contribution Funding and Expenses
Victims of Family Violence
For the year ended March 31, 2017

	Budget (Unaudited)	Actual 2017	Actual 2016
Funding			
GNWT	\$ -	\$ 30,107	\$ -
	<u>-</u>	<u>30,107</u>	<u>-</u>
Expenses			
Materials & Supplies	-	261	-
Travel	-	2,873	-
Rental	-	14,927	-
Contracted Services	-	10,612	-
Administration cost	-	1,434	-
	<u>-</u>	<u>30,107</u>	<u>-</u>
Excess Funding over Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Tlicho Community Services Agency
Schedule A-3
Schedule of Detailed Contribution Funding and Expenses
On the Land
For the year ended March 31, 2017

	Budget (Unaudited)	Actual 2017	Actual 2016
Funding			
GNWT	\$ -	\$ -	125,000
	<u>-</u>	<u>-</u>	<u>125,000</u>
Expenses			
Salaries & Benefits	-	-	54,536
Materials and Supplies	-	-	15,306
Client Travel	-	-	-
Contracted Services	-	-	64,758
	<u>-</u>	<u>-</u>	<u>134,600</u>
Excess Funding over Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,600)</u>

Tlicho Community Services Agency
Schedule A-4
Schedule of Detailed Contribution Funding and Expenses
Mental Health First Aid for Northern Peoples Tlicho Region
For the year ended March 31, 2017

	Budget (Unaudited)	Actual 2017	Actual 2016
Funding			
GNWT Contribution	-	12,715	-
	-	12,715	-
Expenses			
Facilitator Cost	-	1,726	-
Materials & Supplies	-	2,841	-
Travel	-	4,543	-
Rental	-	3,000	-
Administration cost	-	606	-
	-	12,715	-
Excess Funding over Expense	\$ -	\$ 0	\$ -

Tlcho Community Services Agency
Schedule A-5
Schedule of Detailed Contribution Funding and Expenses
Applied Suicide Intervention Skills Training (ASIST) Tlcho Region
For the year ended March 31, 2017

	Budget (Unaudited)	Actual 2017	Actual 2016
Funding	-	17,978	-
GNWT Contribution	-	17,978	-
Expenses	-	2,496	-
Facilitator Cost	-	8,336	-
Materials & Supplies	-	3,790	-
Travel	-	2,500	-
Rental	-	856	-
Administration csot	-	17,978	-
	\$ -	\$ 0	\$ -
Excess Funding over Expense			

**Tlich Community Services Agency
 Health and Social Services
 Schedule B
 Health Schedule of Reserves
 For the year ended March 31, 2017**

	Surplus/Deficit		Leave & Termination		Special Projects		Total Reserves	
Balance, beginning of the year	-	-	-	-	-	-	-	-
Additions/Reductions to/from Reserves	-	-	-	-	-	-	-	-
Transfers between Reserves	-	-	-	-	-	-	-	-
Balance, end of the year	-	-	-	-	-	-	-	-

The Agency has no funds in reserves.

Tlicho Community Services Agency
Schedule C
Education Division
Schedule of Expenses
For the year ended March 31, 2017

	School Programs	Inclusive Schooling	Infrastructure	Administration	Aboriginal Languages	Other Projects	Totals
Salaries							
Teachers	\$ 7,770,219	570,324			904,188		9,244,731
Inst Asst.		1,267,779			239,109		1,506,889
Non-Inst Staff	2,231,230	492,850		722,046	424,294	138,212	4,008,631
Brd Honoraria				39,102			39,102
Employee Benefits							
Benefits/Allow Leave & Term.	61,908		156,334	102,068	-		320,309
							-
Services Purchased / Contracted							
Prof & Tech Serv							-
Office Supp & Admin							-
Postage/Communication	88,229			58,575	1,241		148,046
Utilities							-
Travel/Training	62,247	106,919		73,043	67,385	1,149	310,744
Student Travel						23,306	23,306
Advert/Prntg/Pubshng	3,384				-		3,384
Main/Repair	77				19		96
Rentals/Leases	87,097			9,126	1,968		98,190
Vehicle Expense	112,628	1,489		3,886	7,083		125,086
Equipment Maintenance				251			251
Other	18,247			71,449	106		89,802
Contributed Services	310,411			47,738	78,000		436,149
Contracted Services	149,353	211,537		21,600	167,315	72,988	622,793
Renovations							-
Home Boarding Allowance	60,980						60,980
Materials / Supplies / Freight							
Materials	581,923	62,775		23,557	92,399	417,273	1,177,926
Furniture and Equipment	2,512				1,990		4,502
Freight	37,127	319		1,769	327		39,542
Total Expense	\$ 11,577,571	\$ 2,713,993	\$ 156,334	\$ 1,174,208	\$ 1,985,425	\$ 652,928	\$ 18,260,459

**Tlicho Community Services Agency
Education - Contribution Agreements
Schedule C.1
Other Education Contributions
For the year ended March 31, 2017**

		2017		2016
		<u>Actual</u>		<u>Actual</u>
Contribution Agreement Revenue				
Aboriginal Language	Schedule C-1	\$ 60,000	\$	60,000
Take a Kid Trapping CJBS	Schedule C-3	8,000		8,000
Take a Kid Trapping EMES	Schedule C-4	8,000		8,000
Take a Kid Trapping JWGS	Schedule C-5	8,000		8,000
Take a Kid Trapping MEZI	Schedule C-6	8,000		8,000
Food First Foundation JWGS	Schedule C-7	10,186		3,334
Snack Program EMES	Schedule C-8	3,689		6,022
Snack Program MEZI	Schedule C-9	7,660		9,841
Snack Program JWGS	Schedule C-10	6,997		3,303
Snack Program AAS	Schedule C-11	778		4,021
Snack Program CJBS (Elem)	Schedule C-12	1,709		-
Snack Program CJBHS	Schedule C-13	8,472		-
Active After School CJBS	Schedule C-14	12,300		12,300
Active After School MEZI	Schedule C-15	17,300		17,300
Mentorship Program MEZI	Schedule C-16	-		8,562
Miscellaneous	Schedule C-17	233,533		260,556
Public Library Services CJBS	Schedule C-18	38,000		38,000
Public Library Services MEZI	Schedule C-19	38,000		38,000
Public Library Services JWGS	Schedule C-20	38,000		38,000
Food First Foundation EMES	Schedule C-21	5,374		3,115
Youth Contribution JWGS	Schedule C-22	-		15,500
Drop the Pop	Schedule C-23	8,625		9,800
Active After School JWGS	Schedule C-24	17,300		17,300
Active After School EMES	Schedule C-25	12,300		11,000
Youth Contribution CJBS	Schedule C-26	5,000		5,000
Food First Foundation (Kitchen Equip) - MEZI Commu	Schedule C-27	-		-
Youth Contribution (Local Sport) - AAS	Schedule C-28	1,100		-
Active After School Program - AAS	Schedule C-29	17,300		15,948
"Not Us" Drug Strategy JWGS	Schedule C-30	-		4,883
Food First Foundation (NWT Taste Makers)	Schedule C-31	1,316		2,234
Literacy CJBS	Schedule C-32	4,900		19,641
E-Learning MEZI	Schedule C-33	-		7,861
School Playground EMES	Schedule C-34	-		24,000
Youth Contribution-Vancouver CJBS	Schedule C-35	-		4,000
Youth Contribution--Canoe MEZI	Schedule C-36	-		5,000
Youth Contribution-YK Trip MEZI	Schedule C-37	-		5,000
Youth Contribution-China Trip JWGS	Schedule C-38	-		4,000
Yoga Fitness JWGS	Schedule C-39	1,363		2,223
Public Library Services EMES	Schedule C-40	38,000		38,000
Fourth R	Schedule C-41	-		-
Safe & Caring	Schedule C-42	-		5,000
		\$ 621,201	\$	730,742

Contribution Agreement Expenditures

Aboriginal Language	Schedule C-1	\$ 69,327	\$ 60,070
Take a Kid Trapping CJBS	Schedule C-3	8,020	7,967
Take a Kid Trapping EMES	Schedule C-4	8,012	8,008
Take a Kid Trapping JWGS	Schedule C-5	7,998	8,000
Take a Kid Trapping MEZI	Schedule C-6	8,018	8,029
Food First Foundation JWGS	Schedule C-7	12,174	3,334
Snack Program EMES	Schedule C-8	3,689	6,142
Snack Program MEZI	Schedule C-9	7,660	10,175
Snack Program JWGS	Schedule C-10	6,891	3,303
Snack Program AAS	Schedule C-11	778	4,021
Snack Program CJBS (Elem)	Schedule C-12	1,709	-
Snack Program CJBHS	Schedule C-13	8,472	-
Active After School CJBS	Schedule C-14	12,307	12,304
Active After School MEZI	Schedule C-15	17,304	17,304
Mentorship Program MEZI	Schedule C-16	-	8,702
Miscellaneous	Schedule C-17	253,163	261,141
Public Library Services CJBS	Schedule C-18	38,153	39,546
Public Library Services MEZI	Schedule C-19	38,009	37,996
Public Library Services JWGS	Schedule C-20	38,122	38,073
Food First Foundation EMES	Schedule C-21	5,374	3,115
Youth Contribution JWGS	Schedule C-22	-	15,500
Drop the Pop	Schedule C-23	8,618	10,082
Active After School JWGS	Schedule C-24	17,319	17,237
Active After School EMES	Schedule C-25	12,300	10,813
Youth Contribution CJBS	Schedule C-26	5,000	5,000
Youth Contribution MEZI	Schedule C-27	-	-
Take a Kid Harvesting CJBS	Schedule C-28	1,149	-
Take a Kid Harvesting EMES	Schedule C-29	17,304	15,948
"Not Us" Drug Strategy JWGS	Schedule C-30	-	5,009
Food First Foundation (NWT Taste Makers)	Schedule C-31	1,233	2,209
Literacy CJBS	Schedule C-32	5,300	20,085
E-Learning MEZI	Schedule C-33	-	7,861
School Playground EMES	Schedule C-34	-	26,498
Youth Contribution-Vancouver CJBS	Schedule C-35	-	4,000
Youth Contribution--Canoe MEZI	Schedule C-36	-	4,916
Youth Contribution-YK Trip MEZI	Schedule C-37	-	4,992
Youth Contribution-China Trip JWGS	Schedule C-38	-	4,800
Yoga Fitness JWGS	Schedule C-39	1,363	2,223
Public Library Services EMES	Schedule C-40	38,163	38,019
Forth R	Schedule C-41	-	9,003
Safe & Caring	Schedule C-42	-	4,844
		\$ 652,928	\$ 746,267
Excess Funding over Expenses		\$ (31,727)	\$ (15,524)

**Tlicho Community Services Agency
Schedule C-1
Schedule of Specific Program - Aboriginal Languages
For the year ended March 31, 2017**

	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Funding			
GNWT Contributions	-	\$ 60,000	60,000
Expenses			
Materials & Supplies	-	67,031	46,545
Training & Development	-	-	399
Contract Services	-	2,297	13,126
	-	69,327	60,070
Excess Funding over Expense	-	(9,327)	(70)

Tlicho Community Services Agency
C-2
Schedule of Specific Program - Education Infrastructure
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Personnel Infrastructure			
Funding			
GNWT Regular Contribution	200,000	34,401	222,119
Funding Adjustment			
	<u>200,000</u>	<u>34,401</u>	<u>222,119</u>
Expenses			
Staffing:			
Advertising	-	-	-
Hiring Expenses	-	-	-
Employee Benefits:			
Removal In/Transfer	110,000	61,564	50,618
Ultimate Removal	-	-	-
Medical Travel Assistance	-	-	-
Dental Premiums	-	-	-
Family Assistance Program	-	-	-
WCB	90,000	94,770	100,742
Total Expenses	<u>200,000</u>	<u>156,334</u>	<u>151,360</u>
Surplus (Deficit)	-	(121,933)	70,759
Utilities and Leases			
Funding			
GNWT Regular Contribution	-	-	-
Total Funding	<u>-</u>	<u>-</u>	<u>-</u>
Expenses			
Utilities:			
Fuel	-	-	-
Electricity	-	-	-
Water/Sewer	-	-	-
Boiler Maintenance	-	-	-
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>
Surplus (Deficit)	-	-	-
Excess Funding over Expense	<u>-</u>	<u>(121,933)</u>	<u>70,759</u>

Tlichho Community Services Agency
Schedule C-3
Schedule of Detailed Contribution Funding and Expenses
Take a Kid Trapping Program - CJBS
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
GNWT, ITI	-	8,000	8,000
		8,000	8,000
Expenses			
Materials & Supplies	-	5,420	2,767
Gasoline	-	-	-
Contract Services	-	2,600	5,200
	-	8,020	7,967
Excess Funding over Expenses	-	(20)	33

Tlicho Community Services Agency
Schedule C-4
Schedule of Detailed Contribution Funding and Expenses
Take a Kid Trapping Program - EMES
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
GNWT, ITI	-	8,000	8,000
	-	8,000	8,000
Expenses			
Materials & Supplies	-	2,656	5,058
Gasoline	-	506	-
Contract Services	-	4,850	2,950
	-	8,012	8,008
Excess Funding over Expense	-	(12)	(8)

Tlicho Community Services Agency
Schedule C-5
Schedule of Detailed Contribution Funding and Expenses
Take a Kid Trapping Program - JWGS
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
GNWT, ITI	-	8,000	8,000
	-	8,000	8,000
Expenses			
Materials & Supplies	-	2,198	3,700
Food	-	-	-
Contract Services	-	5,800	4,300
	-	7,998	8,000
Excess Funding over Expense	-	2	-

Tlicho Community Services Agency
Schedule C-6
Schedule of Detailed Contribution Funding and Expense
Take a Kid Trapping Program - MEZI
For the year ended March 31, 2017

	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Funding			
GNWT, ITI	-	8,000	8,000
	-	8,000	8,000
Expenses			
Materials & Supplies	-	4,845	1,946
Gasoline	-	1,003	753
Contract Services	-	2,170	5,330
	-	8,018	8,029
Excess Funding over Expense	-	(18)	(29)

Tlcho Community Services Agency
Schedule C-7
Schedule of Detailed Contribution Funding and Expense
Food First Foundation - JWGS
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
Food First Foundation	-	6,168	6,101
Food First Foundation (14/15) Deferred	-		1,251
Food First Foundation (15/16) Deferred		4,018	(4,018)
	-	10,186	3,334
Expenses			
Materials & Supplies	-	12,174	3,334
Minor Equipment	-	-	-
	-	12,174	3,334
Excess Funding over Expense	-	(1,988)	-

Tlichho Community Services Agency
Schedule C-8
Schedule of Detailed Contribution Funding and Expenses
Snack Program - EMES
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
Breakfast for Learning	-	3,700	5,500
Breakfast for Learning		10,000	
Breakfast for Learning Deferred	-	(10,011)	522
	-	<u>3,689</u>	<u>6,022</u>
Expenses			
Materials & Supplies	-	3,689	6,142
Contract Services	-	-	-
	-	<u>3,689</u>	<u>6,142</u>
Excess Funding over Expense	-	-	<u>(120)</u>

Tlichho Community Services Agency
Schedule C-9
Schedule of Detailed Contribution Funding and Expenses
Snack Program - MEZI
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
Breakfast for Learning	-	-	-
Breakfast for Learning	-	8,900	3,500
Breakfast for Learning Deferred	-	(1,240)	6,341
	-	<u>7,660</u>	<u>9,841</u>
Expense			
Materials & Supplies	-	-	6,385
Contract Services	-	7,660	3,790
	-	<u>7,660</u>	<u>10,175</u>
Excess Funding over Expense	-	-	<u><u>(334)</u></u>

Tlichho Community Services Agency
Schedule C-10
Schedule of Detailed Contribution Funding and Expenses
Snack Program - JWGS
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
Breakfast for Learning	-	3,000	3,400
Breakfast for Learning Deferred		3,997	(3,997)
Breakfast for Learning Deferred (14/15)	-	-	3,900
	-	6,997	3,303
Expenses			
Materials & Supplies	-	6,891	3,303
Minor Equipment	-	-	-
	-	6,891	3,303
Excess Funding over Expense	-	106	-

Tlich Community Services Agency
Schedule C-11
Schedule of Detailed Contribution Funding and Expenses
Snack Program - Alexis Arrowmaker School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
Breakfast for Learning Deferred	-	1,832	(1,832)
Breakfast for Learning	-	2,200	2,900
Breakfast for Learning Deferred	-	(3,253)	2,953
	-	778	4,021
Expenses			
Materials & Supplies	-	778	4,021
Minor Equipment	-	-	-
	-	778	4,021
Excess Funding over Expense	-	-	-

Tlicho Community Services Agency
Schedule C-12
Schedule of Detailed Contribution Funding and Expenses
Snack Program - Chief Jimmy Bruneau School (Elementary)
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
Breakfast for Learning	-	1,700	-
Breakfast for Learning Deferred	-	1,700	(1,700)
Breakfast for Learning	-	(1,691)	1,700
	<hr/>	1,709	-
Expense			
Materials & Supplies	-	1,709	-
	<hr/>	1,709	-
Excess Funding over Expense	<hr/> <hr/>	-	-

Tlcho Community Services Agency
Schedule C-13
Schedule of Detailed Contribution Funding and Expenses
Snack Program - Chief Jimmy Bruneau High School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
Breakfast for Learning	-	9,000	
Breakfast for Learning	-	(8,628)	8,100
Breakfast for Learning Deferred	-	8,100	(8,100)
	-	<u>8,472</u>	-
Expenses			
Materials & Supplies	-	8,472	
Minor Equipment	-	-	-
	-	<u>8,472</u>	-
Excess Funding over Expense	-	<u>-</u>	<u>-</u>

Tlicho Community Services Agency
Schedule C-14
Schedule of Detailed Contribution Funding and Expenses
Active After School Program - Chief Jimmy Bruneau High School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	12,300	12,300
	-	12,300	12,300
Expenses			
Materials & Supplies	-	12,307	12,304
Minor Equipment	-	-	-
	-	12,307	12,304
Excess Funding over Expense	-	(7)	(4)

Tlicho Community Services Agency
Schedule C-15
Schedule of Detailed Contribution Funding and Expenses
Active After School Program - MEZI Community School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	17,300	17,300
	-	17,300	17,300
Expenses			
Materials & Supplies	-	14,027	8,110
Minor Equipment	-	3,277	9,194
	-	17,304	17,304
Excess Funding over Expenses	-	(4)	(4)

Tlicho Community Services Agency
Schedule C-16
Schedule of Detailed Contribution Funding and Expenses
Mentorship Program - MEZI Community School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
GNWT (Deferred)	-	-	8,562
	-	-	8,562
Expenses			
Materials & Supplies	-	-	478
Travel	-	-	8,224
	-	-	8,702
Excess Funding over Expense	-	-	(140)

Tlicho Community Services Agency
Schedule C-17
Schedule of Detailed Contribution Funding and Expenses
Miscellaneous
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
CJBS Miscellaneous	-	8,896	51,253
CJBS Miscellaneous (Deferred)	-	37,993	(37,993)
CJBS Miscellaneous (Deferred)	-	-	3,807
CJBS Cultural Program (BHP & Ekati)	-	25,000	25,000
CJBS Cultural Program (BHP & Ekati)	-	(25,000)	17,435
MEZI Miscellaneous	-	2,000	10,500
MEZI Miscellaneous (Deferred)	-	10,500	(10,500)
MEZI Fundraising	-	-	16,958
MEZI Fundraising (Deferred)	-	13,295	(13,295)
MEZI Cultural Program (BHP & Ekati)	-	25,000	23,500
MEZI Cultural Program (BHP Billiton) Deferred	-	10,277	(10,277)
MEZI Cultural Program (BHP Billiton) Deferred	-	(25,105)	51,232
JWGS Miscellaneous	-	26	11,125
JWGS Miscellaneous (Deferred)	-	-	1,750
JWGS Miscellaneous (Deferred)	-	9,471	(9,471)
JWGS Fundraising	-	4,080	29,486
JWGS Fundraising (Deferred)	-	-	6,495
JWGS Fundraising (Deferred)	-	1,461	(1,461)
JWGS Literacy	-	-	1,368
JWGS Literacy (Deferred)	-	1,368	(1,368)
JWGS Cultural Program (BHP & Ekati)	-	25,000	25,000
JWGS Cultural Program (BHP & Ekati) (Deferred)	-	(18,728)	-
JWGS Cultural Program (BHP & Ekati)	-	-	4,802
EMES Miscellaneous	-	10,611	21,171
EMES Miscellaneous (Deferred)	-	17,687	(17,687)
EMES Miscellaneous (Deferred)	-	-	5,181
EMES Literacy (Tlicho Government)	-	5,000	-
EMES Literacy (Tlicho Government) Deferred	-	(2,491)	-
EMES Cultural Program (BHP & Ekati)	-	25,000	25,000
EMES Cultural Program (BHP & Ekati) Deferred	-	18,121	(18,121)
EMES Cultural Program (BHP & Ekati) Deferred	-	(19,074)	19,184
AAS Miscellaneous	-	6,826	13,665
AAS Miscellaneous (Deferred)	-	7,525	(7,525)
AAS Miscellaneous (Deferred)	-	(13,213)	1,192
AAS Cultural Program (BHP & Ekati)	-	25,000	25,000
AAS Cultural Program (BHP & Ekati) Deferred	-	70,288	(70,288)
AAS Cultural Program (BHP & Ekati) Deferred	-	(38,281)	68,437
Aboriginal Language (Tlicho Government)	-	15,000	-
	-	233,533	260,556
Expenses			
CJBS Miscellaneous	-	54,005	17,068
CJBS Cultural Program (BHP & Ekati)	-	-	42,511
MEZI Miscellaneous	-	12,311	-
MEZI Fundraising	-	16,228	3,663
MEZI Cultural Program (BHP & Ekati)	-	10,172	64,456
JWGS Miscellaneous	-	9,639	3,404
JWGS Fundraising	-	6,750	34,520
JWGS Literacy	-	1,270	-
JWGS Cultural Program (Ekati)	-	6,272	30,311
EMES Miscellaneous	-	33,985	8,665
EMES Literacy (Tlicho Government)	-	2,509	-
EMES Cultural Program (BHP & Ekati)	-	24,047	26,063
AAS Miscellaneous	-	1,138	7,332
AAS Cultural Program (BHP & Ekati)	-	57,007	23,148
Aboriginal Language (Tlicho Government)	-	17,829	-
	-	253,163	261,141
Excess Funding over Expense	-	(19,630)	(585)

Tlicho Community Services Agency
Schedule C-18
Schedule of Detailed Contribution Funding and Expenses
Public Library Services - Chief Jimmy Bruneau School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
GNWT ECE	-	38,000	38,000
	-	38,000	38,000
Expenses			
Salaries & Benefits	-	38,153	39,546
Materials & Supplies	-	-	-
Contract Services	-	-	-
	-	38,153	39,546
Excess Funding over Expense	-	(153)	(1,546)

Tlicho Community Services Agency
Schedule C-19
Schedule of Detailed Contribution Funding and Expenses
Public Library Services - MEZI Community School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
GNWT ECE	-	38,000	38,000
	-	38,000	38,000
Expenses			
Salaries & Benefits	-	27,589	33,142
Materials & Supplies	-	10,420	4,854
Contract Services	-	-	-
	-	38,009	37,996
Excess Funding over Expense	-	(9)	4

Tlicho Community Services Agency
Schedule C-20
Schedule of Detailed Contribution Funding and Expenses
Public Library Services - Jean Wetrade Gameti School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
GNWT ECE	-	38,000	38,000
	-	38,000	38,000
Expenses			
Salaries & Benefits	-	35,124	36,002
Materials & Supplies	-	2,998	2,070
Contract Services	-	-	-
	-	38,122	38,073
Excess Funding over Expense	-	(122)	(73)

Tlich Community Services Agency
Schedule C-21
Schedule of Detailed Contribution Funding and Expense
Food First Foundation - Elizabeth Mackenzie Elementary School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
Food First Foundation	-	5,781	3,334
Food First Foundation - (to) / from deferred (2015/2016)	-	219	(219)
Food First Foundation (16/17 deferred)	-	(626)	-
	-	5,374	3,115
Expenses			
Materials & Supplies	-	5,374	3,115
Minor Equipment	-	-	-
	-	5,374	3,115
Excess Funding over Expense	-	-	-

Tlicho Community Services Agency
Schedule C-22
Schedule of Detailed Contribution Funding and Expenses
Youth Contribution (Skiing) - Jean Wetrade Gameti School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	-	15,500
GNWT North Slave Region MACA (Payable)	-	-	-
	-	-	15,500
Expenses			
Travel	-	-	15,500
Minor Equipment	-	-	-
	-	-	15,500
Excess Funding over Expense	-	-	-

Tlicho Community Services Agency
Schedule C-23
Schedule of Detailed Contribution Funding and Expenses
Drop the Pop
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
GNWT HSS - CJBS	-	1,725	2,400
GNWT HSS - MEZI	-	2,013	2,100
GNWT HSS - JWGS	-	1,438	1,500
GNWT HSS - EMES	-	2,300	2,200
GNWT HSS - Wekweeti	-	1,150	1,600
	-	8,625	9,800
Expenses			
Materials & Supplies - CJBS	-	1,722	2,400
Materials & Supplies - MEZI	-	1,352	2,058
Contracted Services - MEZI	-	640	-
Materials & Supplies - JWGS	-	1,437	1,497
Materials & Supplies - EMES	-	1,266	2,261
Contracted Services - EMES	-	1,050	-
Materials & Supplies - Wekweeti	-	1,150	1,867
	-	8,618	10,082
Excess Funding over Expense	-	7	(282)

Tlcho Community Services Agency
Schedule C-24
Schedule of Detailed Contribution Funding and Expenses
Active After School Program - Jean Wetrade Gameti School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	17,300	17,300
	-	17,300	17,300
Expenses			
Materials & Supplies	-	17,319	17,237
Minor Equipment	-	-	-
	-	17,319	17,237
Excess Funding over Expense	-	(19)	63

Tlcho Community Services Agency
Schedule C-25
Schedule of Detailed Contribution Funding and Expenses
Active After School Program - Elizabeth Mackenzie Elementary School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	12,300	11,000
	-	12,300	11,000
Expenses			
Materials & Supplies	-	12,300	10,813
Contract Services	-	-	-
	-	12,300	10,813
Excess Funding over Expense	-	-	187

Tlicho Community Services Agency
Schedule C-26
Schedule of Detailed Contribution Funding and Expenses
Youth Contribution (Music) - Chief Jimmy Bruneau School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	5,000	5,000
	-	5,000	5,000
Expenses			
Travel	-	1,000	-
Contract Services	-	4,000	5,000
	-	5,000	5,000
Excess Funding over Expense	-	-	-

Tlicho Community Services Agency
Schedule C-27
Schedule of Detailed Contribution Funding and Expenses
Food First Foundation (Kitchen Equip) - MEZI Community School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
Food First Foundation	-	1,200	-
Food First Foundation Deferred		(1,200)	
	-	-	-
Expenses			
Materials & Supplies	-	-	-
Travel	-	-	-
Contract Services	-	-	-
	-	-	-
Excess Funding over Expense	-	-	-

Tlicho Community Services Agency
Schedule C-28
Schedule of Detailed Contribution Funding and Expenses
Youth Contribution (Local Sport) - Alexis Arrowmaker School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
GNWT, MACA	-	1,100	-
	-	1,100	-
Expenses			
Materials & Supplies	-	1,149	-
Contract Services	-	-	-
	-	1,149	-
Excess Funding over Expense	-	(49)	-

Tlicho Community Services Agency
Schedule C-29
Schedule of Detailed Contribution Funding and Expenses
Active After School Program - Alexis Arrormaker School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	17,300	17,300
GNWT North Slave Region MACA, Payable	-	-	(1,352)
	-	17,300	15,948
Expenses			
Materials & Supplies	-	16,914	15,948
Minor Equipment	-	390	-
Contract Services	-	-	-
	-	17,304	15,948
Excess Funding over Expense	-	(4)	-

Tlicho Community Services Agency
Schedule C-30
Schedule of Detailed Contribution Funding and Expenses
"Not Us" Drug Strategy - Jean Wetrade Gameti School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
GNWT, Justice	-	-	5,000
GNWT, Justice (14/15 repayable)	-	-	(117)
	<hr/>	<hr/>	<hr/> 4,883
Expenses			
Materials & Supplies	-	-	5,009
	<hr/>	<hr/>	<hr/> 5,009
Excess Funding over Expense	<hr/>	<hr/>	<hr/> (126)

Tlicho Community Services Agency
Schedule C-31
Schedule of Detailed Contribution Funding and Expense
NWT Taste Makers - Food First Foundation
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
Food First (NWT Taste Makers)	-	1,142	2,226
Food First (NWT Taste Makers) Deferred	-	(1,022)	1,204
Food First (NWT Taste Makers) Deferred	-	1,196	(1,196)
	-	1,316	2,234
Expenses			
Chief Jimmy Bruneau School	-	-	998
MEZI Community School	-	-	-
Jean Wetrade Gameti School	-	-	-
Alexis Arrowmaker School	-	1,233	1,212
	-	1,233	2,209
Excess Funding over Expense	-	83	25

Tlicho Community Services Agency
Schedule C-32
Schedule of Detailed Contribution Funding and Expenses
Literacy - Chief Jimmy Bruneau High School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
NWT Literacy	-	4,900	2,100
Diavik Diamond Mines (Deferred)	-	-	17,541
	-	4,900	19,641
Expenses			
Materials & Supplies	-	5,300	19,885
Contract Services	-	-	200
	-	5,300	20,085
Excess Funding over Expense	-	(400)	(444)

Tlicho Community Services Agency
Schedule C-33
Schedule of Detailed Contribution Funding and Expenses
E-Learning - MEZI Community School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
Beaufort Delta Education Council	-	-	-
Beaufort Delta Ed. Council, Deferred	-	-	44,408
Beaufort Delta Ed. Council, Payable	-	-	(36,547)
	<hr/>	<hr/>	<hr/>
	-	-	7,861
Expenses			
Salaries & Benefits	-	-	7,221
Contract Services	-	-	640
	<hr/>	<hr/>	<hr/>
	-	-	7,861
Excess Funding over Expense	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	-	-	-

Tlcho Community Services Agency
Schedule C-34
Schedule of Detailed Contribution Funding and Expenses
School Playground - Elizabeth Mackenzie Elementary School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
GNWT, ECE	-	-	24,000
	-	-	24,000
Expenses			
Materials & Supplies	-	-	26,498
Contract Services	-	-	-
	-	-	26,498
Excess Funding over Expense	-	-	(2,498)

Tlicho Community Services Agency
Schedule C-35
Schedule of Detailed Contribution Funding and Expenses
Youth Contribution (Vancouver Trip) - Chief Jimmy Bruneau School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	-	4,000
	-	-	4,000
Expenses			
Travel	-	-	4,000
Contract Services	-	-	-
	-	-	4,000
Excess Funding over Expense	-	-	-

Tlicho Community Services Agency
Schedule C-36
Schedule of Detailed Contribution Funding and Expenses
Youth Contribution (Canoe) - MEZI Community School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	-	5,000
	-	-	5,000
Expenses			
Materials & Supplies	-	-	1,477
Travel	-	-	1,839
Contract Services	-	-	1,600
	-	-	4,916
Excess Funding over Expense	-	-	84

Tlicho Community Services Agency
Schedule C-37
Schedule of Detailed Contribution Funding and Expenses
Youth Contribution (YK Trip) - MEZI Community School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	-	5,000
	-	-	5,000
Expenses			
Travel	-	-	4,677
Contract Services	-	-	315
	-	-	4,992
Excess Funding over Expense	-	-	8

Tlicho Community Services Agency
Schedule C-38
Schedule of Detailed Contribution Funding and Expenses
Youth Contribution (China Trip) - Jean Wetrade Gameti School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	-	4,000
	-	-	4,000
Expenses			
Materials & Supplies	-	-	-
Travel	-	-	4,800
	-	-	4,800
Excess Funding over Expense	-	-	(800)

Tlicho Community Services Agency
Schedule C-39
Schedule of Detailed Contribution Funding and Expenses
Yoga Fitness - Jean Wetrade Gaemti School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
NWT, Minister Responsible for Women	-	4,000	3,000
NWT, Minister Responsible for Women (Deferred)		(3,414)	(777)
NWT, Minister Responsible for Women (Deferred)	-	777	
	-	1,363	2,223
Expenses			
Materials & Supplies	-	1,363	2,223
Contract Services	-	-	-
	-	1,363	2,223
Excess Funding over Expense	-	-	-

Tlicho Community Services Agency
Schedule C-40
Schedule of Detailed Contribution Funding and Expenses
Public Library Services - Elizabeth Mackenzie Elementary School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
GNWT ECE	-	38,000	38,000
	-	38,000	38,000
Expenses			
Salaries & Benefits	-	37,346	38,019
Materials & Supplies	-	817	-
Contract Services	-	-	-
	-	38,163	38,019
Excess Funding over Expense	-	(163)	(19)

Tlich Community Services Agency
Schedule C-41
Schedule of Detailed Contribution Funding and Expenses
Fourth R - CAMH
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
Centre for Addiction & Mental Health	-	-	-
	-	-	-
Expenses			
Training & Development	-	-	9,003
Materials & Supplies	-	-	-
Contract Services	-	-	-
	-	-	9,003
Excess Funding over Expense	-	-	(9,003)

Tlicho Community Services Agency
Schedule C-42
Schedule of Detailed Contribution Funding and Expenses
Safe & Caring School - Chief Jimmy Bruneau School
For the year ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Funding			
GNWT, ECE	-	-	5,000
	-	-	5,000
Expenses			
Materials & Supplies	-	-	1,731
Training & Development	-	-	3,112
	-	-	4,844
Excess Funding over Expense	-	-	156

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Financial Statements

March 31, 2017

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

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March 31, 2017

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Management Discussion and Analysis

Introduction

In preparation of the 2016-2017 year-end financial statement, the Management Discussion and Analysis was prepared as part of the process to demonstrate the core value of transparency and accountability of both the NTHSSA management and the Northwest Territories Leadership Council (Leadership Council).

On August 1, 2016, under amendments to the *Hospital Insurance and Health and Social Services Administration Act*, the Government of the Northwest Territories (GNWT) established the NTHSSA by amalgamating six former independent Health and Social Services Authorities (HSSAs) in the Northwest Territories (NWT). The six authorities were:

- Beaufort Delta Health and Social Services Authority
- Dehcho Health and Social Services Authority
- Fort Smith Health and Social Services Authority
- Sahtu Health and Social Services Authority
- Yellowknife Health and Social Services Authority
- Stanton Territorial Health Authority

The staff, management, leadership and operations of the former HSSAs were combined on August 1, 2016, with a goal to promote efficient, effective and consistent healthcare and social services delivery to the people of the NWT. The newly created NTHSSA has the responsibility for delivering health and social services in the Beaufort Delta, Dehcho, Fort Smith, Sahtu and Yellowknife regions of the NWT. The NTHSSA is also responsible for the operation of the Stanton Territorial Hospital.

As an agency of the GNWT, the NTHSSA is responsible to the Minister of Health and Social Services for governing, managing and providing health and social services in accordance with the territorial plan set out by the Minister; specifically with a role to:

- plan, develop and deliver programs and services;
- ensure operational policies, guidelines and standards of care are within the context of legislation, regulation and Department of Health and Social Services policies;

- provide budget development, funding allocation, monitoring and financial reporting;
- provide quality and risk management;
- ensure recruitment, supervision and retention of professional staff;
- ensure staff training and professional development; and
- report and be accountable in accordance with legislation, regulations and agreements.

The NTHSSA operates under the vision statement and guiding principles that steered the transformation of the NWT Health and Social Service System:

VISION

Best Health, Best Care, for a Better Future.

GUIDING PRINCIPLES

- ***A focus on the patient/client,***
- ***Safe quality care,***
- ***Supporting individuals and families to stay healthy,***
- ***Building a sustainable system,***
- ***Ensuring regions have a voice at the territorial level,***
- ***Ensuring equitable access to care and services,***
- ***Respects diversity and all cultures.***

The NWT HSS Leadership Council (Leadership Council) is the board of management for the NTHSSA. The Leadership Council provides overall leadership to the NTHSSA and helps facilitate the NTHSSA's legislated mandate to:

- deliver health services, social services, and health and wellness promotional activities within the NWT;
- manage, control and operate each health and social services facility for which the NTHSSA is responsible; and
- manage the financial, human and other resources necessary to perform the NTHSSA's duties.

The Leadership Council is accountable to the Minister of Health and Social Services and provides advice to the Minister on strategic directions for particular health and social services and programs related to those services.

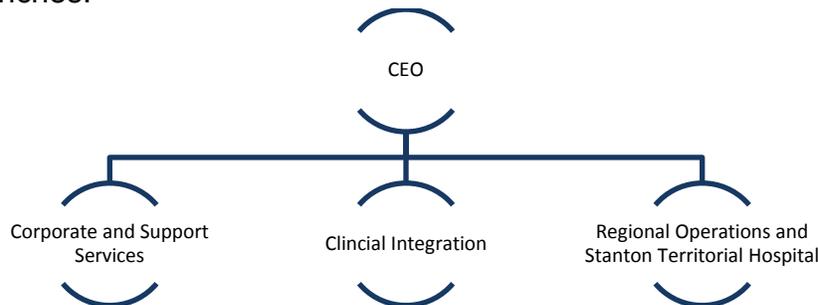
The Leadership Council is made up of nine (9) members; a Chairperson as appointed by the Minister, the chairperson of each Regional Wellness Council (6); the chairperson of the Tłı̄ch̄ Community Services Agency; and the Deputy Minister of the Department of Health and Social Services (ex-officio and non-voting).

Each of the regions comprising the NTHSSA has a Regional Wellness Council that acts in an advisory capacity, promoting activities that support service delivery for the health and well-being of patients, clients, and families.

The 2016-17 Leadership Council included:

- Chairperson: Mr. James Antoine
- Vice-Chairperson: Ms. Ethel-Jean Gruben (Chair, Beaufort-Delta RWC)
- Member: Ms. Patricia Schaefer (Chair, Fort Smith RWC)
- Member: Mr. Michael Maher (Chair, Hay River RWC)
- Member: Ms. Gina Dolphus (Chair, Sahtu RWC)
- Member: Mr. Ted Blondin (Chair, TCSA)
- Member: Ms. Ruby Simba (Chair, Dehcho RWC)
- Member: Ms. Elizabeth Biscaye (Chair, Yellowknife RWC)
- Ex-officio and non-voting Member: Ms. Debbie DeLancey (Deputy Minister, DHSS)

Through the NTHSSA's CEO operational and financial reporting is provided to the Leadership Council at regularly scheduled Leadership Council meetings. The NTHSSA's organizational structure includes the CEO's office (Chief Medical Information Officer, Strategic Human Resources Planning and Physician Services) and three operational branches:

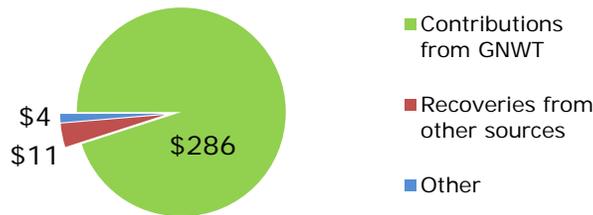


Financial Overview

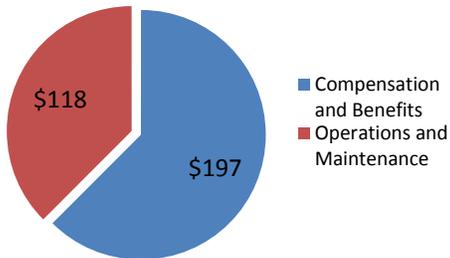
NTHSSA's overall revenue and expenses are summarized in the following 2017 charts:

Revenue (millions)

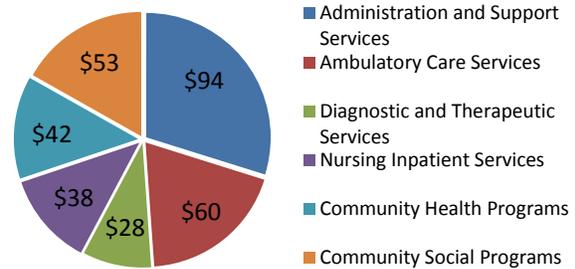
Total revenue = \$301 Million



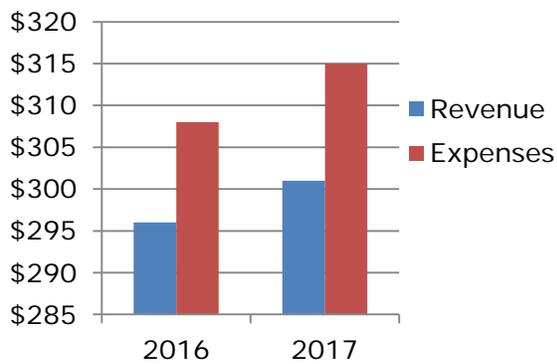
Expense by Object (millions)



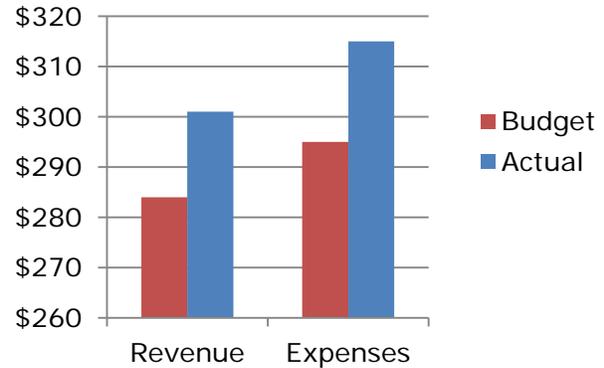
Expense by Program (millions)



Year over Year (millions)



Operating Actual to Budget (millions)



Actual revenue was approximately \$17 million higher than budgeted due predominately to higher than anticipated recoveries from the GNWT and Nunavut. Actual expenses were approximately \$20 million higher than budgeted, stemming largely from an increase in demand for ambulatory care services.

NTHSSA remains committed to meeting their operational mandate and expected service levels; notwithstanding, significant pressure on fiscal resources that exist within the NTHSSA has resulted in a deficit of \$14.2 million for 2016-2017.

Operating Environment

The NTHSSA provides health and social services in the vast geographical area of the NWT; from the remote high Arctic communities of Paulatuk, Ulukhaktok and Sachs Harbour to the southern NWT/Alberta border community of Fort Smith. Delivering the NTHSSA mandate to such a large geographic area requires well-defined systems, a robust logistical support network, as well as a team of committed staff who are dedicated to ensuring quality health and social services are provided to all NWT residents. The NWT Health and Social Services System Transformation initiative continues to provide an opportunity to refine and improve patient and client care by ensuring equitable access to care and services across all NTHSSA regions and ensuring regions and communities have a voice at the territorial level.

In the review of the operating landscape for the NTHSSA, a few strengths, weaknesses, opportunities and threats have been identified in the table below:

Strengths	Weaknesses
<ul style="list-style-type: none"> • Ability to standardize systems and processes with a territorial focus • Pooled access to professional staff and knowledge across six NTHSSA regions • New Facilities such as renewal of Stanton Territorial Hospital and Norman Wells Long-Term Care 	<ul style="list-style-type: none"> • Sustainable Human Resources • Communications • Extensive use of overtime and locums to meet service requirements • Lack of single financial accounting system
Opportunities	Threats/Risks
<ul style="list-style-type: none"> • Professional accreditation of NTHSSA regions • Sharing quality improvement initiatives across NWT regional operations • Pool resources to expand purchasing power 	<ul style="list-style-type: none"> • Funding deficit • Aging population requiring increased level of care/service • Competitive job market for health care professionals • Vast geographical area of the NWT

Building on Strengths

Robust, well-documented systems and processes continue to be formulated and updated to ensure NTHSSA delivers services of consistent quality across all regions. Regions also continue to develop protocols that facilitate employees' ability to provide services across NTHSSA regions when necessary or to back-fill short term vacancies, enhancing the quality of care and services delivered. Trained and knowledgeable staff are willing to share knowledge and work in locations where temporary short-term assistance is required.

Addressing Weaknesses

NTHSSA leadership is acutely aware of the continuing need to nurture and cultivate open and effective communication practices across the organization and to the public at large. In this regard, NTHSSA leadership is focused on the continuing enhancement of both internal and external communication protocols.

NTHSSA leadership remains cognizant of the level of overtime required to meet service level demands and the resultant fiscal pressures. NTHSSA leadership is reviewing overtime across all regions with the goal of determining causes and implementing changes that would maintain the level of care and service delivery while effectively managing and minimizing the overtime risk.

Capturing Opportunities

Quality improvement processes have been adopted by the NTHSSA, including the leadership framework for change: 'Quality as a Business Strategy', to guide leadership and senior managers in effectively participating in HSS system transformation and continuous quality improvement activities. Coupled with this, the NTHSSA is pursuing a vision of 'best care', aimed to ensure that care and services are responsive to the needs of children, individuals, families and communities. Providing best care involves focusing not only on quality services, but learning from patient experience.

The NTHSSA is currently working through the accreditation process with Accreditation Canada, including regions not previously accredited. This process will help improve quality, safety and efficiency of programs and services.

Mitigating Risks

NTHSSA is committed to delivering the operational mandate in a manner respectful of the fiscal environment of the GNWT. The recent amalgamation of NWT HSSAs and establishment of the NTHSSA continues to provide opportunities to realign services and care across the six regions that will improve health outcomes for patients, clients and families, improve patient and client experience and improve organizational performance by reducing overall costs.

NTHSSA continues to be a workplace of choice for health care and social services professionals, and pursues the NTHSSA Human Resources Strategic Plan in their effort to attract and retain qualified employees.

Financial Condition

As at March 31, 2017 NTHSSA incurred an operating deficit of \$14.2 million, which was \$3.4 million more than the budgeted operating deficit of \$10.8 million. This increased NTHSSA's accumulated deficit to \$76.1 million. For a detailed review of NTHSSA's financial condition, refer to the Statement of Financial Position and Statement of Operations and Accumulated Deficit.

	2017 Actual	2016 Actual
Accumulated (deficit) closing	(76,122,929)	(61,946,910)
Accumulated (deficit) opening	61,946,910	50,824,348
Annual (deficit)	(14,176,019)	(11,122,562)
Prior year funding received	127,487	757,986
Recovery of prior year expenses	1,603,046	-
Employee future benefits reserve	131,218	131,218
Unfunded items - Employee future benefit liability	13,368,822	13,744,729
Change in Employee future benefit	(375,907)	2,167,511



There are a number of factors that contributed to NTHSSA's accumulated deficit. The most significant being the unfunded increases to provisions within the 2012-2016 Collective Agreement between the Union of Northern Workers (UNW) and the GNWT. These unfunded increases include relocation, ultimate removal, responsibility pay, rest periods, maternity/paternity leave benefits, severance and the buyback of pensionable service. There also remains an increasing requirement to incur overtime in order to adequately provide the requisite health care and social services expected by NWT residents. For 2016-2017, overtime and call-back costs totaled \$1.1 million, an increase of 5% from 2015-2016.

Summary and Outlook

The 2016-2017 fiscal year saw the successful establishment of the NTHSSA, transitioning from six HSSA authorities into one territorial health and social services authority. During the first seven months of operations the focus was on organizational, architectural and core service stabilization; alignment with the Department's strategic plan, and the continued provision of quality care and services. Significant changes were made in how the organization was structured at the leadership level, and attention has now turned to supporting staff through changes that will be made to improve care and service delivery.

NTHSSA's continued focus will be on building an organization that operates using a true client/patient, family and community centered care model that underpins service delivery. Much of the work to support this change is being completed through the implementation of 'Quality as a Business Strategy' which provides a set of activities to guide NTHSSA leadership to effectively participate in ongoing system transformation and continuous improvement activities.

Improving quality within the system is a responsibility held by all NTHSSA staff. Supporting and strengthening the team will enhance the patient/client experience and lead to better health and a better future for all NWT residents.



CEO

10 October 2017

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Management's Responsibility for Financial Reporting

The accompanying financial statements were prepared by management in accordance with Canadian public sector accounting standards (PSAS). Where PSAS permits alternative accounting methods, management has chosen those it deems most appropriate in the circumstances. A summary of significant accounting policies are described in Note 3 to the financial statements. Financial statements include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects. Management has prepared financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the financial statements.

The Northwest Territories Health and Social Services Authority (the Authority) maintains financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis, that assets are acquired economically, are used to further the Authority's objectives, are protected from loss or unauthorized use and that the Authority complies with applicable legislation. Management recognizes its responsibility for conducting the Authority's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to an agent of the Territorial Government. An internal auditor reviews the operation of financial and management systems to promote compliance and to identify changing requirements or needed improvements.

The Auditor General of Canada provides an independent, objective audit for the purpose of expressing his opinion on the financial statements. He also considers whether the transactions that come to his notice in the course of the audit are, in all significant respects, in accordance with the specified legislation.

The financial statements have been approved by the Northwest Territories Health and Social Services Leadership Council (Leadership Council).



Sue Cullen
Chief Executive Officer

Kevin Taylor
Executive Director, Corporate and Support Services

10 October 2017



INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Northwest Territories Health and Social Services Authority

Report on the Financial Statements

I have audited the accompanying financial statements of the Northwest Territories Health and Social Services Authority, which comprise the statement of financial position as at 31 March 2017, and the statement of operations and accumulated deficit, statement of changes in net debt and statement of cash flow for the year then ended, and 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 and fair presentation 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 entity'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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Northwest Territories Health and Social Services Authority as at 31 March 2017, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to Note 1 in the financial statements which indicates that the Authority incurred a net loss of \$14.2 million during the year ended 31 March 2017 and, as of that date, the Authority's liabilities exceeded its total assets by \$76.1 million. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Authority's ability to continue as a going concern.

Other Matter

Comparative information presented in these financial statements for the year ended 31 March 2016 is unaudited.



David Irving, CPA, CA
Principal
for the Auditor General of Canada

10 October 2017
Edmonton, Canada

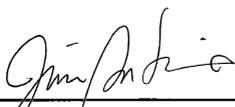
NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Statement of Financial Position

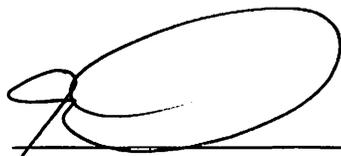
As at March 31,	2017	Unaudited 2016
Financial Assets		
Cash	\$ 4,539,292	\$ 10,012,645
Accounts receivable (note 6)	7,791,480	7,046,484
Due from Government of the Northwest Territories (note 7)	8,888,965	10,507,554
Due from Government of Canada	302,115	335,279
	21,521,852	27,901,962
Liabilities		
Accounts payable and accrued liabilities (note 9)	16,667,253	16,480,089
Due to Government of the Northwest Territories (note 7)	71,635,344	63,598,586
Due to Government of Canada	820	14,277
Other employee future benefits and compensated absences (note 11)	13,368,822	13,744,729
	101,672,239	93,837,681
Net Debt	(80,150,387)	(65,935,719)
Non-Financial Assets		
Inventories held for use (note 8)	2,840,179	2,827,278
Prepaid expenses	1,187,279	1,161,531
	4,027,458	3,988,809
Accumulated Deficit	\$ (76,122,929)	\$ (61,946,910)

Contractual Obligations and Contingencies (note 14 and 15)

Approved on behalf of the Authority



Jim Antoine
Leadership Council
Board Chairperson



Leadership Council
Board Member

The accompanying notes are an integral part of these financial statements.

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Statement of Operations and Accumulated Deficit

For the year ended March 31,	2017		2016
	Budget	Actual	Unaudited Actual
Revenue			
Recoveries from other sources	\$ 7,502,173	\$ 8,477,068	\$ 8,003,613
Recoveries from Nunavut	3,036,900	2,763,536	2,832,371
Recoveries of prior years' expenses	-	1,603,046	-
Contributions from other sources	845,141	899,451	869,541
Other income	815,000	887,683	256,587
Interest income	167,996	138,612	172,015
Total Revenue	12,367,210	14,769,396	12,134,127
Expenses (note 18)			
Administration and support services	86,843,814	94,006,966	88,387,515
Ambulatory care services	60,113,841	60,437,950	58,965,847
Community social programs	52,081,046	53,272,110	52,081,750
Community health programs	37,912,718	41,732,111	41,008,699
Nursing inpatient services	32,966,498	37,729,781	40,063,158
Diagnostic and therapeutic services	24,975,276	27,695,188	27,051,970
Total Expenses	294,893,193	314,874,106	307,558,939
Deficit for the year before Government contributions	(282,525,983)	(300,104,710)	(295,424,812)
Government contributions			
Contributions from Government of the Northwest Territories	\$ 244,959,882	\$ 244,401,527	\$ 244,565,673
Recoveries from Government of the Northwest Territories	17,087,492	20,861,542	20,343,764
Recoveries - non insured health services	9,671,640	12,934,553	11,301,310
Recoveries of prior years' expenses	-	127,487	757,986
Grant-in-kind - Government assets and services provided at no charge (note 13)	-	7,603,582	7,333,517
Total Government contributions	271,719,014	285,928,691	284,302,250
Annual Deficit	(10,806,969)	(14,176,019)	(11,122,562)
Accumulated Deficit, beginning of year	(61,946,910)	(61,946,910)	(50,824,348)
Accumulated Deficit, end of year	\$ (72,753,879)	\$ (76,122,929)	\$ (61,946,910)

The accompanying notes are an integral part of these financial statements.

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Statement of Changes in Net Debt

For the year ended March 31,	2017		Unaudited 2016
	Budget	Actual	Actual
Annual Deficit for the year	\$ (10,806,969)	\$ (14,176,019)	\$ (11,122,562)
Adjustments			
Acquisition of inventories held for use	-	(6,577,536)	(6,395,463)
Consumption of inventories held for use	-	6,564,635	6,151,909
Acquisition of prepaid expenses	-	(1,388,120)	(1,616,922)
Use of prepaid expenses	-	1,362,372	2,066,435
Increase in Net Debt for the year	(10,806,969)	(14,214,668)	(10,916,603)
Net Debt, beginning of year	(65,935,719)	(65,935,719)	(55,019,116)
Net Debt, end of year	\$ (76,742,688)	\$ (80,150,387)	\$ (65,935,719)

The accompanying notes are an integral part of these financial statements.

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY**Statement of Cash Flow**

	2017	Unaudited 2016
For the year ended March 31,		
Cash provided by (used in)		
Operating transactions		
Operating deficit	\$ (14,176,019)	\$ (11,122,562)
Changes in non-cash assets and liabilities:		
(Increase) decrease in accounts receivable	(744,996)	890,685
Increase in accounts payable and accrued liabilities	187,164	(309,500)
Net increase in due to/(from) Government of Northwest Territories	9,655,347	11,481,799
Decrease in other employee future benefits and compensated absences	(375,907)	2,167,511
Net increase in due to/(from) Government of Canada	19,707	50,428
Increase in inventories held for use	(12,901)	(244,554)
Increase (decrease) in prepaid expenses	(25,748)	449,512
Cash provided by (used for) operating transactions	(5,473,353)	3,363,319
Increase / (decrease) in cash	(5,473,353)	3,363,319
Cash, beginning of year	10,012,645	6,649,326
Cash, end of year	\$ 4,539,292	\$ 10,012,645

There were no financing, investing or capital transactions during the year.

* Total interest paid during the year \$62,020 (2016 - \$84,354).

The accompanying notes are an integral part of these financial statements.

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Notes to Financial Statements

March 31, 2017

1. Going concern

These financial statements have been prepared on the going concern basis in accordance with Canadian public sector accounting standards. The going concern basis of presentation assumes that the Authority will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Authority, established on August 1, 2016 amalgamates six former health boards (Note 2), which had significant annual and accumulated deficits in prior years as their funding has historically been insufficient for their level of expenditures. The Authority is primarily financed through appropriations to the Department of Health and Social Services (DHSS) as described in Note 2, Economic dependence. For the year ended March 31, 2017, the Authority had an annual deficit of \$14.2 million, accumulated deficit of \$76.1 million, liabilities of \$101.7 million (including \$71.6 million liability to the Government of the Northwest Territories (the "Government"), which is due upon demand) and total financial assets of only \$21.5 million. The Government administers payroll for the Authority, and invoices the Authority for payment. The Authority has deferred repaying the Government so that its' other vendors can be paid.

The above factors cause material uncertainty that may cast significant doubt about the Authority's ability to continue as a going concern. The Authority is currently in discussions with the Government to develop a plan to eliminate its annual deficits and repay its liability to the Government.

These financial statements do not include any adjustments to the carrying value of the assets and liabilities, the reported revenues and expenses that might be necessary if the Government does not increase its' appropriations so that revenues are sufficient to meet expenditure requirements.

2. Authority and operations

The Northwest Territories Health and Social Services Authority (the Authority) operates pursuant to the *Hospital Insurance and Health and Social Services Administration Act* (the Act) of the Northwest Territories and is an agency under Schedule A of the *Financial Administration Act* (FAA) of the Northwest Territories. Accordingly, the Authority operates in accordance with its Act and regulations, and any directives issued to it by the Minister responsible for the Authority.

The Authority was established on August 1, 2016 to manage, control, and operate the public health facilities and services assigned to it by the Government. When the Authority was created, six of the eight Health and Social Services Authorities (HSSAs) were amalgamated under the Authority, and are no longer separate legal authorities. The reporting entity comprises the newly created Authority and the operations from six former HSSAs including Beaufort-Delta, Dehcho, Fort Smith, Sahtu, Yellowknife and Stanton Territorial Hospital. All assets, rights, titles, interests, agreements, obligations, liabilities and programs were transferred to the Authority. Because the Authority and the former HSSAs are controlled by the Government, continuity of interest accounting has been applied as the Authority is continuing the work of the former HSSAs. The comparative figures represent the combined financial position and statement of operations of the former HSSAs. The former HSSAs have been recorded at their carrying amounts as reported on each HSSAs own financial statements and the results from transactions between the former HSSAs have been eliminated and all accounting policies have been conformed to those of the Authority. There was also an adjustment made on amalgamation to record the additional payroll costs from the actuarial valuation that the Government of Northwest Territories recorded during its consolidation of these entities in the prior years (\$1.6 million in 2016 and \$3.7 million to opening surplus). The results from April 1 – July 31, 2016 represents the operations of the HSSAs, and are combined with the results from August 1, 2016 to March 31, 2017 representing the operations of the Authority for the year ending March 31, 2017.

Hay River Health and Social Services Authority (HRHSSA) and Tlicho Community Services Agency (TCSA) will remain outside the Authority; however, the legislation does include provisions to bring the HRHSSA into the Authority at a later date. The Authority serves as a single integrated delivery system for Northwest Territories health and social service programs while recognizing that the TCSA retains a unique role through the provisions of the Tlicho Agreement. Through the Chief Executive Officer, the Authority reports to and takes direction from the Chair of Northwest Territories Health and Social Services Leadership Council that is comprised of eight persons appointed in accordance with the Act.

Taxes

The Authority is exempt from taxation pursuant to Paragraph 149 of the federal *Income Tax Act*.

Budget

The budgeted figures represent the Authorities original fiscal plan for the year approved by the former Authorities board of directors or Public Administrator and the Government and do not reflect any subsequent adjustments made during the course of the year.

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY**Notes to Financial Statements**

March 31, 2017

2. Authority and operations (continued)**Economic dependence**

The Authority is economically dependent upon the contributions received from the Government and for the Government's payments on behalf of the Authority for the Authority's salaries for its ongoing operations. If the funding arrangement were to change, management is of the opinion that the Authority's operations would be significantly affected.

3. Basis of presentation and significant Accounting policies**Basis of presentation**

These financial statements have been prepared in accordance with Canadian public sector accounting standards as issued by the Canadian Public Sector Accounting Board. Significant aspects of the accounting policies adopted by the Authority are as follows:

(a) Measurement uncertainty

The preparation of these financial statements in accordance with Canadian public sector accounting standards, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements and accompanying notes. By their nature, these estimates are subject to measurement uncertainty. Actual results could differ significantly from these estimates.

The more significant estimates relate to the other employee future benefits and compensated absences, contingencies, and allowances for doubtful accounts receivable.

(b) Cash

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

(c) Tangible capital assets

The Government retains ownership of all tangible capital assets (TCA) used by the Authority. The Government's financial statements include these TCAs and as such the Authority has no TCAs recognized in its financial statements. The Government is currently constructing a new Territorial Hospital for the Authority to use once it is completed.

The Authority has recognized grant-in-kind revenue for the use of these TCAs provided free of charge by the Government. In addition, the Authority has recognized a corresponding rent expense for these TCAs based on the Government's amortization which is the Government's cost. This rent expense has been allocated to the Authority's programs in the statement of operations and accumulated deficit.

(d) Inventories held for use

Inventories consist of pharmaceuticals and general inventories such as parts for various equipment, medical surgical supplies, other medical supplies and office supplies. Inventories held for use are valued at the lower of cost and replacement value.

(e) Other employee future benefits and compensated absences

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

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY**Notes to Financial Statements**

March 31, 2017

3. Basis of presentation and significant Accounting policies (continued)**(f) Pensions**

The Authority and its eligible employees make contributions to the Public Service Superannuation Plan administered by the Government of Canada. These contributions represent the total liability of the Authority and are recognized in the accounts on a current basis. The Authority is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Pension Plan.

The Authority and its contracted physicians make contributions to a physician directed investment fund administered by the Canadian Medical Association. These contributions represent the total pension liability of the Authority and are recognized in the accounts on a current basis.

(g) Revenue recognition**Government transfers**

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

Operating transfers are recognized as revenue in the period in which the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be determined.

Recoveries

Government recoveries include amounts recovered from the Government for expenses paid by the Authority primarily relating to non-resident hospital services and non-insured health benefits. Government recoveries are recognized as revenue when the amount is known. Other recoveries are recognized when the amount is known and includes reimbursements from Workers' Safety and Compensation Commission and their equivalent entities throughout Canada, and recovery of medical fees for items such as client medical travel costs.

Other revenue

Other revenue is recognized when the service is performed or the goods are provided. The Authority may provide uninsured medical services for which revenue is recognized and food sales as a by-product of hospital cafeterias.

(h) Due from (to) Government of Canada

Due from the Government of Canada relates to receivables for projects on behalf of or services provided to the Government of Canada. Similarly, the Due to the Government of Canada relates to advances for projects provided on behalf of or services to the Government of Canada.

(i) Financial instruments

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

This category includes cash, accounts receivable, due from Government of Canada, accounts payable and accrued liabilities, payroll liabilities, contributions repayable, and due to Government of Canada. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. Transactions costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments. Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write down being recognized in the statement of operations.

(j) Non-financial assets

Non-financial assets are accounted for as assets by the Authority because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Authority unless they are sold.

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY**Notes to Financial Statements**

March 31, 2017

3. Basis of presentation and significant Accounting policies (continued)**(k) Contractual obligations and contingencies**

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

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

(l) Expenses

Expenses are reported on an accrual basis. The cost of all goods and services received during the year are expensed, except for certain services provided without charge which are described in Note 13.

(m) Services provided without charge

The authority receives services provided by the Government without charge which include rent, building utilities, repairs and maintenance, medical travel, contracted services, legal, human resources and other services. With the exception of rent described in Note 3 (c) the remainder of these services cannot be reasonably estimated and the Authority does not recognize any amounts for these other services in the financial statements.

The Authority is electing to early adopt Inter-entity transactions (PS 3420) and recognize the services using the Government's estimate for rent as revenue and expense. All other services provided do not have a reasonable estimate and are part of the Government's central agency supporting the activities of the Authority and other Government departments. The early adoption of PS 3420 had no significant impact on the financial statements as the Authority previously recognized rent expense and grant-in-kind provided by the Government.

(n) Recoveries of prior years' expenses

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

(o) Related party

The Authority is electing to early adopt Related party disclosures (PS 2200) in conjunction with Inter-entity transactions (PS 3420) referenced in Note 3 (m). The early adoption of PS 2200 also had no significant impact on the financial statements of the Authority.

4. Future Accounting Changes

PSAB issued new standards in June 2015 on Assets (PS 3210), Contingent Assets (PS 3320), Contractual Rights (PS 3380) and Restructuring Transactions (PS 3430). All these new standards have an effective date of April 1, 2017, except for PS 3430 that has an effective date of April 1, 2018.

The Authority does not expect these new standards to have a significant impact on its financial statements.

5. Designated Assets

The Authority records financial information in individual funds that are internally segregated for the purpose of carrying on specific activities or attaining certain objectives. These funds are included in cash on the Statement of Financial Position totaling \$444,196 (2016 - \$468,460). Funds established by the Authority include a special project reserve \$272,706 (2016 - \$273,889) which are donations made to the Authority under non-contractual conditions; a funded employee future benefits reserve \$131,218 (2016 - 131,218) for funds received for the severance liability of employees who were transferred to the Authority from the Government; and an internally restricted fund \$40,272 (2016 - 40,272) for monies transferred to the Authority when the Beaufort Delta Hospital Foundation became inactive.

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Notes to Financial Statements

March 31, 2017

6. Accounts receivable

The Authority administers the Government's Medical travel program for residents of the Northwest Territories and non-residents of the Northwest Territories accessing the medical travel program are invoiced accordingly. These invoices are included in receivables at March 31. Interest is not charged on outstanding amounts receivable. All other payments from account receivable customers of the Authority are expected at N/30.

	Accounts Receivable	Allow. For Doubtful Accounts	Net 2017	Net 2016
Receivables	\$ 8,631,486	\$ 3,535,730	\$ 5,095,756	\$ 4,410,761
Government of Nunavut	2,233,681	148,978	2,084,703	1,828,601
Due from WSCC	494,582	146,731	347,851	363,920
Due from Related Parties (note 16)	300,805	37,635	263,170	443,202
Total accounts receivable	\$ 11,660,554	\$ 3,869,074	\$ 7,791,480	\$ 7,046,484

7. Due from (to) the Government of the Northwest Territories

The Authority receives payment from the Government based on 30 days from the receipt of the invoice or monthly based on transfer payments of contribution agreements.

Due from the Government of Northwest Territories	Accounts Receivable	Allow. For Doubtful Accounts	Net 2017	Net 2016
Health and Social services	\$ 10,069,699	\$ 1,200,015	\$ 8,869,684	\$ 10,110,460
Finance	10,922	75	10,847	386,947
Infrastructure	7,649	-	7,649	-
Education, Culture and Employment	4,794	4,009	785	10,147
Total due from Government of Northwest Territories	\$ 10,093,064	\$ 1,204,099	\$ 8,888,965	\$ 10,507,554

Due to the Government of Northwest Territories

Liability for payroll services provided by the Government	\$ 67,888,358	\$ 59,549,908
Department of Health and Social services	3,508,053	3,833,022
Education, Culture and Employment	-	3,000
Finance	197,267	122,346
Infrastructure	28,060	90,310
Justice	7,420	-
Municipal and Community Affairs	6,186	-
Total due to Government of Northwest Territories	\$ 71,635,344	\$ 63,598,586

The Due to the Government of Northwest Territories is unsecured, without interest and due on demand.

8. Inventories held for use

	2017	2016
General	\$ 1,980,659	\$ 1,825,091
Pharmacy	859,520	1,002,187
Total inventories held for use	\$ 2,840,179	\$ 2,827,278

\$39,313 of inventory was written off in 2017 (2016 - \$37,896).

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY**Notes to Financial Statements**

March 31, 2017

9. Accounts payable and accrued liabilities

The Authority follows the Government for payment practices of accounts payable invoices and pays northern vendors with terms N/20 and all other vendors at N/30. The Authority administers the Government's Medical travel program for residents of the Northwest Territories and reimbursement of medical related travel expenses are paid to residents accessing the program accordingly. These payables are included in the trade payable.

	2017	2016
Trade payable	\$ 10,245,700	\$ 10,116,289
Annual leave and lieu time	6,397,409	6,029,266
Due to related parties (note 16)	24,144	309,914
Due to WSCC	-	24,620
Total accounts payable and accrued liabilities	\$ 16,667,253	\$ 16,480,089

10. Pensions

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

The public service pension plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the plan on or after January 1, 2013. For members with start dates before January 1, 2013, the normal retirement age remains age 60. Furthermore, contribution rates for current service for all members of the public service will increase gradually to an employer: employee cost sharing ratio of 50:50 by 2017. The employer contribution rate effective at the end of the year is 1.01 times (2016 – 1.15) the employees' contributions for employees who started prior to January 2013 and 1.0 times (2016 – 1.1) the employees' contributions for all other employees.

The Authority and the contracted physician's contribute to the Physician Retirement Income Benefit (PRIB). The Physician's contribution rate is 7.5 percent of the Physician's base salary, minus the Physician's contribution to the Canada Pension Plan. The Authority contribution rate is 15 percent of the Physician's base salary, minus the Employer's contribution to the Canada Pension Plan on behalf on the Physician. The Authority contributed \$9,709,719 (2016 – \$9,981,952) to PSPP and \$2,124,952 (2016 – \$2,135,817) to the Physician's fund. The employee's contributions were \$8,551,840 (2016 – \$7,770,151) and \$1,062,476 (2016 – \$1,067,908) respectively.

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Notes to Financial Statements

March 31, 2017

11. Other employee future benefits and compensated absences

In addition to pension benefits, the Authority provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation. Severance benefits are paid to Authority employees based on the type of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee was hired, the rate of pay, the number of years of continuous employment and age and the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being location of hire, employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

Compensated absence benefits generally accrue as employees render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to employee or dependent illness, or death of an immediate family member. Non-accruing benefits include maternity and parental leave. Benefits that accrue under compensated absence benefits were actuarially valued using the expected utilization methodology.

These liabilities are expensed in the year they become due.

	Severance and Removal	Compensated absences	2017	2016
Changes in Obligation				
Accrued benefit obligations, beginning of year	\$ 8,460,289	\$ 1,769,163	\$ 10,229,452	\$ 12,710,870
Current period benefit cost	512,617	148,733	661,350	2,224,926
Past Service Cost	243,394	47,379	290,773	-
Transfer of employees to NTHSSA (net)	(107,042)	(14,321)	(121,363)	-
Interest accrued	251,825	54,749	306,574	318,795
Benefits payments	(832,132)	(413,984)	(1,246,116)	(1,986,698)
Actuarial (gains)/losses	393,615	262,408	656,023	(3,038,438)
Accrued benefit obligations, end of year	8,922,566	1,854,127	10,776,693	10,229,455
Unamortized net actuarial gain	(1,853,740)	(175,369)	(2,029,109)	(3,038,438)
Net future obligation	\$ (10,776,306)	\$ (2,029,496)	\$ (12,805,802)	\$ (13,267,893)
Other compensated absences	-	(563,020)	(563,020)	(476,836)
Total employee future benefits and compensated absences	\$ (10,776,306)	\$ (2,592,516)	\$ (13,368,822)	\$ (13,744,729)
Benefits Expense				
Current period benefit cost	512,617	148,733	661,350	2,224,926
Past Service Cost	243,394	47,379	290,773	-
Transfer of employees to NTHSSA (net)	(107,042)	(14,321)	(121,363)	-
Interest accrued	251,825	54,749	306,574	318,795
Amortization of actuarial gains	(295,705)	(57,602)	(353,307)	-
	\$ 605,089	\$ 178,938	\$ 784,027	\$ 2,543,721

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Notes to Financial Statements

March 31, 2017

11. Other Employee Future Benefits and compensated absences (continued)

The discount rate used to determine the accrued benefit obligation is an average of 3.2%. The expected payments during the next five fiscal years are:

		Severance and Removal	Compensated absences	2017 Total	2016 Total
2018	Year 1	\$ 2,471,057	\$ 454,859	\$ 2,925,916	\$ 2,620,681
2019	Year 2	1,539,127	296,102	1,835,229	1,793,394
2020	Year 3	1,206,255	231,386	1,437,641	1,343,623
2021	Year 4	1,014,970	196,016	1,210,986	1,193,227
2022	Year 5	821,756	160,288	982,044	1,067,687
	Next 5 years	3,010,080	685,975	3,696,055	3,779,981

12. Trust assets under administration

The authority administers trust assets, consisting of cash on behalf of patients, which are not included in the reported Authority's assets and liabilities, totaling \$140,590 (2016 - \$152,802).

13. Government assets and services provided at no charge

During the year, the Authority received without charge from the Government services including utilities, repairs and maintenance, payroll processing, medical travel costs, insurance and risk management, legal counsel, construction management, records storage, computer operations, asset disposal, project management, and translation services. The services are part of the central agency role of the Government and no estimate can be reasonably determined.

The Government provides without charge the use of buildings, equipment, leasehold improvements, mainframe and software systems, medical equipment and vehicles for use in program and service delivery. These would have cost the Authority an estimated \$7,603,582 (2016 - \$7,333,517) based on the calculated depreciation expense by the Government and have been recognized as rent expense with a corresponding grant-in-kind in the financial statement.

14. Contractual Obligations

The Authority has entered into agreements for equipment, operations and services (Government medical travel program) or is contractually committed to, the following expenses payable subsequent to March 31, 2017:

	Expires in Fiscal Year	2018	2019	2020	2021 and Thereafter	Total
Equipment leases	2027	\$ 570,804	\$ 317,864	\$ 180,528	\$ 936,968	\$ 2,006,164
Operational leases	2020	8,004,330	904,478	58,877	36,462	9,004,147
Service contracts	2026	27,118,843	26,404,285	19,873,430	52,836,798	126,233,356
		\$ 35,693,977	\$ 27,626,627	\$ 20,112,835	\$ 53,810,228	\$ 137,243,667

15. Contingencies

In the normal course of operations, the Authority is subject to claims and pending and threatened litigation against the Authority and its staff. The Authority has recorded a provision for any claim or litigation where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. The provision is based upon estimates determined by the Authority's legal experts experience or case law in similar circumstances. At year-end, the Authority estimated the total claimed amount for which the outcome is not determinable at \$800,000 (2016 - \$0).

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Notes to Financial Statements

March 31, 2017

16. Related Parties

The Authority is related in terms of common ownership to all Government created departments and public agencies. The Authority enters into transactions with these entities in the normal course of business. Related Party Transactions not disclosed elsewhere are as follows:

Due from related parties	Accounts Receivable	Allow. For Doubtful Accounts	Net 2017	Net 2016
Hay River Health and Social Services Authority	\$ 156,274	\$ 1,028	\$ 155,246	\$ 72,301
Tlicho Community Services Agency	116,517	12,997	103,520	150,598
NWT Housing Corporation	4,404		4,404	2,339
NWT Power Corporation	23,610	23,610		
Stanton Territorial Hospital Foundation	-	-	-	216,411
District Education Authority - Tuktoyaktuk	-	-	-	1,553
	\$ 300,805	\$ 37,635	\$ 263,170	\$ 443,202

Due to related parties:	2017	2016
Hay River Health and Social Services Authority	\$ 15,490	\$ 552
NWT Power Corporation	4,734	2,582
Yellowknife Catholic School Board	1,854	-
Tlicho Community Services Agency	1,566	-
South Slave Divisional Education Council	500	-
Aurora College	-	306,780
	\$ 24,144	\$ 309,914

Revenues from related parties:	2017	2016
Tlicho Community Services Agency	842,455	1,011,047
Hay River Health and Social Services Authority	262,816	273,127
Stanton Foundation	124,890	324,486
NWT Housing Corporation	7,257	3,502
Aurora College	-	230
	\$ 1,237,418	\$ 1,612,392

Expenses paid to related parties:	2017	2016
Government of the Northwest Territories	\$ 1,357,346	\$ 1,103,686
NWT Housing Corporation & LHA(s)	172,554	144,792
Aurora College	69,241	316,972
NWT Power Corporation	34,506	29,170
Yellowknife Catholic School Board	20,341	41,784
Hay River Health and Social Services Authority	16,559	14,701
Tlicho Community Services Agency	1,566	18,028
South Slave Divisional Education Council	500	5,187
Ft MacPherson Tent and Canvas	380	-
Ecole Sir John Franklin High School	240	100
Dehcho Division Education Council	100	300
	\$ 1,673,333	\$ 1,674,720

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY**Notes to Financial Statements**

March 31, 2017

16. Related Parties (continued)

Related party transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

The Authority has a relation with the Stanton Territorial Hospital Foundation ("Foundation") which is a registered charity whose mission is to support and assist the Stanton Territorial Hospital in achieving its goals and objectives with particular emphasis on providing funds for capital equipment and/or specific training needs related to the same. The Foundation is incorporated under the *Societies Act* of the Northwest Territories, and is not under the control of the Authority.

17. Financial Instruments

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

(a) Credit risk

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

The Authority holds its cash, special purpose funds, and trust assets deposits in trust accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Authority's cash and special purpose funds deposits in trust accounts are insured up to \$100,000.

Accounts receivable are due from various governments, government agencies, corporations and individuals. Credit risk related to accounts receivable is mitigated by internal controls as well as policies and oversight over arrears for ultimate collection. Management has determined that a portion of accounts receivable are impaired based on specific identification as well as age of receivables. These amounts are as disclosed in Note 6.

The Authority's maximum exposure to credit risk is represented by the financial assets for a total of \$16,982,560 (2016 - \$17,889,317).

Concentration of credit risk

Concentration of credit risk is the risk that customer(s) has a significant portion (more than ten percent) of the total accounts receivable balance and thus there is a higher risk to the Authority in the event of a default. The Authority does have concentration of credit risk. At March 31, 2017, receivables from the Government comprised 52% of the total outstanding accounts receivables (2016 - 59%). The Authority reduces this risk by monitoring overdue balances.

The Authority also has concentration risk of credit risk as deposits are held in three Canadian chartered banks.

(b) Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet all cash outflow obligations as they come due. The Authority mitigates this risk by monitoring cash activities and expected outflows through budgeting, deferring repayment to the Government (Note 1 and Note 2) and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise. All of the Authority's financial assets and financial liabilities as at March 31, 2017 mature within the next six months.

Total financial assets are \$21,521,852 (2016 - \$27,901,962) and financial liabilities are \$101,672,239 (2016 - \$93,837,681). The Authority has disclosed future financial liabilities and contractual obligations in Note 14.

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

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY**Notes to Financial Statements**

March 31, 2017

18. Expenses by Object

	2017	2016
Compensation and benefits		
Salaries and wages	\$ 156,613,405	\$ 156,533,430
Severance / superannuation	14,086,696	11,599,823
Other compensation and benefits paid	413,511	378,392
Post employment benefit	83,795	414,941
	<hr/> 171,197,407	<hr/> 168,926,586
Compensable items		
Locums	20,391,459	19,363,855
Other compensable items	5,078,553	5,814,373
	<hr/> 25,470,012	<hr/> 25,178,228
Operations and maintenance		
Contracted and general services	40,692,468	37,480,813
Medical travel and other travel	25,298,035	25,251,550
Contributions	18,443,658	17,180,899
Medical and surgical supplies	10,728,563	11,349,137
Rent expense (Note 13)	7,603,582	7,333,517
Program expenses	3,704,448	3,755,918
General supplies	3,938,367	3,955,588
Administrative expenses	2,881,418	1,899,242
Medical and program equipment	1,747,070	1,576,046
Professional development and training	1,555,675	1,413,724
Communications	1,528,314	1,393,800
Valuation allowances	85,089	863,891
	<hr/> 118,206,687	<hr/> 113,454,125
Total Expenses	<hr/> \$ 314,874,106	<hr/> \$ 307,558,939

Financial Statements of

**HAY RIVER HEALTH &
SOCIAL SERVICES AUTHORITY**

March 31, 2017



Hay River Health & Social Services Authority | Administration des services de santé et des services sociaux de Hay River
37911 MacKenzie Highway | 37911, route MacKenzie
Hay River, NT X0E 0R6

Management Discussion and Analysis

Introduction

Hay River Health and Social Services Authority (HRHSSA) have a mandate to provide publicly-funded health and social services under the Hospital Insurance and Health and Social Services Administration Act. Services are provided to the residents of the town of Hay River, Hay River Reserve, Enterprise, Kakisa and Fort Resolution. It is the responsibility of the HRHSSA Public Administrator and Management to promote transparency and accountability. The preparation of the Management Discussion and Analysis is a go-forward method of acknowledging this responsibility.

Our vision is to have “healthy people living in healthy communities” and the strategic priorities are to:

- Promote a culture within the organization that encourages and supports quality improvement in the delivery of health and social programs.
- Improved access to quality health and social services through an integrated and coordinated care model.
- Promote healthy environments that allow the people of Hay River region to live healthy lifestyles.
- Provide a healthy, safe workplace that is able to attract, support and retain a competent and skilled workforce.
- Provide health and social services that are sustainable and accountable.
- Establish a culture of client safety that minimizes hazards and client harm by focusing on processes of care.

Although HRHSSA has remained a separate Authority, we continue to work in collaboration with the Department of Health and Social Services in the transition with the Northwest Territories Health and Social Services Authority. System transformation will provide a better opportunity to improve access to services and quality of care. The Management and staff will continue to strive to provide the best health and best care to all of our clients.

Michael Maher is our Public Administrator and Erin Griffiths, our CEO, lead the Management Team. Members of the Senior Management Team are Frances Aylward, Director of Client Care Services, Carol Heron-Colosimo, Director, Social Programs, Jennifer Croucher, Manager, Human Resources and we are currently recruiting for the Director of Finance.

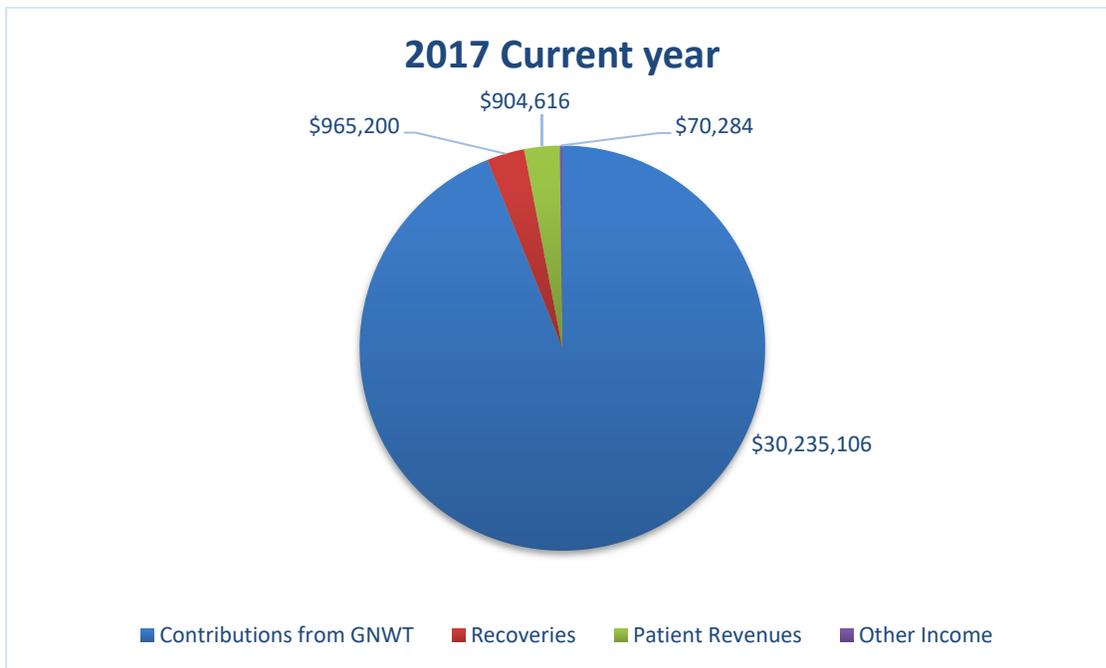
The last two years has shown a decline in the annual deficit due to an increase in the net value of the pension plan asset. The financial statements present an accumulated surplus of \$4,199,068. Including in the deficit is a \$500,000 cash reserve. If we remove the pension plan asset and cash reserve from the effects of the accumulated surplus, there is a resulting adjusted

accumulated deficit of \$5,807,932. This adjusted surplus is due to a non-cash transaction that is based on the requirement to account for the pension liability on a going concern basis. At year end the market value of the pension fund assets were \$9,507,000 higher than the pension obligation.

The admin expenses do not include special pension payments of \$1.2M in 2013, \$1.7M in 2014, \$1.9M in 2015, \$2.M in 2016 and \$1.5M in 2017. Support services include Human Resources, Finance, Information Services, Material Management, Housekeeping, Laundry services, Engineering services, Dietary, Medical Records and Electronic Medical Records. The cost of providing basic services continue to grow, however, Management and Staff continuously strive to reduce operating expenditures. Support services costs continue to rise as we face the challenge of recruitment of staff. Ambulatory care costs fluctuate based on the number of locum Physicians that are recruited each year.

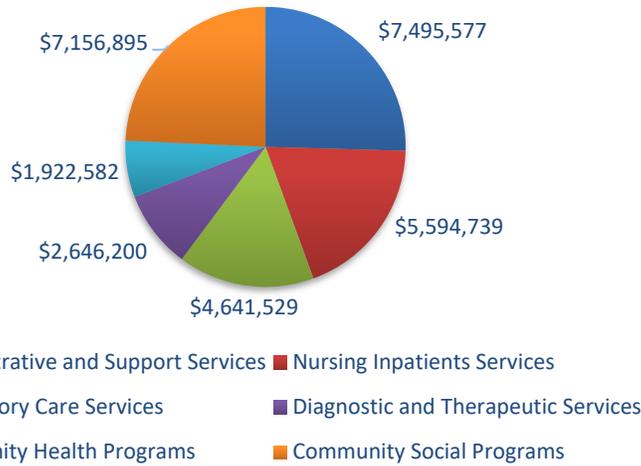
Financial Highlights

The Authority had just over \$32M in revenues for the year of which 94% of the funds received were obtained from the GNWT, which is consistent with prior years



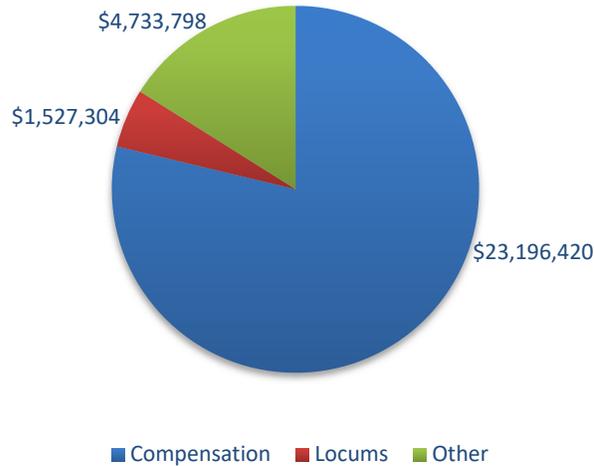
The following 2 charts show the breakdowns of expense by department and by type of expense. Expenses by department show that the largest spending in the Authority exists within the Administration and Support Services, Community Social Programs and Nursing Inpatient Services.

2017 Expenses by Department



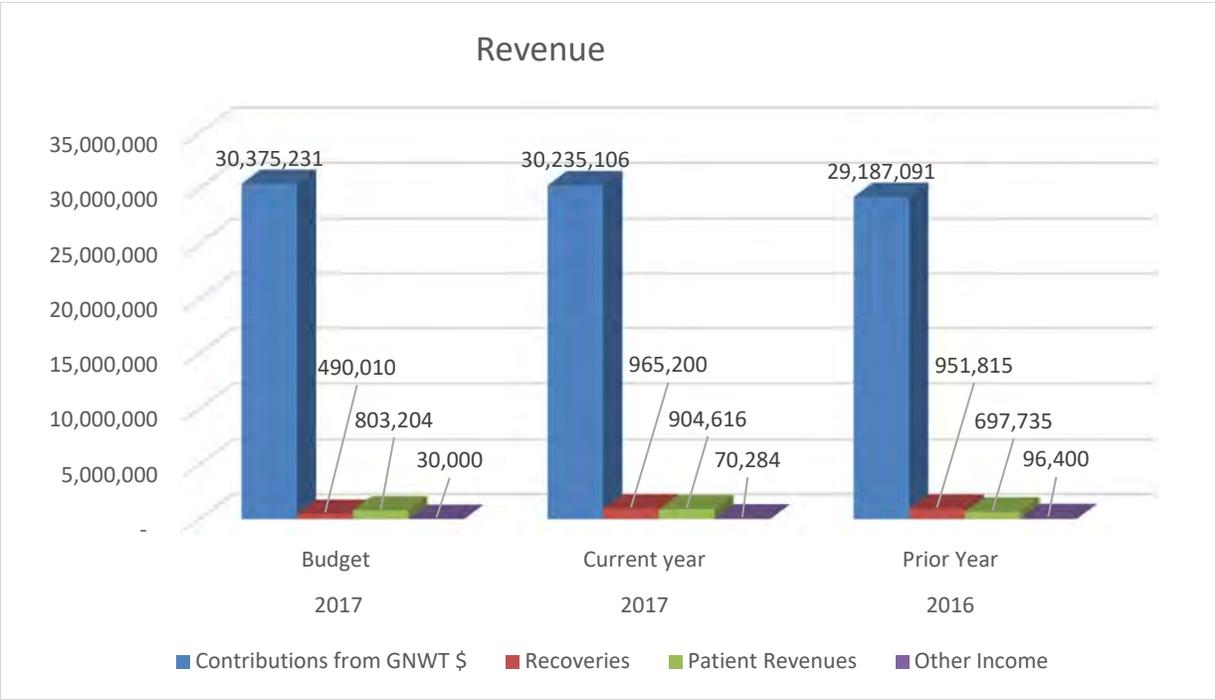
Consistent with prior years, wages account for 79% of total spending. Other costs include items such as supplies, referred out services, purchased services personnel, rent, equipment maintenance and other costs associated with the operation of the Authority.

2017 Expense by Type

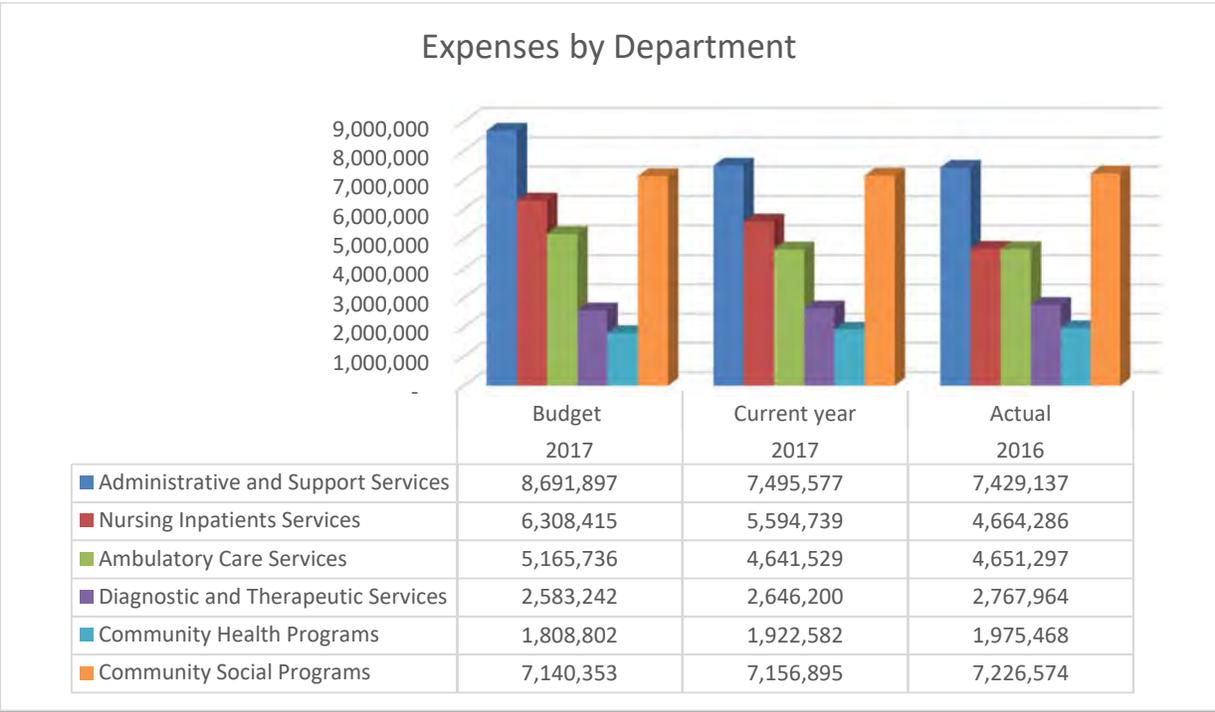


This next group of charts show the current year, prior year and budget numbers for comparative purposes.

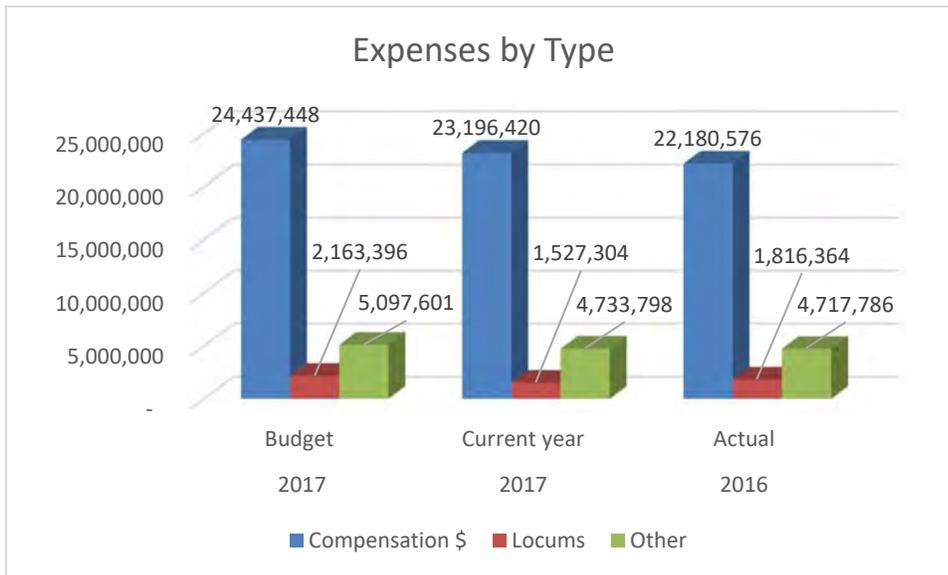
Revenues allocations from year to year and current year to budget are consistent with expectations and no significant variances exist.



In comparing the current year expenses by department to budget, administration costs are lower than budgeted as they include the pension special payments of \$1.5M, which was budgeted at half that costs incurred, and the unrealized gain in the pension plan financial asset of over \$3M. The variance in Nursing Inpatient Services from budget is due to vacant positions held in the year. Compared to the prior year values, Nursing Inpatient Services has increased due to transition to the new hospital facility and the additional staffing requirements of that new facility.



In comparing expenses by type, there were several positions that were budgeted for, but were not filled due to lack of qualified applicants and funding constraints. The other identifiable variance is in locum fees, which we can see the current year costs were both less than budget and less than the prior year. This is a direct result of having 2 full time doctors on staff for the whole of the 2016/2017 fiscal year.



As expected in the year, the Authority had greater costs associated with wages and compensation as they transitioned to the new location.

Operating Environment

HRHSSA's strength has always been a dedicated and long standing staff in front-line and Manager/Supervisory roles that are dedicated to providing quality care to clients. Management and staff are conscious of our deficit and make decisions that save money and time.

Communication between departments remains a challenge as staff are busy and have been relocated to separate facilities, and some communications do not reach the target. During the year there were 16,253 patients seen in the medical clinic and 4,896 emergency visits with 1,860 ER visits being from level 1 to level 3.

Social Programs in the Northwest Territories are seeing transformations in the way we provide services to the public. Child and Family Services have introduced new Standards, tools and an Action Plan designed to improve the quality of services that is consistent throughout the NT. Currently all 7 Authorities have trained an estimated 100 plus, Child Protection Workers in the first of six Structured Decision Making Tools, designed to better engage clients and their families, improve the quality of services and better support Child Protection Workers.

Amendments to the new Child and Family Services Act will see Social Services providing services to youth ages 19 to 23. An increase in services to this age group will see an increase in expenditures and caseload of Child Protection Workers.

With the introduction of the Structured Decision Making (SDM) tool, the mandatory consultation with a senior staff member after hours will see increased spending.

Community Counselling Programs have introduced new Standards effective April 1, 2016. The intent of the new standards is to improve the processes and implement procedures which address efforts being made to enhance services. High caseloads and long waitlists for clients are of greatest concern. The lack of resources to further enhance programming after hours, etc., can potentially jeopardise the balance of this highly qualified and motivated group. Additional resources to this program could potentially decrease the waitlist in less time.

Healthy Families statistics continue to grow on a monthly basis. There are approximately (32) regular families this team of two staff provide services to. Programming has been maintained due to the consistent staffing compliment. With an increase in clients this programs main challenge is the lack of resources in which to expand their program to adequately meet the client's needs. Currently any group activities are organized utilizing outside partners such as the Katlodeeche First Nation. Accessing space in the Community increases rental fees. Eventually there will be 33 Healthy Families Programs across the Northwest Territories. Our staff, have created a number of partnerships with new programs in the Northwest Territories and have been a lead mentoring these newer programs. This program has also developed some positive community partnerships and is currently receiving approximately 2 to 4 new referrals a week.

Financial Conditions

The financial health of the Authority is in critical condition as the deficit continues to grow and the cash flow continues to decline. The accumulated deficit can mainly be attributed to staffing costs, which include wages, compensation and locum fees, and account for just over 82% of our spending. Relocation, responsibility pay, maternity/paternity, severance, overtime and standby costs are not included in the core funding. These unfunded items of the collective agreement totalled \$ 2,136,169 in 2016/17.

With cash of \$908,800 and current liabilities of \$3,222,797 it is evident that the liquidity of the Authority is a concern. There is always a constant struggle in the last quarter to ensure bills are paid and payroll is met. In addition to the above mentioned liabilities, there are disputed contributions repayable to the GNWT in the amount of \$2,007,434, which have not been repaid due to cashflow.

The financial statements identify a surplus from operations in the year of \$2,717,694. However, this amount included that changes in both the pension plan and the employee leave and termination benefits. Once these unfunded amounts are backed out of the surplus, the result is a deficit of \$374,060.

	2017	2016
Operating Surplus (Deficit)	\$ 2,717,684	\$ 2,218,315
Unfunded items		
(Increase) Decrease in post-employment benefits, Note 12	(3,161,000)	(2,708,000)
(Increase) Decrease in employee future benefits and compensated absences, Note 13	69,256	(62,170)
Adjusted operating surplus (deficit) before the undermoted	(374,060)	(551,855)
Tangible Capital Assets - Rent Expense, Note 15	(1,984,087)	(502,297)
Grant-In-Kind - GNWT assets provided at no cost, Note 15	1,984,087	502,297
Adjusted operating surplus (deficit) for the year	\$ (374,060)	\$ (551,855)

Summary and Outlook

The opening of our new Hay River Regional Health Centre provides state of the art equipment and the latest in design and technology. The medical clinic opened in the new Centre on March 7, 2016 followed by the Diabetes and Midwifery Programs and the Rehabilitation Department. The remainder of the Departments moved into the new facility in May and early June, 2016, with the grand opening held in June. All departments that relocated to the new health centre are excited to work in the new building with new equipment and have redeveloped their processes and procedures to accommodate the new client work flows. The move to the new facility has provided more room to manoeuvre and the ability to have a devoted ambulatory care program as space and staff have be dedicated.

The physical space is much greater between departments which results in higher costs for staffing, supplies and equipment – including medications. Lack of security for a building that was designed to have a security guard is a threat that needs further consideration. Recruitment of staff will also continue to be a challenge. The separation of services between the new health centre and the old hospital continues to bring many other challenges. It will also provide the opportunity to find new alternative ways to provide our client-focused services.

HRHSSA will continue to work together as a team to ensure that we continue to provide high quality services that are above what the Authority is obligated to deliver.



 Erin Griffiths, CEO
 Hay River Health & Social Services Authority

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Financial Statements

Year ended March 31, 2017

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Hay River Health & Social Services Authority | Administration des services de
santé et des services sociaux de Hay River
37911 MacKenzie Highway | 37911, route MacKenzie
Hay River, NT X0E 0R6

June 28, 2017

Minister Glen Abernethy
Health and Social Services
5015-49th Street
PO Box 1320
Yellowknife, NT X1A 2L9

Dear Minister,

RE: Management Responsibility for Financial Reporting for the year ended March 31, 2016

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) 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 Hay River Health Authority have been conducted within the statutory powers of the Health Authority. The operations and administration of the Health Authority as well as the supporting internal controls of the entity are regularly monitored to ensure their effectiveness and their continued compliance with all relevant legislation, standards, directives and policies including but not limited to the Financial Administration Act, CPSAS, FAM, Human Resources Manual, Ministerial Directives and the policies of the Health Authority Board. Any noncompliance has been specifically identified and has been previously communicated to the Minister and Deputy Minister.

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

The auditors annually provide an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing

standards. The auditors also consider whether the transactions that have come to their notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the Department of Health and Social Services of the Government of the Northwest Territories.

Approved and confirmed on behalf of the Hay River Health and Social Services Authority



CEO

AUDITORS' REPORT

To the Minister of Health and Social Services and
the Chief Executive Officer

Report on the Financial Statements

We have audited the operating fund balance sheet of the Hay River Health & Social Services Authority as at March 31, 2017 and the statements of operations, equity, and changes in financial position for the year then ended and a summary of significant accounting policies and other explanatory information. We have also audited the revenues and expenditures of all programs funded through contribution agreements by the Department of Health and Social Services which total \$250,000 or more, as listed in Schedule A and A-1.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the standards set forth by the 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 required 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 in 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 and fair presentation 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 entity'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 audit opinion.

Basis for Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2017 and the results of its operations and cash flow for the year then ended in accordance with the standards set forth by the Public Sector Accounting Board. Furthermore, in our opinion, these statements present fairly, in all material respects, the revenues and expenditures of all programs funded through contribution agreements with the Department of Health and Social Services which total \$250,000 or more in Schedule A and A-1 for the year ended March 31, 2017, in accordance with the provisions established by the individual contribution agreements.



ASHTON
Chartered Accountants
Business Advisors

Hay River, NT
June 30, 2017

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Financial Position

Statement I

March 31, 2017

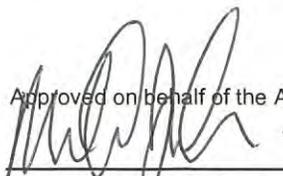
	2017	*2016
Financial Assets		
Cash and cash equivalents, Note 4	\$ 908,800	\$ 1,436,896
Accounts receivable, Note 7	324,459	333,987
Due from Government of Canada, Note 10	1,660	-
Trust assets, Note 14	100,579	70,881
Pensions asset, Note 12	9,507,000	6,346,000
Total Financial Assets	\$ 10,842,498	\$ 8,187,764
Liabilities		
Accounts payable and accrued liabilities, Note 9	1,616,990	1,124,840
Employee and payroll-related liabilities, Note 9	1,505,228	2,105,110
Contributions repayable, Note 26	2,007,434	1,248,423
Employee future benefits and compensated absences, Note 13	1,785,717	1,716,461
Accountable capital advance, GNWT, Note 28	5,829	5,829
Deferred revenue, Note 25	56,633	845,830
Trust liabilities, Note 14	100,579	70,881
Total Liabilities	7,078,410	7,117,374
Net Financial Assets (Debt)	\$ 3,764,088	\$ 1,070,390
Non-Financial Assets		
Inventory held for use, Note 8	\$ 226,013	\$ 170,588
Prepaid expenses and deposits, Note 27	208,967	240,406
Total Non-Financial Assets	\$ 434,980	\$ 410,994
Accumulated Surplus (Deficit), Note 29	\$ 4,199,068	\$ 1,481,384

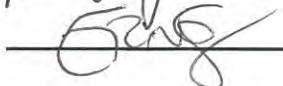
* Reclassified for comparative purposes

Contractual obligations, Note 16

Contingent liabilities, Note 17

Approved on behalf of the Authority:





Public Administrator

Chief Executive Officer

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Operations

Statement II

For the year ended March 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
Contributions from GNWT, Schedule A	\$ 30,375,231	\$ 30,235,106	\$ 29,187,091
Recoveries	490,010	965,200	951,815
Sales - Patient Revenues	803,204	904,616	697,735
Contributions from Other Sources	-	5,550	32,647
Other Income	-	31,502	33,174
Interest	30,000	33,232	30,579
Total Revenue	31,698,445	32,175,206	30,933,041
Expenses			
Administrative and Support Services	8,691,897	7,495,577	7,429,137
Nursing Inpatients Services	6,308,415	5,594,739	4,664,286
Ambulatory Care Services	5,165,736	4,641,529	4,651,297
Diagnostic and Therapeutic Services	2,583,242	2,646,200	2,767,964
Community Health Programs	1,808,802	1,922,582	1,975,468
Community Social Programs	7,140,353	7,156,895	7,226,574
Supplementary Health Programs	-	-	-
Undistributed	-	-	-
Total Expenses, Note 24	31,698,445	29,457,522	28,714,726
Operating Surplus (Deficit)	-	2,717,684	2,218,315
Unfunded items			
(Increase) Decrease in post-employment benefits, Note 12	-	(3,161,000)	(2,708,000)
(Increase) Decrease in employee future benefits and compensated absences, Note 13	-	69,256	(62,170)
Adjusted operating surplus (deficit) before the undernoted	-	(374,060)	(551,855)
Tangible Capital Assets - Rent Expense, Note 15	-	(1,984,087)	(502,297)
Grant-In-Kind - GNWT assets provided at no cost, Note 15	-	1,984,087	502,297
Adjusted operating surplus (deficit) for the year	\$ -	\$ (374,060)	\$ (551,855)
Opening Accumulated Surplus (Deficit)		\$ 1,481,384	\$ (847,558)
Adjusted for change in estimates, Note 30		-	110,627
Adjusted Opening Accumulates Surplus (Deficit)		1,481,384	(736,931)
Operating Surplus (Deficit)		2,717,684	2,218,315
Closing Accumulated Surplus (Deficit)		\$ 4,199,068	\$ 1,481,384

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Changes in Net Financial Resources

Statement III

For the year ended March 31, 2017

	2017	2016
Annual surplus (deficit)	\$ 2,717,684	\$ 2,218,315
Adjustments		
Prior year funding received	-	-
(Increase) decrease in inventory	(55,425)	17,586
(Increase) decrease in prepaids and deposits	31,439	(152,204)
Increase (Decrease) in net financial assets	2,693,698	2,083,697
Net financial resources, beginning of year	1,070,390	(1,013,307)
Net financial resources, end of year	\$ 3,764,088	\$ 1,070,390

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Cash Flow

Statement IV

For the year ended March 31, 2017

	2017	2016
Operating Activities		
Annual surplus (deficit)	\$ 2,717,684	\$ 2,218,315
Items not affecting cash:		
(Increase) Decrease in pensions, Note 12	(3,161,000)	(2,708,000)
	(3,161,000)	(2,708,000)
Changes in non-cash assets and liabilities		
Due from the Government of Canada	(1,660)	1,750
Decrease (increase) in accounts receivable	9,528	91,832
Decrease (increase) in inventory	(55,425)	17,586
Decrease (increase) in prepaids	31,439	(152,204)
Increase (decrease) in accounts payable and payroll liabilities	(107,732)	294,053
Increase (decrease) in contributions repayable	759,011	(32,301)
Increase in employee future benefits	69,256	(62,170)
Increase (decrease) in capital advances	-	-
Increase (decrease) in deferred revenues	(789,197)	789,197
Increase (decrease) in trust liability	29,698	10,959
	(55,082)	958,702
Cash from operations	(498,398)	469,017
	-	-
Financing Activities		
	-	-
Investing Activities		
	-	-
Change in cash during the year	(498,398)	469,017
Cash, beginning of year	1,507,777	1,038,760
Cash, end of year	\$ 1,009,379	\$ 1,507,777
Cash consists of :		
Cash and cash equivalents, Note 4	\$ 908,800	\$ 1,436,896
Trust asset, Note 14	100,579	70,881
	\$ 1,009,379	\$ 1,507,777

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2017

Note 1. Hay River Health & Social Services Authority

The Hay River Health & Social Services Authority (the "Authority") was incorporated under the Societies Act, and operates under the Hospital Insurance and Health and Social Services Act of the Northwest Territories. The Authority was established on November 1, 2003 to manage, control and operate the public health facilities and services assigned to it by the Government of the Northwest Territories Department of Health and Social Services.

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

Note 2. Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Canadian Public Sector Accounting Board and by the directive of the Government of the Northwest Territories - Department of Health and Social Services (DHSS). Significant aspects of the accounting policies adopted by the Authority are as follows:

The financial statements do not include the assets, liabilities and activities of any organizations that are related to the Authority, such as the Hay River Health and Wellness Foundation.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recorded as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Fund Accounting

The accounts of the Authority are maintained in accordance with fund accounting procedures. The operations of the Authority are segregated for the purpose of carrying on specific activities or attaining certain objectives. Funds established by the Authority are as follows::

Operating Fund - activities associated with the Authority's daily operations.

Employee Leave and Termination Liability Fund - reflecting activities in employee leave and termination benefits combined with any amounts transferred from operations to fund these liabilities. This fund represents liabilities which will be funded in the year they become due through regular annual allocations from the Government of the Northwest Territories (GNWT).

Revenue and Expenditure Recognition

The basis of accounting followed in the financial statement presentation includes revenues recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimating is impracticable.

The Authority is primarily funded by the GNWT in accordance with budget arrangements established by the DHSS. Under the arrangement, the Authority is responsible for the net deficit from operations and is allowed to retain surpluses from core programs. Any capital funding not spent may be retained for future capital purchases. These policies do not apply to contribution agreements, where an accounting of and return of surpluses may be required

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2017

Note 2. Significant Accounting Policies (continued)

Revenue and Expenditure Recognition (continued)

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

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

The Authority follows the deferral method of accounting for restricted contributions. These revenues are recognized in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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

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

Expenditures recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

Cash and Cash Equivalents

Cash and cash equivalents consists of cash on hand and balances within banks, net of outstanding cheques, and are not subject to significant risk of changes in value.

Reserves

The DHSS policy requires the Authority to establish the following reserves:

Surplus Reserve - reflects funds maintained in a reserve according to the DHSS Operations and Maintenance Surplus Retention Policy.

Employee Future Benefit Reserve - the funds received in advance for the severance liability of employees who were transferred to the Authority from the GNWT. These liabilities are reduced as employees are paid out upon termination of employment with the Authority.

Cash Reserve - established for the purpose of assisting with any future short-term cash deficiency. Withdrawals from the reserve will be made only when an insufficient cash balance exists to make necessary payments. Appropriations to this reserve will be done to maintain the \$500,000 balance as approved by the GNWT.

The Authority does not have sufficient funds to cover these reserves.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2017

Note 2. Significant Accounting Policies (continued)

Tangible Capital Assets

The GNWT retains ownership of all tangible assets (TCA) used by the Authority, or purchased by the Authority (regardless of source of funding for the purchase). The GNWT amortizes TCAs over the estimated useful lives of the assets at the rates established in the Financial Administration Manual of the GNWT over the following terms:

Buildings	40 years
Hardware and Software Systems	5 - 10 Years
Major Medical Equipment	5 - 15 Years
Leasehold Improvements	Lesser of useful life or lease term plus renewal

The TCAs used by the Authority and held on behalf of, or in trust for, the GNWT are not recognized by the Authority in the financial statements.

The statement of operations reflects the Rent Expense amount that would otherwise be considered amortization expense for the fiscal year with an offsetting corresponding amount as a Grant-In-Kind revenue.

Inventories of Supplies

Inventories of supplies include inventory held for use in the process of providing the services of the Authority. Inventories consist of equipment and parts, pharmaceuticals and office supplies, which are distributed to clients at no or nominal charges. Inventory is recorded at the lower of cost and replacement value. Cost is determined on a first-in, first-out basis using average cost.

Employee Future Benefits and Compensated Absences

Under the terms and conditions of employment, health authority employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. Eligibility is based on a variety of factors including place of hire, date employment commenced and reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render services. Termination benefits are also recorded when employees are identified for lay-off. Compensated absences include sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides services, whereas parental and maternity leave are event driven and are recognized when the leave commences.

For benefits earned prior to September 1, 1996 but still outstanding, no accrual is made for contingent revenue as described in Note 13. The GNWT portion is reported as a separate unfunded liability on the balance sheet and is also reported in the accumulated deficit in the Leave and Termination Liability Fund. The revenue is expected to be received and recorded in the year that the outstanding liability falls due.

Pensions

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

The Authority and its contracted physicians make contributions to a physician directed investment fund administered by the Government of Canada. These contributions represent the total pension liability of the Authority and are recognized in the accounts on a current basis.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2017

Note 2. Significant Accounting Policies (continued)

Pensions (continued)

Pension benefits to the Authority are reported on an actuarial going concern basis. This is done to determine the current value of future entitlement and uses various estimates. When actual experience varies from estimated or when actual assumptions change, the adjustments are amortized on a straight line basis over the estimated average remaining services lives of the contributors.

Financial Instruments

All significant financial assets, liabilities and equity instruments of the Authority are either recognized or disclosed in the financial statements together with available information for a reasonable assessment of future cash flows, credit risk, liquidity risk and actuarial risk. Where practicable the fair values of financial assets and liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

The Authority classifies its financial instruments at cost or amortized cost.

The Authority's accounting policy for this financial instrument category is as follows:

This category includes cash, trust assets, accounts receivable, accounts payable and accrued liabilities, payroll liabilities, capital advances, and trust liabilities. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. Financial instruments with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized costs and tested for impairment at each reporting date. Any impairments of the financial assets is charged to income in the period in which the impairment is determined. In the event that a previously impaired asset decreases and the decrease can be related to an event that occurred after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement.

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

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

Transaction costs on the acquisition, sale or issue of financial instruments are expensed when incurred.

Non-Financial Assets

Non-financial assets are accounted for as assets by the Authority because they can be used to provide government services in futures periods. These assets are not available to discharge existing liabilities. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated change in net financial assets (debt) for the year.

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2017

Note 2. Significant Accounting Policies (continued)

Segmented Information

The Hay River Health & Social Services Authority segments its operations for financial reporting purposes based upon areas of service type. This information is provided on the statement of operations.

Note 3. Future Accounting Changes

Financial Instruments - Section PS 3450

PSAB has implemented changes to Section PS 3450, Financial instruments that outlines offsetting of financial assets and financial liabilities and the valuation of investments to be measured at fair value. These changes are to be applied on a go forward basis for all fiscal years beginning on or after April 1, 2019. The impact of the transition to these changes has not yet been determined.

Note 4. Cash and Cash Equivalents

	2017	2016
Cash	\$ 908,800	\$ 1,436,896

Note 5. Special Purpose Funds - Nil Report

Note 6. Portfolio Investments - Nil Report

Note 7. Accounts Receivable

	Receivables 2017	AFDA 2017	Net 2017	Net 2016
Due from GNWT	\$ 210,892	\$ -	\$ 210,892	\$ 213,685
Due from Government of Nunavut	-	-	-	-
Due from WSCC	32,033	-	32,033	27,879
Due from NTHSSA	25,116	-	25,116	552
Hay River Hospital & Wellness Foundation	-	-	-	5,309
GST rebate receivable	11,937	-	11,937	10,850
General accounts receivable	117,412	(72,931)	44,481	75,712
	\$ 397,390	\$ (72,931)	\$ 324,459	\$ 333,987

Note 8. Inventories

	2017	2016
General	\$ 19,322	\$ 16,239
Medical and surgical	175,260	124,477
Laboratory	10,750	9,483
Pharmaceutical	20,681	20,389
	\$ 226,013	\$ 170,588

Inventories are held for consumption in the process of providing services and are distributed at no charge or for a nominal fee.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2017

Note 9. Accounts Payable and Accrued Liabilities

	2017	2016
Due to GNWT	\$ 60,856	\$ 198,130
Due to NTHSSA	126,971	66,416
Due to Government of Nunavut	-	-
Due to WSCC	-	-
Accounts payable and accrued liabilities	1,358,389	795,059
Unspent donations	19,225	20,679
Special purpose fund liabilities	51,549	44,556
	1,616,990	1,124,840
Payroll liabilities	1,505,228	2,105,110
	\$ 3,122,218	\$ 3,229,950

Note 10. Due From and To the Government of Canada

	2017	2016
Receivables		
Projects on behalf of the Government of Canada	\$ -	\$ -
Miscellaneous receivable	1,660	-
	\$ 1,660	\$ -
Payables		
Advances for projects on behalf of the Government of Canada	\$ -	\$ -
Miscellaneous payables	-	-
	\$ -	\$ -

Note 11. Capital Lease Obligations - Nil Report

Note 12. Pensions

The Authority sponsors a contributory defined benefit pension plan for substantially all of its employees called "Retirement Plan for Employees of the Hay River Health and Social Services Authority". The net value of the plan asset and liability is recorded on the statement of financial position based on the funded status of the plan on a going concern valuation performed by an independent actuary. An actuary valuation is done on an annual basis of January 1 and is extrapolated to March 31 for presentation on the financial statements. The extrapolation assumes that from January 1 to March 31 the plan will follow the pattern from the January 31 valuation exactly, but actual contribution amounts are used.

Employees are required to contribute 8.15% of their pensionable earnings up to the yearly maximum pensionable earnings (YMPE) plus 10.4% of their earnings, if any, in excess of the YMPE. The Authority contributes to the plan 1.73 times the employee portion and provides additional funding when the present value of the obligation under the solvency method exceeds the accumulated assets available to fund the member's benefit entitlements in the plan.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2017

Note 12. Pensions (continued)

	2017	2016
Accrued benefit obligation	\$ 39,051,000	\$ 35,878,000
Market-related value of pension fund assets	52,062,000	45,091,000
	(13,011,000)	(9,213,000)
Unamortized actuarial gains / (losses)	3,504,000	2,867,000
Pension liability (accrued asset)	\$ (9,507,000)	\$ (6,346,000)

The pension liability (asset) includes the following components:

	2017	2016
Pension liability (accrued asset) - beginning of year	\$ (6,346,000)	\$ (3,638,000)
Cash items:		
Member contributions	(1,081,000)	(880,000)
Employer contributions	(3,353,000)	(3,470,000)
Benefit payments	(2,071,000)	(1,791,000)
Drawdown from plan assets	2,071,000	1,791,000
Net change to pension liability from cash items	(4,434,000)	(4,350,000)
Accrual items:		
Current period benefit cost	2,196,000	2,169,000
Amortization of actuarial gains/losses	(355,000)	(171,000)
Interest on average accrued benefit obligation	1,977,000	1,873,000
Expected earnings on average pension fund assets	(2,545,000)	(2,229,000)
	1,273,000	1,642,000
Pension liability (asset) - end of year	\$ (9,507,000)	\$ (6,346,000)

The pension expense is included in the statement of operations as a component of compensation for Corporate HR.

	2017	2016
Pension expense (revenue)	\$ (3,161,000)	\$ (2,708,000)
Expected earnings on plan assets	6.00%	6.25%
Actual earnings on plan assets	6.65%	8.75%
Difference between actual and expected	0.65%	2.50%

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2017

Note 12. Pensions (continued)

Valuation method and assumptions:

Actuarial valuations for accounting purposes are performed using the projected benefit method prorated on services. The net unamortized actuarial loss is to be amortized on a straight-line basis over the expected average remaining service life of the related employee groups.

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect the government's best estimates. The significant actuarial assumptions and rates are listed below:

	2017	2016
Date of actuarial valuation	1-Jan-17	1-Jan-16
Date of audited financial statements	31-Mar-17	31-Mar-16
Date of next valuation	1-Jan-18	1-Jan-17
Discount rate	5.50%	5.60%
Interest rate on pension fund assets	5.50%	5.60%
Interest rate on accrued benefit obligation	5.50%	5.60%
Plan administration expenses per annum	450,000	450,000
Future inflation	2.00%	2.00%
Future compensation increases	2.50%	2.50%
Expected average remaining service life (years)	7.0	7.6

The asset was valued using an adjusted market value method, which spreads out any variance between the return on investment accrued in the year and the expected return on the investments using the going concern rates as outlined above. Inclusion rates for these variances are 33% of the prior year, 67% of the variance from 2 years prior and 100% of all variances beyond. This assumption allows for a smoothed value of the asset.

The employer funding targets, under the going concern method, is valued using that actuarial cost method, which allows for a more accurate matching of accrued benefits to contributions. The funding target is equal to the present value of the benefit based on employee service years incurred prior to the valuation date and the projected average earnings upon retirement. A deficit results when the market value of the investment is less than the funding target. By law a deficit must be funding over a max of 15 years through special payments, a surplus can be used to pay current employer contributions. There is a plan surplus under the going concern method. Under the solvency method of accounting, it is assumed that all employees that are eligible for the pension plan will cease being members and will be paid out based on their situation as of the valuation date. Under the solvency method there is a plan deficit that is required to be funded in accordance with the requirements of the Pension Benefits Standards Act, 1985 with minimum special payments over a 5 year term of \$119,583 per month.

Plan Amendments:

As at the valuation date, the Authority has decided to revise the pension plan provisions as follows:

- To increase required employer contributions - Effective January 1, 2017, the employer required contributions increased to 1.73 (previously 1.62). The employee remitted portion as was approved by the HRHSSA pension committee on May 8, 2017 and an accrual has been set up in the financial statements to reflect this change retroactively.
- To cease offering portability at certain ages - The plan will be amended with effect from January 1, 2018, to cease offering portability for members who are eligible for immediate pension.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2017

Note 13. Employee Future Benefits and Compensated Absences

In addition to pension benefits, the Authority provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to its employees. The benefits plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Severance benefits are paid to the Hay River Health and Social Services Authority employees based on the type of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee was hired, the rate of pay, the number of years of continuous employment and age and the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being location of hire, employee category and length of service. The benefits under these two categories were valued using a projection methodology based on the date employees are projected to leave the Authority.

Compensated absence benefits generally accrue as employees render services and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to employee or dependent illness, and death of an immediate family member. Non-accruing benefits include maternity and parental leave. Benefits that accrue under compensated absence benefits were actually valued using the expected utilization methodology.

Valuation Results

The actuarial valuation was completed as at March 31, 2017. The effective date of the next actuarial valuation is March 31, 2018. The liabilities are actuarially determined as the present value of the accrued benefits as February 17, 2017 and the results extrapolated to March 31, 2017. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the consolidated Government.

	Severance and Removal	Compensated Absences	2017	2016
<u>Change in Obligation</u>				
Accrued benefit obligation, opening	\$ (2,328,047)	\$ (200,131)	\$ (2,528,178)	(1,778,631)
Current period benefit costs	(183,445)	(15,517)	(198,962)	(269,876)
Interest accrued	(74,439)	(6,355)	(80,794)	(45,734)
Benefit payments	270,801	34,087	304,888	377,780
Plan amendments	-	-	-	-
Actuarial (gains)/losses	(176,759)	(196,335)	(373,094)	(811,718)
Accrued benefit obligation, closing	(2,491,889)	(384,251)	(2,876,140)	(2,528,179)
Unamortized net actuarial gain	663,186	427,240	1,090,423	811,718
Net future obligation	(1,828,703)	42,989	(1,785,717)	(1,716,461)
Other employee future benefits	-	-	-	-
Other compensated absences	-	-	-	-
Total employee future benefits and compensated absences	\$ (1,828,703)	\$ 42,989	\$ (1,785,717)	\$ (1,716,461)
<u>Benefits Expense</u>				
Current period benefit cost	183,445	15,517	198,962	269,876
Interest accrued	74,439	6,355	80,794	45,734
Plan amendments	-	-	-	-
Amortization of actuarial gains	64,003	30,382	94,385	315,610
	\$ 321,887	\$ 52,254	\$ 374,141	\$ 631,220

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2017

Note 13. Employee Future Benefits and Compensated Absences (continued)

The discount rate used to determine the accrued benefit obligation is an average of 3.20%, up from the prior years rate of 2.50% . No inflation rate was applied. The expected payments during the next five fiscal years are:

	Severance and Removal	Compensated Absences	Total
2018	\$ 448,913	\$ 69,738	\$ 518,651
2019	351,726	55,137	406,863
2020	402,801	62,958	465,759
2021	329,318	52,879	382,197
2022	304,491	46,838	351,329
	\$ 1,837,249	\$ 287,550	\$ 2,124,799

Contingent Revenue

Revenue of \$121,154 representing accrued severance and removal for employees on August 31, 1996 and which, in management's view, pursuant to the terms of the transfer agreement on that date between the GNWT and the Town of Hay River, is owed to the Authority by GNWT, has not been recorded in these financial statements. Recognition of this amount is contingent upon GNWT agreeing to payment terms.

Note 14. Trust Assets and Liabilities

The amount held in patient trust assets are funds held on behalf of the patients in residential care. The funds, effective May 2016 were retained in a separate bank account of the Authority, but do not belong to the Authority as they are restricted for those patients. The amount in the patient trust liability is equivalent to the balance owed to the residential care patients.

	2017	2016
Patient Trust Asset	\$ 100,579	\$ 70,881
Patient Trust Liability	\$ 100,579	\$ 70,881

Note 15. Services Provided Without Charge

During the year, the Authority received without charge from the Government various administrative services, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage, actuarial valuations and internal audit services provided by the Department of Finance and use of vehicles, building repairs and utilities by the Department of Public Works.

The Authority also receives from the Government, without any rental charges, the use of facilities and equipment to provide public health and social services. The rental facilities used include the new Hay River Regional Health Center, the HH Williams Memorial Hospital, Woodland Manor, the Adult Supported Living units, the Children's Group Home and Women's Resource Center. Various medical equipment is also provided free of any rental fees. The use of these facilities would have cost the Authority an estimated \$1,984,087 (\$502,297 in 2016) based on the Government's amortization expense for these assets.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2017

Note 16. Contractual Obligations

The Authority has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to March 31, 2017.

	Expires in Fiscal Year	2018	2019 and thereafter	Total
Residential	2017	\$ 160,200	\$ -	\$ 160,200
Equipment	2020	10,000	6,381	16,381
Operational	2021	9,484	31,380	40,864
		\$ 179,684	\$ 37,761	\$ 217,445

Note 17. Contingent Liabilities

In the normal course of business, the Authority is subject to claims and pending and threatened litigation against the Authority and its staff. The Authority is defending actions brought against it and the Authority has recorded an allowance for any claim or litigation where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. The allowance is based upon estimates determined by the Authority's management and legal experts experience or case law in similar circumstances.

The Authority's operations are affected by federal, territorial and local laws and regulations regarding Environmental protection. The Authority is committed to meeting these existing laws and regulations. Management is not aware of any material environmental liabilities that resulted during the year.

Note 18. Budget

The budget figures are the opening budgets that were approved by the Authority's Public Administrator and the GNWT Department of Health and Social Services. The budget figures are not audited and are intended for information purposes only.

Note 19. Economic Dependence

The Authority receives its funding primarily from the GNWT. If the funding arrangements were to change, management is of the opinion that the Authority operations would be significantly affected.

Note 20. Subsequent Events - Nil Report

Note 21. Comparative Figures

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

Note 22. Related Party Transactions

The Authority is related in terms of common ownership to all GNWT created departments and public agencies. The Authority enters into transactions with these entities in the normal course of operations. The Authority is provided various administrative services by the GNWT, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage by the Department of Finance, internal audit services provided by the Department of Finance and repairs, utilities and facility and equipment rental provided by the Department of Public Works.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2017

Note 22. Related Party Transactions (continued)

Transactions with related parties and balances at year-end are included in the financial statements, but not disclosed separately other than in this note:

	Accounts Receivables 2017	Allowance for Doubtful Accounts 2017	Net 2017	Net 2016
<u>Due from related parties</u>				
Accounts Receivable				
GNWT, Note 7				
Department of HSSA	\$ 194,655	\$ -	\$ 194,655	\$ 213,685
Department of Human Resources	16,237	-	16,237	-
	210,892	-	210,892	213,685
NTHSSA, Note 7				
Fort Smith Health Centre	3,827	-	3,827	-
Stanton Territorial Health Authority	816	-	816	-
DehCho HSSA	20,473	-	20,473	-
Yellowknife HSSA	-	-	-	552
	\$ 236,008	\$ -	\$ 236,008	\$ 214,237
			2017	2016
<u>Due to related parties</u>				
Accounts Payable:				
GNWT, Note 9				
Department of Health & Social Services			\$ 53,571	\$ 160,593
Department of Finance			-	29,462
Department of Human Resources			-	5,049
Department of Public Works			7,285	3,026
			60,856	198,130
NTHSSA, Note 9				
Yellowknife HSSA			33,171	17,164
Stanton Territorial Health Authority			93,800	49,251
			\$ 187,827	\$ 264,545
Contributions repayable, GNWT-HSSA, Note 26			2,007,434	1,242,179
Accountable capital advances, GNWT-HSSA, Note 28			5,829	5,829
Deferred revenues, GNWT-HSSA, Note 25			56,633	845,725
			\$ 2,257,723	\$ 2,358,278

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2017

Note 22. Related Party Transactions (continued)

	2017	2016
Revenues		
GNWT		
Department of Health & Social Services	\$ 31,049,716	\$ 29,514,371
Department of Education, Culture & Employment	20,211	-
Department of Finance	-	-
Department of Human Resources	16,237	16,700
Department of Public Works	412	237,066
Department of Justice	-	2,044
	31,086,576	29,770,181
NTHSSA		
DehCho HSSA	32,292	13,865
Fort Smith Health Centre	7,424	1,821
Sahtu HSSA	1,465	-
Beaufort-Delta HSSA	911	-
Stanton Territorial Health Authority	816	648
Yellowknife HSSA	426	-
Tlicho Community Services Agency (Tlicho)	21,044	3,395
NWT Housing Corp	26	125
	\$ 31,150,980	\$ 29,790,035

	2017	2016
Expenses		
GNWT		
Department of Health & Social Services	\$ 6,421	\$ 5,419
Department of Human Resources	1,671	5,049
Department of Public Works	17,122	161,062
Department of Justice	-	5,924
	25,214	177,454
NTHSSA		
Stanton Territorial Health Authority	183,230	236,077
Yellowknife HSSA	33,171	66,274
DehCho HSSA	-	1,706
Aurora College	250	-
Hay River DEA	382	-
	\$ 242,247	\$ 481,511

Related party transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Note 23. Financial Instruments

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

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2017

Note 23. Financial Instruments (continued)

Credit Risk

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

The Authority holds its cash and trust assets, deposits in trust accounts, with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation.

Accounts receivable are due from various governments, government agencies, corporations and individuals. Credit risk related to accounts receivable is mitigated by internal controls as well as policies and oversight over arrears for ultimate collection. Management has determined that a portion of accounts receivable are impaired based on specific identification as well as age of receivables. These amounts are as disclosed in Notes 4, 7 and 14.

The Authority's maximum exposure to credit risk is represented by the financial assets less the pension plan asset for a total of \$1,335,498 (2016 - \$1,841,764)

Concentration of Credit Risk

Concentration risk arises when a customer has more than ten percent of the total accounts receivable, which increases the Authority's risk in the event the customer does not fulfill their obligation. The Authority does have concentration risk. At March 31, 2017, one customer in accounts receivable accounts for 71% (2016 - 64%) of the total balance which subjects the Authority to concentration risk. This risk is monitored through regular review of the outstanding balances in receivables.

As all the Authority's cash is held in one Canadian bank, they are subject to further concentration risk.

Liquidity Risk

Liquidity risk is the risk that the Authority will not be able to meet all cash outflow obligations as they come due. The Authority mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise. Total financial assets are \$10,842,498, including the \$9,507,000 pension asset; financial liabilities are \$7,347,415. The authority has disclosed future financial liabilities and commitments in Notes 13, 16 and 17.

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

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2017

Note 24. Expenses by Object

	2017 Budget	2017 Actual	2016 Actual
Compensation	\$ 24,437,448	\$ 23,196,420	\$ 22,180,576
Locums	2,163,396	1,527,304	1,816,364
Medical supplies	1,176,649	950,475	970,154
Referred out services	672,861	677,624	621,087
Purchases service personnel	571,500	592,223	583,711
Equipment maintenance	362,197	282,325	323,706
Foster care	432,000	289,103	287,397
Rent	245,165	250,976	242,380
Software licensing	129,608	95,577	230,234
Professional fees	178,582	126,002	227,882
Travel assistance	262,000	322,229	221,941
Phone and postage	158,745	225,307	205,747
Locum removal	214,000	179,186	189,512
Office supplies	170,295	164,924	143,237
Travel	91,250	168,818	135,236
Minor equipment	117,500	180,125	131,422
Training	160,881	59,102	58,900
Honorariums	52,500	59,423	56,698
Memberships	32,735	30,607	27,217
Garbage	25,150	24,953	23,781
Advertising	38,650	20,387	17,802
Bad debt	-	27,013	14,474
Bank charges	5,333	7,419	5,268
	\$ 31,698,445	\$ 29,457,522	\$ 28,714,726

Note 25. Deferred Revenue

Deferred revenue represents funds that have been received for specific programs but remain unspent at March 31, 2017 as follows:

	2017	2016
Government of the Northwest Territories		
Department of Health and Social Services		
Professional Development Initiative	\$ 56,633	\$ 56,633
Transitional funding (core contribution)	-	39,092
Core funding 16/17	-	750,000
Third party - respite care	-	105
	\$ 56,633	\$ 845,830

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2017

Note 26. Contributions Repayable

Contributions repayable represents funds that have been received for specific programs and are required to be repaid to the contributor as of March 31, 2017:

	2017	2016
Government of the Northwest Territories		
Department of Health and Social Services		
Family Support Program 11/12	\$ 9,000	\$ 9,000
Homecare Enhancement 11/12	10,957	10,957
Core Physician Services Funding 11/12	652,027	652,027
Core Physician Services Funding 12/13	532,335	532,335
Homecare Enhancement 13/14	297	297
Grad Placement Program K. Miller 13/14	8,064	8,064
Healthy Families/Collective Kitchen unspent funding 14/15	1,006	1,006
Healthy Families/Collective Kitchen unspent funding 15/16	3,570	3,570
Enhanced Homecare unspent funding 15/16	-	24,923
Living in Balance unspent funding 16/17	697	-
Enhanced Homecare unspent funding 16/17	45,027	-
Hay River Parenting unspent funding 16/17	4,871	-
Renal Dialysis unspent restricted funding 16/17	125,237	-
Foster Care unspent restricted funding 16/17	166,346	-
Transitional unspent funding 16/17	448,000	-
	2,007,434	1,242,179
Hay River Metis Government Council		
Community Wellness	-	6,244
	\$ 2,007,434	\$ 1,248,423

Note 27. Prepaid Expenses and Deposits

	2017	2016
Service and maintenance packages	\$ 169,510	\$ 83,760
Pension special payments	28,251	117,750
Travel	9,206	36,896
Deposit	2,000	2,000
	\$ 208,967	\$ 240,406

Note 28. Accountable Capital Advances from GNWT

The Authority has received advances from GNWT under capital contribution agreements for purchases of capital assets. These advances are deferred by the Authority and purchases which fall under the agreements, reduce the balance carried forward.

	2017	2016
Beginning balance	\$ 5,829	\$ 5,829
Capital purchases paid out of advanced funds	-	-
Ending balance	\$ 5,829	\$ 5,829

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2017

Note 29. Accumulated Surplus (Deficit)

	2017	2016
Operating fund accumulated surplus (deficit)	\$ 5,484,785	\$ 2,697,845
Employee leave and termination liability fund	(1,785,717)	(1,716,461)
Cash Reserve	500,000	500,000
	\$ 4,199,068	\$ 1,481,384

Note 30. Change in Estimate

The Authority's employee future liabilities were valued by an actuarial in the year and will continue to be valued by an actuarial on an annual basis. The value of the employee future benefits and compensated absences will be adjusted to the actuarial valuation amounts. This change has been retrospectively applied and had the following effect on the financial statements as as March 31, 2016:

Increase (Decrease) in Employee future benefits and compensated absences	\$ (243,151)
Increase (Decrease) in Accumulated Surplus (Deficit)	\$ 110,627
Increase (Decrease) administration - severance pay	\$ (132,524)

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Contributions from the GNWT

Schedule A

For the year ended March 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Contributions from the GNWT			
Department of Health and Social Services			
Core Contribution Department of Health			
Administration	\$ 783,000	\$ 1,740,000	\$ 2,049,000
Finance	278,000	502,000	388,000
Systems Support	462,000	420,000	549,544
Human Resources	1,278,000	1,278,000	1,278,000
Hospital services	-	-	-
Facility Maintenance & Support	3,990,000	3,923,000	3,415,000
Client Support Services	391,000	391,000	391,000
Specialty Clinics	853,000	730,000	448,000
Emergency Services	-	1,368,000	-
Community Clinics & Health Centres	5,031,000	5,140,000	4,984,000
Community Mental Health & Addictions	805,000	805,000	805,000
Health Promotion & Community Wellness	310,000	310,000	310,000
Intervention Services	-	-	-
Social Services Delivery	-	-	-
Homecare & Support Services	625,000	625,000	625,000
Residential Care Children & Adults	4,411,000	4,411,000	4,411,000
Foster Care	-	-	-
Child & Family Services	1,483,000	1,355,000	1,483,000
Family Violence	513,000	533,000	513,000
Diagnostic Services	1,762,000	1,782,000	1,735,000
Pharmacy	191,000	191,000	191,000
Therapeutic Services	870,000	870,000	870,000
Physician Services to NWT Residents	-	-	-
Medical & Surgical Nursing	4,338,000	2,092,000	2,694,000
Operating Room Nurse	-	209,000	-
Long Term Care Nursing	1,146,000	1,146,000	1,146,000
Obstetric and Pediatric Nursing	495,000	500,000	500,000
Medical Equipment under \$50,000	-	-	-
Medical Travel	22,000	22,000	22,000
	30,037,000	30,343,000	28,807,544
Less contributions repayable/deferred	-	(488,583)	(39,092)
	30,037,000	29,854,417	28,768,452
Other Department of Health and Social Services Contributions			
Home and Community Care (Schedule A-1)	325,731	295,704	349,142
Collective Kitchens Food Vouchers	-	16,167	23,003
Prenatal/Postnatal Parenting	-	25,129	17,621
Children Who Witness Abuse	12,500	12,500	12,500
Mental Health First Aid	-	3,709	3,649
Applied Suicide Intervention Skills Training	-	3,139	2,371
Electronic Medical Records - Implementation	-	-	-
Northern Graduate Employment Program	-	-	-
	338,231	356,348	408,286
Total Department of Health	30,375,231	30,210,765	29,176,738
GNWT Department of Human Resources	-	24,341	10,353
Total Contribution from the GNWT	\$ 30,375,231	\$ 30,235,106	\$ 29,187,091

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY
 Schedule of Detailed Contribution Funding and Expenditures
 Home and Community Care
 PO-2661am3
 For the year ended March 31, 2017

Schedule A-1

	2017	2016
	Actual	Actual
Funding		
Government of the Northwest Territories		
Department of Health and Social Services	\$ 340,731	\$ 374,065
less contributions repayable	(45,027)	(24,923)
	295,704	349,142
Expenditures		
Compensation and benefits	260,764	320,107
Supplies	12,260	11,372
Sundry	5,171	15,513
Equipment expense	3,932	2,150
Training	13,577	-
	295,704	349,142
	\$ -	\$ -

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY
 Schedule of Reserves

Schedule B

For the year ended March 31, 2017

	Leave and Termination Benefits Reserve		Cash Reserve		Total Reserves	
	2017	2016	2017	2016	2017	2016
Balance, beginning of the year	\$ (1,716,461)	\$ (1,889,258)	\$ 500,000	\$ 500,000	\$ (1,216,461)	\$ (1,389,258)
Change to opening balances		110,627			-	110,627
(Increase) Decrease in employee leave and termination benefits, Note 16	(69,256)	62,170	-	-	(69,256)	62,170
Transfers between reserves	-	-	-	-	-	-
Balance, end of year	\$ (1,785,717)	\$ (1,716,461)	\$ 500,000	\$ 500,000	\$ (1,285,717)	\$ (1,216,461)