

Yellowknife District No.1 Education Authority

(Yellowknife Education District No. 1)

Consolidated Financial Statements

June 30, 2021





Yellowknife District No. 1 Education Authority

(the "Authority")

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YELLOWKNIFE EDUCATION DISTRICT NO. 1
OF THE NORTHWEST TERRITORIES
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Management Discussion and Analysis

June 30, 2021

Introduction

Yellowknife Education District No. 1 (YK1) Administration:

Ed Lippert, Superintendent of Education/CEO
Shirley Zouboules, Assistant Superintendent
Tram Do, Director of Corporate Services

Current Board Members:

Tina Drew, Chairperson
Satish Garikaparthi, Vice Chairperson

Trustees:

Jay Butler
Terry Brookes
Al McDonald
Rajiv Rawat
John Stephenson

Active Standing Committees include:

- Policy Committee
- Public Relations Committee
- Finance Committee
- Audit Committee

YK1 Strategic Directions

Taking direction from its mission statement, the Yellowknife Education District No. 1 Board of Trustees has set the following Strategic Directions for 2021:

Wellness: Cultivate a culture of holistic wellness

- Recognize the importance of relationships in learning
- Foster and promote personal wellness
- Create healthy, safe and caring learning environments

Learning: Ensure inclusive, equitable and authentic learning experiences

- Engage learners through meaningful and innovative teaching and learning practices
- Strive for excellence
- Celebrate diversity of all learners

Indigenous Language and Education: Honour and celebrate Indigenous Language and Culture

- Create a welcoming environment for all learners
- Integrate an Indigenous approach to education
- Strengthen Indigenous Language instruction

Community: Foster critical understanding of local, national and global issues

- Inspire and pursue critical thinking through innovative and sustainable practices
- Embrace diversity and encourage empathy to promote global citizenship
- Model and encourage ethical leadership and engage in opportunities for service learning

Operating Environment

YK1 operates six schools in the city of Yellowknife. The following lists key programming in our schools:

Mildred Hall School (JK-8)

- Mildred Hall School (MHS) is an English school which also offers Core French and Willııdeh language courses
- The school offers many extracurricular activities such as team sports, fine arts, guitar, fiddling and various band instruments; alternative sports such as mountain biking roller blading; alternative options such as jııgging, lego and crochet clubs
- An "On the Land Mentorship" program was established where students are paired with Indigenous experts and Elders to learn important skills like snaring, tanning moose hide and setting nets
- MHS provides a breakfast and hot lunch program. The school also has a large garden where students grow vegetables that are used in the foods progra
- 'Peacemakers', a peer leadership group in the school, promotes education surrounding bullying and bullying prevention
- MHS is also home to the Birchbark Discovery Centre, a community-based, multi-aged alternative education program with room to expand in future years

N.J. Macpherson School (JK-5)

- N.J. Macpherson School (NJM) is a quiet JK-5 school with a strong numeracy and literacy focus, offering programming in English and Core French
- Special programs at NJM include Montessori, visual arts, music, drama, gymnastics and a strong recycling program.
- Several extracurricular sports and clubs are available during school hours
- After-school care is offered at the school through the YWCA and Montessori Society
- Indigenous Language and Culture is integrated into classroom sessions and students attend culture camps throughout the year
- NJM also has an active Parent Advisory Council (PAC)

École J.H. Sissons (JK-5)

- École J.H. Sissons (EJHS) offers French Immersion programming
- Special programs include choir, musical theatre, afterschool athletic program and a speed skating academy. Afterschool activities include judo, soccer, improvisation, painting, chess and choir
- EJHS celebrates diversity through various events during the year
- Students and staff participate in a seven-day annual French language and culture camp - 'Camp de neige' - at the Yellowknife Ski Club

École William McDonald Middle School (6-8)

- École William McDonald Middle School (EWMS) offers programming for Grades 6 to 8 in both English and French Immersion
- Other French options include: Intensive French - Grade 6, Post-Intensive French - Grade 7 and 8, and Core French - Grade 6 to 8
- EWMS offers exploratory programs such as industrial arts, home economics and outdoor education
- The school offers a sports academy program which includes hockey and futsal. A recently renovated fitness room has also allowed the school to expand its sports programming
- Special multi-day camps are available for Grade 8 students, including Camp Akaitcho and a canoe trip on Hidden Lake

Range Lake North School (JK-8)

- Intensive French is offered in Grade 6, Post-Intensive French is offered in Grades 7 and 8 and Core French is offered in Grades 6 to 8
- Indigenous Language and Culture is integrated into classroom sessions and students attend culture camps throughout the year
- Special programs at Range Lake North School (RLN) include music, band, fine arts, choir and drama
- RLN offers advanced technology and robotics programs in a Makerspace environment
- An athletic excellence program is offered encompassing many extracurricular sports such as snowboarding, hiking and nature walks
- RLN has an active and involved PAC which organizes their largest fundraiser, "Family Fun Night", in the spring. Proceeds support RLN student activities

École Sir John Franklin High School (9-12)

- École Sir John Franklin High School (ESJF) offers programming from Grades 9 to 12 in both English and French Immersion
- Core French and Post-Intensive French are offered from Grades 9 to 12
- ESJF has a dynamic fine arts program which includes music, band, choir, drama and visual arts
- The school offers an extensive trades curriculum and work experience program which includes industrial arts, automotive and esthetics
- ESJF offers Indigenous culture programming and camps including Willideh language instruction
- The school has a successful sports academy and several extracurricular sports and clubs are offered
- ESJF has an at-risk student program which provides support and resources for students struggling in school, socially or at home
- The school offers many opportunities for students to travel abroad for volunteering, scuba club trips and a French Immersion trip
- Night classes are also available

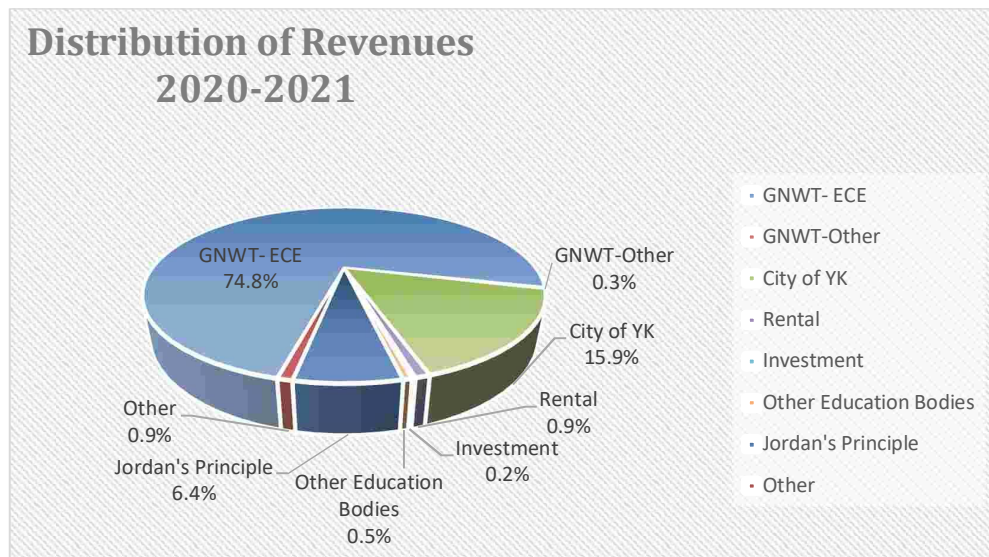
Route 51 Learning:

Route 51 Learning Institute is an alternate high school program, which offers:

- a flexible schedule designed to accommodate students
- credits for work experience
- smaller student-to-teacher ratio, and students can focus on one course at a time

Financial Condition

Revenues



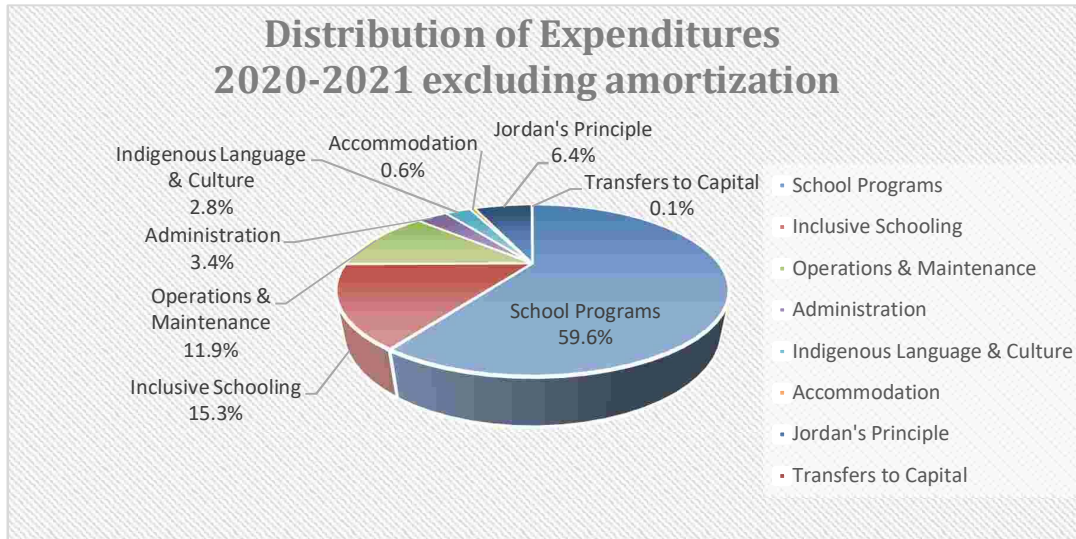
Revenues

GNWT- ECE	32,078,890
GNWT-Other	128,781
City of YK (Property Taxation)	6,831,265
Rental	386,761
Investment	89,346
Other Education Bodies	227,633
Jordan's Principle	2,748,721
Other	392,062
Total Revenues	42,883,459

Funding from the Department of Education, Culture and Employment (ECE) makes up 74.8% of YK1's revenues. Property taxation revenue is 15.9%, Jordan's Principle is 6.4% and the remainder is generated from investment income, Nordic Arms

apartment rentals, superintendent services, Other Revenue, which includes School Generated Funds, various contributions for Schools, and parking lot rentals.

Expenses



Expenses (excluding amortization)

School Programs	25,497,006
Inclusive Schooling	6,544,866
Operations & Maintenance	5,078,456
Administration	1,455,224
Indigenous Language & Culture	1,212,545
Accommodation(Nordic Arms)	236,651
Jordan's Principle	2,748,721
Transfers to Capital	42,500
Total Expenses	<u>42,815,969</u>

Expenditure allocations is based on the Department of Education, Culture and Employment's funding formula. 84.1% of expenditures consist of school programs (59.6%), Inclusive Schooling (15.3%), and Indigenous Language and Culture (2.8%) which directly related to schools. Jordan's Principle expenditures is also directly related to schools and is (6.4%) of the total expenditure allocation and is federally funded.

Unrestricted Surpluses

The accumulated operating surplus is the overall operations of the district, the decentralized surplus is school based expenditures, and capital surplus is for major capital expenditures, Pellet Boiler reserve is 25% of the project costs as per the condition of the Green House Gas Reduction Grant for the installation of new pellet boilers for Range Lake North School and Mildred Hall School to be completed by March 2022. The GHG grant received will pay for the remainder 75% of the project costs estimated to be \$1,150,000.

Surplus	2020/2021	2019/2020	Change
Operating	554,052	385,842	+168,210
Capital	904,165	904,165	0
Pellet Boiler	364,375	350,000	+14,375
Decentralized(Schools)	376,801	348,497	+28,304
Total Accumulated Surplus	2,199,393	1,988,504	+210,889
Unfunded by ECE :			
Leave and Termination Benefits	1,878,079	1,611,927	+266,152
	4,077,472	3,600,431	+477,041

The accumulated operating surplus increased by \$168,210 and the decentralized surplus increased by \$28,304, the Pellet Boiler Reserve increased by \$14,375, the total change is an overall increase of \$210,889. The overall unrestricted surplus is 5.2% (\$2,199,393/\$42,089,000) of total 2021/2022 budgeted expenditures excluding amortization. However, the Pellet Boiler reserve, and the decentralized surplus are internally restricted. For the Authority's purposes, the overall unrestricted surplus excludes those two surpluses, and is 3.5% (\$1,458,217/\$42,089,000) of the overall budgeted expenditures.

The accumulated unrestricted surplus has enabled YK1 to maintain quality programming for students and plan for the reduction of Green House Gas emissions with the pellet boiler project for Range lake North School and Mildred Hall School. The pellet boilers will be ready for the 2021 fall/winter heating season.

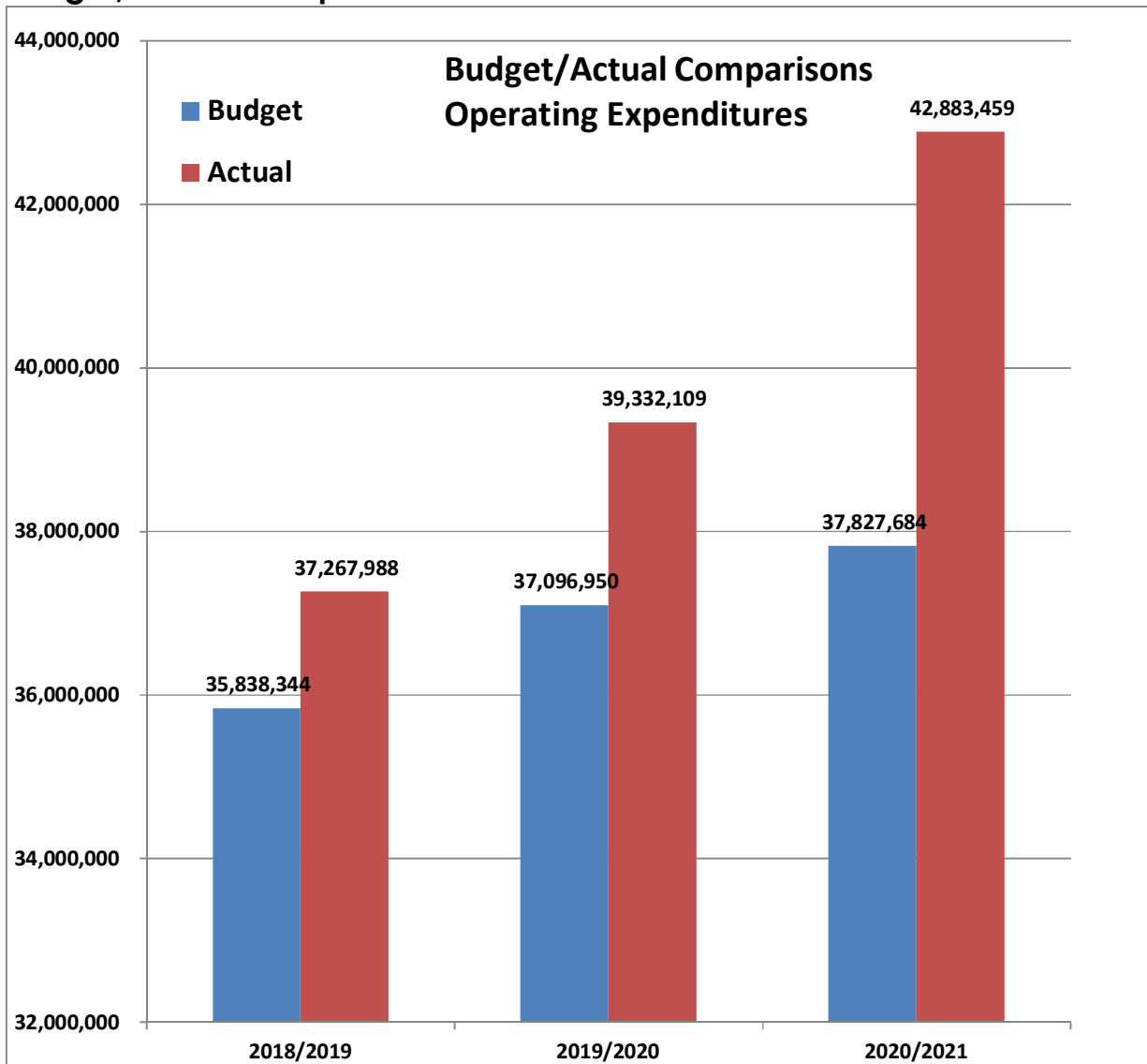
Restricted Reserves

The 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 and minor capital expenditures. LED lights can save 30% or more on energy costs. ECE has agreed to allow YK1 to keep all utilities savings to be reinvested into minor capital projects or LED lighting upgrades. For the 2020/2021 school year, the Department of Infrastructure did not invoice YK1 for the cost of piped Pellet Boiler heat from Ecole Allain St. Cyr. This resulted in additional utility savings which added to the LED reserve \$288,576. Ryfan Electric is replacing the LED lights for William McDonald School over the summer and DT Electric is replacing the LED lights for Sir John Franklin High School. Payment for lighting materials to Ryfan and DT Electric is \$357,599. Both projects expected to be completed by August 2021.

YK1 has completed the LED light conversion for all outdoor lights, emergency exit lights, and gymnasium lights at schools and buildings. YK1 is planning to continue with LED lights conversion for EWMS, MHS, NJM, RLN & SJF.

LED Restricted	2020/2021	2019/2020	Change
Beginning Balance	353,579	255,651	97,928
Utility Savings	+288,576	+97,928	+190,648
Utility Shortfall/ LED Projects	-357,599		-357,599
Total LED Reserve	284,556	353,579	-69,023

Budget/Actual Comparisons



YK1 revenues are higher than budget by \$5,055,775 due to:

- ECE regular contributions revenues higher by \$754,874 due to Funding for the UNW retroactive funding based for NWTA staff wages 538,593, and carry-over funding from previous year for Indigenous Language and Culture Progra \$93,522.
- ECE other contributions revenues higher by \$969,232 due to COVID-19 funding used from ECE \$819,732, and Dept. of Finance \$57,500. Also, \$250,000 in funding for JHS accommodations plan and WMS Parking/drop off.

- GNWT Other Contributions revenue is from Department of Municipal and Community Affairs (MACA) for Active After School \$76,500, Department of Health and Social Services for Drop the Pop Campaign \$25,228 in schools, and Department of Environment and Natural Resources for taking a kid trapping and other programs \$27,053.
- Portfolio Investment income lower from previous years' due to interest rate decreases.
- Jordan's Principle Revenue from the Federal Government is a total of \$3,481,395. Schools spent \$2,748,722, the remainder of \$732,672 is carried over to school year 2021/2022. This is mainly due to some unstaffed positions throughout the year.

○ Carry-over from 2020	\$614,451
○ Approval in 2020/2021	<u>2,866,943</u>
○ Total Available	3,481,395
○ Expenditures 2020/2021	<u>-2,748,722</u>
○ Carry-over 2020/2021	\$732,672

- Other income also consists of the following:

○ School Generated Revenue	\$258,474
○ Green House Gas Reduction Grant	31,875
○ Environment Education Progra	7,200
○ Tides Canada Make Way	15,000
○ Yellowknife Community Foundation	3,745
○ United Way of YK	5,000
○ Diavik Diamond Mines	10,000
○ Royal Canadian Legion	2,000
○ Breakfast club of Canada	12,865
○ Food Banks Canada	14,221
○ Food First Foundation	31,250
○ Elite Commercial Flooring	1,500
○ Canadian Tire	5,000
○ Parking stall rental	23,715
○ Book Sales (ILC)	1,341
○ NWT Financial Services	<u>750</u>
Total	<u>\$423,936</u>

YK1 expenses variance highlights are:

- School Programs has a negative variance of \$675,054 due to unbudgeted salary increase of 2.5%. This is due to the fact that GNWT did not settle the contract with NWTTA until after the budget was approved.
- Inclusive Schooling costs are lower than budget due to lower professional development costs.

- Indigenous Language and Culture expenses lower than budget due to unstaffed positions and limited Elders in Schools expenditure due to COVID-19 restrictions.
- Operations and Maintenance costs are higher by \$1,227,456 due to:
 - Insurance costs higher than budget by \$899,295 due to increase in insurance premiums;
 - William McDonald School additional drop-off to accommodate JHS students during new school rebuild \$187,453;
 - JHS accommodations expenses \$72,573;
- Capital purchases for the year include a project costs for the installation of pellet boilers for Range Lake North and Mildred Hall School \$42,500. This is the initial costs for professional services, total project costs is estimated at \$1,500,000. Project is expected to be complete by June 2022.

Yellowknife Education District No.	Enrolment		Teachers/	Early	Pupil/Teacher ratio	
	K-12	JK	Admin/ PST	Childhood	K-12	JK
September 30, 2020	Sep-20	Sep-20	K-12	Instructors	K-12	JK
School:						
Mildred Hall School	246.00	17.00	19.50	2.00	12.62	8.50
JH Sissons	254.00	37.00	19.00	4.00	13.37	9.25
William McDonald School	246.00	-	17.75	-	13.86	
NJ Macpherson School	340.00	44.00	22.00	4.00	15.45	11.00
Range Lake North School	259.00	26.00	20.25	3.00	12.79	8.67
Sir John Franklin High School	653.75	-	36.50	-	17.91	
Total District	1,998.8	124.0	135.00	13.00	14.81	9.54

Overall enrolment for September 2020 is 2122.75, a decrease of 19.75 full time equivalent (FTE) students from September 2019.

Summary and Outlook

In 2020/2021, YK1 faced a number of challenges and made important decisions related to the New School rebuild Project. YK1 is part of the Steering Committee for the project, which also has representation from the Department of Education, Culture, and Employment and the Department of Infrastructure. The students from the previous JH Sissons Schools are accommodated at William McDonald School, while the new school is being built. The project is expected to be on schedule with completion in August 2022.

Schools were faced with opening with COVID-19 health and safety restrictions. Funding was received to help with the purchase of materials and supplies for COVID-19 and additional Teachers and Custodians.

Working with The Department of Education and the Department of Infrastructure to install new pellet boilers at Mildred Hall School and Range Lake North School.

The completion of the replacement of William McDonald School roof.

New five year joint bussing contract with First Transit Canada and Yellowknife Catholic Schools, and Commission scolaire francophone Territoires du Nord-Ouest.

Alberta School Boards Insurance Exchange ASBIE has been dissolved as of June 1, 2020. YK1 and YCS purchased insurance from Lloyd Sadd Insurance Broker for the school year. Insurance premiums have increased more than 200% due to changing insurance markets and is not sustainable. Yellowknife Education District No.1 and Yellowknife Catholic Schools are working with the Department of Education, Culture and Employment to look explore viable options for insurance for the 2021/2022 school year.

Despite these challenges, the Board looks back proudly at their achievements and successes over the past year:

- All YK1 schools continued to offer food programs, which included breakfast, lunch and snacks for students who need that support.
- When schools shut down due to COVID-19 in May and after schools shut down, YK1 principals were giving out grocery gift cards to families of students that would normally partake in the breakfast and lunch programs provided by schools.
- The New School Project Coordinator position is in place to work with Department of Education, Department of Infrastructure, and Yellowknife Education District No.1. Laurel Kostuk started in the job in March 2021. She is currently working on coordinating the furniture order for the new school.
- The Board and Senior Administration developed new Strategic Priorities for roll-out in the 2021/2022 School Year.

Outlook for 2021-2022

- Yellowknife Education District No.1 welcomes a new Superintendent, Cindi Vaselenak for the start of the school year, we wish retiring Superintendent Ed Lippert all the best.
- Continuing to navigate the COVID-19 pandemic and adhering to public health recommendations issued by the Office of the Chief Public Health Officer. District Office and school staff must plan diligently so that staff and students can return to schools safely in the fall. Re-entry plans have already been submitted for approval. Important factors to consider include additional physical distancing guidelines, engineering recommendations, administrative recommendations, infection prevention and control and the provision of personal protective equipment. This could result in added pressures for staff and students, whose safety must always remain our top priority. YK1 will also incur more expenses to provide these safety measures, which could also prove challenging for our school district. Other considerations include protocols for staff and students who become ill, self-isolation requirements, reporting and assessing and supporting vulnerable families among many others.
- Accommodating EJHS students at EWMS, which has become a JK-7 school while YK1's new school is built (anticipated build 2020-2022).
- Planning and preparing for a Trustee election in the fall of 2021, which would be out of sync with the next municipal election for one year. The GNWT is changing the Education Act to align School Board elections with Municipal elections to save on costs for on enumeration, promotion and coordination costs. Next election with the City of Yellowknife is October 2022.
- GNWT, Yellowknife Education District No.1 and YCS to work on insurance options to reduce the cost of insurance premiums.
- Completion of the Pellet Boiler projects for Mildred Hall School and Range Lake North School.



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 are the responsibility of 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.

Cindi Vaselenak
Superintendent of Education / CEO
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**

Report on the Audit of the Consolidated Financial Statements

Opinion

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, 2021, 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.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Yellowknife District No. 1 Education Authority as at June 30, 2021, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report (Continued)

Responsibilities of Management and Those Charged with Governance 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditors' Report (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Compliance with Specified Authorities

In conjunction with the audit of the consolidated financial statements, we have audited transactions of the Authority coming to our notice for compliance with specified authorities. The specified authority against which compliance was audited is the Government of the Northwest Territories - Department of Education, Culture and Employment.

In our opinion, the transactions of the Authority that came to our notice during the audit of the consolidated financial statements have complied, in all material respects, with the specified authorities referred to above.

Management is responsible for the Authority's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the entity to comply with the specified authorities.

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the consolidated financial statements are in compliance with the specified authorities referred to above.

Crowe MacKay LLP

**Yellowknife, Northwest Territories
September 14, 2021**

Chartered Professional Accountants



Yellowknife District No. 1 Education Authority

(the "Authority")

Consolidated Statement of Financial Position

Statement 1

As at June 30,	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash (Note 4)	10,790,437	8,639,094
Portfolio Investments (Note 7)	-	2,126,244
Accounts Receivable (Note 8)	529,253	77,368
Due from Government of Canada (Note 13)	130,680	593,158
Deposit in Trust (Note 33)	1,457,500	-
	12,907,870	11,435,864
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 10)	1,071,113	1,327,410
Payroll Liabilities (Note 10)	4,693,950	4,574,092
Vacation Payable (Note 10)	247,169	284,711
Deferred Revenue (Note 11)	2,268,421	711,444
Post-employment benefits and compensated absences (Note 17)	1,878,079	1,611,927
Environmental Liabilities (Note 34)	935,901	935,901
	11,094,633	9,445,485
NET FINANCIAL ASSETS	1,813,237	1,990,379
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 18)	10,243,484	11,145,713
Prepaid Expenses (Note 19)	670,711	351,704
	10,914,195	11,497,417
ACCUMULATED SURPLUS (Note 35)	12,727,432	13,487,796
Represented by:		
Operating Fund	554,051	385,842
Investment in Tangible Capital Assets	10,243,484	11,145,713
Decentralized Surplus	376,801	348,497
Pellet Boiler Reserve	364,375	350,000
Capital Fund Reserve	904,165	904,165
LED Reserve	284,556	353,579
	12,727,432	13,487,796

Contractual Obligations (Note 21), Contingencies (Note 22)

Approved on behalf of the board:

Trustee 

 Rajiv Rawat

Trustee 

 Terry Brookes



Yellowknife District No. 1 Education Authority

(the "Authority")

Consolidated Statement of Operations

Statement 2

For the year ended June 30,	2021 Budget \$	2021 Actual \$	2020 Actual \$
REVENUES			
Government of the Northwest Territories			
Regular contributions	29,516,184	30,271,058	29,219,831
Other contributions	294,000	1,263,232	123,000
French Language revenues	472,000	544,600	484,850
Total ECE (Note 30)	30,282,184	32,078,890	29,827,681
GNWT other contributions (Note 31)	-	128,781	109,305
Government of Canada - Jordan's Principle	-	2,748,721	1,723,483
Other education bodies	212,500	227,633	190,020
Property tax requisitioned	6,793,000	6,831,265	6,795,185
Education authority generated funds			
Rental income	380,000	386,761	383,440
Portfolio investment income	160,000	89,346	223,352
Other	-	392,062	703,600
	540,000	868,169	1,310,392
Total revenues	37,827,684	42,883,459	39,956,066
EXPENSES			
School programs	24,570,185	25,245,239	23,189,831
Inclusive schooling	6,630,000	6,544,866	6,550,115
Staff accommodations	216,500	236,651	947,014
Operations and maintenance	3,851,000	5,078,456	3,885,122
Administration	1,605,000	1,455,224	1,560,199
Indigenous language/cultural programs	1,254,999	1,212,545	1,104,372
Jordan's Principle	-	2,748,721	1,723,483
Amortization	915,000	944,729	944,729
School generated funds - expenses (Note 37)	-	251,767	623,957
Total operating expenses	39,042,684	43,718,198	40,528,822
Operating deficit before other items	(1,215,000)	(834,739)	(572,756)
Other items			
Grant in-kind - GNWT assets provided at no cost (Note 20)	-	177,419	99,712
Rent expense - GNWT assets provided at no cost (Note 20)	-	(177,419)	(99,712)
Federal capital contributions	-	31,875	-
Transfer to tangible capital assets	-	42,500	218,090
Operating deficit	(1,215,000)	(760,364)	(354,666)
Opening accumulated surplus	13,487,796	13,487,796	13,842,462
Closing accumulated surplus	12,272,796	12,727,432	13,487,796



Yellowknife District No. 1 Education Authority

(the "Authority")

Consolidated Statement of Changes in Net Financial Assets

Statement 3

For the ended June 30,	2021 Budget \$	2021 Actual \$	2020 Actual \$
Operating deficit	(1,215,000)	(760,364)	(354,666)
Acquisition of tangible capital assets	-	(42,500)	(218,090)
Amortization of tangible capital assets	915,000	944,729	944,729
	(300,000)	141,865	371,973
Consumption of supplies inventories	-	-	58,766
Purchase of prepaid expenses	-	(670,711)	(351,704)
Use of prepaid expenses	-	351,704	124,333
	-	(319,007)	(168,605)
Increase (decrease) in net financial assets	(300,000)	(177,142)	203,368
Net financial asset at beginning of year	1,990,379	1,990,379	1,787,011
Net financial asset at end of year	1,690,379	1,813,237	1,990,379



Yellowknife District No. 1 Education Authority

(the "Authority")

Consolidated Statement of Cash Flows

Statement 4

For the year ended June 30,	2021 \$	2020 \$
OPERATING TRANSACTIONS		
Operating deficit	(760,364)	(354,666)
Item not affecting cash:		
Amortization	944,729	944,729
Changes in non-cash assets and liabilities		
Decrease (increase) in due from Government of Canada	(37,868)	198,845
Decrease (increase) in accounts receivable	48,461	(490,831)
Increase (decrease) in accounts payable	(256,298)	165,681
Increase (decrease) in payroll liabilities	119,858	(560,056)
Increase in environmental liabilities	-	824,963
Increase (decrease) in leave and termination benefits	266,152	(108,951)
Increase (decrease) in vacation payable	(37,542)	80,617
Increase in deferred revenue	1,556,978	261,430
Increase in prepaid expenses	(319,007)	(227,372)
Decrease in inventories	-	58,766
CASH PROVIDED BY OPERATING TRANSACTIONS	1,525,099	793,155
INVESTING TRANSACTION		
Disposition of portfolio investments	2,126,244	2,000,671
CASH PROVIDED BY INVESTING TRANSACTION	2,126,244	2,000,671
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(42,500)	(218,090)
Payment of deposit in trust for pellet boilers	(1,457,500)	-
CASH USED FOR CAPITAL TRANSACTIONS	(1,500,000)	(218,090)
INCREASE IN CASH	2,151,343	2,575,736
CASH AT BEGINNING OF YEAR	8,639,094	6,063,358
CASH AT END OF YEAR	10,790,437	8,639,094



Yellowknife District No. 1 Education Authority

(the "Authority")

Details of Expenses

Statement 5

For the year ended June 30,	School Programs	Inclusive Schooling	Staff Accommodation	Operations and Maintenance	Administration	Indigenous Languages	Jordan's Principle	Transfer and Other	Total 2021	Budget 2021	Total 2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
SALARIES											
Honoraria	-	-	-	-	74,137	26,990	-	-	101,127	168,775	158,799
Instructional assistants	1,205,419	1,945,517	-	-	-	179,048	1,570,224	-	4,900,208	3,728,389	4,147,786
Non-instructional staff	2,286,176	-	15,533	536,211	901,159	-	249,884	-	3,988,963	3,829,250	3,691,251
Teachers	15,022,740	3,159,233	-	-	-	547,776	419,532	-	19,149,281	18,088,553	18,052,799
	18,514,335	5,104,750	15,533	536,211	975,296	753,814	2,239,640	-	28,139,579	25,814,967	26,050,635
EMPLOYEE BENEFITS											
Employee benefits/allowances	3,430,404	994,279	-	97,495	198,691	144,091	407,134	-	5,272,094	5,142,304	4,797,560
Leave and termination benefits	214,138	81,239	-	6,668	(57,292)	8,001	-	-	252,754	-	(95,553)
	3,644,542	1,075,518	-	104,163	141,399	152,092	407,134	-	5,524,848	5,142,304	4,702,007
SERVICES PURCHASED											
Advertising and printing	20,886	-	-	-	17,492	-	-	-	38,378	45,480	18,951
Communication	97,339	2,183	-	8,223	49,132	-	-	-	156,877	102,600	130,007
Contracted services	396,431	59,324	-	1,690,020	1,049	172,398	84,754	-	2,403,976	1,332,923	1,491,976
Maintenance and repairs	85,165	50,323	102,262	890,917	26,497	-	-	-	1,155,164	640,354	1,667,323
Other	136,922	-	-	260,027	192,705	-	-	-	589,654	306,500	278,699
Professional and technical	434,286	54,597	201	378	9,138	18,427	-	-	517,027	595,229	543,936
Rentals and leases	148,719	-	-	-	3,413	-	-	-	152,132	169,200	82,878
Student transportation	394,920	17,643	-	-	-	8,102	480	-	421,145	490,000	411,362
Travel	117,874	-	-	-	-	1,135	-	-	119,009	125,000	223,603
Utilities											
Heating	-	-	43,458	523,478	-	-	-	-	566,936	847,571	742,530
Electricity	-	-	39,446	854,150	-	-	-	-	893,596	987,000	956,408
Water/Sewage	-	-	32,818	173,403	-	-	-	-	206,221	185,000	220,380
	1,832,542	184,070	218,185	4,400,596	299,426	200,062	85,234	-	7,220,115	5,826,857	6,768,053
MATERIALS											
Awards and student events	3,283	-	-	-	8,347	-	-	-	11,630	76,000	11,715
Freight	5,046	-	-	609	929	-	-	-	6,584	23,155	6,405
Materials and supplies	1,245,491	180,528	2,933	36,877	29,827	106,577	16,713	251,767	1,870,713	1,244,401	2,045,278
	1,253,820	180,528	2,933	37,486	39,103	106,577	16,713	251,767	1,888,927	1,343,556	2,063,398
AMORTIZATION											
	-	-	-	-	-	-	-	944,729	944,729	915,000	944,729
Total operating expenses	25,245,239	6,544,866	236,651	5,078,456	1,455,224	1,212,545	2,748,721	1,196,496	43,718,198	39,042,684	40,528,822



Yellowknife District No. 1 Education Authority

(the "Authority")

Details of Inclusive Schooling Expenses

Statement 6

For the year ended June 30,	General Inclusive Schooling \$	Staff Development (SSI) \$	Assistive Technology \$	Magnet Facilities \$	Total 2021 \$
SALARIES					
Regional coordinator	154,383	-	-	-	154,383
Program support teachers/counsellors	2,486,093	8,232	-	510,525	3,004,850
Support assistants	1,945,517	-	-	-	1,945,517
	4,585,993	8,232	-	510,525	5,104,750
EMPLOYEE BENEFITS	984,417	-	-	91,101	1,075,518
SERVICES PURCHASED					
Professional and technical	54,597	-	-	-	54,597
Student transportation	17,643	-	-	-	17,643
Advertising and printing	2,183	-	-	-	2,183
Maintenance and repairs	50,323	-	-	-	50,323
Other contracted services	12,888	46,436	-	-	59,324
	137,634	46,436	-	-	184,070
MATERIALS					
Materials and supplies	3,638	68,333	85,993	22,564	180,528
Total operating expenses	5,711,682	123,001	85,993	624,190	6,544,866



Yellowknife District No. 1 Education Authority

(the "Authority")

Details of Indigenous Language and Culture-Based Education Expenses

Statement 7

For the year ended June 30,	Indigenous	Our Languages Curriculum	Community	Total
	Education	Resource Development	Support	2021
	\$	\$	\$	\$
SALARIES				
Regional ILE coordinators	129,484	-	-	129,484
Indigenous language instruction	183,139	19,281	-	202,420
ILE substitutes	5,027	-	-	5,027
Cultural resource staff	275,592	55,336	58,964	389,892
Elders in schools	26,990	-	-	26,990
	620,232	74,617	58,964	753,813
EMPLOYEE BENEFITS	123,647	17,141	11,304	152,092
SERVICES PURCHASED				
Professional/technical services	18,427	-	-	18,427
Travel	1,135	-	-	1,135
Student transportation (busing)	-	-	8,102	8,102
Other contracted services	-	-	172,398	172,398
	19,562		180,500	200,062
MATERIAL				
Materials	33,756	9,067	63,755	106,578
TOTAL	797,197	100,825	314,523	1,212,545



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, 2021

	Contribution from the Department \$	Commitment from the Authority \$	Expenses \$	Over (under) funding \$
Teacher assistants (Staff)	35,000	35,000	88,242	(18,242)
French immersion pedagogy specialist	70,000	55,000	110,820	14,180
Intensive & PIF French coach (staff)	105,000	442,000	701,812	(154,812)
Intensive PIF (elective courses at SJF)	3,000	1,000	-	4,000
Special Projects				
French camps	27,000	3,000	33,446	(3,446)
Assessment, intensive & PIF	30,000	5,000	40,482	(5,482)
French resources	35,000	5,000	50,821	(10,821)
Cultural activities	7,000	2,000	8,669	331
Professional development	30,000	6,000	22,062	13,938
Consultant	80,000	140,000	181,710	38,290
Teacher retention and recruitment	82,760	25,364	56,028	52,096
Total	504,760	719,364	1,294,092	(69,968)



Yellowknife District No. 1 Education Authority

(the "Authority")

Report on Activities of Specific Programs

Statement 9

Student Success Initiative Projects

For the year ended June 30,

2021

\$

Revenues

Government of the Northwest Territories

123,000

Carry Forward from 2019-2020

8,678

Total revenues

131,678

Expenses

Salaries/Wages

Substitute teacher wages

8,232

Other Expenses

Materials and supplies

46,435

Total expenses

54,667

Surplus

77,011



Yellowknife District No. 1 Education Authority

(the "Authority")

Report on Activities of Specific Programs

Statement 10

Jordan's Principle

	June 30, 2021 Budget	June 30, 2021 Actual	June 30, 2020 Actual	July 1, 2020 - March 31, 2021 Actual	April 1, 2021 - June 30, 2021 Actual
Revenue					
Government of Canada					
- First Nations and Inuit Health Branch	2,866,944	2,866,943	1,923,961	2,088,871	778,072
Carry Forward from Previous Year	614,452	614,452	413,974	614,452	-
Total Revenue	3,481,396	3,481,395	2,337,935	2,703,323	778,072
Expenses					
Administration	321,279	249,884		143,549	106,335
Personnel	2,986,492	2,396,890	1,653,614	1,364,199	1,032,692
Transportation		-			
Materials and Supplies	131,204	72,548	61,030	46,288	26,260
Rent and Utilities		-			
Evaluation	42,420	29,400	8,840	25,000	4,400
Other		-			
Total Expenses	3,481,396	2,748,722	1,723,484	1,579,035	1,169,687
Net Surplus/(Deficit)	-	732,672	614,452	-	732,672
Deferred Revenue	-	732,672	614,452	-	732,672



Yellowknife District No. 1 Education Authority

(the "Authority")

Report on Activities of Specific Programs

Statement 11

Statement of Utilities Expenses
For the Year Ended June 30, 2021

School Year	2020-2021	2019-2020	2018-2019	Total Expense	Avg Expense
	Expense	Expense	Expense		
Fuel Oil	\$ 388,209	\$ 579,220	\$ 635,999	\$ 1,603,427	\$ 534,476
Electricity	\$ 893,595	\$ 956,408	\$ 1,019,158	\$ 2,869,161	\$ 956,387
Pellets	\$ 178,727	\$ 163,310	\$ 192,471	\$ 534,508	\$ 178,169
Water	\$ 161,059	\$ 165,838	\$ 160,656	\$ 487,552	\$ 162,517
Garbage	\$ 45,163	\$ 54,542	\$ 47,606	\$ 147,311	\$ 49,104
Other (Specify)	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expense	\$ 1,666,752	\$ 1,919,318	\$ 2,055,889	\$ 5,641,959	\$ 1,880,653



June 30, 2021

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 financial statements of the Authority have been prepared in accordance with Canadian Public Sector Accounting Standards ("PSAS") as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

The 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 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.



June 30, 2021

2. Significant Accounting Policies (Continued)

b) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity. The reporting entity is comprised of all organizations accountable for the administration of their financial affairs and resources to the Authority and which are controlled by the Authority.

School generated funds, which include the assets, liabilities, revenues, and expenses of various schools and which are controlled by the Authority are reflected in the consolidated financial statements.

Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

c) Cash and Cash Equivalents

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



June 30, 2021

2. Significant Accounting Policies (Continued)

d) 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, due from Government of Canada, and deposit in trust.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, payroll liabilities, and vacation payable.

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

e) 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 operating surplus (deficit), provides the change in net financial assets for the year.



June 30, 2021

2. Significant Accounting Policies (Continued)

f) 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
School and Other 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, 2021

2. Significant Accounting Policies (Continued)

g) 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, 2021

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 revenues, 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 revenues 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 revenues in the year in which the related expenses are incurred.

Revenue from rentals is earned as the facilities are used. Other revenues are 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 revenues when the eligible expenses are incurred.

Investment Income:

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



June 30, 2021

2. Significant Accounting Policies (Continued)

School Generated Funds

School generated funds are generated at the school level from fundraising, and used in a number of different ways to enhance the development of educational activities and to support school initiatives. The school generated funds are internally restricted as to purpose, and may include the proceeds of fundraising, contributions or fees paid to a specific planned benefit. Examples might include student trips or funds specifically designated for the purchase of equipment or materials required to support an activity. The balances of school generated funds are included in the audited consolidated financial statements.

A summary of school generated funds administered by the Authority is disclosed in Note 38.

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 revenues and expenses 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 the original Minister approved budget for the school year. Schools carry forward surplus or deficit amounts from their school budgets.



June 30, 2021

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, disclosure of contingent assets and liabilities at the date of the financial statements, and the amounts of revenues 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 terms and conditions of employment, education board 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 (except maternal and parental leave) has been prepared using data provided by management and assumptions based on management's best estimates.

m) Expenses

Expenses are recorded on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Transfers include grants and contributions and are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.



June 30, 2021

2. Significant Accounting Policies (Continued)

n) Foreign Currency Translation

Foreign currency transactions are to be translated in Canadian dollars. Revenues and expenses denominated in a foreign currency are reported at a rate in the date of the transaction. Monetary items that have yet to be settled at the exchange rate are translated at the exchange rate in effect on the date of the consolidated financial statements. Exchange gain or loss resulting from foreign exchange rate would be accounted for in the consolidated financial statements.

o) Fund Accounting

The Authority uses fund accounting to separate transactions between its Operating fund surplus, Investment in tangible capital assets, decentralized surplus, capital fund reserve, the LED reserve, and the Pellet Boiler reserve.

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 expenses in the Operating fund surplus and then transferred to the Investment in tangible capital asset fund. The Operating fund also accounts for expenses 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 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.



June 30, 2021

2. Significant Accounting Policies (Continued)

Capital Fund Reserve

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

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 the Authority to convert current lights to LED lights which are expected to result in a decrease of at least 30% in electricity costs.

Decentralized Surplus

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

Pellet Boiler Reserve

The Pellet Boiler Reserve is the 25% (\$375,000 original, balance of \$364,375 remaining) of the estimated cost of the installation of pellet boilers for Mildred Hall School and Range Lake North School.

p) Inter-entity transactions

Inter-entity transactions are transactions between commonly controlled entities and GNWT departments.

Inter-entity transactions are recorded at the exchange amount when they are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length.



June 30, 2021

2. Significant Accounting Policies (Continued)

q) Related parties

The Authority initially measures related party balances in accordance with the substance of the transactions that gave rise to them. The Authority subsequently measures related party balances in accordance with the Authority's policies for financial instruments, as set out in note (d). The Authority is related in terms of common control to all Government of the Northwest Territories departments, board and agencies.

The Authority enters into transactions with these entities in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

3. Future Accounting Changes and Adoption of New Accounting Standards

Effective July 1, 2022, Education Bodies will be required to adopt PS 3400 Revenue. This standard provides guidance on how to account for and report on revenues. Specifically, it differentiates between revenues arising from transactions that include performance obligations and transactions that do not have performance obligations. The impact of these standards on the consolidated financial statements is currently being assessed.

Effective July 1, 2022, Education bodies will concurrently be required to adopt PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, PS 3041 Portfolio Investments in the same fiscal period. There are no significant impacts on the consolidated financial statements as a result of these standards.

4. Cash

	2021	2020
	\$	\$
Cash	10,790,437	8,639,094

The cash is held in a bank account with RBC and is invested with the GNWT's investment pool.

5. Special Purpose Funds

The Authority does not have special purpose funds.



Yellowknife District No. 1 Education Authority

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Notes to Consolidated Financial Statements

June 30, 2021

6. Restricted Assets

The Authority does not have restricted assets.

7. Portfolio Investments

	2021	2020
	\$	\$
CIBC Wood Gundy Investment 1		
Balance at June 30	-	2,126,244
Dollar Value of Interest earned	-	126,244
Cost of Investment	-	2,000,000
Market Value	-	2,126,244
Balance at March 31	-	2,111,394
Date Purchased: 26 April 2018		
Term of Investment: 3 Years		
Maturity Date: 27 April 2021		
Annual Interest Rate: 2.85%		

These are guaranteed investment certificates ("GIC") with CIBC Wood Gundy and RBC Investment Securities with fixed income interest rates and fixed term dates. The investments are low risk to the Authority. The total investments with prior year comparative figures are presented below:

	2021	2020
	\$	\$
CIBC Wood Gundy		
Investment 1	-	2,126,244



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8. Accounts Receivable

	2021	2020
	\$	\$
Accrued interest receivable	6,842	68,607
Due from other related parties (Note 23)	515,641	-
Due from Government of the Northwest Territories (Note 23)	2,948	4,229
Other	3,822	4,532
Total	529,253	77,368

Allowance for doubtful accounts at June 30, 2021 is \$nil (2020 - \$nil).

9. Inventories

There is no inventory recorded as at June 30, 2021.

10. Accounts Payable and Accrued Liabilities

	2021	2020
	\$	\$
Accrued interest	46	45
Damage deposits	27,470	27,455
School Generated Trust Accounts - carry over balances (Note 37)	737,811	731,104
Trade payable	305,786	568,806
	1,071,113	1,327,410

	2021	2020
	\$	\$
Payroll Liabilities		
To employees (July & August wages & deferred NEBS pension)	4,693,950	4,574,092
Vacation payable (annual leave)	247,169	284,711
	4,941,119	4,858,803



June 30, 2021

11. Deferred Revenue

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

	2021	2020
	\$	\$
Nordic Arms Prepaid Rent	6,390	3,470
Jordan's Principal - Federal	732,672	614,452
GNWT ECE - Curriculum	1,529,359	93,522
	2,268,421	711,444

12. Contribution Repayable

The Authority does not have any contribution repayable.



June 30, 2021

13. Due from Government of Canada

Receivables	2021	2020
	\$	\$
GST Receivable	130,680	92,812
Government of Canada (Jordan's Principle)	-	500,346
	130,680	593,158

14. Capital Lease Obligations

The Authority does not have any capital lease obligations.

15. Pension

The Authority makes contributions to the Northern Employee Benefits (NEBS) Pension Plan ("the 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 \$4,867,505. 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 \$183,838 for January 2021, and \$175,156 for January 2020. The maximum monthly contributions is \$3,246 for January 2021, and \$3,092 for January 2020.

NEBS is an employer owned program and as such the Authority will be liable for its portion of any shortfall. The Plan serves 3,534 Employee Members and 117 Employer Members (total active, disabled and on leave: 2,035).

As of January 1, 2021, the excess (deficiency) of actuarial value of net assets over actuarial present value of defined benefits is estimated to be \$45,100,000 - funded ratio 118% (2020 - \$31,200,000 and 113%) on a going concern valuation basis. The Plan had a solvency ratio deficiency of \$164,720,000 and a solvency ratio of 66%. 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.

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.



June 30, 2021

16. Long-Term Debt

The Authority does not have long-term debt.

17. Post-employment 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.

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. Benefits that accrue under compensated absence benefits were actuarially valued using the expected utilization methodology.

Valuation results

The actuarial valuation was completed as at March 31, 2021. The effective date of the next actuarial valuation is March 31, 2022. The liabilities are actuarially determined as the present value of the accrued benefits at March 31, 2021 and the results extrapolated to June 30, 2021. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the Authority.



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Notes to Consolidated Financial Statements

June 30, 2021

17. Other Employee Future Benefits and Compensated Absences (Continued)

Changes in Obligation	Severance and Removal \$	Compensated Absences \$	2021 \$	2020 \$
Accrued benefit obligation beginning of year	829,777	418,491	1,248,268	1,697,549
Current period benefit cost	82,192	36,452	118,644	111,538
Interest accrued	23,049	11,573	34,622	54,996
Benefits payments	(105,015)	(170,469)	(275,484)	(264,434)
Actuarial (gain)/loss	(47,933)	100,405	52,472	(351,381)
Plan amendments	441,757	-	441,757	-
Accrued benefit obligation end of year	1,223,827	396,452	1,620,279	1,248,268
Unamortized net actuarial loss/(gain)	545,041	(287,241)	257,800	363,659
Total employee future benefits and compensated absences	1,768,868	109,211	1,878,079	1,611,927
Benefits expense				
Current period benefit cost	82,192	36,452	118,644	111,538
Interest accrued	23,049	11,577	34,626	54,996
Amortization of net actuarial (gain)/loss	(87,467)	34,080	(53,387)	(11,051)
Total benefits expense	17,774	82,109	99,883	155,483



June 30, 2021

17. Other Employee Future Benefits and Compensated Absences (Continued)

The discount rate used in the 2021 fiscal year to determine the accrued benefit obligation was an average of 3.3% (2020 - 2.7%). The expected payments during the next five fiscal years are:

	Severance and Removal	Compensated Absences	Total
	\$	\$	\$
2022	274,443	51,968	326,411
2023	177,406	56,994	234,400
2024	101,899	51,878	153,777
2025	90,701	48,078	138,779
2026-2030	310,343	161,499	471,842
Total	954,792	370,417	1,325,209



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18. Tangible Capital Assets

								2021	2020
	Cost	Additions	Transfers	Disposals	Amortization	Accumulated Amortization beginning of year	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land and improvements	1,299,476	-	-	-	-	-	-	1,299,476	1,299,476
School buildings									
Ecole Sir John Franklin	2,253,436	-	-	-	(56,247)	(1,248,282)	(1,304,529)	948,907	1,005,153
William McDonald	7,078,328	-	-	-	(176,958)	(6,724,412)	(6,901,370)	176,958	353,917
Mildred Hall	11,089,005	-	21,250	-	(280,532)	(6,857,688)	(7,138,220)	3,972,035	4,231,317
Range Lake North	8,215,859	-	21,250	-	(205,396)	(5,545,705)	(5,751,101)	2,486,008	2,670,155
N. J. Macpherson	5,329,162	-	-	-	(136,459)	(4,362,208)	(4,498,667)	830,495	966,953
Ecole J. H. Sissons	2,436,769	-	-	(2,436,769)	-	(2,436,769)	-	-	-
	36,402,559	-	42,500	(2,436,769)	(855,592)	(27,175,064)	(25,593,887)	8,414,403	9,227,495
Other buildings									
Administration office	1,070,827	-	-	-	(26,771)	(722,808)	(749,579)	321,248	348,019
Nordic Arms residence	595,205	-	-	-	-	(595,205)	(595,205)	-	-
Total land and buildings	39,368,067	-	42,500	(2,436,769)	(882,363)	(28,493,077)	(26,938,671)	10,035,127	10,874,990
Equipment and furnishings									
Schools	4,685,576	-	-	-	(49,932)	(4,488,596)	(4,538,528)	147,048	196,980
Playgrounds	149,972	-	-	-	-	(149,972)	(149,972)	-	-
Residences	64,045	-	-	-	-	(64,045)	(64,045)	-	-
Administration office	322,132	-	-	-	-	(322,132)	(322,132)	-	-
Vehicles	319,413	-	-	-	(12,434)	(245,670)	(258,104)	61,309	73,743
	5,541,138	-	-	-	(62,366)	(5,270,415)	(5,332,781)	208,357	270,723
Work in progress									
Pellet boilers	-	42,500	(42,500)	-	-	-	-	-	-
	44,909,205	42,500	-	(2,436,769)	(944,729)	(33,763,492)	(32,271,452)	10,243,484	11,145,713



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Notes to Consolidated Financial Statements

June 30, 2021

19. Prepaid Expenses

	2021	2020
	\$	\$
Insurance	665,403	270,957
Materials and Supplies	5,308	80,421
Leases	-	326
	670,711	351,704

20. GNWT Assets Provided at no Cost

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

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
	\$	\$	\$	\$
Ecole Sir John Franklin	25,965,232	25,965,232	-	-
Ecole Sir John Franklin Portable Classrooms	419,724	348,917	70,807	81,297
Ecole Sir John Franklin NACC	2,214,552	1,783,120	431,432	493,065
Ecole Sir John Franklin Sewer Line	108,852	19,231	89,621	93,976
N.J. Macpherson Portable Classrooms	1,413,831	485,816	928,015	963,368
Ecole Sir John Franklin Wheelchair Lift	100,708	14,267	86,441	-
Ecole Sir John Franklin Boiler Replacement	51,145	1,137	50,008	-
Ecole J. H. Sissons Portable Classrooms	2,242,917	62,303	2,180,614	-
	32,516,961	28,680,023	3,836,938	1,631,706
Deferred capital contributions				
Ecole Sir John Franklin	(1,442,500)	(1,442,500)	-	-
	31,074,461	27,237,523	3,836,938	1,631,706

Rent expense of \$177,419 (2020 - \$99,712) was offset by a grant in-kind.



June 30, 2021

21. Contractual Obligations

The Authority has a contract with First Student for student transportation. The Authority is invoiced monthly and the amounts vary depending on a number of factors including: the number of students, routes, and bus passes sold. The contract is renewed until June 2026.

The Authority leases space from Route 51. The contract is renewed until June 2022.

The Authority has a collective bargaining agreement with the NWT Teachers Association ("NWTTA") for teachers, specialists and education assistants which expires on August 31, 2021. The Authority is planning to meet with the NWTTA to bargain a new Collective Agreement in January 2022

The Authority has a collective bargaining agreement with the United Steelworkers for support staff which expires on June 30, 2022.

The Authority has entered into a contract for the construction of a school, beginning in the fall of 2020, and is being funded by the Government of the Northwest Territories.

	Expiry Date	2022 \$	2023 \$	2024 \$	2025 \$	2026 & Beyond \$	Total \$
Equipment Leases:							
Ricoh Route 51	1 July 2021	2,024	-	-	-	-	4,048
Operational Contracts:							
First Student Bussing	30 Jun 2026	500,000	500,000	500,000	500,000	500,000	3,000,000
Commercial & Residential Leases:							
Route 51	30 Jun 2022	37,800	-	-	-	-	75,600
Total		539,824	500,000	500,000	500,000	500,000	3,079,648

22. Contingencies

The Authority does not have any contingencies.



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Notes to Consolidated Financial Statements

June 30, 2021

23. Related Parties

During the year, the Authority entered into transactions with the following related parties:

Yellowknife Public Denominational Education Authority, common control

Ndilo District Education Authority, common control

Dettah District Education Authority, common control

South Slave Divisional Education Council, common control

Deh Cho Divisional Education Council, common control

Government of the Northwest Territories:

Department of Finance, common control

Department of Health & Social Services, common control

Department of Education, Culture and Employment, common control

Department of Municipal and Community Affairs, common control

Department of Environment and Natural Resources, common control

Department of Infrastructure, common control

Legislative Assembly of the Northwest Territories

	2021	2020
	\$	\$
Due from Related Parties (Accounts Receivable):		
Other Education Bodies:		
Yellowknife Public Denominational Education Authority	600	-
Ndilo District Education Authority	510,214	-
Dettah District Education Authority	4,827	-
Subtotal - other related parties	515,641	-
Government of the Northwest Territories:		
Department of Education, Culture and Employment	2,948	4,229
Subtotal - Government of the Northwest Territories	2,948	4,229
Total Due from Related Parties	518,589	4,229

These balances due from related parties are unsecured, non-interest bearing with no specific terms of repayment.



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Notes to Consolidated Financial Statements

June 30, 2021

23. Related Parties (Continued)

	2021	2020
	\$	\$
Revenues from Related Parties:		
Government of the Northwest Territories:		
Department of Education Culture & Employment - Regular contributions	30,271,058	29,219,831
Department of Education Culture & Employment - Other contributions	1,263,232	122,000
Legislative Assembly of Northwest Territories	-	1,000
Department of Education Culture & Employment - French languages	576,475	484,850
Department of Finance - Interest	39,499	149,755
Department of Health & Social Services - GNWT other contributions	25,228	8,505
Department of Municipal and Community Affairs - GNWT other contributions	80,500	91,800
Department of Environment and Natural Resources - GNWT other contributions	23,053	8,000
Other Education Bodies:		
Ndilo District Education Authority	30,000	30,000
Dettah District Education Authority - Other education bodies	182,533	130,020
South Slave DEC - Other education bodies	15,100	30,000
Total Revenues from Related Parties	32,506,678	30,275,761



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Notes to Consolidated Financial Statements

June 30, 2021

23. Related Parties (Continued)

	2021	2020
	\$	\$
Expenses Paid to Related Parties:		
Government of the Northwest Territories:		
Department of Infrastructure - Maintenance and repairs	4,752	5,336
Department of Industry, Tourism and Investment - Materials and supplies	-	1,376
Department of Financial and Employee Shared Services - Professional and technical	-	1,750
Department of Education, Culture & Employment - Professional and technical	4,108	4,625
Stanton Territorial Health Authority - Maintenance and repairs	-	553
Other Education Bodies:		
Deh Cho Divisional Education Council - Materials & supplies	600	600
Total Expenses paid to Related Parties	9,460	14,240

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.



June 30, 2021

24. 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 revenues 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 Authority.

The budget figures presented are those approved by the Trustees of the Authority on June 8, 2020 and submitted to the Minister of Education, Culture and Employment and have not been audited. The Budget for fiscal year 2020/2021 was submitted to the minister on June 30, 2020. The budget deficit is \$1,215,001.

25. Economic Dependence

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



June 30, 2021

26. Financial Instruments

Financial instruments consist of recorded amounts of cash, portfolio investments, due from GNWT, due from Government of Canada, other accounts receivable and deposit in trust 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 and recipients of services. 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, 2021, receivables from these two districts is \$515,041 (2020 - nil), which is 98% of total accounts receivable (2020 - nil). Both districts have been current in paying the monthly invoices for their payroll costs.

There is a concentration risk in cash. The daily balance in the operating bank account is invested with the GNWT Investment Pool. 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.

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. The Authority complies with the GNWT financial administration policies and guidelines which reduces its exposure to interest rate risk.



June 30, 2021

26. 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. The Authority has disclosed future financial liabilities and commitments in Note 22.

27. Expenses By Object

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Amortization	915,000	944,729	944,729
Compensation	30,957,271	33,664,427	30,752,642
Other	7,170,413	9,109,042	8,831,451
	39,042,684	43,718,198	40,528,822

28. Subsequent Event

The Authority is approved for the Green House Gas (GHG) Grant program, which will contribute \$1,150,000 or 75% of the eligible expenditures. The remaining balance after first payment is \$1,093,125. The pellet boilers once installed will help to reduce green house gas emissions, which is a condition of the grant. They are expected to be installed September 2021.

29. Comparative Figures

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



Yellowknife District No. 1 Education Authority

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Notes to Consolidated Financial Statements

June 30, 2021

30. ECE Contributions

	Budget 2021 \$	Actual 2021 \$	Actual 2020 \$
Original contribution	29,516,184	30,044,057	29,131,353
Student Success Initiatives (SSI) project	123,000	123,000	123,000
NWTTA collective bargaining adjustment	-	538,593	-
Termination benefits	100,000	97,019	88,578
French language	457,000	457,000	422,000
Mentorship release time	45,000	25,740	31,382
CYCC adjustment	-	(527,873)	-
Birchbark teaching program	26,000	-	26,000
Updated Contribution	30,267,184	30,757,536	29,822,313
Indigenous language (from fiscal 2021)	-	93,522	(93,522)
COVID-19 ECE portion	-	819,732	-
COVID-19 technology	-	57,500	-
Accommodations WMS drop off	-	250,000	-
French cultural resources	-	23,700	3,600
French language coach	-	38,800	-
French video clips	-	6,000	-
French partnership funding SSDEC	-	-	35,000
French language communications	-	15,100	24,250
French intensive/post-intensive French	-	4,000	-
Health and wellness funding	-	-	36,040
Self regulation	-	13,000	-
Total Contributions	30,267,184	32,078,890	29,827,681



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Notes to Consolidated Financial Statements

June 30, 2021

31. GNWT Other Contributions

	Budget 2021	Actual 2021	Actual 2020
	\$	\$	\$
Department of Municipal & Community Affairs (MACA):			
Active After School	-	76,500	91,800
Department of Executive (Legislative Assembly):	-	-	1,000
Department of Health and Social Services (HSS):			
Drop the Pop	-	25,228	8,505
Department of Environment & Natural Resources (ENR):			
Take a Kid Trapping	-	8,000	-
Compost Program	-	-	8,000
Energy Efficient Audit	-	19,053	-
Total	-	128,781	109,305



June 30, 2021

32. Contingent Assets

The Authority does not have contingent assets.

33. Contractual Rights

The Authority has entered into a number of contracts that will become assets and revenues in the future when the terms of the contracts are met:

The Authority is approved for the Greenhouse Gas (GHG) emissions reduction grant of \$1,125,000, which is 75% of the cost to install pellet boilers at Range Lake North School and Mildred Hall School. The GHG grant is jointly funded by the Government of Canada and the GNWT in support of the Pan-Canadian Framework on Clean Growth and Climate Change, and is an action identified in the 2018-2021 Energy Action Plan. The Authority has created a separate reserve of \$375,000, representing 25% of the cost of the Project. The Project started in fiscal year 2020/2021 and total costs paid as of June 30, 2021 is \$42,500. Estimated remaining costs to be paid in fiscal year 2021/2022 is \$1,457,500. The Department of Infrastructure is managing the Pellet Boiler Project as per the Memorandum of Understanding with the Authority. One of the requirements is for the Authority to send to the Department of Infrastructure the full estimated cost of the project of \$1,457,500 as a "deposit in trust".

The Authority is approved for the Jordan's Principle funding up to March 31, 2023. Jordan's Principle funding is for First Nations children in Canada to receive the services and supports they need. Funding can help with a wide range of health, social, and educational needs. The majority of the funding is used to hire educational assistants to support First Nations children.

Contracting Parties	Description of Contract	Expiry Date	2022 \$	2023 \$	Total \$
Government of Canada	GHG Grant Pellet Boilers for RLN and MHS	March 2022	1,093,125	-	1,093,125
Government of Canada	Jordan's Principle	March 2023	4,483,985	26,055	4,510,040
Total			5,577,110	26,055	5,603,165



June 30, 2021

34. Environmental Liabilities

Liability for Contaminated Sites

The Authority has identified possible environmental liabilities at William McDonald School and Range Lake North School that have underground fuel tanks. The Department of Education, Culture and Employment, and the Department of Infrastructure are working towards replacing the underground fuel tanks. The removal of the fuel tanks is scheduled for summer 2021.

Environmental Liabilities

The Authority contracted Associated Environmental to complete a Hazardous Building Materials Assessment on all of the Buildings owned and managed by the Authority in 2018. The final reports are completed and a Hazardous Materials management plan is put in place. YK1 had contracted Kasteel Construction to provide supplementary cost estimates for the asbestos abatement of Nordic Arms in June 2020. Liabilities discovered as a result of the assessment were communicated to the GNWT Department of Education, Culture, and Employment. The abatement for Sir John Franklin High School was completed by the GNWT in March 2018, and the abatement for the maintenance building was completed in March 2019. A liability totaling \$179,651 has been recorded for the asbestos abatement of the Mildred Hall School and William McDonald School. There is also a separate liability recorded for the future abatement of Nordic Arms Apartment complex in the amount of \$756,250. Total liability recorded for future asbestos abatement is \$935,901 (2020 - \$935,901). Management will continue to monitor these buildings under the Hazardous Materials management plan.



June 30, 2021

35. Environmental Liabilities (Continued)

Location:	5415 Franklin Avenue, Nordic Arms
Type of Site:	Apartment Complex
Description and Studies Completed:	Hazardous Building Materials Assessment
Type of Contamination:	Asbestos, lead, mercury
Site Stage:	Monitoring
Status and Next Steps:	Abatement
Operating Site:	Yes
Part Non-Operating	No
Total Liability at June 30, 2021	\$756,250

Location:	50 Taylor Road, William McDonald School
Type of Site:	School
Description and Studies Completed:	Hazardous Building Materials Assessment
Type of Contamination:	Asbestos, lead, mercury
Site Stage:	Monitoring
Status and Next Steps:	Monitoring
Operating Site:	Yes
Part Non-Operating	No
Total Liability at June 30, 2021	\$108,856

Location:	5408-50th Avenue, Mildred Hall School
Type of Site:	School
Description and Studies Completed:	Hazardous Building Materials Assessment
Type of Contamination:	Asbestos, lead, mercury
Site Stage:	Monitoring, Abatement
Status and Next Steps:	Abatement
Operating Site:	Yes
Part Non-Operating	No
Total Liability at June 30, 2021	\$70,795



June 30, 2021

35. Accumulated Surplus

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

Details of Funds

For the year ended June 30,	2021	2020
	\$	\$
OPERATING FUND		
Balance, beginning of year	385,842	444,854
Operating deficit (Statement 2)	(760,364)	(354,666)
Acquisition of tangible capital assets	(42,500)	(218,090)
Transfer from Investment in Tangible Capital Assets	944,729	944,729
Transfer from Decentralized Surplus	(28,304)	16,943
Transfer to Pellet Boiler Reserve	(14,375)	(350,000)
Transfer (to) from LED reserve Utilities/LED Lights	69,023	(97,928)
Balance, end of year	554,051	385,842
INVESTMENT IN TANGIBLE CAPITAL ASSETS		
Balance, beginning of year	11,145,713	11,872,352
Acquisition of tangible capital assets	42,500	218,090
Amortization	(944,729)	(944,729)
Balance, end of year	10,243,484	11,145,713



June 30, 2021

36. Accumulated Surplus (Continued)

Details of Surplus and Reserves

For the year ended June 30,	2021	2020
	\$	\$
DECENTRALIZED SURPLUS		
Balance, beginning of year	348,497	365,440
Transfer to Operating Fund	28,304	(16,943)
Balance, end of year	376,801	348,497
PELLET BOILER RESERVE		
Balance, beginning of year	350,000	350,000
Transfer to operating fund	14,375	
Balance, end of year	364,375	350,000
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	353,579	255,651
Transfer (to) from Operating Fund for Utility Costs	(69,023)	97,928
Balance, end of year	284,556	353,579



June 30, 2021

36. Risk Management

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Authority's environment and in the global markets due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) have had a material impact on the Authority's operations.

To mitigate the risk of virus spreading in the community, the schools were required to close for a period of time during the year. This has led to temporary suspension in the delivery of some services outlined per the funding agreements, which resulted in a large portion of funding being deferred to the subsequent fiscal period. To address the challenges posted by the pandemic, the Authority has received \$2.3 million additional funding from the Department of Education, Culture and Employment during the year, the purpose of which was to provide COVID-19 related cost offsets for the reopening of schools in the fiscal year. The unused portion will continue to be used in the subsequent fiscal periods to fund COVID-19 related expenses.

37. School Generated Funds (Trusts under Administration)

School generated funds are funds that are raised and collected in the school or in the community in the name of the school by school councils, student groups or parent advisory council. The funds are administered by the school principal, and are raised or collected from sources other than the school board's operating and capital budgets.

The following balances represent the school generated funds that are held in trust by the Authority. They are recorded in the audited consolidated financial statements:

	2021	2020
	\$	\$
Balances, beginning of year	731,104	771,440
Fundraising revenues	258,474	583,621
Total funds available	989,578	1,355,061
Total related expenses	(251,767)	(623,957)
Balances, end of year	737,811	731,104