

Yellowknife District No.1 Education Authority

(Yellowknife Education District No. 1)

Financial Statements

June 30, 2014





Yellowknife District No. 1 Education Authority

(the Authority)

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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 accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity, and objectivity of the information provided. They have been prepared in accordance with Canadian Public Sector Accounting Standards. Where necessary, the statements include amounts that are based on informed judgments and estimates by management, giving appropriate consideration to reasonable limits of materiality.

In discharging its responsibility for the integrity and fairness of the financial statement and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded, and proper records are maintained. These controls include quality standards in hiring and training employees, written policies and procedures manuals, and accountability for performance within appropriate and well-defined areas of responsibility. The board's management recognizes its responsibility for conducting the council's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to a District Education Authority.

The 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.



Metro Huculak
Superintendent
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 financial statements of the Yellowknife District No. 1 Education Authority (the Authority), which comprise of the statement of financial position as at June 30, 2014, statements of changes in net financial resources, funds, surplus and reserves, operations 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 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 financial statements present fairly, in all material respects, the financial position of Yellowknife District No. 1 Education Authority as at June 30, 2014, and the results of its operations, changes in net financial resources, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

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

A handwritten signature in black ink that reads 'Crowe MacKay LLP' in a cursive script.

**Yellowknife, Northwest Territories
September 9, 2014**

Chartered Accountants



Yellowknife District No. 1 Education Authority

(the Authority)

Statement of Financial Position

Statement 1

| As at June 30 | 2014 \$ | 2013 \$ |
|--|-------------------|-------------------|
| FINANCIAL ASSETS | | |
| Cash | 1,990,654 | 2,086,504 |
| Portfolio investments (Note 3) | 6,165,410 | 6,871,974 |
| Due from GNWT (Note 4) | 163,899 | 139,460 |
| Other accounts receivable (Note 5) | 689,028 | 726,736 |
| | 9,008,991 | 9,824,674 |
| LIABILITIES | | |
| Accounts payable and accrued liabilities | 355,430 | 608,268 |
| Wages and employee deductions payable (Note 6) | 3,025,449 | 3,734,424 |
| Leave and termination benefits (Note 7) | 1,912,682 | 1,874,485 |
| Deferred revenue (Note 8) | 1,433,087 | 1,494,136 |
| | 6,726,648 | 7,711,313 |
| NET FINANCIAL RESOURCES | 2,282,343 | 2,113,361 |
| NON-FINANCIAL ASSETS | | |
| Prepaid Expenses | 167,320 | 103,409 |
| Tangible Capital Assets (Schedule 1) | 16,483,457 | 17,646,498 |
| | 16,650,777 | 17,749,907 |
| ACCUMULATED SURPLUS | 18,933,120 | 19,863,268 |
| Represented by: | | |
| Operating Fund | 1,174,553 | 1,004,429 |
| Investment in Tangible Capital Assets | 16,483,457 | 17,646,498 |
| Decentralized Surplus | 370,945 | 298,116 |
| Capital Fund Reserve | 904,165 | 904,165 |
| Playground/Recreational Equipment Fund Reserve | - | 10,060 |
| | 18,933,120 | 19,863,268 |

Approved on behalf of the board:

Trustee

Trustee



Yellowknife District No. 1 Education Authority

(the Authority)

Statement of Changes in Net Financial Resources

Statement 2

| For the ended June 30, | 2014 | 2013 |
|--|------------------|------------------|
| | \$ | \$ |
| Annual deficit | (930,147) | (1,948,769) |
| Change in prepaid expenses | (63,911) | 11,045 |
| Acquisition of tangible capital assets (2014 budget \$nil) | - | (161,976) |
| Amortization of tangible capital assets | 1,163,041 | 1,139,141 |
| Increase (decrease) in net financial resources | 168,983 | (960,559) |
| Net financial resources, beginning of year | 2,113,361 | 3,073,920 |
| Net financial resources, end of year | 2,282,344 | 2,113,361 |

**Yellowknife District No. 1 Education Authority****(the Authority)****Statement of Funds****Statement 3**

| For the year ended June 30, | 2014 | 2013 |
|---|--------------------|-------------------|
| | \$ | \$ |
| OPERATING FUND | | |
| Balance, beginning of year | 1,004,429 | 2,018,191 |
| Excess (deficiency) of revenue over expenditures (Statement 5) | (930,147) | (1,948,769) |
| Transfer (to) from Capital Fund (budget \$nil) | - | (161,977) |
| Transfer (to) from Investment in Tangible Capital Assets | 1,163,040 | 1,139,141 |
| Transfer (to) from Playground/Recreational Equipment Fund Reserve | 10,060 | - |
| Transfer (to) from Decentralized Surplus | (72,829) | (42,157) |
| Balance, end of year | 1,174,553 | 1,004,429 |
| INVESTMENT IN TANGIBLE CAPITAL ASSETS | | |
| Balance, beginning of year | 17,646,498 | 18,623,662 |
| Acquisition of tangible capital assets | - | 161,977 |
| Amortization | (1,163,041) | (1,139,141) |
| Balance, end of year | 16,483,457 | 17,646,498 |

**Yellowknife District No. 1 Education Authority****(the Authority)****Statement of Surplus and Reserves****Statement 4**

| For the year ended July 1 through June 30, | 2014 | 2013 |
|---|-----------------|-------------|
| | \$ | \$ |
| DECENTRALIZED SURPLUS | | |
| Balance, beginning of year | 298,116 | 255,959 |
| Transfer (to) from Operating Fund | 72,829 | 42,157 |
| Balance, end of year | 370,945 | 298,116 |
| CAPITAL FUND RESERVE | | |
| Balance, beginning of year | 904,165 | 904,165 |
| Balance, end of year | 904,165 | 904,165 |
| PLAYGROUND/RECREATIONAL EQUIPMENT FUND RESERVE | | |
| Balance, beginning of year | 10,060 | 10,060 |
| Transfer (to) from Operating Fund | (10,060) | - |
| Balance, end of year | - | 10,060 |



Yellowknife District No. 1 Education Authority

(the Authority)

Statement of Operations

Statement 5

For the period July 1 through June 30,

2014
Budget
\$

2014
Actual
\$

2013
Actual
\$

REVENUE

Government of the Northwest Territories

| | | | |
|---------------------------------|------------|------------|------------|
| Regular contributions (Note 2a) | 24,060,478 | 24,212,611 | 24,372,505 |
| Other contributions | 123,000 | 183,393 | 201,669 |
| Aboriginal languages | 60,000 | 60,000 | 78,714 |
| French revenue | 410,000 | 410,000 | 417,150 |
| | 24,653,478 | 24,866,004 | 25,070,038 |

Property tax requisitioned (Note 2c)

| | | | |
|--|-----------|-----------|-----------|
| | 5,746,000 | 5,704,347 | 5,621,618 |
|--|-----------|-----------|-----------|

Education authority generated funds

| | | | |
|--|-----------|-----------|----------|
| Rental income | 360,000 | 379,816 | 232,392 |
| Portfolio investment income | | | |
| - portfolio investment income (losses) | 180,000 | 138,350 | (56,553) |
| - gains (losses) on portfolio investments | - | - | (1,011) |
| - unrealized gains (losses) on portfolio investments | - | - | 97,094 |
| Other (Note 9) | 511,372 | 717,558 | 523,780 |
| | 1,051,372 | 1,235,724 | 795,702 |

Total revenue

| | | | |
|--|------------|------------|------------|
| | 31,450,850 | 31,806,075 | 31,487,358 |
|--|------------|------------|------------|

EXPENDITURES (Schedule 2)

| | | | |
|---------------------------------------|------------|------------|------------|
| School programs | 20,702,673 | 20,281,870 | 20,928,328 |
| Inclusive schooling | 5,459,412 | 5,246,219 | 5,754,014 |
| Accommodation | 175,500 | 208,180 | 187,442 |
| Operations and maintenance | 2,896,100 | 3,196,175 | 3,058,535 |
| Administration | 1,617,116 | 1,688,972 | 1,638,910 |
| Aboriginal language/cultural programs | 890,568 | 951,765 | 729,757 |

Total operating expenditures

| | | | |
|--|------------|------------|------------|
| | 31,741,369 | 31,573,181 | 32,296,986 |
|--|------------|------------|------------|

Excess (deficiency) before amortization

| | | | |
|--|-----------|---------|-----------|
| | (290,519) | 232,894 | (809,628) |
|--|-----------|---------|-----------|

Amortization

| | | | |
|--|---|-----------|-----------|
| | - | 1,163,041 | 1,139,141 |
|--|---|-----------|-----------|

Excess (deficiency) of revenue over expenditures

| | | | |
|--|-----------|-----------|-------------|
| | (290,519) | (930,147) | (1,948,769) |
|--|-----------|-----------|-------------|

Accumulated surplus

| | | | |
|--|------------|------------|------------|
| | 19,863,468 | 19,863,268 | 21,812,037 |
|--|------------|------------|------------|

Closing accumulated surplus

| | | | |
|--|------------|------------|------------|
| | 19,572,949 | 18,933,121 | 19,863,268 |
|--|------------|------------|------------|

**Yellowknife District No. 1 Education Authority****(the Authority)****Statement of Cash Flows****Statement 6**

| For the year ended June 30, | 2014 | 2013 |
|---|---------------------|---------------------|
| | \$ | \$ |
| OPERATING TRANSACTIONS | | |
| Cash received from: | | |
| Government of the Northwest Territories | 25,028,363 | 25,098,996 |
| City of Yellowknife - property tax requisitioned | 5,704,347 | 7,047,705 |
| Recoveries and general revenue | 1,025,586 | 862,508 |
| | 31,758,296 | 33,009,209 |
| Cash paid for: | | |
| Compensation and benefits | (26,489,738) | (26,032,362) |
| Operations and maintenance | (6,070,974) | (5,421,131) |
| | (32,560,712) | (31,453,493) |
| CASH PROVIDED BY (USED FOR) OPERATING TRANSACTIONS | (802,416) | 1,555,716 |
| CAPITAL TRANSACTIONS | | |
| Acquisitions of tangible capital assets | - | (161,975) |
| CASH USED FOR CAPITAL TRANSACTIONS | - | (161,975) |
| FINANCING TRANSACTION | | |
| Acquisition (sale) of portfolio investments | 706,566 | (882,588) |
| CASH PROVIDED BY (USED FOR) FINANCING TRANSACTIONS | 706,566 | (882,588) |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (95,850) | 511,153 |
| CASH AT BEGINNING OF YEAR | 2,086,504 | 1,575,351 |
| CASH AT END OF YEAR | 1,990,654 | 2,086,504 |



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Financial Statements

June 30, 2014

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 has decision making authority, the power to delegate authority, the ability to significantly influence operations and the sole accountability for all fiscal matters.



June 30, 2014

2. Accounting Policies

The financial statements of the Authority have been prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The significant accounting policies are detailed as follows:

a) Government of the Northwest Territories - 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.

b) 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.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Financial Statements

June 30, 2014

2. Accounting Policies (continued)

c) Property Tax Requisitioned

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 Yellowknife Education District No. 1 and is responsible for the collection of taxes.

Section 136(4) of the *Education Act* requires the amount requisitioned to be paid in equal quarterly installment on or before the first day of the months of June, September, December and March. As the fiscal year of the Yellowknife Education District No. 1 does not coincide with the taxation year, the local tax revenue receivable on June 1st is the first payment for the next fiscal year, therefore, this amount is recorded as deferred revenue. There is no additional liability.

d) Revenue Recognition - Other

Revenue from rentals is earned as the facilities are used. Interest revenue and revenue from portfolio investments is recognized as accrued based on the contracted rate. Other revenue is recorded as the service is provided and receipt is reasonably assured.

e) 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 Playground/Recreation Equipment Fund Reserve is a matching grant fund to assist schools and parent advisory groups to purchase playground/recreational equipment.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Financial Statements

June 30, 2014

2. Accounting Policies (continued)

f) Materials and Supplies

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

g) 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.

h) Budget Data

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

The annual budget includes estimates of revenue and expenditures for the 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 Authority on May 28, 2013 and have not been audited.



June 30, 2014

2. Accounting Policies (continued)

i) Financial Instruments

(i) Measurement of financial instruments

The Authority initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Authority subsequently measures its financial assets and financial liabilities at amortized cost.

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

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, wages and employee deductions payable.

Financial assets measured at fair value include portfolio investments.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

- the present value of the cash flows expected to be generated by the asset or group of assets;
- the amount that could be realized by selling the assets or group of assets and;
- the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

All significant financial assets and financial liabilities of the Authority are either recognized or disclosed in the financial statements together with available information for a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Financial Statements

June 30, 2014

2. Accounting Policies (continued)

j) Measurement Uncertainty

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

k) Non-financial Assets

Tangible capital assets and other 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 liabilities unless they are sold.

3. Portfolio Investments

| | 2014 \$ | 2013 \$ |
|--|------------------|------------------|
| GIC Investment with CIBC (interest rate range from 1.35% to 1.85% and maturity range from October 30, 2014 to January 28, 2016) | 4,139,287 | 1,025,817 |
| GIC Investment with RBC Dominion Securities (interest rate range from 1.8% to 2.1% and maturity range from October 31, 2014 to November 4, 2015) | 2,026,123 | 2,114,814 |
| Investments in bonds | - | 3,731,343 |
| | 6,165,410 | 6,871,974 |

The Authority authorized the investment of cash, consisting of the CIBC Wood Gundy Altamira High Interest Cash Performer mutual funds and the RBC Premium Money Market fund. The investments are recorded at fair market value plus any interest earned to June 30, 2014.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Financial Statements

June 30, 2014

4. Due from GNWT

| | 2014 | 2013 |
|---|----------------|-------------|
| | \$ | \$ |
| Department of Education, Culture and Employment | 161,405 | 67,156 |
| Department of Health and Social Services | 2,494 | 72,304 |
| | 163,899 | 139,460 |

5. Other Accounts Receivable

| | 2014 | 2013 |
|-------------------------------------|----------------|-------------|
| | \$ | \$ |
| Computer purchase plan - employees | - | 4,277 |
| GST recoverable | 101,025 | 98,464 |
| Trade receivables | 134,000 | 399,430 |
| Dettah District Education Authority | 167,698 | 118,526 |
| Yellowknives Dene First Nation | 286,305 | 106,039 |
| | 689,028 | 726,736 |



Yellowknife District No. 1 Education Authority

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Notes to Financial Statements

June 30, 2014

6. Wages and Employee Deductions Payable

Teachers' salaries and benefits 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:

| | 2014 \$ | 2013 \$ |
|--------------------------|------------------|------------------|
| Payable at end of July | 1,509,910 | 1,873,353 |
| Payable at end of August | 1,515,539 | 1,861,071 |
| | 3,025,449 | 3,734,424 |

7. Leave and Termination Benefits

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

| | 2014 \$ | 2013 \$ |
|--|------------------|------------------|
| Leave and termination benefits - current | 461,397 | 369,954 |
| Leave and termination benefits - non-current | 1,451,285 | 1,504,531 |
| | 1,912,682 | 1,874,485 |
| Comprised of: | | |
| Removal | 663,309 | 754,396 |
| Annual and compensatory sick leave | 639,587 | 354,362 |
| Severance and sick leave (excluded) | 391,417 | 558,417 |
| Severance (USWA) | 88,769 | 84,910 |
| Non-moving accrual (NWTTA) | 129,600 | 122,400 |
| | 1,912,682 | 1,874,485 |



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Financial Statements

June 30, 2014

8. Deferred Revenue

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

| | 2014 \$ | 2013 \$ |
|---|------------------|------------------|
| City of Yellowknife - tax requisition received in advance | 1,426,087 | 1,426,087 |
| GNWT - Active After School Program | 3,250 | 64,299 |
| Other | 3,750 | 3,750 |
| | 1,433,087 | 1,494,136 |

9. Other Revenue

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

| | 2014 \$ | 2013 \$ |
|-----------------------------|----------------|----------------|
| Pancake Donation | 427 | 1,250 |
| Superintendent Services | 65,729 | 50,000 |
| Range Lake North preschool | 235,011 | 102,124 |
| Mildred Hall preschool | 84,371 | 91,523 |
| J.H.Sissons preschool | 272,888 | 220,681 |
| Other funding and donations | 59,132 | 58,202 |
| | 717,558 | 523,780 |



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Financial Statements

June 30, 2014

10. Contractual Obligations

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 2015.

The Authority has a Xerox equipment lease with annual payments of \$38,996 plus maintenance expiring in June 2016.

11. Financial Instruments

Financial instruments consist of recorded amounts of cash, portfolio investments, due from GNWT, 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, 2014, receivables from three organizations comprised approximately 72% 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, 2014, 4% of other account receivable was non-current which represents \$34,500 of the total balance. All of these were deemed collectable, and as a result, none are impaired.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Financial Statements

June 30, 2014

11. Financial Instruments (continued)

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 3). 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.

12. Economic Dependence

The Authority is economically dependent on the Government of the Northwest Territories to provide funding for continued operations.

13. Comparative Figures

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

14. Future Operations

During the year the Authority committed to transferring the pensions for the Northwest Territories Teachers' Association to the Northern Employee Benefits Service (NEBS) effective September 2014.

NEBS is an employer owned program and as such the Authority will be liable for its portion of any shortfall.

As at January 1, 2014, the NEBS Pension Plan had a solvency ratio deficiency of \$38,578,200 and a solvency ratio of 76%. The Plan serves 2,078 Employee Members and 84 Employer Members. Any potential deficiency in termination payments is guaranteed to be paid over the next 10 years or less, depending on the position of the fund. As of April 2004, the OSFI has exempted NEBS from compliance with the Pension Benefits Standards Act (PBSA). Solvency is calculated for the purposes of determining obligations only in the event of a plan wrap up.



Yellowknife District No. 1 Education Authority

(the Authority)

Schedule of Tangible Capital Assets

Schedule 1

| As at June 30, | | | | | 2014 | 2013 |
|----------------------------------|------------|-----------|--------------|--|-------------------|-------------------|
| | Cost | Additions | Amortization | Accumulated Amortization beginning of year | Net Book Value | Net Book Value |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Land and improvements | 1,299,476 | - | - | - | 1,299,476 | 1,299,476 |
| School buildings | | | | | | |
| Ecole Sir John Franklin | 2,149,661 | - | (59,764) | (818,930) | 1,270,967 | 1,330,731 |
| William McDonald | 7,078,328 | - | (176,958) | (5,485,704) | 1,415,666 | 1,592,624 |
| Mildred Hall | 11,009,651 | - | (275,241) | (4,925,709) | 5,808,701 | 6,083,942 |
| Range Lake North | 8,215,859 | - | (205,396) | (4,107,930) | 3,902,533 | 4,107,930 |
| N. J. Macpherson | 5,329,162 | - | (136,459) | (3,406,999) | 1,785,704 | 1,922,163 |
| Ecole J. H. Sissons | 2,436,769 | - | - | (2,436,769) | - | - |
| | 36,219,430 | - | (853,818) | (21,182,041) | 14,183,571 | 15,037,390 |
| Other buildings | | | | | | |
| Administration office | 1,070,827 | - | (26,771) | (535,413) | 508,643 | 535,413 |
| Nordic Arms residence | 595,205 | - | (15,214) | (579,991) | - | 15,214 |
| Total land and buildings | 39,184,938 | - | (895,803) | (22,297,445) | 15,991,690 | 16,887,493 |
| Equipment and furnishings | | | | | | |
| Schools | 4,427,048 | - | (262,092) | (3,719,504) | 445,452 | 707,544 |
| Playgrounds | 149,972 | - | - | (149,972) | - | - |
| Residences | 64,045 | - | - | (64,045) | - | - |
| Administration office | 322,132 | - | - | (322,132) | - | - |
| Vehicles | 246,532 | - | (5,146) | (195,071) | 46,315 | 51,461 |
| | 5,209,729 | - | (267,238) | (4,450,724) | 491,767 | 759,005 |
| | 44,394,667 | - | (1,163,041) | (26,748,169) | 16,483,457 | 17,646,498 |



Yellowknife District No. 1 Education Authority

(the Authority)

Schedule of Expenditures - Operating Fund

Schedule 2

| For the year ended June 30, | School Programs \$ | Inclusive Schooling \$ | Accommodation \$ | Operations and Maintenance \$ | Board Administration \$ | Aboriginal Languages \$ | Total 2014 \$ | Total 2013 \$ |
|-------------------------------------|--------------------------|------------------------------|---------------------|-------------------------------------|-------------------------------|-------------------------------|---------------------|---------------------|
| SALARIES | | | | | | | | |
| Honoraria | 42,546 | - | - | - | 67,207 | - | 109,753 | 75,829 |
| Instructional assistants | 742,198 | 2,111,986 | - | - | - | 103,720 | 2,957,904 | 3,074,614 |
| Non-instructional staff | 1,868,125 | - | 19,302 | 451,614 | 1,108,302 | 198,035 | 3,645,378 | 3,793,071 |
| Teachers | 12,191,948 | 1,919,798 | - | - | - | 218,057 | 14,329,803 | 14,879,040 |
| | 14,844,817 | 4,031,784 | 19,302 | 451,614 | 1,175,509 | 519,812 | 21,042,838 | 21,822,554 |
| EMPLOYEE BENEFITS | 3,392,735 | 1,049,828 | 1,278 | 123,943 | 205,333 | 97,950 | 4,871,067 | 5,011,585 |
| SERVICES PURCHASED | | | | | | | | |
| Advertising and printing | - | - | - | - | 27,658 | - | 27,658 | 23,471 |
| Communication | 64,486 | - | - | 9,035 | 33,990 | - | 107,511 | 103,416 |
| Contracted services | 238,183 | 76,834 | - | 285,463 | 42,475 | 111,396 | 754,351 | 558,156 |
| Maintenance and repairs | 116,328 | 19,839 | 62,842 | 355,439 | 5,312 | 32,975 | 592,735 | 726,559 |
| Other | 173,437 | - | - | - | 94,061 | - | 267,498 | 224,517 |
| Professional and technical | 204,590 | 17,974 | - | 1,939 | 50,341 | 48,538 | 323,382 | 371,157 |
| Rentals and leases | 131,837 | - | - | - | 5,107 | - | 136,944 | 101,601 |
| Student transportation | 359,044 | 11,464 | - | - | - | 5,189 | 375,697 | 359,913 |
| Travel | 20,537 | - | - | - | - | - | 20,537 | 46,921 |
| Utilities | - | - | 121,873 | 1,903,597 | - | - | 2,025,470 | 1,893,919 |
| | 1,308,442 | 126,111 | 184,715 | 2,555,473 | 258,944 | 198,098 | 4,631,783 | 4,409,630 |
| MATERIALS | | | | | | | | |
| Awards and student events | 11,232 | - | - | - | 29,263 | - | 40,495 | 54,972 |
| Freight | 17,109 | - | - | 2,565 | 567 | - | 20,241 | 13,502 |
| Materials and supplies | 707,535 | 38,496 | 2,885 | 62,580 | 19,356 | 135,905 | 966,757 | 984,744 |
| | 735,876 | 38,496 | 2,885 | 65,145 | 49,186 | 135,905 | 1,027,493 | 1,053,218 |
| Total operating expenditures | 20,281,870 | 5,246,219 | 208,180 | 3,196,175 | 1,688,972 | 951,765 | 31,573,181 | 32,296,987 |



Yellowknife District No. 1 Education Authority

(the Authority)

Details of Inclusive Schooling Expenditures

Schedule 3

| For the year ended June 30, | Assistive Technology \$ | Student Resources \$ | General Inclusive Schooling \$ | Total 2014 \$ |
|-------------------------------------|-------------------------------|----------------------------|---|---------------------|
| SALARIES | | | | |
| Program support teachers | - | - | 1,919,798 | 1,919,798 |
| Support assistants | - | 19,302 | 2,092,684 | 2,111,986 |
| | - | 19,302 | 4,012,482 | 4,031,784 |
| EMPLOYEE BENEFITS | - | - | 1,049,828 | 1,049,828 |
| SERVICES PURCHASED | | | | |
| Professional and technical | - | 17,974 | - | 17,974 |
| Student transportation | - | 11,464 | - | 11,464 |
| Maintenance and repairs | - | 19,839 | - | 19,839 |
| Contracted services | - | 76,834 | - | 76,834 |
| | - | 126,111 | - | 126,111 |
| MATERIALS | | | | |
| Materials and supplies | - | 38,496 | - | 38,496 |
| Total operating expenditures | - | 183,909 | 5,062,310 | 5,246,219 |



Yellowknife District No. 1 Education Authority

(the Authority)

Details of Aboriginal Language and Culture-Based Education Expenditures

Schedule 4

| For the year ended June 30, | Student Instruction \$ | Professional Development \$ | School Activities and Integrated Community Programs \$ | Total 2014 \$ |
|-------------------------------------|---------------------------|-----------------------------------|--|---------------------|
| SALARIES | | | | |
| ALCBE Teachers | 218,057 | - | - | 218,057 |
| Support Assistants | 103,720 | - | - | 103,720 |
| Non Instructional Staff | - | - | 198,035 | 198,035 |
| | 321,777 | - | 198,035 | 519,812 |
| EMPLOYEE BENEFITS | 97,950 | - | - | 97,950 |
| SERVICES PURCHASED | | | | |
| Professional and technical | - | 48,538 | - | 48,538 |
| Maintenance and repairs | - | - | 32,975 | 32,975 |
| Student travel | - | - | 5,189 | 5,189 |
| Contracted services | - | - | 111,396 | 111,396 |
| | - | 48,538 | 149,560 | 198,098 |
| MATERIALS | | | | |
| Materials and supplies | - | - | 135,905 | 135,905 |
| Total operating expenditures | 419,727 | 48,538 | 483,500 | 951,765 |

**Yellowknife District No. 1 Education Authority****(the Authority)****Report on Activities of Specific Programs****Schedule 5****Aboriginal Languages****For the periods and year ended June 30,****Total
2014
\$****Secretary of State (Heritage Canada)****REVENUE****Contribution from federal government 60,000****EXPENSES****Salaries and benefits 73,328****Other operating and maintenance 1,219****74,547****Surplus (deficit) (14,547)**



Yellowknife District No. 1 Education Authority

(the Authority)

Report on Activities of Specific Programs

Schedule 6

French Language Program

BILATERAL AGREEMENT FUNDING

For the year ended June 30, 2014

| | Contribution from the Department \$ | Commitment from the Authority \$ | Expenses \$ | Over (under) funding \$ |
|-------------------------------------|--|---|------------------|-------------------------------|
| Literacy Coach (Salary) | 60,000 | 60,000 | 133,566 | (13,566) |
| Teacher Assistants (Salary) | 35,000 | 30,000 | 69,513 | (4,513) |
| Intensive & Enhance French (Salary) | 70,000 | 230,000 | 563,885 | (263,885) |
| PIF (Elective courses at SJF) | 50,000 | 10,000 | 67,851 | (7,851) |
| Special Projects | | | | |
| French Camps | 13,000 | 3,000 | 13,913 | 2,087 |
| French Resources | 13,000 | 5,000 | 17,784 | 216 |
| Assessment, Intensive French | 46,000 | 10,000 | 47,765 | 8,235 |
| Early Immersion, Lead Class | | | | |
| Cultural Activities | 11,000 | 4,000 | 13,268 | 1,732 |
| Highschool, Additional Courses | | | | |
| Professional Development | 32,000 | 9,000 | 35,981 | 5,019 |
| Consultant | 80,000 | 140,000 | 203,233 | 16,767 |
| Total | 410,000 | 501,000 | 1,166,759 | (255,759) |



Yellowknife District No. 1 Education Authority

(the Authority)

Report on Activities of Specific Programs

Schedule 7

Student Success Initiative Projects

For the year ended June 30,

2014

\$

REVENUES

| | |
|---|----------|
| Government of the Northwest Territories | 123,000 |
| Surplus from Prior Years | (22,161) |
| Deficit Rollover 2012/13 | 66,799 |

Total Revenue

167,638

EXPENSES

Salaries/Wages

| | |
|--|--------|
| Facilitator fees (including per diems) | 53,608 |
| Substitute teacher wages | 62,315 |

Travel

| | |
|--------------------|--------|
| Facilitator travel | 13,145 |
| Staff Travel | 8,275 |
| Accommodation | 7,640 |
| Other expenses | - |

Workshop expenses

| | |
|----------------------------|--------|
| Refreshments | 5,644 |
| Resources | 3,366 |
| Miscellaneous (Stationery) | 13,645 |

Total Expenses

167,638

Deficit

-



Yellowknife District No. 1 Education Authority

(the Authority)

Report on Activities of Specific Programs

Schedule 8

Mildred Hall Preschool

| For the year ended | 2014 \$ |
|-----------------------|-----------------|
| REVENUES | |
| GNWT Contribution | 60,000 |
| GNWT Attendance | 15,036 |
| Fee cost | 24,000 |
| Total Revenue | 99,036 |
| EXPENSES | |
| Employee salary | 99,468 |
| Materials & supplies | 11,959 |
| Total Expenses | 111,427 |
| Deficit | (12,391) |