

PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF THE NORTHWEST TERRITORIES
FOR THE YEAR ENDED MARCH 31, 2016

SECTION I
CONSOLIDATED FINANCIAL STATEMENTS

HONOURABLE ROBERT C. MCLEOD

Minister of Finance

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**THE HONOURABLE GERALD W. KISOUN
DEPUTY COMMISSIONER OF THE NORTHWEST TERRITORIES**

I have the honour to present the Public Accounts of the Northwest Territories (NWT) in accordance with Sections 37 through 43 of the *Northwest Territories Act (Canada)*, S.C. 2014, c.2, s.2, and Sections 34 through 35 of the *Financial Administration Act*, S.N.W.T. 2015, c.13, for the fiscal year ended March 31, 2016.

A handwritten signature in black ink, appearing to read "Robert C. McLeod".

Honourable Robert C. McLeod,
Minister, Finance

November 14, 2016

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

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RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the Consolidated Financial Statements of the Government of the Northwest Territories (GNWT), and related information contained in the Public Accounts, is the responsibility of the Government through the Office of the Comptroller General.

The Consolidated Financial Statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS). Where PSAS permits alternative accounting methods, management has chosen those that are most appropriate. Where required, management's best estimates and judgment have been applied in the preparation of these Consolidated Financial Statements.

The Government fulfills its accounting and reporting responsibilities, through the Office of the Comptroller General, by maintaining systems of financial management and internal control. The systems are continually enhanced and modified to provide timely and accurate information, to safeguard and control the Government's assets, and to ensure that all transactions are in accordance with the *Financial Administration Act (FAA)*.

The Auditor General of Canada performs an annual audit on the Consolidated Financial Statements in order to express an opinion as to whether the Consolidated Financial Statements present fairly, in all material respects, the financial position of the Government, the change in its net debt, the results of its operations and its cash flows for the year then ended in accordance with PSAS. During the course of the audit, he also examines transactions that have come to his notice, to ensure they are, in all significant respects, within the statutory powers of the Government and those organizations included in the Consolidated Financial Statements.

Jamie Koe, CPA, CGA
Comptroller General, Finance
Government of the Northwest Territories

November 14, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of the Northwest Territories

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Government of the Northwest Territories, which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net debt and consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Government of the Northwest Territories as at 31 March 2016, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

In my opinion, the transactions of the Government of the Northwest Territories and of those organizations listed in Note 1 to the consolidated financial statements that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with the Government of the Northwest Territories' powers under the *Northwest Territories Act* and regulations, the *Financial Administration Act* of the Northwest Territories and regulations and the specific operating authorities disclosed in Note 1 to the consolidated financial statements.

A handwritten signature in black ink, appearing to read "Michael Ferguson", with a long horizontal flourish extending to the right.

Michael Ferguson, CPA, CA
FCPA, FCA (New Brunswick)
Auditor General of Canada

14 November 2016
Ottawa, Canada

Government of the Northwest Territories**Consolidated Statement of Financial Position**

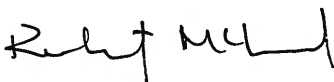

as at March 31, 2016

(thousands of dollars)

	2016	2015
	\$	\$
Financial assets		
Cash	91,775	77,835
Portfolio investments (note 3)	97,085	108,165
Due from the Government of Canada (note 12)	75,020	44,279
Accounts receivable (note 5)	131,551	150,755
Inventories for resale (note 6)	28,360	29,474
Loans receivable (note 7)	81,661	79,845
	505,452	490,353
Liabilities		
Short term loans (note 8)	277,403	252,974
Accounts payable and accrued liabilities (note 9)	306,594	290,569
Deferred revenue (note 10)	10,774	23,427
Environmental liabilities and asset retirement obligations (note 11)	66,232	68,895
Due to the Government of Canada (note 12)	146,231	118,469
Capital lease obligations (note 13)	19,911	22,579
Long-term debt (note 14)	451,062	376,759
Pensions (note 15)	26,353	26,320
Other employee future benefits and compensated absences (note 16)	84,205	87,820
	1,388,765	1,267,812
Net debt	(883,313)	(777,459)
Non-financial assets		
Tangible capital assets (schedule A)	2,878,110	2,645,528
Inventories held for use (note 6)	15,046	15,117
Prepaid expenses	8,275	6,784
	2,901,431	2,667,429
Accumulated surplus	2,018,118	1,889,970

Contractual obligations and contingencies (notes 18 and 19)

Approved:

Robert C. McLeod
Minister of FinanceJamie Koe, CPA, CGA
Comptroller General

The accompanying notes and schedules A and B are an integral part of the consolidated financial statements.

Government of the Northwest Territories

Consolidated Statement of Change in Net Debt

for the year ended March 31, 2016

(thousands of dollars)

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Net debt at beginning of year	(777,459)	(777,459)	(707,744)
Items affecting net debt:			
Annual surplus	152,322	128,148	104,432
Acquisition of tangible capital assets	(313,730)	(359,568)	(285,923)
Amortization of tangible capital assets	113,933	116,668	110,186
Loss (gain) on sale of tangible capital assets	-	6,172	(559)
Proceeds on sale of tangible capital assets	-	3,494	1,762
Write-downs of tangible capital assets	-	652	1,432
	(47,475)	(104,434)	(68,670)
Decrease (increase) in inventories held for use	(434)	71	(654)
Increase in prepaid expenses	(78)	(1,491)	(391)
	(512)	(1,420)	(1,045)
Increase in net debt	(47,987)	(105,854)	(69,715)
Net debt at end of year	(825,446)	(883,313)	(777,459)

The accompanying notes and schedules A and B are an integral part of the consolidated financial statements.

Government of the Northwest Territories

Consolidated Statement of Operations and Accumulated Surplus

for the year ended March 31, 2016

(thousands of dollars)

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Revenues			
Grant from the Government of Canada <i>(note 2(l))</i>	1,232,755	1,232,755	1,208,840
Transfer payments <i>(note 20)</i>	189,338	213,851	233,603
	1,422,093	1,446,606	1,442,443
Taxation, non-renewable resource and general revenues			
Corporate and personal income taxes <i>(note 20)</i>	149,019	134,847	142,083
Other taxes <i>(note 20)</i>	121,083	120,856	117,967
General <i>(note 20)</i>	59,638	68,024	77,865
Income from portfolio investments	560	5,039	4,516
Non-renewable resource revenue	81,223	58,203	63,750
Sales	175,586	139,520	141,324
Recoveries	56,291	36,219	35,485
	643,400	562,708	582,990
Recoveries of prior years' expenses	3,000	19,806	6,815
	2,068,493	2,029,120	2,032,248
Expenses (schedule B)			
Environment and economic development	162,929	183,353	206,070
Infrastructure	556,993	520,915	511,427
Education	338,816	345,398	351,580
Health, social services and housing	543,946	533,339	519,864
Justice	129,398	128,276	124,007
General government	162,313	168,921	194,483
Legislative Assembly and statutory offices	21,776	20,770	20,385
	1,916,171	1,900,972	1,927,816
Annual operating surplus	152,322	128,148	104,432
Projects on behalf of third parties			
Expenses	(76,560)	(81,123)	(69,661)
Recoveries	76,560	81,123	69,661
Annual surplus	152,322	128,148	104,432
Accumulated surplus at beginning of year	1,889,970	1,889,970	1,785,538
Accumulated surplus at end of year	2,042,292	2,018,118	1,889,970

The accompanying notes and schedules A and B are an integral part of the consolidated financial statements.

Government of the Northwest Territories

Consolidated Statement of Cash Flow

for the year ended March 31, 2016

(thousands of dollars)

	2016	2015
	\$	\$
Cash provided by (used in)		
Operating transactions		
Annual surplus*	128,148	104,432
Items not affecting cash:		
Change in valuation allowances	(1,533)	(8,746)
Loss on tangible capital assets	6,824	873
Amortization	116,668	110,186
Adjustment resulting from NT Hydro conversion	-	(4,181)
Adjustments to tangible capital assets	(5,604)	-
Contributed assets	-	(6,890)
	244,503	195,674
Changes in non-cash assets and liabilities:		
Increase (decrease) in due to the Government of Canada	(2,979)	1,512
Decrease (increase) in accounts receivable	20,360	(74,773)
Decrease in inventories for resale	1,114	3,074
Increase in accounts payable	3,550	49,592
Increase (decrease) in environmental liabilities and asset retirement obligations	(2,663)	25,010
Decrease in deferred revenue	(12,653)	(6,483)
Increase in pensions	33	668
Increase (decrease) in other employee future benefits and compensated absences	(3,615)	29,060
Decrease (increase) in inventories held for use	71	(654)
Increase in prepaid expenses	(1,491)	(391)
Cash provided by operating transactions	246,230	222,289
Investing transactions		
Disposition of portfolio investments	91,348	75,575
Acquisition of portfolio investments	(80,269)	(87,372)
Loans receivable receipts	11,228	12,599
Loans receivable advanced	(12,665)	(11,120)
Cash used for investing transactions	9,642	(10,318)
Capital transactions		
Acquisition of tangible capital assets	(262,753)	(283,466)
Proceeds of disposition of tangible capital assets	3,494	1,762
Cash used for capital transactions	(259,259)	(281,704)
Financing transactions		
Net proceeds from short term loans	24,429	90,177
Repayment of capital lease obligations	(2,668)	(1,716)
Repayment of long-term financing	(4,434)	(4,974)
Cash provided by financing activities	17,327	83,487
Increase in cash	13,940	13,754
Cash at beginning of year	77,835	64,081
Cash at end of year	91,775	77,835

*Total interest paid during the year \$22,628 (2015- \$22,390)

The accompanying notes and schedules A and B are an integral part of the consolidated financial statements.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2016

(All figures in thousands of dollars)

1. AUTHORITY AND OPERATIONS

(a) Authority and reporting entity

The Government of the Northwest Territories (the Government) operates under the authority of the *Northwest Territories Act* (Canada). The Government has an elected Legislative Assembly which authorizes all disbursements, advances, loans and investments unless specifically authorized by statute.

The consolidated financial statements have been prepared in accordance with the *Northwest Territories Act* (Canada) and the *Financial Administration Act* of the Northwest Territories. The consolidated financial statements present summary information and serve as a means for the Government to show its accountability for the resources, obligations and financial affairs for which it is responsible. The following chart lists the organizations comprising the Government reporting entity, how they are accounted for in the consolidated financial statements and their specific operating authority.

Public Agencies fully consolidated:

Education Act

- Beaufort-Delta Divisional Education Council
- Commission scolaire francophone Territoires du Nord-Ouest
- Dehcho Divisional Education Council
- Dettah District Education Authority
- N'dilo District Education Authority
- Sahtu Divisional Education Council
- South Slave Divisional Education Council
- Yellowknife Public Denominational District Education Authority (Yellowknife Catholic Schools)
- Yellowknife District No.1 Education Authority

Aurora College Act

- Aurora College

Hospital Insurance and Health and Social Services Administration Act

- Beaufort Delta Health and Social Services Authority
- Deh Cho Health and Social Services Authority
- Fort Smith Health and Social Services Authority
- Hay River Health and Social Services Authority
- Sahtu Health and Social Services Authority
- Stanton Territorial Health Authority
- Yellowknife Health and Social Services Authority

Tlicho Community Services Agency Act

- Tlicho Community Services Agency

Northwest Territories Business Development and Investment Corporation Act

- Northwest Territories Business Development and Investment Corporation

Northwest Territories Housing Corporation Act

- Northwest Territories Housing Corporation

Human Rights Act

- Northwest Territories Human Rights Commission

Northwest Territories Societies Act

- Northwest Territories Sport and Recreation Council
- Arctic Energy Alliance

Status of Women Council Act

- Status of Women Council of the Northwest Territories

Northwest Territories Heritage Fund Act

- Northwest Territories Heritage Fund

Northwest Territories Waters Act

- Inuvialuit Water Board

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2016

(All figures in thousands of dollars)

1. AUTHORITY AND OPERATIONS (continued)

(a) Authority and reporting entity (continued)

Northwest Territories Hydro Corporation Act
Northwest Territories Hydro Corporation (NT Hydro)
Northwest Territories Surface Rights Board Act
Northwest Territories Surface Rights Board

All organizations included in the Government reporting entity have a March 31 fiscal year-end with the exception of Aurora College, Divisional Education Councils and District Education Authorities, which have a fiscal year-end of June 30. Transactions of these educational organizations that have occurred during the period to March 31, 2016 and that significantly affect the consolidation have been recorded. Revolving funds are incorporated directly into the Government's accounts while trust assets administered by the Government on behalf of other parties (*note 17*) are excluded from the Government reporting entity. Revolving Funds are segments of the Government that are engaged in commercial activities, with undefined and non-lapsing expense appropriations.

(b) Budget

The consolidated budget figures are the appropriations approved by the Legislative Assembly and the approved budgets for the consolidated entities, adjusted to eliminate budgeted inter-entity revenues and expenses. They represent the Government's original consolidated fiscal plan for the year and do not reflect supplementary appropriations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards as issued by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(a) Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these statements, the Government believes the estimates and assumptions to be reasonable.

The more significant management estimates relate to employee future benefits, environmental liabilities, asset retirement obligations, contingencies, revenue accruals, allowances for doubtful accounts for accounts receivable, valuation allowances for loans receivable, and amortization expense. Other estimates, such as the Canada Health Transfer payments, Canada Social Transfer payments, and Corporate and Personal Income Tax revenues are based on estimates made by the Government of Canada's Department of Finance and are subject to adjustments in future years.

(b) Cash

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

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2016

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Portfolio investments

Portfolio investments are long-term investments in organizations that do not form part of the government reporting entity and are accounted for by the cost or amortized cost method. Such investments are normally in shares and bonds of the investee. When there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss and it is included as a component of investment income. Interest income is recorded on the accrual basis, dividend income is recognized as it is declared and capital gains and losses are recognized when realized.

(d) Inventories

Inventories for resale consist mainly of bulk fuels, liquor products, and arts and crafts. Bulk fuels are valued at the lower of weighted average cost and net realizable value. Liquor products are valued at the lower of cost and net realizable value. Inventories held for use by NT Hydro consist of materials and supplies, lubricants, critical spare parts, and fuel and are recorded at cost as determined using the weighted average cost method. The remaining inventories held for use (including housing materials and supplies, and hospital supplies) are valued at the lower of cost, determined on a first in, first out basis, and net replacement value. Impairments, when recognized, result in write-downs to net realizable value.

(e) Loans receivable

Loans receivable and advances are stated at the lower of cost and net recoverable value. Valuation allowances, determined on an individual basis, are based on past events, current conditions and all circumstances known at the date of the preparation of the financial statements and are adjusted annually to reflect the current circumstances by recording write downs or recoveries, as appropriate. Write downs are recognized when the loans have been deemed unrealizable and or uncollectable. Recoveries are recorded when loans previously written down are subsequently collected. Interest revenue is recorded on an accrual basis. Interest revenue is not accrued when the collectability of either principal or interest is not reasonably assured.

(f) Non-financial assets

Tangible capital and other non-financial assets are accounted for as assets by the Government as they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2016

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Tangible capital assets and leases

Tangible capital assets are buildings, roads, equipment, etc. whose life extends beyond the fiscal year, original cost exceeds \$50 and are intended to be used on an ongoing basis for delivering programs and services. Individual assets less than \$50 are expensed when purchased. Tangible capital assets are recorded at cost (including qualifying interest expense), or where actual cost is not available, estimated current replacement cost, discounted back to the acquisition date. Costs include contracted services, materials and supplies, direct labour, attributable overhead costs, and directly attributable interest. Capitalization of interest ceases when no construction or development is taking place or when a tangible capital asset is ready for use in producing goods or services. Assets, when placed in service, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset category	Amortization period
Land	Not amortized
Roads and bridges	75 years or less
Airstrips and aprons	40 years or less
Buildings	40 years or less
Ferries	25 years or less
Fences	20 years or less
Signs	20 years or less
Electric power plants	15 - 100 years
Transmission and distribution systems	20 - 65 years
Aircrafts	20 - 40 years
Fuel distribution systems	15 - 40 years
Water/sewer works	15 - 25 years
Park improvements	10 - 40 years
Mobile and heavy equipment	7 - 15 years
Mainframe and software systems	5 - 10 years
Major equipment	5 - 15 years
Medical equipment	5 - 15 years
LNG and NT Hydro equipment under capital lease	5 years
Leasehold improvements	Lesser of useful life or lease term plus renewal option

The estimate of the useful life of tangible capital assets is reviewed on a regular basis and revised where appropriate on a prospective basis. The remaining unamortized portion of a tangible capital asset may be extended beyond its original estimated useful life when the appropriateness of such a change can be clearly demonstrated.

Write-downs and write-offs of tangible capital assets are recognized whenever significant events and changes in circumstances and use suggest that the asset can no longer contribute to program or service delivery at the level previously anticipated. A write-down is recognized when a reduction in the value of the asset can be objectively measured. A write-off is recognized when the asset is destroyed, stolen, lost, or obsolete to the Government.

Tangible capital assets under construction or development are recorded as work in progress with no amortization until the asset is placed in service. Capital lease agreements are recorded as a liability and a corresponding asset based on the present value of the minimum lease payments, excluding executory costs. The present value is based on the lower of the implicit rate or the Government's borrowing rate at the time the obligation is incurred. Operating leases are charged to expenses. All intangibles, works of art, historical treasures and Commissioner or Territorial lands are not recorded.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2016

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Pensions and other employee future benefits and compensated absences

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Government's contributions are charged as an expense on a current year basis and represent the total pension obligations. The Government is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Pension Plan.

Pension benefits to Members of the Legislative Assembly and judges are reported on an actuarial basis. This is done to determine the current value of future entitlement and uses various estimates. When actual experience varies from estimates or when actuarial assumptions change, the adjustments are amortized on a straight-line basis over the estimated average remaining service lives of the contributors. Recognition of actuarial gains and losses commences in the year following the effective date of the related actuarial valuations. In addition, immediate recognition of a previously unrecognized net actuarial gain or loss may be required upon a plan amendment, curtailment or settlement.

Under the terms and conditions of employment, government employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. Eligibility is based on a variety of factors including place of hire, date employment commenced, and reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for lay-off. Compensated absences include sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits has been prepared using data provided by management and assumptions based on management's best estimates.

(i) Contractual obligations and contingencies

The nature of the Government's activities requires entry into contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual obligations pertain to funding commitments for operating, commercial and residential leases, and capital projects. Contractual obligations are obligations of a government to others that will become liabilities in the future when the terms of those contracts or agreements are met.

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is considered likely to occur and is quantifiable, an estimated liability is accrued. If the occurrence of the confirming future event is likely but the amount of the liability cannot be reasonably estimated, the contingency is disclosed. If the occurrence of the confirming future event is not determinable, the contingency is disclosed.

(j) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using exchange rates at year-end. Foreign currency transactions are translated into Canadian dollars using rates in effect at the time the transactions were entered into. All exchange gains and losses are included in net income for the year according to the activities to which they relate.

(k) Projects on behalf of third parties

The Government undertakes projects for the Government of Canada, the Government of Nunavut and others. Where possible, the Government receives accountable advances and any unexpended balances remaining at year-end are recorded as liabilities. Recoveries are accrued when expenses, as allowed under the project contract, exceed advances.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2016

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Grant from the Government of Canada

Under *Federal-Provincial Fiscal Arrangements Act* (Canada), the Grant from the Government of Canada is calculated as the Gross Expenditure Base, offset by eligible revenues, which are based on a three-year moving average, lagged two years, of representative revenue bases at national average tax rates. Population growth rates and growth in provincial/local government spending are variables used to determine the growth in the Gross Expenditure Base. The Grant is calculated once for each fiscal year and is not revised, with all payments flowing to the Government prior to the end of the fiscal year.

(m) Transfer payments

Government transfers are recognized as revenue in the period in which the events giving rise to the transfer occurred, as long as the transfer is authorized, eligibility criteria have been met, stipulations that give rise to a liability have been satisfied and a reasonable estimate of the amount can be made. Transfers received before these criteria are fully met are recorded as deferred revenue. Transfers received for tangible capital assets are recognized when the tangible capital asset is put into service.

(n) Taxes, resource, general and restricted revenues

Corporate and Personal Income tax revenue are recognized on an accrual basis, net of any tax concessions. Income tax is calculated net of tax deductions and credits allowed under the *Income Tax Act*. If an expense provides a financial benefit other than a relief of taxes, it is classified as a transfer made through the tax system. If an expense provides tax relief to a taxpayer and relates to revenue, this expense is considered a tax concession and is netted against tax revenues. Taxes, under the *Income Tax Act*, are collected by the Government of Canada on behalf of the Government under a tax collection agreement. The Government of Canada remits Personal Income taxes monthly throughout the year and Corporate Income tax monthly over a six month period beginning in February. Payments are based on Canada's Department of Finance's estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are final. Income tax estimates, determined by the Government of Canada, combine actual assessments with an estimate that assumes that previous years' income tax allocations will be sustained and are subject to revisions in future years. Differences between current estimates and future actual amounts can be significant. Any such differences are recognized when the actual tax assessments are finalized.

Resource revenues are recognized on an accrual basis and include mineral, quarry, oil and gas, and water revenues as defined in the Northwest Territories Lands and Resources Devolution Agreement. Mineral and quarry revenues are collected under the authority of the *NWT Lands Act*, water revenues are collected under the authority of the *Water Act* and oil and gas revenues are collected under the authority of the *Petroleum Resources Act*. The Government is entitled to 50 percent of the resource revenues collected (which is referred to as the net fiscal benefit), up to a maximum amount based on a percentage of the Gross Expenditure Base under Territorial Formula Financing. The Government of Canada will deduct its share of the resource revenues collected by the Government (the remaining amount) from the Territorial Formula Financing Grant (*note 2(l)*) payable to the Government two years hence. The Government has also committed to sharing up to 25 percent of the net fiscal benefit with Aboriginal governments that are signatories to the Northwest Territories Lands and Resources Devolution Agreement as per the *Northwest Territories Intergovernmental Resource Revenue Sharing Act*.

Fuel, tobacco, payroll and property taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act*, the *Payroll Tax Act*, and the *Property Assessment and Taxation Act*, respectively. Fuel and tobacco tax revenues are recognized on an accrual basis, based on statements received from collectors. Payroll tax is recognized on an accrual basis, based on payroll tax revenues of the prior year. Property tax and school levies are assessed on a calendar year basis and are recognized in the fiscal year in which the billing occurs. Adjustments arising from reassessments are recorded in revenue in the year they are identified. Revenues from the sale of power and fuel riders are recognized in the period earned based on cyclical meter readings. All other revenues are recognized on an accrual basis.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2016

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Taxes, resource, general and restricted revenues (continued)

Certain tangible capital asset additions of NT Hydro are made with the assistance of cash contributions from customers. These contributions are recorded as revenues when all external restrictions or stipulations imposed by an agreement with the external party related to the contribution have been satisfied, generally when the resources are used for the purposes intended.

(o) Expenses

Grants and contributions are recognized as long as the grant or contribution is authorized and eligibility criteria have been met. Grants and contributions include transfer payments paid through programs to individuals, and to provide major transfer funding for communities under community government funding arrangements. Payments to individuals include payments for children's benefits, income support or income supplement. Assistance is based on age, family status, income, and employment criteria. Other transfer payments are provided to conduct research, to establish new jobs through support for training and to promote educational, health and cultural activities. Also included are expenses of other consolidated entities and other miscellaneous payments. Under the authority of the *Northwest Territories Intergovernmental Resource Revenue Sharing Act*, a transfer to the Aboriginal parties who are signatories to the Northwest Territories Intergovernmental Resource Revenue Sharing Agreement will be made of 25 percent of the net fiscal benefit from resource revenues that is received by the Government (*note 2 (n)*). All other expenses are recognized on an accrual basis.

(p) Environmental liabilities

Environmental liabilities are the result of contaminated sites, defined as a site where as a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic, or radioactive material, or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized when all of the following criteria are satisfied: an environmental standard exists, contamination exceeds the environmental standard, the Government is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The liability reflects the Government's best estimate of the amount required to remediate the sites to the current minimum standard for its use prior to contamination.

Environmental liabilities consist of the estimated costs related to the management and remediation of environmentally contaminated sites, including costs such as those for future site assessments, development of remedial action plans, resources to perform remediation activities, land farms and monitoring. All costs associated with the remediation, monitoring and post-closing of the site are estimated and accrued. Where estimates are not readily available from third party analyses, an estimation methodology is used to record a liability when sufficient information is available. The methodology used is based on costs or estimates for sites of similar size and contamination when the Government is obligated, or is likely obligated, to incur such costs. If the likelihood of a future event that would confirm the Government's responsibility to incur these costs is either not determinable, or in the event it is not possible to determine if future economic benefits will be given up, or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the consolidated financial statements and no liability is accrued. The environmental liabilities for contaminated sites are reassessed on an annual basis.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2016

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Asset retirement obligations

On an annual basis, NT Hydro identifies legal obligations associated with the retirement of its tangible capital assets. Management's best estimate of the future expenditures required to settle the legal obligations are recognized to the extent that they can be reasonably estimated and are calculated based on the estimated future cash flows necessary to discharge the legal obligations, discounted using the NT Hydro's cost of borrowing for maturity dates that coincide with the expected cash flows.

The estimated asset retirement obligation (ARO) is recorded as a liability and a corresponding increase to tangible capital assets. The liability for AROs is increased annually for the passage of time by calculating accretion on the liability based on the discount rates implicit in the initial measurement. Changes in the obligation resulting from revisions to the timing or amount of the estimated undiscounted cash flows or revisions to the discount rate are recognized as an increase or decrease in the related carrying amount of the related tangible capital asset.

NT Hydro has identified AROs for certain hydro, thermal, transmission and distribution assets where NT Hydro expects to maintain and operate these assets indefinitely and therefore no related ARO has been recognized.

(r) Recoveries of prior years' expenses

Recoveries of prior years' expenses and reversal of prior years' expense accruals in excess of actual expenditures are reported separately from other revenues on the consolidated statement of operations and accumulated surplus. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenses.

(s) Segmented information

The Government reports on segments on the basis of relationships of its operations with similar entities. Segmented information is disclosed in Schedule B. Segments are identified by the nature of an entity's operations and the accountability relationship that a group of similar entities has with the Government. There are no significant allocations of revenues or expenses between segments.

Government departments are identified as one segment to reflect the direct accountability relationship for financial reporting and budgeting between departments, their respective Ministers and the Legislative assembly.

Other Public Agencies within the Government Reporting Entity represent another segment. These agencies are typically associated with a particular Government department and have a formalized reporting relationship to that department. For example, Health and Social Services Authorities have an accountability relationship to the Minister of Health and Social Services as well as to their respective board members. Other Public Agencies also includes agencies that report directly to a Minister responsible for their operations. For example, the Northwest Territories Housing and Hydro Corporations have Ministers specifically assigned to their operations. The agencies in this segment assist the Government in delivering its programs and services and in achieving its priorities.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Public-Private Partnerships

The Government may, as an alternative to traditional forms of procurement governed by the Government's Contract Regulations, enter into public private partnership (P3) agreements with the private sector to procure services and public infrastructure when: the total projected threshold for procuring those services, including capital, operating and service costs over the life of the agreement, exceeds \$50 million; there is appropriate risk sharing between the Government and the private sector partners; the agreement extends beyond the initial capital construction of the project, and; the arrangement results in a clear net benefit as opposed to being merely neutral in comparison with standard procurement processes. The operating and services costs are expensed as they are incurred and are clearly identified in the agreements.

The Government accounts for P3 projects in accordance with the substance of the underlying agreements. In circumstances where the Government is determined to bear the risks and rewards of an asset under construction, the asset and the corresponding liability are recognized over time as the construction progresses. In circumstances where the Government does not bear the risks and rewards of the asset until substantial completion the future associated agreement is disclosed.

The capital asset value is the total of progress payments made during construction and net present value of the future payments, discounted using the Government's estimated borrowing rate for long term debt at the time of signing the P3 agreement. Capital expenditures may occur throughout the project or at the capital in-service date. Service fees may occur throughout the project or when the project is operational; these fees will include both a service and operational component. All payments are adjusted to reflect performance standards as outlined in the specific agreement and penalties may be deducted for sub-standard performance.

A P3 agreement may encompass certain revenues, including those collected by the partner on behalf of the Government. In such instances the Government will report the gross revenue along with the asset, liability, and expenses as determined from the specific project.

(u) Future accounting changes

Financial instruments

The Public Sector Accounting Board (PSAB) issued PS 3450 Financial Instruments effective for fiscal years beginning on or after April 1, 2019. Items within the scope of the standard are assigned to one of two measurement categories: fair value, or cost or amortized cost. Fair value measurement will apply to derivatives and portfolio investments in equity instruments that are quoted in an active market. Also, when groups of financial assets and financial liabilities are managed on a fair value basis they may be reported on that basis. Other financial assets and financial liabilities will generally be measured at cost or amortized cost. Until an item is derecognized, gains and losses arising due to fair value remeasurement will be reported in the Statement of Remeasurement of Gains and Losses.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

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(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Future accounting changes (continued)

Other New Standards

Effective April 1, 2019, the Government will concurrently be required to adopt: PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments in the same fiscal period. Government organizations that apply PSAS were required to adopt these standards effective April 1, 2012, however there is no significant impact on the consolidated financial statements as a result of its application.

PSAB issued new standards in March 2015 on Related Party Transactions (PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions) and four new standards related to Assets (PS 3210), Contingent Assets (PS 3320), Contractual Rights (PS 3380) and Restructuring Transactions (PS 3430) in June 2015. All these new standards have an effective date of April 1, 2017, except for PS 3430 that has an effective date of April 1, 2018.

The Government will analyze the impact of these new standards on its consolidated financial statements.

3. PORTFOLIO INVESTMENTS

	2016	2015
	\$	\$
Marketable securities (market value \$97,470; 2015 - \$111,694)	96,685	107,491
Miscellaneous investments	400	674
	97,085	108,165

4. DESIGNATED AND RESTRICTED ASSETS

Designated and restricted assets are included in cash and portfolio investments.

Designated assets

Pursuant to the *Student Financial Assistance Act*, the assets of the Student Loan Fund are to be used to provide financial assistance to post-secondary students that meet eligibility criteria as prescribed in its regulations.

Pursuant to the *Waste Reduction and Recovery Act*, the assets of the Environment Fund are to be used for specified purposes as follows:

- (a) the establishment, operation and evaluation of programs in respect of the reduction or recovery of waste;
- (b) education programs related to the reduction or recovery of waste;
- (c) research and development activities related to the reduction or recovery of waste;
- (d) the appropriate disposal of a designated or prohibited material as waste;
- (e) expenses associated with the work of the advisory committee; or
- (f) other costs associated with programs, initiatives or activities in respect of the reduction or recovery of waste.

Portfolio investments, while forming part of the Consolidated Revenue Fund, are designated for the purpose of meeting the obligations of the Legislative Assembly Supplemental Retiring Allowance Pension Plan (*note 15*). Supplementary Retiring Allowance Regulations restrict the investments to those permitted under the *Pension Benefits Standards Act*. The remainder consists of investments held by public agencies listed in note 1(a).

Government of the Northwest Territories

Notes to Consolidated Financial Statements

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4. DESIGNATED AND RESTRICTED ASSETS (continued)

Pursuant to section 27 of the *Northwest Territories Business Development and Investment Corporation Act*, and its Regulations, the Northwest Territories Business Development and Investment Corporation (BDIC) is required to establish a Loan and Investments Fund for its lending and investing activities. Subsection 4(2) of the Program, Projects and Services Continuation Regulations (the Regulations) specifies that a Loans and Bonds Fund will be used to record the lending operations. Subsection 19(2) requires that a Venture Investment Fund be used to record the venture investment operations. Furthermore, under subsection 18(2), the BDIC is obligated to maintain a Capital Fund and Subsidy Fund.

In addition to these funds, the BDIC is required, under subsections 18(6) and 19(5) of the Regulations, to establish a Capital Reserve Fund and a Venture Reserve Fund, respectively. The BDIC will continue to deposit to these reserve funds an amount equal to 10% of each capital or venture investment made. The BDIC may use these reserve funds for further investment or financing for its subsidiaries and venture investments through approved drawdowns.

Sinking fund investments of NT Hydro are held by a Trustee for the redemption of debentures. The agreements require annual installments to retire debt at maturity. NT Hydro's sinking fund policy allows only Canadian fixed-income investments with investment grade credit.

Northwest Territories Housing Corporation has a cash reserve designated by management to settle mortgage principal where the underlying asset has been disposed. It is anticipated that the funds will be disbursed in December 2018.

Northwest Territories Sport and Recreation Council has a cash reserve designated by management to fund building, programs and games expenditures.

Beaufort Delta Divisional Education Council has restricted cash to establish the Harry Stallworthy - Noah Carpenter Fund. The terms of the bequest state that the principal shall remain intact and the net annual income therefrom shall be made available to students of Inuit heritage for financial assistance in the High School Orientation program.

Commission scolaire francophone Territoires du Nord-Ouest has restricted cash for the purpose of covering legal costs related to legal action against the Government for the provision of additional classroom space in Hay River.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2016

(All figures in thousands of dollars)

4. DESIGNATED AND RESTRICTED ASSETS (continued)

	2016	2015
	\$	\$
Student Loan Fund:		
Authorized limit for loans receivable	45,000	45,000
Less: Loans receivable balance (<i>note 7</i>)	(41,953)	(40,632)
	3,047	4,368
Environment Fund:		
Beverage Container Program net assets	2,097	2,526
Portfolio Investments for the Legislative Assembly Supplementary Retiring Allowance (<i>note 15</i>)		
Marketable securities (market value \$31,767; 2015 - \$31,842)	30,004	26,484
Money market (market value approximates cost)	-	1,267
Cash and other assets (market value approximates cost)	339	302
	30,343	28,053
BDIC:		
Venture Investment Fund	4,182	4,170
Subsidy Fund	488	462
Capital Fund	873	873
Venture Reserve Fund	486	485
Capital Reserve Fund	147	147
Loans and Bonds Fund	1,076	3,104
	7,252	9,241
NT Hydro		
Sinking Funds (market value approximates cost)	7,988	7,194
Northwest Territories Housing Corporation		
Cash	854	-
Northwest Territories Sport and Recreation Council		
Guaranteed investment certificate	743	737
Beaufort Delta Divisional Education Council		
Cash	258	-
Commission scolaire francophone Territoires du Nord-Ouest		
Cash	45	-
	52,627	52,119

Government of the Northwest Territories

Notes to Consolidated Financial Statements

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5. ACCOUNTS RECEIVABLE

	Accounts Receivable \$	Allowance for Doubtful Accounts \$	Net 2016 \$	Net 2015 \$
General	131,721	(24,767)	106,954	124,765
Utilities	9,948	(122)	9,826	9,845
Government of Nunavut	6,733	(162)	6,571	8,141
Hospital related costs due from third parties	7,528	(3,410)	4,118	4,042
Revolving fund sales	3,657	-	3,657	3,268
	159,587	(28,461)	131,126	150,061
Receivables from related parties:				
Workers' Safety and Compensation Commission	489	(64)	425	694
	160,076	(28,525)	131,551	150,755

6. INVENTORIES

	2016 \$	2015 \$
Inventories for resale:		
Bulk fuels	24,280	26,453
Liquor products	3,527	2,496
Arts and crafts	553	525
	28,360	29,474
Inventories held for use:		
Materials and supplies:		
Housing	2,843	2,992
NT Hydro	8,981	9,142
Hospital supplies	3,086	2,833
Public Stores	136	150
	15,046	15,117
	43,406	44,591

Inventory write-down for 2016 is \$292 (2015- \$90).

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2016

(All figures in thousands of dollars)

7. LOANS RECEIVABLE

	2016 \$	2015 \$
Northwest Territories Business Development and Investment Corporation loans to businesses receivable over a maximum of 25 years, secured by real property, heavy equipment and general security agreements; bearing fixed interest between 5.10% and 5.78%, (2015 between 5.18% and 5.78%) before valuation allowance of \$5,141 (2015 - \$5,778).	44,350	42,622
Northwest Territories Energy Corporation Ltd. loan to the Dogrib Power Corporation due July 2026, bearing interest at an annual rate of 9.6%, repayable in equal monthly payments of \$195, secured by a \$4,000 guarantee and a restricted bank account.	15,307	16,134
Students Loan Fund loans due in installments to 2028, bearing fixed interest between 1.25% and 11.75%, (2015 - 1.25% and 11.75%) unsecured, before valuation allowance and loan remissions of \$19,247 (2015 - \$17,998).	41,953	40,632
Northwest Territories Housing Corporation mortgages and loans to individuals receivable over a maximum of 25 years, some of which are unsecured and others are secured by registered charges against real property bearing fixed interest between 3.00% and 12.00%, (2015 - 3.00% and 12.00%) before valuation allowance of \$10,302 (2015 - \$10,422).	14,741	14,655
	116,351	114,043
Valuation allowances	(34,690)	(34,198)
	81,661	79,845

Interest earned on loans receivable during the year is \$5,148 (2015 - \$4,258).

Conditional grants have been provided by the Northwest Territories Housing Corporation to eligible homeowners, which are fully forgivable on the condition that the property remains the principal residence and the homeowner's annual income remains below the core need income threshold for the term of the agreement. If the conditions are not met, the grants are repayable to the Northwest Territories Housing Corporation. Conditional grants expensed during the year were \$2,908 (2015 - \$5,595).

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2016

(All figures in thousands of dollars)

8. SHORT TERM LOANS

Based upon operational needs, the Government may enter into short term borrowing arrangements with its banks. Short-term loans of \$277,403 (2015 - \$252,974) incurred interest at a weighted average year-end rate of 0.95% (2015 - 0.93%). Interest expense on short term loans included in operations and maintenance expenses is \$1,773 (2015 - \$1,893).

The borrowing limit under the *Borrowing Authorization Act* is \$300,000.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
	\$	\$
Trade	216,074	212,591
Government of Nunavut	262	385
Other liabilities	10,178	8,544
Employee and payroll-related liabilities	77,857	68,216
Accrued interest	706	676
	305,077	290,412
Payable to related parties:		
Workers' Safety and Compensation Commission	1,517	157
	306,594	290,569

10. DEFERRED REVENUE

	2016	2015
	\$	\$
Government of Canada		
Ministry of Finance	4,082	4,253
Building Canada Plan	513	9,461
Wood Buffalo National Park	-	15
Transport Canada	350	-
Mining Recorders	1,350	-
NPR Limited Partnership	2,070	-
Other	2,409	9,698
	10,774	23,427

Deferred revenue consists mainly of funds received from the Government of Canada for corporate income tax for the current year.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2016

(All figures in thousands of dollars)

11. ENVIRONMENTAL LIABILITIES AND ASSET RETIREMENT OBLIGATIONS

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which the Government is responsible. The Government has identified 223 (2015 - 216) sites as potentially requiring environmental remediation at March 31, 2016. Where remediation costs have been estimated and a liability has been recorded the methodology used to estimate the liability is either based on third party analyses or extrapolated from costs previously incurred to remediate, monitor, or manage sites of similar size and contamination.

Type of Site	2015 Liability	Remediation Expenditures	New Sites in 2016	Increase (Decrease) in Estimate	2016 Liability	Number of Sites
	\$	\$	\$	\$	\$	
Abandoned mines ⁽¹⁾	13,368	(134)		544	13,778	7
Landfills ⁽²⁾	13,413	(209)	-	(2,059)	11,145	40
Abandoned infrastructure and schools ⁽³⁾	12,148	(1,925)	1,366	303	11,892	69
Airports, airport strips or reserves ⁽⁴⁾	2,056	(447)	-	265	1,874	24
Sewage lagoons ⁽⁵⁾	2,841	-	-	(57)	2,784	28
Fuel tanks and resupply lines ⁽²⁾	2,783	(164)	150	(44)	2,725	15
Abandoned lots and maintenance facilities ⁽³⁾	15,201	(45)	-	-	15,156	40
Total environmental liabilities	61,810	(2,924)	1,516	(1,048)	59,354	223
Asset retirement obligations	7,085				6,878	
Total	68,895				66,232	

Possible types of contamination identified under each type of site include the following:

- (1) metals, hydrocarbons, asbestos, wood/metal debris, waste rock, old mine buildings, lead paint;
- (2) hydrocarbons, glycol, metals;
- (3) hydrocarbons, petroleum products;
- (4) hydrocarbons, vehicle lubricants, asbestos, glycol;
- (5) metals, e.coli, total coliforms.

One of the sites, Giant Mine, has been formally designated as contaminated under the *Environmental Protection Act* (NWT). In 2005, the Government recorded a liability for its share of the above ground remediation. The remaining balance of the Government's share of the Giant Mine remediation liability at March 31, 2016 is \$2,851 (2015 - \$2,994). There are 6 other abandoned non-operating mine sites that the Government will be remediating in conjunction with Canada based on cost allocations similar to that of Giant Mine. There are 28 sewage lagoons and 40 landfills sites that are outside incorporated communities and being remediated or monitored as appropriate.

There were 2 (2015 - 0) sites closed during the fiscal year as they were either remediated or no longer meet all the criteria required to record a liability for contaminated sites..

Included in the 223 sites, there are 74 sites where no liability has been recognized. The contamination is not likely to affect public health and safety, cause damage, or otherwise impair the quality of the surrounding environment and there is likely no need for action unless new information becomes available indicating greater concerns, in which case, the site will be re-examined. These sites will continue to be monitored as part of the Government's ongoing environmental protection program.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2016

(All figures in thousands of dollars)

11. ENVIRONMENTAL LIABILITIES AND ASSET RETIREMENT OBLIGATIONS (continued)

The asset retirement obligation includes NT Hydro's disposal of generating plants on leased land, storage tanks systems and the associated piping for petroleum products in all communities serviced by the Northwest Territories Power Corporation, a subsidiary of NT Hydro. The carrying amount of the obligation is based on total expected cash flows, expected timing of cash flows (majority to occur post 2040), and the weighted average discount rate of 2.47% for obligations to be settled in 10 years or less and 3.5% for obligations to be settled in 10 years or more.

12. DUE TO (FROM) THE GOVERNMENT OF CANADA

	2016	2015
	\$	\$
Receivables		
Projects on behalf of the Government of Canada	(15,605)	(11,190)
Miscellaneous receivables	(59,415)	(33,089)
	(75,020)	(44,279)
Payables		
Excess income tax advanced	74,002	54,890
Advances for projects on behalf of the Government of Canada	18,923	17,420
Miscellaneous payables	53,306	46,159
	146,231	118,469
	71,211	74,190

The amounts due to the Government of Canada are non-interest bearing. The excess income tax advanced is repayable over the following years:

	\$
2017	12,309
2018	34,957
2019	26,459
2020	277
	74,002

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(All figures in thousands of dollars)

13. CAPITAL LEASE OBLIGATIONS

	2016	2015
	\$	\$
Buildings	1,343	1,844
Equipment	18,568	20,735
	19,911	22,579

Interest expense related to capital lease obligations for the year is \$1,934 (2015 - \$2,151), at an implicit average interest rate of 9.42% (2015 - 8.94%). Capital lease obligations (expiring between 2017 and 2061) are based upon contractual minimum lease obligations for the leases in effect as of March 31, 2016.

		\$
	2017	2,650
	2018	2,551
	2019	2,503
	2020	2,422
	2021	1,982
	2022 and beyond	46,445
Total minimum lease payments		58,553
Less: imputed interest		38,642
Present value of minimum lease payments		19,911

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Notes to Consolidated Financial Statements

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14. LONG-TERM DEBT

	2016 \$	2015 \$
Loans due to Canada Mortgage and Housing Corporation, repayable in annual installments until the year 2033, bearing interest at a rate of 6.97% (2015 - 6.97%), unsecured.	7,004	7,576
Mortgages payable to Canada Mortgage and Housing Corporation for three third party loans under the Social Housing Agreement, maturing in 2026 and 2027, bearing interest at rates between 2.78% and 3.68% (2015- 2.78% and 3.68%), unsecured.	2,907	3,143
Mortgage payable to Canada Mortgage and Housing Corporation, repayable in monthly installments of \$7 (2015 - \$7) maturing June 2024, bearing interest at 3.30% (2015 - 3.30%), secured with real property.	666	735
Yellowknife Catholic Schools debentures, repayable in monthly installments of \$68 (2015- \$68), including fixed interest at 5.73%, final installment due in 2018, unsecured.	2,130	2,803
Debentures, due 2025 to 2052, bearing interest between 3.82% and 6.00% (2015- 3.82% and 6.00%), unsecured.	90,000	90,000
Sinking Fund debentures, due 2018 to 2026, bearing interest between 6.33% and 8.41% (2015- 6.33% and 8.41%), secured by sinking funds earning a weighted average effective rate of return of 0.48% (2015- 0.87%).	18,700	18,700
Amortizing Debentures, due 2032 to 2040, bearing interest between 5.16% and 6.42% (2015- 5.16% and 6.42%), unsecured.	57,876	59,476
Series 1, 2 and 3 Debentures, repayable in monthly installments between \$69 and \$73 (2015- \$69 and \$73), maturing 2025 to 2026, bearing interest between 9.11% and 10.00% (2015- 9.11% and 10.00%), unsecured.	15,971	16,923
Real return senior bonds with accrued inflation adjustment, maturing June 1, 2046, redeemable at the option of the issuer, bearing interest at 3.17% (2015- 3.17%) payable semi-annually, unsecured.	177,801	178,176
Loan due to builder (Stanton Hospital), repayable in monthly installments of \$794 starting at the expected in service date November 2018 until November 2048, bearing interest at 5.23% (imputed), unsecured.	13,730	-
Loan due to builder (Mackenzie Valley Fibre Link), repayable in monthly installments of \$620 at the expected in service date June 2017 until June 2037, bearing interest at 4.74% (imputed), unsecured.	65,007	-
	451,792	377,532
Unamortized premium, discount and issuance costs	(730)	(773)
	451,062	376,759

Government of the Northwest Territories

Notes to Consolidated Financial Statements

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(All figures in thousands of dollars)

14. LONG-TERM DEBT (continued)

Long-term debt principal repayments and investment in sinking funds (*note 4*) due in each fiscal year for the next five years:

	Long-term Principal	Sinking Fund Investment
	\$	\$
2017	7,344	680
2018	15,146	680
2019	35,849	680
2020	19,414	290
2021	15,648	290
2022 and beyond	358,391	1,450
	451,792	4,070

Interest expense on long-term debt, included in operations and maintenance expenses, is \$19,627 (2015 - \$19,022).

Debt Authority

The Government has the authority to borrow, pursuant to subsection 28(4) of the *Northwest Territories Act* (Canada), within a borrowing limit authorized by the Government of Canada. The Government's borrowing limit was increased to \$1,300 million by Order in Council P.C. 2015-0644, dated May 28, 2015.

	2016	2015
	\$	\$
Government of the Northwest Territories:		
Mortgage payable to Canada Mortgage and Housing Corporation	666	735
Guarantees (<i>note 19(a)</i>)	21,926	24,142
Real Return Bonds payable	177,801	178,176
Capital lease obligations	1,290	1,628
Short term borrowing	244,803	234,859
NWT Housing Corporation, mortgages and loans payable	9,911	10,719
NWT Housing Corporation, capital lease obligations	53	281
NT Hydro, capital lease obligations	18,568	20,670
NT Hydro, long-term debt (net of sinking fund)	173,830	177,132
NT Hydro, operational debt	32,600	18,115
Fuel Services Division, capital lease obligations	1,375	-
Yellowknife Catholic Schools District Education Authority	2,130	2,803
	684,953	669,260
Authorized borrowing limit	1,300,000	800,000
	615,047	130,740
Available borrowing capacity before P3s	615,047	130,740
Future encumbrances relating to P3s long term debt (<i>note 14</i>)	78,737	-
	536,310	130,740
Available borrowing capacity	536,310	130,740

Government of the Northwest Territories

Notes to Consolidated Financial Statements

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(All figures in thousands of dollars)

15. PENSIONS

a) Plans' description

The Government administers the following pension plans for Members of the Legislative Assembly (MLAs), Territorial Court Judges, Employees of the Hay River Health and Social Services Authority and the Employees and Superintendent and Assistant Superintendents of the Yellowknife Catholic Schools. The Government is liable for all benefits. Benefits provided under all seven plans are based on years of service and pensionable earnings.

Plan recipient	Name of plan	Funded status
MLAs	Legislative Assembly Retiring Allowance Plan (MLAs Regular)	Funded
MLAs	Legislative Assembly Supplemental Retiring Allowance Plan (MLAs Supplemental)	Non Funded
Judges	Judges Registered Plan (Judges Regular)	Funded
Judges	Judges Supplemental Pension Plan (Judges Supplemental)	Non Funded
Employees	Retirement Plan for Employees of the Hay River Health and Social Services Authority	Funded
Employees	Retirement Plan for Employees of the Yellowknife Catholic Schools	Funded
Superintendent and Assistant Superintendents	Retirement Plan for Superintendent and Assistant Superintendents of the Yellowknife Catholic Schools (Supplemental)	Non Funded

The Regular Plans for both the MLAs and Judges are contributory defined benefit registered pension plans and are pre-funded. The funds related to these plans are administered by independent trust companies.

The Supplemental plans for both the MLAs and Judges are non-contributory defined benefit pension plans and are unfunded; however, the Government has designated assets for the purposes of meeting the obligations of the MLA Supplemental plan (*note 4*).

The average age of the 19 active members of the MLAs plans is 49. The basic benefit formula of the MLAs plans is 2 percent per year of pensionable service multiplied by the average of the best four consecutive years of earnings. Plan assets consist of Canadian and foreign equities, and Canadian fixed income securities and bonds.

The average age of the 4 active members of the Judges' plans is 59. The basic benefit formula of the Judges' plans is 2 percent per year of pensionable service multiplied by the average of the best six consecutive years of earnings, reducing at age 65 by an amount equal to 0.7% of the average Year's Maximum Pensionable Earnings (YMPE) (as defined in the Canada Pension Plan) determined over 3 years at the time of retirement. Plan assets consist of a diversified portfolio of Canadian and foreign equities and bonds.

The Hay River Health and Social Services Authority has a defined benefit pension plan for its employees. The average age of the 139 plan members is 46 years. The basic benefit formula is 1.5 percent of the member's best average pensionable earnings up to the average YMPE plus 2 percent of the member's best average pensionable earnings in excess of the average YMPE, multiplied by years of the pensionable service. Plan assets consist primarily of Canadian and U.S. equities, bonds and mortgages.

Yellowknife Catholic Schools has a defined benefit pension plan for its employees. The average age of the 159 plan members is 44 years. The basic benefit formula is 1.3 percent of the member's best average pensionable earnings up to the average YMPE plus 2 percent of the member's best average pensionable earnings in excess of the average YMPE, multiplied by years of the pensionable service. Earnings and YMPE are averaged over the best 10 years prior to termination, death or retirement. Plan assets consist primarily of fixed income and equity securities. The Supplemental plan for Superintendent and Assistant Superintendents is a non-contributory defined benefit pension plan and not funded until the employee terminates their employment from Yellowknife Catholic Schools.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2016

(All figures in thousands of dollars)

15. PENSIONS (continued)

a) Plans' description (continued)

All plans provide death benefits to spouses and eligible dependents. All plans are indexed.

The remaining government employees participate in Canada's Public Service Pension Plan (PSPP). The PSPP provides benefits based on the number of years of pensionable service to a maximum of 35 years. Benefits are determined by a formula set out in the legislation; they are not based on the financial status of the pension plan. The basic benefit formula is 2 percent per year of pensionable service multiplied by the average of the best five consecutive years of earnings.

The public service pension plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the plan on or after January 1, 2013. For existing members, the normal retirement age remains age 60. Furthermore, contribution rates for current service for all members of the public service will increase gradually to an employer: employee cost sharing ratio of 50:50 by 2017. The employer contribution rate effective at the end of the year is 1.15 times (2015 – 1.28) the employees' contributions for employees who started prior to January 2013 and 1.1 times (2015 – 1.28) the employees' contributions for all other employees.

Other benefits include survivor pensions, minimum benefits in the event of death, unreduced early retirement pensions, and disability pensions.

b) Pension liability

	2016	2016	2016
	Regular	Supplemental	Total
	Funded	Unfunded	Total
	\$	\$	\$
Accrued benefit obligation	71,022	34,444	105,466
Pension fund assets - market-related value	(81,715)	-	(81,715)
Unamortized actuarial gains (losses)	3,972	(1,370)	2,602
Pension liability (asset)	(6,721)	33,074	26,353

	2015	2015	2015
	Regular	Supplemental	Total
	Funded	Unfunded	Total
	\$	\$	\$
Accrued benefit obligation	63,057	32,874	95,931
Pension fund assets - market-related value	(69,903)	-	(69,903)
Unamortized actuarial gains (losses)	2,230	(1,938)	292
Pension liability (asset)	(4,616)	30,936	26,320

Included in the pension asset of \$(6,721) (2015 - \$(4,616)) is a deficit for accounting purposes of the Judge's plan in the amount of \$1,249 (2015 - \$806).

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2016

(All figures in thousands of dollars)

15. PENSIONS (continued)

c) Change in pension liability (asset)

	2016 Regular Funded \$	2016 Supplemental Unfunded \$	2016 Total \$
Opening balance	(4,616)	30,936	26,320
Change to pension liability (asset) from cash items:			
Contributions from plan members	(2,570)	-	(2,570)
Contributions from Government	(5,147)	-	(5,147)
Benefit payment to plan members	(5,856)	(1,294)	(7,150)
Drawdown from plan assets	5,856	-	5,856
Change in pension liability (asset) from cash items	(7,717)	(1,294)	(9,011)
Change to pension liability (asset) from accrual items:			
Current period benefit cost	5,984	1,269	7,253
Amortization of actuarial losses	(239)	567	328
Prior period cost of plan amendment	51	-	51
Change in valuation allowance	163	-	163
Interest on average accrued benefit obligation	3,412	1,596	5,008
Expected return on average plan assets	(3,759)	-	(3,759)
Change in pension liability (asset) from accrual items	5,612	3,432	9,044
Ending balance	(6,721)	33,074	26,353
	2015	2015	2015
	Regular	Supplemental	Total
	Funded	Unfunded	\$
	\$	\$	\$
Opening balance	(3,402)	29,054	25,652
Change to pension liability (asset) from cash items:			
Contributions from plan members	(2,647)	-	(2,647)
Contributions from Government	(5,362)	-	(5,362)
Benefit payment to plan members	(2,433)	(1,247)	(3,680)
Drawdown from plan assets	2,433	-	2,433
Change to pension liability (asset) from cash items	(8,009)	(1,247)	(9,256)
Change to pension liability (asset) from accrual items:			
Current period benefit cost	5,925	1,215	7,140
Amortization of actuarial (gains) losses	776	388	1,164
Change in valuation allowance	183	-	183
Interest on average accrued benefit obligation	3,137	1,526	4,663
Expected return on average plan assets	(3,226)	-	(3,226)
Change in pension liability (asset) from accrual items	6,795	3,129	9,924
Ending balance	(4,616)	30,936	26,320

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2016

(All figures in thousands of dollars)

15. PENSIONS (continued)

d) Pension expense

The components of pension expense include current period benefit cost, amortization of actuarial net (gains)/losses and interest on average accrued benefit obligation net of the expected return on average plan assets, change in valuation allowance and contributions from plan members. The total expense is \$6,474 (2015 - \$7,276). The interest cost on the accrued benefit obligation is determined by applying the discount rate determined at the beginning of the period to the average value of the accrued benefit obligation for the period. The expected return on plan assets is determined by applying the assumed rate of return on plan assets to the average market-related value of assets for the period. The difference between the expected and actual return on plan assets is a gain of \$3,981 (2015 - \$6,169).

In addition to the above, the Government contributed \$58,220 (2015 - \$55,019) to the Public Service Pension Plan. The employees' contributions to this plan were \$43,485 (2015 - \$36,793).

e) Changes to pension plans in the year

Hay River Health and Social Services Authority

As at the valuation date, the Authority has decided to revise the pension plan provisions as follows:

- a) To increase required employee contributions - Effective April 1, 2016, the member required contributions will be increased to 8.15% (previously 7.5%) of earnings up to the yearly maximum pensionable earnings (YMPE) plus 10.4% (previously 9.8%) of earnings above the YMPE.
- b) To cease offering portability at certain ages - The plan was amended, with an effective date of January 1, 2018, to cease offering portability for members who are eligible for immediate pension.

f) Valuation methods and assumptions used in valuing pension liability

Valuation date

The actuarial valuation for the Legislative Assembly was completed as of April 1, 2012 and the results were extrapolated to January 31, 2016. The effective date of the next actuarial valuation is April 1, 2016. The actuarial valuation for the Judge's plan was completed as of April 1, 2013 and the results were extrapolated to March 31, 2016. The effective date of the next actuarial valuation is April 1, 2016. The actuarial valuation for the Retirement Plan for Employees of the Hay River Health and Social Services Authority was completed as at January 1, 2016. The effective date of the next actuarial valuation is January 1, 2017. The actuarial valuation for the Retirement Plan for Employees of the Yellowknife Catholic Schools was completed as at June 30, 2015. The effective date of the next actuarial valuation for the Yellowknife Catholic Schools plan is June 30, 2017.

Liability valuation method

The actuarial valuations were performed using the projected accrued benefit method. The valuations are based on a number of actuarial assumptions about matters such as mortality, service, withdrawal, earnings and interest rates. The assumptions are based on the Government's best estimates of expected long-term rates and short-term forecasts.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

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(All figures in thousands of dollars)

15. PENSIONS (continued)

(f) Valuation methods and assumptions used in valuing pension liability (continued)

Asset valuation method

The asset valuation method for the MLA's plans is equal to a smoothed market value which spreads the difference between the actual and expected investment income over a four year period and is then adjusted for payments due to, and payable from, the pension plan. The fair market value of the MLA's regular plan is \$22,524 (2015 - \$25,775). The asset valuation method for the Judges' plans is market value. The market value of the regular Judges' regular plan is \$5,637 (2015 - \$5,530). The asset valuation method for the Retirement Plans for Employees of the Hay River Health and Social Services Authority and of the Yellowknife Catholic Schools are market-related value. The fair market value of its pension plan assets is \$45,091 (2015 - \$38,531) and \$10,237 (2015 - \$3,451) respectively.

Actuarial gains and losses

Actuarial gains and losses occur when actual experience varies from estimates or when actuarial assumptions change. The adjustments needed are amortized on a straight-line basis over the estimated average remaining service lives of the contributors. The estimated average remaining service lives of the contributors is 3.0 years (2015 - 4.0 years) for the MLA's plans, 2.0 years (2015 - 3.0 years) for the Judges' plans, 7.6 years (2015 - 7.5 years) for the Hay River Health and Social Services Authority plan and 14.2 years (2015 - 14.7 years) for the Yellowknife Catholic Schools plan.

<i>Actuarial assumptions</i>	Yellowknife Catholic Schools' plans	Hay River H&SS Authority plan	MLA's plans	Judges' plans
Expected rate of return on plan assets	4.5%	5.6%	4.8%	4.8%
Rate of compensation increase	2.0%	2.5%	2.3%	2.3%
Annual inflation rate	2.0%	2.0%	2.3%	2.3%
Discount rate	4.5%	5.6%	4.8%	4.8%

Retirement assumptions

- Members of Legislative Assembly may retire at the earliest of age 60, thirty years of service or when age plus service equals 80.
- Judges may retire at the earlier of age 60 or when age plus service equals 80.
- Employees of the Hay River H&SS Authority may retire early at age 50. Normal retirement is at age 65.
- Employees of the Yellowknife Catholic Schools may retire at the earlier of age 65 or when age plus service equals 90.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2016

(All figures in thousands of dollars)

16. OTHER EMPLOYEE FUTURE BENEFITS AND COMPENSATED ABSENCES

In addition to pension benefits, the Government 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 Government'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 location of hire, employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

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

Valuation results

The actuarial valuation was completed as at March 31, 2016. The effective date of the next actuarial valuation is March 31, 2017. The liabilities are actuarially determined as the present value of the accrued benefits at March 31, 2016. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the consolidated Government.

	Severance and Removal	Compensated Absences	2016	2015
	\$	\$	\$	\$
Changes in Obligation				
Accrued benefit obligations, beginning of year	65,509	10,825	76,334	74,487
Current period benefit cost	5,867	6,448	12,315	12,061
Interest accrued	1,604	283	1,887	1,856
Benefits payments	(7,523)	(3,928)	(11,451)	(12,153)
Plan amendments	79	-	79	-
Actuarial (gains)/losses	(14,113)	(2,752)	(16,865)	83
Accrued benefit obligations, end of year	51,423	10,876	62,299	76,334
Unamortized net actuarial gain	14,113	2,677	16,790	-
Net future obligation	65,536	13,553	79,089	76,334
Other employee future benefits	3,922	-	3,922	10,258
Other compensated absences	-	1,194	1,194	1,228
Total employee future benefits and compensated absences	69,458	14,747	84,205	87,820

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2016

(All figures in thousands of dollars)

16. OTHER EMPLOYEE FUTURE BENEFITS AND COMPENSATED ABSENCES (continued)

	Severance and Removal	Compensated Absences	2016	2015
	\$	\$	\$	\$
Benefits Expense				
Current period benefit cost	5,867	6,448	12,315	12,061
Interest accrued	1,604	283	1,887	1,856
Plan amendments	79	-	79	-
Amortization of actuarial gains	9	-	9	-
	7,559	6,731	14,290	13,917

The discount rate used to determine the accrued benefit obligation is an average of 3.2%. No inflation rate was applied. The expected payments during the next five fiscal years are:

	Severance and Removal	Compensated Absences	Total
	\$	\$	\$
2017	12,127	2,542	14,669
2018	8,640	1,750	10,390
2019	6,684	1,389	8,073
2020	5,677	1,201	6,878
2021	5,072	1,080	6,152
	38,200	7,962	46,162

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2016

(All figures in thousands of dollars)

17. TRUST ASSETS UNDER ADMINISTRATION

The Government administers trust assets on behalf of third parties, which are not included in the reported Government assets and liabilities. These consist of cash, term deposits, investments, real estate, and other sundry assets.

	2016	2015
	\$	\$
Bequest - South Slave Divisional Education Council	80	80
Correctional institutions and other	438	435
Government of New Brunswick	713	760
Natural Resources - capital	236	238
Patient funds - Beaufort Delta Health and Social Services Authority	173	206
Patient funds - Deh Cho Health and Social Services Authority	1	1
Patient funds - Fort Smith Health and Social Services Authority	14	22
Patient funds - Hay River Health and Social Services Authority	71	60
Patient funds - Stanton Territorial Health Authority	5	14
Public Trustee	5,605	6,134
Scholarship bequest - Beaufort Delta Divisional Education Council	-	257
School functions - Sahtu Divisional Education Council	-	428
Securities - land use permits, water licences and oil and gas deposits	5,495	3,730
Territorial and Supreme Courts	1,224	1,019
	14,055	13,384

In addition to the above trust assets under administration, the Government holds cash and bank guarantees in the form of letters of credit and surety bonds in the amount of \$499,844. The majority of these guarantees are held against water licenses issued to regulate the use of water and the deposit of waste.

18. CONTRACTUAL OBLIGATIONS

The Government has entered into agreements for, or is contractually committed to, the following payments subsequent to March 31, 2016:

	Expiry Date	2017	2018-2048	Total
		\$	\$	\$
Operational commitments*	2048	138,627	264,063	402,690
RCMP Policing Agreement	2032	44,122	615,571	659,693
Commercial and residential leases	2041	27,670	100,605	128,275
Equipment leases	2022	1,681	2,129	3,810
Tangible capital asset projects in progress at year-end	2020	106,721	14,936	121,657
		318,821	997,304	1,316,125

*Included in the operational commitments above is a contract for \$62,000. Subsequent to year end the contract was re-negotiated and the new commitment is \$4,419.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

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(All figures in thousands of dollars)

18. CONTRACTUAL OBLIGATIONS (continued)

In addition to the contractual commitments above the Government has the following commitments related to P3s.

The Government entered into an agreement with Northern Lights General Partnership (NL) on October 30, 2014 to design, build, operate and maintain 1,154 km of high-speed fiber optic telecommunications cable from McGill Lake to Inuvik. Construction is expected to be completed in May 2017 with service commencement anticipated for June 2017 with NL operating and maintaining the system until 2037. The total cost of construction is \$90,900, of which \$24,393 remains to be completed. The total of \$90,900 is due over a twenty year term (*see note 14*) with no payment required until the in service date. Upon completion operations and maintenance costs of \$3,190 per year will total \$63,810 for the duration of the contract.

The Government entered into an agreement with Boreal Health Partnership (BHP) on September 22, 2015 to design, build, operate and maintain the Government's new Territorial hospital. Construction is to be completed in November 2018 with BHP operating and maintaining the new facility until 2048. Remaining construction commitments related to the new facility are \$257,475. Of this, \$131,789 is due during the expected remaining 32 months of the construction period and the remaining \$125,686 is payable over a thirty year term starting at the in-service date (*see note 14*). Upon completion operations and maintenance costs of \$7,203 per year will total \$216,090 for the duration of the contract.

19. CONTINGENCIES

(a) Guarantees

The Government has guaranteed residential housing loans to banks totaling \$3,260 (2015 - \$3,592) and indemnified Canada Mortgage and Housing for third party loans totaling \$18,666 (2015 - \$20,550). In addition, the Government has provided a guarantee to the Canadian Blood Agency and Canadian Blood Services to cover a share of potential claims made by users of the national blood supply. The Government's percentage is limited to the ratio of the Northwest Territories' population to the Canadian population.

(b) Loans

The Northwest Territories Business Development and Investment Corporation (BDIC) has four outstanding loans to three Northern Community Futures organizations totaling \$1,041 (2015 - \$1,161). Loans provided by these three organizations may be assigned to the BDIC when impaired. If assigned, the BDIC would then write-off the Northern Community Futures organization loan balance and would attempt to recuperate its loss. In 2016, no accounts were assigned to BDIC (2015 - \$84).

The BDIC has six (2015 - five) outstanding irrevocable standby letters of credit totaling \$2,375 (2015 - \$2,385) that will expire by 2020. Payment by the BDIC is due from these letters in the event that the applicants are in default of the underlying debt. To the extent that the BDIC has to pay out to third parties as a result of these agreements, these payments will be owed to the BDIC by the applicants. Each letter of credit is secured by promissory note, general security agreement, guarantee or collateral mortgage. During the year, no payments were made (2015 - nil).

(c) Claims and litigation

There are a number of claims and pending and threatened litigation cases outstanding against the Government. In certain of these cases, pursuant to agreements negotiated prior to the division of the territories, the Governments of the Northwest Territories and Nunavut will jointly defend the suits. The cost of defending these actions and any damages that may eventually be awarded will be shared by the two Governments 55.66% and 44.34%, respectively. The Government has recorded a provision for any claim or litigation where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. The provision is based upon estimates determined by the Government's legal experts experience or case law in similar circumstances. At year-end, the Government estimated the total claimed amount for which the outcome is not determinable at \$8,363 (2015 - \$8,191). No provision for such claims has been made in these financial statements as it is not determinable that any future event will confirm that a liability has been incurred as at March 31.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2016

(All figures in thousands of dollars)

20. TRANSFER PAYMENTS, TAXATION AND GENERAL REVENUE

	2016	2015
	\$	\$
Transfer payments:		
Capital transfers	84,124	98,285
Canada Health and Social Transfer Reform Fund	60,016	62,618
Federal cost shared	50,152	49,889
Other	19,559	22,811
	<hr/> 213,851	<hr/> 233,603
Taxation:		
Corporate Income Tax	25,010	31,272
Personal Income Tax	109,837	110,811
	<hr/> 134,847	<hr/> 142,083
Other taxes:		
Fuel	19,750	19,260
Tobacco	16,191	16,053
Payroll	42,085	40,250
Property and school levies	37,670	37,728
Insurance	5,160	4,676
	<hr/> 120,856	<hr/> 117,967
General:		
Lease	5,959	9,230
Regulatory	30,595	29,361
Sundry and other	23,941	32,555
Interest	7,023	5,436
Gain on disposition of assets	63	147
Grants in kind	443	1,136
	<hr/> 68,024	<hr/> 77,865
	<hr/> 537,578	<hr/> 571,518

Transfer payment revenue comprises of transfers received from the Government of Canada. Federal cost shared transfer payments relate to those service agreements that are funded by both the Government and the Government of Canada. Other transfer payments comprises of contributions from the Canada Mortgage and Housing Corporation and of grants and contributions received by the Government's public agencies.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2016

(All figures in thousands of dollars)

21. EXPENSES

Expenses of various Government departments, its territorial corporations and other public agencies are aggregated in the Statement of Operations as follows:

Environment and economic development	Department of Environment and Natural Resources Department of Industry, Tourism and Investment NWT Business Development and Investment Corporation Northwest Territories Heritage Fund Arctic Energy Alliance Inuvialuit Water Board
Infrastructure	Department of Public Works and Services Department of Municipal and Community Affairs Department of Transportation Department of Lands Northwest Territories Hydro Corporation Northwest Territories Surface Rights Board
Education	Department of Education, Culture and Employment Aurora College All Divisional Education Councils in the NWT All District Education Authorities in the NWT Tlicho Community Services Agency (education portion) Northwest Territories Sport and Recreation Council
Health, social services and housing	Department of Health and Social Services All Health and Social Services Authorities in the NWT Tlicho Community Services Agency (health portion) Northwest Territories Housing Corporation
Justice	Department of Justice
General government	Department of Aboriginal Affairs and Intergovernmental Relations Department of Executive Department of Finance Department of Human Resources
Legislative Assembly and statutory offices	Legislative Assembly Northwest Territories Human Rights Commission Northwest Territories Status of Women Council

Government of the Northwest Territories

Notes to Consolidated Financial Statements

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(All figures in thousands of dollars)

22. OVEREXPENDITURE

During the year 1 department (2015 - 2) exceeded their operations vote by \$2,959 (2015 - \$3,505) and 1 department (2015 - 0) exceeded their capital vote by \$68,916 (2015- \$0) .

Overexpenditure of a vote contravenes subsection 71 of the *Financial Administration Act* which states that "No person shall incur an expenditure that causes the amount of the appropriation set out in the Estimates for a department to be exceeded".

The voted items that were over expended in the current year is as follows:

Department of Transportation (operations)	\$2,959
Department of Finance (capital)	\$68,916

These overexpenditures have been deemed a supplementary appropriation in accordance with section 77 of the *Financial Administration Act* S.N.W.T 2015 which states that "Where the charging of expenditures to an appropriation would cause the appropriation to be exceeded, the Comptroller General may, at the end of a fiscal year, record the amount by which the liability exceeds the appropriation as a deemed appropriation for that fiscal year".

23. SUBSEQUENT EVENTS

Health Board Consolidation

April 1, 2016 new legislation came into effect giving the Minister of Health and Social Services the authority to create a Territorial Health and Social Services Authority (NTHSSA). The Minister of HSS has announced that the effective date for the NTHSSA to commence operations is August 1, 2016. When the NTHSSA is created, six of the eight current Health and Social Authorities (HSSAs) become part of the NTHSSA and will no longer be separate legal entities. Hay River Health and Social Services Authority (HRHSSA) and Tlicho Community Services Agency (TCSA) will remain outside the NTHSSA; however, the legislation does include provisions to bring the HRHSSA into the NTHSSA at a later date. The NTHSSA will serve as a single integrated delivery system for NWT health and social service programs while recognizing that the TCSA retains a unique role through the provisions of the Tli Cho Agreement. Through the Chief Executive Officer, the NTHSSA will report to and take direction from the Chair of Health and Social Services Leadership Council that will be comprised of persons appointed in accordance with legislation. The financial impact of this change is not significant to the Government.

Building Canada Plan

On June 13, 2016, Canada signed an eight year, \$72 million, agreement with the Department of Transportation for the new Building Canada Fund. This agreement will allow the Government to rehabilitate selected portions of existing highways and roads, improve safety, and improve access to and from remote communities.

Disaster Financial Assistance

On June 3, 2016, Canada approved an Order in Council to permit the Government to proceed with a Disaster Financial Assistance Arrangements claim of \$4.1 million, which is for extraordinary expenses associated with the civil emergency response incurred by the Government as a result of the 2014 wildfire.

NWT Sport and Recreation Council

NWT Sport and Recreation Council is planning to cease to operate once the NWT Lottery Authority is rolled into the Government. The current date for this to occur is April 1, 2017.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2016

(All figures in thousands of dollars)

23. SUBSEQUENT EVENTS (continued)

Power revenues

NT Hydro filed its 2016/19 GRA on June 30, 2016. NT Hydro is anticipating a Public Utilities Board (PUB) Decision on the application prior to March 31, 2017.

NT Hydro also filed an Interim Rate Application with the PUB on June 30, 2016. This application requested a 4.8% increase to base energy rates for all customers effective August 1, 2016. The PUB approved this application on July 26, 2016.

On April 29, 2016 NT Hydro filed a refund rider application to refund the balance of the Rate Stabilization Fund to customers resulting from the world wide decrease in fuel prices over the past two years. The PUB's Decision 6-2016 approved the refund rider of 0.36 cents/kWh effective June 1, 2016.

24. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

Consolidated Schedule of Tangible Capital Assets

for the year ended March 31,

(All figures in thousands of dollars)

	Land ⁶	Buildings ¹	Infrastructure ^{1,2,4}	Leasehold Improvements	Equipment ^{1,3}	Computers	Work in Progress ⁵	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost of tangible capital assets, opening balance	19,439	1,516,744	2,018,385	39,532	234,641	115,029	186,276	4,130,046	3,708,675
Transfers	879	135,302	131,722	3,637	11,905	16,632	(300,077)	-	-
Acquisitions	-	280	1,123	337	353	-	357,475	359,568	442,749
Disposals	-	(9,218)	(9,440)	(260)	(7,140)	(2,274)	-	(28,332)	(21,377)
Cost of tangible capital assets, closing	20,318	1,643,108	2,141,790	43,246	239,759	129,387	243,674	4,461,282	4,130,047
Accumulated amortization, opening	-	(612,345)	(645,650)	(29,521)	(128,240)	(68,763)	-	(1,484,519)	(1,393,075)
Amortization expense	-	(44,237)	(49,761)	(3,829)	(12,375)	(6,466)	-	(116,668)	(110,186)
Disposals	-	6,005	3,310	260	6,443	1,997	-	18,015	18,742
Accumulated amortization, closing	-	(650,577)	(692,101)	(33,090)	(134,172)	(73,232)	-	(1,583,172)	(1,484,519)
Net book value	20,318	992,531	1,449,689	10,156	105,587	56,155	243,674	2,878,110	2,645,528

¹ Included in buildings, infrastructure and equipment are assets under capital lease (cost \$31,041 (2015 - \$36,185); accumulated amortization, \$10,221 (2015 - \$12,357); net book value, \$20,820 (2015 - \$23,828)).

² Includes roads, bridges, airstrips, aprons, fuel distribution systems, park improvements, aircraft, water/sewer works, fences, signs, transmission and distribution systems and electric power plants.

³ Includes ferries, mobile and heavy equipment, medical and major equipment.

⁴ Included in infrastructure are roads capitalized but not yet amortized \$257,945 (2015- \$175,085)

⁵ Included in work in progress are costs related to P3 projects: Stanton Territorial Hospital Renewal \$40,783 and Mackenzie Valley Fibre Link \$69,142

⁶ Land with cost and net book value of \$0, market value \$7,056 (2015- \$543) was contributed to third parties.

Government of the Northwest Territories

Schedule B

Consolidated Schedule of Segmented Information

for the year ended March 31,

(All figures in thousands of dollars)

	Departments ¹	Other Public Agencies ²	Total for All Segments	Adjustments ³	2016	2015
	\$	\$	\$	\$	\$	\$
Revenues						
Grant from the Government of Canada	1,232,755	-	1,232,755	-	1,232,755	1,208,840
Transfer payments	194,361	19,559	213,920	(69)	213,851	233,603
	1,427,116	19,559	1,446,675	(69)	1,446,606	1,442,443
Taxation and general revenues						
Corporate and personal income taxes	134,847	-	134,847	-	134,847	142,083
Other taxes	111,567	9,752	121,319	(463)	120,856	117,967
General	38,718	698,861	737,579	(669,555)	68,024	77,865
Income from portfolio investments	3,626	1,411	5,037	2	5,039	4,516
Non-renewable resource revenue	58,203	-	58,203	-	58,203	63,750
Sales ⁴	125,799	87,067	212,866	(73,346)	139,520	141,324
Recoveries	22,588	15,063	37,651	(1,432)	36,219	35,485
	495,348	812,154	1,307,502	(744,794)	562,708	582,990
Recoveries of prior years' expenses	19,145	-	19,145	661	19,806	6,815
	1,941,609	831,713	2,773,322	(744,202)	2,029,120	2,032,248
Expenses						
Grants and contributions	802,469	5,788	808,257	(601,068)	207,189	201,103
Operations and maintenance	535,871	304,750	840,621	(114,289)	726,332	777,556
Compensation and benefits	383,671	467,287	850,958	(3,257)	847,701	835,386
Change in valuation allowances	3,082	-	3,082	-	3,082	3,585
Amortization of tangible capital assets	83,899	32,752	116,651	17	116,668	110,186
	1,808,992	810,577	2,619,569	(718,597)	1,900,972	1,927,816
Annual operating surplus (deficit)	132,617	21,136	153,753	(25,605)	128,148	104,432
Projects on behalf of third parties						
Expenses	(81,123)	-	(81,123)	-	(81,123)	(69,661)
Recoveries	81,123	-	81,123	-	81,123	69,661
Annual surplus (deficit)	132,617	21,136	153,753	(25,605)	128,148	104,432

¹ Departments consist of all those listed in Note 21 that begin with the word "Department" and the Legislative Assembly.

² Public agencies consist of those listed in Note 21 other than Departments and the Legislative Assembly.

³ Includes adjustments to eliminate inter-entity balances to comply with Canadian public sector accounting standards of consolidated financial statements; for example, contributions by departments to boards and agencies are shown under grants and contributions expense under the "Departments" column. The amounts received by the applicable board or agency (e.g. Health and Social Services Authority, Divisional Education Council) are shown under general revenue in the "Other Public Agencies" column. These amounts are eliminated upon consolidation to avoid double counting and result in significant amounts shown in the "Adjustments" column.

⁴ To conform with the appropriation process, departments' sales are shown as net of cost of sales and are converted to gross sales for consolidation purposes (via adjustments).

**GOVERNMENT OF THE NORTHWEST TERRITORIES
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016
(Unaudited)**

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

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INTRODUCTION

The Public Accounts report the financial position and results of operations of the Government for a fiscal year. The Consolidated Statement of Financial Position discloses the assets, liabilities, accumulated surplus or deficit, as well as the net debt position of the Government. The Consolidated Statement of Change in Net Debt discloses the significant items that impacted the Government's net debt position since the last fiscal year end. The financial position of the Government is measured at a specific point in time (March 31 fiscal year end), whereas information relating to revenues and expenses encompasses the results for a fiscal year as disclosed in the Consolidated Statement of Operations. It is important to note that the financial position of the Government is often quite different from the financial condition of the economy.

The financial health of a Government can be measured by its sustainability, flexibility, and vulnerability, looked at in the context of the overall economic and financial environment. These terms are defined as follows:

- **Sustainability:** the degree to which a Government can maintain existing programs and meet existing creditor requirements without increasing the debt burden on the economy.
- **Flexibility:** the degree to which a Government can increase its financial resources to respond to rising commitments, by either expanding its revenues, or increasing its debt burden.
- **Vulnerability:** the degree to which a Government becomes dependent on, and therefore vulnerable to, sources of funding outside its control or influence, both domestic and international.

The information provided in the following pages is intended to assist readers of the Public Accounts in their assessment of the Government's financial health. It is important to note that the information contained within the Consolidated Financial Statements (Public Accounts – Section I) includes all Government-controlled organizations. Collectively this is referred to as the Government Reporting Entity. Organizations included in the Government Reporting Entity are listed in Note 1 to the Consolidated Financial Statements.

EXECUTIVE SUMMARY- FINANCIAL HIGHLIGHTS

The executive summary provides a summary of key events affecting results within the Public Accounts and discussion on results in comparison to the original budgets of the Government. High level results of operations for the fiscal year ending March 31, 2016 and the financial position as at March 31, 2016 are summarized below:

(\$ in thousands)

	Budget 2016	Actual 2016	Actual 2015
Total Revenue	2,068,493	2,029,120	2,032,248
Total Expense	1,916,171	1,900,972	1,927,816
Annual Surplus	152,322	128,148	104,432
Financial assets		505,452	490,354
<i>Less: Total liabilities</i>		1,388,765	1,267,812
Net debt		(883,313)	(777,458)
<u>Non-financial assets</u>		2,901,431	2,667,428

The 2015-16 financial statements report a surplus of \$128 million, \$24 million less than was originally budgeted. Subsequent budget adjustments approved during the fiscal year are not reflected in the budget presented. Budget adjustments made during the year typically reflect new information that was not known at the time the original budget was approved, changes in revenues, expenses or both. Mid-year budget adjustments should be considered before any conclusions are drawn with respect to operational results.

Total net debt increased by \$106 million in 2015-16. Debt was incurred to finance capital infrastructure and support working capital requirements for programs and initiatives. This past fiscal year’s increase is largely attributable to the inclusion of financing related to public private partnerships of \$79 million for work done to date on the Mackenzie Valley Fibre Link and Stanton Territorial Hospital renewal projects.

The territorial economy grew by 1.3% in 2015 as measured by real GDP. This is higher than the national average rate of 0.9%.

The Government’s own source revenues are directly linked to the NWT economy. For example, the Government relies on a small number of resource based companies for the majority of its corporate tax revenue, whose incomes fluctuate

significantly with economic events. In addition, the Government collects resource royalties, though it shares these revenues with the federal government and Aboriginal partner organizations, which reduces the fiscal benefit of royalties for the GNWT. However as the Government relies on federal transfers for the majority of its revenues the overall linkage between the economy and the GNWT's revenues does not appear very strong.

The Territory continues to manage growth in spending, while making targeted investments to encourage economic growth and address the infrastructure deficit. Cumulative infrastructure investments of \$2.9 billion focusing on health care, education and transportation have made the Northwest Territories a safer, more competitive and productive Territory, while supporting the creation of jobs in construction and related industries.

Financial Health

A Government's financial health should be measured in terms of sustainability, flexibility and vulnerability. The preceding measures have attempted to show how the GNWT's fiscal health measures up from this standpoint. This suggests the following conclusions:

- **Sustainability** – at the end of the 2015-16 fiscal year the GNWT had a net debt of \$883 million compared to net debt of \$777 million at the end of the prior fiscal year. The net debt represents 43% of revenue. Future investments in infrastructure and operations cannot be sustained at the present level without incurring more debt.
- **Flexibility** – pertains to the GNWT's ability to increase its financial resources. The majority of revenue comes from the Territorial Formula Financing Grant from the Government of Canada. The GNWT's own-source revenues, net of \$58 million in non-renewable resource revenues, decreased slightly from 26% of total revenue in 2015 to 25% in 2016; general revenues and taxes are a major source of fluctuation. The GNWT's limited flexibility to increase taxes combined with small tax bases makes a significant increase in other own source revenues unlikely in the short term. While the Government began sharing in non-renewable resource revenues in 2014-2015, these funds are not significant to the overall operations of the Government.

At March 31, 2016, the GNWT has a federally imposed limit on its borrowing of \$1.3 billion. Although the GNWT is currently well under its debt authority limit, \$1.3 billion represents only 68% of 2015-2016 expenses. The limit on the borrowing capacity precludes the use of debt to

increase financial resources; as well, an increase in debt would at best provide short term flexibility.

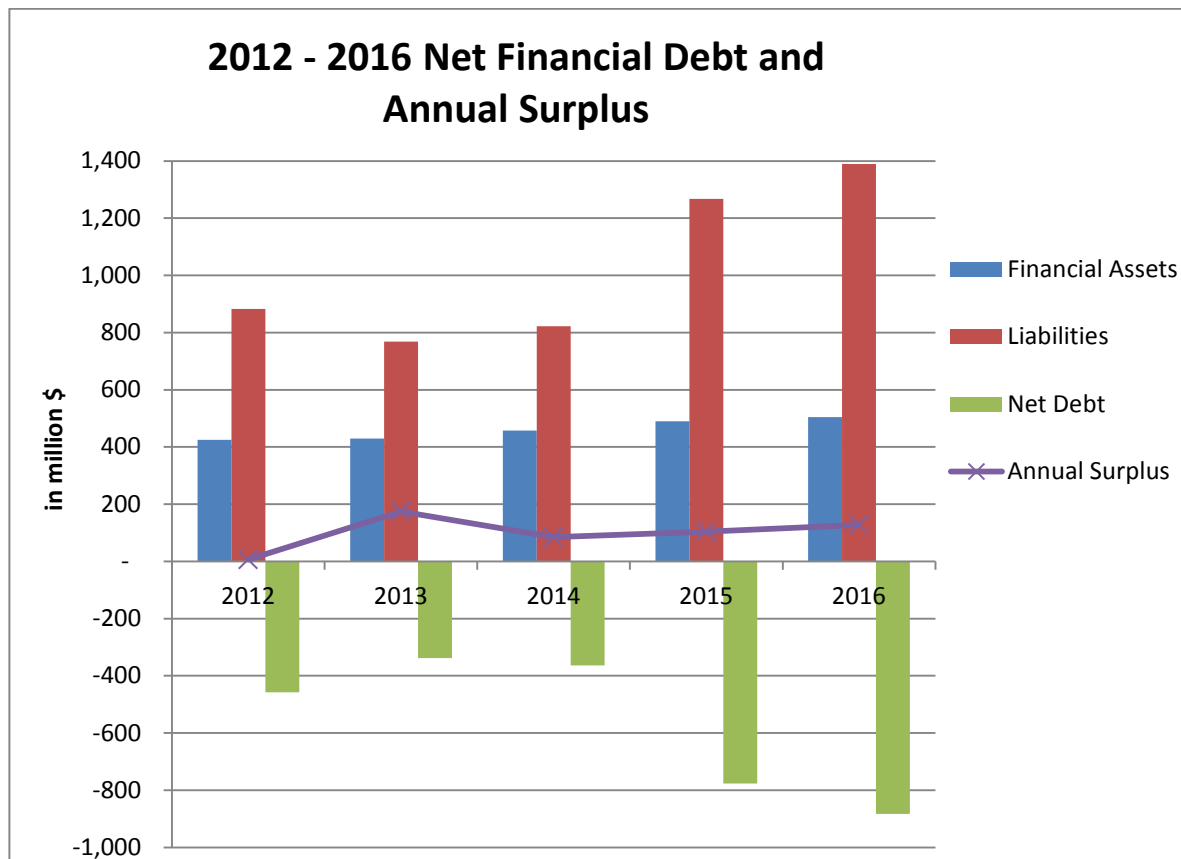
- ***Vulnerability*** – to assess the GNWT’s vulnerability, it is not necessary to look further than the Government’s limited own-source revenues and the volatility related to corporate and personal income taxes. The Government’s largest source of revenue is the grant from Canada. The formula determining the Territorial Formula Financing Grant is established in federal legislation and will remain in effect until March 31, 2019.

In summary, the GNWT continues to be financially stable, but it has limited flexibility to raise new revenues. The GNWT continues to be vulnerable to federal control over changes to its future revenues.

ANNUAL AND ACCUMULATED SURPLUS AND NET DEBT

Net financial resources result when there are financial assets remaining after being reduced by all liabilities of a Government. Net debt results when there is an excess of liabilities over financial assets. The Government is in a net debt position; liabilities exceeded financial assets at the end of the fiscal year. Over the years, the Government’s net debt has fluctuated, but not in unison with fluctuation in annual surplus, as depicted in the graph below. This occurs as other factors impact net debt that do not impact annual surplus, most notably a reduction in cash or an increase in debt as the result of investing in infrastructure will increase net debt. The composition of net debt is shown on the Consolidated Statement of Change in Net Debt within Section 1 of the Public Accounts.

The graph below illustrates the Government’s net debt position and annual surplus at the end of each of the last five fiscal years.



Net debt increased during the 2016 fiscal year primarily due to the inclusion of public private partnerships under long term debt for work done to date on the Mackenzie Valley Fibre Link and Stanton Territorial Hospital renewal projects. Net debt is subtracted from the Government’s accumulated investment in non-financial assets (tangible capital assets/prepaid expenses/inventories held for

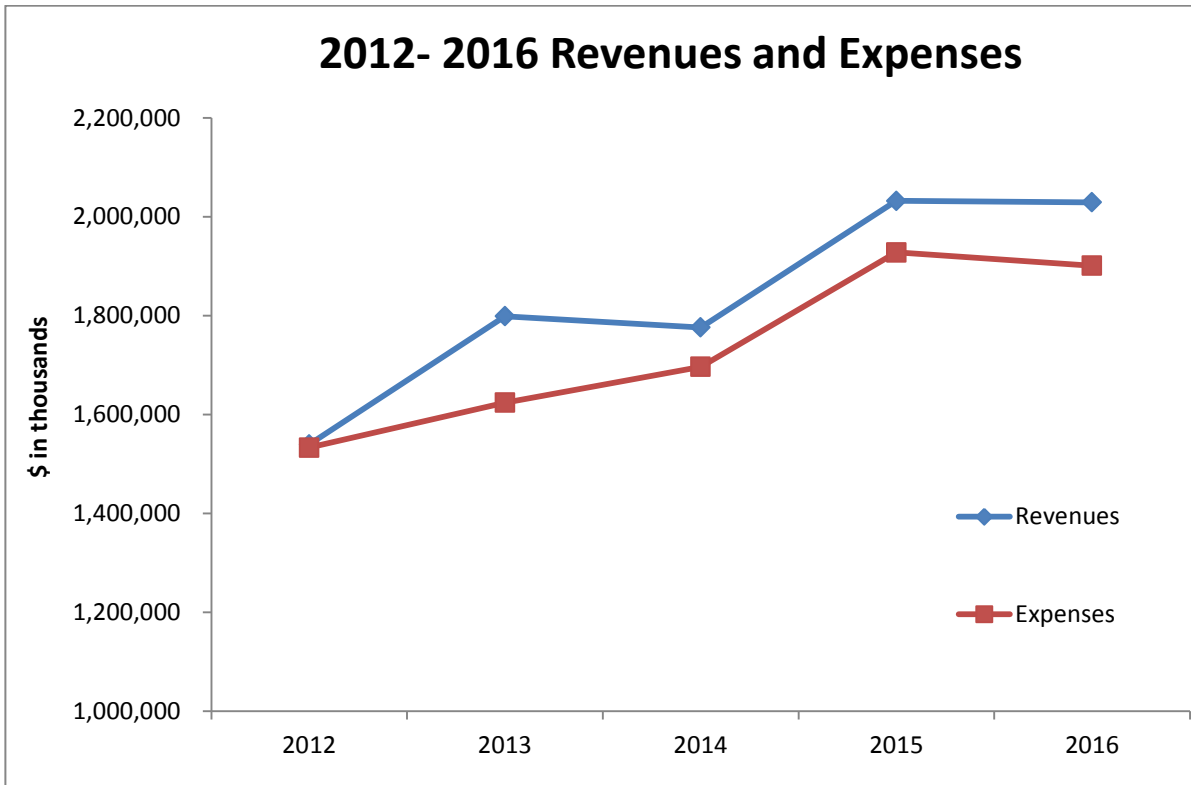
use) to produce the accumulated surplus balance at the end of the year. Net debt represents the debt burden on future generations that must be recovered through future revenues. An important measure of the flexibility of a Government is the level of financial assets available to meet current and future obligations, as well as its ability to absorb any budgeted annual deficit.

Consolidation of Northwest Territories Hydro Corporation

The Government's comparative information has been significantly impacted by the full consolidation of the Northwest Territories Hydro Corporation's (the Corporation) operations in the 2014-2015 fiscal year. Any analysis performed on the trends disclosed within graphs should be adjusted for the impact of this change in reporting relationship. The consolidation impacted revenues, expenses, financial and non-financial assets, liabilities, and annual and accumulated surplus.

The Government is the sole shareholder of the Northwest Territories Hydro Corporation. In recent years the Government has provided significant subsidies to the Corporation to offset rate increases. It is expected that additional subsidies may be required in the future, creating an economic dependence on the Government which has required a change in the Corporation's classification from a government business enterprise (GBE) to that of a government organization within Section I of the Public Accounts. In years prior to 2014-15, the Corporation was accounted for using the modified equity method; the Government reported only its investment in the Corporation, reduced by any dividends received and adjusted for the annual profit or loss of the Corporation, after the elimination of any unrealized inter-entity gains or losses. During the 2015 fiscal year, it was determined that the Corporation no longer met all the criteria of a GBE and as a result effective April 1, 2014 the operations of the Corporation are consolidated on a line-by-line basis as part of the government reporting entity, on a prospective basis. The inclusion of these results within not only revenues, but expenses, assets and liabilities makes a comparison with prior years something that should be done with care to ensure that a true comparison is achieved.

REVENUES AND EXPENSES



** Revenues depicted above include recoveries of prior year expenditures*

Revenues and expenses have both steadily increased in recent years however the 2015-2016 fiscal year show both beginning to flatten. These are described in more detail on the following pages.

REVENUES BY SOURCE

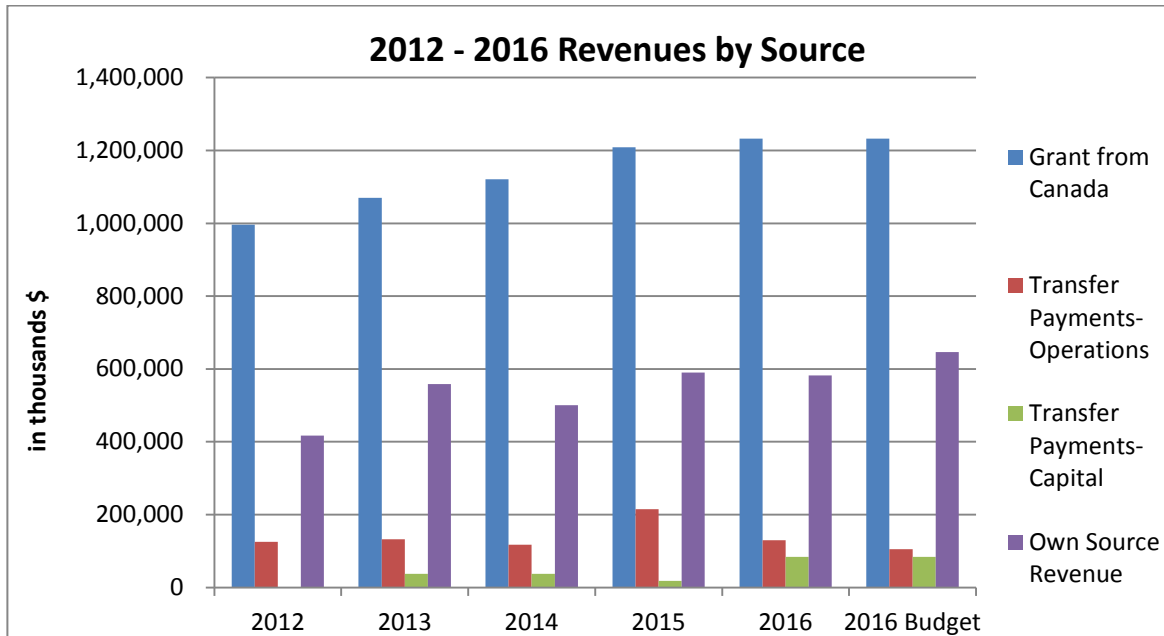
The GNWT funds government programs and services through a combination of transfers from the federal government and own-source revenues. In order to assess the long-term sustainability of the present level of services, various key indicators are monitored on an ongoing basis, including the following:

- Growth rates of revenues and expenditures;
- Changes in the net debt ratio; and
- Impacts of one-time (or non-recurring) events.

The most significant factor that contributes to revenues being more unpredictable than expenses in any given year is the volatility in corporate income tax. NWT corporate income tax revenues are volatile for a number of reasons but mainly because the majority of corporate income tax revenues are generated by a small number of resource based tax payers, whose taxable incomes fluctuate dramatically depending on production and global commodity prices.

The Grant from Canada calculation is based on an equally-weighted three-year moving average of data that is lagged two years. As a result, changes in underlying variables, such as corporate income tax, do not lead to a corresponding impact (up or down) on the Grant from Canada until the second, third and fourth years following the year of the change to the revenue in question. For example, in the event of a revenue shortfall in corporate income tax, the resulting positive offset on the Grant from Canada would occur in one-third increments; in the second, third and fourth years following the year in which the shortfall took place.

Transfer payments revenues related to the purchase or construction of a tangible capital asset, whether fully funded or cost-shared, are recognized when completed assets are put into service, consistent with Public Sector Accounting Standards. This is another significant factor that contributes to revenues being unpredictable. The Inuvik-Tuk Highway is a large project that is cost shared, with annual recognition of revenue as portions of the highway are completed; this causes revenue to be higher than it would normally be as expenditures related to this are capital in nature. The impact on operational expenses will be future amortization when the asset is in service.



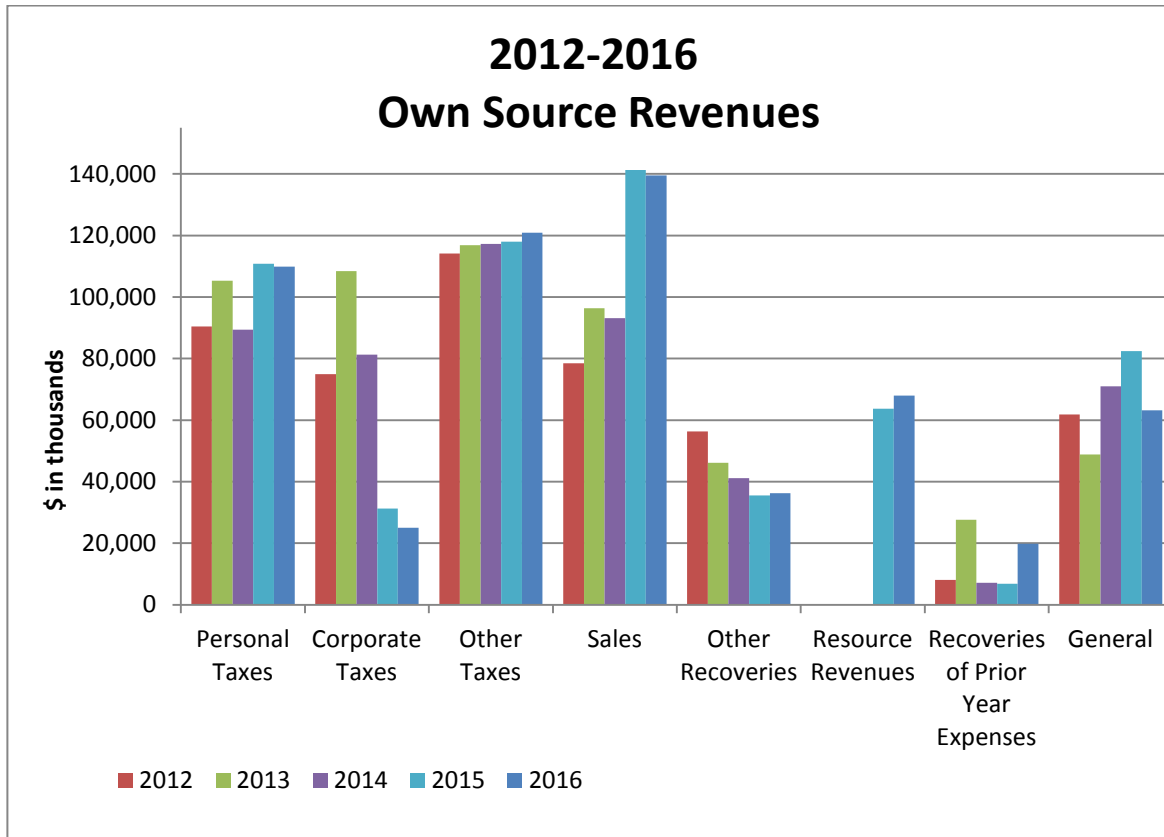
* Own source revenues include recoveries of prior year expenditures

Total revenue in 2015-16 was \$2.029 billion, a decrease of \$39 million or 1.9 per cent of the original budget. This decrease is due to a decrease in personal and corporate income taxes and a decrease in non-renewable resource revenues due to the downturn in the resource industry.

Territorial Formula Financing Grant from Canada

The Grant from Canada was \$1.232 billion in 2015-16, an increase of \$24 million over 2014-15, due mainly to normal growth from the escalator on the Grant's Gross Expenditure Base.

The Grant from Canada is an annual formula-based calculation to fill the fiscal gap between the GNWT's expenditure needs and its ability to raise revenues. The NWT's Grant equals the difference between its Gross Expenditure Base and a measure of revenue capacity known as Eligible Revenues. The Gross Expenditure Base is an estimate of the expenditure requirements of the GNWT, which takes into account the higher costs and needs in the NWT to deliver public services of similar quality to those in the provinces. The Gross Expenditure Base is increased annually by the growth in provincial and local government spending and the growth in the NWT population relative to the growth in the Canadian population. Eligible Revenues are calculated by determining what the GNWT could have raised in revenues at national average tax rates and reducing that amount by a 30 per cent Economic Development Incentive.



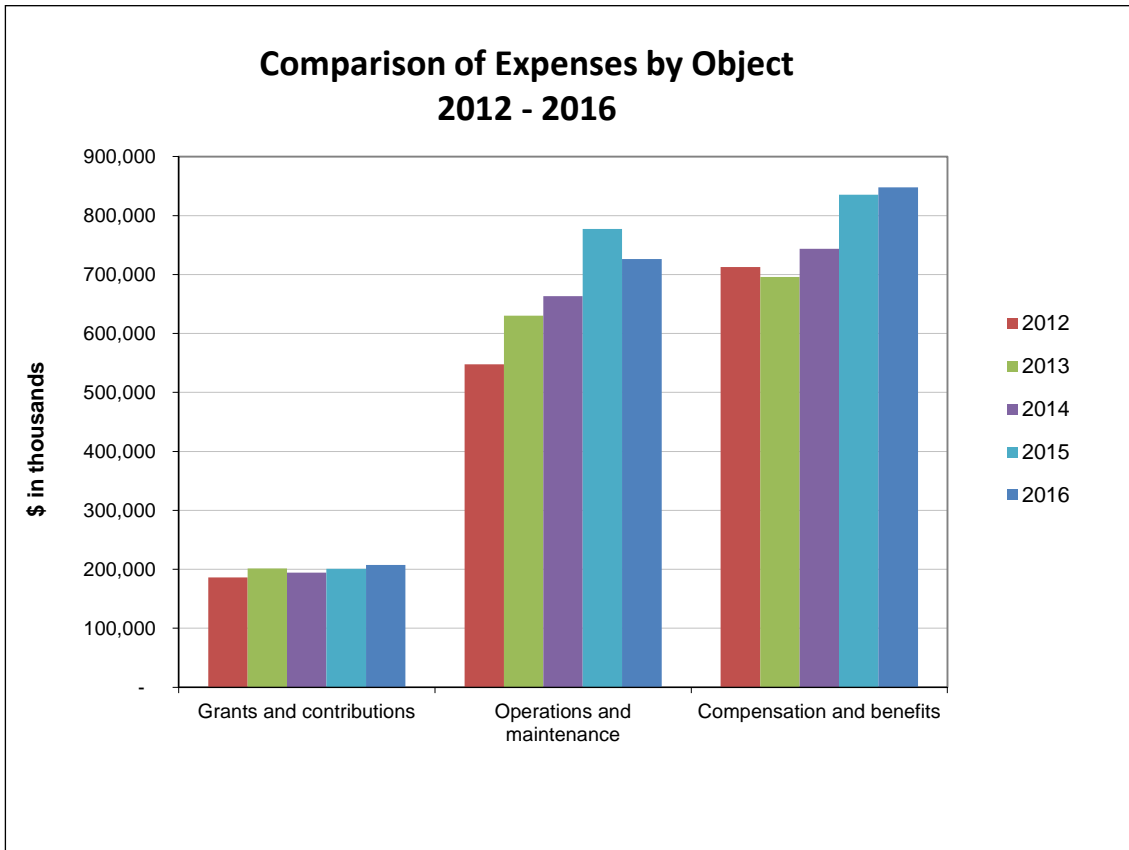
Own Source Revenue

The Government’s major own-source revenues, related to corporate and personal income tax, tobacco tax, fuel tax, payroll tax, and excluding non-renewable resource revenues, have averaged approximately 29% of total revenues indicating a reliance on the Grant from Canada. Other transfer payments from Canada vary, approximately 11% of total revenues for the current year.

With the exception of corporate and personal income tax and non-renewable resource revenues, other own-source revenues have proven to be fairly consistent over the years. Corporate income tax revenue is dependent upon a small base of significant taxpayers that accounts for the volatile nature of this tax revenue. 2014-15 was the first year of non-renewable resource revenues and the inclusion of the Hydro Corporation; the effects of the Hydro Corporation and non-renewable resource revenue trends will be evident over time.

Non-renewable resource revenues are subject to volatility and the expected revenue stream could fluctuate significantly from the annual average. In addition non-renewable resource revenues are generated as the resources are extracted and are therefore finite. Non-renewable resource revenues, after sharing with the federal and Aboriginal partners (signatories to the Northwest Territories Lands and Resource Devolution Agreement) will be used to fund infrastructure, pay down debt and invest in the NWT Heritage Fund.

EXPENSES BY OBJECT



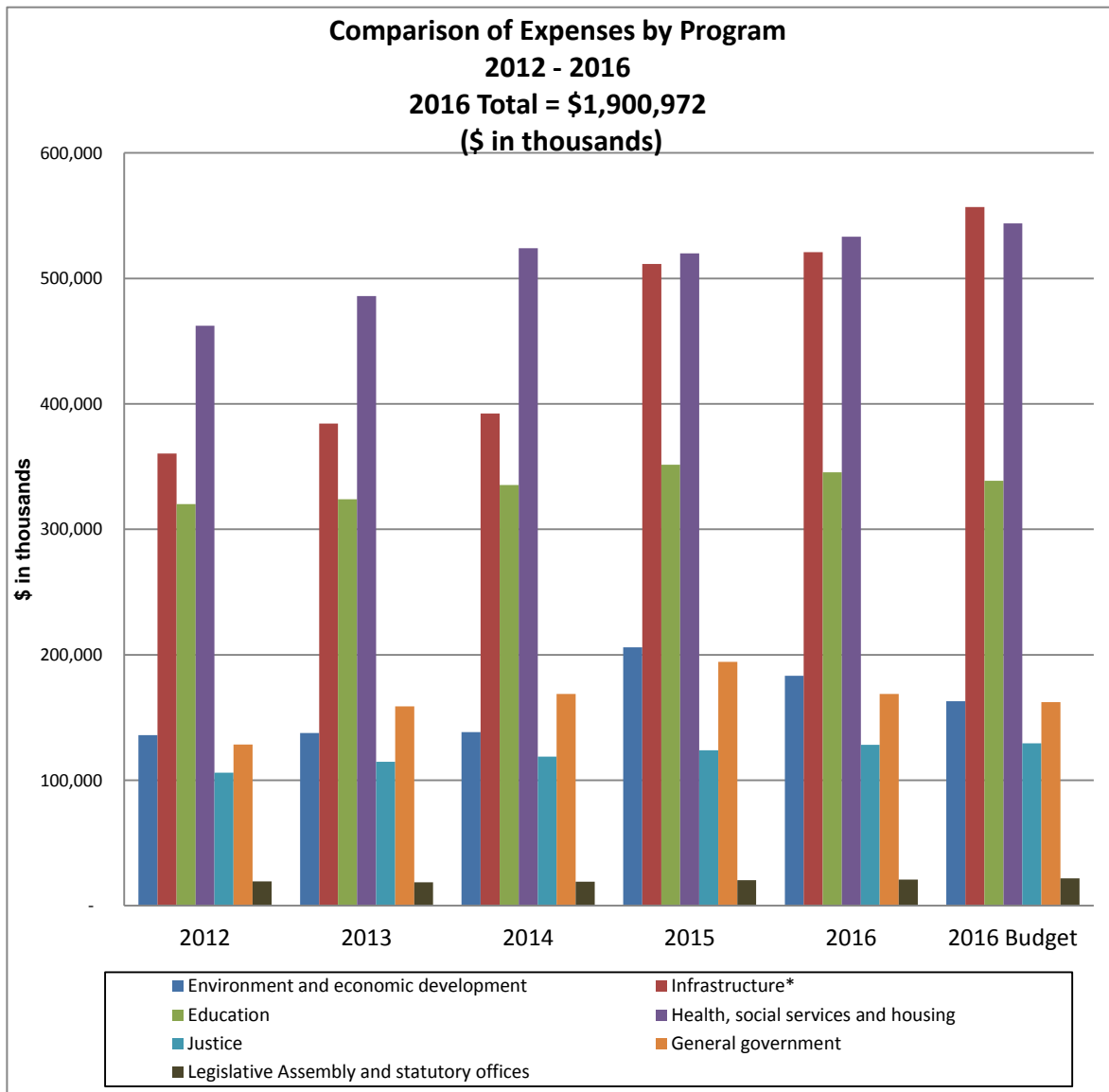
The above graph provides information on the consolidated government’s operations. Total expenses in 2015-16 are \$1.9 billion, a decrease of \$15 million or 0.8% from budget. This decrease is due to vacant positions, decrease in fuel prices and unspent health and housing funding.

Grants and contributions from the GNWT to boards and agencies consolidated in Section I of the Public Accounts are reported under the operations and maintenance and compensation and benefits categories to better reflect the nature of the final expense types that resulted. This classification does not change the way that these Government organizations are funded as many of our social and educational programs are funded by contributions from the GNWT. Many components of these funding agreements with boards and agencies are fixed costs incurred by the recipients and as the major (or sole) provider of funds, the Government cannot vary the funding without affecting the level of output by these boards and agencies.

In addition, lease commitments and other contractual obligations, which are disclosed in the notes to the Consolidated Financial Statements, are long-term fixed costs over which there is little discretion to be exercised in the short-term.

The Government is also vulnerable to inflation both for operational expenses and as an important factor when negotiating compensation and benefits. Not only are the direct wages of the Government and its boards and agencies vulnerable to this, compensation and benefits also comprise a significant factor in determining the amount of grants and contributions given out to third parties.

EXPENSES BY PROGRAM



*Infrastructure now includes the Northwest Territories Hydro Corporation. Infrastructure in this example is the operations and maintenance portion of the expense, not the capital funds spent on purchasing or constructing infrastructure.

The Government spends the majority of its budget on social programs (education, health, support to community Governments, justice and housing), with the remaining budget allocated to infrastructure, natural resources and economic development. Any additional resources to improve a service often have to be made at the expense of other important needs. Balancing a budget entails not only controlling expenses but also finding the most effective and efficient mix of programs.

The following comparisons to budget are based on original plans and do not include supplementary appropriations/or budget adjustments.

- Environment and economic development expense was \$183 million in 2015-16. This was \$23 million or 11 per cent less than reported in the prior year. 2015-16 figures were \$20 million more than budgeted due to forest management wildfire costs.
- Infrastructure expense was \$521 million in 2015-16. This was \$9 million or 1.9 per cent higher than reported in the prior year. 2015-16 figures were \$36 million less than budgeted due to vacant positions, and decreases in fuel prices.
- Education expense was \$345 million in 2015-16. This was \$6 million or 1.8 per cent less than reported in the prior year. Conversely 2015-16 actual figures were \$6 million greater than budgeted due to an increase in income security and unbudgeted amortization in two Education Boards.
- Health, social services, and housing expense was \$533 million in 2015-16. This was \$13 million or 2.6 per cent higher than reported in the prior year. 2015-16 figures were \$11 million less than budgeted due to underspent ambulatory care costs and diagnostic and therapeutic services and underspent home ownership assistance grants and rental housing assistance.
- Justice expense was \$128 million in 2015-16. This was \$4 million or 3.4 per cent higher than reported in the prior year. 2015-16 figures were close to budgeted amounts.
- General government expense was \$169 million in 2015-16. This was \$26 million or 13 per cent less than reported in the prior year. 2015-16 figures were \$6 million more than budgeted due to an overall increase in contribution expenses.
- Legislative Assembly and statutory offices expense was \$21 million in 2015-16. This was \$0.4 million or 1.9 per cent higher than reported in the prior year. Legislative Assembly expenses were \$400k more than budgeted due to an increase in election and constituency related expenditures for the 2015 election year.

GROSS DOMESTIC PRODUCT

Gross Domestic Product (GDP) represents the total unduplicated value of goods and services produced within the geographical boundaries of a country, province or territory, regardless of whether the factors of production involved are resident or non-resident. GDP is presented in chained dollars. Chained dollars are a real measure of GDP meaning pricing effects are excluded providing a direct comparison of the quantity of goods and services produced from year to year; GDP changes because the quantity of goods and services changes. Estimates of GDP are typically expressed at basic prices, which exclude the impact of taxes and subsidies in the estimate.

For the Northwest Territories (NWT), Statistics Canada estimated GDP was \$3.7 billion for 2015, which represents a 1.3% increase relative to the previous year. This rise was the result of an increase in capital investment (construction) in the 2015 calendar year.

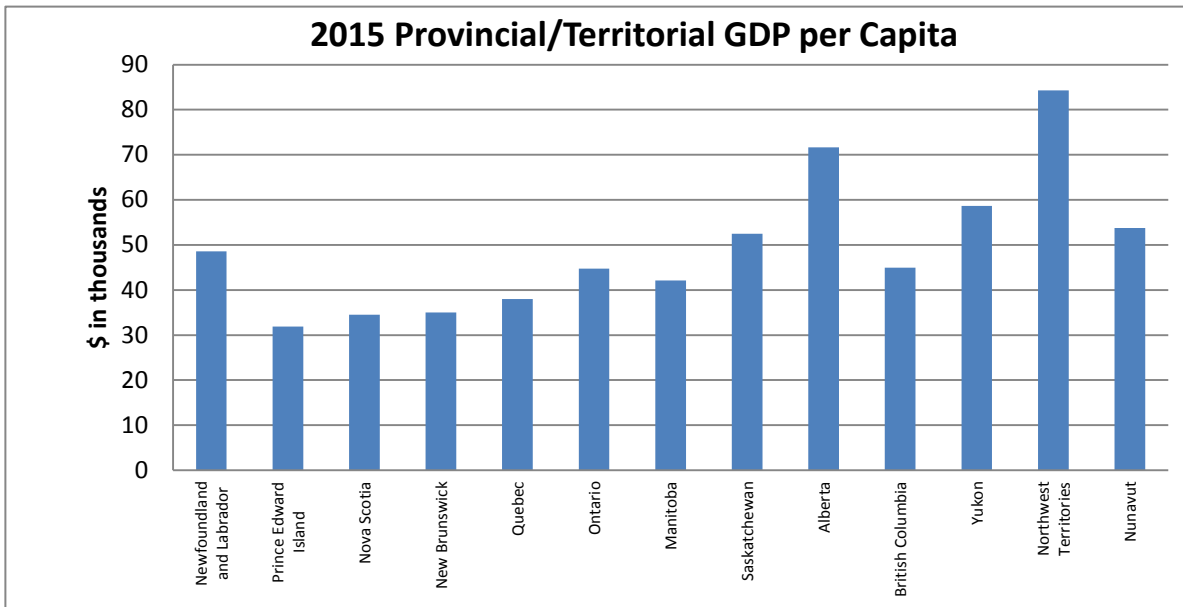
Real Gross Domestic Product at Basic Prices, calendar years 2014 and 2015
Canada, Provinces and Territories
Chained (2007) Dollars (\$ in millions)

	2015	2014	Percent Change
Canada	1,648,905	1,634,178	0.9
Northwest Territories	3,724	3,677	1.3
Nunavut	1,963	1,939	1.2
Yukon	2,193	2,332	-6.0
British Columbia	210,910	204,555	3.1
Alberta	299,603	311,083	-3.7
Saskatchewan	59,389	60,192	-1.3
Manitoba	54,609	53,462	2.1
Ontario	617,457	602,010	2.6
Quebec	313,676	309,852	1.2
New Brunswick	26,419	25,881	2.1
Nova Scotia	32,560	32,243	1.0
Prince Edward Island	4,675	4,614	1.3
Newfoundland and Labrador	25,688	26,159	-1.8

Source: Statistics Canada

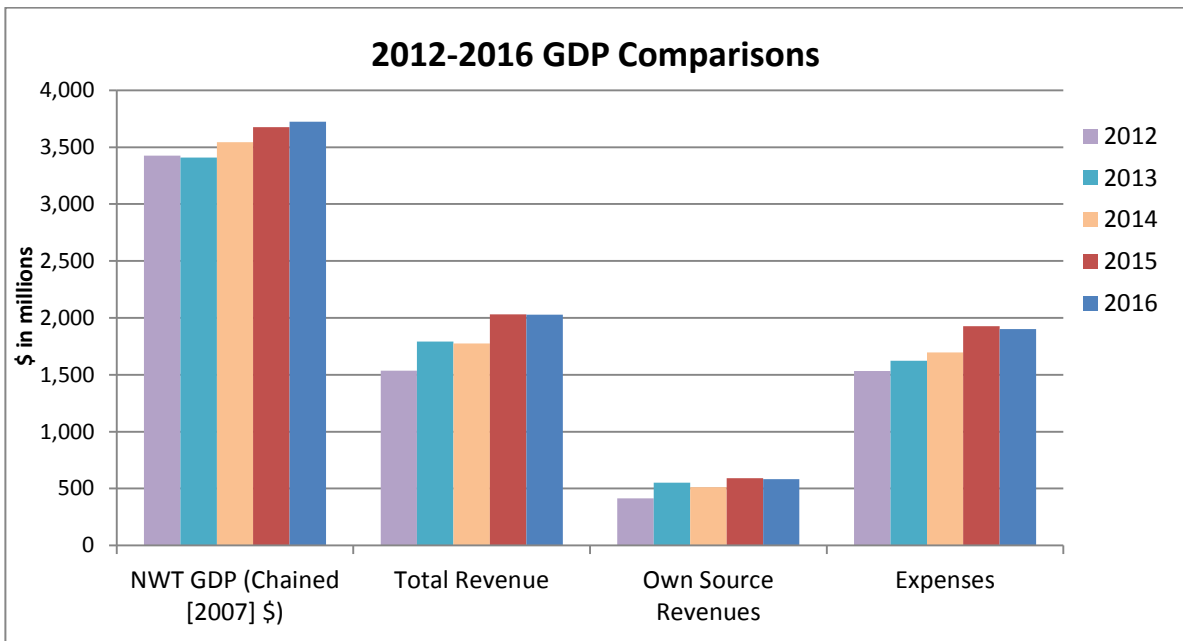
Note: Data will not sum to totals since chained dollars are not additive.

GROSS DOMESTIC PRODUCT (continued)



Based on September 28, 2016 population estimates of Statistics Canada

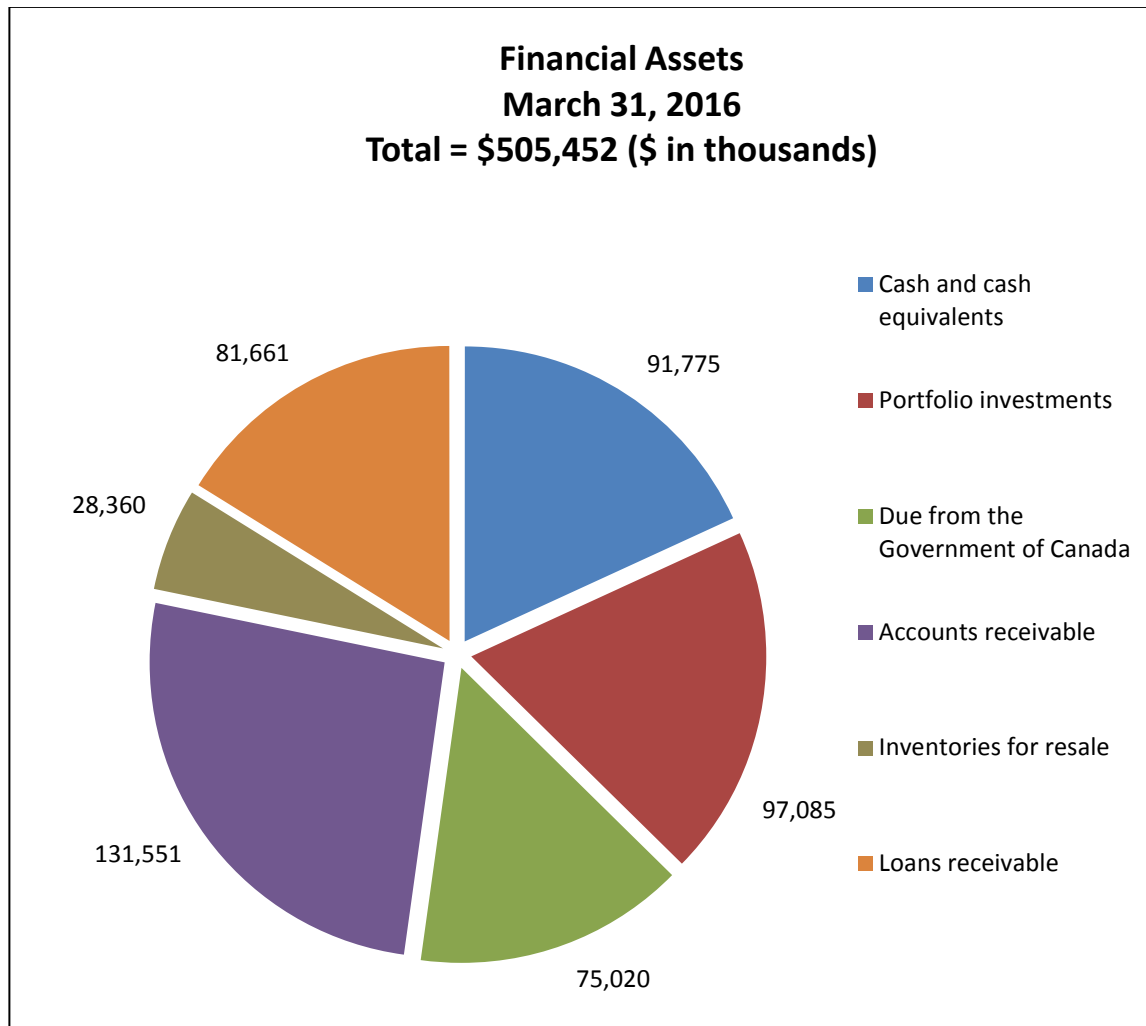
The NWT currently has the highest GDP per capita in Canada. This is an important indicator to note when considering GDP statistics as it shows that while the NWT has a relatively small population our economy is large by comparison.



* NWT GDP is based on a calendar year, while the balance of the information is based on the fiscal yearend (March 31 of the following year).

FINANCIAL POSITION- FINANCIAL ASSETS

Financial assets represent the amount of resources available to the Government that can be converted to cash to meet obligations or fund operations.

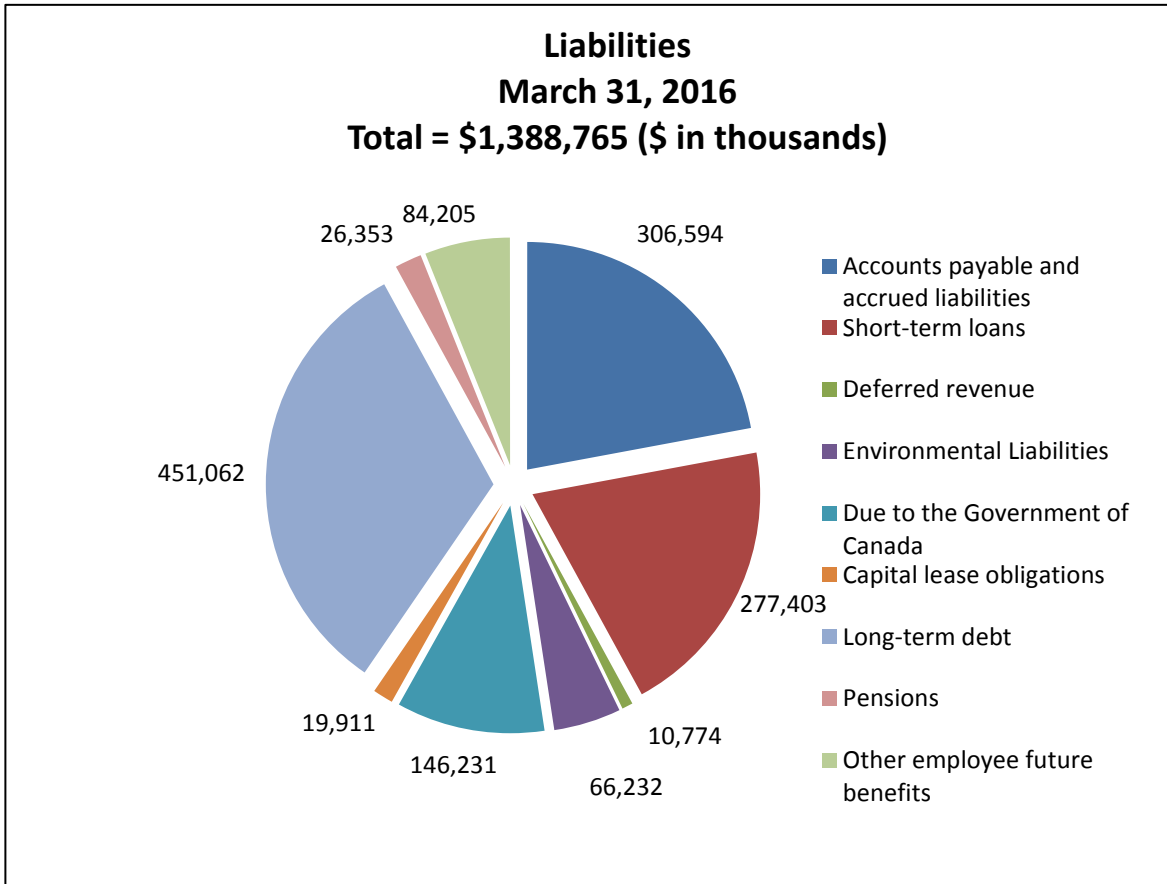


The above graph illustrates the composition of the Government's financial assets.

Approximately 18% of the GNWT's financial assets are cash. The balance of the financial assets is convertible to cash over time, varying from relatively short-term investments and inventory for resale to long term loans receivable. The balance of the financial assets will, over time, contribute to the GNWT's ability to discharge its liabilities as depicted on the following page.

FINANCIAL POSITION- FINANCIAL LIABILITIES

Liabilities represent the obligations the Government has to others arising from past transactions or events.



The above graph illustrates the composition of the Government's liabilities.

The Government presently has approximately \$505 million in financial assets available to discharge liabilities of approximately \$1.389 billion. The gap between the Government's financial assets and its liabilities indicate that some of its future revenues will be required to meet these obligations. Additional analysis would be required to determine how much of the future revenues and how they will match up with maturing liabilities.

Many of the liabilities are not due in the short-term and will be settled at a later date. This fact, combined with longer term financial assets that provide cash at a later date and cash/accounts receivable that will be generated over future years through normal government operations and future generation of revenues will help meet these future obligations.

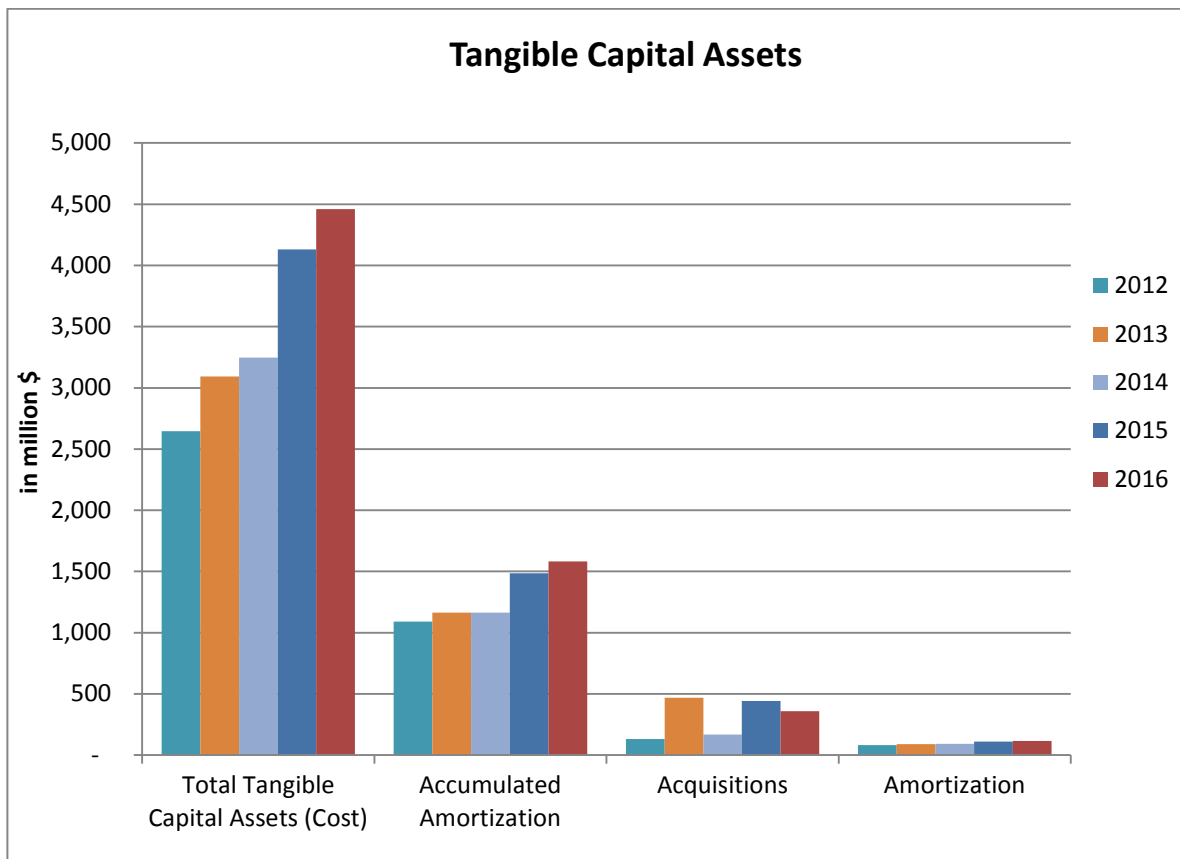
NON- FINANCIAL ASSETS

Non- financial assets typically represent resources that the Government can use to provide services in the future. Non-financial assets consist primarily of tangible capital assets but also include inventories held for use and prepaid expenses.

Tangible Capital Assets

Tangible capital assets include assets purchased or constructed by the Government and assets that were fully or partially contributed to the GNWT by Canada or other parties.

Under the Government’s capitalization policy, assets valued at \$50,000 or more are capitalized and then expensed as amortization in the Consolidated Statement of Operations based on their estimated useful life.



Tangible capital assets (at cost) do not include adjustments for contributions that may have been received to offset the cost. For further details regarding tangible capital assets refer to Schedule A in the Consolidated Financial Statements included in Section I of the Public Accounts.

The Government plans its capital expenditures to ensure that existing tangible capital assets are replaced or expanded in a timely manner in conjunction with the Government’s direction, priorities and fiscal strategy. The breakdown of capital

investment categories is located in Schedule A of the Consolidated Financial Statements.

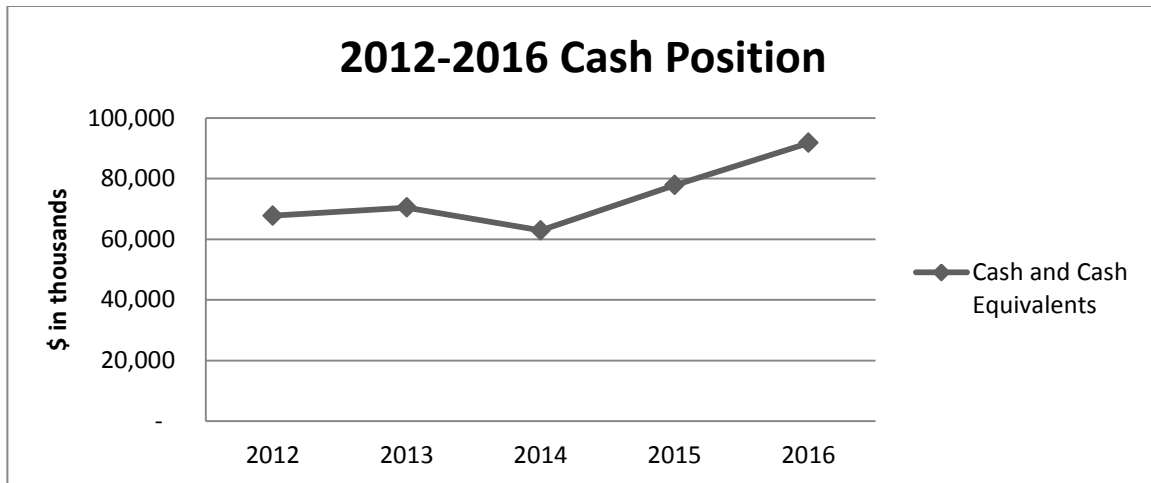
The government invests in infrastructure in two ways:

- By investing in government-owned capital; and
- By providing transfers to third parties, including municipalities, for capital purposes. Assets funded in this manner are disclosed as contributions, not as Government capital assets.

The GNWT is currently investing in tangible capital assets at a level that represents between 50% and 60% of the estimated investment needed for replacement and growth. In the 2016 fiscal year, the Government placed \$302 million worth of new assets into service (2015 - \$256 million). The most significant being the completed sections of the Inuvik-Tuk highway; this recognition is in keeping with the Government's policy of recognizing highway construction as it is built. No amortization will be taken on this highway until such time as it is available for use.

CASH FLOWS

The statement of cash flow reports on the sources and uses of cash during the year. During the year, the Government's overall cash position increased by \$14 million; from \$78 million in 2014-15 to \$92 million in 2015-16.



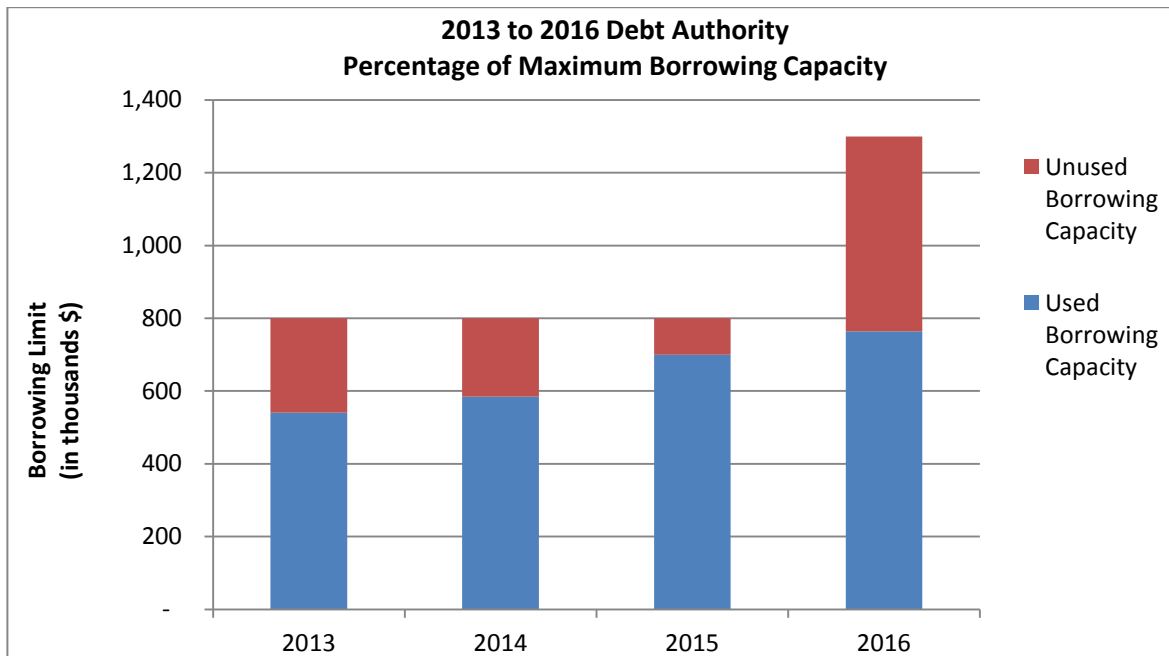
The primary source of cash was operations. Other sources of cash included disposition of portfolio investments and proceeds from short-term loans. The cash position is also impacted by the Government's \$263 million investment in tangible capital assets, representing its continued commitment to investment in the Territories' infrastructure (including education and health care facilities). More detail is available on the Statement of Cash Flows within the Section I of the Public Accounts.

LONG-TERM DEBT BORROWING LIMITS

Since 2011-12, the borrowing limit of the GNWT has been established at \$800 million pursuant to subsection 20(2) of the *Northwest Territories Act*. In May 2015, due to pressures stemming from the general state of the economy and the Government’s desire to address infrastructure deficits, the Government was successful in negotiating a new limit of \$1.3 billion for the 2015-16 fiscal year and beyond.

The Government has long recognized that debt would be needed at some future date if it was to address its infrastructure deficit. In anticipation of this requirement the Government implemented a Fiscal Responsibility Policy in 2005 (re-written and updated, effective January 2016) to guide borrowing decisions and allow flexibility in planning for its future infrastructure needs. As part of its fiscal management strategy, the Government has obtained a credit rating of Aa1 from Moody’s Investors Service to assist in decisions that may be required related to any future debt instruments that the Government may consider. The current Capital Plan includes projects under the GNWT’s Public-Private Partnership policy or projects that will be fully funded by the Government’s revenues.

Consolidated debt, for purposes of the Territorial Borrowing Limit, includes borrowings of all Government organizations that are included within the Consolidated Public Accounts. Additional details are reflected in note 14 Section I of the Public Accounts.



The NWT requires a significant investment in infrastructure. To ensure ongoing fiscal sustainability, but still allow for necessary investments required to address high priority infrastructure needs, the Fiscal Responsibility Policy establishes an ongoing approach to finance the Government's infrastructure investments and requires that at least 50% of the Government's non-consolidated annual infrastructure investment, excluding Public-Private Partnership projects be financed by cash generated from operations (i.e. from operating surpluses). A maximum of 50% of the non-consolidated annual infrastructure investment, excluding public private partnership projects, may be financed by debt. In addition annual non-consolidated debt servicing payments (principal and interest) cannot exceed 5% of total non-consolidated revenues. This requires the Government to plan for and realize sufficient operating surpluses on an ongoing basis to finance 50% of capital investments as well as meet debt servicing payments on the amounts borrowed.

The Fiscal Responsibility Policy makes the Government accountable for its level of borrowing with the establishment of performance measures for debt management that ensure the total debt of the Government does not exceed the capacity of the Government to repay the debt as it becomes due. The GNWT policy on borrowing and performance measurement criteria, for management of debt, is to be reviewed and updated annually.

The seven debt management performance measures, as specified in the Fiscal Responsibility Policy, form part of the indicators of financial condition and are disclosed in the following section.

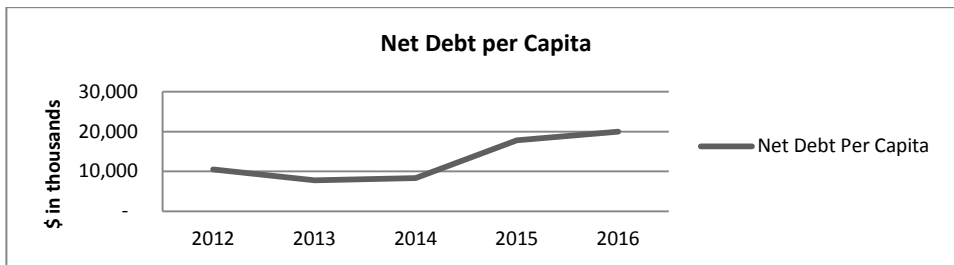
INDICATORS OF FINANCIAL CONDITION

Financial condition describes a government’s financial health or its ability to meet its existing financial obligations, both with respect to its service commitments to the public and its financial commitments to creditors, employees and others. The following assessment of the Government’s financial condition considers three elements: sustainability, flexibility and vulnerability.

In years prior to 2014-15 the Consolidated Public Accounts did not include the impact of the Northwest Territories Hydro Corporation. The Northwest Territories Hydro Corporation has been fully consolidated from fiscal year 2014-15 and has been contributing to the increases in the data below. A trend will be more comparable over time.

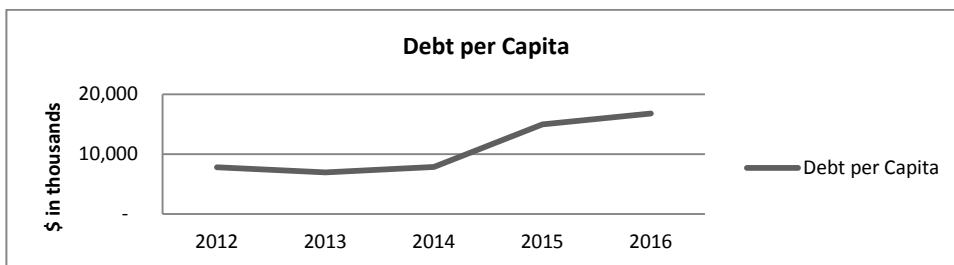
Measures of the Fiscal Responsibility Policy

- i) Net debt per capita represents the net debt attributable to each Northwest Territories resident. A decrease in this ratio indicates the debt burden per resident has improved.



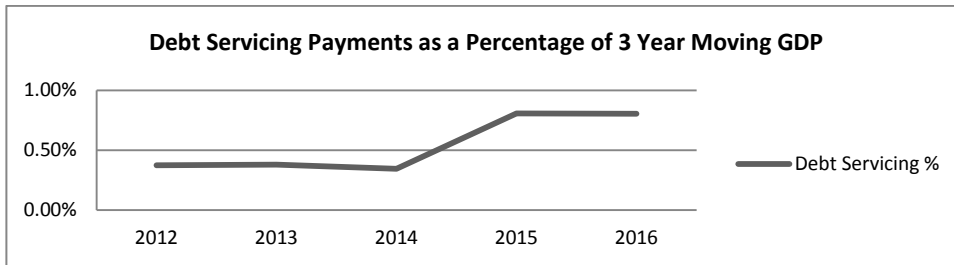
During 2015-16, net debt for the Northwest Territories increased by 11%, from \$17,834 per capita to \$19,984 per capita. The increase is mainly due to the inclusion of public private partnerships in long term debt and an increase in the amounts due to Canada for income taxes.

- ii) Debt per capita represents the debt attributable to each Northwest Territories resident. A decrease in this ratio indicates the debt burden per resident has been reduced.



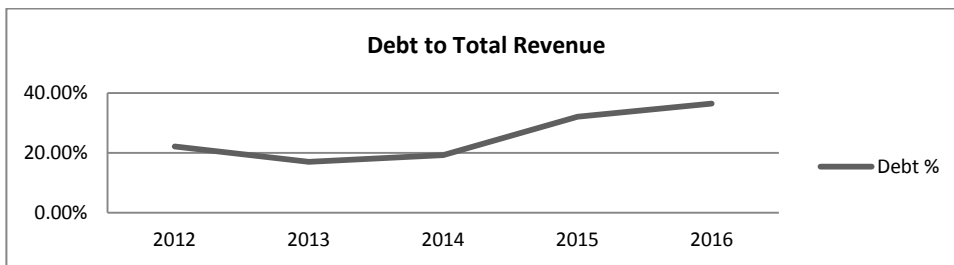
Debt per capita increased by 12%; from \$14,981 per capita in 2014-15 to \$16,782 per capita in 2015-16.

- iii) Debt servicing payments (interest and principle) as a percent of 3 year average Northwest Territories GDP is a measure of debt payments in relation to economic growth, where ideally, economic growth exceeds the growth rate of public debt payments. A decreasing ratio reflects a consistent improvement in financial position.



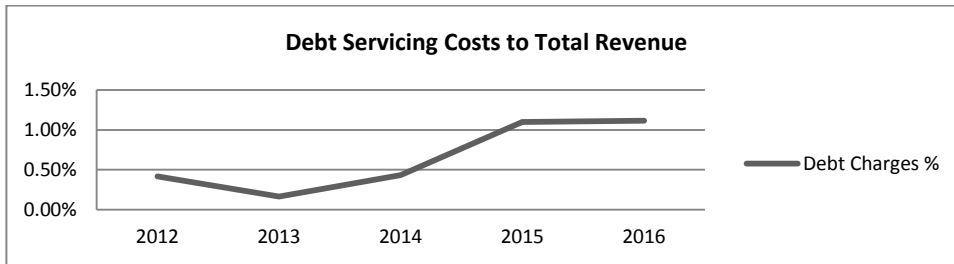
Debt servicing payments as a percentage of GDP for the Northwest Territories remained at 0.81% since 2014-15.

- iv) Debt to total revenue is an indicator of the change in debt in proportion to the change in revenue, where decreasing ratios are a positive indicator that the rate of increase in revenue is greater than the rate of increase in debt. A lower debt to revenue ratio indicates higher sustainability, as less time is required to eliminate debt.



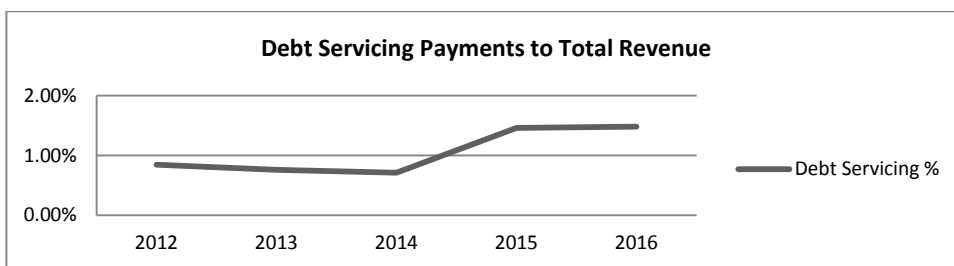
The Government’s debt has increased from 32.14% in 2014-15 to 36.56% in 2015-16 mainly due to the inclusion of public private partnerships in long-term debt. An increase in this ratio indicates the Government’s annual increase as percentage of revenue has not been sufficient to offset the percentage increase in debt.

- v) Debt servicing costs (interest) as a percentage of total revenue is a measure of the extent that Government revenues are being applied to debt charges, rather than to programs and services, or tax reduction. A lower debt charges ratio indicates an increased ability to borrow.



Prior to 2014-15, the GNWT was in the enviable position of having to expend less than 1% of its total revenues to service its debt load. In 2014-2015, the Government consolidated the Northwest Territories Hydro Corporation and increased debt charges to approximately 1.10% of total revenue and this further increased to only 1.12% in 2015-16, still a very manageable ratio.

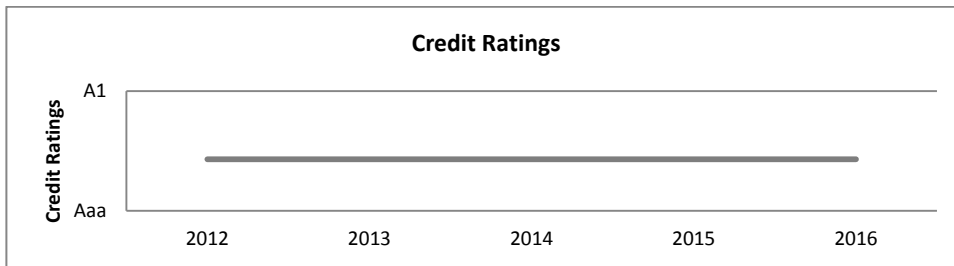
- vi) Debt servicing payments (interest and principle) to total revenue ratio is a measure of the extent that Government revenues are being applied to debt repayment, rather than to programs and services, or tax reduction. A lower debt charges ratio indicates an increased ability to borrow. Per the *Fiscal Responsibility Policy*, this ratio shall not exceed 5%. The Government’s fiscal responsibility for debt servicing payments was met by having debt payments of 1.48% of total revenues.



Increases starting in 2014-15 relate to the consolidation of the Northwest Territories Hydro Corporation.

The Government’s debt servicing payments to total revenue has increased slightly from 1.46% in 2014-15 to 1.48% in 2015-16.

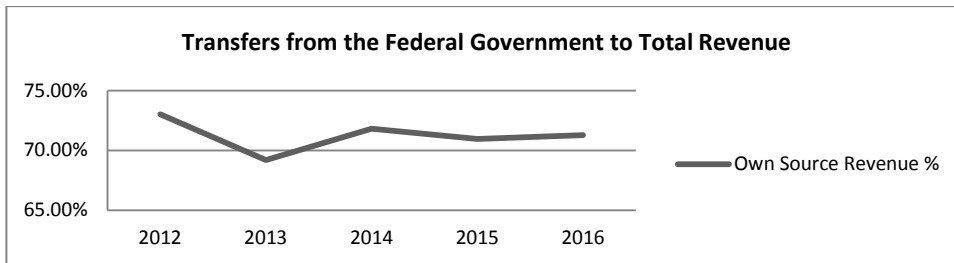
- vii)** The Government's credit rating is a measure of sound fiscal policies, adherence to these policies and current and future debt burden with the goal of maintaining the current investment grade rating.



As part of its fiscal management strategy, the Government has obtained a credit rating of Aa1 since 2006-07.

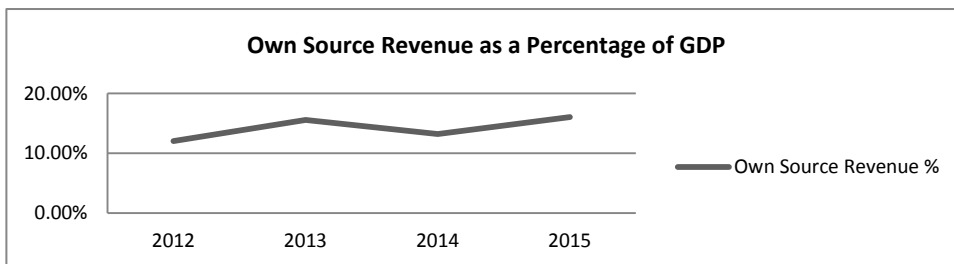
OTHER FINANCIAL INDICATORS

- i) Transfers from the federal government as a percentage of total revenue is an indicator of the degree of vulnerability the Government has as a result of relying on federal government transfers. A decreasing ratio typically reflects that a Government is less reliant on transfers to fund its programs, making it less vulnerable.



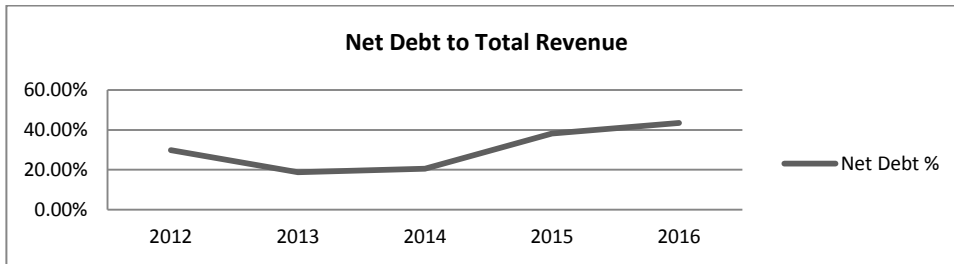
In 2015-16, 71% of total revenue came from federal government transfers. The total share of own source revenue has remained fairly stable over the past several years resulting in a continued reliance on the Territorial Formula Financing Grant from Canada.

- ii) Own source revenue to GDP measures the extent to which the Government is taking income out of the economy. An increase in this ratio indicates that the Government’s own source revenue is growing faster than the economy, reducing the flexibility to increase revenue without slowing the growth of the economy.



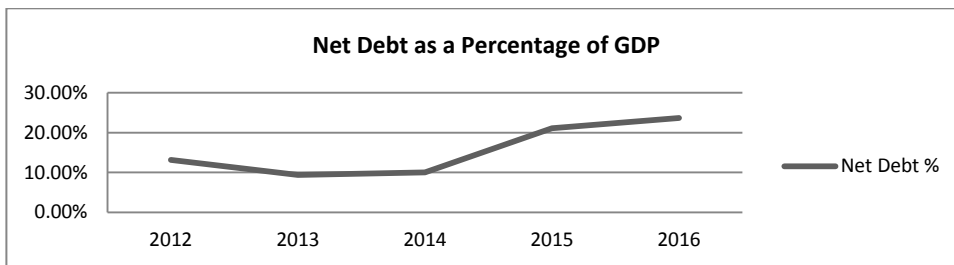
As indicated in the graph above, own source revenue as a percentage of GDP has remained relatively stable over the last five years.

- iii) Net debt to total revenue is an indicator of the change in debt in proportion to the change in revenue, where decreasing ratios are a positive indicator that the rate of increase in revenue is greater than the rate of increase in debt. A lower net debt to revenue ratio indicates higher sustainability, as less time is required to eliminate net debt.



The Government's net debt has increased from 38.26% in 2014-15 to 43.53% in 2015-16 mainly due to the inclusion of public private partnerships in long-term debt. An increase in this ratio indicates the Government's annual increase as percentage of revenue has not been sufficient to offset the percentage increase in debt.

- iv) Net debt as a percentage of the Territories GDP is a measure of debt growth in relation to economic growth, where ideally, economic growth exceeds the growth rate of public debt. A decreasing ratio reflects a consistent improvement in financial position.



During 2015-16, net debt for the Northwest Territories increased as a percentage of GDP from 21.14% to 23.72%.

RISKS AND UNCERTAINTIES

The government is subject to risks and uncertainties that arise from variables which the government cannot directly control. These risks and uncertainties include:

- Changes in economic factors such as economic growth or decline, commodity and non-renewable resource prices, inflation, interest rates, marketplace competition, population change, personal income and retail sales;
- Exposure to interest rate risk, credit risk, and liquidity risk;
- Changes in transfers from the federal government;
- Utilization of government services;
- Other unforeseen developments including unusual weather patterns and nature and other disasters;
- Criminal or malicious attacks, both cyber and physical in nature, potentially resulting in business interruption, privacy breach and loss of, or damage to, information, facilities and equipment;
- Identification and quantification of environmental liabilities;
- Factors that could hinder the safe delivery of products and services;
- Outcomes from litigation, arbitration and negotiations with third parties;
- Changes in reported results where actual experience may differ from initial estimates as discussed in note 2 Section I of the Public Accounts; and
- Changes in accounting standards.

The Government uses a number of forecasts from banks and private industry when developing the underlying assumptions for fiscal forecasts both in budget development and throughout the fiscal year.

For the Government to meet its challenges of growth and remain competitive, attention is directed towards maintaining and investing in the Territories' infrastructure to allow for continued future growth.

Compliance with Fiscal Responsibility Policy

The Fiscal Responsibility Policy states the Government will restrict infrastructure investments, excluding Public-Private projects (P3) as follows:

- a) A minimum of fifty per cent (50%) from the operating surpluses generated within the non-consolidated Public Accounts; and
- b) A maximum of fifty per cent from Government debt.

	2014-15	2015-16
	(\$ in Millions)	
<i>Fiscal Responsibility Policy Provision 6(5)(a)- Debt Servicing Payments</i>		
Revenues (Schedule A of Non-Consolidated Public Accounts)	1,819	1,814
<i>Maximum Debt Servicing Payments- 5% of Revenues</i>	91	91
Debt Servicing Payments		
Capital Leases	3	0
Deh Cho Bridge	9	8
Short-Term Interest Expense	1	1
Total Debt Servicing Payments	13	9
<i>Actual Debt Servicing Payments as a % of Revenues</i>	0.71%	0.52%
<i>Fiscal Responsibility Policy Provision 6(3)- Infrastructure Financing</i>		
Capital Acquisitions (Schedule 4 of Non-Cons. Public Accounts)	230	288
Less: P3 Items- Out of Scope		
Mackenzie Valley Fibre Link P3 (Finance)	-	(65)
Stanton Territorial Hospital P3 (Health and Social Services)	-	(14)
<i>Cash Required for Infrastructure Investment Expenditures</i>	230	209
<u>Operating Cash Required</u>		
Minimum cash required from operating surplus (50% of Acquisitions)	115	105
Debt Servicing Payments	13	9
<i>Total Operating Cash Requirements</i>	128	114
<u>Operating Cash Available</u>		
Operating Surplus (Non-Consolidated Statement of Operations)	95	110
Add Non Cash Item: Amortization of Tangible Capital Assets	79	84
<i>Total Operating Cash Available</i>	174	194
Excess in cash generated from operating surplus	46	80
Cash Required for Infrastructure Investment Expenditures	230	209
Total Operating Cash Available	174	194
<i>Borrowing Requirement for Infrastructure</i>	56	15

Conclusion – The parameters of the Fiscal Responsibility Policy have again been met for the 2015-2016 fiscal year. Non-Consolidated debt servicing costs are point five-two of a per cent (0.52%), of non-consolidated annual revenue, less than five per cent (5%) limit. And total operating cash required of \$114 compared to total operating cash available is \$194, resulted in an excess in cash generated of \$80.

COMPLETION OF ENTITIES CONSOLIDATED WITHIN THE PUBLIC ACCOUNTS

The following table lists the consolidated entities and completion date of their audited financial statements.

Entity	Due Date	Extension Due Date	Completion Date
Beaufort Delta Divisional Education Council	30-Sep-2015	27-Nov-2015	26-Nov-2015
Commission scolaire francophone Territoires du Nord-Ouest	30-Sep-2015		21-Sept-2015
Dehcho Divisional Education Council	30-Sep-2015		12-Sept-2015
Dettah District Education Authority	30-Sep-2015		27-Oct-2015
N'dilo Divisional Education Council	30-Sep-2015	27-Nov-2015	26-Nov-2015
Sahtu Divisional Education Council	30-Sep-2015		24-Sept-2015
South Slave Divisional Education Council	30-Sep-2015		19-Sept-2015
Yellowknife Catholic Schools	30-Sep-2015		09-Sept-2015
Yellowknife No.1 District Education Authority	30-Sep-2015		08-Sept-2015
Aurora College	30-Sep-2015	27-Nov-2015	24-Nov-2015
Beaufort Delta Health and Social Services Authority	30-Jun-2016		28-Jun-2016
Dehcho Health and Social Services Authority	30-Jun-2016		30-Jun-2016
Fort Smith Health and Social Services Authority	30-Jun-2016		23-Jun-2016
Hay River Health and Social Services Authority	30-Jun-2016		29-Jun-2016
Sahtu Health and Social Services Authority	30-Jun-2016		22-Jul-2016
Stanton Territorial Health Authority	30-Jun-2016		28-Jun-2016
Yellowknife Health and Social Services Authority	30-Jun-2016		27-Jun-2016
Tlicho Community Services Agency	30-Jun-2016		29-Jun-2016
Arctic Energy Alliance	30-Jun-2016		30-Jun-2016
Northwest Territories Hydro Corporation	30-Jun-2016	29-Aug-2016	24-Aug-2016
Northwest Territories Business Development and Investment Corporation	30-Jun-2016	29-Aug-2016	29-Aug-2016
Northwest Territories Housing Corporation	30-Jun-2016	29-Aug-2016	23-Aug-2016
Northwest Territories Human Rights Commission	30-Jun-2016		03-Aug-2016
Inuvialuit Water Board	30-Jun-2016		15-Jun-2016
Northwest Territories Sport and Recreation Council	30-Jun-2016		10-Jul-2016
Status of Women Council of the Northwest Territories	30-Jun-2016		04-Jul-2016
Northwest Territories Surface Rights Board	30-Jun-2016		20-May-2016

PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF THE NORTHWEST TERRITORIES
FOR THE YEAR ENDED MARCH 31, 2016

SECTION II
NON-CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

HONOURABLE ROBERT C. MCLEOD
Minister of Finance

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Government of the Northwest Territories

Non-Consolidated Statement of Financial Position (unaudited)

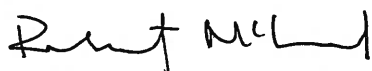
as at March 31, 2016

(thousands of dollars)

	2016 Actual \$	2015 Actual \$
Financial assets		
Portfolio investments (note 3)	30,343	28,053
Accounts receivable (note 4)	193,816	201,509
Due from the Government of Canada (note 10)	71,679	40,092
Inventories (note 5)	27,807	28,949
Loans receivable (note 6)	48,801	49,994
	372,446	348,597
Liabilities		
Bank overdraft (note 3)	10,322	6,714
Short-term loans (note 7)	244,803	234,859
Accounts payable and accrued liabilities (note 8)	250,776	234,926
Deferred revenue (note 9)	10,161	20,630
Due to the Government of Canada (note 10)	145,452	117,895
Environmental liabilities (note 11)	47,843	50,041
Capital lease obligations (note 12)	1,290	1,628
Long-term debt (note 13)	257,204	178,911
Pensions (note 14)	32,672	29,943
Other employee future benefits and compensated absences (note 15)	38,417	45,873
	1,038,940	921,420
Net Debt	(666,494)	(572,823)
Non-financial assets		
Tangible capital assets (schedule C)	2,192,195	1,991,185
Inventory held for use (note 5)	136	150
Prepaid expenses	5,738	3,384
	2,198,069	1,994,719
Accumulated surplus	1,531,575	1,421,896

Contractual obligations and contingencies (notes 18 and 19)

Approved:



Robert C. McLeod
Minister of Finance



Jamie Koe, CPA, CGA
Comptroller General

The accompanying notes and Schedules A, B and C are an integral part of these non-consolidated financial statements.

Government of the Northwest Territories**Non-Consolidated Statement of Change in Net Debt (unaudited)**

for the year ended March 31, 2016(thousands of dollars)

	2016 Main Estimates (note 1b) \$	2016 Actual \$	2015 Actual \$
Net debt at beginning of year	(572,823)	(572,823)	(511,986)
Items affecting net financial resources:			
Annual surplus for the year	146,726	109,679	95,457
Increase in tangible capital assets, net book value (<i>schedule C</i>)	(119,324)	(201,010)	(156,439)
Decrease (increase) in inventory held for use	-	14	(7)
Decrease (increase) in prepaid expenses	-	(2,354)	152
Net debt at end of year	(545,421)	(666,494)	(572,823)

The accompanying notes and Schedules A, B and C are an integral part of these non-consolidated financial statements.

Government of the Northwest Territories

Non-Consolidated Statement of Operations and Accumulated Surplus (unaudited)

for the year ended March 31, 2016

(thousands of dollars)

	2016 Main Estimates (note 1b) \$	2016 Actual \$	2015 Actual \$
Revenues			
Revenues by source (schedule A)	1,823,794	1,814,093	1,818,888
Recoveries of prior years expenses (schedule 3)	3,000	19,144	8,028
	1,826,794	1,833,237	1,826,916
Expenses (schedule B)			
Environment and economic development	151,658	174,342	202,605
Infrastructure	403,399	401,080	386,149
Education	310,547	312,784	310,095
Health, social services and housing	493,043	510,887	402,202
Justice	129,417	128,554	124,168
General government	170,893	175,422	287,246
Legislative Assembly and statutory offices	21,175	20,307	19,887
	1,680,132	1,723,376	1,732,352
Annual operating surplus	146,662	109,861	94,564
Petroleum Products Stabilization Fund Net surplus (loss) for the year (note 16)	64	(182)	893
Projects on behalf of the Government of Canada, Nunavut and Others (schedule 11)			
Expenses	(76,560)	(81,123)	(69,661)
Recoveries	76,560	81,123	69,661
Annual surplus	146,726	109,679	95,457
Accumulated surplus at beginning of year	1,421,896	1,421,896	1,326,439
Accumulated surplus at end of year	1,568,622	1,531,575	1,421,896

The accompanying notes and Schedules A, B and C are an integral part of these non-consolidated financial statements.

Government of the Northwest Territories

Non-Consolidated Statement of Cash Flow (unaudited)

for the year ended March 31, (thousands of dollars)	2016 \$	2015 \$
Cash provided by (used in)		
Operating transactions		
Annual surplus for the year*	109,679	95,457
Items not affecting cash:		
Provision for bad debts and forgivable loans	87	1,433
Amortization of tangible capital assets	83,901	79,050
Adjustments to tangible capital assets	1,121	-
	194,788	175,940
Changes in non-cash assets and liabilities:		
Due to (from) Canada	(4,030)	5,125
Decrease (increase) in other financial assets	8,856	(96,266)
Increase (decrease) in other financial liabilities	(1,546)	65,055
Decrease (increase) in prepaid expenses	(2,354)	152
Decrease (increase) in inventories held for use	14	(7)
Decrease in inventories for resale	1,142	3,090
Cash provided by operating transactions	196,870	153,089
Investing transactions		
Designated cash and investments purchased	(16,466)	(7,107)
Designated cash and investments sold	14,174	5,186
Loans receivable receipts	5,664	8,575
Loans receivable advanced	(5,719)	(6,036)
Cash provided by (used for) investing transactions	(2,347)	618
Capital transactions		
Acquisition of tangible capital assets	(208,063)	(236,108)
Disposal of tangible capital assets (net)	770	618
Cash used for capital transactions	(207,293)	(235,490)
Financing transactions		
Short-term financing proceeds	9,944	89,950
Repayment of capital lease obligations	(338)	(337)
Repayment of long-term financing	(444)	(1,155)
Cash provided by financing activities	9,162	88,458
Increase in cash	203,685	242,165
Cash at beginning of year	(6,714)	(13,389)
Cash at end of year	(10,322)	(6,714)

*Total interest paid during the year \$8,858 (2015- \$8,237)

The accompanying notes and Schedules A, B and C are an integral part of these non-consolidated financial statements.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2016

(All figures in thousands of dollars)

1. AUTHORITY, OPERATIONS AND REPORTING ENTITY

(a) Authority and reporting entity

The Government of the Northwest Territories (the Government) operates under the authority of the *Northwest Territories Act* (Canada). The Government has an elected Legislative Assembly which authorizes all disbursements, advances, loans and investments unless specifically authorized by statute.

The Government prepares consolidated financial statements. They are presented in Section I of the Public Accounts and provide an accounting of the full nature and extent of the financial affairs and resources for which the Government is responsible. The reporting entity is defined in those statements. These financial statements have been prepared on a non-consolidated basis to show the operating results of the Government separate from the entities included in the consolidated financial statements.

These financial statements include the assets, liabilities and operating results of the Government and its revolving funds. Revolving funds are established by the Government to provide the required working capital to deliver goods and services to the general public and to Government departments.

The following related Territorial Crown Corporations, boards and agencies are included in these statements only to the extent of the Government's contributions to, or revenues from, them:

- Arctic Energy Alliance
- Aurora College
- Divisional Educational Councils and District Education Authorities
- Hospitals and Regional Health Boards
- Inuvialuit Water Board
- Northwest Territories Business Development and Investment Corporation
- Northwest Territories Heritage Fund
- Northwest Territories Housing Corporation
- Northwest Territories Human Rights Commission
- Northwest Territories Hydro Corporation
- Northwest Territories Sport and Recreation Council
- Northwest Territories Surface Rights Board
- Status of Women Council of the Northwest Territories
- Tlicho Communities Services Agency

(b) Main estimates

The main estimates are the appropriations approved by the Legislative Assembly. They represent the Government's original fiscal plan for the year and do not reflect Supplementary Appropriations.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2016

(All figures in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(a) Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these statements, the Government believes the estimates and assumptions to be reasonable.

The more significant management estimates relate to environmental liabilities, contingencies, revenue accruals, allowance for doubtful accounts for accounts receivable, valuation allowances for loans receivable, and amortization expense. Other estimates, such as the Canada Health Transfer, Canada Social Transfer payments, Corporate and Personal Income Tax revenues are based on estimates made by the Government of Canada's Department of Finance and are subject to adjustments in future years.

(b) Cash

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

(c) Portfolio investments

Portfolio investments are long-term investments in organizations that do not form part of the government reporting entity and are accounted for by the cost or amortized cost method. Such investments are normally in shares and bonds of the investee. When there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss and it is included as a component of investment income. Interest income is recorded on the accrual basis, dividend income is recognized as it is declared, and capital gains and losses are recognized when realized.

(d) Inventories

Inventories for resale consist mainly of bulk fuels and liquor products. Bulk fuels are valued at the lower of weighted average cost and net realizable value. Liquor products are valued at the lower of cost and net realizable value. Inventories held for use are valued at the lower of cost, determined on a first in, first out basis and net replacement value. Impairments, when recognized, result in write-downs to net realizable value.

(e) Loans receivable

Loans receivable and advances are stated at the lower of cost and net recoverable value. Valuation allowances, determined on an individual basis, are based on past events, current conditions and all circumstances known at the date of the preparation of the financial statements and are adjusted annually to reflect the current circumstances by recording write downs or recoveries, as appropriate. Write downs are recognized when the assets have been deemed unrealizable and or uncollectable. Recoveries are recorded when loans previously written down are subsequently collected. Interest revenue is recorded on an accrual basis. Interest revenue is not accrued when the collectability of either principal or interest is not reasonably assured.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2016

(All figures in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Non-financial assets

Tangible capital and other non-financial assets are accounted for as assets by the Government as they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the Government unless they are sold.

(g) Tangible capital assets and leases

Tangible capital assets are buildings, roads, equipment, etc. whose life extends beyond the fiscal year, original cost exceeds \$50 and are intended to be used on an ongoing basis for delivering programs and services. Individual assets less than \$50 are expensed when purchased. Tangible capital assets are recorded at cost (including qualifying interest expense), or where actual cost is not available, estimated current replacement cost discounted back to the acquisition date. Costs include contracted services, materials and supplies, direct labour, attributable overhead costs, and directly attributable interest. Capitalization of interest ceases when no construction or development is taking place or when a tangible capital asset is ready for use in producing goods or services. Assets, when placed in service are amortized on a straight line basis over their estimated useful life as follows:

Asset category	Amortization period
Land	Not amortized
Roads and bridges	75 years or less
Airstrips and aprons	40 years or less
Buildings	40 years or less
Ferries	25 years or less
Fences	20 years or less
Signs	20 years or less
Aircrafts	20 - 40 years
Fuel distribution systems	15 - 40 years
Park improvements	10 - 40 years
Water/sewer works	15 - 25 years
Mainframe and software systems	5 - 10 years
Mobile and heavy equipment	7 - 15 years
Major equipment	5 - 15 years
Medical equipment	5 - 15 years
Leasehold improvements	Lesser of useful life or lease term plus renewal option

The estimate of the useful life of tangible capital assets is reviewed on a regular basis and revised where appropriate on a prospective basis. The remaining unamortized portion of a tangible capital asset may be extended beyond its original estimated useful life when the appropriateness of such a change can be clearly demonstrated.

Write-downs and write-offs of tangible capital assets are recognized whenever significant events and changes in circumstances and use suggest that the asset can no longer contribute to program or service delivery at the level previously anticipated. A write-down is recognized when a reduction in the value of the asset can be objectively measured. A write-off is recognized when the asset is destroyed, stolen, lost, or obsolete to the Government.

Tangible capital assets under construction or development are recorded as work in progress with no amortization until the asset is placed in service. Capital lease agreements are recorded as a liability and a corresponding asset based on the present value of the minimum lease payments, excluding executory costs. The present value is based on the lower of the implicit rate or the Government's borrowing rate at the time the obligation is incurred. Operating leases are charged to expenses. All intangibles, works of art, historical treasures and Commissioner or Territorial lands are not recorded.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2016

(All figures in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Pensions and other employee future benefits and compensated absences

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Government's contributions are charged as an expense on a current year basis and represent the total pension obligations. The Government is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Pension Plan.

Pension benefits to Members of the Legislative Assembly and judges are reported on an actuarial basis. This is done to determine the current value of future entitlement and uses various estimates. When actual experience varies from estimates, or when actuarial assumptions change, the adjustments are amortized on a straight line basis over the estimated average remaining service lives of the contributors. Recognition of actuarial gains and losses commences in the year following the effective date of the related actuarial valuations. In addition, immediate recognition of a previously unrecognized net actuarial gain or loss may be required upon a plan amendment, curtailment or settlement.

Under the terms and conditions of employment, government 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 variety of factors including place of hire, date employment commenced, and the reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for lay-off. Compensated absences include sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits has been prepared using data provided by management and assumptions based on management's best estimates.

(i) Contractual obligations and contingencies

The nature of the Government's activities requires entry into contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual obligations pertain to funding commitments for operating, commercial and residential leases, and capital projects. Contractual obligations are obligations of a government to others that will become liabilities in the future when the terms of those contracts or agreements are met.

The contingencies of the Government are potential liabilities, which may become actual liabilities when one or more future events occur or fail to occur. If the future event is considered likely to occur and is quantifiable, an estimated liability is accrued. If the occurrence of the confirming future event is likely but the amount of the liability cannot be reasonably estimated, the contingency is disclosed. If the occurrence of the confirming future event is not determinable, the contingency is disclosed.

(j) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using exchange rates at year-end. Foreign currency transactions are translated into Canadian dollars using the average exchange rate for the day, except for hedged foreign currency transactions which are translated at exchange rates established by the terms of the forward exchange contracts. All exchange gains and losses are included in net income for the year according to the activities to which they relate.

(k) Projects on behalf of third parties

The Government undertakes projects for the Government of Canada, the Government of Nunavut and others. Where possible the Government receives accountable advances and any unexpended balances remaining at year-end are recorded as current liabilities. Recoveries are accrued when expenses, as allowed under the project contract, exceed advances.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2016

(All figures in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Grant from the Government of Canada

Under *Federal-Provincial Fiscal Arrangements Act* (Canada), the Grant from the Government of Canada is calculated as the Gross Expenditure Base, offset by eligible revenues, which are based on a three-year moving average, lagged two years, of representative revenue bases at national average tax rates. Population growth rates and growth in provincial/local government spending are variables used to determine the growth in the Gross Expenditure Base. The Grant is calculated once for each fiscal year and is not revised, with all payments flowing to the Government prior to the end of the fiscal year.

(m) Transfer payments

Government transfers are recognized as revenue in the period in which the events giving rise to the transfer occurred, as long as the transfer is authorized, eligibility criteria have been met, stipulations that give rise to a liability have been satisfied and a reasonable estimate of the amount can be made. Transfers received before these criteria are fully met are recorded as deferred revenue. Transfers received for tangible capital assets are recognized when the tangible capital asset is put into service.

(n) Taxes, resource and general revenues

Corporate and Personal Income tax revenue are recognized on an accrual basis, net of any tax concessions. Income tax is calculated net of tax deductions and credits allowed under the *Income Tax Act*. If an expense provides a financial benefit other than a relief of taxes, it is classified as a transfer made through the tax system. If an expense provides tax relief to a taxpayer and relates to revenue, this expense is considered a tax concession and is netted against tax revenues. Taxes, under the *Income Tax Act*, are collected by the Government of Canada on behalf of the Government under a tax collection agreement. The Government of Canada remits Personal Income taxes monthly throughout the year and Corporate Income tax monthly over a six month period beginning in February. Payments are based on Canada's Department of Finance's estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are final. Income tax estimates, determined by the Government of Canada, combine actual assessments with an estimate that assumes that previous years' income tax allocations will be sustained and are subject to revisions in future years. Differences between current estimates and future actual amounts can be significant. Any such differences are recognized when the actual tax assessments are finalized.

Resource revenues are recognized on an accrual basis and include mineral, quarry, oil and gas, and water revenues as defined in the Northwest Territories Lands and Resources Devolution Agreement. Mineral and quarry revenues are collected under the authority of the *NWT Lands Act*, water revenues are collected under the authority of the *Water Act* and oil and gas revenues are collected under the authority of the *Petroleum Resources Act*. The Government is entitled to 50 percent of the resource revenues collected (which is referred to as the net fiscal benefit), up to a maximum amount based on a percentage of the Gross Expenditure Base under Territorial Formula Financing. The Government of Canada will deduct its share of the resource revenues collected by the Government (the remaining amount) from the Territorial Formula Financing Grant (*note 2(l)*) payable to the Government two years hence. The Government has also committed to sharing up to 25 percent of the net fiscal benefit with Aboriginal governments that are signatories to the Northwest Territories Lands and Resources Devolution Agreement as per the *Northwest Territories Intergovernmental Resource Revenue Sharing Act*.

Fuel, tobacco, payroll and property taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act*, the *Payroll Tax Act*, and the *Property Assessment and Taxation Act*, respectively. Fuel and tobacco tax revenues are recognized on an accrual basis, based on statements received from collectors. Payroll tax is recognized on an accrual basis, based on payroll tax revenues of the prior year. Property tax and school levies are assessed on a calendar year basis and are recognized in the fiscal year in which the billing occurs. Adjustments arising from reassessments are recorded in revenue in the year they are identified. All other revenues are recognized on an accrual basis.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2016

(All figures in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Expenses

Grants and contributions are recognized as long as the grant or contribution is authorized and eligibility criteria have been met. Grants and contributions include transfer payments paid through programs to individuals, and to provide major transfer funding for communities under community government funding arrangements. Payments to individuals include payments for children's benefits, income support or income supplement. Assistance is based on age, family status, income, and employment criteria. Other transfer payments are provided to conduct research, to establish new jobs through support for training and to promote educational, health and cultural activities. Also included are expenses of other consolidated entities and other miscellaneous payments. Under the authority of the *Northwest Territories Intergovernmental Resource Revenue Sharing Act*, a transfer to the Aboriginal parties who are signatories to the Northwest Territories Intergovernmental Resource Revenue Sharing Agreement will be made of 25 percent of the net fiscal benefit from resource revenues that is received by the Government (*note 2 (n)*). All other expenses are recognized on an accrual basis.

(p) Environmental liabilities

Environmental liabilities are the result of contaminated sites, defined as a site where as a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic, or radioactive material, or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized when all of the following criteria are satisfied: an environmental standard exists, contamination exceeds the environmental standard, the Government is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The liability reflects the Government's best estimate of the amount required to remediate the sites to the current minimum standard for its use prior to contamination.

Environmental liabilities consist of the estimated costs related to the management and remediation of environmentally contaminated sites, including costs such as those for future site assessments, development of remedial action plans, resources to perform remediation activities, land farms and monitoring. All costs associated with the remediation, monitoring and post-closing of the site are estimated and accrued. Where estimates are not readily available from third party analyses, an estimation methodology is used to record a liability when sufficient information is available. The methodology used is based on costs or estimates for sites of similar size and contamination when the Government is obligated, or is likely obligated, to incur such costs. If the likelihood of a future event that would confirm the Government's responsibility to incur these costs is either not determinable, or in the event it is not possible to determine if future economic benefits will be given up, or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the consolidated financial statements and no liability is accrued. The environmental liabilities for contaminated sites are reassessed on an annual basis.

(q) Recoveries of prior years' expenses

Recoveries of prior years' expenses and reversals of prior years' expense accruals in excess of actual expenditures are reported separately from other revenues on the statement of operations and accumulated surplus. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenses.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2016

(All figures in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Public-Private Partnerships

The Government may, as an alternative to traditional forms of procurement governed by the Government's Contract Regulations, enter into public private partnership (P3) agreements with the private sector to procure services and public infrastructure when: the total projected threshold for procuring those services, including capital, operating and service costs over the life of the agreement, exceeds \$50 million; there is appropriate risk sharing between the Government and the private sector partners; the agreement extends beyond the initial capital construction of the project, and; the arrangement results in a clear net benefit as opposed to being merely neutral in comparison with standard procurement processes. The operating and services costs are expensed as they are incurred and are clearly identified in the agreements.

The Government accounts for P3 projects in accordance with the substance of the underlying agreements. In circumstances where the Government is determined to bear the risks and rewards of an asset under construction, the asset and the corresponding liability are recognized over time as the construction progresses. In circumstances where the Government does not bear the risks and rewards of the asset until substantial completion the future associated agreement is disclosed.

The capital asset value is the total of progress payments made during construction and net present value of the future payments, discounted using the Government's estimated borrowing rate for long term debt at the time of signing the P3 agreement. Capital expenditures may occur throughout the project or at the capital in-service date. Service fees may occur throughout the project or when the project is operational; these fees will include both a service and operational component. All payments are adjusted to reflect performance standards as outlined in the specific agreement and penalties may be deducted for sub-standard performance.

A P3 agreement may encompass certain revenues, including those collected by the partner on behalf of the Government. In such instances the Government will report the gross revenue along with the asset, liability, and expenses as determined from the specific project.

(s) Future accounting changes

Financial instruments

The Public Sector Accounting Board (PSAB) issued PS 3450 Financial Instruments effective for fiscal years beginning on or after April 1, 2019. Items within the scope of the standard are assigned to one of two measurement categories: fair value, or cost or amortized cost. Fair value measurement will apply to derivatives and portfolio investments in equity instruments that are quoted in an active market. Also, when groups of financial assets and financial liabilities are managed on a fair value basis they may be reported on that basis. Other financial assets and financial liabilities will generally be measured at cost or amortized cost. Until an item is derecognized, gains and losses arising due to fair value remeasurement will be reported in the Statement of Remeasurement of Gains and Losses.

Other New Standards

The Government will concurrently be required to adopt: PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments in the same fiscal period.

PSAB issued new standards in March 2015 on Related Party Transactions (PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions) and four new standards related to Assets (PS 3210), Contingent Assets (PS 3320), Contractual Rights (PS 3380) and Restructuring Transactions (PS 3430) in June 2015. All these new standards have an effective date of April 1, 2017, except for PS 3430 that has an effective date of April 1, 2018.

The Government will analyze the impact of these new standards on its financial statements.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2016

(All figures in thousands of dollars)

3. CASH AND DESIGNATED ASSETS

(a) Investment pool

The Government has a line of credit provided by a chartered bank, secured by the Consolidated Revenue Fund of the Government. There are no fixed repayment terms and the overdraft limits are negotiated over the year based on the forecasted cash flows and borrowing requirements of the Government. Interest is only charged when there is a net overdraft balance of the Government and its investment pool participants. As at March 31, 2016 the investment pool had no net overdraft balance (2015 - nil).

The surplus cash (deficit) of the Government is pooled with the surplus cash of certain Territorial Crown Corporations, and other public agencies. This investment pool is invested in a diversified portfolio of high grade, short and long term income producing assets.

As of March 31, 2016, on a cash basis, the Government's share in the investment pool is a deficit of \$10,641 (2015 - \$5,669). When taking into account \$1,029 classified from in-trust and \$1,242 of outstanding items, the bank overdraft, on an accounting basis, becomes \$10,322 (2015 - 6,714).

The Government's cash deficit related to the investment pool carried interest at an average rate of 1.08% and \$50 was paid to it.

The average portfolio yield range for the year is 1.02% - 1.19% (2015 - 1.16 - 1.28%). In 2016, the Government earned interest on short-term investments of \$96 (2015 - \$42).

(b) Designated Assets

Designated assets are included in cash and portfolio investments.

Pursuant to the *Student Financial Assistance Act*, the assets of the Student Loan Fund are to be used to provide financial assistance to post-secondary students that meet certain eligibility criteria as prescribed in its regulations.

Pursuant to the *Waste Reduction and Recovery Act*, the assets of the Environment Fund are to be used for specified purposes as follows:

- (a) the establishment, operation and evaluation of programs in respect of the reduction or recovery of waste;
- (b) education programs related to the reduction or recovery of waste;
- (c) research and development activities related to the reduction or recovery of waste;
- (d) the appropriate disposal of a designated or prohibited material as waste;
- (e) expenses associated with the work of the advisory committee; or
- (f) other costs associated with programs, initiatives or activities in respect of the reduction or recovery of waste.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2016

(All figures in thousands of dollars)

3. CASH AND DESIGNATED ASSETS (continued)

(b) Designated Assets (continued)

Portfolio investments, while forming part of the Consolidated Revenue Fund, are designated for the purpose of meeting the obligations of the Legislative Assembly Supplemental Retiring Allowance Pension Plan (*note 14*). Supplementary Retiring Allowance Regulations restrict the investments to those permitted under the *Pension Benefits Standards Act*.

The proportionate asset mix in the investment portfolio is as follows as at March 31:

	2016	2015
	%	%
Canadian stocks	21.15	18.42
Cash and other assets	1.12	5.59
Fixed income mutual funds	39.14	26.31
Federal bonds	11.38	17.08
Foreign stocks	<u>27.21</u>	<u>32.60</u>
	<u>100.00</u>	<u>100.00</u>

The Government has the following assets which are designated for specific purposes under legislation and regulations as follows:

	2016	2015
	\$	\$
Student Loan Fund:		
Authorized limit for loans receivable	45,000	45,000
Less: Loans receivable balance	(41,953)	(40,632)
	<hr/>	<hr/>
Funds designated for new loans	3,047	4,368

Environment Fund:

Beverage Container Program net assets	2,097	2,526
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Portfolio Investments for the Legislative Assembly Supplementary Retiring Allowance Pension Plan:

Marketable securities (market value \$31,767; 2015 - \$31,842)	30,004	26,484
Money Market (market value approximates cost)	-	1,267
Cash and other assets (market value approximates cost)	339	302
	<hr/>	<hr/>
	30,343	28,053
	<hr/>	<hr/>
	35,487	34,947

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2016

(All figures in thousands of dollars)

4. ACCOUNTS RECEIVABLE

	Accounts Receivable \$	Allowance for Doubtful Accounts \$	Net 2016 \$	Net 2015 \$
General	112,332	(10,760)	101,572	112,546
Government of Nunavut	4,742	-	4,742	5,842
Revolving fund sales	11,694	(79)	11,615	12,454
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	128,768	(10,839)	117,929	130,842
	<hr/>	<hr/>	<hr/>	<hr/>
Receivables from related parties:				
Divisional Education Councils and District Education Authorities	5,202	-	5,202	7,213
Health and Social Services Authorities	64,007	-	64,007	56,882
Northwest Territories Business Development and Investment Corporation	153	-	153	153
Northwest Territories Housing Corporation	4,028	-	4,028	3,087
Tlicho Community Services Agency	1,094	-	1,094	829
Workers' Safety Compensation Commission (Northwest Territories and Nunavut)	23	-	23	75
Northwest Territories Hydro Corporation	29	-	29	59
Aurora College	1,160	-	1,160	2,328
Inuvialuit Water Board	117	-	117	41
Arctic Energy Alliance	74	-	74	-
	<hr/>	<hr/>	<hr/>	<hr/>
	75,887	-	75,887	70,667
	<hr/>	<hr/>	<hr/>	<hr/>
	204,655	(10,839)	193,816	201,509
	<hr/>	<hr/>	<hr/>	<hr/>

During the year, no accounts receivable (2015 - \$ nil) were written off and \$366 (2015 - \$115) forgiven.

5. INVENTORIES

		2016 \$	2015 \$
Inventories for resale:	Bulk fuels	24,280	26,454
	Liquor products	3,527	2,495
		<hr/>	<hr/>
		27,807	28,949
		<hr/>	<hr/>
Inventories held for use:	Public stores	136	150
		<hr/>	<hr/>
		27,943	29,099
		<hr/>	<hr/>

Bulk fuel inventory write-down for 2016 is \$140 (2015 - \$90).

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2016

(All figures in thousands of dollars)

6. LOANS RECEIVABLE

	2016 \$	2015 \$
Working capital advances to the Northwest Territories Business Development and Investment Corporation. The term is indeterminate with the option to repay any portion of principal on any interest payment date. Interest is calculated at selected Government of Canada three-year bond rates at the end of each month.	25,116	26,274
Student Loan Fund loans due in installments to 2030, bearing fixed interest between 1.25% and 11.75%, unsecured.	41,953	40,632
Yellowknife Catholic School Board Advance, unsecured, repayable in monthly installments of \$10. Interest is calculated monthly based upon the Government's current borrowing rate.	979	1,086
	68,048	67,992
Valuation allowance - Student Loan Fund	(19,247)	(17,998)
	48,801	49,994

During the year, \$924 in student loans (2015 - \$1,437) was remised with proper authority.

Interest earned on loans receivable during the year is \$521 (2015 - \$679).

7. SHORT-TERM LOANS

Based upon operational needs, the Government may enter into short term borrowing arrangements with its banks. Short term loans of \$244,803 (2015 - \$234,859) incurred interest at the weighted average year-end rate of 0.85% (2015 year end rate - 0.78%). Interest paid in 2016 was \$1,204 (2015 - \$1,348).

The short-term borrowing limit under the *Borrowing Authorization Act* as at March 31, 2016 is \$300,000.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2016

(All figures in thousands of dollars)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
	\$	\$
Trade	180,992	178,615
Government of Nunavut	15	9
Employee and payroll-related liabilities	54,814	41,959
Other liabilities	5,938	5,418
	241,759	226,001
Payables to related parties:		
Arctic Energy Alliance	-	107
Aurora College	146	104
Divisional Education Councils and District Education Authorities	352	409
Health and Social Services Authorities	5,885	7,111
Northwest Territories Business Development and Investment Corporation	10	24
Status of Women Council of the Northwest Territories	15	75
Northwest Territories Housing Corporation	19	158
Northwest Territories Hydro Corporation	1,154	805
Tlicho Community Services Agency	68	72
Northwest Territories Human Rights Commission	3	6
Workers' Safety and Compensation Commission (Northwest Territories and Nunavut)	1,365	54
	9,017	8,925
	250,776	234,926

9. DEFERRED REVENUE

	2016	2015
	\$	\$
Government of Canada		
Ministry of Finance	4,082	4,253
Building Canada Plan	513	9,461
Transport Canada	350	-
Wood Buffalo National Park	-	15
NPR Limited Partnership	2,070	2,285
Canada Health Infoway	-	1,732
Mining Recorders	1,350	1,580
Other	1,796	1,304
	10,161	20,630

Deferred revenue consists mainly of funds received from the Government of Canada for corporate income tax for the current year.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2016

(All figures in thousands of dollars)

10. DUE TO (FROM) THE GOVERNMENT OF CANADA

	2016	2015
	\$	\$
Other receivables:		
Projects on behalf of the Government of Canada	(15,605)	(11,190)
Miscellaneous receivables	(56,074)	(28,902)
	(71,679)	(40,092)
Other payables:		
Advances for projects on behalf of the Government of Canada	18,923	17,421
Excess income tax advanced	74,002	54,890
Miscellaneous payables	52,527	45,584
	145,452	117,895
	73,773	77,803

The amounts due to the Government of Canada are non-interest bearing. The excess income tax advanced is repayable over the following years:

	\$
2017	12,309
2018	34,957
2019	26,459
2020	277
	74,002

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2016

(All figures in thousands of dollars)

11. ENVIRONMENTAL LIABILITIES

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which the Government is responsible. The Government has identified 191 (2015 - 186) sites as potentially requiring environmental remediation at March 31, 2016. Where remediation costs have been estimated and a liability has been recorded the methodology used to estimate the liability was either based on third party analyses or extrapolated from costs previously incurred to remediate, monitor, or manage sites of similar size and contamination.

Type of Site	2015 Liability	Remediation Costs	New Sites in 2016	Increase (decrease) in estimate	2016 Liability	Number of Sites
	\$	\$	\$	\$	\$	
Abandoned mines ⁽¹⁾	13,368	(134)	-	544	13,778	7
Landfills ⁽²⁾	13,413	(209)	-	(2,059)	11,145	40
Abandoned infrastructure and schools ⁽³⁾	12,148	(1,199)	700	501	12,150	69
Airports, airport strips or reserves ⁽⁴⁾	2,056	(447)	-	265	1,874	24
Sewage lagoons ⁽⁵⁾	2,841	-	-	(57)	2,784	28
Fuel tanks and resupply lines ⁽³⁾	2,783	(164)	150	(44)	2,725	15
Abandoned lots and maintenance facilities ⁽³⁾	3,432	(45)	-	-	3,387	8
Total environmental liabilities	50,041	(2,198)	850	(850)	47,843	191

Possible types of contamination identified under each type of site include the following:

(1) metals, hydrocarbons, asbestos, wood/metal debris, waste rock, old mine buildings, lead paint;

(2) hydrocarbons, glycol, metals;

(3) hydrocarbons, petroleum products;

(4) hydrocarbons, vehicle lubricants, asbestos, glycol;

(5) metals, e.coli, total coliforms.

One of the sites, Giant Mine, has been formally designated as contaminated under the *Environmental Protection Act* (NWT). In 2005, the Government recorded a liability for its share of the above ground remediation. The remaining balance of the Government's share of the Giant Mine remediation liability at March 31, 2016 is \$2,851 (2015 - \$2,994). There are 6 other abandoned non-operating mine sites that the Government will be remediating in conjunction with Canada based on cost allocations similar to that of Giant Mine. There are 28 sewage lagoons and 40 landfills sites that are outside incorporated communities and being remediated or monitored as appropriate.

There were 2 (2015 - 0) sites closed during the fiscal year as they were either remediated or no longer meet all the criteria required to record a liability for contaminated sites.

Included in the 191 sites, the Government has identified 74 sites where no liability has been recognized. The contamination is not likely to affect public health and safety, cause damage, or otherwise impair the quality of the surrounding environment and there is likely no need for action unless new information becomes available indicating greater concerns, in which case, the site will be re-examined. These sites will continue to be monitored as part of the Government's ongoing environmental protection program.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2016

(All figures in thousands of dollars)

12. CAPITAL LEASE OBLIGATIONS

	2016 \$	2015 \$
Buildings	1,290	1,563
Equipment	-	65
	1,290	1,628

Interest expense related to capital lease obligations for the year is \$115 (2015 - \$142), at an implicit average interest rate of 7.9% (2015 - 7.9%). Capital lease obligations (expiring between 2017 and 2061) are based upon contractual minimum lease obligations for the leases in effect as of March 31, 2016.

	2017	2018	2019	2020	\$
					382
					382
					382
					350
Total minimum lease payments					1,496
Less: imputed interest 7.9%					206
Present value of minimum lease payments					1,290

13. LONG-TERM DEBT

	2016 \$	2015 \$
Mortgage payable to Canada Mortgage and Housing Corporation, repayable in monthly installments of \$7 (2015 - \$7), maturing June 2024, bearing interest at 3.30% (2015 - 3.30%), secured with real property.	666	735
Real return senior bonds with accrued inflation adjustment, maturing June 1, 2046, redeemable at the option of the issuer, bearing interest at 3.17% (2015- 3.17%), payable semi-annually, unsecured.	177,801	178,176
Loan due to builder (Stanton Hospital), repayable in monthly installments of \$794 starting at the expected in service date November 2018 until November 2048, bearing interest at 5.23% (imputed), unsecured.	13,730	-
Loan due to builder (Mackenzie Valley Fibre Link), repayable in monthly installments of \$620 starting at the expected in service date June 2017 until June 2037, bearing interest at 4.74% (imputed), unsecured.	65,007	-
	257,204	178,911

Long-term debt principal repayments due in each fiscal year for the next five years:

	2017	2018	2019	2020	2021	Beyond 2021	\$
							3,084
							10,728
							20,358
							15,606
							11,650
							195,778
							257,204

Interest expense on long-term debt, included in operations and maintenance expenses, is \$8,112 (2015 - \$7,270).

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2016

(All figures in thousands of dollars)

14. PENSIONS

(a) Plans description

The Government administers the following pension plans for Members of the Legislative Assembly (MLAs) and Territorial Court Judges. The Government is liable for all benefits. Benefits provided under all four plans are based on years of service and pensionable earnings.

Plan recipient	Name of plan	Funded status
MLAs	Legislative Assembly Retiring Allowance Plan (MLAs Regular)	Funded
MLAs	Legislative Assembly Supplemental Retiring Allowance Plan (MLAs Supplemental)	Non Funded
Judges	Judges Registered Plan (Judges Regular)	Funded
Judges	Judges Supplemental Pension Plan (Judges Supplemental)	Non Funded

The Regular Plans for both the MLAs and Judges are contributory defined benefit registered pension plans and are pre-funded. The funds related to these plans are administered by independent trust companies.

The Supplemental plans for both the MLAs and Judges are non-contributory defined benefit pension plans and are unfunded; however, the Government has designated assets for the purposes of meeting the obligations of the MLA Supplemental plan (*note 4 (b)*)

The average age of the 19 active members of the MLAs plans is 49. The basic formula of the MLAs plans is 2 percent per year of pensionable service multiplied by the average of the best four consecutive years of earnings. Plan assets consist of Canadian and foreign equities, and Canadian fixed income securities and bonds.

The average age of the 4 active members of the Judges' plans is 59. The basic benefit formula of the Judges' plans is 2 percent per year of pensionable service multiplied by the average of the best six consecutive years of earnings, reducing at age 65 by an amount equal to 0.7% of the average Year's Maximum Pensionable Earnings (YMPE) (as defined in the Canada Pension Plan) determined over 3 years at the time of retirement. Plan assets consist of a diversified portfolio of Canadian and foreign equities and bonds.

All plans provide death benefits to spouses and eligible dependants. All plans are indexed.

The remaining government employees participate in Canada's Public Service Pension Plan (PSPP). The PSPP provides benefits based on the number of years of pensionable service to a maximum of 35 years. Benefits are determined by a formula set out in the legislation; they are not based on the financial status of the pension plan. The basic benefit formula is 2 percent per year of pensionable service multiplied by the average of the best five consecutive years of earnings.

The public service pension plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the plan on or after January 1, 2013. For existing members, the normal retirement age remains age 60. Furthermore, contribution rates for current service for all members of the public service will increase gradually to an employer: employee cost sharing ratio of 50:50 by 2017. The employer contribution rate effective at the end of the year is 1.15 times (2015 – 1.28) the employees' contributions for employees who started prior to January 2013 and 1.1 times (2015 – 1.28) the employees' contributions for all other employees.

Other benefits include survivor pensions, minimum benefits in the event of death, unreduced early retirement pensions, and disability pensions.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2016

(All figures in thousands of dollars)

14. PENSIONS (continued)

(b) Pension liability

	Regular Funded \$	2016 Supplemental Unfunded \$	Total \$
Accrued benefit obligation	25,249	34,419	59,668
Pension fund assets - market related value	(26,732)	-	(26,732)
Unamortized actuarial gains (losses)	1,108	(1,372)	(264)
Pension liability (asset)	(375)	33,047	32,672

	Regular Funded \$	2015 Supplemental Unfunded \$	Total \$
Accrued benefit obligation	26,582	32,860	59,442
Pension fund assets - market related value	(28,104)	-	(28,104)
Unamortized actuarial losses	543	(1,938)	(1,395)
Pension liability (asset)	(979)	30,922	29,943

Included in the pension asset of \$375 (2015 - \$979) is a deficit for accounting purposes of the Judge's plan in the amount of \$1,249 (2015 - \$806).

Government of the Northwest Territories**Notes to Non-Consolidated Financial Statements (unaudited)**

March 31, 2016**(All figures in thousands of dollars)**

14. PENSIONS (continued)**(c) Change in pension liability (asset)**

	Regular Funded \$	2016 Supplemental Unfunded \$	Total \$
Opening balance	(979)	30,922	29,943
Change to pension liability (asset) from cash items:			
Contributions from plan members	(252)	-	(252)
Contributions from Government	(84)	-	(84)
Benefit payment to plan members	(3,607)	(1,294)	(4,901)
Drawdown from plan assets	3,607	-	3,607
Net change to pension liability (asset) from cash items	(336)	(1,294)	(1,630)
Change to pension liability (asset) from accrual items:			
Current period benefit cost	1,041	1,257	2,298
Amortization of actuarial losses	(64)	566	502
Interest on average accrued benefit obligation	1,234	1,596	2,830
Expected return on average plan assets	(1,271)	-	(1,271)
Net change to pension liability (asset) from accrual items	940	3,419	4,359
Ending balance	(375)	33,047	32,672

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2016

(All figures in thousands of dollars)

14. PENSIONS (continued)

(c) Change in pension liability (asset) (continued)

	Regular Funded \$	2015 Supplemental Unfunded \$	Total \$
Opening balance	(2,400)	29,054	26,654
Change to pension liability (asset) from cash items:			
Contributions from plan members	(270)	-	(270)
Contributions from Government	(77)	-	(77)
Benefit payment to plan members	(1,055)	(1,248)	(2,303)
Drawdown from plan assets	1,055	-	1,055
Net change to pension liability (asset) from cash items	(347)	(1,248)	(1,595)
Change to pension liability(asset) from accrual items:			
Current period benefit cost	995	1,203	2,198
Amortization of actuarial (gains) losses	773	388	1,161
Interest on average accrued benefit obligation	1,237	1,525	2,762
Expected return on plan assets	(1,237)	-	(1,237)
Net change to pension liability (assets) from accrual items	1,768	3,116	4,884
Ending balance	(979)	30,922	29,943

(d) Pension expense

The components of pension expense include current period benefit cost, amortization of actuarial net (gains)/losses and interest on average accrued benefit obligation net of the expected return on average plan assets and contributions from plan members. The total pension expense is \$4,107 (2015 - \$4,614). The interest cost on the accrued benefit obligation is determined by applying the discount rate determined at the beginning of the period to the average value of the accrued benefit obligation for the period. The expected return on plan assets is determined by applying the assumed rate of return on plan assets to the average market-related value of assets for the period. The difference between the expected and the actual return on plan assets is a gain of \$2,057 (2015 - \$4,649).

In addition to the above, the Government contributed \$33,666 (2015 - \$32,792) to the Public Service Superannuation Plan. The employees' contributions to this plan were \$24,612 (2015 - \$21,434).

(e) Changes to pension plans in the year

There have been no plan amendments, plan settlements and curtailments or temporary deviations from the plan in 2016 (no changes in 2015).

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2016

(All figures in thousands of dollars)

14. PENSIONS (continued)

(f) Valuation methods and assumptions used in valuing pension liability

Valuation date

The actuarial valuation for the Legislative Assembly was completed as of April 1, 2012 and the results were extrapolated to January 31, 2016. The effective date of the next actuarial valuation is April 1, 2016. The actuarial valuation for the Judge's plan was completed as of April 1, 2013 and the results were extrapolated to March 31, 2016. The effective date of the next actuarial valuation is April 1, 2016.

Liability valuation method

The actuarial valuations were performed using the projected accrued benefit method. The valuations are based on a number of actuarial assumptions about matters such as mortality, service, withdrawal, earnings and interest rates. The assumptions are based on the Government's best estimates of expected long-term rates and short-term forecasts.

Asset valuation method

The asset valuation method, for the MLA's plans is equal to a smoothed market value which spreads the difference between the actual and expected investment income over a four year period and is then adjusted for payments due to, and payable from, the pension plan. The fair market value of the MLA's regular plan is \$22,524 (2015 - \$25,775). The asset valuation method for the Judges' plans is market value. The market value of the Judges' regular plan is \$5,637 (2015 - \$5,530).

Actuarial gains and losses

Actuarial gains and losses occur when actual experience varies from estimates or when actuarial assumptions change. The adjustments needed are amortized on a straight line basis over the estimated average remaining service lives of the contributors. The estimated average remaining service lives of the contributors is 3 years (2015 - 4 years) for the MLA's plans and 2 years (2015 - 3 years) for the Judges' plans.

Actuarial assumptions

	Judges' plans	MLAs' plans
Expected rate of return on plan assets	4.8%	4.8%
Rate of compensation increase	2.3%	2.3%
Annual inflation rate	2.3%	2.3%
Annual interest rate	4.8%	4.8%

Retirement assumptions

- Members of Legislative Assembly may retire at the earliest of age 60, thirty years of service or when age plus service equals 80.
- Judges may retire at the earlier of age 60 or when age plus service equals 80.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2016

(All figures in thousands of dollars)

15. OTHER EMPLOYEE FUTURE BENEFITS AND COMPENSATED ABSENCES

In addition to pension benefits, the Government 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 Government's employees based on the type of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee is hired, the rate of pay, the number of years of continuous employment, age and if the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being location of hire, employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

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

Valuation results

The actuarial valuation was completed as at March 31, 2016. The effective date of the next actuarial valuation is March 31, 2017. The liabilities are actuarially determined as the present value of the accrued benefits at March 31, 2016. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the Government.

	Severance and Removal	Compensated Absences	2016	2015
	\$	\$	\$	\$
Changes in Obligation				
Accrued benefit obligations, beginning of year	30,174	5,913	36,087	36,233
Benefits earned	2,474	3,482	5,956	5,827
Interest	740	154	894	893
Benefits paid	(3,893)	(2,287)	(6,180)	(6,866)
Actuarial gains	(4,153)	(779)	(4,932)	-
Accrued benefit obligations, end of year	25,342	6,483	31,825	36,087
Unamortized net actuarial gain	4,153	779	4,932	-
Net future obligation	29,495	7,262	36,757	36,087
Other employee future benefits	1,131	-	1,131	9,204
Other compensated absences	-	529	529	582
Total employee future benefits and compensated absences	30,626	7,791	38,417	45,873

Government of the Northwest Territories**Notes to Non-Consolidated Financial Statements (unaudited)**

March 31, 2016**(All figures in thousands of dollars)**

15. OTHER EMPLOYEE FUTURE BENEFITS AND COMPENSATED ABSENCES (continued)

	Severance and Removal	Compensated Absences	2016	2015
	\$	\$	\$	\$
Benefits Expense				
Benefits earned	2,474	3,482	5,956	5,827
Implicit Interest	740	154	894	893
	3,214	3,636	6,850	6,720

The discount rate used to determine the accrued benefit obligation is an average of 3.2%. The expected payments during the next five fiscal years are:

	Severance and Removal	Compensated Absences	Total
	\$	\$	\$
2017	5,996	1,477	7,473
2018	4,648	1,039	5,687
2019	3,499	846	4,345
2020	2,790	710	3,500
2021	2,381	626	3,007
	19,314	4,698	24,012

16. PETROLEUM PRODUCTS STABILIZATION FUND

The Petroleum Products Stabilization Fund is included in the accumulated surplus. The purpose of the Fund is to stabilize the prices of petroleum products purchased, sold and distributed by the Government. The annual net profit or loss of the Petroleum Products Revolving Fund is charged to the Stabilization Fund. The accumulated surplus or deficit balance in the fund cannot exceed \$1,000.

	2016	2015
	\$	\$
Surplus (deficit) at beginning of the year	791	(102)
Add: Petroleum Products Stabilization Fund Net income (loss) for the year	(182)	893
Surplus at end of the year	609	791

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2016

(All figures in thousands of dollars)

17. TRUST ASSETS UNDER ADMINISTRATION

The Government administers trust assets on behalf of third parties, which are not included in the reported Government assets and liabilities. These consist of cash, term deposits, investments, real estate, and other sundry assets.

	2016	2015
	\$	\$
Correctional Institutions	418	429
Government of New Brunswick - Deh Cho Bridge	713	760
Natural Resources	236	238
Others	20	6
Public Trustee	5,605	6,134
Securities - land use permits, water licences and oil and gas deposits	5,495	3,730
Supreme and Territorial Courts	1,224	1,019
	13,711	12,316

In addition to the above trust assets under administration, the Government holds cash and bank guarantees in the form of letters of credit and surety bonds in the amount of \$499,844. The majority of these guarantees are held against water licenses issued to regulate the use of water and the deposit of waste.

18. CONTRACTUAL OBLIGATIONS

The Government has entered into agreements for, or is contractually committed for the following expenses that will be incurred subsequent to March 31, 2016:

	Expiry Date	2017	2018- 2048	Total
		\$	\$	\$
Operational commitments*	2048	92,845	132,017	224,862
RCMP policing agreement	2032	44,122	615,571	659,693
Commercial leases	2028	17,282	71,766	89,048
Equipment leases	2020	621	758	1,379
Tangible capital asset projects in progress at year end	2020	93,563	14,936	108,499
		248,433	835,048	1,083,481

*Included in the operational commitments above is a contract for \$62,000. Subsequent to year end the contract was re-negotiated and the new commitment is \$4,419.

The Government has 1 (2015 - 1) cost recovery service agreement with the Government of Nunavut for the provision of various corporate and program delivery services. The expenses for and costs recovered from these projects are estimated at \$23 for the fiscal year ended 2016 (2015 - \$1,067). The Government has 2 agreements with the Government of Nunavut (GNU) for the delivery and chargeback of health services for eligible Nunavut residents. The 2 agreements with the GNU have no firm cost recovery amounts or end dates.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2016

(All figures in thousands of dollars)

18. CONTRACTUAL OBLIGATIONS (continued)

In addition to the contractual commitments above the Government has the following commitments related to P3s.

The Government entered into an agreement with Northern Lights General Partnership (NL) on October 30, 2014 to design, build, operate and maintain 1,154 km of high-speed fiber optic telecommunications cable from McGill Lake to Inuvik. Construction is expected to be completed in May 2017 with service commencement anticipated for June 2017 with NL operating and maintaining the system until 2037. The total cost of construction is \$90,900, of which \$24,393 remains to be completed. The total of \$90,900 it is due over a twenty year term (*see note 14*) with no payment required until the in-service date. Upon completion operations and maintenance costs of \$3,190 per year will total \$63,810 for the duration of the contract.

The Government entered into an agreement with Boreal Health Partnership (BHP) on September 22, 2015 to design, build, operate and maintain the Government's new Territorial hospital. Construction is to be completed in November 2018 with BHP operating and maintaining the new facility until 2048. Remaining construction commitments related to the new facility are \$257,475. Of this, \$131,789 is due during the expected remaining 32 months of the construction period and the remaining \$125,686 is payable over a thirty year term starting at the in-service date (*see note 14*). Upon completion operations and maintenance costs of \$7,203 per year will total \$216,090 for the duration of the contract.

19. CONTINGENCIES

(a) Contractual obligations

The Government is contingently liable for the following guarantees:

	2016
	\$
Debentures issued by the Northwest Territories Power Corporation:	
Sinking fund debentures issued by the Northwest Territories Power Corporation	
maturing October 27, 2018	10,000
maturing February 27, 2026	8,700
Debenture series issued by the Northwest Territories Power Corporation	
maturing December 18, 2032	11,333
maturing September 13, 2040	46,545
maturing May 1, 2025	5,002
maturing July 11, 2025	15,000
maturing October 1, 2025	5,085
maturing September 1, 2026	5,883
maturing August 1, 2028	25,000
maturing December 15, 2034	25,000
maturing November 25, 2052	25,000
Loans payable by the Northwest Territories Housing Corporation to	
Canada Mortgage and Housing Corporation	7,004
Guaranteed residential housing loans of the Northwest Territories Housing Corporation	3,260
Total Guarantees	192,812

The Government has also provided a guarantee to the Canadian Blood Services and Canadian Blood Services Captive Insurance Company Ltd. to cover a share of potential claims made by users of the national blood supply. The Government's share is limited to the ratio of the Northwest Territories' population to the Canadian population.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2016

(All figures in thousands of dollars)

19. CONTINGENCIES (continued)

(b) Claims and litigation

There are a number of claims and pending and threatened litigation cases outstanding against the Government. In certain of these cases, pursuant to agreements negotiated prior to the division of the territories, the Governments of the Northwest Territories and Nunavut will jointly defend the suits. The cost of defending these actions and any damages that may eventually be awarded will be shared by the two Governments 55.66% and 44.34%, respectively. The Government has recorded an allowance for any claim or litigation where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. At year-end the Government estimated the total claimed amount for any claims and litigation for which the outcome is not determinable at \$8,229. No provision for such claims has been made in these financial statements as it is not determinable that any future event will confirm that a liability has been incurred as at March 31.

20. RELATED PARTIES

Transactions with related parties and balances at year-end, not disclosed elsewhere in the financial statements, are disclosed in this note. During the year the Government provided grants and contributions to the following related parties.

	2016	2015
	\$	\$
Arctic Energy Alliance	3,753	2,484
Aurora College	35,723	35,513
Inuvialuit Water Board	913	900
Divisional Education Councils and District Education Authorities	171,136	138,297
Health and Social Services Authorities	268,392	291,072
Northwest Territories Power Corporation	26,665	28,492
Northwest Territories Energy Corporation	-	1,260
Northwest Territories Business Development and Investment Corporation	3,789	3,707
Northwest Territories Heritage Fund	4,772	250
Northwest Territories Housing Corporation	86,132	89,153
Northwest Territories Human Rights Commission	221	306
Northwest Territories Surface Rights Board	289	-
Northwest Territories Sport and Recreation Council	650	650
Status of Women Council of the Northwest Territories	452	553
	602,887	592,637

The Government funds communities, boards and agencies and other organizations offering services to the public. These organizations operate independently of normal Government operations. The Government may be held responsible for any liabilities or deficits on behalf of related boards and agencies. An estimate of the potential liability, if any, cannot be determined.

Under agreements with related boards and agencies, the Government provides services at cost or for a service fee where direct costs cannot be determined. The fees charged for indirect costs are not necessarily the cost of providing those services. Services provided includes personnel, payroll, financial, procurement, accommodation, buildings and works, utilities, legal and interpretation services.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2016

(All figures in thousands of dollars)

21. OVEREXPENDITURE

During the year 1 department (2015 - 2) exceeded their operations vote by \$2,959 (2015 - \$3,505) and 1 department (2015 -0) exceeded their capital vote by \$68,916 (2015- \$0) .

Overexpenditure of a vote contravenes subsection 71 of the *Financial Administration Act* which states that "No person shall incur an expenditure that causes the amount of the appropriation set out in the Estimates for a department to be exceeded".

The voted items that were over expended in the current year is as follows:

Department of Transportation (operations)	\$2,959
Department of Finance (capital)	\$68,916

These overexpenditures have been deemed a supplementary appropriation in accordance with section 77 of the *Financial Administration Act* S.N.W.T 2015 which states that "Where the charging of expenditures to an appropriation would cause the appropriation to be exceeded, the Comptroller General may, at the end of a fiscal year, record the amount by which the liability exceeds the appropriation as a deemed appropriation for that fiscal year".

22. SUBSEQUENT EVENTS

Building Canada Plan

On June 13, 2016, Canada signed an eight year, \$72 million, agreement with the Department of Transportation for the new Building Canada Fund. This agreement will allow the Government to rehabilitate selected portions of existing highways and roads, improve safety, and improve access to and from remote communities.

Health Board Consolidation

On April 1, 2016, new legislation came into effect giving the Minister of Health and Social Services the authority to create a Territorial Health and Social Services Authority (NTHSSA). The Minister of HSS announced that the effective date for the NTHSSA to commence operations was August 1, 2016. When the NTHSSA was created, six of the eight current Health and Social Authorities (HSSAs) became part of the NTHSSA and would no longer be separate legal entities. Hay River Health and Social Services Authority (HRHSSA) and Tlicho Community Services Agency (TCSA) remain outside the NTHSSA; however, the legislation does include provisions to bring the HRHSSA into the NTHSSA at a later date. The NTHSSA serves as a single integrated delivery system for Northwest Territories health and social service programs while recognizing that the TCSA retains a unique role through the provisions of the Tli Cho Agreement. Through the Chief Executive Officer, the NTHSSA reports to and takes direction from the Chair of Health and Social Services Leadership Council that is comprised of persons appointed in accordance with legislation. The financial impact of this change is not significant to the Government.

Disaster Financial Assistance

On June 3, 2016, Canada approved an Order in Council, P.C. 2016-436, to permit the Government to proceed with a disaster financial assistance arrangements claim of \$4.1 million, which is for extraordinary expenses associated with the civil emergency response incurred by the Government as a result of the 2014 wildfire.

23. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Source (unaudited)

Schedule A

for the year ended March 31, 2016

(thousands of dollars)

	2016 Main Estimates (note 1b) \$	2016 Actual \$	2015 Actual
Revenue from the Government of Canada			
Grant	1,232,755	1,232,755	1,208,840
Transfer Payments	168,796	194,363	210,835
	1,401,551	1,427,118	1,419,675

Taxation

Corporate Income Tax	40,640	25,010	31,815
Personal Income Tax	108,379	109,837	110,810
Fuel	18,817	19,750	19,260
Tobacco	15,811	16,191	16,053
Payroll	42,743	42,085	40,250
Property and school levies	28,797	28,380	28,261
Insurance	5,080	5,161	4,676
	260,267	246,414	251,125

Non-renewable Resource Revenue

Minerals, Oil and Gas Royalties	78,715	55,759	62,826
Licences, Rental and Other Fees	2,283	2,414	97
Quarry Fees	225	173	918
	81,223	58,346	63,841

General

Program	24,381	21,681	19,762
Service and miscellaneous	684	972	1,519
Lease	5,203	5,876	9,230
Interest revenue	-	1,537	1,191
Revolving Funds net revenue	26,936	23,548	24,747
Regulatory revenue	21,816	24,563	23,506
Investment income	1,140	3,593	3,156
Grants in Kind	593	445	1,136
	80,753	82,215	84,247

Total Revenues	1,823,794	1,814,093	1,818,888
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Government of the Northwest Territories

Non-Consolidated Schedule of Expenses (unaudited)

Schedule B

for the year ended March 31, 2016

(thousands of dollars)

	Main Estimates (note 1b) \$	Compensation and Benefits \$	Grants and Contributions \$	Valuation Allowances \$	Other \$	Amortization \$	2016 Total Expenses \$	2015 Total Expenses \$
Legislative Assembly	21,175	13,144	221	-	6,138	804	20,307	19,887
Executive	11,335	9,286	25	-	1,967	7	11,285	13,559
Aboriginal Affairs and Intergovernmental Relations	9,340	5,854	1,656	-	1,084	-	8,594	8,934
Human Resources	24,324	14,959	-	-	5,480	44	20,483	21,617
Finance	211,262	44,967	147,822	660	24,958	2,423	220,830	243,137
Municipal and Community Affairs	131,479	14,162	112,428	3	4,726	10	131,329	129,945
Public Works and Services	122,750	29,934	4,315	-	74,671	5,965	114,885	110,946
Health and Social Services	407,675	23,137	286,538	-	105,858	9,584	425,117	402,202
Justice	129,417	60,643	2,638	-	63,080	2,193	128,554	124,168
Education, Culture and Employment	310,547	34,042	217,566	2,374	41,517	17,285	312,784	310,095
Transportation	119,902	38,688	1,072	16	45,727	42,079	127,582	120,728
Environment and Natural Resources	85,981	43,103	8,712	7	56,345	2,346	110,513	136,095
Industry Tourism and Investment	65,677	28,376	18,726	17	15,731	979	63,829	66,510
Lands	29,268	19,148	546	4	7,404	182	27,284	24,529
	1,680,132	379,443	802,265	3,081	454,686	83,901	1,723,376	
Prior Year Totals	1,645,585	374,927	782,319	3,585	492,471	79,050		1,732,352

Government of the Northwest Territories

Non-Consolidated Schedule of Tangible Capital Assets (unaudited)

Schedule C

As at March 31, 2016

(thousands of dollars)

	Land**** \$	Buildings* \$	Other** \$	Leasehold Improvements \$	Equipment* \$	Computers \$	2016 \$	2015 \$
Cost, beginning of year	3,646	1,004,771	1,586,910	36,037	190,412	106,536	2,928,312	2,721,189
Adjustment to beginning*** costs	-	(2,055)	(1,472)	2,381	2,704	(1,558)	-	-
Acquisitions	-	107,331	111,296	1,213	6,709	12,791	239,340	215,964
Write-downs/adjust.	-	(91)	-	-	-	-	(91)	-
Disposals	-	(2,710)	-	(82)	(3,251)	(1,620)	(7,663)	(8,841)
Cost, end of year	3,646	1,107,246	1,696,734	39,549	196,574	116,149	3,159,898	2,928,312
Accumulated amortization, beginning of year	-	(387,053)	(511,475)	(26,827)	(99,878)	(63,688)	(1,088,921)	(1,018,092)
Adjustment to beginning*** accumulated amortization	-	(801)	(320)	-	-	-	(1,121)	-
Amortization expense	-	(28,075)	(36,682)	(3,699)	(10,018)	(5,427)	(83,901)	(79,052)
Disposals	-	2,101	-	82	3,181	1,620	6,984	8,223
Accumulated amortization, end of year	-	(413,828)	(548,477)	(30,444)	(106,715)	(67,495)	(1,166,959)	(1,088,921)
Net book value	3,646	693,418	1,148,257	9,105	89,859	48,654	1,992,939	1,839,391
Work in progress							199,256 ****	151,794
							2,192,195	1,991,185

* Included in buildings and equipment are assets under capital leases: cost, \$3,910 (2015 - \$4,284); accumulated amortization, \$1,572 (2015 - \$1,607); net book value, \$2,338 (2015 - \$2,677).

** Includes roads, bridges, airstrips, aprons, fuel distribution systems, park improvements, aircraft, water/sewer works, fences, and signs.

*** Included in other are roads capitalized but not yet amortized \$257,945 (2015 - \$175,085).

**** Adjustment to beginning cost is to recategorize existing assets and adjustment to accumulated amortization.

***** Included in work in progress are P3 projects: Stanton Territorial Hospital Renewal \$40,783 and Mackenzie Valley Fibre Link \$69,142.

***** Land with cost and net book value of \$0, market value \$7,056 (2015 - \$543) was contributed to third parties.

Change in net book value of tangible capital assets	2016 \$	2015 \$
Acquisitions	239,340	215,963
Adjustment to opening	(1,121)	-
Disposals/write-downs/adjustments	(770)	(618)
Amortization	(83,901)	(79,051)
Increase in work in progress	47,462	20,145
Increase	201,010	156,439

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1

March 31, 2016

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
Legislative Assembly					
Transfer Payments					
Federal Cost Shared	-	-	-	101	101
General Revenues					
Service and miscellaneous	11	-	11	20	9
Regulatory revenue	15	-	15	21	6
Investment income	-	-	-	3,593	3,593
	26	-	26	3,735	3,709
Executive					
Grants in kind	150	-	150	-	(150)
Industry, Tourism and Investment					
Non-renewable Resource Revenue					
Minerals, oil and gas royalties	78,715	(17,916)	60,799	55,759	(5,040)
Licences, rental, and other fees	2,203	-	2,203	2,368	165
	80,918	(17,916)	63,002	58,127	(4,875)
General Revenues					
Regulatory revenues	109	(1)	108	870	762
Service and miscellaneous	5	14	19	2	(17)
	114	13	127	872	745
	81,032	(17,903)	63,129	58,999	(4,130)
Environment and Natural Resources					
Transfer Payments					
Federal cost shared	-	3,650	3,650	3,650	-
Capital transfers	-	-	-	240	240
	-	3,650	3,650	3,890	240
Non-renewable Resource Revenue					
Licences, rental, and other fees	80	-	80	46	(34)
General Revenues					
Program	32	-	32	(210)	(242)
Regulatory revenues	1,253	(359)	894	814	(80)
Service and Miscellaneous	-	-	-	44	44
	1,285	(359)	926	648	(278)
	1,365	3,291	4,656	4,584	(72)

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1 (continued)

March 31, 2016

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
Finance					
Grant from Government of Canada	1,232,755	-	1,232,755	1,232,755	-
Transfer Payments					
Federal cost shared	-	-	-	19	19
Canada Health Transfer	41,629	2,335	43,964	43,964	-
Canada Social Transfer	15,855	197	16,052	16,052	-
	1,290,239	2,532	1,292,771	1,292,790	19
Taxation					
Corporate	40,640	(15,630)	25,010	25,010	-
Personal	108,379	1,458	109,837	109,837	-
Fuel	18,817	(95)	18,722	19,750	1,028
Tobacco	15,811	91	15,902	16,191	289
Payroll	42,743	(1,165)	41,578	42,085	507
Property and school levies	28,797	(60)	28,737	28,380	(357)
Insurance	5,080	-	5,080	5,161	81
	260,267	(15,401)	244,866	246,414	1,548
General Revenues					
Service and miscellaneous	-	-	-	(140)	(140)
Interest Revenue	-	-	-	1,171	1,171
Program	510	(450)	60	468	408
Revolving funds net revenue	26,936	(3,362)	23,574	23,548	(26)
Investment income	680	-	680	-	(680)
Regulatory revenue	483	-	483	548	65
	28,609	(3,812)	24,797	25,595	798
	1,579,115	(16,681)	1,562,434	1,564,799	2,365
Municipal and Community Affairs					
Transfer Payments					
Federal Cost Shared	-	250	250	256	6
General Revenues					
Regulatory revenue	187	-	187	268	81
	187	250	437	524	87
Justice					
Transfer payments					
Federal cost shared	4,719	111	4,830	5,090	260
General Revenues					
Lease	7	(7)	-	-	-
Service and miscellaneous	-	-	-	4	4
Program	4,544	7	4,551	4,091	(460)
Regulatory revenue	5,446	-	5,446	6,431	985
	9,997	-	9,997	10,526	529
	14,716	111	14,827	15,616	789

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1 (continued)

March 31, 2016

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
Public Works and Services					
General Revenues					
Service and miscellaneous	343	-	343	505	162
Lease	248	-	248	187	(61)
Regulatory revenue	1,027	-	1,027	1,339	312
Grants in Kind	-	-	-	2	2
	1,618	-	1,618	2,033	415
Health and Social Services					
Transfer Payments					
Federal cost shared	30,004	-	30,004	30,010	6
Capital transfers	762	-	762	2,295	1,533
	30,766	-	30,766	32,305	1,539
General Revenues					
Program	17,266	-	17,266	15,233	(2,033)
Regulatory revenue	345	-	345	368	23
Grants in Kind	443	-	443	443	-
	18,054	-	18,054	16,044	(2,010)
	48,820	-	48,820	48,349	(471)
Education, Culture and Employment					
Transfer Payments					
Federal cost shared	8,348	1,250	9,598	11,095	1,497
General Revenues					
Interest Revenue	-	-	-	366	366
Service and miscellaneous	50	-	50	20	(30)
Lease	19	-	19	51	32
Program	1,061	-	1,061	1,062	1
Investment income	460	-	460	-	(460)
Regulatory revenue	17	-	17	28	11
	1,607	-	1,607	1,527	(80)
	9,955	1,250	11,205	12,622	1,417

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1 (continued)

March 31, 2016

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
Transportation					
Transfer Payments					
Federal cost shared	-	57	57	58	1
Capital transfers	67,479	29,795	97,274	81,533	(15,741)
	67,479	29,852	97,331	81,591	(15,740)
General Revenues					
Lease	3,229	-	3,229	3,619	390
Program	968	-	968	1,037	69
Service and miscellaneous	275	-	275	454	179
Regulatory revenue	12,909	-	12,909	13,760	851
	17,381	-	17,381	18,870	1,489
	84,860	29,852	114,712	100,461	(14,251)
Lands					
Non-renewable Resource Revenue					
Quarry fees	225	-	225	173	(52)
General Revenues					
Regulatory revenue	25	-	25	116	91
Lease	1,700	-	1,700	2,017	317
Service and miscellaneous	-	-	-	63	63
	1,950	-	1,950	2,369	419
	1,823,794	170	1,823,964	1,814,093	(9,873)

Government of the Northwest Territories

Non-Consolidated Schedule of Expenses by Department (unaudited)

Schedule 2

March 31, 2016

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Legislative Assembly						
Office of the Clerk	8,409	-	-	8,409	8,048	361
Expenditures on Behalf of Members	8,999	8	-	9,007	8,603	404
Office, Chief Electoral Officer	1,650	-	-	1,650	1,517	133
Statutory Offices	1,761	-	-	1,761	1,823	(62)
Office of the Speaker	356	-	-	356	316	40
	21,175	8	-	21,183	20,307	876
Executive						
Directorate	6,121	575	-	6,696	6,277	419
Ministers' Offices	3,471	335	-	3,806	3,356	450
Cabinet Support	1,743	-	-	1,743	1,652	91
	11,335	910	-	12,245	11,285	960
Human Resources						
Directorate	4,504	1	-	4,505	4,390	115
Management and Recruitment	4,393	(5)	212	4,600	4,811	(211)
Strategic Human Resources	8,339	-	(212)	8,127	5,071	3,056
Regional Operations	3,797	9	-	3,806	3,566	240
Labour Relations	3,291	1	-	3,292	2,645	647
	24,324	6	-	24,330	20,483	3,847
Aboriginal Affairs and Intergovernmental Relations						
Corporate Management	4,018	-	-	4,018	4,166	(148)
Implementation	723	-	-	723	531	192
Negotiations	2,609	-	-	2,609	2,033	576
Intergovernmental Relations	1,990	50	-	2,040	1,864	176
	9,340	50	-	9,390	8,594	796
Industry, Tourism and Investment						
Economic Diversification & Business Support	22,776	427	345	23,548	21,215	2,333
Corporate Management	9,350	5	6	9,361	9,545	(184)
Tourism and Parks	14,191	2	-	14,193	14,715	(522)
Minerals and Petroleum Resources	17,175	981	(6)	18,150	16,965	1,185
Office of Regulator Oil & Gas	2,185	-	-	2,185	1,389	796
	65,677	1,415	345 *	67,437	63,829	3,608

* Infrastructure investments that were not classified as capital have been transferred to operations. See schedule 8 for details.

Government of the Northwest Territories

Non-Consolidated Schedule of Expenses by Department (unaudited)

Schedule 2 (continued)

March 31, 2016

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Environment and Natural Resources						
Wildlife	15,096	59	(25)	15,130	14,605	525
Forest Management	32,632	24,558	(1,905)	55,285	54,986	299
Corporate Management	14,113	9	2,001	16,123	17,437	(1,314)
Water Resources	11,562	774	-	12,336	11,089	1,247
Conservation, Assessment & Monitoring	8,039	1	(63)	7,977	7,888	89
Environment	4,539	206	(7)	4,738	4,508	230
	85,981	25,607	1 *	111,589	110,513	1,076
Finance						
Deputy Minister's Office	96,193	22,538	-	118,731	115,868	2,863
Budget, Treasury and Debt Management	26,860	1	-	26,861	22,869	3,992
Comptroller General	49,424	20	-	49,444	47,238	2,206
Chief Information Officer	2,837	-	-	2,837	2,301	536
Fiscal Policy	34,816	-	-	34,816	31,222	3,594
Bureau of Statistics	1,069	-	-	1,069	1,270	(201)
	211,199	22,559	-	233,758	220,768	12,990
Amortization of tangible capital assets of the NWT Liquor Commission	63	-	-	63	62	1
	211,262	22,559	-	233,821	220,830	12,991
Municipal and Community Affairs						
Regional Operations	111,374	216	-	111,590	110,678	912
Community Operations	2,093	1,760	-	3,853	2,250	1,603
Directorate	3,915	-	-	3,915	4,221	(306)
School of Community Government	3,261	5	-	3,266	3,509	(243)
Community Governance	2,303	-	-	2,303	1,851	452
Sport, Recreation and Youth	6,792	-	-	6,792	7,074	(282)
Public Safety	1,741	-	-	1,741	1,746	(5)
	131,479	1,981	-	133,460	131,329	2,131
Justice						
Corrections	39,477	3	(100)	39,380	38,467	913
Policing Services	44,573	1,045	-	45,618	46,259	(641)
Court Services	15,313	7	-	15,320	14,123	1,197
Services to Government	13,503	108	232	13,843	13,770	73
Legal Aid Services	6,303	3	-	6,306	6,232	74
Services to Public	5,152	1	-	5,153	5,013	140
Community Justice and Policing	5,096	318	(132)	5,282	4,690	592
	129,417	1,485	-	130,902	128,554	2,348

* Infrastructure investments that were not classified as capital have been transferred to operations. See schedule 8 for details.

Government of the Northwest Territories

Non-Consolidated Schedule of Expenses by Department (unaudited)

Schedule 2 (continued)

March 31, 2016

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Health and Social Services						
Administration and Support	83,253	1,141	558	84,952	80,772	4,180
Ambulatory Care Services	60,154	6,293	219	66,666	70,612	(3,946)
Community Health Programs	144,418	6,982	1,627	153,027	152,143	884
Community Social Programs	28,199	31	(814)	27,416	27,867	(451)
Diagnostic and Therapeutic Services	23,820	5	805	24,630	23,928	702
Nursing Inpatient Services	35,470	1,039	(2,289)	34,220	34,220	-
Supplementary Health Programs	32,361	3,121	-	35,482	35,575	(93)
	407,675	18,612	106 *	426,393	425,117	1,276
Education, Culture and Employment						
Corporate Management	11,967	-	811	12,778	13,661	(883)
Education and Culture	244,961	31	(37,581)	207,411	202,855	4,556
Labour Development and Standards	10,195	1,476	36,985	48,656	49,567	(911)
Income Security	43,424	4,943	9	48,376	46,701	1,675
	310,547	6,450	224 *	317,221	312,784	4,437
Transportation						
Corporate Services	10,965	3	71	11,039	10,937	102
Airports	27,951	4,646	(7)	32,590	30,016	2,574
Highways	66,420	3,026	(64)	69,382	71,455	(2,073)
Marine	7,718	1	-	7,719	8,711	(992)
Road Licensing and Safety	5,840	4	-	5,844	5,608	236
Community Access Program	1,008	-	-	1,008	855	153
	119,902	7,680 ***	-	127,582	127,582	-
Public Works and Services						
Asset Management	100,885	282	(137)	101,030	93,998	7,032
Directorate	11,874	(3)	(11)	11,860	11,354	506
Technology Services Centre	1,535	-	-	1,535	1,331	204
Energy	8,456	(1)	137	8,592	8,202	390
	122,750	278	(11)**	123,017	114,885	8,132
Lands						
Corporate Management	4,056	-	88	4,144	4,545	(401)
Planning and Coordination	6,323	200	(254)	6,269	5,484	785
Operations	11,770	79	166	12,015	10,615	1,400
Informatics	7,119	432	-	7,551	6,640	911
	29,268	711	-	29,979	27,284	2,695
	1,680,132	87,752	665 *	1,768,549	1,723,376	45,173

* Infrastructure investments that were not classified as capital have been transferred to operations. See schedule 8 for details.

** Infrastructure investments classified as capital.

***2,959 is a deemed supplementary appropriation per section 77 of the *Financial Administration Act*.

Government of the Northwest Territories

Non-Consolidated Schedule of Recoveries of Prior Years Expenses (unaudited)

Schedule 3

March 31, 2016

(thousands of dollars)

DEPARTMENT	Over-Accruals \$	Other Recoveries \$	Total \$
Legislative Assembly	1	207	208
Executive	-	1,224	1,224
Aboriginal Affairs and Intergovernmental Relations	19	353	372
Human Resources	-	348	348
Finance	216	4,840	5,056
Municipal and Community Affairs	20	219	239
Public Works and Services	232	498	730
Health and Social Services	625	942	1,567
Justice	441	299	740
Education, Culture and Employment	623	1,900	2,523
Transportation	159	723	882
Environment and Natural Resources	-	1,974	1,974
Industry, Tourism and Investment	548	2,335	2,883
Lands	15	383	398
	2,899	16,245	19,144

Non-Consolidated Schedule of Summary of Capital Acquisitions (unaudited)

Schedule 4

March 31, 2016

(thousands of dollars)

DEPARTMENT	Main Estimates \$	Supplementary Estimates \$	Total Appropriation \$	Actual Expenditure \$
Legislative Assembly	150	203	353	234
Lands	-	5,034	5,034	113
Human Resources	440	36	476	175
Finance	210	69,888 ***	70,098	70,098 **
Public Works and Services	12,525	10,505	23,030	11,753
Health and Social Services	83,606	31,077	114,683	64,889
Justice	17,166	3,247	20,413	4,806
Education, Culture and Employment	5,796	2,418	8,214	5,551
Transportation	111,489	39,842	151,331	114,443
Environment and Natural Resources	11,343	3,111	14,454	11,796
Industry, Tourism and Investment	2,575	4,816	7,391	4,295
	245,300	170,177	415,477 *	288,153

Projects completed by Public Works and Services on behalf of other Departments are reported as expenditures under the owner Department when completed to better reflect investments in Departmental Programs.

*\$665 of budget associated with infrastructure investments that were classified as non-capital in nature has been transferred to operations, as disclosed in Schedules 2 and 8.

**Public Sector Accounting Standards require assets procured through Public Private Partnerships to be recorded as the Government acquires rights to the asset. No cash has been expended on these projects and an appropriation will be sought in the fiscal year when the asset is substantially complete and brought into service.

***\$68,916 is a deemed supplementary appropriation per section 77 of the *Financial Administration Act*

Government of the Northwest Territories

Non-Consolidated Schedule of Grants (unaudited)

Schedule 5

for the year ended March 31, 2016

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Executive						
Band Council Leases (in kind)	150	-	-	150	-	150
Canadian Red Cross Nepal Relief	-	-	-	-	25	(25)
	150	-	-	150	25	125
Transportation						
Deh Cho Bridge Opportunities Grant	200	-	-	200	200	-
Aboriginal Affairs and Intergovernmental Relations						
Core Funding to Metis Locals	225	-	-	225	225	-
Special Events - Aboriginal Organizations	75	-	-	75	176	(101)
Aboriginal Intergovernmental Meetings Fund	350	-	-	350	350	-
Women's Initiatives Grants	50	-	-	50	50	-
Indspire Awards	35	-	-	35	35	-
	735	-	-	735	836	(101)
Finance						
Resource Revenue	10,100	-	-	10,100	6,576	3,524
Cost of Living Tax Credit	21,900	-	-	21,900	22,137	(237)
NWT Child Benefit	1,200	-	-	1,200	1,066	134
	33,200	-	-	33,200	29,779	3,421
Municipal and Community Affairs						
Designated Authority Funding	1,440	-	-	1,440	1,424	16
New Deal Taxation Revenue Program	475	90	-	565	564	1
High Performance Athlete Program	100	-	-	100	57	43
Community Government Funding	48,297	-	-	48,297	48,297	-
Grant-in-Lieu of Taxes	6,962	-	-	6,962	6,843	119
Senior Citizens and Disabled Persons Tax Relief	438	108	-	546	615	(69)
	57,712	198	-	57,910	57,800	110

Government of the Northwest Territories**Non-Consolidated Schedule of Grants (unaudited)****Schedule 5 (continued)****for the year ended March 31, 2016**

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Environment and Natural Resources						
Disaster Compensation	15	-	-	15	-	15
Fur Price Program	405	-	-	405	477	(72)
Fire Damage Compensation	100	-	-	100	111	(11)
	520	-	-	520	588	(68)
Health and Social Services						
Medical Professional Development	40	-	-	40	40	-
Apartment Lease Funding	443	-	-	443	443	-
	483	-	-	483	483	-
Justice						
National Justice Issues	9	-	-	9	7	2
Education, Culture and Employment						
Student Grants	11,136	1,013	-	12,149	10,696	1,453
Community Broadcasting Grants	52	-	-	52	36	16
Early Childhood Worker Grant Program	902	-	(12)	890	872	18
Labour Market Agreement for Persons with Disabilities Grant	-	198	-	198	-	198
	12,090	1,211	(12)	13,289	11,604	1,685
Industry, Tourism and Investment						
Fur Price Program	205	-	-	205	-	205
Total	105,304	1,409	(12)	106,701	101,322	5,379

Land with cost and net book value of \$0, market value \$7,056 (2015- \$543) was contributed to third parties.

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6

for the year ended March 31, 2016

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Legislative Assembly						
Human Rights Commission Core Funding	250	-	(29)	221	221	-
Aboriginal Affairs and Intergovernmental Relations						
Native Women's Association Core Funding	426	-	-	426	426	-
Status of Women Council Core Funding	394	-	-	394	394	-
	820	-	-	820	820	-
Finance						
Territorial Power Subsidy Program	6,778	-	-	6,778	6,382	396
Northwest Territories Heritage Fund						
Core Funding	7,600	-	-	7,600	4,722	2,878
Energy Programs	-	1,800	-	1,800	840	960
Northwest Territories Housing Corporation Core Funding	85,368	402	-	85,770	85,770	-
Snare Hydro System	-	20,329	-	20,329	20,329	-
	99,746	22,531	-	122,277	118,043	4,234
Municipal and Community Affairs						
Partners Contributions	470	-	-	470	493	(23)
Annual Non-Government-Organization Stabilization Fund	350	-	-	350	312	38
Arctic Winter Games 2018	1,000	-	-	1,000	1,000	-
Ground Ambulance and Highway Rescue	400	-	-	400	366	34
Recreation Contributions	450	-	-	450	649	(199)
Volunteer Contributions	70	-	-	70	43	27
A Brilliant North	580	-	-	580	528	52
Youth Centres	500	-	-	500	486	14
Pan Territorial Sport Program	272	-	-	272	272	-
Multisport Games	650	-	-	650	650	-
Healthy Choices Initiative	765	-	-	765	757	8
Children and Youth Resiliency	450	-	-	450	266	184
Community Governments						
Community Financial Services	135	-	-	135	69	66
Assistance to Community Governments	-	-	-	-	368	(368)
Infrastructure Contributions	28,002	-	-	28,002	28,002	-
Recreation Funding	825	-	-	825	746	79
Water and Sewer Services	17,589	-	-	17,589	17,589	-
Get Active NWT	100	-	-	100	100	-
Management of Drinking Water	-	-	-	-	10	(10)
Regional Youth Sport Events	400	-	-	400	327	73
Building Canada Plan	-	1,760	-	1,760	402	1,358
Youth Corps - Regional Operations	500	-	-	500	387	113
Youth Contributions - Sport, Recreation and Youth	25	-	-	25	-	25
Youth Contributions - Regional Operations	225	-	-	225	172	53
Youth Corps- Sport, Recreation and Youth	675	-	-	675	630	45
Volunteer Recognition	30	-	-	30	4	26
	54,463	1,760	-	56,223	54,628	1,595

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6 (continued)

for the year ended March 31, 2016

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Transportation						
Aviation Career Development Program	20	-	-	20	25	(5)
Community Access Program	980	-	-	980	847	133
Students Against Drinking and Driving (SADD)	12	-	-	12	-	12
	1,012	-	-	1,012	872	140
Lands						
Supporting Consultation for Land Use Decisions	100	-	-	100	87	13
Land Use Planning Initiatives	400	-	-	400	459	(59)
Sustainable Land Use Management	100	-	-	100	-	100
	600	-	-	600	546	54
Health and Social Services						
Health and Social Services Authority Funding	279,120	3,212	(776)	281,556	280,879	677
Health and Social Services Human Resources	1,615	-	(583)	1,032	8	1,024
Respite Fund	225	-	-	225	228	(3)
Anti-Poverty Fund	650	-	-	650	735	(85)
Family Violence	395	-	-	395	317	78
Early Childhood Development Action Plan	-	-	376	376	261	115
Community Wellness Initiatives Fund	1,014	-	-	1,014	899	115
On the Land Healing Fund	1,000	-	-	1,000	1,086	(86)
Mental Health and Addictions	625	-	(175)	450	203	247
Seniors Fund	205	-	-	205	199	6
French Language Services	856	-	-	856	391	465
Early Childhood Development Breastfeeding Fund	25	-	-	25	25	-
Child and Family Services	128	-	-	128	173	(45)
Disabilities Fund	335	-	-	335	321	14
Healthy Family Program	292	-	-	292	292	-
Tlicho Cultural Coordinator	35	-	-	35	38	(3)
	286,520	3,212	(1,158)	288,574	286,055	2,519

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6 (continued)

for the year ended March 31, 2016

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Environment and Natural Resources						
Mackenzie River Basin Board	40	-	-	40	40	-
Community Harvester Assistance Program	1,074	-	-	1,074	1,226	(152)
Adaptation Plan	51	-	-	51	132	(81)
Traditional Knowledge Contributions	65	-	-	65	95	(30)
Interim Resource Management Agreement Program Assistance	1,655	-	-	1,655	1,653	2
Local Wildlife Committees	257	-	-	257	75	182
Climate Change Conservation Program	162	-	-	162	40	122
Biomass Energy	150	-	-	150	-	150
Stewardship Program	440	-	-	440	636	(196)
Wildfire Risk Management Plans	75	-	-	75	40	35
Wildlife Research Support	25	-	-	25	27	(2)
Inuvialuit Water Board Core Funding	913	-	-	913	913	-
Aquatic Ecosystems Research Partnership Program	200	-	-	200	-	200
Environmental Baseline Studies	100	-	-	100	161	(61)
Northwest Territories Water Strategy	250	-	-	250	254	(4)
Community Protection Research	10	-	-	10	80	(70)
Water Strategy Action Plan	610	-	-	610	585	25
Wildfire Management Boards	178	-	-	178	151	27
Field Operations Various Contributions	-	-	-	-	41	(41)
Take A Kid Trapping	125	-	-	125	93	32
Cumulative Impact Monitoring Program	1,540	-	-	1,540	1,597	(57)
Conservation Planning	140	-	-	140	252	(112)
Field Support Various Contributions	-	-	-	-	17	(17)
Disease Contaminants	16	-	-	16	16	-
	8,076	-	-	8,076	8,124	(48)

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6 (continued)

for the year ended March 31, 2016

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Industry, Tourism and Investment						
Business Development and Investment Corporation Core Funding	3,789	-	-	3,789	3,789	-
Community Futures Core Funding	1,147	-	-	1,147	1,011	136
Community Transfers Initiative	1,587	-	-	1,587	1,432	155
Business Internship	50	-	-	50	122	(72)
Support for Entrepreneur and Economic Development (SEED)	3,866	-	-	3,866	3,941	(75)
Film Industry Pilot Project	100	-	-	100	95	5
Mackenzie Valley Development	715	-	-	715	674	41
Economic Diversification and Business Support Various Contributions	-	-	-	-	40	(40)
Tourism and Parks Various Contributions	-	-	-	-	182	(182)
Tourism 2015	400	-	-	400	400	-
Fur Price Program	-	-	-	-	88	(88)
Tourism Diversification Program	1,086	-	-	1,086	1,079	7
Northwest Territories Chamber of Mines Core Funding	30	-	-	30	84	(54)
Commercial Fisheries	225	-	-	225	225	-
Aboriginal Mineral Development Support	100	-	-	100	135	(35)
Northern Food Development Program	550	-	-	550	459	91
Mining Incentive Program	400	-	-	400	400	-
Diavik Socioeconomic	50	-	-	50	-	50
CanZinc Socioeconomic	30	-	-	30	-	30
Great Northern Arts Festival	25	-	-	25	25	-
Mineral and Petroleum Resources Various Contributions	-	-	-	-	313	(313)
Community Tourism Infrastructure	100	-	-	100	180	(80)
Tourism Industry Contribution Core Funding	3,336	-	-	3,336	3,366	(30)
Tourism Skills Development	75	-	-	75	54	21
Convention Bureau	100	-	-	100	100	-
Northern Frontier Visitors Centre Core Funding	161	-	-	161	161	-
Growing Forward II	300	-	-	300	371	(71)
	18,222	-	-	18,222	18,726	(504)
Justice						
Family Violence	105	-	-	105	105	-
Victims Assistance Support Projects	615	-	-	615	705	(90)
Community Justice Committees and Projects	1,449	316	-	1,765	1,821	(56)
Wilderness Camps	149	-	-	149	-	149
Elder's Program	30	-	-	30	-	30
	2,348	316	-	2,664	2,631	33

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6 (continued)

for the year ended March 31, 2016

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Public Works and Services						
Alternative Energy Program	800	-	(490)	310	310	-
Arctic Energy Alliance Core Funding	1,413	-	-	1,413	1,413	-
Biomass Energy	300	-	(125)	175	175	-
Business Support Program/CECEP	200	-	-	200	200	-
Electricity from Residual Heat Study	100	-	(100)	-	100	(100)
Energy Efficiency Incentive Program	300	-	-	300	300	-
Energy Guide for Houses	150	-	-	150	150	-
Natural Gas in Thermal Zones	150	-	(150)	-	-	-
Solar Energy	625	-	(260)	365	365	-
Water Monitoring	50	-	(50)	-	-	-
Wind Energy	225	-	(225)	-	193	(193)
Yellowknife Liquefied Natural Gas Plant	175	-	(175)	-	-	-
Electric Vehicle Pilot Program	-	-	15	15	15	-
Community Renewable Energy Program	-	-	100	100	100	-
Community Government Energy Retrofits	-	-	200	200	200	-
LED Street Light Conversion Project	-	-	400	400	400	-
Localizing Our Economies Forum	-	-	-	-	5	(5)
Electricity Regulation and Energy Project	-	-	-	-	30	(30)
North Slave Resiliency Study	-	-	-	-	175	(175)
North Slave Hydrology Study	-	-	-	-	2	(2)
Fort Liard and Wrigley Solar	-	-	-	-	94	(94)
South Slave Electric Heat Feasibility Study	-	-	-	-	50	(50)
Renewables in Remote Microgrids Conference	-	-	-	-	38	(38)
	4,488	-	(860)	3,628	4,315	(687)

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6 (continued)

for the year ended March 31, 2016

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Education, Culture and Employment						
Education Authority Contributions	153,382	94	(2,568)	150,908	148,967	1,941
College Contributions	33,827	(36)	-	33,791	32,798	993
Healthy Food for Children and Youth	650	-	-	650	650	-
Literacy Funding	2,356	-	-	2,356	2,886	(530)
NWTTA Professional Development Fund	2,019	-	-	2,019	1,748	271
Healthy Children Initiative	2,110	-	-	2,110	1,931	179
Early Childhood Program	3,181	-	12	3,193	4,073	(880)
Minority Language Education and Second Language Instruction	2,539	-	-	2,539	2,667	(128)
Official Languages:						
Aboriginal Languages Broadcasting	370	-	1,150	1,520	877	643
Francophone Affairs	124	-	-	124	124	-
Aboriginal Languages	4,816	-	(607)	4,209	5,001	(792)
Community Library Services	763	-	-	763	763	-
Cultural Organizations	554	-	-	554	498	56
Cultural Projects	36	-	-	36	5	31
Heritage Centres Core Funding	491	-	-	491	610	(119)
NWT Arts Council	500	-	-	500	449	51
Support to Northern Performers	181	-	-	181	185	(4)
Mineral Development Strategy	156	-	-	156	-	156
Skills Canada	70	-	-	70	150	(80)
Small Community Employment	339	-	-	339	444	(105)
New Northern Arts Program	250	-	-	250	251	(1)
Cultural Component of Sports Events	50	-	-	50	50	-
Infrastructure Contributions for Education and Culture	461	115	(372)	204	226	(22)
Infrastructure Contributions for Labour Development and Standards	-	-	372	372	372	-
Labour Market Agreement for Persons with Disabilities	-	802	-	802	177	625
French College Exploration	-	-	-	-	10	(10)
Northern Youth Abroad	-	-	-	-	50	(50)
	209,225	975	(2,013)	208,187	205,962	2,225
Total	685,770	28,794	(4,060)	684,732	700,943	478,770

Government of the Northwest Territories**Non-Consolidated Schedule of Special Warrants (unaudited)****Schedule 7****for the year ended March 31, 2016**

(thousands of dollars)

	Date of FMB Approval	Amount Authorized \$
OPERATIONS AND MAINTENANCE		
Environment and Natural Resources		
A special warrant was approved on June 30, 2015 to fund the shortfall in the Forest Fire Suppression budget due to extreme fire conditions during the 2015 fire season.	30-Jun-2015	20,908
INFRASTRUCTURE		
A special warrant was approved on November 12, 2015 to fund the purchase of mineral claims and mineral leases on the Mactung tungsten property pursuant to North American Tungsten Corporation Ltd.'s insolvency process.	12-Nov-2015	4,500
Total Special Warrants		<u>25,408</u>

Government of the Northwest Territories**Non-Consolidated Schedule of Inter-activity Transfers Exceeding \$250,000 (unaudited)****Schedule 8****for the year ended March 31, 2016**(thousands of dollars)

	Transfer to (from) \$	Explanation
OPERATIONS AND MAINTENANCE		
Health and Social Services		
Ambulatory Care Services	265	Restatement of resources resulting from re-organization of accounting structure (Dialysis funding).
Nursing Inpatient Services	(265)	Restatement of resources resulting from organization of accounting structure (Dialysis funding).
Administrative and Support Services	(281)	Restatement of resources resulting from organization of accounting structure (EMR funding).
Ambulatory Care Services	10	Restatement of resources resulting from organization of accounting structure (EMR funding).
Community Health Programs	97	Restatement of resources resulting from organization of accounting structure (EMR funding).
Diagnostic and Therapeutic Services	65	Restatement of resources resulting from organization of accounting structure (EMR funding).
Nursing Inpatient Services	109	Restatement of resources resulting from organization of accounting structure (EMR funding).
Community Health Programs	730	Restatement of resources due to an error in opening Main Estimates - 2 year approval for reallocation of restricted physician funding was not reversed when it should have been in 2015/16
Nursing Inpatient Services	(730)	Restatement of resources due to an error in opening Main Estimates - 2 year approval for reallocation of restricted physician funding was not reversed when it should have been in 2015/16
Administrative and Support Services	556	One-time reallocation of Midwifery funds to the Organ and Tissue Donation Registry.
Nursing Inpatient Services	(556)	One-time reallocation of Midwifery funds to the Organ and Tissue Donation Registry.
Administrative and Support Services	(743)	Restatement of resources resulting from re-organization of accounting structure (blood and blood products).
Diagnostic and Therapeutic Services	743	Restatement of resources resulting from re-organization of accounting structure (blood and blood products).
Community Health Programs	729	Restatement of resources resulting from re-organization of accounting structure (Early Childhood Development funding).
Community Social Programs	(729)	Restatement of resources resulting from re-organization of accounting structure (Early Childhood Development funding).
Administrative and Support Services	673	One-time reallocation of resources to offset HRHSSA pension shortfall.
Nursing Inpatient Services	(673)	One-time reallocation of resources to offset HRHSSA pension shortfall.
Infrastructure Project Classification	106	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.

Government of the Northwest Territories**Non-Consolidated Schedule of Inter-activity Transfers Exceeding \$250,000 (unaudited) Schedule 8 (continued)**

for the year ended March 31, 2016 (thousands of dollars)

	Transfer to (from) \$	Explanation
Education, Culture and Employment		
Education and Culture	(37,390)	The management of the Adult & Post Secondary Education sub-activity was reassigned to the Labour, Development and Standards division and the reassignment of Powerschool project management and the transfer of Powerschool project
Labour, Development and Standards	36,994	The management of the Adult & Post Secondary Education sub-activity was reassigned to the Labour, Development and Standards division
Corporate Management	396	The management of Powerschool project was reassigned from the Education and Culture division to Corporate Management in fiscal 2015-16
Infrastructure Project Classification	224	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
Environment and Natural Resources		
Corporate Management	2,000	Reallocation from Forest Management funds to offset legal settlement costs.
Forest Management	(2,000)	Reallocation to Corporate Management to offset legal settlement costs.
Infrastructure Project Classification	1	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
Public Works and Services		
O&M Project Classification	(11)	The operations and maintenance budget associated with project costs that are classified as capital expenditures has been transferred to the capital budget.
Industry, Tourism, and Investment		
Infrastructure Project Classification	345	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
Lands		
Corporate Management	88	Transfer of Administrative Assistant position from Planning and Coordination.
Planning and Coordination	(254)	Transfer of Systems Navigator position and Administrative Assistant position
Regional Operations	166	Transfer of Systems Navigator position from Planning and Coordination

Government of the Northwest Territories**Non-Consolidated Schedule of Inter-activity Transfers Exceeding \$250,000 (unaudited) Schedule 8 (continued)**

for the year ended March 31, 2016 (thousands of dollars)

	Transfer to (from) \$	Explanation
CAPITAL INVESTMENT		
Education, Culture and Employment		
Education and Culture	(452)	In fiscal 2015-16, the Adult Postsecondary division was reorganized from the Education and Culture activity to the Labour and Development Standards activity
Labour, Development and Standards	452	In fiscal 2015-16, the Adult Postsecondary division was reorganized from the Education and Culture activity to the Labour and Development Standards activity
Education and Culture	(372)	Transfer of infrastructure contributions funding from School Playground Equipment and Safe Schools to Capital Infrastructure for College
Labour, Development and Standards	372	Transfer of infrastructure contributions funding from School Playground Equipment and Safe Schools to Capital Infrastructure for College
Environmental and Natural Resources		
Conservation, Assessment and Monitoring	(1,498)	Transfer of the responsibility of the Regional Laboratory Project to Wildlife
Wildlife	1,498	Transfer of the responsibility of the Regional Laboratory Project to Wildlife
Forest Management	300	Transfer of the Deline Office project funding to Forest Management to fund a shortfall in the Schiltee Lookout Tower project; to fund a new Fuel Bowser project and Taiga Lab equipment purchase.
Wildlife	(400)	Transfer of the Deline Office project funding to Forest Management to fund a shortfall in the Schiltee Lookout Tower project; to fund a new Fuel Bowser project and Taiga Lab equipment purchase.
Water Resources	100	Transfer of the Deline Office project funding to Forest Management to fund a shortfall in the Schiltee Lookout Tower project; to fund a new Fuel Bowser project and Taiga Lab equipment purchase.

for the year ended March 31, 2016

ACCOUNTS RECEIVABLE WRITTEN OFF

No amounts were written off during the
fiscal year ended March 31, 2016.

FORGIVENESS OF DEBT

The total debts forgiven during the fiscal
year ended March 31, 2016 was \$366,044.

Government of the Northwest Territories**Non- Consolidated Schedule of Bad Debt Write-offs, Forgiveness
and Student Loan Remissions (unaudited)****Schedule 9
(continued)**

for the year ended March 31, 2016

STUDENT LOAN REMISSIONS

Under the Student Financial Assistance Regulations, the Government may forego collection of students' loans, provided certain criteria are met. The students listed below, having met the academic and the employment or residency criteria, have qualified and been granted remission of their loans.

Name	\$	Name	\$
Adams, Jhillian	353	Budgell, Victoria	4,000
Ahenakew, Adam Gordon	3,146	Bullock, Corrine Eden	1,984
Aitken, Christopher Michael	1,984	Callahan, Mitchell	4,680
Aitken, Jennifer Laura	1,995	Callas, Aaron Douglas	4,044
Allison, Abigail	2,882	Callas, Brendan	4,000
Amora, Jestine	4,088	Callas, Michael	1,984
Anderson, Wesley	2,663	Campbell, Alexis	1,984
Arberry, Saundra	1,567	Campbell, Lana	1,984
Ashcroft, Sunny	1,041	Canam, Rebecca	2,806
Babiuk, Michelle	821	Canuel-Kirkwood, Shoshanna	4,263
Bassett, Shawna	2,652	Cara, Amy Maund	1,348
Beck, Janelle	1,436	Carey, Katie	2,453
Beemer, Levi	1,984	Carr, Georgina	2,900
Bell, Karlee Dawn	1,984	Carrillo, Karen	2,663
Bell, Margaret Jean	2,579	Carter, Angela	1,984
Belerive, Emmanuel	2,882	Cartwright, Aidan	1,954
Bembridge, Cali	2,663	Castro, Melissa	4,713
Bengts, Stacie	4,000	Chambers, Mary	2,663
Berton, Mary-Lynn	5,392	Charpentier, Hope	2,773
Bevan, Kyle	2,663	Chenkie, Ryan	2,663
Bevan, Emily	2,520	Choquette, Bradley	1,984
Boden, Mary	1,984	Christensen, Michael	2,664
Bokovay, David	1,117	Chung, Carissa	1,984
Bolivar, Kate	2,104	Coedy, Luke	3,365
Bonnell, Nicole	1,984	Cole, Tyson	2,017
Borden, Jessie	1,984	Coleman, Melanie	1,984
Borgois, Michele	1,545	Collier, Ryan	909
Borkovic, Joey	1,984	Coomber, Celeste	5,940
Borschneck, Thomas	680	Cooper, Merrill	1,984
Bothamley, Kelly	1,984	Corey, Laura	1,984
Boudreau, Mary-Ellen	653	Couturier, Donald	1,984
Bowden, Rachel	307	Dam, Thomas	1,984
Boyd, Abbey	2,444	Dang, Debbie	4,680
Bradbury, Amanda	1,984	Daniels, Harrold	4,066
Bradbury, Chelsea	1,999	Dautel, Janell	4,000
Braden, Carmen	4,794	De Bastiani, Thomas	2,247
Brasseur, Kali	1,984	Debassige, Lindsay Elizabeth	1,984
Brenton, Sarah	4,000	Debogorski, Juliane Louise	4,000
Bromley, Kelty	2,652	Desilets, Angela	2,663
Bromley, Tara	2,554	Devitt, Allison Christina	1,984
Bruser, Benjamin	2,663	Digness, Robert	2,751
Bruser, Rebecca	1,984	Digness, Samantha	2,663
Buchanan, Christopher	2,663	Elkin, Davis Mackenzie	3,102
Buchanan, David	3,968	Ellis, Matthew Roy Douglas	4,307
Budgell, Alexandra	5,491	Enns, Monica	4,000

Government of the Northwest Territories

**Non-Consolidated Schedule of Bad Debt Write-offs, Forgiveness
and Student Loan Remissions (unaudited)**

**Schedule 9
(continued)**

for the year ended March 31, 2016

Fabien, Brandon	2,663	Jung, Courtney	2,663
Forget-Manson, Avivah	4,000	Kaeser, Courtney	2,663
Forget-Manson, Elijah	1,984	Kearnan-Carbonneau, Axelle	4,603
Fournier, Jessica	4,691	Kearnan-Carbonneau, Sean	1,184
Fournier, Tristen	1,984	Kefalas, Kyle	1,984
Freeman-Ballantyne, Erin	9,667	Keizer, Michelle	4,691
Gard, Tehnille	3,573	Kelly, Jessica	1,107
Gardiner, Corin	1,984	Kennedy, Joseph	1,370
Gardiner, Krista	2,550	Kimble, Jessica	676
Gauthier, Aimee	1,063	Kipling, Keisha	2,608
Geggie-Hurst, Nicholas	2,006	Komi, Arisa	1,984
Gervais, Sarah Dominique	1,206	Kornichuk, Rebecca	2,663
Gibbons, Katelyn Beatrice	4,000	Koswan, Bradley	1,984
Gibbons, Rebecca	1,984	Krivda, Carlie Anne	4,000
Gilbert, Stephanie	1,984	Kronstal, Alana	4,680
Gilday, Jillian Marguerite Dunbar	1,984	Laity, Daniel	481
Gillander, Amanda	2,663	Laity, Erin	1,984
Gillander, Christopher	3,058	Lakhani, Sabrina	1,984
Gillard, Danielle Alexandra	2,663	Lakusta, Matthew	2,663
Glowach, Christine	1,984	Lambert, Richard	1,933
Glowach, Kathleen	997	Lau, Ariel	1,907
Grabke, Dwight	2,663	Lavoie-Stobbs, Arlene	1,984
Graf, Derek	1,984	Le Prieur, Joanna	1,984
Grayston, Jeremy	3,463	Letourneau-Paci, Chloe	1,370
Grinsted, Roya Jean	4,000	Letourneau-Paci, Sebastien	2,663
Guigon, Jessica	2,159	Lodge, Emily	1,984
Gzowski, Angela	2,663	Look, Raynor	2,663
Harris, Brooke	1,984	MacDougall, Alexander	1,074
Hart, Zachary Michael	8,856	MacDougall, Kelsey	1,984
Hess, Samera	4,000	Mackenzie, Alexandria	2,521
Hewitt, Kevin Samuel	1,984	MacLellan, Joseph	2,663
Hiebert, Talia	4,000	Maddeaux-Young, Hayley	2,298
Hinchey, Alexandra Paige	1,984	Madsen, Lucas	4,658
Hinchey, William	2,861	Magrum, Rebecca	2,028
Holden, Alberta	1,721	Magtibay, Angeline	413
Holloway, Madeline	3,650	Maguire, Jessica	1,984
Hopkins, Holly	5,100	Maher, Tanya	5,327
Horn, Mitchell	2,550	Mahler, Kirstin	4,680
Hunter, Kacee	2,872	Mair, Colin	1,984
Hussey, Steven	4,220	Mair, Dylan	1,984
Hval, Jessica	6,937	Maisonneuve, Shayla	1,984
Hysert, Gwen	1,984	Mandeville, Curtis	1,982
Inglangasuk, Alexandra	4,483	McDaniel, Gabriel	1,403
Irvine, Taylor	1,984	McDonald, Mandee	2,663
Jefferd-Moore, Brittenie	7,705	McDonald, Page	6,905
Jefferson, Kate	1,984	McGreish, Kendra	2,247
Jeffery, Julia	2,663	McKay, Kyle	2,707
Jen, Brooke	2,280	McKiel, Courtney	4,680
Jennings, Shannon	1,052	McLeod, Laura	1,984
Johansen, Nichol	2,295	McMullen, Andrea	660
Jonasson, Jessica	1,984	Memedi, Viola	4,494
Jonasson, Kristine	1,896	Merrithew, Leslie	1,984
Jones, Brittany	2,663	Michel, Gina	4,004
Josnston, Andrew	2,663	Miklosovic, Stefanie	1,984

Government of the Northwest Territories

**Non-Consolidated Schedule of Bad Debt Write-offs, Forgiveness
and Student Loan Remissions (unaudited)**

**Schedule 9
(continued)**

for the year ended March 31, 2016

Munite, Justin	9,383	Robinson, Erica	1,984
Moffitt, Morgan	7,508	Rodgers, Hayley	1,337
Moir, Lauren	1,414	Roland, Raffai	1,984
Monks, Deanna	2,619	Ross, Jamie	1,984
Moore, Kelly	2,663	Ross, Paulina	340
Moran, Colton	1,984	Ross, Sasha	1,984
Morgan, Bibi Nawsheen	2,114	Roy, Vanessa	1,984
Morland, Thomas	1,063	Rozestraten, Katherine	1,984
Morrison, Amanda	2,017	Rozestraten, Scott	2,663
Morrison, Annessa	5,808	Ruptash, Heather	2,663
Morton, Fallon	1,984	Ryder, Graeme	888
Mulders, Tamika	1,984	Sartor-Pielak, Carina	2,663
Muller, Mikaela	2,663	Savage, Genevieve	1,670
Munroe-Rosen, Soura	1,984	Sayong, Joshua	2,800
Murphy, Christine	2,017	Schaap, Jamie	921
Murphy, Sara	4,461	Schmalz, Adrienne	1,008
Murray, Janet	4,000	Scott, Danika Paige	1,984
Myrick, Andrea	1,289	Shaben, Megan	5,261
Nakyanzi, Jenipher	2,115	Shannon, Samuel	2,663
Napier, Kyle	4,559	Short, Dylan	1,381
Nguyen Ha, Ngan	4,614	Shouhda, Meagan	2,663
Nguyen Ha-Phuoc	1,512	Shoulder, Kyle	4,976
Noel, Jeremy	2,663	Shuparski, Meagan	1,984
Nojeda, Jovi-Lynn	1,984	Sidhu, Harjot	1,984
Oake, Meyha Deanne	1,984	Silke, David	4,000
O'Connell, Kevin	1,169	Silke, Tanya	4,483
O'Connor, Elise	2,663	Silveira Da Graca Costa, Nihal	2,663
O'Keefe, Hope	1,348	Silverio, Sandra	1,984
Ollerhead, Diana	4,680	Skinner, Madeline	2,674
Ollerhead, Kristy	1,162	Skinner, Shelby	1,984
Pacunayen, Jessica	2,800	Small, Abigail Ashley	1,644
Pagonis, Shayla	1,984	Smith, Angus	2,663
Paivalainen, Braeden	1,984	Smith, Maggie	1,984
Paul, Lyndsay	789	Soderberg, Jacklyn	986
Peart, Sheldon	2,444	Soroff, Jordan	8,691
Pellerin, Sheldon	1,700	Sosiak, Kevin	575
Phillips, Melanie	4,088	Spence, Duff	2,411
Phillips, Trenton	2,663	St. Croix, Aleta	2,104
Phung, Jeremy	1,315	Steen, Rebecca	2,663
Phypers, Daena	5,824	Stirling, Carter	1,348
Pidborochynski, Dezeræ	2,663	Straker, Jeremy	1,929
Ploughman, Melissa	1,962	Strand, Christina	4,000
Pond, Ryan	1,984	Strand, Jesslyn	680
Pound, Shawna	2,017	Strbac, Ana	2,313
Purchase, Eli	1,523	Stride, Sasha	2,800
Purchase, Elizabeth	7,332	Stuart, Robert	2,762
Pyke, Caitlynd	4,004	Styan, Bryce	2,663
Radicchi, Laura	2,663	Styan, Denver	4,768
Redshaw, Walker	2,817	Sullivan, Christopher	2,060
Reid, Graeme	5,480	Sumcad, Jasmin	2,017
Rivera, Jill	1,984	Sveinsson, Chelsea	690
Rix, Coral	4,724	Swanson, Laura	6,017
Roberts, Brittany	1,984	Swihart, Kristi	1,984
Roberts, Sabrina	1,337	Tam, Jared	1,984

Government of the Northwest Territories**Non-Consolidated Schedule of Bad Debt Write-offs, Forgiveness
and Student Loan Remissions (unaudited)****Schedule 9
(continued)**

for the year ended March 31, 2016

Taskova, Aleksandra	745
Telbis, Dessislava	2,017
Tilden, Emma	1,984
Tram, John	1,984
Tremblay, Brad	1,984
Tuma, Michelle	2,663
Turner-Davis, Alexandra	10,390
Tymchatyn, Shantel	2,663
Vallillee, Erin	1,984
Van Dyke, Christian	2,663
Van Metre, Blair	1,250
Vanthull, Jamie	2,082
Vician, Kaitlyn	1,984
Vician, Kristin	1,984
Vornbrock, Jarrett	2,663
Wallis, Colby	4,724
Watton, Colin	680
Weaver, Vincent	4,658
Weaver, Whitney	2,839
Webber, Paul	1,984
Welsh, Megan	2,345
Westergreen, Anneka	1,443
Westergreen, Jena	1,984
White, Alexander	1,370
White, Amanda	1,984
Whiteford, Morgan	1,425
Whitehead, Kevin	1,984
Wick, Malek	1,984
Wilson, Elizabeth	1,984
Wilson, Joseph	845
Wiseman, Amelia	1,984
Wiseman, Scott	4,066
Wolki, Frances	7,321
Wong, Daniel	4,000
Wong, Helen	1,984
Wong, Janet	2,663
Wood, Shantana	1,049
Wright, Briony	1,984
Wright, Kyla	2,663
Yuvlenco, Jeff	2,652

Total Remissions**923,977**

Government of the Northwest Territories

**Non-Consolidated Schedule of Recoveries of Debts and Student Loans Previously Written Off
(unaudited)**

Schedule 10

for the year ended March 31, 2016

Name	\$
Finance	
Arslanian Cutting Works NWT	<u>12,500</u>
MACA	
Ruben, Peter and Illasiak, Molly	550
Sabourin, Monique Marie	991
Soldat, Raymond	773
Fort Liard Metis Development	4,115
Nasken, Bernadette	1,054
Mantla, Edward and Rose	565
Tatzia, Gillbert J.	1,800
	<u>9,848</u>
Individual amounts under \$500	<u>441</u>
	<u>22,789</u>

Government of the Northwest Territories**Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and Others
- Expenditures Recovered (unaudited)****Schedule 11
(continued)****for the year ended March 31, 2016**

	\$
Lands	
Surface Rights Board	289,300
Inuvialuit Implementation	100,000
Geoconnections Programs	72,500
	461,800

Aboriginal Affairs and Intergovernmental Relations

Inuvialuit Implementation	145,364
Gwich'in Land Claim Implementation	162,387
Sahtu Land Claim Implementation	115,813
Tlicho Agreement Implementation	189,747
	613,311

Municipal and Community Affairs

Pan Territorial Strategy	149,076
Gas Tax	14,570,176
Tlicho Implementation	90,752
Search and Rescue	123,356
Designated Authority Council Training	68,362
Emergency Management Development	73,531
Beaufort Delta Finance Training	63,600
	15,138,853

Transportation

Airline Glycol Recovery	45,179
Hay River Access Corridor	88,221
Hold Baggage System - Yellowknife Airport	93,096
National Safety Code	153,140
Tli Cho Winter Roads	21,238
The Alberta Road Maintenance	380,977
Wood Buffalo National Park	1,306,182
	2,088,033

Government of the Northwest Territories**Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and Others
- Expenditures Recovered (unaudited)****Schedule 11
(continued)****for the year ended March 31, 2016**

	\$
Public Works and Services	
Sahtu Implementation	4,645
Gwich'in Implementation	4,645
Tlicho Implementation	19,510
SAFT America Inc Remote Monitoring and Data Logging	34,609
Leased Office Space- Beaufort Delta Education Authority	146,099
Royal Canadian Mounted Police Facility Maintenance	4,509,199
Royal Canadian Mounted Police Minor Capital Facilities Maintenance	3,393,953
	8,112,660

Justice

Sahtu Implementation	23,043
Gwich'in Implementation	23,043
Tlicho Implementation	53,963
Framework for Enhancing Victim Services in Northwest Territories	634,585
Building a Northern Evidence-Based Approach to Crime Prevention	270,943
Native Estates	175,696
Uniform Law Conference of Canada Annual Meeting	3,750
Wellness Court Program	100,000
Northwest Territories Law Foundation Library Project	50,000
Supporting Families Fund	200,562
Northwest Territories Courtworker Training	20,191
	1,555,776

Government of the Northwest Territories**Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and Others
- Expenditures Recovered (unaudited)****Schedule 11
(continued)****for the year ended March 31, 2016**

	\$
Health and Social Services	
Pan-Canadian Public Health Network	3,228
Working on Wellness in Strategic Populations	140,802
Dialogue/Storybook Project	172,623
Continuity of Care	265,236
Treatment Variables	20,962
Tobacco Cessation Sharing Centre	9,257
Analytic Intern Placement	1,689
Toll-Free Tobacco Quitline Services	23,347
Non Insured Health Benefits	13,673,673
Health Portfolio Funding	8,201,998
Home and Community Care Enhancement	5,127,179
Territorial Health Investment Fund	3,787,288
THIF Medical Travel	1,700,000
NWT Mental Health Information Management System	9,447
Development of Autism Spectrum	12,103
Congenital Anomalies Surveillance System	85,000
Electronic Immunization Registry	7,845
Canadian Chronic Disease Surveillance System	154,848
Pan-Northern Admin Data Development	186,612
Helicobacter Pylori Infection	43,107
Antibiotic Usage Trends in the NWT	22,581
Power Up	98,353
	33,747,178
Education, Culture and Employment	
Right From the Start ECD Framework	98,624
Sahtu Implementation	11,200
Gwich'in Implementation	12,250
Tlicho Implementation	124,103
Labour Market Development Agreement	4,529,520
Canada Job Fund	941,405
	5,717,102

Government of the Northwest Territories**Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and Others
- Expenditures Recovered (unaudited)****Schedule 11
(continued)****for the year ended March 31, 2016**

	\$
Environment and Natural Resources	
Climate Change Adaptation Project	669,593
Forest Industry Biomass Initiative	1,822,574
Tlicho Implementation	739,663
Developing and Implementing a Cooperative Bison Control Program	20,918
Gwich'in Implementation	56,224
Inuvialuit Implementation	3,999,452
Sahtu Implementation	149,187
Sahtu Duck Banding Project	11,078
Wildlife Studies - Community Based Monitoring	15,220
Geographic Information System Project	7,898
Mutual Aid Research Sharing Agreement	839,310
Remeasurement of the National Forest Inventory	188,283
Support of Conversation Data Centre Data Development	25,322
Parks Canada Regional Data Enhancement and Data Capture	10,000
Northern Conservancy Canada Northern Biodiversity Project 2015-16	4,300
Monitoring of the Bluenose-West Caribou	40,000
Ground Truth Water Parameters for Specified Sites	11,711
Biological (biofilm and zooplankton) indicators to monitor aquatic ecosystem health and communities across the Northwest Territories	15,163
Evaluating Risk of Cumulative Effects of Fire and Human Disturbance to Boreal Woodland Caribou Habitat	68,450
Investigate Metal Levels in Fish in the MacKenzie River	27,160
Monitoring Polar bear Subpopulations in the Western Arctic	50,000
Bathurst Caribou Range Plan	218,000
Strengthening Aboriginal Economic Participation in Environmental Monitoring in the Northwest Territories	166,903
Wolf Diet Research Project	15,000
Developing a Collaborative Climate Change Station Network in the Northwest Territories	30,000
	9,201,409

Industry, Tourism and Investment

SINED - Slave Province Surficial Materials and Permafrost Study	2,320,500
Growing Forward II	588,873
Gwich'in Implementation	36,652
Tlicho Implementation	43,438
Sahtu Implementation	33,000
Tourism Research and Product Development	664,522
Canol trail - Wire Clean-Up	800,000
	4,486,985

Total **81,123,107**

PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF THE NORTHWEST TERRITORIES
FOR THE YEAR ENDED MARCH 31, 2016

SECTION III
SUPPLEMENTARY FINANCIAL STATEMENTS
OTHER ENTITIES

HONOURABLE ROBERT C. MCLEOD

Minister of Finance

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

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SECTION III

SUPPLEMENTARY FINANCIAL STATEMENTS – OTHER ENTITIES

Entities

Aurora College
Arctic Energy Alliance
Inuvialuit Water Board
Northwest Territories Business Development and Investment Corporation
Northwest Territories Heritage Fund
Northwest Territories Housing Corporation
Northwest Territories Human Rights Commission
Northwest Territories Hydro Corporation
Northwest Territories Lottery Authority
Northwest Territories Sport and Recreation Council
Northwest Territories Surface Rights Board
Status of Women Council of the Northwest Territories

Revolving Funds

Fur Marketing Service Revolving Fund
Northwest Territories Liquor Commission
Northwest Territories Liquor Licensing Board
Fuel Services Division Revolving Fund
Public Stores Revolving Fund

Special Purpose Funds

Environment Fund
Legislative Assembly Retiring Allowance Fund
Natural Resources Conservation Trust Fund
Public Trustee for the Northwest Territories
Student Loans Fund
Territorial Court Judges Registered Pension Plan

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Annual Report

2014-2015



Environmental Monitor Training Program
Photo credit: *Blyth & Bathe Inc*

Mandate and Purpose

(Aurora College Act R.S. N.W. T. 1988, cA-7, s3)

The purpose of Aurora College is to deliver adult and post-secondary education, including the delivery of university-level programs and granting of prescribed university degrees and applied bachelor degrees.

Mission Statement

Aurora College is focused on Student Success and is committed to supporting the development of our Northern society through excellence in education, training and research that is culturally sensitive and responsive to the people we serve.

Our Values

Together, we are creating a vibrant, Northern college that is committed to excellence in education and research and fosters understanding and respect among all Northern people.

We will continue to do this by:

- Serving students in the best way possible, offering a seamless transition between high school, work, college and university;
- Nurturing critical thinking skills and problem-solving abilities;
- Offering a full spectrum of post-secondary education, qualifying Northerners to work or to go on to further education anywhere in Canada;
- Respecting and celebrating Aboriginal cultures and linking modern and traditional lifestyles;
- Supporting innovation in education and research;
- Ensuring research and post-secondary education are well integrated, through strong partnerships with industry, communities, governments and other educational institutions;
- Recognizing our role in supporting the governance and economic development of Northern communities;
- Attracting and retaining highly qualified Northern staff and faculty; and
- Fostering an environment of excellence in which staff, faculty and students can work and learn.



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Aurora College Board of Governors' Message



Reflecting upon the 2014-15 academic year – the highlights, successes, challenges and trials – I am proud of what we have accomplished. I am also enthusiastic about the direction in which we are headed, and steps that will be taken to lead Aurora College there.

A major step was the signing by the Board of Governors of the College and *Institutes Canada's Indigenous Education Protocol for Colleges and Universities*. Championed by our Elder representative, Paul Andrew, the protocol lays out seven principles which recognize and affirm our responsibility and obligation to Indigenous

education. Education has always been an integral part of the transfer of knowledge from one generation to the next for First Nations, Metis and Inuit families and communities. As formal education became established in this country, the knowledge and cultures of Indigenous peoples was often marginalized. Historically, the right to education was recognized by Indigenous leaders and the Government of Canada. The treaties signed by First Nations leaders promised an equitable system of education to provide the skills to participate fully in the economy as well as continuity for Indigenous knowledge, languages, cultures and traditions.

Unfortunately, this has not been the reality for many of Canada's Indigenous peoples.

As a northern post-secondary institution whose learners are primarily Indigenous people, creating an educational environment that supports, reflects, and is respectful of all of our learners is a

key priority. Signing this protocol further highlights our commitment to ensure we are inclusive and representative of all our northern cultures. In addition, by signing the protocol, we are supporting the many other Canadian colleges and institutes who are taking steps to better serve the Indigenous peoples of our country.

While we believe Aurora College already meets or is making headway towards meeting the seven principles in this document, we are committed to continual improvement to ensure both the letter and the intent of the principles are met. A signed copy of the protocol will be hung in each of our campuses, community learning centres and at the Aurora Research Institute, to share the vision, and so that we can be held accountable for meeting the principles it contains.

Sydney O'Sullivan,
Chairperson

Indigenous Education Protocol Principles

- **Commit to making Indigenous education a priority**
- **Ensure governance structures recognize and respect Indigenous peoples**
- **Implement intellectual and cultural traditions of Indigenous peoples through curriculum and learning approaches relevant to learners and communities**
- **Support students and employees to increase understanding and reciprocity among Indigenous and non-Indigenous peoples**
- **Commit to increasing the number of Indigenous employees with ongoing appointments throughout the institution, including Indigenous senior administrators**
- **Establish Indigenous-centred holistic services and learning environments for learner success**
- **Build relationships and be accountable to Indigenous communities in support of self-determination through education, training and applied research.**

Aurora College Board of Governors (as of June 30, 2015)

Sydney O'Sullivan
Kathy Tsetso
David Miller
Mary Beckett
Vacant
Vacant
Paul Andrew
Sheila O`Kane
Karen Lepine-McFeeters

Chairperson
Member
Member
Member
Member
Member
Member
Staff Representative
Student Representative

South Slave Representative
Dehcho Representative
Yellowknife Representative
Beaufort Delta Representative
North Slave Representative
Sahtu Representative
Elder Representative
Aurora Campus
Thebacha Campus

Message from the President

It is always gratifying to me to review the previous academic year's accomplishments and challenges in preparation for the Annual Report. It serves as a reminder of the remarkable individuals who make up our learners, staff, faculty, partners, volunteers, and Board of Governors, and the dedication and passion they each bring to their respective roles.

Two events in particular commemorated long-term successes at Aurora College in 2014-15.

Aurora Research Institute marked the 50th anniversary of the research headquarters in Inuvik. Celebrations honoured the history, capacity and growth of research in the NWT that touched all corners of the territory and beyond. Activities took place over several months and included many regions and individuals. Events were designed to recognize the significant scientific contributions that have taken place in the NWT over the past 50 years, and to celebrate the role of NWT researchers, technicians and citizens in these pursuits. ARI hosted movie nights, on-the-land programming, commemorative speaker series, an open house and school programming as part of this major initiative. A 16-page newspaper insert was published that included articles from researchers, community members, and past and current research centre staff.

The second major event saw the Nursing faculty celebrate 20 years of educating Registered Nurses in the Northwest Territories. More than 270 Registered Nurses have graduated from Aurora College and many have established long-term careers in the NWT. Activities included an alumni dinner that attracted more than 60 graduates, and an Open House and Alumni Recognition event with the Ministers of Health and Education as well as various government officials, health care professionals, alumni, staff and students in attendance.

As a small, northern College, it is imperative that our programs and operations meet the unique needs and challenges of our learners and our communities. Our small numbers and vast geography create both opportunities and trials that must be examined and acted upon if we and our learners are to be successful.

One of the approaches to ensuring we provide the best education possible to our learners is through regular program reviews. Three such reviews have been recently undertaken to examine Business Administration, Office Administration,



and the delivery of Access programs. The revised Business Administration program will have an Accounting Stream and a Work Experience Option, with the first delivery taking place in 2015-16. A full review of the Office Administration program took place during 2014-15. Data collection about the program included a variety of methodologies to obtain feedback from various sources including employers, graduates, students, instructors, and program managers at other community colleges. A revised program is expected to be offered beginning September 2016. To reach more students across the territory for these two popular programs, courses will be delivered through a combination of video-conferencing and instructor-led classes. The third recent review examined Aurora College's seven Access programs. A number of recommendations were brought forward, which will be implemented in 2016-17.

In addition to applauding the many achievements and successes at Aurora College, we must continue to regularly cast a critical eye on our actions, practices, policies and procedures, and ask ourselves in what ways can we further improve to the benefit of our learners, staff and communities. As we head into a new Strategic Planning process in 2015-16, critical self-analysis of our operations is essential for sustained improvement.

Jane Arychuk,
Aurora College President

There was much cause for celebration at [Aurora College](#) in 2014-15, including staff members and students receiving prestigious awards, academic excellence recognized for several students, and exciting research taking place through the Aurora Research Institute.

50 years of research in Inuvik

The Inuvik Research Laboratory opened its doors for business early in 1964, and has helped shape and coordinate regional research to this day. The research centre was merged with Aurora College in 1995, and renamed Aurora Research Institute (ARI).

In recognition of this milestone, ARI hosted a series of events. These included a Robotics Club demonstration, research presentations, an Open House at the Western Arctic Research Centre (WARC) and a Community Dinner and Celebration to publicly commemorate 50 years of research in Inuvik.



ARI Director Pippa Seccombe-Hett receives a gift from NWT Commissioner George Tuccaro to commemorate 50 Years of research.

To round out the month of October, a series of five Movie Nights were held at WARC, featuring movies that dealt with Arctic and Northern themes, and time for discussions afterwards. Natural Resources Canada and ARI offered local school groups tours of the Inuvik Satellite Station and during the

Trades Awareness Program Celebrates 10 years of Success

Students from across the South Slave converged on Fort Smith to participate in the popular week-long Trades Awareness Program (TAP) at Aurora College, Thebacha Campus in Fort Smith.

A total of 48 students gained hands-on experience as they rotate through several trades courses, including Cooking, Heavy Duty Equipment Technician and Carpentry. TAP is a partnership between Aurora College Thebacha Campus, the South Slave Divisional Education Council (SSDEC) and GNWT Education, Culture & Employment -



High school students learn skills in the Electrical shop; President Jane Arychuk presents a certificate of participation to a student.

South Slave Region.

The Trades Awareness Program exists to give students in small high schools access to the trades shops, equipment and instructional expertise available at Aurora College, as well as the Fort Smith business

community.

Since 2005, the Trades Awareness Program has provided exposure to the trades and other College program offerings to junior and senior high students in the South Slave.

Aurora College Nursing Programs Celebrate 20 Years of Excellence

Aurora College celebrated a long history of excellence in nursing education with an Open House and Alumni Recognition event on April 1, 2015.

It had been 20 years since the first cohort of NWT-educated nursing students began their classes at Aurora College in 1994-95. Until then, northerners travelled south to receive nursing education that would lead to registration. The initial two-year Northern Nursing diploma has evolved into the current four-year Bachelor of Science in Nursing (BSN) as professional demands and requirements have changed, ensuring Aurora College graduates receive the same high quality of education as their colleagues at southern universities. The BSN is offered in partnership with University of Victoria.

The event featured tours and demonstrations as well as speeches



Nursing Alumni were recognized during the Open House April 1, 2015, held to celebrate 20 Years of Nursing Education at Aurora College.

and presentations. Dignitaries for the open house included Minister of Education, Culture and Employment Jackson Lafferty, Minister of Health and Social Services Glen Abernethy,

and the President of Colleges and Institutes Canada, Denise Amyot. Past graduates of various nursing programs were on hand to be recognized as Aurora College Alumni.

Aurora College Thebacha Campus hosts fifth annual NWT Youth Symposium

Approximately 40 high school students from eight communities across the Northwest Territories were in Fort Smith in June to attend the Fifth Annual NWT Youth Symposium at Aurora College's Thebacha Campus.

The Youth Symposium is designed to help youth prepare for post-secondary education, as well as learn about opportunities at Aurora College. While the focus is on experiential learning through hands-on opportunities and cultural activities, students also learned about the processes of NWT's Student Financial Assistance Program and other student support systems for post-secondary learning.

The visiting students tried their hand at a number of programs and activities

as they rotated through workshops.

Activities included building a birdhouse in a carpentry workshop with the School of Trades, Apprenticeships and Industrial Training, a culture camp with the School of Education, on-the-land exercises with the Environment and Natural Resources Technology Program, learning lifesaving skills from the School of Health & Human Services, and building and marketing an App with the School of Business and Leadership. Student also attended presentations by Aurora College's Student Services staff on life as a student at Aurora College, as well as a presentation from Education, Culture & Employment GNWT staff on Student Financial Assistance (SFA).

Seven-year accreditation for Bachelor of Science in Nursing Program

The BSN program received a seven-year accreditation from the Canadian Association of Schools of Nursing (CASN) in 2015. This is the longest period of accreditation that can be achieved by a school of nursing. Site reviewers from CASN highlighted the robust nursing curriculum offered at Aurora College and the close relationships between nursing practice and college partners. Graduating students and alumni one year post graduation continue to rate the program "exceptionally to very well", noting the opportunity for quality practice placements as a strength of the program. Graduates also felt that the BSN program prepared them well for their role as a Registered Nurse.

Aurora College signs CIGan's Indigenous Education Protocol

Aurora College signed Colleges and Institutes Canada's (CIGan) historic Indigenous Education Protocol. This aspirational document reaffirms the College's commitment to Indigenous education and provides a vision of how it will strive to improve and better serve Indigenous peoples.

As a northern post-secondary institution whose learners are primarily Indigenous people, creating an educational environment that supports, reflects, and is respectful of all Aurora College learners is a key priority. Signing this protocol further highlights the College's commitment to ensure it is inclusive and representative of all northern cultures in the NWT. The Indigenous Education Protocol was developed by CIGan's Indigenous Education Committee, comprising college and institute representatives from across the provinces and territories, as well as through consultations held at the Serving Indigenous Learners and Communities Symposium in



*Board of Governors Chairperson, Sydney O'Sullivan, President Jane Arychuk, and Board of Governors Elder Representative, Paul Andrew, display a newly signed copy of the **Indigenous Education Protocol for Colleges & Universities**.*

December 2013, and the CIGan annual conferences in 2013 and 2014.

School of Business and Leadership Program Reviews

To ensure that Aurora College graduates continue to receive the most current business and administrative education, reviews of both the Business Administration and Office Administration programs were undertaken. The review of the Business Administration program was completed in 2014-15. Instructors, program leaders, and the School Chair worked together to review, discuss and formulate ideas about the curriculum in planning for the future of the program. The revised program will have an Accounting Stream and a Work Experience Option and was approved by the Board of Governors in June 2015, to be implemented in September 2015. A consultant was hired in 2014-15 to assist in the review of the Office Administration program. Data collection included a variety of methodologies to obtain feedback from various sources including employers, graduates, students, instructors, and program managers at other community colleges. The revised program is expected to be offered beginning September 2016.

Aurora College's Wise Woman – Pertice Moffitt

On March 8, 2015, in conjunction with International Women's Day, Dr. Pertice Moffitt was recognized as one of five NWT "Wise Women" by the Status of Women Council. Moffitt, who is Manager of Health Research Programs for Aurora Research Institute and an instructor with Aurora College's School of Health and Human Services, is well known for her long history of social activism to improve the quality of life for northern women. She has conducted research in such



Wise Woman 2015 - Pertice Moffitt.

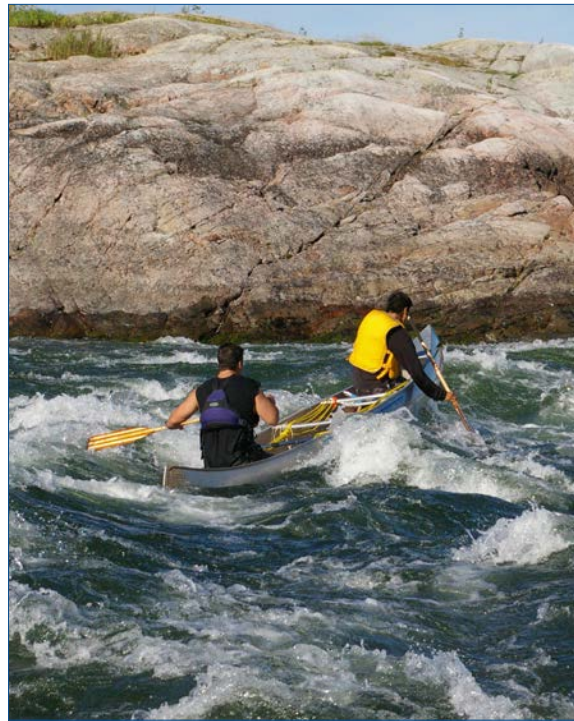
areas as intimate partner violence, health beliefs and practice of Tlicho

women during pregnancy, and the integration of culture among women at Aurora College.

Moffitt says both her work and her activism are inspired by the power and resilience she sees in the women around her. Upon receipt of her award, Moffitt was humble, saying that the award is received on behalf of all women. She noted that recognizing female role models is important and makes a difference, creating a ripple effect of positivity.

Inadequate Facilities – Yellowknife North Slave Campus

The campus in Yellowknife continues to present numerous challenges: lack of space for both expansion and to adequately house current programs, students and faculty; limited housing for students; lack of parking for students and staff; recurring serious maintenance issues with the facility; issues with providing wireless access. Despite interest by administration, students, community members and elected officials in developing or adding new program offerings, or enhancing existing programs, the lack of space precludes those actions. Aurora Campus in Inuvik and Thebacha Campus in Fort Smith have dedicated facilities built specifically for Aurora College, but Yellowknife North Slave Campus operates out of a converted downtown office building.



Staffing Key Positions

Several key positions remain either unfilled or have proved difficult to retain qualified persons. The Chair of Trades, Apprenticeship and Industrial Training has unsuccessfully gone to competition several times during the past few years and remains an Acting position. In addition, the finance division has experienced significant turnover within crucial senior positions. Steps are being taken to upgrade the skills of a number of finance staff members to build capacity internally, however, this process will take several years to complete.

NABE Funding

The Northern Adult Basic Education (NABE) funding through CanNor has been instrumental in Aurora College’s ability to expand and enhance delivery of ALBE and skill-based training throughout the territory. The funding made possible the hiring of additional adult educators in more communities, as well as extra program deliveries. It allowed the College to partner with NWT Literacy Council to develop, pilot and implement several short-term Literacy and Essential Skills (LES) courses that have proven to be both popular and successful across all regions of the NWT. Completion rates for the LES courses are

nearly double those of regular ALBE courses, and provide the added benefit of providing numerous vocational and workplace skills in addition to improved literacy. However, the funding is only in place for five years, and declines significantly in the final year of the contract. The agreement expires March 31, 2016. The challenge is to find ways to integrate the successes and best practices that have been achieved through NABE into long-term planning, without NABE funding.

Student Information System

The Student Information System (SIS) has been a challenge and frustration for most divisions of Aurora College for many years. It cannot produce the data or metrics required to create necessary reports. While Aurora College is fortunate that the funding has recently been allocated by the GNWT to purchase and implement a new SIS, there are still many steps that must be completed before it is able to be used, including choosing and installing a system, migrating the current data (while ensuring the integrity of the information transferred), and staff training on the new system. Until then, delays in processing, inputting and extracting data will continue. It will continue to be difficult to meet the reporting obligations of funding partners and to produce data with which we are fully confident.

Education and Training

Aurora College's Education & Training Division is comprised of the **School of Arts & Science**, **School of Education**, **School of Business & Leadership**, **School of Health & Human Services** and the **School of Trades, Apprenticeship and Industrial Training**.



School of Arts & Science



ENRTP Students at Tsu Lake Field Camp.

2014-2015 Highlights

The 2014-2015 academic year was Programs across the NWT with a short-term Environmental Monitoring program delivered in Fort Smith, as well as diploma programs delivered at Aurora Campus in Inuvik and Thebacha Campus in Fort Smith. Fourteen students successfully graduated the diploma program, and most are gainfully employed by industry, government, and Aboriginal organizations in their respective field.

Community Based Training

In May and June, an Environmental Monitor Training program was delivered at Thebacha Campus. Twelve students from eight communities from across the NWT developed skills necessary to assist technicians conduct community-based monitoring. The program is delivered in partnership with local communities and industry, and trains participants to work with private industry, government agencies

and environmental organizations, such as land and water boards.

Environment and Natural Resources Technology

Students at Aurora and Thebacha Campuses were involved in several field camps designed to integrate scientific methodology with Traditional Knowledge and traditional land skills, which were instructed by community Elders, regional experts, and Aurora College staff. Partnerships with both industry and government continue to be strong and these provide much added value to academic programming at both campuses through direct involvement in classroom activities and field work.

The 2014-2015 academic year culminated 14 students completing: eight graduating from Aurora Campus and six graduating from Thebacha Campus. Employability remains strong across the territory amongst ENRTP graduates, and a handful have

chosen to work seasonally so they can pursue Bachelor of Science degrees at universities. Enrolment and student retention continue to increase.

Aurora Campus

During the first week of September 2014, Aurora Campus students spent ten days at Kendall Island and around the Beaufort Sea. Students developed skill sets in limnology, marine hydrology and water chemistry, salt-marsh ecosystem analysis (floral and faunal sampling, water chemistry), ecology, geological formations and processes of the coastal region. Historical and traditional teachings were conducted on site by Elders who grew up on the island and in the Beaufort-Delta Region, in combination with traditional river/costal landmark navigation and GPS techniques.

The Aurora Campus program has continued to work in conjunction with the Western Arctic Research Centre/ Aurora Research Institute (Inuvik), who furnished equipment, logistical,



ENRTP students capture invertebrates to study at Tsu Lake Field.

technical and “people expertise” support, and acted as outreach liaisons, and provided students opportunities to work in the field with northern researchers. In addition Dr. John England, from the University of Alberta, Earth and Atmospheric Sciences and NSERC Northern Chair, continued to champion the program: giving students invaluable technical research experience, focusing on the nature of the Arctic’s physical environment. One ENRTP graduate accepted employment with the Aurora Research Institute/Western

Arctic Research Center as a Research Technician.

Thebacha Campus

Field camps continue to be a highlight for Thebacha Campus students, where they developed skill sets in limnology, water sampling, forestry, geology and ecology in combination with map and GPS navigation techniques. Local Elder Jane Dragon demonstrated traditional skills at the Tsu Lake Field Camp and greatly impacted the students. First year students travelled the Konth

River for a multi-day canoe trip.

In addition to regular studies, students were trained in firearms safety, first aid, and boat safety. Students ended the school year using the skills they learned to complete a self-directed research project, in consultation with instructional staff and Aboriginal, industry, and government partners.

Joint Aurora-Thebacha Winter Field Camp

Every three years, students from both Aurora and Thebacha Campuses attend a joint winter field camp at Doran Lake (approximately 161 nautical miles north-east of Fort Smith). Prior to the field camp, classroom courses in wildlife biology, wildlife techniques, and freshwater fisheries help students develop skill sets in wildlife taxonomy, anatomy, harvesting and monitoring techniques, adaptations to cold environments, and Traditional Knowledge and biology of individual species (particularly caribou). In early March, 16 second year students spent 12 days on the land. Students affirmed their skills and sampling techniques for caribou harvesting, necropsy and dressing out the animals working alongside biologists from the Department of Environment and Natural Resources. Population analyses and segregation methods such as age determination and sex ratios were inferred by qualitative observation and aerial surveys during the camp. Students also honed their on-the-land emergency skills such as shelter building and survival techniques during the camp. The main goal of the field camp was to provide the opportunity for students to practice and share their knowledge and experiences with their peers. Students exchanged ideas and built professional relationships through formal, hands-on, and informal activities between both campus cohorts during the field camp.

School of Business & Leadership



Thebacha Campus Office Administration Certificate graduates gather for the Convocation Ceremony.

The School of Business and Leadership offers the Business Administration Program, the Office Administration Program and the Northern Leadership Development Program (NLDP).

Graduates of the Business Administration (BA) and Office Administration (OA) programs are highly sought after as employees by Aboriginal Governments, the GNWT, the Government of Canada, businesses (large and small), and non-profit organizations. The NLDP provides leadership training for employees of business and industry-related NWT organizations.

In order to ensure that Aurora College graduates continue to receive the most current business and administrative education, reviews of both the Business Administration and Office Administration programs were undertaken, beginning in 2013-14. Students, alumni, staff and employers were engaged in the review processes to discover opportunities for growth and change to best meet the needs of this program in the NWT.

The review of the Business Administration program was completed in 2014-15. Instructors, program leaders, and the School Chair worked together to review, discuss and formulate ideas about the curriculum in planning for the future of the program. The revised program will have an Accounting Stream and a Work Experience Option and was approved by the Board of Governors in June 2015, to be implemented in September 2015.

A consultant was hired in 2014-15 to assist in the review of the Office Administration program. Data collection about the program included a variety of methodologies to obtain feedback from various sources including employers, graduates, students, instructors, and program managers at other community colleges. An evaluation report was prepared. This information will contribute to the curriculum planning process. A revised program is expected to be offered beginning September 2016.

In 2014-2015, 30 percent of Aurora College graduates were enrolled in Business or Office Administration. The following parchments were conferred: nine Business Administration Certificates, seven Business Administration Diplomas, and 13 Office Administration Certificates.

Faculty members of the School continue to be involved in professional development initiatives and conferences in order to maintain and increase their academic and professional credentials. This enables them to stay current in their fields of study and in educational practices, so that they can develop relevant curriculum and present stimulating learning experiences to their students. The instructors in the School continue to integrate appropriate technology into their course delivery to support student success. In addition, instructors make use of experts from within NWT communities to share their expertise, knowledge and wisdom.

Business Administration

The Business Administration program continues to attract students who are interested in pursuing business careers. Thebacha and Yellowknife North Slave Campuses offered the program in 2014-2015. The campuses hosted students from a mix of communities and backgrounds; graduates hailed from Behchoko, Fort Providence, Fort Simpson, Fort Smith, Gameti, Kakisa, Tuktoyaktuk, Whati, and Yellowknife. In addition, the program continues to attract the interest of international students.

The video-conferencing pilot project continued in 2014-15, with the number of courses offered through the medium increasing to four. The goal is to be able to offer all BA and OA courses through video conferencing to all three campuses.



NLDP participants complete the program in 2014-2015.

Office Administration

In 2014-15, the Certificate program was offered at Thebacha Campus. Courses help students develop the skills that are required by employees to work in a variety of types of offices and emphasize the development of basic office and computer skills that will enhance the unique work environments of the north. Students then participate in a four-week practicum to gain practical experience. Graduates represented ten communities: Aklavik, Behchoko, Deline, Fort McPherson, Fort Smith, Hay River, Inuvik, Jean Marie River, Whati and Yellowknife.



The School of Business & Leadership uses Vconnect video conference technology to administer classes at various campuses.

Northern Leadership Development

The Northern Leadership Development Program (NLDP) is designed for employees in “front line” positions in industry-related organizations in the NWT. The NLDP is relevant to employees in supervisory or management roles, such as team

leaders or supervisors. The program consists of eight 21-hour modules which include: Personal Development/ Coach Mentoring, Communication Skills, Effective Personal Leadership, Effective Team Leadership, Managing in the Middle, Problem Solving and Decision Making, Culture and Diversity in the Workplace, and Conflict

Resolution. The Northern Leadership Development Program was delivered for the first time in May 2011, with 23 participants from various industrial related positions in NWT organizations. Since then, another 35 participants have completed. The fourth offering, with a cohort of 11 participants, concluded in April, 2015.

School of Education

Aurora College School of Education regularly offers the following programs: Aboriginal Language and Culture Instructor Diploma (ALCIP), Bachelor of Education, Certificate in Adult Education, and Early Childhood Development Certificate. Depending on community needs, some programs are offered part-time and/or through distance education. At present, the Bachelor of Education is offered only at Thebacha Campus.

Aboriginal Language and Culture Instructor (ALCIP)

In 2014-15, six part-time ALCIP courses were delivered in conjunction with Divisional Education Councils and the Department of Education, Culture and Employment for 22 students from across the territory. Classes were delivered in Fort Smith, Hay River, K'at'l'odeeche, and Norman Wells. Successful community consultations occurred throughout the Sahtu region and plans are in place to deliver a full-time ALCIP program beginning in the fall of 2015 in Tulita.

Adult Education

The Certificate in Adult Education (CAEd) is delivered part-time and provides skills and knowledge required to work with adult learners. Most classes are offered in the evening and are taught through teleconference with online computer support. There are no prerequisites to enter the program. Courses focus on the contemporary theories in education while striving to understand their applicability in the Northern context. In 2014-15, six courses were delivered via teleconference and Moodle, attracting 51 students from across the northern territories as well as from southern Canada.

Bachelor of Education

This distinctive degree program continues to support the growth and development of educators for the NWT



Bachelor of Education students from Thebacha Campus at the Fall Culture Camp.

who have a strong grounding in the traditions and cultures of the territory. The Bachelor of Education (BEd) degree is offered in cooperation with the University of Saskatchewan, and is recognized across the country. 2014-15 saw a large intake of first year students, 14, as well as graduating class of ten. The cohort of Beaufort Delta students who had taken their first three years at Aurora Campus in Inuvik attended Thebacha Campus for their fourth and final year. The Beaufort-Delta students brought a unique perspective and outlook to the classroom. The program continues to focus on providing a strong culture-based program which teaches from a northern, Aboriginal perspective. Efforts are continually made to ensure the values in Dene Kede and Inuuqatigiit are used on a daily basis. In September 2014, students and staff had the opportunity to join teachers from across the NWT in Yellowknife for a three-day conference: "Our Students, Our North, Our Success". October saw students on the land for lessons, camps, and a successful moose hunt. Winter was marked by a visit from the Director and Associate Director of the Indian Teacher Education Program, Aurora College's University of Saskatchewan partner, another week on the land, time with the FOXY (Fostering Open eXpression among Youth) team, and speaking with Fort Smith author Richard Van Camp. Spring brought an opportunity to present at the Colleges and Institutes Canada (CICan) national

conference in Ottawa, highlighting how Aurora College incorporates land-based learning and Traditional Knowledge into programs. Students again ventured out on the land, and also did marketing and networking with participants at the annual NWT Youth Symposium. The BEd program continues to evolve and move forward with programming that aligns with the Educational Renewal Initiative.

Early Childhood Development

This certificate program is offered on a part-time distance education basis and is delivered via teleconference. The majority of the students work full-time in daycare, pre-school or Aboriginal Head Start programs. Canadian textbooks with Aboriginal content are used to deliver the play-based curriculum. During the 2014-15 academic year, 93 students from 16 communities in the NWT and Nunavut successfully completed ECD courses. There were 10 courses offered during the year, one dual-credit course in partnership with local Yellowknife high schools, and three workshops, held in the South Slave, Yellowknife and Beaufort Delta. Students take pride in the fact that they infuse culture-based activities daily into their work environment, involving family and community. Plans are in place to deliver the program on a full-time basis in 2015-16 at Aurora Campus, in partnership with Aboriginal Skills and Employment Training (ASET) groups.

School of Health & Human Services

In 2014-15, the School of Health and Services included the following programs: Bachelor of Science in Nursing, Nurse Practitioner (Master in Nursing – Primary Health Care Stream), Personal Support Worker, Social Work, and Community Health Representative.

Bachelor of Science in Nursing

The Bachelor of Science in Nursing (BSN) program celebrated 20 years of nursing education in the Northwest Territories this year. More than 270 Registered Nurses have graduated from Aurora College and many are still working in the Northwest Territories. Celebrations included an alumni dinner with more than 60 graduates in the fall and an Open House and Alumni Recognition event with the Ministers of Health and Education as well as various government officials, health care professionals, alumni, staff and students in attendance. An increase in the utilization of simulation has been a great enhancement to the nursing program, allowing students to engage in nursing care with medium and high fidelity mannequins and to debrief with colleagues and faculty as per national recommendations. The BSN program received a seven-year accreditation from the Canadian Association of Schools of Nursing (CASN) in 2015. Site reviewers from CASN highlighted the robust nursing curriculum offered at Aurora College and the close relationships between nursing practice and college partners. Graduating students and alumni one year post graduation continue to rate the program “exceptionally to very well”, noting the opportunity for quality practice placements as a strength of the program. Graduates also felt that the BSN program prepared them well for their role as a Registered Nurse. Nursing faculty continue to engage in



Bachelor of Science in Nursing student reviews the symptoms of his patient during a simulation.

scholarship with many presentations at national and international conferences, textbook chapters in Canadian nursing textbooks and publications in professional journals.

Social Work

Interest in the Social Work Diploma program remains high, with 25 first year students registered for 2015-16. New practicum sites were developed this year, including a partnership with Yellowknives Dene First Nation. Cultural experiences and traditional knowledge are key components of the program, with two courses and a cultural camp enriching students' learning. Students received additional training in Non-Violent Crisis Intervention and Mental Health First Aid. Two students were chosen to represent NWT youth at a circumpolar gathering on suicide prevention. They travelled to Iqaluit, NU in March and will be presenting their learning to the student body in September 2015. Faculty continued their research work in the areas of intimate partner violence, food security, and LGBTQ youth mental health.

Personal Support Worker - Aurora Campus

Students representing Gwich'in, Inuvialuit and Slavey Nations and four traditional languages partnered at the Inuvik Regional Hospital – Beaufort Delta Health and Social Services to participate in the program. Students focused on: Dignity, Independence, Preference, Privacy and Safety, with elements of support, advocacy, traditional integration and reflective practices. Practicums were in Long Term Care, Acute Care, Physiotherapy, Laboratory and Diagnostic Imaging. Additional certifications were obtained in: First Aid/CPR, Food Safe 1, WHMIS/Healthy Work Environment, Applied Suicide Intervention Skills Training, Supportive Pathways, Non-Violent Crisis Intervention and more. Students enjoyed diversity through guest speakers from local and international Traditional backgrounds, Expressive Arts Therapists, Wellness Workers, Street-outreach and ministries, pharmacists and healers. Students are receiving employment offers in the hospital and communities.

Personal Support Worker - Yellowknife North Slave Campus

This program continues to incorporate practical health-related knowledge and skills while assisting students to become proficient, compassionate caregivers. Students had an opportunity to practice at the Extended Care Unit and Psychiatry at Stanton Territorial Hospital, Aven Manor, Territorial Dementia Cottages, and Yellowknife Home Care. Students received certification in Mental Health First Aid; where they learned signs and symptoms of mental health problems, information about treatments and interventions, and how to help individuals seek professional assistance. They also participated in Elders in Motion and Supportive Pathways. This year, students had the opportunity to participate in a simulation lab with fourth-year nursing students. This simulation helped students understand one another's roles, improve communication, and provided the opportunity to practice interdisciplinary collaboration.

Advanced Practice

The Master of Nursing - Nurse Practitioner program graduated its final class in May 2015. Beginning in 2015-16, a Post Graduate Certificate in Remote Nursing will be offered in a blended online and on-site format.

Community Health Representative

This Certificate program is designed to provide a sound basic knowledge in community health education, health promotion, injury prevention and community development. Graduates assess community health needs and client health education needs, as well as working to improve community health and well-being.



Personal Support Worker student practices skills.



Bachelor of Science in Nursing Students practice basic skills.

Four students graduated this year from Behchoko, Yellowknife, Fort Resolution and Lutselk'e. The program is offered in a modular

format, offering three courses per year through funding from the Department of Health and Social Services.

School of Trades, Apprenticeship & Industrial Training

A variety of programs and courses are offered by the School of Trades, Apprenticeship and Industrial Training, many of which are delivered in conjunction with community and industry partners. Apprenticeship training at Aurora College includes Carpenter, Electrician, Heavy Equipment Technician, Housing Maintainer, Oil Heating System Technician, and Plumber. In addition to some regularly scheduled deliveries, as and when offerings of such programs as Heavy Equipment Operator, Underground Miner, Camp Cook, Building Trades Helper, Introductory Trades, and pre-apprenticeship programs take place at campuses or in communities. The Observer Communicator program was offered three times during the academic year at Thebacha Campus. Trades Access programs are run in conjunction with the School of Developmental Studies.

Aurora Campus

Aurora Campus works closely with community and regional partners and industry in the Sahtu and Beaufort Delta to determine and deliver community and regional-based industrial and trades-related training that best prepares residents for meaningful employment. Building Trades Helper programs were delivered in Inuvik (seven completions) and Tuktoyaktuk.

Thebacha Campus

A total of 68 students attended apprenticeship programs at Thebacha Campus. All four levels of Carpentry

were delivered to 24 apprentices; 25 apprentices attended three levels of Electrical; Years 1 & 2 of Heavy Equipment Technician attracted nine apprentices; and ten students took part in Pipes Trades apprenticeship programs (Plumber/Gasfitter 1, & Oil Heating System Technician). The Heavy Equipment Operator (HEO) program ran twice in Fort Smith, with 21 students, and Introduction to HEO was offered in Fort Resolution and K'at'l'odeeche First Nation. The Observer Communicator program saw 21 students complete the requirements. Trades Awareness Introductory Program attracted 48 high school students in December from communities in the South Slave.

Yellowknife North Slave Campus

The 2014-15 academic year had no trades programming and few mining related programs due to limited funding. Two deliveries of the Underground Miner program took place in Yellowknife with 17 of 18 students completing. Graduates were successful obtaining full time employment with 16 of the 17 graduates hired. Thirteen of these were with the diamond mines as Underground Miners and the other three with drilling contractors. Delivery of the six-week Introduction to Underground Mining program began June 15, 2015 with 11 students.



Carpentry Instructor Lawrence Cheezie reviews a blueprint with a student.

Community & Extensions Division

Community Programming

Each year Aurora College delivers academic upgrading, access and community programs at three campuses and 23 Community Learning Centres throughout the NWT. Aurora College works with local educators and/ or itinerant instructors to provide adult upgrading or other skills-based programs.

Akaiicho and South Slave Regions

This year was a busy one for community-based programming in the Akaiicho & South Slave region, as the combination of new Literacy & Essential Skills (LES) courses developed under the NABE program and a robust regional training committee produced numerous program deliveries. The South Slave Labour Market Planning Partnership both determines and funds much of the extra programming that Aurora College delivers in the region. This group is comprised of ASETS coordinators from the NWT Metis Nation, Akaiicho Territory Government, and the Deh Cho First Nations, as well as representatives from the Department of Education, Culture and Employment, and the Mine Training Society. The

year kicked off with community-based Heavy Equipment Operator (HEO) in Fort Resolution. This delivery saw the completion of the ring road around Mission Island, a project that has been worked on for several years. HEO mobilized and moved down the road to K'at'l'odeeche First Nation, where students worked on developing a quarry for KFN. Building Trades Helper was offered in both Fort Resolution and Lutselk'e. The Forest Operations

Program was offered at Thebacha Campus to prepare students from Fort Resolution and Fort Providence to prepare for potential timber harvesting. There were numerous deliveries of LES courses and employment-based continuing education courses throughout the region. Lutselk'e had Start Your Own Business and Financial Literacy modules; Fort Resolution delivered Introduction to Office Skills; Ndilo-Dettah saw a Trades Entrance

Hay River (Cree). Both Hay River and K'at'l'odeeche delivered Class 7 Driver training courses.

Beaufort-Delta Region

Although not the official theme for 2014-15, the Beaufort Delta Region again delivered a substantial number of Literacy and Essential Skills (LES) courses. Six communities (Aklavik, Fort McPherson, Inuvik, Tsiigehtchic,

Tuktoyaktuk, and Ulukhaktok) completed NABE funded pilot courses including Foundations for Success, Introduction to Early Learning, and Start Your Own Small Business. These LES courses are popular and complement the Adult Literacy and Basic Education Math, English, Science, Social Studies



Behchoko Community Adult Educator Terry Forbes works with students taking Introduction to Office Skills course.

Exam prep course and Introduction to Office Skills; K'at'l'odeeche First Nation offered Start Your Own Small Business, Small Business Funding & Marketing and, Foundations for Success; and Hay River had an evening computer literacy course, Introduction to Office Skills, Small Business Basics and Quickbooks in partnership with ITI, and Firearms Safety. Aboriginal language classes were delivered in Ndilo-Dettah (Weledeh) as well as

and Computer courses being delivered. Several Class 7 Driver Training courses and First Aid courses were delivered. Aklavik delivered several courses towards the Traditional Arts Certificate, including: Tanning Fur, Tool Making, Bush and Tundra Crafts and Moose Hide Tanning. One course remains to be delivered to allow students to convocate in May 2016. In partnership with the local schools, Aklavik and Tsiigehtchic delivered courses towards

the NWT secondary school diplomas. Students and staff from Aklavik and Ulukhaktok participated in English 130/140 via teleconference on a weekly basis.

Dehcho Region

The Community Learning Centres (CLCs) in Fort Simpson, Fort Liard and Fort Providence program delivery consist of Adult Literacy and Basic Education (ALBE) courses, online Alberta Distance Learning Centre high school courses, Literacy & Essential Skills courses and a variety of Continuing Education courses. This year, the Dehcho Region saw an increase in programming, specifically in third party funded skill training programs and courses in all three CLCs. Flexibility, responsiveness and fostering partnerships have been the key to successful program delivery. Fort Simpson CLC allowed ALBE ongoing intake throughout the year, averaging about 11 students any given month, and finishing with five students in the Alberta Distance Learning courses and four in individualized learning plans in ALBE. Three Literacy & Essential Skills courses - Start Your Own Small Business, Small Business Funding & Marketing, and Financial Literacy - were delivered, with 17 participants completing. Fifteen continuing education courses, ranging from Standard First Aid to Proposal Writing were offered throughout the year, with 140 participants completing the courses. Fort Providence CLC delivered 140-level courses in English, Math and Science. Eight students completed, while four attended part-time from the Language Revitalization Program. Three LES courses, including Start Your own Small Business, Small Business Funding & Marketing, and Introduction to Early Learning and Childcare, were delivered with 29 participants completing the courses.



Whati Community Learning Centre.

A Small Engine Repair course saw 11 participants completing the course. Fort Liard CLC had students complete Math 120, ICT 140, and ICT 130 level courses in ALBE. Two LES courses were delivered - Foundations To Success and Introduction To Office Skills - with nine students completing. As well, 87 students completed seven Continuing Education courses, which ranged from Introduction to MS Outlook to Food Safe Training. Programming in surrounding communities included Class 7 Driver Training in Jean Marie River (seven completions) and Wrigley (12 completions). Introduction to Office Skills saw seven students complete the course in Nahanni Butte.

Sahtu Region

The Sahtu region had a highly successful year, with a dramatic increase in short courses, such as CPR-First Aid and PAL, as well as specific training for employees of the Mackenzie Valley Fibre Optics line. Aurora College, in conjunction with the Sahtu Health Authority, offered a number of “taster” courses, to promote interest in the Personal

Support Worker Program. Due to the success of this promotion, there have been many applications to Personal Support Worker, both in Inuvik and Yellowknife. The introduction of a distance education initiative in the Sahtu Region has boosted student retention and achievement. This initiative has allowed the sharing of subject specialist teaching with the entire region (and the Beaufort Delta), and has supported adult educators in their communities. Students involved in distance learning are part of one large virtual classroom, which through the use of the Schoology Learning Platform, has allowed for greater interaction and peer learning across the Sahtu Region.

Tlcho and Yellowknife Regions

Gameti CLC renovations were completed and the centre opened in January 2015. Over the past few years, three students in Wekweeti CLC have been taking distance education in Early Childhood Development; two received their certificates in May, one has almost completed. LES courses funded by NABE, developed by NWT Literacy Council, and delivered in partnership with the Tlcho Government, continued to be successful. There was both a high rate of interest and graduation rate for Start Your Own Small Business, followed by Small Business Funding & Marketing. In addition to regular ALBE and NABE courses, CLCs strove to provide a wide range of programs and courses to accommodate community needs and to increase life quality, including Wilderness Safety Training, Woodmizer Sawmill Operation with embedded literacy, Wildness First Aid, Standard First Aid, and other project-based programs such as how to build raised-bed greenhouses and plant the garden plots. Whati's Adult Educator became a certified Standard First Aid instructor in 2014. Yellowknife Literacy Outreach Centre continued to enjoy

vigorous partnerships with other service providers. Relationships were established and fortified with other community service providers, such as Aven Manor, Healthy Family Centre, YWCA, Baker Centre, and Computers for Schools, through hosting events and working as a team for clients. With extra funding from Dominion Diamond Corporation and NWT Literacy Council, the LOC was able to deliver or coordinate Computer literacy, Family Literacy, tutoring and book club for a range of community members rich in age, ethnic backgrounds, literacy levels and social and economic status. Language Instruction for Newcomers to Canada (LINC) and Immigrant Integration Services have reached capacity. This 2014-2015 fiscal year the Integration Advisor has served over 160 clients and a significant amount of non-clients (Foreign Nationals on travel visas, Citizens and Foreign Nationals with no status) with the potential of more clients in the coming years. Aurora College, in Partnership with CIC and ECE, will conduct a Settlement Study to address service gaps and explore service models. New decisions are needed to ensure these programs can be expanded to meet current needs.

Continuing Education

Aurora Campus

In 2014-2015 the Continuing Education program at Aurora Campus reemerged as a resource for training opportunities in the Beaufort Delta. The program offered courses under core pillars: Professional Development - Microsoft Office Suite, Verbal Judo, Workplace Communication; General Interest - Traditional Arts, Non-Restricted & Restricted Firearms Training; Certificate Training - First Aid & CPR C, Safety Training, Master Limited. Aurora Campus Continuing Education offered 57 courses and enrolled 448



Culturally inspired lessons are an important part of Aurora College curriculum.

students. Of these courses, 19 were third-party funded by the NWT and Aboriginal governments. Continuing Education at Aurora Campus has also expanded its local instructor base to increase affordability to students and further support creating jobs in the North.

Thebacha Campus

Continuing Education at Thebacha Campus continues to expand. More than 200 people completed Continuing Education classes at Thebacha Campus in 2014-15. Courses included Standard First Aid, Class 4 and 5 Driver Training, Boating Safety, Forestry Operator Program, WHMIS and TDG, as well as professional development courses such as Verbal Judo, Conflict Resolution, and Training Others. Aurora College also partnered with the Department of Industry, Tourism and Investment to deliver a series of courses aimed at entrepreneurs and small businesses, including Small Business Basics, QuickBooks, Advertising Basics, and Building an Online Presence.

Yellowknife North Slave Campus

A total of 902 participants enrolled in a variety of Continuing Education

workshops at Yellowknife North Slave Campus. There were two offerings of the Leadership Certificate Program through Vancouver Community College, which saw a total of 335 participants, and two offerings of the Project Management Program, which saw a total of 201 participants. Professional development courses, including Verbal Judo, Supervisory Skills, Effective Workplace Communication, Public Speaking, Training Others, and Minute Taking attracted another 225 participants.

The Diploma in Supply Management had a total of 144 participants taking part of different aspects of this program. Nine participants completed the program. Seminar portions of the Supply Management diploma program were delivered for the Qulliq Energy Corporation in Baker Lake.

School of Developmental Studies

Aurora Campus

In 2014-15, the Inuvik Learning Centre offered a full slate of Developmental Studies programs including the Adult Literacy and Basic Education (ALBE) and several Access programs. The

Inuvik Learning Centre had a number of students successfully complete the diploma examinations in English, Biology and Math. All of the Inuvik Community Learning Centre instructors are also enrolled in University courses to continue to bring excellence to their instruction and passion to their profession. Tiffany Dwyer received the Instructional Excellence Award for 2014-15.

Thebacha Campus

Thebacha Campus offered a wide range of courses from Literacy Outreach to Grade 12-equivalent courses such as English 150, English 160, Biology 30 and Math 30-2. Developmental Studies offerings at Thebacha Campus consist of ALBE and five Access programs. Trades Access students completed wood working projects at the end of June in their carpentry shop. Highlights this year included: the campus's first adult student to achieve an NWT Senior Secondary School Diploma through the Prior Learning Assessment and Recognition (PLAR) process – Blair Mabbitt; a total of 49 students registered to write the June 2015 Alberta diploma exams for English, Math, Biology and Social Studies; award-winning author and storyteller Sylvia Olsen instructing students on writing to preserve heritage and telling community stories; and four instructors upgrading their own education by working towards their Master's degrees.

Yellowknife North Slave Campus

Developmental Studies at Yellowknife North Slave Campus offered courses in Adult Literacy and Basic Education (ALBE), Business Administration Access, Nursing Access, Social Work Access, and Teacher Education Access. In addition, courses in English 30-1, English 30-2, Biology 30, and Math 30-1 were delivered in the evening as part of

the University College Education Prep (UCEP) Program through Continuing Education. In addition, several students registered for distance education courses with Alberta Distance Learning through Aurora College. A Culture Camp in October saw students and staff learn and experience a variety of Traditional Skills on the land. During this full day camp, students and staff worked with several Elders who demonstrated bush skills, making dry fish, and storytelling. Everyone participated in teambuilding activities, such as moving a teepee. During the winter semester, staff and students participated in a "Karnival Kick-off", held the same day as the Long John Jamboree. The Developmental Studies Karnival featured Dene and Inuit games, including stick pull, head pull, seal kick, etc. It was a great opportunity for students to share their Traditional Knowledge and enjoy cultural activities. Students attended the Yellowknives Dene First Nation 7th Annual Career Fair in May.

Northern Adult Basic Education (NABE)

The NABE Program is a multi-million dollar, multi-year program created by the Government of Canada, Canadian Northern Economic Development Agency (CanNor), to address the unique challenges faced by Northerners in participating in the labour market. This program includes educational activities that assist adult learners in achieving sufficient levels of literacy and essential skills (LES) to obtain a job or benefit from further training. The NABE program is being delivered by the three northern Colleges - Aurora College, Nunavut Arctic College and Yukon College - from April 1, 2012 to March 31, 2016.

Highlights include the development, pilot and implementation of four (six week) LES courses, and annual

collaboration with partners and stakeholders. The four LES courses are: Introduction to Office Skills, Start Your Own Small Business, Small Business Funding & Marketing, and Introduction to Early Learning & Child Care. They were delivered 54 times in 25 NWT communities, with an overall completion rate of 83 percent, compared to a 47 percent completion rate for regular ALBE courses. The new LES courses garnered a fair amount of positive media coverage and attention, including in News North and Aboriginal Business Quarterly magazine. Three success story videos were produced and have been widely shared. To date, the videos have been viewed nearly 35,000 times on Facebook and YouTube. Information on the four LES courses has also been shared with the NABE Education Partners, the Northwest Territories Aboriginal Skills and Employment Training Strategy (ASETS) Coordinators, Nunavut Arctic College, Yukon College, Skills4Success Symposium, Aurora College Board of Governors, and the Council of Ministers of Education Canada's Promising Practices initiative. Annual collaboration meetings brought together a number of partners and stakeholders, including: NWT Aboriginal Skills and Employment Training Strategy (ASETS) Coordinators, Tree of Peace Friendship Center, Native Women's Association of the NWT, NWT Literacy Council, Skills Canada NWT, NWT & Nunavut Construction Association, GNWT Department of Education, Culture and Employment, GNWT Department of Justice, and NWT Business Development and Investment Corporation. Partners expressed the understanding that the success of adult basic education programming is dependent on building healthy and open partnerships and that the objectives and activities related to adult basic education cannot be achieved by any one person or organization working alone.

Aurora Research Institute

Aurora Research Institute (ARI) is the research division of Aurora College and is responsible for the licensing, conducting and coordinating research in accordance with the NWT Scientist Act. ARI promotes communication between researchers and the people of the land in which they work.

As the research division of Aurora College, Aurora Research Institute (ARI)'s mandate is to improve the quality of life for NWT residents by applying scientific, technological and indigenous knowledge to solve northern problems and advance social and economic goals. ARI provides these services through three research centres - Western Arctic Research Centre in Inuvik, South Slave Research Centre in Fort Smith, North Slave Research Centre in Yellowknife – and ARI headquarters.

Aurora Research Institute

As the research division of Aurora College, Aurora Research Institute (ARI)'s mandate is to improve the quality of life for NWT residents by applying scientific, technological and indigenous knowledge to solve northern problems and advance social and economic goals. ARI provides these services through three research centres - Western Arctic Research Centre in Inuvik, South Slave Research Centre in Fort Smith, North Slave Research Centre in Yellowknife – and ARI headquarters.

50-Year Celebrations

In 2014, ARI celebrated the 50th anniversary of the research headquarters in Inuvik. The celebration honoured the history, capacity and growth of research in the NWT that touched all corners of the territory and beyond. The celebrations took place over the entire year and included many regions and individuals. This anniversary honoured the past and promoted the importance and relevance of northern science across the NWT. Events were designed to honour the significant scientific contributions that have taken place in the NWT over the past 50 years, and to celebrate the role of NWT researchers, technicians and citizens in these pursuits. ARI hosted movie nights, on-the-land programming, commemorative speaker



ARI Technician Intern Edwin Amos is an ENRTP Graduate.

series, an open house and school programming as part of this major initiative. A 16-page newspaper insert was published that included articles from researchers, community members, and past and current research centre staff. About 9,000 copies were included in editions of News North and the Inuvik Drum and were distributed across the territory. The celebrations culminated with a community feast on the night of November 19, when more than 250 people who travelled from across the NWT enjoyed a dinner and festivities. Many previous employees, as well as members of the local community, spoke, sharing their stories of the research centre and its role in the community.

AC research support and Tri-Council Eligibility

2014 saw new research policies for the Aurora College passed by the Board of Governors and come into practice. These seven new policies cover different aspects of research administration and conduct and include:

- I. C.50 Academic Freedom
- II. I.02 Research Administration
- III. I.03 Integrity in Research and Scholarship
- IV. I.04 Ethical Conduct for Research Involving Human Subjects
- V. I.05 Care of Animals in

- VI. Teaching and Research
- VI. I.06 Intellectual Property
- VII. I.07 Research Associate Program

These rigorous standards of research ethics and administration allowed Aurora College to successfully apply for institutional eligibility from NSERC and SSHRC. Aurora College joins 100 other colleges already eligible to receive and manage funding from the Social Science and Humanities Research Council (SSHRC) and the Natural Science and Engineering Research Council (NSERC). These two councils are major sources of funding for research projects across Canada. This 'institutional eligibility' is a significant accomplishment for Aurora College as it allows faculty and staff to access these funds and increases the College's ability to retain research capacity. Eligibility is the culmination of a vision to build and sustain northern-based research

capacity, and it will guide Aurora College and the NWT to a new and exciting phase. It also represents a significant national recognition of the developing college and territorial research capacity.

Licensing

In the 2014 calendar year ARI issued 201 NWT Research Licences. This is one of the highest years on record. ARI also finished and published a comprehensive review of 40 years of licensing data. This document examines the trends of NWT research over all the licencing records, and begins to quantify the richness and depth of this data source in understanding northern research.

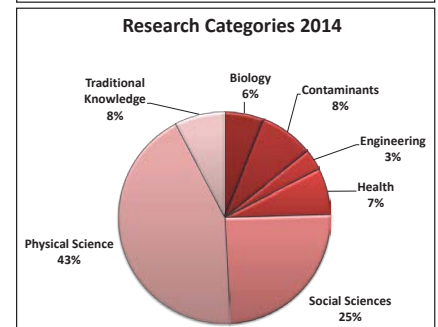
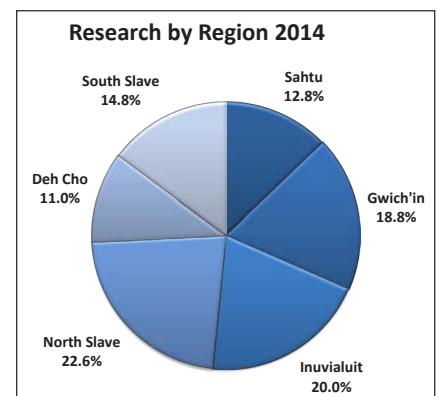
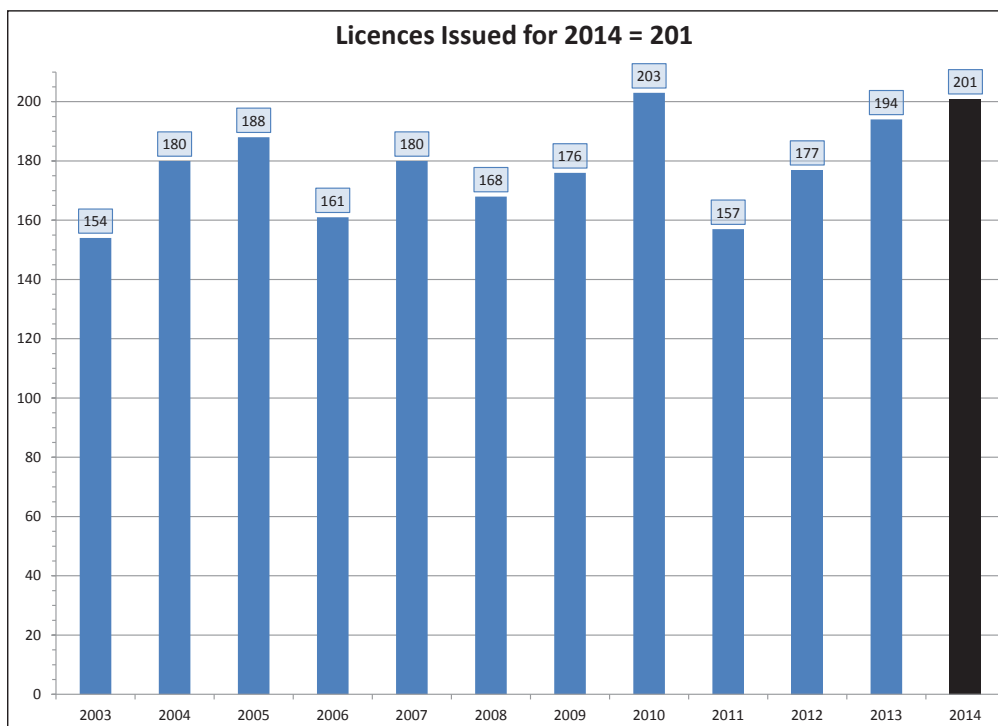
Conducting Research

Many ARI staff are actively involved in research projects across the NWT. In 2014-2015, staff studied native

seed potential, intimate partner violence, diabetes prevention strategies, northern nursing trends, permafrost and waterbody quality monitoring. On-going programs at WARC include air quality monitoring, wind and solar potential studies, infrastructure studies on northern piles, carbon and neutron monitoring. ARI staff have actively pursued continued research grants from many territorial and federal funding sources.

Research Communication

In 2014-2015, ARI staff undertook a range of communication initiatives. Staff presented their work and research both close to home in many of the NWT communities and as far away as Oulu, Finland. ARI continues to host the ConocoPhillips Scientific Speaker Series at each campus and engages researchers focused on northern inquiry to travel across the NWT to present to





President Jane Arychuk receives a robotics demonstration during ARI's 50th Anniversary Celebration.

a range of audiences including schools, preschools, faculty and community members. In this past year, publication of the most recent Compendium of NWT Scientific Research has been published, after piloting a more collaborative summary editing process with the researchers. Finally, upgrades to the ARI website have improved functionality of the site.

Research logistics

ARI facilities supported researches across the NWT. At WARC, the busiest facility, about 80 research teams used ARI's logistical services in 2014. Accommodations were more than 75

percent full during the busiest field season in July and August.

Community Innovation

ARI continues to build and support collaboration with community organizations. For example, in 2015, ARI staff worked with the Sahtú Renewable Resource Board to transfer information about traditional place names and historical notes into an interactive online map platform, building a catalogue of historical spatial knowledge for the region. The online tool can be found at: <http://data.nwtresearch.com/Petitot>. This map is an innovative, modern tool to

allow for Traditional Knowledge to be studied and communicated. This type of collaboration is being expanded to other community organizations with similar datasets.

ARI also spearheaded the Science Rendezvous in Inuvik. It included fifteen different groups in Inuvik with demonstrations connecting science to their careers. More than one hundred students attended the Saturday event.

College Instruction

ARI staff continue to support instruction at Aurora College. ARI staff instruct in the nursing, education, and ENRTP programs.

Student Support Services

Aurora College prides itself on the types and quality of
Some of the many services provided by the Student Se

Admissions and Registration

The admissions/registration office at each campus is responsible for student admissions, registrations and course changes and maintaining student records. This office also issues marks, transcripts, certificates, diplomas, and all other documents of recognition.

Accommodation

Aurora College has single and family housing at all three campuses. The number and types of units are outlined in the table to the right

Student Success Centres

As part of an overall student success initiative, each of the Aurora College campuses has a Student Success Centre. These centres are equipped to assist students in achieving personal and academic success at the College. The Student Success Centres provide academic assistance to students in the form of tutoring, workshops and career counselling.

Counselling

Aurora College has trained counsellors at all three campuses to assist students with personal and other matters. In addition to one-on-one services, the counsellor offers workshops and presentations, assistance in finding on-line and community resources, and self-help materials.

Computer Labs

Aurora College students have access to modern, well-equipped computer labs at all three campuses. Most of the 23 Community Learning Centres also have computer labs and/or workstations. In addition, Aurora College students will create a “myauroracollege” email account. This email service enables students and instructors to connect, and also provides an email address to students for their personal use.

Library Services

Aurora College maintains libraries at each of the three campuses and at the Aurora Research Institute. Libraries support students and staff with a full range of library services. Library collections across the three campuses include more than 25,000 books, periodicals, subscriptions, videos, Canadian and government documents, pamphlets, and CD-ROM and web-based resources. Internet access and interlibrary loan services are available at all campus locations.

Campus Location	Type of Units	Total Number of Units
Aurora Campus	Single	30 Units
	Family	34 Units
Thebacha Campus	Single	62 Units
	Family	66 Units
Yellowknife North Slave Campus	Single	16 Units
	Family	48 Units



Thebacha Campus Admissions Officer Jessi Johnson.

supports provided to students.
Services Division are outlined below:



Aurora College features full service Libraries at all campuses.



Students make use of campus computer labs.

2014 - 2015 Enrolment

Enrolments for the 2014-15 Academic Year are shown on the opposite page. Previous year enrolments are shown for comparative purposes. Beginning in the 2014-15 academic year, the method of reporting enrolments has been modified, so the previous method and the revised method are both presented for comparison.

Student enrolments are converted to Full Time Equivalent (FTEs). Full-time equivalents are a way of standardizing student counts to compare enrolment from year to year, program to program, and institution to institution. Typically, 1 FTE represents 1 student enrolled in a full course load in a program for 1 academic year. Full-time and part-time students are converted to FTEs based on the proportion of a full program load they are studying. Full-time students must be enrolled in at least 60% of a full program load, in a program that lasts 12 weeks or more. Part-time students are students who do not meet that minimum threshold.

Up until 2014-15, part-time students were converted to FTEs by totaling all courses taken by part-time students and dividing by 10. Apprenticeship programs were an exception; the ratio used was 4 courses per 1 FTE. However, recent changes in the number of courses offered in several programs has resulted in some inaccuracies in calculations. Research was conducted into how other institutions calculate FTEs, and modifications have been made.

The revised method of calculating FTEs is based on course hours rather than the number of courses. This eliminates over- or under-reporting due to differing lengths and number of courses. The ratio of enrolment to FTEs will be based on the full program load for a student's program. For example, 1 FTE may be given for a full program of 450 hours over two semesters. A student who enrolls in 360 hours of classes in that program will equal 0.8 FTE (360 divided by 450). Apprenticeship students will equal 0.5 FTE per 240 hours of courses.



Student Enrolment by Campus

Campus	2014-15 FTE		2013-14 FTE		2012-13 FTE	
	Previous Method	Revised Method	Previous Method	Revised Method	Previous Method	Revised Method
Aurora	235.1	235.9	235.9	224.0	221.2	232.4
Thebacha	494.5	360.0	460.5	398.3	388.5	361.0
Yellowknife North Slave	337.8	300.9	361.1	325.9	366.5	338.9
Total College	1067.4	896.8	1057.5	948.2	976.2	932.3

Full Time Equivalent Students by Location by Program Division

School/Division	2014-15 FTEs		2013-14 FTEs		2012-13 FTEs	
	Previous Method	Revised Method	Previous Method	Revised Method	Previous Method	Revised Method
Continuing Education	273.7	114.1	149.4	76.3	141.0	63.8
Developmental Studies	298.3	412.1	329.1	410.5	281.5	376.3
Arts & Science	34.9	41.4	39.1	47.9	33.2	41.2
Business & Leadership	64.9	57.7	112.5	95.4	123.8	106.1
Education	58.8	59.2	46.8	49.2	58.8	61.3
Health & Human Services	134.4	140.5	127.9	130.6	168.0	171.9
Trades, Apprenticeship w& Industrial Training	202.4	71.8	252.7	138.3	169.9	111.7
Total	1067.4	896.8	1057.5	948.2	976.2	932.3

Student Enrolment by Campus (student count)

Campus	2014-15 Full-Time Students		2014-15 Part-Time Students		2013-14 Full-Time Students		2013-14 Part-Time Students	
	Previous Method	Revised Method	Previous Method	Revised Method	Previous Method	Revised Method	Previous Method	Revised Method
Aurora	93	124	968	912	114	131	549	528
Thebacha	183	190	983	948	235	257	886	812
Yellowknife	157	185	914	731	186	221	830	710
Total College	433	499	2,865	2,591	535	609	2,265	2,050

(Source: Registrar - Student Records System)



AURORA COLLEGE

SPRING CONVOCATION

2015

Graduates by School

School of Arts & Science

Environment & Natural Resources Technology Diploma – 14

School of Business & Leadership

Business Administration Certificate – 9

Business Administration Diploma – 7

Office Administration Certificate – 13

School of Education

Early Childhood Development Certificate – 4

Bachelor of Education – 8

School of Health & Human Services

Community Health Representative Certificate – 3

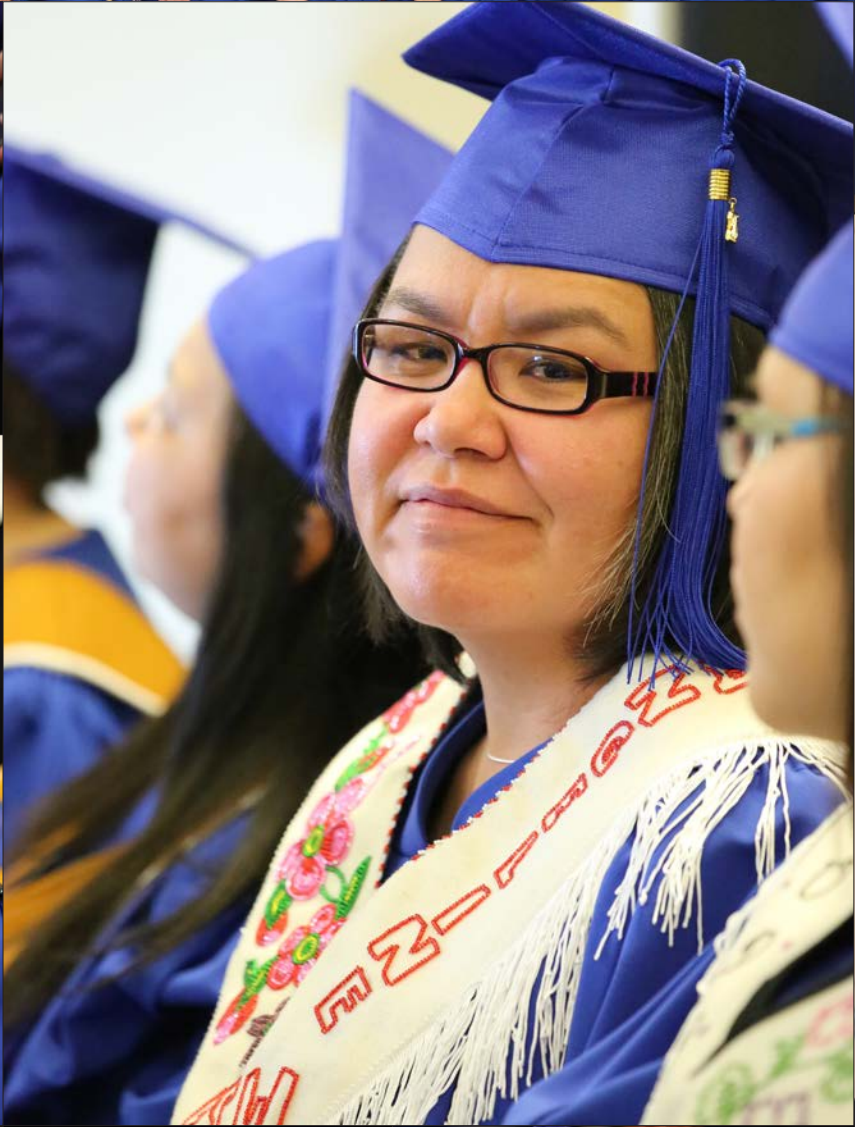
Personal Support Worker Certificate – 14

Social Work Diploma – 6

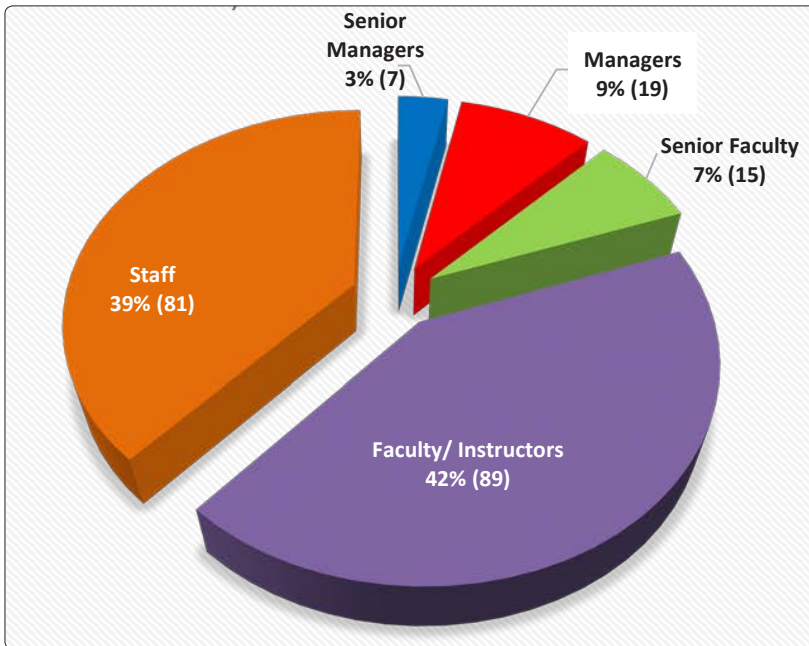
Bachelor of Science in Nursing – 16

Master of Nursing Practitioner- 3





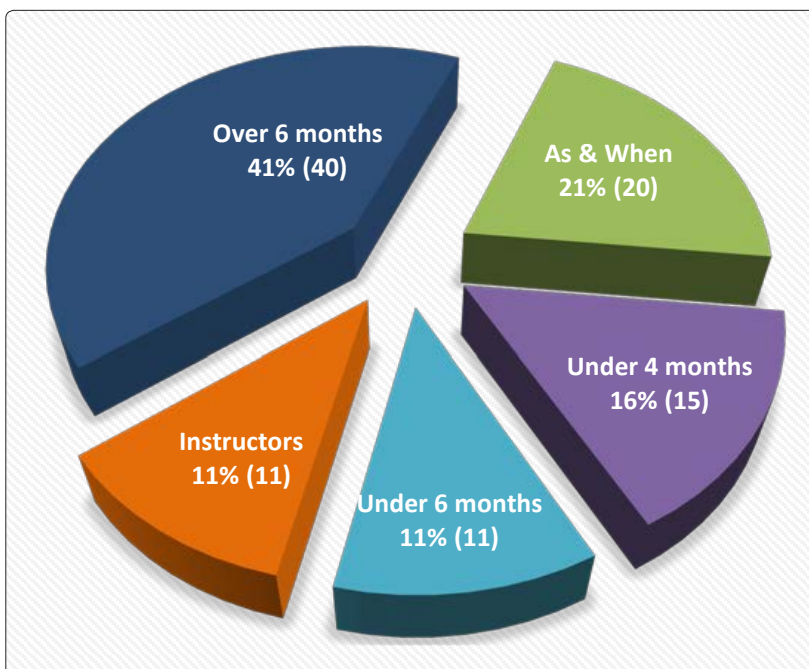
Supplementary Information



2014-15 Permanent Employees at February 28, 2015

Total permanent employees - 211

(Source: Corporate Human Resources)

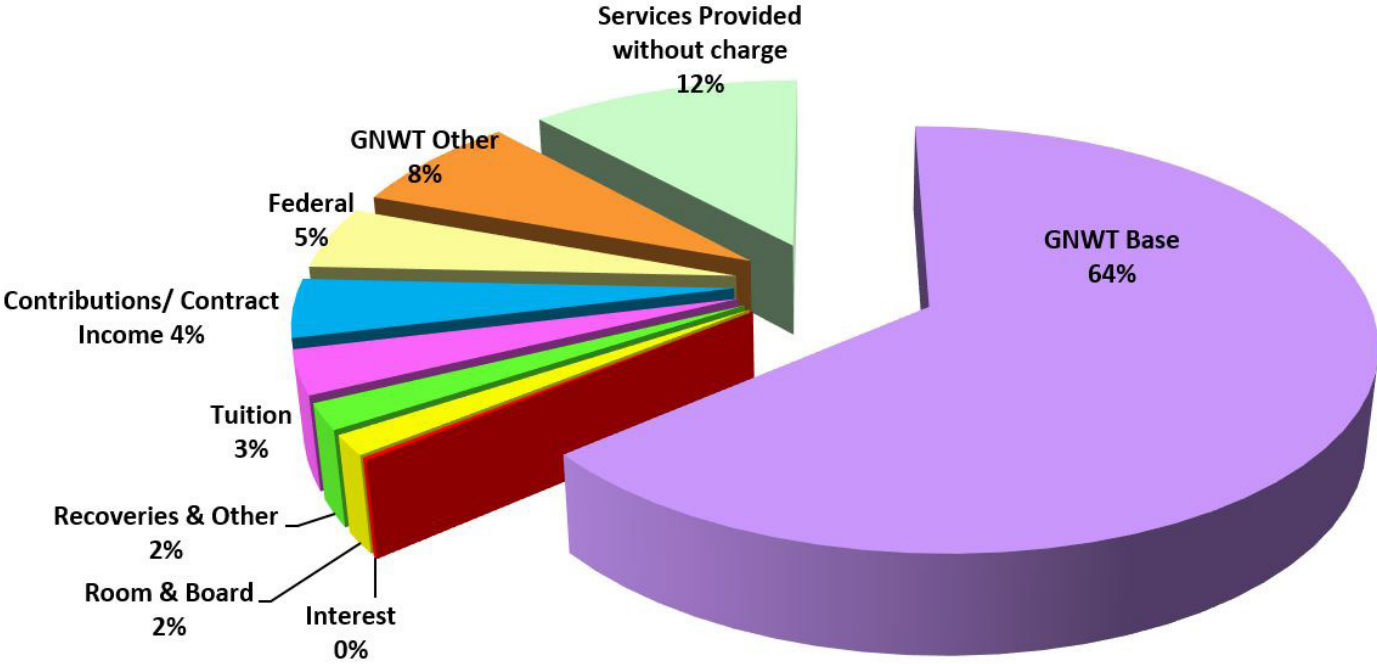


2014-15 Casual Employees at February 28, 2015

Total casual employees - 97

(Source: Corporate Human Resources)

2014-2015 Revenue by Source



AURORA COLLEGE
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2015

AURORA COLLEGE

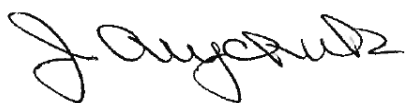
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Aurora College (the "College") and all information in this annual report are the responsibility of the College's management and have been reviewed and approved by the Board of Governors. The financial statements have been prepared in accordance with Canadian public sector accounting standards and include some amounts that are necessarily based on management's best estimates and judgment. Financial information presented elsewhere in the annual report is consistent with that contained in the financial statements.

In discharging its responsibility for financial reporting, management maintains and relies on financial and management control systems and practices which are designed to provide reasonable assurance that transactions are authorized and recorded, proper records are maintained, assets are safeguarded, and the College complies with applicable laws. These controls and practices ensure the orderly conduct of business, the timely preparation of reliable financial information and adherence to the College's statutory requirements and policies.

The Board of Governors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises this responsibility through the Finance Committee of the Board, which is composed of a majority of members who are not employees of the College. The Finance Committee meets regularly with management and the external auditors. The external auditors also have full and free access to the Finance Committee.

The College's external auditor, the Auditor General of Canada, audits the financial statements and issues his report thereon to the Minister of Education, Culture and Employment.



Jane Arychuk
President



Celestine Starling
Director of Finance/Chief Financial Officer

Fort Smith, NT, Canada
November 24, 2015



INDEPENDENT AUDITOR'S REPORT

To the Minister of Education, Culture and Employment

Report on the Financial Statements

I have audited the accompanying financial statements of Aurora College, which comprise the statement of financial position as at 30 June 2015, and the statement of operations and accumulated surplus, statement of change in net financial assets and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Aurora College as at 30 June 2015, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

As required by the *Financial Administration Act* of the Northwest Territories, I report that, in my opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by Aurora College and the financial statements are in agreement therewith. In addition, the transactions of Aurora College that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part IX of the *Financial Administration Act* of the Northwest Territories and regulations, the *Aurora College Act* and regulations and the by-laws of Aurora College.



Guy LeGras, CPA, CA
Principal
for the Auditor General of Canada

24 November 2015
Edmonton, Canada

AURORA COLLEGE
STATEMENT OF FINANCIAL POSITION
as at June 30, 2015
(in thousands of dollars)

	<u>2015</u>	<u>2014</u>
Financial assets		
Cash and cash equivalents (Note 3)	\$ 8,848	\$ 8,202
Accounts receivable (Note 4)	<u>2,220</u>	<u>5,328</u>
	<u>11,068</u>	<u>13,530</u>
 Liabilities		
Accounts payable and accrued liabilities	1,366	1,808
Payroll liabilities	1,398	1,767
Deferred revenue	244	256
Due to the Government of the Northwest Territories	1,816	2,820
Employee future benefits (Note 5)	2,270	1,960
Professional development fund (Note 6)	<u>1,946</u>	<u>1,961</u>
	<u>9,040</u>	<u>10,572</u>
 Net financial assets	 <u>2,028</u>	 <u>2,958</u>
 Non-financial assets		
Prepaid expenses	655	425
Tangible capital assets (Note 7)	<u>5,114</u>	<u>5,529</u>
	<u>5,769</u>	<u>5,954</u>
 Accumulated surplus (Note 8)	 <u><u>\$ 7,797</u></u>	 <u><u>\$ 8,912</u></u>

Contingent liabilities and commitments (Notes 12 and 13)

The accompanying notes are an integral part of the financial statements.

Approved by the Board of Governors:



Kathy Tsetso
Chairperson of the Board



Mary Beckett
Chairperson of the Finance Committee

AURORA COLLEGE
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
for the year ended June 30, 2015
(in thousands of dollars)

	<u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Revenues			
Government contributions (Note 9)	\$ 32,126	\$ 32,518	\$ 31,745
Other contributions			
Services provided without charge (Note 11)		6,006	5,520
Government of the Northwest Territories	-	3,856	3,731
Other third party contributions	-	2,312	2,743
Government of Canada	-	2,473	3,836
Own source revenues			
Tuition fees	949	1,732	1,681
Recoveries and other	354	1,026	1,177
Room and board	800	794	873
Interest income	95	113	109
	<u>34,324</u>	<u>50,830</u>	<u>51,415</u>
Expenses			
Financial and accounting services	2,113	2,265	2,034
Pooled services	2,380	5,012	5,257
Student services	9,649	10,808	10,327
Education and training	12,119	20,020	20,452
Community and extensions	6,535	11,362	10,831
Aurora Research Institute	<u>1,712</u>	<u>2,478</u>	<u>2,800</u>
	<u>34,508</u>	<u>51,945</u>	<u>51,701</u>
Annual deficit	(184)	(1,115)	(286)
Accumulated surplus at beginning of year	<u>8,912</u>	<u>8,912</u>	<u>9,198</u>
Accumulated surplus at end of year	<u>\$ 8,728</u>	<u>\$ 7,797</u>	<u>\$ 8,912</u>

The accompanying notes are an integral part of the financial statements.

AURORA COLLEGE
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
for the year ended June 30, 2015
(in thousands of dollars)

	<u>Budget</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
Annual deficit	\$ (184)	\$ (1,115)	\$ (286)
Acquisition of tangible capital assets	-	(738)	(446)
Loss on write-off of tangible capital assets	-	101	4
Write-down of tangible capital assets	-	75	-
Amortization of tangible capital assets	<u>451</u>	<u>977</u>	<u>957</u>
	<u>451</u>	<u>415</u>	<u>515</u>
(Increase) decrease in prepaid expenses	<u>-</u>	<u>(230)</u>	<u>213</u>
Increase / (decrease) in net financial assets	267	(930)	442
Net financial assets at beginning of year	<u>2,958</u>	<u>2,958</u>	<u>2,516</u>
Net financial assets at end of year	<u>\$ 3,225</u>	<u>\$ 2,028</u>	<u>\$ 2,958</u>

The accompanying notes are an integral part of the financial statements.

AURORA COLLEGE
STATEMENT OF CASH FLOW
for the year ended June 30, 2015
(in thousands of dollars)

	<u>2015</u>	<u>2014</u>
Operating transactions		
Cash received from:		
Government of the Northwest Territories	\$ 36,707	\$ 35,661
Students and other third parties	8,627	3,364
Government of Canada	2,473	3,836
Interest	113	109
Cash paid for:		
Cash paid for compensation and benefits	(31,376)	(28,095)
Cash paid to suppliers	<u>(15,160)</u>	<u>(15,717)</u>
Cash provided by (used for) operating transactions	<u>1,384</u>	<u>(842)</u>
Capital transactions		
Acquisition of tangible capital assets	<u>(738)</u>	<u>(446)</u>
Cash used for capital transactions	<u>(738)</u>	<u>(446)</u>
Increase (decrease) in cash and cash equivalents	646	(1,288)
Cash and cash equivalents at beginning of year	<u>8,202</u>	<u>9,490</u>
Cash and cash equivalents at end of year	<u>\$ 8,848</u>	<u>\$ 8,202</u>

The accompanying notes are an integral part of the financial statements.

Aurora College
Notes to the Financial Statements
June 30, 2015

1. AUTHORITY AND MANDATE

a) Authority and purpose

Aurora College (“College”) was established under the *Aurora College Act* and is named as a territorial corporation under the *Financial Administration Act* of the Northwest Territories. The College is exempt from income taxes.

The College is a multi-campus institution designed to provide a wide variety of educational services to adult learners of the Northwest Territories (NWT). The programs are directed specifically to the northern environment and the needs of individual northerners, the workforce and northern communities. To accomplish this, courses and services are delivered at campuses and communities throughout the NWT. Through the work of the Aurora Research Institute, the College is responsible for the facilitation and preparation of research activity in the NWT.

b) Contributions from the Government of the Northwest Territories

The College receives contributions from the Government of the Northwest Territories (“Government”) as set out in the Government’s Main Estimates and adjusted by supplementary appropriations. The contributions are to be utilized for the administration and delivery of the College's adult and post-secondary education programs in the NWT. The College is allowed to retain all surpluses and is responsible for all deficits.

The College is economically dependent upon the contributions received from the Government for its ongoing operations.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards (“PSAS”). The following is a summary of the significant accounting policies.

a) Measurement uncertainty

The preparation of financial statements in accordance with PSAS requires the College to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these statements, the College believes the estimates and assumptions to be reasonable. Some of the more significant management estimates relate to the allowance for doubtful accounts, employee future benefits, amortization, and revenues accruals.

Aurora College
Notes to the Financial Statements
June 30, 2015

b) Cash and cash equivalents

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

c) Tangible capital assets

Tangible capital assets transferred to the College when it was established were recorded at their estimated fair market value. Subsequent acquisitions are recorded at cost. Tangible capital assets are amortized over their estimated remaining useful lives on a straight-line basis at the following annual rates:

Mobile equipment	3 to 20 years
Building additions and renovations	20 years
Furniture and equipment	2 to 10 years
Leasehold improvements	over the remaining term of the lease

d) Employee future benefits

i) Pension benefits

All eligible employees participate in the Public Service Pension Plan (the "Plan") administered by the Government of Canada. The College's contributions reflect the full cost as employer. This amount is currently based on a multiple of an employee's required contributions and may change over time depending on the experience of the Plan. The College's contributions are expensed during the year in which the services are rendered and represent the total pension obligation of the College. The College is not currently required to make contributions with respect to any actuarial deficiencies of the Plan.

ii) Severance, removal and compensated absences

Under the terms and conditions of employment, employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. Eligibility is based on variety of factors including place of hire, date employment commenced, reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. Termination benefits are also recorded when employees are identified for lay-off. Compensated absences include sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits has been prepared using data provided by management and assumptions based on management's best estimates.

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Notes to the Financial Statements
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e) Government contributions

Government contributions are recognized as revenue when the funding is authorized and all eligibility criteria are met, except to the extent that funding stipulations give rise to an obligation that meets the definition of a liability.

The College receives its annual appropriation from the Government on a monthly basis based on the approved yearly cash flow. These contributions are recognized as revenue in the period in which the funding relates once all eligibility criteria have been met and it has been authorized.

f) Government contributions – services received without charge

The Government provides certain services without charge to the College. The estimated value of these services are recognized as expenses with an offsetting credit to revenues in order to reflect the full cost of the College's operations in its financial statements.

g) Own source revenues

Tuition fees, room and board, interest income, and other income are recognized on an accrual basis as they are earned.

h) Other contributions and deferred revenue

The College provides education and research services to private companies, federal and territorial government departments, agencies, and corporations through contractual arrangements. Payments received under these contracts for which the development and delivery of courses and projects are not completed are recorded as deferred revenue until completion in accordance with the stipulations of these agreements.

Revenue from federal and territorial government departments, agencies and corporations is recorded once the eligibility criteria are met; the payments are authorized, except to the extent that funding stipulations give rise to an obligation that meets the definitions of a liability.

i) Contract services

Contract services acquired by the College include printing services, food service contracts, instruction contracts, leases and rental agreements. These amounts are recognized as expenses in the year the services are rendered.

j) Contingent liabilities

A contingent liability is a potential liability which may become an actual liability when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an

Aurora College
Notes to the Financial Statements
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amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

k) Prepaid expenses

Prepaid expenses are charged to expense over the periods expected to benefit from it.

l) Funds and reserves

Certain amounts, as approved by the Board of Governors, are set aside as reserves in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are recorded when approved.

m) Financial instruments

Financial instruments are identified by financial asset and financial liability classifications.

The College's financial assets include cash and cash equivalents and accounts receivable which are both measured at cost. Financial liabilities include accounts payable and accrued liabilities and due to Government of the Northwest Territories which are both measured at cost.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the Statement of Operations and Accumulated Surplus. The allowance for doubtful accounts is based on management's best estimate of probable losses. The allowance is calculated based on a percentage of specific aged receivables where management believes an impairment has occurred. The allowance is shown as a reduction to accounts receivable. Management recommends write-offs of student accounts that are deemed uncollectible. Student and other receivables related to write-offs are submitted to the Board of Governors for their approval. Any write-offs greater than \$20,000 must be submitted to the Financial Management Board for approval.

n) Budget

Canadian public sector accounting standards require a government organization to present in its financial statements a comparison of the results of operations and changes in net financial assets for the period with those originally planned. The budgeted figures represent the College's original fiscal plan for the year approved by the College's Board of Governors and do not reflect any subsequent adjustments made during the course of the year.

o) Adoption of new Public Sector Accounting Standards

Effective July 1, 2014, the College adopted PS 3260 – Liability for Contaminated Sites. This section establishes recognition, measurement and disclosure standard for liabilities

Aurora College
Notes to the Financial Statements
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related to contaminated sites. There was no significant impact of adopting this standard on the College's financial statements for the year ending June 30, 2015.

3. CASH AND CASH EQUIVALENTS

	<u>2015</u>	<u>2014</u>
	(in thousands)	
Cash	\$ 154	\$ 1,367
Cash equivalents	<u>8,694</u>	<u>6,835</u>
	<u>\$ 8,848</u>	<u>\$ 8,202</u>

The College's cash equivalents are pooled with the Government of the Northwest Territories' surplus cash and are invested in a diversified portfolio of high-grade short term income producing assets. The cash can be withdrawn at any time and is not restricted by maturity dates on investments made by the Government of the Northwest Territories. The Department of Finance approves the eligible classes of securities, categories of issuers, limits and terms. All instruments, depending on their investment class, are rated R-2 High or better by the Dominion Bond Rating Service Ltd. The College's average annual investment yield for the year ended June 30, 2015 was 1.11% (2014 – 1.10%).

4. ACCOUNTS RECEIVABLE

	<u>2015</u>		<u>2014</u>	
	(in thousands)			
	<u>Accounts</u>	<u>Allowance</u>	<u>Net</u>	<u>Net</u>
	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>	<u>Net</u>
Government of the Northwest Territories	\$ 458	\$ 11	\$ 447	\$ 723
Federal Government	308	36	272	-
Other	1,456	43	1,413	4,521
Students	<u>294</u>	<u>206</u>	<u>88</u>	<u>84</u>
	<u>\$ 2,516</u>	<u>\$ 296</u>	<u>\$ 2,220</u>	<u>\$ 5,328</u>

5. EMPLOYEE FUTURE BENEFITS

a) Pension benefits

The College and all eligible employees contribute to the Public Service Pension Plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the College. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The general contribution effective at year end was \$1.28 (2014 - \$1.45) for every dollar contributed by

Aurora College
Notes to the Financial Statements
June 30, 2015

the employee, and \$7.13 (2014 - \$7.59) for every dollar contributed by the employee for the portion of the employee's salary above \$158 thousand (2014 - \$155 thousand).

For new employees who are participating in the Plan on or after January 1, 2013, the College contributes \$1.28 (2014 - \$1.43) for every dollar contributed by the employee, and \$7.13 (2014 - \$7.59) for every dollar contributed by the employee for the portion of the employee's salary above \$158 thousand (2014 - \$155 thousand).

The College's and employees' contributions to the Public Service Pension Plan for the year were as follows:

	<u>2015</u>	<u>2014</u>
	(in thousands)	
College's contributions	\$ 2,568	\$ 2,618
Employees' contributions	<u>1,776</u>	<u>1,609</u>
	<u>\$ 4,344</u>	<u>\$ 4,227</u>

b) Severance, removal and compensated absences

The College provides severance benefits to its employees based on years of service and final salary. The College also provides removal and compensated absence (sick, special, maternity and parental leave) benefits to its employees, as provided under labour contracts. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. Future benefits will be paid out of future appropriations.

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

Change in estimate

During the year ended 30 June 2015, the method for calculating other employee future benefits was refined to better reflect the probability that these benefits would be used in the future based on past experience. This change in accounting estimate is being accounted for on a prospective basis starting 1 July 2014, which increases the compensation and benefits expense and increases employee future benefits liability by \$116.

Valuation results

The actuarial valuation includes the liabilities as at June 30, 2015 as well as current service costs that would be appropriate to use for the next three years. The liabilities are

Aurora College
Notes to the Financial Statements
June 30, 2015

actuarially determined as the present value of the accrued benefits at June 30, 2015. The values presented below for all of the benefits under the Compensated Absences and Termination Benefits for Aurora College.

	<u>2015</u>	<u>2014</u>
		(in thousands)
Severance	970	876
Removal and compensated absences	<u>1,300</u>	<u>1,084</u>
	<u>\$ 2,270</u>	<u>\$1,960</u>

6. PROFESSIONAL DEVELOPMENT FUND

Under collective agreements, the College is required annually to make available a specific amount of funding, against which approved instructor professional development expenses are charged. The balance represents the accumulated unspent amount of the College's obligation to instructors.

Information about the fund is as follows:

	<u>2015</u>	<u>2014</u>
		(in thousands)
Professional development fund, beginning of year	\$ 1,961	\$ 1,907
Contributions	433	450
Recovery of funds	-	-
Professional development paid during the year	<u>(448)</u>	<u>(396)</u>
Professional development fund, end of year	<u>\$ 1,946</u>	<u>\$ 1,961</u>

Aurora College
Notes to the Financial Statements
June 30, 2015

7. TANGIBLE CAPITAL ASSETS

June 30, 2015	Mobile equipment	Building additions and renovations	Furniture and equipment	Leasehold improvements	2015 Total	2014 Total
Cost						
Opening balance	\$ 5,312	\$ 1,991	\$ 6,499	\$ 2,124	\$ 15,926	\$ 16,707
Additions	246	-	298	194	738	446
Write-off	-	-	(1,379)	(178)	(1,557)	(1,227)
Closing balance	<u>5,558</u>	<u>1,991</u>	<u>5,418</u>	<u>2,140</u>	<u>15,107</u>	<u>15,926</u>
Accumulated amortization						
Opening balance	2,640	1,642	4,685	1,430	10,397	10,663
Amortization	260	100	503	114	977	957
Write-off	-	-	(1,278)	(178)	(1,456)	(1,223)
Write-down	75	-	-	-	75	-
Closing balance	<u>2,975</u>	<u>1,742</u>	<u>3,910</u>	<u>1,366</u>	<u>9,993</u>	<u>10,397</u>
Net book value	<u>\$ 2,583</u>	<u>\$ 249</u>	<u>\$ 1,508</u>	<u>\$ 774</u>	<u>\$ 5,114</u>	<u>\$5,529</u>

Aurora College
Notes to the Financial Statements
June 30, 2015

8. ACCUMULATED SURPLUS

The accumulated surplus balance includes the net book value of tangible capital assets transferred to the College when it was established and the results of operations since that date. The following appropriations have been made from accumulated surplus:

(in thousands)					
Reserves	Balance, opening July 1, 2014	Net results of operations	Appropriated	Used in operations	Balance, ending June 30, 2015
a) Mallik research reserve	\$ 100	\$ -	\$ -	\$ -	\$ 100
b) Northern strategic research reserve	486	-	6	-	492
c) Program delivery	300	-	-	-	300
d) Research & development	145	-	33	(33)	145
e) HEO replacement & maintenance	140	-	-	(140)	0
f) Restricted donations	35	-	-	-	35
Total reserves	1,206	-	39	(173)	1,072
Operating surplus (deficit)	7,706	(1,115)	(39)	173	6,725
Total accumulated surplus	\$ 8,912	\$ (1,115)	\$ -	\$ -	\$ 7,797

a) Mallik research reserve

This appropriation was established from the surplus of the Methane Hydrate Research project to set funds aside to complete the scientific publishing.

Aurora College
Notes to the Financial Statements
June 30, 2015

b) Northern strategic research reserve

This appropriation was established from the surplus of the Methane Hydrate Research project to set funds aside for strategic research conducted in the north which will benefit northerners.

c) Program delivery

This appropriation is established to cover program costs contemplated in the annual Programs and Services Proposal prepared by the College, for which Government funding has not been approved. Allocations to and from this appropriation must be approved by the Board of Governors.

d) Research & development

This appropriation is established to help fund research and development of the Research Associate and Fellowship programs at the Aurora Research Institute (ARI). Annually all unencumbered ARI administration revenue after fulfillment of third party contracts is transferred to this appropriation. Use of the appropriation must be approved by the Research Advisory Council.

e) HEO (Heavy Equipment Operator) replacement & maintenance

This appropriation is established to help fund replacement and maintenance of the HEO program heavy equipment. Annually net equipment rental fees charged to the third party contractors for HEO courses are transferred to this appropriation. Use of the appropriation must be approved by the Board of Governors.

f) Restricted donations

From time to time, the College receives donations from individuals and corporations with conditions attached to them. In order to ensure that the wishes of the contributors are carried out, the donations are transferred to restricted donations until the conditions are met.

9. GOVERNMENT CONTRIBUTIONS

	<u>2015</u>	<u>2014</u>
	(in thousands)	
Operating contributions	\$32,325	\$ 31,555
Capital contributions	193	190
	<u>\$32,518</u>	<u>\$31,745</u>

Aurora College
Notes to the Financial Statements
June 30, 2015

10. RELATED PARTIES

The College is related in terms of common ownership to all Government created departments, territorial corporations and public agencies. The College enters into transactions with these entities in the normal course of business at normal trade terms.

The College has Government receivables from tuition revenue, contract revenue and the base funding contribution. The College also owes funds to the Government from administrative agreements for facility operating and utility costs, employee benefits and other expenses.

	<u>2015</u>	<u>2014</u> (in thousands)
Accounts receivable (Note 4)	\$ 458	\$ 791
Amounts due to the Government	\$ 1,816	\$ 2,820

Revenues

Included in Recoveries and other revenues is Nil (2014 – \$175) of Territorial government funding.

Expenses

Under the terms of administrative agreements, the Government charges for certain support services provided to the College. The College reimbursed the Government \$820,000 (2014 – \$1,134,000) for facility operating and utility costs, employee benefits and other expenses recorded in these statements.

11. SERVICES PROVIDED WITHOUT CHARGE

During the year, the College received without charge from the Government services including utilities \$2,495,000 (2014 – \$1,819,000) and repairs and maintenance \$1,264,000 (2014 – \$1,627,000).

Payroll processing, insurance and risk management, legal counsel, construction management, records storage, computer operations, asset disposal, project management, and translation services were also provided to the College without charge. These services would have cost the College an estimated \$216,000 (2014 – \$367,000) based on the exchange amount confirmed by the related parties.

The College also receives from the Government, without any rental charges, the use of facilities for two of its campuses, certain student housing units and community learning centres. The use of these facilities would have cost the College an estimated \$1,818,000

Aurora College
Notes to the Financial Statements
June 30, 2015

(2014 – \$1,661,000) based on the Government’s amortization expense for these assets.

The Government also pays for medical travel costs for the College. The medical travel costs paid by the Government on behalf of the College for the period amounted to \$213,000 (2014 – \$ 46,000).

	<u>2015</u>	<u>2014</u>
	(in thousands)	
Contract services	\$ 216	\$ 367
Repairs and maintenance	1,264	1,627
Building utilities	2,495	1,819
Building leases	1,818	1,661
Medical travel	<u>213</u>	<u>46</u>
	<u>\$ 6,006</u>	<u>\$ 5,520</u>

12. CONTINGENT LIABILITIES

The College is subject to claims and lawsuits arising in the ordinary course of operations. While the outcome of these matters is subject to future resolution, management's evaluation and analysis of such matters indicates that, individually and in the aggregate, the probable ultimate resolution of such matters will not have a material financial impact on the College's financial position, results of operations or liquidity.

13. COMMITMENTS

In addition to facilities provided by the Government, the College has operating leases and service agreements for student accommodation, classroom space, office equipment and other services and is committed to basic payments as follows:

	<u>Operating leases</u>	<u>Service agreements</u>
	(in thousands)	
2016	\$ 307	\$ 4,712
2017	119	3,716
2018	66	1,649
2019	19	1,186
Thereafter	17	534
	<u>528</u>	<u>\$ 11,797</u>

14. FINANCIAL RISK MANAGEMENT

The College's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, due to Government of the Northwest

Aurora College
Notes to the Financial Statements
June 30, 2015

Territories and are measured at cost. The Corporation has exposure to the following risks from its use of financial instruments:

a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with its financial liabilities. The College manages its liquidity risk by regularly monitoring forecasted and actual cash flows. The College does not believe that it will encounter difficulty in meeting its future obligations associated with its financial liabilities.

b) Credit risk

The College is exposed to credit risk on its cash and cash equivalents and accounts receivable.

Cash and cash equivalents

Credit risk on cash and cash equivalents arises from the possibility that the counterparty to the instrument fails to meet their obligations. In order to manage this risk, the College deals with senior Canadian chartered banks for its cash. The College's cash equivalents are held by the Government of the Northwest Territories on behalf of the college and consist of high-quality, short term income producing term deposits. The credit risk for these term deposits is considered to be low. The maximum exposure to credit risk is \$8,848,000 (2014 - \$8,202,000).

Accounts receivable

Credit risk on accounts receivable arises from the possibility that the customer fails to meet their obligations. This risk is influenced by the type of debtor and at 30 June 2015 the College's debtors are the Government of the Northwest Territories, federal government, students, and others.

In order to manage this risk, the College monitors the age of accounts receivable and initiates collection action. Credit exposure is minimized by dealing mostly with creditworthy counterparties such as government agencies and the College also enforces approved collection policies for student accounts. The maximum exposure to credit risk is \$2,220,000 (2014 - \$5,328,000).

At 30 June 2015 there are accounts receivable past due but not impaired. These amounts for students are: 31-60 days \$28,000; 61-90 days \$11,000; and over 90 days \$22,000.

Aurora College
Notes to the Financial Statements
June 30, 2015

These amounts for the Government and for other parties are shown below.

	91-365 days	1 to 2 years	over 2 years
Government of the Northwest Territories	\$21,000	Nil	Nil
Other third parties	\$202,000	\$5,000	Nil
Federal Government	\$147,000	\$38,000	Nil

The College establishes an allowance for doubtful accounts that reflects the estimated impairment of accounts receivable. The allowance is based on specific amounts and is determined by considering the College's knowledge of the financial condition of customers, the aging of accounts receivable, current business condition and historical experience.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The College is exposed to interest rate risk in that changes in market interest rates will cause fluctuations in the interest revenue from cash equivalents. This risk is not significant due to the short terms to maturity of cash equivalents.

Although management monitors exposure to interest rate fluctuations, it does not employ any interest rate management policies to counteract interest rate fluctuations.

The College is not exposed to significant currency or other price risks.

15. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The fair values of the cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and due to Government of the Northwest Territories approximate their carrying amounts because of the short term to maturity.

16. SEGMENT DISCLOSURE

The College is a multi-campus institution designed to provide a wide variety of educational services to adult learners of the Northwest Territories (NWT). For management reporting purposes the College's operations and activities are organized and reported by funds (Schedule A). Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with the budget, strategy and work plan, restrictions or limitations. The College's services are provided by departments and their activities are reported in these funds.

Aurora College
Notes to the Financial Statements
June 30, 2015

Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Finance and accounting

Finance's role is to ensure the long term viability of the College including the preparation and controls over the budgets, financial reporting, the implementation and oversight of financial controls, and management of the cash flows. Finance includes the functioning of the head office and regional offices.

Pooled services

This represents College wide expenditures which are required for the global operation. These represent allocation of costs related to professional development, amortization, cost of employee future benefits, and costs for the President's Office. The Office of the President includes services related to the operations of the College, plus communications and public relations. The Office of the President is mandated to manage the daily operations of the College, pursue its missions and vision, and develop and implement a strategic plan to ensure the long term success of the College.

Student services

Student services include Fort Smith, Yellowknife, and Inuvik locations facilities and the registrar and regional admission offices.

Education and training

Education and training includes the vice-president education and training, school of trades, school of education, school of business and leadership, school of health and human services, school of arts and science, information systems and technology, and the library.

Community and extensions

Community and extensions represents special programs and additional resources provided to the communities through the College. This includes the school of developmental studies, the Beaufort Delta region, the Sahtu region, the Dehcho region, the Tlicheo region, and the Akaitcho and South Slave region.

Aurora Research Institute

Through the work of the Aurora Research Institute, the College is also responsible for the facilitation and preparation of research activity in the NWT.

17. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.

**Aurora College
Segmented disclosures
June 30, 2015**

Schedule A

For the period ended June 30, 2015	Financial and accounting (in thousands)	Pooled services ** (in thousands)	Student services (in thousands)	Education and training (in thousands)	Community and extensions (in thousands)	Aurora Research Institute (in thousands)	2015 Total (in thousands)	2015 Budget (in thousands)	2014 Total (in thousands)
Revenues									
Government Contributions	\$ 2,018	\$ 2,588	\$ 8,838	\$ 10,614	\$ 6,806	\$ 1,654	\$ 32,518	\$ 32,126	\$ 31,745
Other Contributions									
Services Provided without Charge	-	1,693	-	4,313	-	-	6,006	-	5,520
Government of the Northwest Territories	-	-	74	2,478	1,195	109	3,856	-	3,731
Other third party contributions	1	44	38	1,589	258	382	2,312	-	2,743
Federal government	-	-	-	25	2,353	95	2,473	-	3,836
Own Source Revenue									
Tuition fees	-	-	65	953	714	-	1,732	949	1,681
Recoveries and other	353	103	50	383	82	55	1,026	354	1,177
Room and board	-	-	722	-	-	72	794	800	873
Interest income	113	-	-	-	-	-	113	95	109
	<u>2,484</u>	<u>4,428</u>	<u>9,787</u>	<u>20,355</u>	<u>11,408</u>	<u>2,367</u>	<u>50,830</u>	<u>34,324</u>	<u>51,415</u>
Expenses									
Compensation and benefits	1,752	1,284	4,564	12,135	8,804	1,716	30,255	23,639	29,517
Building leases	-	-	5,146	1,819	17	-	6,982	4,997	6,618
Materials and supplies	227	293	168	765	295	91	1,839	1,411	1,696
Utilities	-	-	164	2,510	4	9	2,687	208	2,039
Contract services	32	358	173	590	715	289	2,157	1,249	2,368
Repairs and maintenance	1	1,264	230	219	72	11	1,797	-	2,221
Small equipment	30	5	32	331	42	25	465	160	754
Fees and payments	82	518	82	609	60	80	1,431	1,302	1,592
Travel and accommodation	66	150	136	427	326	166	1,271	665	1,380
Professional services	-	-	3	447	826	14	1,290	-	1,878
Amortization of tangible capital assets	-	1,052	-	-	-	-	1,052	451	957
Communication, postage and freight	75	88	110	168	201	77	719	426	681
	<u>2,265</u>	<u>5,012</u>	<u>10,808</u>	<u>20,020</u>	<u>11,362</u>	<u>2,478</u>	<u>51,945</u>	<u>34,508</u>	<u>51,701</u>
Annual surplus (deficit)	<u>\$ 220</u>	<u>\$ (584)</u>	<u>\$ (1,021)</u>	<u>\$ 335</u>	<u>\$ 46</u>	<u>\$ (110)</u>	<u>\$ (1,115)</u>	<u>\$ (184)</u>	<u>\$ (286)</u>

** Pooled Services includes the revenues and expenses for the President's Office

ARCTIC ENERGY ALLIANCE
Yellowknife, NT

FINANCIAL STATEMENTS
For the year ended March 31, 2016

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MANAGEMENT'S RESPONSIBILITY FOR REPORTING

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

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

The accounting firm of Avery Cooper & Co. Ltd., Certified General Accountants, annually provide an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards.

A handwritten signature in black ink, appearing to read "Louie Azzolini".

Louie Azzolini
Executive Director

June 30, 2016

 **AVERY COOPER & Co. LTD.**
Certified General Accountants

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Yellowknife, NT X1A 2P2
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INDEPENDENT AUDITOR'S REPORT

To the Members of
Arctic Energy Alliance

We have audited the accompanying financial statements of Arctic Energy Alliance, which comprise the Statement of Financial Position as at March 31, 2016, and the Statements of Changes in Net Assets, Operations, and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Arctic Energy Alliance as at March 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Avery Cooper & Co. Ltd.

Avery Cooper & Co. Ltd.
Certified General Accountants
Yellowknife, NT

June 30, 2016



AVERY COOPER IS A MEMBER OF MSI, AN INTERNATIONAL ASSOCIATION OF INDEPENDENT PROFESSIONAL FIRMS

ARCTIC ENERGY ALLIANCE

STATEMENT OF FINANCIAL POSITION

March 31, 2016

ASSETS

	2016	2015
CURRENT		
Cash	\$ 515,527	\$ 664,045
Short term investments (note 3)	543,299	60,252
Accounts receivable (note 4)	358,643	525,066
Prepaid expenses	187,064	37,614
	1,604,533	1,286,977
TANGIBLE CAPITAL ASSETS (note 5)	87,970	82,739
	\$ 1,692,503	\$ 1,369,716

LIABILITIES

CURRENT		
Wages and benefits payable	\$ 112,041	\$ 61,094
Government remittances payable (note 6)	30,726	33,893
Trade payables and accruals (note 7)	340,931	245,976
Provision for rebates (note 8)	16,800	43,000
Deferred revenue (note 9)	351,828	203,487
	852,326	587,450
DEFERRED GOVERNMENT ASSISTANCE (note 10)	22,150	25,856
	874,476	613,306

NET ASSETS

RESERVES per page 2	709,605	566,000
INVESTED IN TANGIBLE CAPITAL ASSETS per page 2	57,820	56,884
ACCUMULATED SURPLUS per page 2	50,602	133,526
	818,027	756,410
	\$ 1,692,503	\$ 1,369,716

Approved:


 _____ Director


 _____ Director

ARCTIC ENERGY ALLIANCE

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2016

	2016			
	Accumulated Surplus	Reserves	Invested in Tangible Capital Assets	Total
BALANCE, opening	\$ 133,526	\$ 566,000	\$ 56,884	\$ 756,410
Excess of revenues over expenses	61,617	-	-	61,617
Transfer to reserves (note 15)	(143,605)	143,605	-	-
Purchase of tangible capital assets	(28,537)	-	28,537	-
Amortization of tangible capital assets	23,307	-	(23,307)	-
Amortization of deferred government assistance	(3,706)	-	3,706	-
Asset retirement obligation	8,000	-	(8,000)	-
BALANCE, closing	<u>\$ 50,602</u>	<u>\$ 709,605</u>	<u>\$ 57,820</u>	<u>\$ 818,027</u>
				2015
	Accumulated Surplus	Reserves	Invested in Tangible Capital Assets	Total
BALANCE, opening	\$ 77,185	\$ 541,000	\$ 51,230	\$ 669,415
Excess of revenues over expenses	86,995	-	-	86,995
Transfer to reserves	(25,000)	25,000	-	-
Purchase of tangible capital assets	(29,657)	-	29,657	-
Amortization of tangible capital assets	11,209	-	(11,209)	-
Deferred government assistance additions	15,000	-	(15,000)	-
Amortization of deferred government assistance	(2,206)	-	2,206	-
BALANCE, closing	<u>\$ 133,526</u>	<u>\$ 566,000</u>	<u>\$ 56,884</u>	<u>\$ 756,410</u>

See accompanying notes

ARCTIC ENERGY ALLIANCE

STATEMENT OF OPERATIONS

For the year ended March 31, 2016

	<u>2016</u>	<u>2016</u>	<u>2015</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
REVENUES			
Contributions from GNWT	\$ 3,761,035	\$ 3,264,595	\$ 2,668,776
Contributions from Canada	-	5,461	17,263
Other source income	210,022	186,710	351,196
Membership fees	277,500	277,500	277,500
Interest income	9,000	9,491	11,780
	<u>4,257,557</u>	<u>3,743,757</u>	<u>3,326,515</u>
EXPENSES			
Advertising and promotion	64,178	52,778	56,718
Amortization	16,900	23,307	11,209
Consulting fees	135,210	90,627	254,906
Equipment rental	24,682	24,426	12,563
Facility rental and tradeshow fees	10,377	14,577	6,941
Fees and dues	3,283	5,992	4,062
Hospitality	14,159	8,834	4,837
Insurance	13,362	12,190	13,672
Interest and bank charges	4,200	5,285	3,022
Office and general	392,788	243,858	132,099
Professional development	48,649	39,691	20,414
Professional fees	17,415	25,801	36,714
Rebates	965,065	906,207	641,916
Rent and utilities	153,300	146,336	138,542
Telephone, Internet and Website	27,456	34,870	26,705
Travel and accommodation	234,646	148,076	185,621
Wages and benefits	2,079,619	1,899,285	1,689,579
	<u>4,205,289</u>	<u>3,682,140</u>	<u>3,239,520</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 52,268</u>	<u>\$ 61,617</u>	<u>\$ 86,995</u>

ARCTIC ENERGY ALLIANCE

STATEMENT OF CASH FLOWS

For the year ended March 31, 2016

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from GNWT	\$ 3,691,532	\$ 2,611,069
Cash receipts from Government of Canada	19,350	11,429
Cash receipts from membership fees	270,000	272,500
Cash receipts from other sources	139,949	471,309
Cash receipts from interest	6,444	10,980
Contributions repaid	(109,371)	(48,177)
Cash paid for wages and benefits	(1,851,507)	(1,703,711)
Cash paid for materials and services	<u>(1,807,154)</u>	<u>(1,552,403)</u>
	<u>359,243</u>	<u>72,996</u>
CASH FLOWS FROM CAPITAL ACTIVITIES		
Purchase of tangible capital assets	<u>(28,537)</u>	<u>(21,658)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of short term investments	60,776	60,810
Purchase of short term investments	<u>(540,000)</u>	<u>(60,000)</u>
	<u>(479,224)</u>	<u>810</u>
(DECREASE) INCREASE IN CASH	<u>(148,518)</u>	<u>52,148</u>
CASH, opening	<u>664,045</u>	<u>611,897</u>
CASH, closing	<u>\$ 515,527</u>	<u>\$ 664,045</u>

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

1. NATURE OF OPERATIONS

Arctic Energy Alliance (the "Society") is a government not-for-profit organization of the Government of the Northwest Territories (GNWT) and was incorporated July 29, 1997 under the *Societies Act* of the Northwest Territories. As a public service entity, the Society's function is to support the objectives of the GNWT by promoting awareness and conservation of energy and utility use and to identify, promote, and implement opportunities to reduce energy and utility costs in the Northwest Territories.

The Society is exempt from income tax under paragraph 149(1)(c) of the Income Tax Act (Canada). The Society is economically dependent on funding received from the GNWT.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS) applicable to government not-for-profit organizations as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The significant policies are detailed as follows:

(a) Cash equivalents

The Society considers all investments with maturities of three months or less and bank loans with no fixed terms of repayment to be cash equivalents.

(b) Financial instruments

The Society measures all its financial assets and financial liabilities at amortized cost except for short term investments which are measured at fair value.

(c) Tangible capital assets

Tangible capital assets are recorded at cost. The Society provides for amortization using the following methods at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. One half of the year's amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal. The annual amortization rates and methods are as follows:

Computer equipment	30% Declining balance
Computer software	5 years Straight-line
Heating equipment	20 years Straight-line
Office equipment	20% Declining balance

Amortization of leasehold improvements is recorded over the remaining term of the lease plus one renewal option.

The Society considers capital expenditures with individual items costing \$5,000 or more to be tangible capital assets.

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue when received or receivable and the amount can be reasonably estimated and collection is reasonably assured.

The Society recognizes revenue from customers upon completion of customer orders and/or completion of services. Estimated losses, if any, are recorded when they become apparent.

Contributions of materials and services are recognized in the financial statements at fair value at the date of contribution, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations, and would otherwise have been purchased.

Interest income that is not externally restricted is recognized in the Statement of Operations when earned.

(e) Government assistance

Restricted contributions for the purchase of tangible capital assets that will be amortized are accounted for as deferred government assistance and recognized as revenue on the same basis as the amortization expense related to the acquired tangible capital assets.

(f) Allocated expenses

The Society allocates certain of its general support expenses by identifying the appropriate basis of allocating each component of expense, and applies that basis consistently each year in accordance with applicable contribution agreements. Wages and benefits, and other administrative expenses are allocated to programs, as applicable, at a 15% rate, or a predetermined rate.

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards applicable to government not-for-profit organizations, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. These estimates are reviewed periodically, and as adjustments become necessary they are reported in the period in which they become known.

Significant estimates include the determination of the useful lives of tangible capital assets, the provision for EEIP rebates, credit losses, and asset retirement obligations, the allocation of administrative expenses to programs, and the allocation of certain wages and benefits expenses to programs.

3. SHORT TERM INVESTMENTS

Short term investments consist of guaranteed investment certificates (GICs) held with the Bank of Nova Scotia as detailed below:

	2016	2015
0.80% interest, cashable, matures June 18, 2016	\$ 450,000	\$ -
1.55% interest, non-redeemable, matures December 2, 2016	90,000	60,000
Accrued interest	3,299	252
	\$ 543,299	\$ 60,252

4. ACCOUNTS RECEIVABLE

	2016	2015
Contributions receivable:		
Government of the Northwest Territories	\$ 227,154	\$ 390,706
Government of Canada	-	14,784
Total contributions receivable	227,154	405,490
Members	32,500	15,000
Other	113,301	118,888
Allowance for doubtful accounts	(14,312)	(14,312)
	\$ 358,643	\$ 525,066

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

5. TANGIBLE CAPITAL ASSETS

	2016		2015		
Cost	Accumulated amortization	Net	Net		
Computer equipment	\$ 36,010	\$ 11,754	\$ 24,256	\$ -	
Computer software	33,028	16,044	16,984	26,314	
Heating equipment	36,242	5,542	30,700	32,512	
Leasehold improvements	27,396	27,396	-	-	
Office equipment	42,460	26,430	16,030	23,913	
	\$ 175,136	\$ 87,166	\$ 87,970	\$ 82,739	

During the year, the Society purchased tangible capital assets with a cost of \$28,537 (2015 - \$29,657) of which \$nil (2015 - \$8,000) was acquired by assuming directly related liabilities and the balance of \$28,537 (2015 - \$21,658) was paid cash.

Net assets invested in tangible capital assets as at March 31, 2016 are as follows:

	2016	2015
Tangible capital assets	\$ 87,970	\$ 82,739
Asset retirement obligation (note 7)	(8,000)	-
Deferred government assistance (note 10)	(22,150)	(25,855)
Net assets invested in tangible capital assets per page 2	\$ 57,820	\$ 56,884

6. GOVERNMENT REMITTANCES PAYABLE

	2016	2015
Payroll remittances payable	\$ 25,303	\$ 22,487
Related parties:		
Workers' Safety and Compensation Commission	2,509	8,634
GNWT - Department of Finance	2,914	2,772
	\$ 30,726	\$ 33,893

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

7. TRADE PAYABLES AND ACCRUALS

	2016	2015
Accrued liabilities:		
EEIP rebates	\$ 4,500	\$ 6,921
Other	40,425	29,301
Pellet boiler asset retirement obligation	8,000	8,000
Total accrued liabilities	52,925	44,222
Trade payables	288,006	201,754
	\$ 340,931	\$ 245,976

8. PROVISION FOR REBATES

Under the Energy Efficiency Incentive Program (EEIP) with the GNWT-PWS, the Society assists homeowners and consumers in the purchase of new, more efficient models of products used every day to help reduce their energy costs and greenhouse gas emissions.

In accordance with the program guidelines, rebates are issued where qualifying products are applied for within the required time frame of purchasing eligible products and have been approved by the Society. Rebates are available as long as funds allocated by the Legislative Assembly of the Northwest Territories remain available for the program year.

The Society provides for such rebates by using best estimates based on previous past purchases history. Actual rebates paid could materially differ from those estimates. The provision is reviewed periodically, and as adjustments become necessary, any rebates paid during the year previously provided for, which are in excess of the provision amount, are reported below as additional prior year rebates. Changes during the year in the provision for EEIP rebates are as follows:

	2016	2015
Provision for the current year	\$ 16,800	\$ 43,000
Rebates paid previously provided for	(18,080)	(59,017)
Unused provision reversed (note 9)	(24,920)	(20,983)
Change in provision during the year	(26,200)	(37,000)
Provision for rebates, opening	43,000	80,000
Provision for rebates, closing	\$ 16,800	\$ 43,000

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

9. DEFERRED REVENUE

During the year, the Society entered into contribution agreements with the GNWT, Departments of Environment and Natural Resources (ENR), Finance (DOF), and Public Works and Services (PWS). Contribution agreements stipulate that any unexpended funds must be repaid on demand.

Deferred revenue represents unspent restricted contributions for which the related expenses will not be recognized until a later period. Changes in deferred revenue balances during the year are summarized below and detailed in Schedule I.

	2016	2015
Restricted contributions balance, opening	\$ 159,239	\$ 38,177
Receipts	3,338,000	2,430,700
Funding receivable	189,979	404,595
In-kind (note 14)	8,167	14,000
Repayments	(109,371)	(48,177)
Transfer unused EEIP contributions (note 8)	24,920	20,983
Transfer to deferred government assistance	-	(15,000)
Funding expended	(3,289,515)	(2,686,039)
Restricted contributions balance, closing	321,419	159,239
Fee for service received in advance	30,409	44,248
Total deferred revenue	\$ 351,828	\$ 203,487

10. DEFERRED GOVERNMENT ASSISTANCE

	2016		2015	
	Cost	Accumulated amortization	Net	Net
GNWT-ENR - Alternative Energy Technology: Wood pellet boiler	\$ 14,121	\$ 2,471	\$ 11,650	\$ 12,356
GNWT-ENR - Energy Efficiency Incentive Program: Database	15,000	4,500	10,500	13,500
	\$ 29,121	\$ 6,971	\$ 22,150	\$ 25,856

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

11. RESERVES

During the year, Arctic Energy Alliance transferred \$143,605 (2015 - \$25,000) from unrestricted net assets to meet its capital management objectives as described in note 15. The reserves at March 31, 2016 of \$709,605 (2015 - \$566,000) represent the minimum required net assets to support the reserves. These internally restricted reserves are not available for unrestricted purposes without approval of the Board of Directors.

The Society continually monitors net financial assets to measure the future revenues required to pay for past transactions and events, and the extent to which the costs of services provided in the year have been met by the revenues recognized in the year. Net financial assets at year end represents the difference between the Society's financial assets and its liabilities.

Changes in net financial assets during the year are as follows:

	2016 Budget	2016 Actual	2015 Actual
Excess of revenues over expenses per page 3	\$ 52,268	\$ 61,617	\$ 86,995
Acquisition of tangible capital assets	(30,037)	(28,537)	(29,657)
Amortization of tangible capital assets	16,900	23,307	11,209
Acquisition of prepaid expenses	-	(203,756)	(55,722)
Use of prepaid expenses	-	54,305	46,300
Deferred government assistance additions	-	-	15,000
Amortization - deferred government assistance	-	(3,706)	(2,206)
Increase (decrease) in net financial assets	39,131	(96,770)	71,919
Net financial assets, opening	661,913	661,913	589,994
Net financial assets, closing (note 15)	\$ 701,044	\$ 565,143	\$ 661,913

12. MEMBERSHIP FEES

Membership fees revenue for the year consist of the following:

	2016	2015
Government of the Northwest Territories	\$ 150,000	\$ 150,000
Government of Nunavut	50,000	50,000
GNWT - Crown Corporations	67,500	67,500
Other	10,000	10,000
	\$ 277,500	\$ 277,500

Included in membership fees are amounts from the following related parties:

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

12. MEMBERSHIP FEES, continued

	2016	2015
GNWT:		
Department of Environment and Natural Resources	\$ 50,000	\$ 50,000
Department of Public Works and Services	50,000	50,000
Department of Municipal and Community Affairs	50,000	50,000
	150,000	150,000
GNWT - Crown Corporations:		
NWT Housing Corporation	50,000	50,000
Northwest Territories Power Corporation	5,000	5,000
Public Utilities Board of the Northwest Territories	12,500	12,500
	67,500	67,500
	\$ 217,500	\$ 217,500

13. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash, accounts receivable, trade payables and accruals, and wages and benefits payable. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest rate, market, currency, credit, liquidity or cash flow risks. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

14. COMMITMENTS

The Society has entered into operating leases for office space and equipment in Yellowknife. Future minimum lease payments are as follows.

2017	\$ 69,622
2018	3,201
2019	3,201
2020	800
	\$ 76,824

Commencing September 2010 and ended October 2015, and included in revenue, are in-kind contributions regarding office space in Norman Wells, NWT with a fair value of \$8,167 (2015 - \$14,000) from the GNWT-ENR. The office is in connection with the Regional Offices program.

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

15. CAPITAL MANAGEMENT

In managing capital, the Society focuses on liquid resources available for operations. The Society's objective is to have sufficient liquid resources to continue operating despite adverse financial events and to provide it with the flexibility to take advantage of opportunities that will advance its purpose.

Arctic Energy Alliance manages funding risk by establishing internally restricting net assets. Funding risk may result from an inability to obtain government funding in a timely manner during contribution agreement negotiations. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to budget. At March 31, 2016, the Society has met its objectives of having sufficient liquid resources to meet its current obligations. The Society's net financial assets at March 31, 2016 are as follows:

	2016	2015
Net assets per page 2	\$ 818,027	\$ 756,410
Less: Non-financial assets		
Prepaid expenses	187,064	37,614
Tangible capital assets	87,970	82,739
Deferred government assistance	(22,150)	(25,856)
	252,884	94,497
Net financial assets (note 11)	\$ 565,143	\$ 661,913

The Society's three internally restricted reserves and changes therein are as follows:

Operating Reserve - To support the minimum required net assets of at least three months of operating costs.

Credit Card Reserve - To secure the Society's credit card funded by short term investments as described in note 3.

Contingency Reserve - To set aside funds for contingencies which may arise. This \$70,000 capped reserve is increased annually based on one half of one percent of the Society's total revenue for the year.

	Opening Balance	Transfers	Closing Balance
Operating Reserve	\$ 566,000	\$ 34,000	\$ 600,000
Credit Card Reserve	-	90,000	90,000
Contingency Reserve	-	19,605	19,605
	\$ 566,000	\$ 143,605	\$ 709,605

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

16. ALLOCATED EXPENSES

During the year, the Society allocated \$333,363 (2015 - \$268,537) representing administration and overhead allocated to programs at a 15% rate, or a predetermined rate. These inter-program allocations have been eliminated in the Statement of Operations and in Schedule II.

17. BUDGET AMOUNTS

The 2016 budget amounts on the Statement of Operations are presented for information purposes only and are unaudited.

18. SUPPLEMENTAL CASH FLOW INFORMATION

A reconciliation of the excess of revenues over expenses during the year to cash flows from operating activities is as follows:

	2016	2015
Excess of revenues over expenses per page 3	\$ 61,617	\$ 86,995
Items not affecting cash:		
Amortization of tangible capital assets	23,307	11,209
Amortization of deferred government assistance	(3,706)	(2,206)
Increase in deferred government assistance	-	15,000
Change in accrued interest from GICs	(3,047)	10
Interest income received relating to short term investments	(776)	(810)
	77,395	110,198
Net change in non-cash working capital accounts:		
Decrease (increase) in accounts receivable	166,422	(139,725)
Increase in prepaid expenses	(149,450)	(9,421)
Increase in wages and benefits payable	50,947	7,251
Decrease in government remittances payable	(3,167)	(21,385)
Increase (decrease) in trade payables and accruals	94,955	(2,232)
Decrease in provision for rebates	(26,200)	(37,000)
Increase in deferred revenue	148,341	165,310
	281,848	(37,202)
Cash flows from operating activities per page 4	\$ 359,243	\$ 72,996

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

19. RELATED PARTIES

The Society is related in terms of common ownership to all Government of the Northwest Territories created departments, territorial corporations and public agencies. The Society enters into transactions with these entities in the normal course of operations and on normal trade terms applicable to all parties except that certain services are provided without charge (note 14). The Workers' Safety and Compensation Commission is significantly influenced by the GNWT. The amounts due to and from related parties are unsecured, non-interest bearing and due on demand.

Transactions with related parties during the year and balances at year end, not disclosed elsewhere in the financial statements, are disclosed in this note.

	2016	2015
Revenue		
Fee for service:		
GNWT - Department of Public Works and Services	\$ -	\$ 1,219
NWT Housing Corporation	44,291	32,780
Aurora College	-	6,250
	\$ 44,291	\$ 40,249
Expenses		
Aurora College - Rent	\$ 12,000	\$ 14,426
Workers' Safety and Compensation Commission	9,697	8,073
	\$ 21,697	\$ 22,499
Receivables from related parties:		
GNWT-ENR	\$ 37,176	\$ 390,706
GNWT-Department of Finance	46,999	-
GNWT-Department of Public Works and Services	142,980	1,280
Northwest Territories Power Corporation	10,000	5,000
NWT Housing Corporation	73,085	29,679
	\$ 310,240	\$ 426,665
Payables to related parties: Aurora College	\$ 3,488	\$ 3,634

20. COMPARATIVE FIGURES

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

ARCTIC ENERGY ALLIANCE

Schedule I

SCHEDULE OF DEFERRED REVENUE

For the year ended March 31, 2016

Program	Opening balance	Cash funding received	Funding receivable	(note 14) In-kind contributions	Repayments	Transfers	Total funding available	Funding expended	Closing balance
CONTRIBUTIONS									
GOVERNMENT OF THE NORTHWEST TERRITORIES (GNWT)									
Department of Environment and Natural Resources (ENR)									
Energy Efficiency Incentive Program (EEIP)	\$ 20,983	\$ -	\$ -	\$ -	\$ (20,983)	\$ 24,920	\$ 24,920	\$ -	\$ 24,920
Electric Hot Water Heaters Replacement (HWH)	56,656	-	-	-	(56,656)	-	-	-	-
Energy Management Program (EMP)	17,405	-	-	-	(17,405)	-	-	-	-
Regional Offices	51,176	-	-	-	(1,308)	-	49,868	49,868	-
Renewable Energy Cooperative Formation (RECF)	13,019	-	-	-	(13,019)	-	-	-	-
Total ENR	159,239	-	-	-	(109,371)	24,920	74,788	49,868	24,920
Department of Public Works and Services (PWS)									
Core Support	-	189,000	21,000	-	-	-	210,000	210,000	-
Alternative Energy Technologies Program (AETP)	-	279,000	22,047	-	-	(57,830)	243,217	243,217	-
Biomass Energy	-	157,000	18,000	-	-	(30,027)	144,973	144,973	-
Commercial Energy Conservation & Efficiency Program (CECEP)	-	180,000	20,000	-	-	32,830	232,830	232,830	-
Community Government Energy Retrofits (CGERP)	-	180,000	-	-	-	(20,105)	159,895	148,758	11,137
Community Renewable Energy Program (CREP)	-	100,000	-	-	-	(29,765)	70,235	70,235	-
Electric Vehicle Pilot Program (EV)	-	15,000	-	-	-	14,596	29,596	29,596	-
Energy Management Program (EMP)	-	193,500	-	-	-	(17,186)	176,314	143,155	33,160
Energy Rating Services Support (ERS)	-	135,000	15,000	-	-	2,589	152,589	152,589	-
Energy Efficiency Incentive Program (EEIP)	-	270,000	-	-	-	(12,000)	258,000	241,160	16,840
Regional Offices	-	889,500	46,933	8,167	-	-	944,600	880,190	64,410
Total PWS	-	2,588,000	142,980	8,167	-	(116,898)	2,622,249	2,496,703	125,546
Department of Finance (DOF)									
Alternative Energy Technologies Program (AETP)	-	87,000	-	-	-	-	87,000	87,000	-
Commercial Energy Conservation and Efficiency Program (CECEP)	-	43,500	6,500	-	-	-	50,000	50,000	-
Community Renewable Energy Program (CREP)	-	43,500	6,500	-	-	-	50,000	50,000	-
Community LED Swap Out	-	135,000	13,589	-	-	12,000	160,589	58,150	102,439
Community Government Solar Projects	-	157,500	-	-	-	25,000	182,500	175,213	7,287
Community Government HVAC Re-commissioning	-	45,000	-	-	-	-	45,000	17,334	27,666
Community Wood Stove Purchase & Installation Partnership	-	135,000	15,000	-	-	79,898	229,898	229,898	-
ERS Home Energy Rating Follow-up Rebate	-	13,500	1,157	-	-	-	14,657	14,657	-
Energy Information and Awareness	-	45,000	4,253	-	-	-	49,253	31,601	17,651
Energy Information and Awareness - Community Energy Profiles	-	45,000	-	-	-	-	45,000	29,090	15,910
Total DOF	-	750,000	46,999	-	-	116,898	913,897	742,944	170,953
Total contributions (note 9)	\$ 159,239	\$ 3,338,000	\$ 189,979	\$ 8,167	\$ (109,371)	\$ 24,920	\$ 3,610,934	\$ 3,289,515	\$ 321,419

See accompanying notes.

ARCTIC ENERGY ALLIANCE
SCHEDULE OF CORE AND PROGRAM REVENUES AND EXPENSES
For the year ended March 31, 2016

Schedule II

	Total	Core Support	Electric Vehicle Pilot Program (EV)	Energy Management Program (EMP)	Alternative Energy Technologies Program (AETP)
REVENUES					
Contributions from GNWT	\$ 3,585,018	\$ 234,948	\$ 29,596	\$ 143,155	\$ 330,217
Contributions from Canada	5,461	5,461	-	-	-
Other source income	183,004	492,333	-	-	-
Membership fees	277,500	277,500	-	-	-
Interest income	9,491	9,491	-	-	-
	<u>4,060,473</u>	<u>1,019,733</u>	<u>29,596</u>	<u>143,155</u>	<u>330,217</u>
EXPENDITURES					
Administration fees	32,250	7,500	-	32,250	15,000
Advertising and promotion	61,780	3,866	-	2,235	-
Consulting fees	88,470	44,676	-	-	97
Contingency reserve	19,605	19,605	-	-	-
Equipment rental	22,669	1,587	21,082	-	-
Facility rental and tradeshow fees	15,243	1,145	-	3,278	-
Fees and dues	7,594	1,735	653	1,602	-
Hospitality	8,834	1,826	-	-	-
Insurance	12,190	12,190	-	-	-
Interest and bank charges	5,285	5,285	-	-	-
Office	375,356	63,603	1,930	1,074	-
Professional development	37,706	4,968	-	3,334	2,364
Professional fees	25,801	25,801	-	-	-
Rebates	906,207	(31,920)	-	-	252,066
Rent and utilities	146,336	89,845	-	-	-
Telephone, Internet and Website	35,645	21,538	-	-	-
Travel and accommodation	207,133	39,959	-	-	241
Wages and benefits	1,991,476	645,629	5,931	99,381	60,449
	<u>3,999,579</u>	<u>958,839</u>	<u>29,596</u>	<u>143,155</u>	<u>330,217</u>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS					
	<u>60,894</u>	<u>60,894</u>	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS					
Use of prepaid expenses	(54,305)	(52,548)	(1,757)	-	-
Acquisition of prepaid expenses	203,755	26,487	-	-	-
Deferred revenue	(177,268)	-	-	-	-
Acquisition of tangible capital assets	28,537	28,537	-	-	-
Amortization of tangible capital assets	(23,308)	(23,308)	-	-	-
Amortization of government assistance	3,706	3,706	-	-	-
Contingency reserve	19,605	19,605	-	-	-
	<u>722</u>	<u>2,479</u>	<u>(1,757)</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES					
	<u>\$ 61,617</u>	<u>\$ 63,374</u>	<u>\$ (1,757)</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

ARCTIC ENERGY ALLIANCE
SCHEDULE OF CORE AND PROGRAM REVENUES AND EXPENSES
For the year ended March 31, 2016

Schedule II

	Energy Rating Services Support (ERS)	Energy Efficiency Incentive Program (EEIP)	Biomass Energy	Regional Offices	Commercial Energy Conservation & Efficiency Program (CECEP)
REVENUES					
Contributions from GNWT	\$ 152,589	\$ 241,160	\$ 144,973	\$ 944,600	\$ 282,830
Contributions from Canada	-	-	-	-	-
Other source income	6,150	-	-	14,851	-
Membership fees	-	-	-	-	-
Interest income	-	-	-	-	-
	<u>158,739</u>	<u>241,160</u>	<u>144,973</u>	<u>959,451</u>	<u>282,830</u>
EXPENDITURES					
Administration fees	22,500	15,000	26,250	130,000	15,000
Advertising and promotion	-	-	5,079	27,426	-
Consulting fees	-	1,178	1,639	18,105	-
Contingency reserve	-	-	-	-	-
Equipment rental	-	-	-	-	-
Facility rental and tradeshow fees	-	-	678	6,864	-
Fees and dues	1,479	-	523	-	-
Hospitality	-	-	2,027	4,981	-
Insurance	-	-	-	-	-
Interest and bank charges	-	-	-	-	-
Office	5,391	-	1,143	16,668	2,817
Professional development	4,044	2,165	3,551	13,945	-
Professional fees	-	-	-	-	-
Rebates	-	173,219	-	-	180,339
Rent and utilities	-	-	-	56,491	-
Telephone, Internet and Website	-	290	768	13,048	-
Travel and accommodation	477	-	9,517	125,490	4,741
Wages and benefits	124,848	49,308	93,797	546,432	79,933
	<u>158,739</u>	<u>241,160</u>	<u>144,973</u>	<u>959,451</u>	<u>282,830</u>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS					
Use of prepaid expenses	-	-	-	-	-
Acquisition of prepaid expenses	-	-	-	64,410	-
Deferred revenue	-	-	-	(64,410)	-
Acquisition of tangible capital assets	-	-	-	-	-
Amortization of tangible capital assets	-	-	-	-	-
Amortization of government assistance	-	-	-	-	-
Contingency reserve	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

ARCTIC ENERGY ALLIANCE
SCHEDULE OF CORE AND PROGRAM REVENUES AND EXPENSES
For the year ended March 31, 2016

Schedule II

	Community Government Energy Retrofits (CGERP)	Community Renewable Energy Program (CREP)	Community LED Swap Out	Community Government Solar Projects	Community Government HVAC Re- commissioning
REVENUES					
Contributions from GNWT	\$ 151,668	\$ 120,235	\$ 160,589	\$ 175,213	\$ 17,334
Contributions from Canada	-	-	-	-	-
Other source income	3,033	-	-	-	-
Membership fees	-	-	-	-	-
Interest income	-	-	-	-	-
	<u>154,700</u>	<u>120,235</u>	<u>160,589</u>	<u>175,213</u>	<u>17,334</u>
EXPENDITURES					
Administration fees	30,000	-	4,125	4,313	7,500
Advertising and promotion	944	-	2,699	914	-
Consulting fees	-	-	-	-	169
Contingency reserve	-	-	-	-	-
Equipment rental	-	-	-	-	-
Facility rental and tradeshow fees	-	-	-	-	-
Fees and dues	-	-	-	-	-
Hospitality	-	-	-	-	-
Insurance	-	-	-	-	-
Interest and bank charges	-	-	-	-	-
Office	-	-	128,891	152,034	632
Professional development	-	-	-	-	-
Professional fees	-	-	-	-	-
Rebates	48,978	120,235	-	-	-
Rent and utilities	-	-	-	-	-
Telephone, Internet and Website	-	-	-	-	-
Travel and accommodation	15,158	-	-	512	-
Wages and benefits	59,621	-	24,874	17,440	9,033
	<u>154,700</u>	<u>120,235</u>	<u>160,589</u>	<u>175,213</u>	<u>17,334</u>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS					
Use of prepaid expenses	-	-	-	-	-
Acquisition of prepaid expenses	2,909	-	102,439	-	-
Deferred revenue	(2,909)	-	(102,439)	-	-
Acquisition of tangible capital assets	-	-	-	-	-
Amortization of tangible capital assets	-	-	-	-	-
Amortization of government assistance	-	-	-	-	-
Contingency reserve	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

ARCTIC ENERGY ALLIANCE
SCHEDULE OF CORE AND PROGRAM REVENUES AND EXPENSES
For the year ended March 31, 2016

Schedule II

	Community Wood Stove Partnership	ERS Follow-up Rebate	Community Energy Profiles	Energy Information and Awareness	(note 16) Eliminations
REVENUES					
Contributions from GNWT	\$ 229,898	\$ 14,657	\$ 29,090	\$ 39,111	\$ -
Contributions from Canada	-	-	-	-	-
Other source income	-	-	-	-	(333,363)
Membership fees	-	-	-	-	-
Interest income	-	-	-	-	-
	<u>229,898</u>	<u>14,657</u>	<u>29,090</u>	<u>39,111</u>	<u>(333,363)</u>
EXPENDITURES					
Administration fees	6,675	2,250	7,500	7,500	(333,363)
Advertising and promotion	-	-	-	16,381	-
Consulting fees	9,424	-	13,181	-	-
Contingency reserve	-	-	-	-	-
Equipment rental	-	-	-	-	-
Facility rental and tradeshow fees	-	-	-	-	-
Fees and dues	-	-	-	-	-
Hospitality	-	-	-	-	-
Insurance	-	-	-	-	-
Interest and bank charges	-	-	-	-	-
Office	12	-	87	-	-
Professional development	-	-	-	-	-
Professional fees	-	-	-	-	-
Rebates	158,413	-	-	4,878	-
Rent and utilities	-	-	-	-	-
Telephone, Internet and Website	-	-	-	-	-
Travel and accommodation	11,039	-	-	-	-
Wages and benefits	44,335	12,407	8,322	10,352	-
	<u>229,898</u>	<u>14,657</u>	<u>29,090</u>	<u>39,111</u>	<u>(333,363)</u>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS					
	-	-	-	-	-
TRANSFERS					
Use of prepaid expenses	-	-	-	-	-
Acquisition of prepaid expenses	-	-	-	7,510	-
Deferred revenue	-	-	-	(7,510)	-
Acquisition of tangible capital assets	-	-	-	-	-
Amortization of tangible capital assets	-	-	-	-	-
Amortization of government assistance	-	-	-	-	-
Contingency reserve	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES					
	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes.

Inuvialuit Water Board

Financial Statements

March 31, 2016

Inuvialuit Water Board

Financial Statements

March 31, 2016

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Management's Responsibility for Financial Reporting

June 17, 2016

To the Directors of Inuvialuit Water Board

The accompanying financial statements were prepared by management in accordance with Canadian Public Sector Accounting Standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, with the information contained in the financial statements.

Inuvialuit Water Board maintains internal financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis and that the Board acts in accordance with the laws of the Northwest Territories. The Board's management recognizes its responsibility for conducting the Board's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to an organization of this type.

The external auditors annually provide an independent, objective audit for the purposes of expressing an opinion on the financial statements. They also consider whether transactions which come to their notice in the course of this audit are, in all significant respect, in accordance with the specified legislation.



**Mardy Semmler
Executive Director
Inuvialuit Water Board**

Independent Auditors' Report

To the Directors of Inuvialuit Water Board

We have audited the accompanying financial statements of Inuvialuit Water Board, which comprise of the statement of financial position as at March 31, 2016, and the statements of operations, change in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Inuvialuit Water Board as at March 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Public Sector Accounting Standards.



Chartered Accountants

Yellowknife, Northwest Territories
June 15, 2016

Inuvialuit Water Board

Statement of Operations

For the year ended March 31,	Budget	2016	2015
Revenue			
Government of Northwest Territories	\$ 913,000	\$ 913,000	\$ 900,000
Donation in kind	48,000	48,000	48,000
Other revenue	8,400	9,549	8,743
Total revenues before contribution repayable	-	970,549	956,743
Contribution repayable	-	(25,407)	(39,795)
Total revenues	969,400	945,142	916,948
Expenses			
Advertising	3,000	5,658	1,981
Amortization	12,000	7,623	22,059
Board travel and training	41,000	16,371	31,251
Communications	40,000	37,447	44,175
Conferences	1,000	4,770	7,371
Consulting	10,000	3,659	38,772
Equipment maintenance	4,500	1,108	-
Equipment rental	9,000	15,950	17,273
Honoraria	186,000	165,593	187,609
Hospitality	-	216	993
Interest and bank charges	1,000	566	1,071
Community Capacity Initiative	10,000	34,537	-
Municipal Wastewater Workshop	-	-	19,832
Office	6,000	15,911	8,909
Postage	3,000	1,761	2,073
Rent	48,000	48,000	48,000
Professional fees	57,000	58,182	53,630
Publications	2,000	359	1,438
Salaries and benefits	491,000	477,776	400,490
Staff training	-	5,098	518
Staff travel	24,900	17,071	27,324
Strategic Plan Updates	20,000	25,558	13,824
Total expenses	969,400	943,214	928,593
Surplus (deficit) before other items	-	1,928	(11,645)
Loss on disposal of capital assets	-	-	(627)
Surplus (deficit) before capital asset additions	-	1,928	(12,272)
Capital asset additions	-	-	(1,671)
Surplus (deficit)	\$ -	\$ 1,928	\$ (13,943)

Inuvialuit Water Board

Statement of Net Assets

For the year ended March 31,	2016			2015
	Capital Asset Fund	Operating Fund	Total	Total
Balance, beginning of year	\$ 14,465	\$ 275,384	\$ 289,849	\$ 302,121
Surplus (deficit)	-	1,928	1,928	(12,272)
Acquisition of capital assets	-	-	-	-
Disposal of capital assets	-	-	-	-
Amortization	(7,623)	7,623	-	-
Balance, end of year	\$ 6,842	\$ 284,935	\$ 291,777	\$ 289,849

Inuvialuit Water Board

Statement of Change in Net Financial Resources

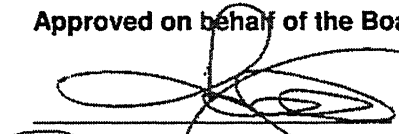
For the year ended March 31,	2016	2015
Operating surplus (deficit)	\$ 1,928	\$ (12,272)
Acquisition of tangible capital assets	-	(1,671)
Amortization of tangible capital assets	7,623	22,059
(Gain)/ loss on sale of tangible capital assets	-	627
Decrease/ (increase) in prepaid expenses	1,225	379
Net change in financial resources	10,776	9,122
Net financial resources at beginning of year	274,159	265,037
Net financial resources at end of year	\$ 284,935	\$ 274,159

Inuvialuit Water Board

Statement of Financial Position

As at March 31,	2016	2015
Assets		
Cash	\$ 455,650	\$ 475,212
Accounts receivable (Note 4)	7,372	6,734
	463,022	481,946
Liabilities		
Accounts payable and accrued liabilities	152,680	167,992
Repayable contributions (Note 6)	25,407	39,795
	178,087	207,787
Net financial resources	284,935	274,159
Non-Financial Assets		
Prepaid expenses	\$ -	\$ 1,225
Tangible capital assets (Note 5)	6,842	14,465
	6,842	15,690
Accumulated surplus	\$ 291,777	\$ 289,849

Approved on behalf of the Board

 Director

 Director

Inuvialuit Water Board

Statement of Cash Flows

For the year ended March 31,	2016	2015
Cash provided by (used in)		
Operating activities		
Surplus (deficit)	\$ 1,928	\$ (12,272)
Item not affecting cash		
Amortization	7,623	22,059
Loss on disposal of assets	-	627
Change in non-cash operating working capital		
Accounts receivable	(638)	19,206
Prepaid expenses	1,225	379
Accounts payable and accrued liabilities	(15,312)	128,790
Repayable contributions	(14,388)	39,795
	(19,562)	198,584
Investing activity		
Investment in capital assets	-	(1,671)
Change in cash position	(19,562)	196,913
Cash position, beginning of year	475,212	278,299
Cash position, end of year	\$ 455,650	\$ 475,212

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2016

1. Organization and Jurisdiction

The Inuvialuit Water Board (the "Board") is established under the *Northwest Territories Waters Act* (Federal) and continued under the *Waters Act* (Territorial). It monitors and approves water use and disposal of waste in that portion of the Northwest Territories located in the Inuvialuit Settlement Region.

The Board is exempt from income tax under section 149(1)(d) of the *Income Tax Act*.

2. Accounting Policies

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as established by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants. The following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

(a) Financial Instruments

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

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

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

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

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2016

2. Accounting Policies (continued)

(b) Tangible Capital assets

Tangible capital assets are recorded in the capital asset fund at cost. Amortization is recorded in the capital asset fund using the declining balance method at the annual rates set out in Note 5.

(c) Fund accounting

The Board uses fund accounting to segregate transactions between its Operating and Capital Asset Fund. The Operating Fund accounts for the Board's operating and administrative activities. The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to capital assets.

(d) Revenue recognition

The Board follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and its collection is reasonably assured. Contributions which are not used in the current year are set up as refundable contributions and must be repaid to the contributor.

Under Public Sector Accounting Standards for Not-for-Profit Organizations, funding received for restricted purposes that has not been expended is required to be deferred.

Other revenue is recognized when services and goods are provided.

(e) Allocation of expenses

The Board allocates expenditures according to their function, and are classified as core expenditures.

(f) Use of estimates

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

(g) 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.

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2016

3. Future Accounting Standards

a) Related party disclosures, Section PS 2200

In December of 2014, PSAB approved Section PS 2200, Related Party Disclosures. The new section defines related parties and establishes disclosures required for related party transactions. It is expected that reasonable efforts would be made to identify related party transactions. This may involve adopting policies and procedures designed to ensure that these transactions are appropriately identified, measured and disclosed in the financial statements. Not all related party relationships or transactions occurring between related parties are required to be disclosed. Disclosure is generally required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated. However, not all of these transactions are reportable under this Section. Only those transactions that have or could have a material financial effect on the financial statements are disclosed.

The effective date for Section PS 2200 is April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards has not yet been determined.

b) Inter-entity transactions, Section PS 3420

In December of 2014, PSAB approved Section PS 3420, Inter-entity Transactions. This Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. This section may be applied in conjunction with Related Party Disclosures, Section 2200.

The effective date for Section PS 3420 is April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards has not yet been determined.

c) Assets, Section PS 3210

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

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

d) Contingent Assets, Section PS 3320

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

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

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2016

3. Future Accounting Standards (Continued)

e) Contractual Rights, Section PS 3380

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

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

f) Restructuring Transactions, Section PS 3430

PSAB approved Section PS 3430, Restructuring Transactions. This Section is effective for fiscal periods beginning on or after April 1, 2018. Earlier adoption is permitted. This Section establishes standards on how to account for and report restructuring transactions such as but not limited to amalgamations of entities or operations within the government entity, amalgamation of local governments, and shared service arrangements entered into by local governments in a region, by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.

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

4. Accounts Receivable

	2016	2015
Accounts Receivable	\$ 2,370	\$ 2,100
Goods and Services Tax	5,002	4,634
	\$ 7,372	\$ 6,734

No amount is considered doubtful.

5. Tangible Capital Assets

	Rate	Cost	Accumulated Amortization	2016 Net Book Value	2015 Net Book Value
Furniture and equipment	20%	\$ 9,714	\$ 7,257	\$ 2,457	\$ 3,425
Computer equipment	30%	86,269	81,884	4,385	11,040
Computer software	100%	609	609	-	-
Website	5yr S/L	39,720	39,720	-	-
		\$ 136,312	\$ 129,470	\$ 6,842	\$ 14,465

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2016

6. Repayable Contributions

	2016	2015
Government of Northwest Territories	\$ 25,407	\$ 39,795
	\$ 25,407	\$ 39,795

7. Economic Dependence

The Board is dependent upon funding in the form of contributions from the Government of the Northwest Territories. Management is of the opinion that if the funding was reduced or altered, operations would be significantly affected.

8. Lease Commitments

The Board's total commitments under various operating leases are as follows:

2017	\$	5,908
2018		4,993
2019		4,746
2020		3,669
	\$	13,408

9. Risk Management

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

(i) Credit risk

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

Accounts receivable are due from various governments, government agencies and corporations. Credit risk related to accounts receivable is mitigated by internal controls as well as policies and oversight over arrears for ultimate collection.

The Board's maximum exposure to credit risk is represented by the financial assets balance for a total of \$463,022 (2015: \$481,946)

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2016

7. Risk Management (Continued)

(ii) Concentration risk

Concentration risk is the risk that a customer(s) has a significant portion (more than ten percent) of the total accounts receivable balance and thus there is a higher risk to the Board in the event of a default. The Board does not have concentration risk.

(iii) Liquidity risk

Liquidity risk is the risk that the Board will not be able to meet all cash outflow obligations as they come due. The Board does have a liquidity risk in accounts payable and accrued liabilities \$178,087 (2015 - \$207,787). The Board 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. All of the Board's financial assets and financial liabilities at March 31, 2016 mature within the next six months. The Board has disclosed future financial liabilities and commitments in Note 8.

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



2015-16 Annual Report

NWT Business Development & Investment Corporation

Committed to Helping Businesses in the
Northwest Territories

ULUKHAKTOK ARTS CENTRE

HEAD OFFICE

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Yellowknife NT X1A 3S9
Telephone: (867) 767-9075
Fax: (867) 765-0652
Toll free: 1-800-661-0599

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bdicinfo@gov.nt.ca

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MESSAGE FROM THE CHAIR AND CEO

We are pleased to present the NWT Business Development and Investment Corporation's (BDIC) 2015/16 Annual Report to the Minister Responsible for the BDIC. The BDIC continues to be innovative and assisting business people and potential entrepreneurs with programs and services to help their businesses succeed.

The 18th Legislative Assembly, has made economic diversification one of its key priorities. The BDIC's mandate to provide support and services for NWT businesses directly contributes to achieving this priority.

This year we celebrated the BDIC's 10 year anniversary. Created on April 1 2005, the BDIC has disbursed over \$70 million to more than 400 businesses. Several events were held during the year to commemorate the BDIC's anniversary and celebrate its achievements.

The BDIC is committed to promoting economic development across the Northwest Territories. In 2015/16, our disbursements totalled more than \$6.9 million. Nearly 80% of this amount was provided to businesses outside of Yellowknife, in communities where there is less business support.

Our Business Development Project Fund remains popular among entrepreneurs who want to start or expand their businesses. Approximately \$311,000 in contributions were approved for 47 applications this year.

The BDIC's credit facilities portfolio totalled over \$50 million at the end of the 2015/16 fiscal year. In addition, more than \$6 million in credit facilities were approved this year. The BDIC's role as a lender of last resort remains valuable to NWT businesses.

Our Subsidiary and Venture Investment Programs continue to generate employment in NWT communities. More than 36 full time equivalent positions were maintained in 2015/16 through the two programs. NWT arts and crafts from our subsidiary companies can now be purchased at galleries and gift-shops in every Canadian Province and Territory as well as some US States. People around the world can purchase them directly from the subsidiaries online.

This year 418 clients were assisted through the BDIC's business centre. Committed to assisting community business development, BDIC staff visited communities to meet with local chambers of commerce, economic development officers and business people. The BDIC also formed a partnership with Futurpreneur Canada to provide business support services to NWT youth including business bootcamps and mentorship.

We welcome the Honourable Bob McLeod as the Minister Responsible for the BDIC.

Finally, we wish to thank our outgoing Minister, Mr. David Ramsay for his hard work and support of the BDIC over the past four years.



Pawan Chugh
Chief Executive Officer



Darrell Beaulieu
Chairperson

CORPORATE OVERVIEW

Minister, Chair and CEO



Premier Bob McLeod

Minister Responsible for the BDIC

Premier Bob McLeod was re-elected in November 2016 and became Minister Responsible for the BDIC. He held the BDIC portfolio in the past, from 2007 to 2011. Born in Fort Providence, Premier McLeod completed a Bachelor of Commerce at the University of Alberta and also holds an honours degree in administrative management from the Northern Alberta Institute of Technology.



Darrell Beaulieu

Chair of the BDIC

Born and raised in the North, Darrell Beaulieu has been Chair of the BDIC since 2005. Darrell is currently President and CEO of Denendeh Investments Incorporated (DII) and sits as Director of Northland Utilities (Yellowknife & NWT) and the NWT Law Foundation.



Dr. Pawan Chugh

Chief Executive Officer

With a public service career spanning over two decades, Pawan Chugh has been CEO of the BDIC since 2005. During his tenure, Pawan has advanced the BDIC to become a leader in NWT economic development. The BDIC has assisted residents in all 33 NWT communities under his leadership. He provides expertise with his in depth knowledge of business, law, marketing and finance.

CORPORATE OVERVIEW

BOARD OF DIRECTORS

The BDIC's Board of Directors is currently composed of 8 business people appointed by the Minister responsible for the BDIC. To be eligible, they must have owned or managed a business in the NWT or have business expertise relevant to the economy of the Northwest Territories.

The Audit Committee assists the Board in its oversight responsibilities, notably for the financial reporting process, the audit process and the BDIC's compliance with the law.

BOARD OF DIRECTORS

Darrell Beaulieu - Chairperson	N'Dilo
Denise Yuhas - Vice Chairperson	Fort Smith
Gwen Robak - Director	Hay River
Ruby Landry - Director	Kakisa
Andy Wong - Director	Yellowknife
Denny Rodgers - Director	Inuvik
Joanne Deneron - Director	Fort Liard
Charlie Furlong - Director	Aklavik

AUDIT COMMITTEE

Denise Yuhas - Chairperson	Fort Smith
Joanne Deneron - Vice Chairperson	Fort Liard
Louise Lavoie	Yellowknife
Denny Rodgers	Inuvik
John Hazenberg	Yellowknife



Left to Right, the Board of Directors: Darrell Beaulieu, Denise Yuhas, Gwen Robak, Ruby Landry, Andy Wong, Denny Rodgers, Joanne Deneron, Charlie Furlong

CORPORATE OVERVIEW

BDIC Staff

Pawan Chugh, Chief Executive Officer
Leonard Kwong, Director Finance and Subsidiaries
Brad Poulter, Manager Communications and Board Support
Rhonda MacLeod, Administrative Officer
Greg Debogorski, Product Promotions Specialist
Chris Taylor, Manager Operations and Business Programs
Ron Chiasson, Business Advisor
Patricia Dillon, Business Advisor
Ray Gentile, Contracts and Information Analyst
Matt Belliveau, Policy Officer
Frances Stroeder, Finance and Budget Officer
Maggie Huynh, Subsidiary Finance and Budget Officer
Thierry Lavoie, Communications Coordinator

The BDIC's team is committed to supporting Northwest Territories businesses.

CORPORATE OVERVIEW

Overview of the BDIC

On April 1, 2005, the Northwest Territories Business Development & Investment Corporation was established with the passing of the BDIC Act, resulting in the merger of the Northwest Territories Development Corporation and the Northwest Territories Business Credit Corporation. The BDIC Act outlines the mandate of the corporation to support the economic objectives of the Government of the Northwest Territories (GNWT) in a manner that benefits the people and the economy of the Northwest Territories.

The BDIC provides debt and equity financing and contributions to northern businesses. The BDIC's equity financing can be generalized into two different types: preferred shares in externally owned and managed companies (known as the Venture Investment Program) and common shares in BDIC owned and managed businesses (known as the Subsidiary Program). Additionally, the BDIC offers business support services to northern businesses across the NWT. The aim is to make its programs and services complementary, thereby assisting clients at any stage in their development with the support needed to meet their business goals.

In 2015/16, the BDIC disbursed \$6.96 million dollars in loans, subsidies and contributions. Over 79% of this money was disbursed in communities outside of Yellowknife: 56% of the amount went to the regional centres of Hay River, Forth Smith or Inuvik and 23% was disbursed in Level II communities.

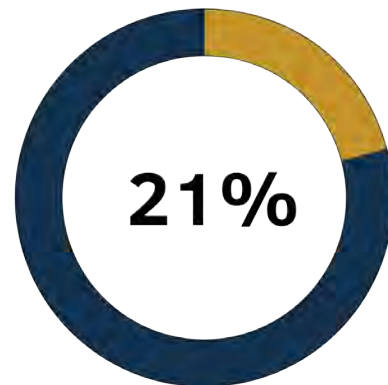
Level I Communities

Communities with well developed business infrastructure and air/road transportation links. **Fort Smith, Hay River, Inuvik and Yellowknife including N'Dilo.**

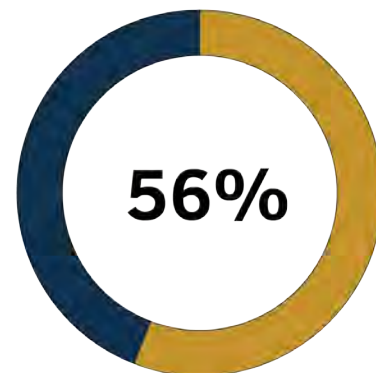
Level II Communities

Communities with less developed business infrastructure and air/road transportation links. **All other NWT communities not listed above.**

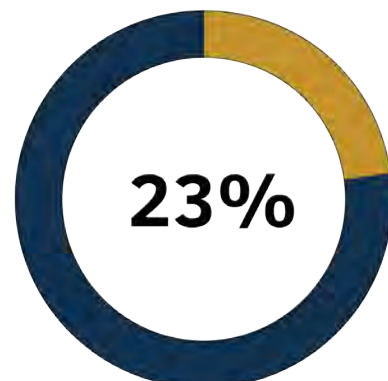
Disbursements 2015-2016
Yellowknife



Disbursements 2015-2016
Other Level I Communities

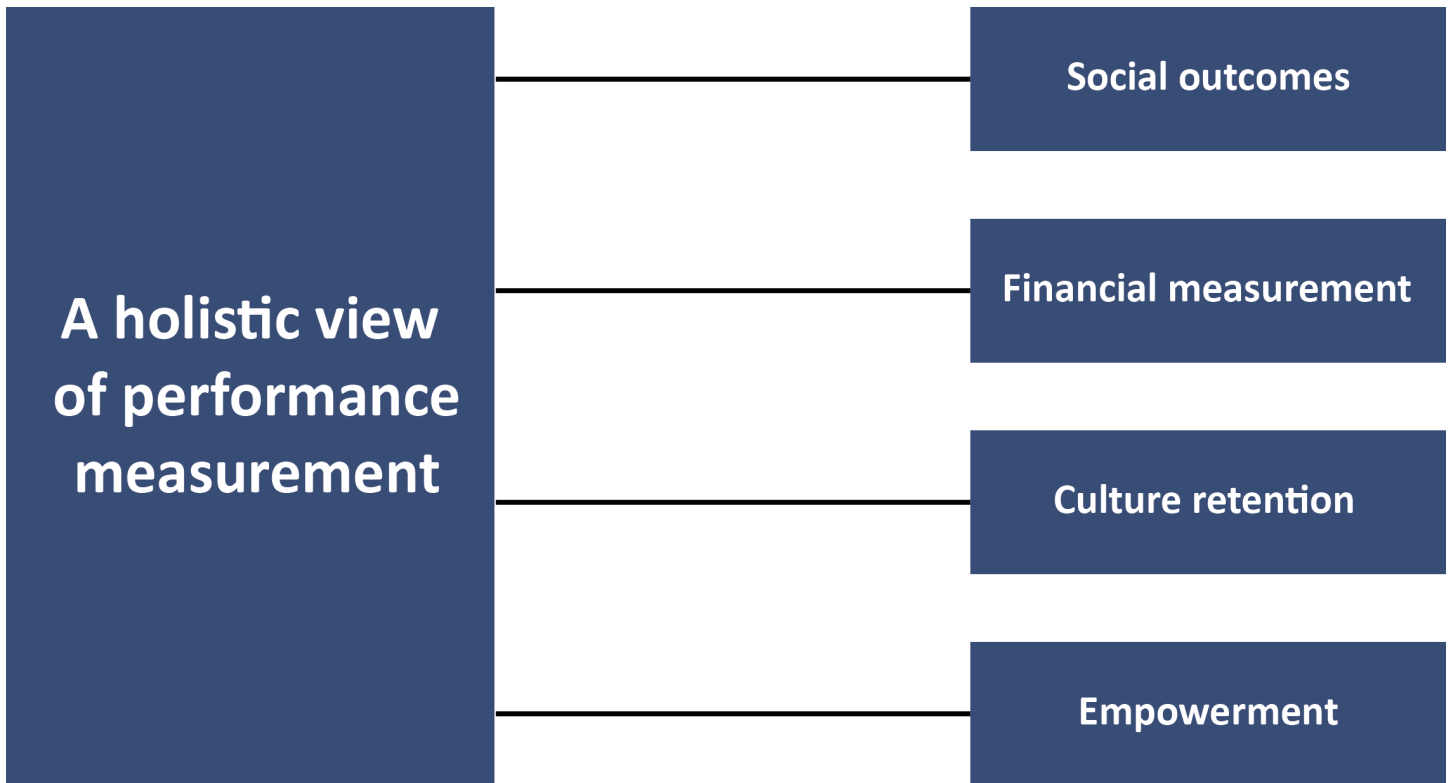


Disbursements 2015-2016
Level II Communities



CORPORATE OVERVIEW

A NEW MODEL TO MEASURE PERFORMANCE



The BDIC now uses a broad approach to measure its performance. Social outcomes, retention of culture and empowerment arising from its investments are now part of how the BDIC evaluates its activities. In the academic field, this is defined as a **holistic approach to performance measurement**.

Holistic performance measurement is a way for the BDIC to recognize the diverse range of factors that influence economic development in the Northwest Territories. Integrating these factors into the BDIC's reporting will help ensure that BDIC programs support sustainable economic development. Along with tracking additional measurements, the BDIC will continue to monitor financial performance to effectively manage public funds.

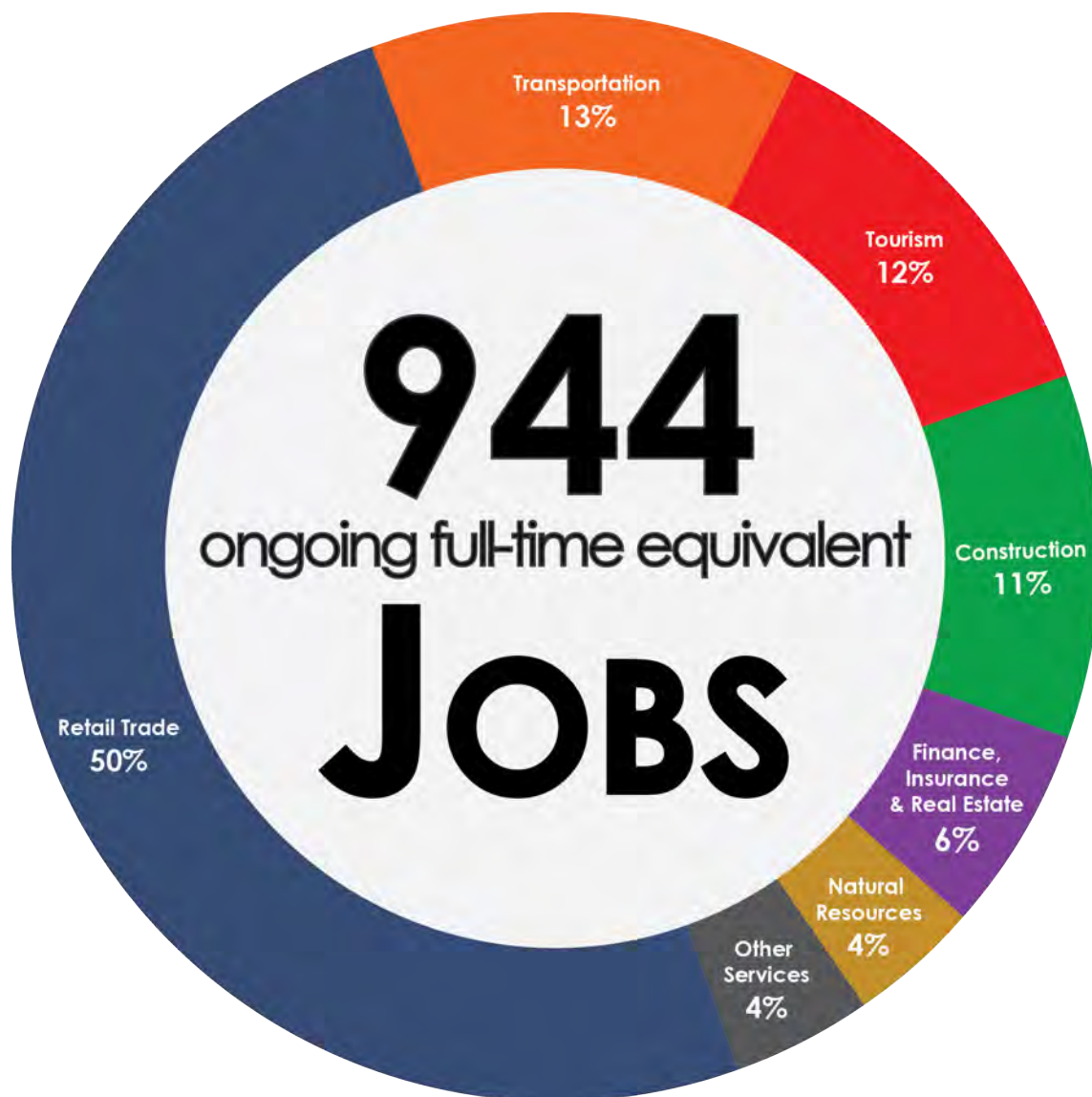
With a \$50 million loan portfolio comprised of more than 100 businesses across the NWT, the BDIC has a clear financial impact on economic development in the territory. In addition to this, the BDIC works to generate social and cultural returns by supporting employment, training, and the retention of local culture in small communities.

Retaining culture through strong arts, craft and traditional manufacturing sectors is one way the BDIC seeks to empower small communities and build self-reliance.

The BDIC looks forward to partner with social organizations in the NWT, such as the NWT Disabilities Council and the Status of Women Council of the NWT to expand its business services.

CORPORATE OVERVIEW

ECONOMIC DIVERSIFICATION: HELPING SMALL BUSINESSES CREATE JOBS

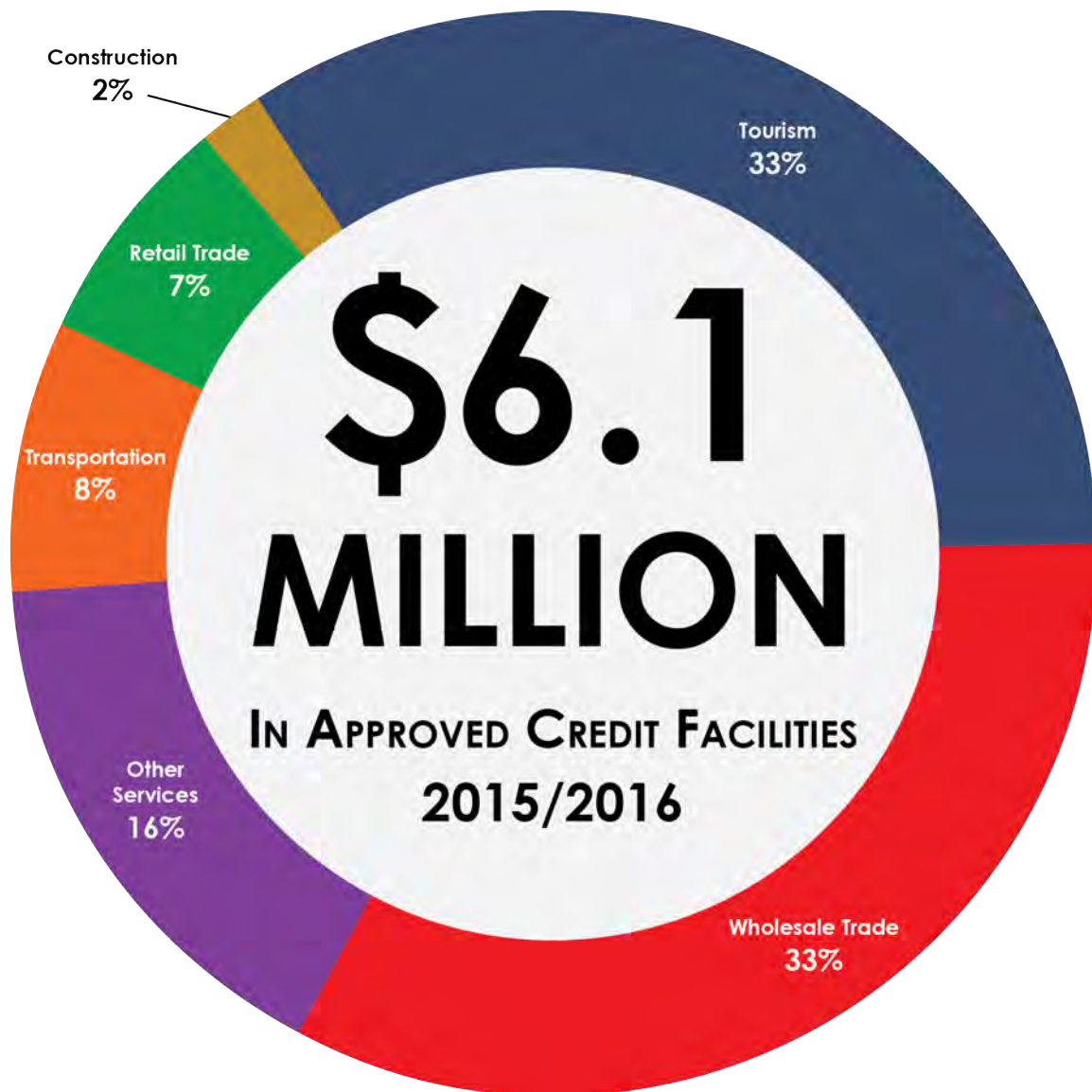


The BDIC currently lends to 118 businesses operating across a wide range of business sectors in the Northwest Territories. As a result of the BDIC's financing, these businesses currently support 944 full-time equivalent jobs in the NWT.

Job totals are calculated by comparing client financial statements with Industry Intensity Ratios and Industry Average Wages provided by the NWT Bureau of Statistics. Only ongoing jobs attributable to the BDIC's financing are included in the total.

CORPORATE OVERVIEW

CONTRIBUTING TO THE DIVERSIFICATION OF THE NWT ECONOMY



The 18th Legislative Assembly made economic diversification a top priority for the Government of the Northwest Territories (GNWT). The BDIC's support to businesses directly contributes to this priority.

In 2015/16, the BDIC approved \$6.1 million in credit facilities. This helped a wide variety of different NWT businesses start and grow.

PROGRAMS AND SERVICES

CREDIT FACILITIES PROGRAM

The BDIC's credit facilities portfolio was approximately \$50.3 million (including \$531,000 of interest not recognized as revenue in 2015/16). \$6.1 million credit facilities were approved in the 2015/16 fiscal year.

The following credit facilities are available to BDIC clients:

Loan Facilities

- General Term Loans are provided for clients who may not be able to secure bank financing. BDIC clients can choose between fixed or variable term loans.

Standby Letters of Credit Facilities

- Standby letters of credit enable clients to secure contract bids or provide security to suppliers through assurance of payments to third parties.

Guarantee Facilities

- Working Capital Guarantees are available to clients as security to assist in obtaining working capital financing for their business through conventional banks. This enables small businesses with limited funds to operate successfully while building a relationship with a traditional finance provider.

\$50.3M

BDIC's credit facilities portfolio

Our successful clients

The BDIC's loan program helped
Natacha Kruger with her business
Mama Bear Arts.

See page 16 to read our client's profile!



PROGRAMS AND SERVICES

VENTURE INVESTMENT PROGRAM

The Venture Investment Program is an equity financing program in which the BDIC invests in a client's business in return for preferred shares. The client pays dividends to the BDIC and buys back the preferred shares over time. Funding under this program is tied to the number of jobs created or maintained by the business.

At the end of 2015/16, the BDIC's Venture Investment Program portfolio totalled \$662,000 with businesses maintaining 19.75 direct employment positions.

19.75

Direct employment positions
maintained by the Venture
Investment Program



PORCUPINE QUILL BIRCH BASKETS AT ACHO DENE NATIVE CRAFTS, FORT LIARD

PROGRAMS AND SERVICES

SUBSIDIARY PROGRAM

The BDIC's Subsidiary Program is based on facilitating community ownership and supporting local subsidiary boards with the BDIC providing centralized functions in general operational support, accounting and marketing. In 2015/16, the BDIC operated five active subsidiaries:

- Arctic Canada Trading Company Ltd. (ACTCL)
- Acho Dene Native Crafts Ltd. (ADNC)
- Dene Fur Clouds Ltd. (DFC)
- 910344 NWT Ltd. operating as Fort McPherson Tent and Canvas (FMTC)
- 5983 NWT Ltd. operating as Ulukhaktok Arts Centre (UAC)

Three of the BDIC's subsidiaries are involved in traditional fine arts and crafts and the use of traditional materials, all of which support the local communities. The subsidiaries deal with markedly different product lines and are located in different and unique NWT regions. The BDIC, through the Arctic Canada Trading Company Ltd., markets the subsidiaries' arts and crafts through over 60 galleries and gift shops across Canada, as well as

in Alaska. The BDIC also promotes each subsidiary and their products through branding, advertising and distribution by way of web design and support, e-commerce and promotional videos, brochures, sales, and attendance at trade shows. With the assistance of Arctic Canada Trading Company*, the BDIC's subsidiaries increased their sales to \$843,000, up 21% from last year.

In 2015/16, the BDIC's subsidiaries maintained 16.62 direct employees and supported 128 cottage craft producers.

**Arctic Canada Trading Company is operated by BDIC staff.*

\$843,000

Sales from the BDIC's subsidiaries in 2015/16

Subsidiary	Direct employment positions		Change	% Change
	2015-2016	2014-15		
ACTCL*	N/A	N/A	N/A	N/A
ADNC	1.59	1.43	0.16	11.19%
DFC	5.18	5.37	(0.19)	(3.54%)
FMTC	8.74	6.55	2.19	33.44%
UAC	1.11	0.96	0.15	15.63%
Total	16.62	14.31	2.31	16.14%

PROGRAMS AND SERVICES

SUBSIDIARY COMPANIES



Fort McPherson
Tent & Canvas

Fort McPherson, NT
FortMcPhersonTent.com

Fort McPherson Tent and Canvas produces canvas tents, tipis, bags, backpacks and other canvas products.



Ulukhaktok
Arts Centre

Ulukhaktok, NT
Ulukhaktok.com

Formely the Holman Print Shop, the Ulukhaktok Arts Centre is a company that is involved in the production and sale of carvings, prints and knitted products made in the community.



Arctic Canada
Trading Company

ArcticCanadaTrading.com

Marketing the BDIC's subsidiaries and their products.

Northwest Territories



Acho Dene
Native Crafts

Fort Liard, NT
Adnc.ca

Acho Dene Native Crafts is a Fort Liard based company that is involved in the manufacturing and sales of clothing, jewelery accessories, souvenirs, baskets and other birch bark items made in the community.



Dene Fur
Clouds

Fort Providence, NT
DeneFurClouds.com

Dene Fur Clouds is a Fort Providence based company that produces garments using sheared beaver, arctic hare, fox and lynx harvested mostly through the Genuine Mackenzie Valley Fur Program.

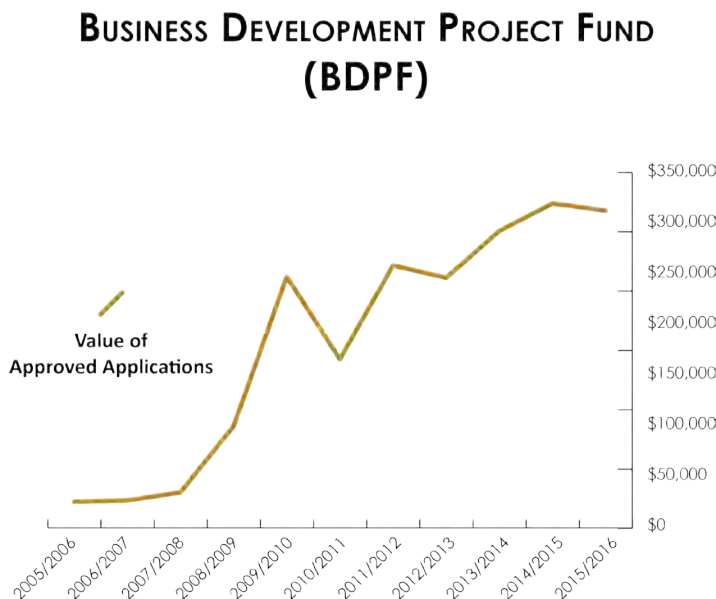
PROGRAMS AND SERVICES

CONTRIBUTION PROGRAM - BUSINESS DEVELOPMENT PROJECT FUND (BDPF)

The BDIC's contribution program provides funding to assist entrepreneurs in starting or expanding their business. In 2015/16, the BDPF Program was oversubscribed with the BDIC approving approximately \$311,000 in contributions.

Core BDPF can be used to help fund start-up expenses, expansion, raw materials (for arts and crafts production) and short-term projects that create employment. The maximum in any 5 year period is \$20,000 (\$10,000 for businesses in level I communities). Only businesses with \$500,000 or less in annual revenues are eligible to apply.

The BDPF Aftercare can provide businesses with contribution funding to purchase accounting software or services, succession planning and business training programs. The lifetime maximum for BDPF Aftercare Funding is \$5,000 (\$3,000 for businesses in level I communities).



47

Number of BDPF applications approved by the BDIC

Our successful clients

Thanks to the BDPF, Amrik Kanwal was able to launch Monitor North. See page 17 to read our client's profile!

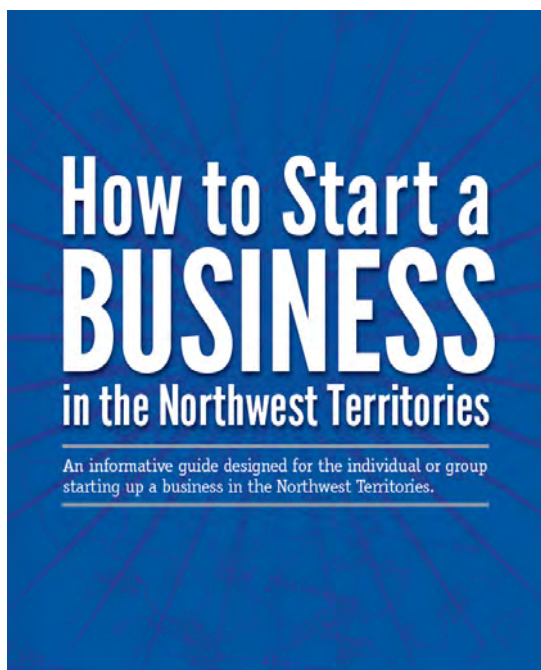


PROGRAMS AND SERVICES

Business Support Services

The BDIC provides business services to help people start and grow their business in the Northwest Territories.

In 2015-2016 the BDIC updated its guide *How to Start a Business in the NWT*. This guide provides new entrepreneurs with the information they need to start their business. The document contains information about licences and regulations in the NWT, support services available for entrepreneurs, information on writing a business plan, structuring a business and much more.



How to Start a Business in the NWT is available both in print and on the BDIC's website. It is currently being translated into French.

The BDIC is a member of the Canada Business Network, which provides start-ups and small businesses with a wide range of information and references about government services, programs and regulations. The BDIC operates Canada Business NWT (CBNWT) in partnership with the Canadian Northern Economic Development Agency (CanNor). CBNWT services are available online and through community partners to residents across the NWT.

Business services available include:

- Business resource library that is indexed online so that clients from any community can order a book/business resource and have it mailed to them
- 1-800 number that clients in NWT communities can call to get business information specific to their region
- CanadaBusiness.ca – content created and managed by CBNWT specifically for NWT residents
- Video and web conference sessions available to educate entrepreneurs
- Administration services and business planning resources available in person through the BDIC and partner organizations
- Coordination of Small Business Week in partnership with business stakeholders



PROGRAMS AND SERVICES

Business Support Services

48

Seminars, workshops or web conference hosted for NWT business clients

SMALL BUSINESS WEEK

During the week October 18-24, the BDIC partnered with a number of organizations in the NWT to celebrate Small Business Week. The BDIC hosted 5 learning sessions and an open house to assist 29 NWT business people.

MEETING WITH COMMUNITIES

In 2015/2016, the BDIC met with communities to present its programs and services and discuss economic opportunities. Communities visited included Inuvik, Tulita and Norman Wells.

418

Clients served by the BDIC's Canada Business Centre

PARTNERSHIP WITH FUTURPRENEUR

In February 2016, the BDIC entered into a partnership with Futurpreneur Canada to bring more support opportunities for young and emerging entrepreneurs.

Thanks to this agreement, young business people from the NWT will have access to mentorship support and business bootcamps.



CLIENT PROFILE

Mama Bear Arts

Natacha Kruger-Rewega is used to thinking outside the canvas.

Since teaching herself to paint and draw at an early age, Kruger-Rewega has established herself as a force in the northern arts community.

She successfully transitioned into a career as a full-time artist based in Hay River. Now, she's looking to support other local creatives and fulfill a long-held dream by opening her own studio, Mama Bear Arts.

Kruger-Rewega plans to use the lower floor of Mama Bear Arts to display the works of other local artists, providing Hay River with a much-needed space for exposing art.

Upstairs, she'll be producing more of her own artwork, something she has done at a steady pace since working as a full-time artist.

Her paintings, many featuring the wildlife and



Many of Natacha Kruger-Rewega paintings are featuring the wildlife and natural landscape of the North.

natural landscapes of the north, have been selling as fast as she can make them.

Kruger-Rewega says Mama Bear Arts will have a "cabin feel to it," and will incorporate driftwood gathered from the shores of Great Slave Lake into its design. She's been turning driftwood into art for years, using it as a canvas for many of her works. "It's all over here," she argues; "it's kind of silly not to use it."

She first applied for funding through the BDIC when she was making her move to become a full-time artist, and received a contribution that helped pay for art supplies including paint and material for building canvases.

She says working with the BDIC has been "freaking amazing, every single time... they just believe in you, and it's awesome."



A wide selection of Natacha's art can be viewed on her Facebook page, Natacha Kruger Rewega Paintings.

"Freaking amazing, every single time... they just believe in you, and it's awesome."

CLIENT PROFILE

Monitor North

Frozen pipes. The nightmare of any home or business owner across northern Canada. Long and cold winters take a toll on our buildings, requiring regular monitoring to prevent costly breaks. It's with the objective of easing that task that Amrik Kanwal came up with the idea to start Monitor North.

"It started from a discussion with my son regarding how to prevent damage to equipment from freezing in the winter and reduce the operating costs of physically monitoring devices in hard to reach environments."

Coming from Zambia, Africa, Amrik worked in the electrical field. He immigrated to Yellowknife to join his brother who already lived here. Shortly after his arrival in the Northwest Territories, he cofounded City Cab. Then, a few years after going back to school, he started Monitor North with the help of his sons.



Monitor North's products allow customers to remotely monitor their home

"Since I had a lot of industrial automation experience, I decided to design a device which can automatically monitor equipment and detect water leaks on a property while the owner is away," explained Amrik. During that same period, one of his sons was working on the launch of the 4G network across the NWT.

They quickly saw the potential of combining the new cellular reach with industrial automation technologies. They started working on prototypes, wanting to create products that were cost effective but also built to an industrial grade. Monitor North's main product

is the Smart Asset Monitor (SAM) controller which can be used to remotely monitor, control and detect equipment failure to avoid costly situations. Thanks to the cellular system, SAM can make sure the equipment is working properly and notify the owner of any incident like freezing, power failure or breakdowns even when that equipment is out of traditional internet zones.

The SAM controller is highly customizable, and can also monitor air quality and even control equipment. "The options we can provide to customers are truly endless because of configurations and installation range we have access to," Kanwal specified, "wherever a cellphone works, SAM works."

The business also markets a failover network

product, which provides instantaneous backup internet connections for businesses and a home automation controller.

The help Kanwal received from the BDIC was instrumental in the launch of his business. "With the BDIC's guidance and financial support, we were able to focus on getting Monitor North off the ground." Kanwal also found the BDIC application process to be useful in the long term for his business.

"We took the time to work on the application and documentation required to get funding support. It really helped us stay on track with the business. We still refer to those documents to make sure we stay on the track."

"With the BDIC's guidance and financial support, we were able to focus on getting Monitor North off the ground"

10TH ANNIVERSARY

CELEBRATING 10 YEARS SERVING BUSINESSES



2015/16 marked the 10th anniversary of the founding of the Northwest Territories Business Development and Investment Corporation. It was created on April 1, 2005, with the merger of the NWT Credit Corporation and the NWT Development Corporation.

Throughout the year, the BDIC took part in several events to highlight its results over the past decade and the important role it plays in the economic prosperity of the Northwest Territories.

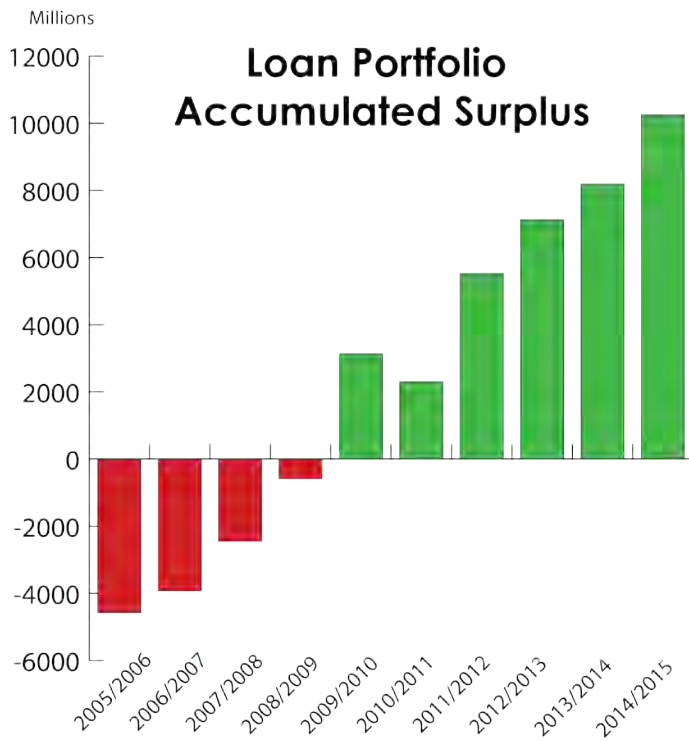
Looking to the future, the BDIC intends to build on its success to bring new initiatives that will assist business prosperity in the Northwest Territories. The corporation is looking into projects on micro-financing, community banking, mentorship program and business incubator to the Northwest Territories.

During its first 10 years in operation, the BDIC has:

- Provided **\$71.4 million** in assistance to businesses in all **33 NWT communities**.
- Provided financial assistance to more than **400 accounts**
- Created over **630 person year jobs** through subsidiaries and venture investments
- Paid more than **\$13.8 million in salary** to subsidiary and venture investment employees
- Expanded subsidiary points of sale to **over 50 galleries and gift shops** across Canada
- Pioneered video and web conferencing delivery and hosted business learning seminars for **over 1,000 participants**
- Collected on bad debts inherited from inception and reduced our loan loss provision from **21.5%** to **13%**

10TH ANNIVERSARY

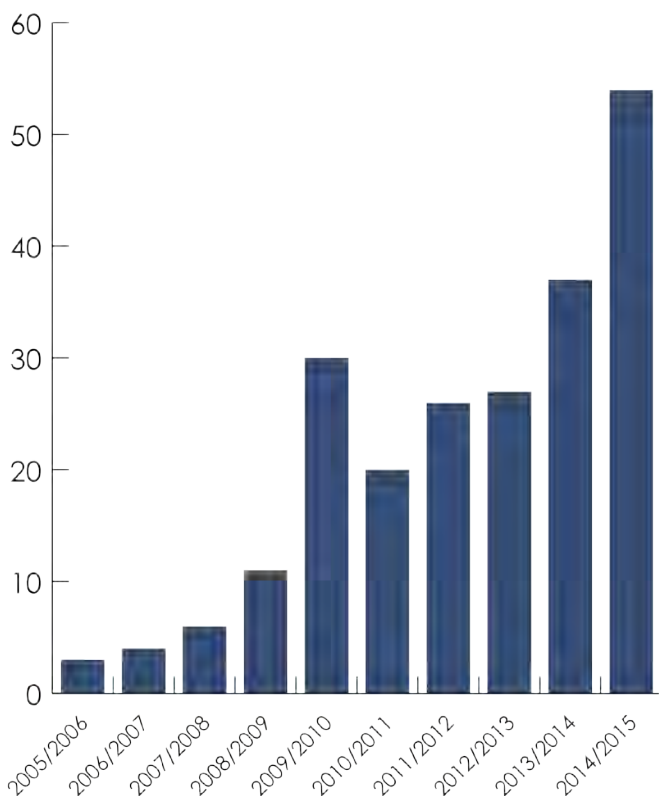
CELEBRATING 10 YEARS SERVING BUSINESSES



\$10.6M

The BDIC's loan portfolio had a **\$4.6 million shortfall** at the end of the 2005-2006 fiscal year. By 2015, that shortfall had been turned into a **\$10.3 million surplus.**

APPROVED BDPF APPLICATIONS



200

From 2005 to 2015, the BDIC has approved over **200 clients for BDPF**. The corporation distributed **\$1.6 million** in funding through the program

WRITE-OFFS AND FORGIVENESS

The BDIC's Board of Directors may approve the write-off of its accounts under \$50,000. Write-offs over \$50,000 can be approved by the Financial Management Board (FMB). Written-off accounts can still be collected but are assigned a zero value in the BDIC's financial statements.

Accounts under \$500 may be approved for

forgiveness by the BDIC Board. FMB may forgive accounts over \$500. A forgiven account is assigned a zero value in the BDIC's financial statements and the Corporation is no longer able to collect the amount.

In 2015-16, four accounts were written-off and no accounts were forgiven.

Debts Written-off by the Board of Directors

Blizzard Mobile Mechanical services Ltd. - Fort Liard	12,483.67
Leonard Buckley (o/a Buck's Firewood Logging) - Fort Smith	18,475.73
	30,959.40

Debts Written-off by the Financial Management Board

89622 NWT Ltd (o/a Taiga Tour Company) - Fort Smith	185,311.10
South Slave Paving Ltd. - Hay River	142,131.85
	327,442.95

Total **358,402.35**

Disbursements

The BDIC disbursed funds to the following NWT businesses during the 2015/16 fiscal year.

Business Name	Owners	Community	Program	Total Amount Disbursed
5983 NWT Ltd. (o/a Ulukhaktok Arts Centre)	BDIC	Ulukhaktok	Subsidiary	90,000.00
913044 NWT Ltd. (o/a Ft. McPherson Tent and Canvas)	BDIC	Fort McPherson	Subsidiary	250,000.00
Acho Dene Native Crafts Ltd.	BDIC	Fort Liard	Subsidiary	150,000.00
Dene Fur Clouds Ltd.	BDIC	Fort Providence	Subsidiary	100,000.00
Arctic Canada Trading Company Ltd.	BDIC	Yellowknife	Subsidiary	50,000.00
Noda Enterprises td.	Ka'a'gee Tu First Nation	Kakisa	Credit	85,000.00
P.R. Contracting Ltd.	Rowe, Sandra and Rowe, Patrick	Fort Simpson	Credit	895,500.00
953781 NWT Ltd.	Perino, Jason and Snow, Colin	Yellowknife	Credit	899,500.00
Redvers, Nicole (o/a Gaia Integrative Clinic)	Redvers, Nicole	Yellowknife	Credit	193,015.76
Korea House	Chung, He Yong (Anna), Son, Catherine and Son, Moon-Ho (Philip)	Yellowknife	Credit	158,490.00
Northwestern Air Lease Ltd.	Harrold, Brian and Harrold, Terry	Fort Smith	Credit	500,000.00
Young, Laurie (o/a The Rusty Raven Gallery & Gift)	Young, Laurie	Fort Smith	Credit	330,000.00
GFB Ventures Ltd	Schofield, Taralynn and Schofield, Kelly	Hay River	Credit	526,037.24
NU Mechancial Inc.	Utman, Newely	Fort Smith	Credit	99,945.00
Kruger, Natacha (o/a Mama Bear Arts)	Kruger, Natacha	Hay River	Credit	66,165.00
Ouellet, Andre	Ouellet, Andre	Inuvik	Credit	359,684.82
Beauford Delta Petroleum Ltd.	Northern Transportation Company Limited	Inuvik	Credit	1,940,000.00
Van Der Wielen, Hannah (o/a Van Der Wielen Consulting)	Van Der Wielen, Hannah	Behchoko	Contribution	2,030.95
Landry, Loretta (o/a Nina & Associates)	Landry, Loretta and Landry, Jonas	Fort Providence	Contribution	2,100.00
Villebrun, Greta	Villebrun, Greta	Tsiigehtchic	Contribution	2,806.08

Disbursements

Business Name	Owners	Community	Program	Total Amount Disbursed
Wilson, Helen	Wilson, Helen	Fort McPherson	Contribution	3,830.20
Alexie, Connie Marie	Alexie, Connie Marie	Fort McPherson	Contribution	6,238.57
Francis, Bertha	Francis, Bertha	Fort McPherson	Contribution	3,978.50
McPherson, Rose	McPherson, Rose	Fort McPherson	Contribution	4,606.70
Snowshoe, Sarah	Snowshoe, Sarah	Fort McPherson	Contribution	2,647.50
Snowshoe, Martha Ellen	Snowshoe, Martha Ellen	Fort McPherson	Contribution	2,346.50
Semple, Ashton	Semple, Ashton	Aklavik	Contribution	20,000.00
Greenland, Bella	Greenland, Bella	Fort McPherson	Contribution	(855.42)
Bellefontaine, Troy (o/a Beauty Mark)	Bellefontaine, Troy	Fort Simpson	Contribution	15,421.25
953781 NWT Ltd.	Perino, Jason and Snow, Colin	Yellowknife	Contribution	1,800.00
Monitor North Inc.	Kanwal, Amrik	Yellowknife	Contribution	278.40
Campbell, Thea	Campbell, Thea	Yellowknife	Contribution	292.98
Planit North	Wenman, Christine	Yellowknife	Contribution	10,000.00
Nicol, Rosanna (o/a Nicol & Co.)	Nicol, Rosanna	Yellowknife	Contribution	4,304.00
Walden, Jennifer	Walden, Jennifer	Yellowknife	Contribution	10,000.00
Territorial Source & Supply Ltd. (o/a Polar Planning)	Cleveland, Colin	Yellowknife	Contribution	8,565.24
Arctic Morels Canada	Matthews, Andrew and Matthews, Brendan	Yellowknife	Contribution	9,870.00
Maund, Cara Amy (o/a Laughing Lichen Wildcrafted Herb & Tea)	Maund, Cara Amy	Yellowknife	Contribution	9,999.70
North of Sixty Quilting Services	Griffore, Anita and McGurran, Marilyn	Yellowknife	Contribution	10,632.00

Disbursements

Business Name	Owners	Community	Program	Total Amount Disbursed
Rare Earth Productions Inc.	Geraghty, Ashley	Yellowknife	Contribution	9,637.57
MacDougall, Kelsey (o/a N60° Interiors)	McDougal, Kelsey	Yellowknife	Contribution	4,730.00
Balakrishnan, Janaki (o/a Envision)	Balakrishnan, Janaki	Yellowknife	Contribution	7,897.04
Schindel, Julie (o/a Julu Designs)	Schindel, Julie	Yellowknife	Contribution	10,000.00
Pool, Annelies (o/a Prelude Editorial)	Pool, Annelies	Yellowknife	Contribution	9,832.92
Paul Bros Nextreme Ltd.	Paul, Edward	Yellowknife	Contribution	2,500.00
Ward, Alayna (o/a Award Communications)	Ward, Alayna	Yellowknife	Contribution	2,908.44
Ry-Lo Express Ltd.	Cunningham, Alan	Yellowknife	Contribution	6,060.00
Skelton, Jennifer (o/a Align)	Skelton, Jennifer	Yellowknife	Contribution	6,820.39
Stephenson, Gordon (o/a North Sky Consulting)	Stephenson, Gordon	Yellowknife	Contribution	10,000.00
Maillet, Joel (o/a Avalanche Ice Works)	Maillet, Joel	Yellowknife	Contribution	3,822.72
Global Storm LLC	Marshall, Kirby	Yellowknife	Contribution	10,000.00
Stephens, David (o/a Borealis Bike Tours Unlimited)	Stephens, David	Yellowknife	Contribution	10,000.00
Noda Enterprises Ltd.	Ka'a'gee Tu First Nation	Hay River	Contribution	20,000.00
Mavrick Enterprises	Teng, Yong and Gross, Thomas	Hay River	Contribution	539.98
Lepage, Simon (o/a Lepage Productions)	Lepage, Simon	Hay River	Contribution	5,346.03
Hogan, Charlotte (o/a The Wilderness Bistro & Deli)	Hogan, Charlotte	Hay River	Contribution	4,117.97
Firth, Donna Maye	Firth, Donna Maye	Inuvik	Contribution	7,390.00
Moore, Carol (o/a Carol's Quilts)	Moore, Carol	Inuvik	Contribution	8,190.81

TOTAL: 6,964,024.84

FINANCIALS

Northwest Territories Business Development and Investment Corporation

Consolidated Financial Statements

For the year ended

March 31, 2016

Northwest Territories Business Development and Investment Corporation

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Northwest Territories Business Development and Investment Corporation (the Corporation) are the responsibility of the Corporation's management and have been reviewed and approved by the Board of Directors.

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards (PSAS). Where PSAS permits alternative accounting methods, management has chosen those that are most appropriate. Where required, management's best estimates and judgement have been applied in the preparation of these consolidated financial statements.

In discharging its responsibility for the integrity, fairness and quality of the consolidated financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are properly authorized and recorded, assets are safeguarded, proper records are maintained, and the Corporation complies with applicable laws and conflict of interest rules. These controls and practices help to ensure the orderly conduct of business, the accuracy of the accounting records, the timely preparation of financial information, and adherence to the Corporation's policies and statutory requirements.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Board of Directors exercises this responsibility through the Audit Committee, which is comprised of directors who are not employees of the Corporation. The Audit Committee meets with management on a regular basis. The external auditors also have full and free access to the Audit Committee.

The Corporation's independent external auditor, the Auditor General of Canada, is responsible for auditing the transactions and consolidated financial statements of the Corporation and for issuing his report thereon.



Pawan Chugh
Chief Executive Officer



Leonard Kwong
Director, Finance and Subsidiaries

August 29, 2016



INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Northwest Territories Business Development and Investment Corporation

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Northwest Territories Business Development and Investment Corporation, which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net financial assets and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

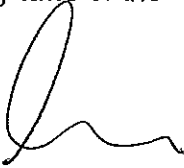
Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Northwest Territories Business Development and Investment Corporation as at 31 March 2016, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

I report that, in my opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Northwest Territories Business Development and Investment Corporation and the consolidated financial statements are in agreement therewith. In addition, the transactions of the Northwest Territories Business Development and Investment Corporation that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with the *Financial Administration Act* of the Northwest Territories and regulations, the *Northwest Territories Business Development and Investment Corporation Act* and regulations and the by-laws of the Northwest Territories Business Development and Investment Corporation.



Guy LeGras, CPA, CA
Principal
for the Auditor General of Canada

29 August 2016
Edmonton, Canada

Northwest Territories Business Development and Investment Corporation**Consolidated Financial Statements (March 31, 2016)**

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Consolidated Statement of Change in Net Financial Assets	7
Consolidated Statement of Operations and Accumulated Surplus	8
Consolidated Statement of Cash Flows	9
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Northwest Territories Business Development and Investment Corporation**Consolidated Statement of Financial Position (000's)**

	March 31, 2016	March 31, 2015
	\$	\$
Financial Assets		
Cash (Note 3)	15,608	17,166
Accounts receivable	120	132
Inventories held for resale (Note 4)	553	525
Loans receivable (Notes 5 and 6)	39,209	36,844
Venture investments (Note 7)	7	18
	<u>55,497</u>	<u>54,685</u>
Liabilities		
Accounts payable and accrued liabilities (Note 11)	1,387	1,142
Cash security payable (Note 8)	-	2,006
Post-employment benefits (Note 9)	306	448
Advances from the Government (Note 10)	25,115	26,274
Asset retirement obligations	24	13
	<u>26,832</u>	<u>29,883</u>
Net financial assets	<u>28,665</u>	<u>24,802</u>
Non-financial assets		
Tangible capital assets (Schedule A)	281	260
Prepaid expenses	1	13
	<u>282</u>	<u>273</u>
Accumulated surplus	<u>28,947</u>	<u>25,075</u>

Commitments and contingencies (Notes 13 and 14)

The accompanying notes and Schedule A are an integral part of these consolidated financial statements.

Approved by:



Darrell Beaulieu
Chairperson of the Board of Directors



Denise Yuhas
Chairperson of the Audit Committee

Northwest Territories Business Development and Investment Corporation**Consolidated Statement of Change in Net Financial Assets (000's)**

For the year ended March 31	Budget 2016	Actual 2016	Actual 2015
	\$	\$	\$
Annual surplus	2,279	3,872	2,689
Acquisition of tangible capital assets	-	(53)	-
Amortization of tangible capital assets	26	32	95
Gain on sale of tangible capital assets	-	-	(148)
Proceeds on sale of tangible capital assets	-	-	150
	26	(21)	97
Acquisition of prepaid expenses	-	(1)	(13)
Use of prepaid expenses	-	13	6
	-	12	(7)
Increase in net financial assets	2,305	3,863	2,779
Net financial assets, beginning of year	24,802	24,802	22,023
Net financial assets, end of year	27,107	28,665	24,802

The accompanying notes and Schedule A are an integral part of these consolidated financial statements.

Northwest Territories Business Development and Investment Corporation**Consolidated Statement of Operations and Accumulated Surplus (000's)**

For the year ended March 31	Budget 2016	Actual 2016	Actual 2015
	\$	\$	\$
Revenues			
Interest on loans receivable	2,350	3,153	2,111
Sales and other income	717	911	748
Interest on pooled cash (Note 3)	160	151	168
Gain on sale of tangible capital assets	-	-	148
Recovery of venture investments	-	-	49
Dividends	2	2	8
	3,229	4,217	3,232
Government transfers (Note 11)	4,626	4,311	4,370
	7,855	8,528	7,602
Expenses (Note 12)			
Lending and investments	4,305	3,134	3,528
Retail and manufacturing	1,271	1,522	1,385
	5,576	4,656	4,913
Annual surplus	2,279	3,872	2,689
Accumulated surplus, beginning of year	25,075	25,075	22,386
Accumulated surplus, end of year	27,354	28,947	25,075

The accompanying notes and Schedule A are an integral part of these consolidated financial statements.

Northwest Territories Business Development and Investment Corporation**Consolidated Statement of Cash Flows (000's)**

For the year ended March 31	2016	2015
	\$	\$
Operating transactions		
Cash received from:		
Governments	3,626	3,164
Customers	979	745
Interest	2,286	2,030
Dividends	2	8
	6,893	5,947
Cash paid for:		
Compensation and benefits	2,535	1,943
Payments to suppliers	1,428	1,780
Interest on advances from the Government	142	259
Grants and contributions	271	301
	4,376	4,283
Cash provided by operating transactions	2,517	1,664
Capital transactions		
Acquisition of tangible capital assets	(53)	-
Proceeds on sale of tangible capital assets	-	150
Cash (used for) provided by capital transactions	(53)	150
Investing transactions		
Loans receivable disbursed	(5,962)	(4,589)
Loans receivable repaid	5,093	4,621
Proceeds from security	-	2,006
Release of the proceeds from security (Note 8)	(2,006)	-
Redemptions of venture investments	11	97
Cash (used for) provided by investing transactions	(2,864)	2,135
Financing transactions		
Repayment of advances from the Government	(1,158)	(1,741)
Cash used for financing transactions	(1,158)	(1,741)
(Decrease) Increase in cash	(1,558)	2,208
Cash, beginning of year	17,166	14,958
Cash, end of year	15,608	17,166

The accompanying notes and Schedule A are an integral part of these consolidated financial statements.

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2016

1. The Corporation

(a) Authority

The Northwest Territories Business Development and Investment Corporation (the Corporation) was established on April 1, 2005 pursuant to the *Northwest Territories Business Development and Investment Corporation Act* (the Act).

The Corporation is a territorial corporation of the Government of the Northwest Territories (the Government) named in Schedule B of the *Financial Administration Act* (the FAA). Accordingly, the Corporation operates in accordance with Part 3 of the FAA, the Act and its regulations, and any directives issued to it by the Minister responsible for the Corporation (the Minister) under Section 4 of the Act.

(b) Mandate

The mandate of the Corporation is to support the economic objectives of the Government by encouraging the creation and development of business enterprises in the Northwest Territories and by providing information and financial assistance to, and making investments in, such enterprises.

(c) Government transfers and advances

In accordance with Section 30 of the Act, the Corporation must annually submit a corporate plan, operating budget and capital budget identifying the transfers requested from the Government for approval by the Financial Management Board (the FMB) prior to the commencement of the fiscal year. The transfers received from the Government are for the purposes of financing the Corporation's general operations; making capital investments in, and providing working capital advances and operating subsidies to, business enterprises based on need; providing transfers for business development projects; and purchasing tangible capital assets for the Corporation. The transfers are repayable to the Government if not completely spent within the fiscal year in which they were provided.

The Corporation and its organizations are economically dependent upon the transfers received from the Government for their ongoing operations.

Section 26 of the Act also authorizes the Government to advance to the Corporation an amount out of the Consolidated Revenue Fund not exceeding \$150 million for the purposes of providing financial assistance to, or making investments in, business enterprises. These advances are repayable to the Government on demand.

(d) Taxes

The Corporation and its organizations are exempt from the payment of municipal and territorial taxes pursuant to Section 35 of the Act and federal income tax pursuant to Section 149 of the *Income Tax Act* of Canada.

(e) Budget

The consolidated budget figures have been derived from the budgets approved by the FMB and the Corporation's board of directors. Other budgeted amounts have been approved by the Corporation's senior management.

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements
March 31, 2016**

2. Summary of significant accounting policies

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS) as issued by the Public Sector Accounting Board (the PSAB).

(a) Measurement uncertainty

The preparation of the consolidated financial statements, in accordance with PSAS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect on the consolidated financial statements of changes to such estimates and assumptions in future periods could be significant, although at the time of preparation of these consolidated financial statements, management believes the estimates and assumptions to be reasonable.

The more significant estimates relate to the determination of the allowance for credit losses, the provision for termination and removal benefits, and services received without charge. A variation in the quality of the loan portfolio or economic conditions under which these estimates are made could result in significant changes in these management estimates.

The significant accounting policies followed by the Corporation in the preparation of these consolidated financial statements are summarized below:

(b) Principles of consolidation

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity, which includes the Corporation and the organizations it controls. All inter-entity transactions and balances have been eliminated upon consolidation. These consolidated financial statements include the accounts of the following organizations:

Organization	Location	Percentage Ownership	Incorporation Date
Light manufacturing			
913044 N.W.T. Ltd. (o/a Fort McPherson Tent & Canvas)	Fort McPherson, NT	100%	September 25, 1991
Aklavik & Tuktoyaktuk Furs Ltd.	Tuktoyaktuk, NT	100%	June 30, 1997
Dene Fur Clouds Ltd.	Fort Providence, NT	100%	December 18, 1997
Fine arts and souvenirs			
Acho Dene Native Crafts Ltd.	Fort Liard, NT	100%	October 15, 1992
5983 N.W.T. Ltd. (o/a Ulukhaktok Arts Centre)	Ulukhaktok, NT	100%	February 12, 2008
Wholesale/retail stores			
Arctic Canada Trading Co. Ltd.	Yellowknife, NT	100%	June 28, 1997
Muskox Harvesting			
6355 N.W.T. Ltd.	Sachs Harbour, NT	100%	May 12, 2011

2. Summary of significant accounting policies (continued)**(c) Cash**

Cash is comprised of bank account balances (net of outstanding cheques). Surplus cash is pooled with the Government's surplus cash that is invested in a diversified portfolio of high grade, short-term income producing assets which can be withdrawn at any time, and are not restricted by maturity dates on investments made by the Government. Cash also includes funds and reserves subject to restrictions as described in Note 3.

(d) Inventories

Inventories held for resale consist of finished goods, work-in-process and raw material and are carried at the lower of cost and net realizable value, with cost being determined on a first in, first out basis.

(e) Loans receivable

Loans receivable are initially recognized at cost. Valuation allowances are used to adjust the carrying amount of loans receivable to the lower of cost and net recoverable value. Loans are classified as impaired when, in management's opinion, there is no longer reasonable assurance of the timely collection of the full amount of principal and interest. When payment is three months past due (unless the loan is fully secured), or six months past due (regardless of whether or not the loan is fully secured), the underlying loan is classified as impaired.

When a loan is classified as impaired, the carrying amount of the loan is reduced to its estimated net recoverable value through an adjustment to the allowance for credit losses. Changes in the estimated net recoverable value arising subsequent to initial impairment are adjusted through the allowance for credit losses.

Interest income is recognized on an accrual basis using the effective interest rate method until such time as the loan is classified as impaired. All payments received (i.e. recoveries) on an impaired loan are credited against the carrying amount of the loan and recognized as an adjustment to the allowance for credit losses. The loan reverts to performing status when all provisions for credit losses are reversed and, in management's opinion, the ultimate collection of principal and interest is reasonably assured. At that time, previously non-accrued interest income is recognized as interest income.

Under the provisions of the updated FAA that came into effect on April 1 2016, the authority to approve write-offs and forgiveness above a certain threshold has been delegated to the FMB by the Legislative Assembly. An account (loan or venture investment) can only be approved for write-off by either the Board of Directors (\$50,000 or less) or the FMB (over \$50,000). An account that has been written off is still subject to collection action. An account can only be approved for forgiveness by the Board of Directors (\$500 or less) or the FMB (over \$500). Once an account has been forgiven, no further collection action is possible.

Prior to the FAA update, an account can only be approved for write-off by either the Board of Directors (\$20,000 or less) or the Legislative Assembly (over \$20,000); and forgiveness by the FMB (\$1,000 or less) or the Legislative Assembly (over \$1,000).

2. Summary of significant accounting policies (continued)**(f) Allowance for credit losses**

The allowance for credit losses represents management's best estimate of the probable credit losses existing in the loan portfolio. In determining the allowance for credit losses, management segregates probable credit losses into two components: specific and general.

The specific allowance is established on an individual loan basis to recognize credit losses. When a loan is considered impaired, the carrying amount of the loan is reduced to its estimated net recoverable value by discounting the expected future cash flows at the effective interest rate inherent in the loan. If the expected future cash flows cannot be reasonably determined, the fair value of the underlying security of the loan is used to determine net recoverable value.

The general allowance is established using management's best judgement to reflect the probable losses on performing loans which cannot yet be specifically identified as impaired. The general allowance is based on the Corporation's historical loan loss experience, aggregate exposure to particular industries or geographical regions and prevailing economic conditions.

The allowance for credit losses is an accounting estimate based on historical loan loss experience and an assessment of current economic conditions. Events may occur that render the underlying assumptions invalid and thus cause actual credit losses to vary significantly from management's best estimate.

The allowance is increased or decreased by changes in the estimated net recoverable values during the current period and is reduced by recoveries and loan write-offs.

(g) Venture investments

Venture investments are recognized at cost less any write-downs to reflect impairment in value.

Gains and losses on disposal are recognized in income when realized. Where there has been a significant and other than temporary decline in value, the investment is written down to recognize the loss. Dividends from venture investments are included in revenue when received. When they are received they are deposited to the Venture Investment Fund to be used for additional investments in venture activities.

There is no active quoted market.

(h) Asset retirement obligations

The fair value of an asset retirement obligation is recognized in the period in which the obligation is incurred and is discounted from the expected date of settlement back to its present value using the Corporation's credit-adjusted risk-free rate. The fair value of the estimated obligation is recognized as a liability, with a corresponding increase in the carrying amount of the related asset.

The costs capitalized to the related assets are amortized to earnings in a manner consistent with the amortization of the underlying asset. The liability amount is increased in each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. Revisions to the estimated timing of cash flows or to the original estimated undiscounted costs could also result in an increase or decrease to the obligation. Actual costs incurred upon settlement of a retirement obligation are charged against the obligation to the extent of the liability recognized.

2. Summary of significant accounting policies (continued)**(i) Government transfers**

Government transfers are recognized as revenue 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. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

The Government provides certain services without charge to the Corporation. The estimated cost of these services is recognized as services received without charge, which is included in government transfers, and is included in the Corporation's expenses.

(j) Employee future benefits

i) **Pension benefits:** Substantially all of the employees of the Corporation are covered by the public service pension plan (the Plan), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation to cover current service cost. Pursuant to legislation currently in place, the Corporation has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Corporation.

ii) **Termination and removal benefits:** Employees are entitled to termination benefits and reimbursement of removal costs, as provided for under labour contracts and conditions of employment, based upon years of service. The benefits are paid upon resignation, retirement or death of an employee. The cost of these benefits is accrued as employees render the services necessary to earn them. Termination benefits are also recognized when employees are identified for lay-off. The cost of the benefits has been determined based on an actuary assessment.

(k) Tangible capital assets

Tangible capital assets are carried at cost less accumulated amortization and write-downs. Amortization is recognized on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	20 years
Vehicle and Equipment	4 years
Leasehold improvements	4 years
Computer equipment	4 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

2. Summary of significant accounting policies (continued)**(l) Financial instruments**

The Corporation's financial instruments consists of cash, accounts receivable, loans receivable, venture investments, accounts payable and accrued liabilities, cash security payable, and the advances from the Government. These financial instruments are measured at cost.

(m) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess revenues over expenses, provides the change net financial assets during the year.

(n) Segment disclosure

The Corporation presents segment information for lending and investment and retail and manufacturing activities. Lending and investment represents the activities of the Corporation and retail and manufacturing represents the activities of the organizations the Corporation controls. All revenues except for sales and other income are generated from lending and investment activities.

(o) Future accounting changes

In June 2015, the PSAB issued three new sections that apply to fiscal years beginning on or after April 1, 2017 with earlier adoption permitted. The Corporation is currently assessing the impacts of the following three sections:

- (i) Section PS 3210, "Assets":** This section provides guidance for applying the definition of assets and establishes general disclosure standards for assets. Disclosure of information about the major categories of assets that are not recognized is required. When an asset is not recognized because a reasonable estimate of the amount involved cannot be made, the reason(s) for this should be disclosed.
- (ii) Section PS 3320, "Contingent assets":** Contingent assets was issued to define and establish disclosure standards on contingent assets. Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That certainty will ultimately be resolved when one or more future events not wholly within the Corporation's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.
- (iii) Section PS 3380, "Contractual rights":** Contractual rights was issued to define and establish disclosure standards on contractual rights. Contractual rights are rights to economic resources arising from contracts or agreements will result in both an asset and revenue in the future. Disclosure about contractual rights is required including a description about their nature, extent and timing.

3. Cash

Cash is comprised of cash held by the Corporation for operations, in funds and reserves established under the Act, and for employee future benefits, as well as cash held by the Corporation's organizations. Cash is pooled with the Government's surplus cash that is invested in a diversified portfolio of

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements**
March 31, 2016

3. Cash (continued)

high grade, short-term income producing assets. Cash can be withdrawn at any time, and is not restricted by maturity dates on investments made by the Government. The eligible classes of securities, categories of issuers, limits and terms are approved by the Department of Finance. All instruments, depending on the investment class, are rated R-2 High or better from the Dominion Bond Rating Service Limited. The Corporation's average investment yield was 1.08% during the year (2015: 1.13%).

In accordance with Section 27 of the Act, the Corporation is required to establish a Loan and Investments Fund for its lending and investing activities. The Program, Projects and Services Continuation Regulations (Regulations) of the Corporation specifies in Part 1 Section 4 (2), that a Loans and Bonds Fund will be used to record the lending operations while in Part 2 Section 19 (2), a Venture Investment Fund will be used to record the venture investment operations. Furthermore, under the Regulations Part 2 Section 18 (2), the Corporation has the obligation to continue to maintain a Capital Fund and the Subsidy Fund.

In addition to these funds, the Corporation is required under the Regulations Part 2 Sections 18 (6) and 19 (5) to establish a Capital Reserve Fund and Venture Reserve Fund respectively. The Corporation will continue to deposit to the reserve funds an amount equal to 10% of each capital or venture investment made. The Corporation may use the reserve funds for further investment or financing for its organizations and venture investments through approved drawdowns.

The Corporation is responsible for administering post-employment benefits including the cash held (Note 9b).

	000's	
	2016	2015
	\$	\$
Cash held by the Corporation for operations	6,797	6,270
Cash held by the Corporation's organizations	1,253	1,207
Cash held for post-employment benefits	306	448
	8,356	7,925
Venture Investment Fund	4,182	4,170
Capital Fund	873	873
Subsidy Fund	488	462
Venture Reserve Fund	486	485
Loans and Bonds Fund (Note 8)	1,076	3,104
Capital Reserve Fund	147	147
	7,252	9,241
	15,608	17,166

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2016

4. Inventories

	000's	
	2016	2015
	\$	\$
Inventories held for resale:		
Arts and crafts	309	330
Canvas products	244	195
	553	525

During the year, \$79,000 of inventories were written down (2015: \$91,000) and no inventories were pledged as security. Also during the year, the Corporation had no recoveries on inventory that had been previously written down to nil carrying value (2015: nil). Inventory write-downs and recoveries are included in the cost of goods sold.

5. Loans receivable

The Corporation provides variable and fixed rate loans for periods up to five years with the amortization period not to exceed twenty-five years.

The Corporation charges its clients prime plus 2%, 3%, or 4%, depending on the security provided, client's management ability, the client's investment, and the amortization period. The Corporation holds various types of security on its loans, including real property, aircraft, heavy equipment, and general security agreements.

Loans receivable are expected to mature as follows:

		000's			
		2016		2015	
		Rate	Balances	Rate	Balances
		%	\$	%	\$
Performing loans due within:	1 year	5.10	11,932	5.23	3,666
	1-2 years	5.78	4,034	5.18	14,159
	2-3 years	5.34	3,665	5.78	4,251
	3-4 years	5.44	6,943	5.35	4,026
	over 4 years	5.46	11,785	5.49	8,956
			38,359		35,058
Accrued loan interest receivable			166		176
Impaired loans			5,825		7,388
			44,350		42,622
Less: allowance for credit losses (Note 6)			5,141		5,778
			39,209		36,844

In 2016, two accounts totalling \$327,000 were written off by the FMB (2015: none by the FMB and \$145,000 by the Legislative Assembly) and two accounts totalling \$31,000 were written off by the Board of Directors (2015: nil). In 2016, no accounts were forgiven by the FMB (2015: none by the FMB and

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements**
March 31, 2016

5. Loans receivable (continued)

\$70,000 by the Legislative Assembly). In 2016, recoveries on loans previously written off totalled \$3,000 (2015: \$20,000).

Concentration of credit risk

Concentration of credit risk may arise from exposure to groups of debtors having similar characteristics such that their ability to meet their obligations may be affected similarly by changes in economic or other conditions. The concentrations of performing loans and impaired loans by geographic and enterprise concentrations are displayed in the following tables:

Enterprise concentration

Enterprise	000's			
	2016		2015	
	Performing	Impaired	Performing	Impaired
	\$	\$	\$	\$
Construction	7,679	142	8,256	541
Retail trade	6,339	584	6,578	703
Accommodations, food and beverage	6,159	1,790	4,224	2,314
Transportation and storage	4,564	124	4,656	19
Real estate and rentals	4,535	-	3,869	-
Business services	2,225	-	379	-
Wholesale trade	2,212	-	2,449	-
Other services	1,507	169	772	314
Manufacturing	734	26	1,196	26
Management of companies	676	-	797	-
Communication	437	-	467	-
Finance and insurance	432	609	455	820
Health care	414	-	225	-
Arts and craft	392	-	169	-
Travel and Tourism	32	1,667	536	1,764
Forestry and logging	22	-	30	-
Oil and gas	-	617	-	790
Educational services	-	59	-	59
Fisheries and wildlife	-	38	-	38
	38,359	5,825	35,058	7,388

The loans receivable balance contains one loan, totalling \$20,000, made to a venture investee (2015: \$39,000). This loan is in addition to the venture investments shown in Note 7.

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2016

5. Loans receivable (continued)

Geographic concentration

Region	000's			
	2016		2015	
	Performing	Impaired	Performing	Impaired
	\$	\$	\$	\$
South Slave	18,331	2,007	18,352	2,635
Dehcho	7,048	84	6,616	88
North Slave	7,394	3,141	6,266	3,774
Inuvik	3,605	428	1,944	542
Sahtu	1,981	165	1,880	349
	38,359	5,825	35,058	7,388

The following table illustrates performing loans outstanding classified by the Corporation's credit risk rating system:

Credit risk rating	000's	
	2016	2015
	\$	\$
Low	22,666	22,568
Medium	15,090	10,705
High	603	1,785
	38,359	35,058

The Corporation considers a loan past due when a client has not made a payment in accordance with the payment terms. The following table presents the carrying value of loans that are past due but not classified as impaired because they did not meet the criteria of impairment:

Loans past due but not impaired	000's	
	2016	2015
	\$	\$
31 – 60 days	-	147
61 – 90 days	-	239
Over 90 days	-	-
	-	386

The risk exposure relating to loans is directly impacted by the clients' ability to meet their obligations. Among other factors, this ability is impacted by the clients' exposure to fluctuations in the economy of the Northwest Territories. To mitigate this risk, the Corporation limits the concentration of loans with any individual client. Under its regulations, the maximum the Corporation can lend to or invest in any one business enterprise or group of related enterprises is \$2 million. Amounts greater than \$2 million must be approved by the FMB. There were no loans approved by the FMB in 2016 (2015: nil).

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements**
March 31, 2016

6. Allowance for credit losses

	000's	
	2016	2015
	\$	\$
Balance, beginning of year	5,778	6,399
Provision for credit losses	126	185
Loans written off or forgiven	(167)	(215)
Recoveries from repayments	(596)	(591)
Balance, end of year	5,141	5,778
Comprised of:		
Specific allowance	4,374	5,077
General allowance	767	701
	5,141	5,778

7. Venture investments

The Corporation's portfolio of venture investments is focused on providing financing in the form of preferred shares and debt to companies in the Northwest Territories. As at March 31, 2016, the Corporation does not have significant influence in the companies in which it has invested.

	000's	
	2016	2015
	\$	\$
Balance, beginning of year	18	66
Recoveries	-	49
Redemptions	(11)	(97)
Balance, end of year	7	18

The total cumulative venture investments at March 31, 2016 was \$661,000 (2015: \$672,000) with accumulated write-downs of \$654,000 (2015: \$654,000). In 2016, no venture investments were approved for write-off by the FMB (2015: none by the FMB and \$700,000 by the Legislative Assembly).

Preferred shares and dividends

Investments in preferred shares carry the right of conversion to common shares. This right, if exercised, may result in the holding of a controlling interest under certain circumstances. Preferred shares are redeemable at the option of the Corporation, and earn dividends at variable rates. Investment yields vary from year to year due to the amount and timing of the dividends received.

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements
March 31, 2016**

8. Cash security payable

The Corporation released \$2,006,000 from realization of a life insurance policy it received in 2015 as security associated with an irrevocable standby letter of credit to a borrower. As the borrower was not in default on the underlying facility, the Corporation released the funds from the Loans and Bonds Fund after receiving satisfactory replacement security.

9. Employment and post-employment benefits**(a) Pension benefits**

Substantially all of the employees of the Corporation are covered by the Plan (Note 2(j)(i)). Contributions are required by both the employees and the Corporation. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The required employer contribution rate is dependent on the employee's employment start date. For employment start dates before January 1, 2013, the Corporation's contribution rate effective at year-end was 1.8 times (2015: 1.9) the employee's contribution; and for employment start dates after December 31, 2012, the Corporation's contribution rate effective at year-end was 1.2 times (2015: 1.7) the employee's contribution. Total contributions of \$246,000 (2015: \$236,000) were recognized as an expense in the current year. The Corporation's and employees' contributions to the Plan for the year were as follows:

	000's	
	2016	2015
	\$	\$
Corporation's contributions	246	236
Employees' contributions	141	126

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2% of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada Pension Plan and they are indexed to the increase in the Consumer Price Index.

(b) Termination, removal benefits and leave

The Corporation provides termination benefits to employees based on years of service and final salary (Note 2(j)(ii)). It also provides removal assistance, along with sick and special leave to employees, as provided under labour contracts. This benefit plan is pre-funded from current contributions and recognized as part of cash.

In 2016, the Government on behalf of the Corporation conducted an actuary assessment of these costs. The findings are adjusted in the 2016 benefits.

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2016

9. Employment and post-employment benefits (continued)

(b) Termination, removal benefits and leave (continued)

	000's	
	2016	2015
	\$	\$
Post-employment benefits, beginning of year	448	418
Retirement and transfer out	-	(6)
Cost and transfer in	16	36
Actuarial gain	(158)	-
Post-employment benefits, end of year	306	448

10. Advances from the Government

The Act authorizes the Corporation to borrow, for the purpose of providing financial assistance to or making investments in business enterprises, up to \$150 million from the Government through advances. Increases to the outstanding balance of the advances must be approved by the FMB based on the needs of the Corporation. The balance was not to exceed \$45 million (2015: \$45 million) as at March 31, 2016.

Interest on the advances is based on the rate set during the last week of each month for the Government of Canada 3-year bonds, compounded annually. The rate varied from 0.42% to 0.68% (2015: 0.43% to 1.2%) during the year.

11. Government transfers

	000's					
	Lending/ Invest- ments	2016 Retail/ Manufac- turing	Total	Lending/ Invest- ments	2015 Retail/ Manufac- turing	Total
	\$	\$	\$	\$	\$	\$
Government:						
Operations and maintenance	2,717	640	3,357	2,849	640	3,489
Services received without charge (Note 16)	857	-	857	784	-	784
	3,574	640	4,214	3,633	640	4,273
Federal programs	97	-	97	97	-	97
	3,671	640	4,311	3,730	640	4,370

During the current fiscal year the Corporation had surplus funding of \$432,000 (2015: \$234,000). A stipulation included in the agreement is for any unspent funds to be repaid to the Government. This amount has been recognized in accounts payable and accrued liabilities at year end. The amount will be repaid through a reduction of next year's contribution.

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2016

12. Expenses by object

	000's					
	2016		Total	2015		Total
	Lending/ Invest- ments	Retail/ Manu- factur- ing		Lending/ Invest- ments	Retail/ Manu- factur- ing	
\$	\$	\$	\$	\$	\$	
Advertising and promotion	56	11	67	23	16	39
Amortization	6	26	32	6	89	95
Asset retirement	10	-	10	-	-	-
Bad debts	-	38	38	5	16	21
Bank charges and interest	2	28	30	2	23	25
Board members	52	1	53	57	2	59
Business Development Fund	271	-	271	301	-	301
Business Service Centre	241	-	241	257	-	257
Computers and communications	112	22	134	117	16	133
Cost of goods sold	-	836	836	-	707	707
Insurance	-	25	25	-	25	25
Interest expense on advances from the Government	142	-	142	259	-	259
Office and general	40	15	55	45	26	71
Professional services	48	87	135	140	93	233
Recovery of credit losses, net	(470)	-	(470)	(407)	-	(407)
Rent	209	16	225	180	15	195
Repairs and maintenance	-	13	13	-	12	12
Salaries and benefits	2,319	270	2,589	2,442	194	2,636
Supplies	-	-	-	-	1	1
Training and workshops	30	-	30	15	-	15
Travel	66	21	87	86	26	112
Utilities	-	113	113	-	124	124
	3,134	1,522	4,656	3,528	1,385	4,913

13. Commitments

As at March 31, 2016, loans to businesses, approved but not yet disbursed, totalled \$2.7 million at a weighted average interest rate of 4.2% (2015: \$2.9 million at a weighted average interest rate of 4.9%). These loans do not form part of the loans receivable balance until disbursed. Also as at March 31, 2016, contributions to businesses approved but not yet disbursed totalled \$25,000 (2015: \$45,000).

14. Contingencies

Loans

The Corporation has four outstanding loans to three Northern Community Futures organizations for their own lending purposes totalling \$1,041,000 (2015: four outstanding loans totalling \$1,161,000). Loans provided by these three organizations may be assigned to the Corporation when impaired. If as-

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements****March 31, 2016**

14. Contingencies (continued)

signed, the Corporation would then write off the Northern Community Futures organization loan balance and would attempt to recuperate its loss directly from the borrowers. In 2016, no accounts were assigned to the Corporation (2015: one account in the amount of \$84,000).

Letters of credit

The Corporation has six outstanding irrevocable standby letters of credit. The amounts of these letters of credit totalled \$2,375,000 (2015: \$2,385,000) and expire in 2016 (3), 2017 (2) and 2020 (1). Payment by the Corporation is due from these letters in the event that the applicants are in default of the underlying debt. To the extent that the Corporation has to pay out to third parties as a result of these agreements, these payments will be owed to the Corporation by the applicants. Each letter of credit is secured by promissory note, general security agreement, guarantee or collateral mortgage. During the year, no payments were made (2015: nil).

15. Related party transactions

The Corporation is related in terms of common ownership to all Government of the Northwest Territories created departments, territorial corporations and public agencies. The Corporation enters into transactions with these entities in the normal course of business and on normal trade terms applicable to all individuals and enterprises except that certain services are provided without charge (Note 16).

Transactions with related parties during the year and balances at year end are as follows:

	000's	
	2016	2015
	\$	\$
Revenues		
Sales	10	37
Government transfers (Note 11)	4,214	4,273
Expenses		
Purchases	186	185
Interest on advances from the Government	142	259
Balances at year end		
Accounts receivable	1	26
Accounts payable and accrued liabilities	530	390
Advances from the Government	25,115	26,274

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2016

16. Services received without charge

The Corporation records the estimated cost of services provided by the Government without charge. Services received without charge from the Government include regional and human resource services and office accommodation. The estimated cost of such services is as follows:

	000's	
	2016	2015
	\$	\$
Staff support	620	556
Accommodation	237	228
	857	784

17. Budgeted figures

Budgeted figures have been derived from the budgets approved by the FMB and the Corporation's Board of Directors. The budget figures for the Corporation's organizations have been approved by the Corporation's senior management.

The 2016 and 2015 budgeted expenses are as follows:

	000's					
	2016			2015		
	Lending/ Invest- ments	Retail/ Manu- factur- ing	Total	Lending/ Invest- ments	Retail/ Manu- factur- ing	Total
	\$	\$	\$	\$	\$	\$
Advertising and promotion	30	7	37	30	12	42
Amortization	6	20	26	10	57	67
Bad debts	-	5	5	-	5	5
Bank charges and interest	-	26	26	-	20	20
Board members	50	1	51	50	1	51
Business Development Fund	300	-	300	300	-	300
Business Service Centre	250	-	250	97	-	97
Computers and communications	96	17	113	105	19	124
Cost of goods sold	-	719	719	-	600	600
Freight and courier	-	5	5	-	5	5
Insurance and licenses	-	25	25	-	24	24
Interest expense	340	-	340	475	-	475
Office and general	50	22	72	50	28	78
Professional services	90	81	171	90	74	164
Provision for credit losses, net	200	-	200	500	-	500
Rent	213	16	229	240	13	253
Repairs and maintenance	-	11	11	-	20	20
Salaries and benefits	2,560	224	2,784	2,870	170	3,040
Supplies	-	1	1	-	2	2
Travel and vehicles	120	33	153	115	45	160
Utilities	-	58	58	-	144	144
	4,305	1,271	5,576	4,932	1,239	6,171

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements**
March 31, 2016

18. Risk management

The Corporation is exposed to the following risks as a result of holding financial instruments:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet its obligations.

The risk associated with cash is minimized substantially by ensuring that these financial assets are placed with well-capitalized financial institutions.

Credit granting and loan management are based on established credit policies. The maximum exposure to credit risk from borrowers and investees is limited to the carrying amount of the loans and investments. The Corporation's management of credit exposures from borrowers and investees includes:

- a standardized credit risk rating classification system established for all loans;
- credit policies and directives, communicated to lending officers whose activities and responsibilities include credit granting and monitoring client performance;
- independent review of loan applications in excess of \$1 million; and,
- limiting the concentration of loans and investments with any one business enterprise or group of related enterprises to \$2 million. Amounts greater than \$2 million must be approved by the FMB.

The principal collateral held as security and other credit enhancements for loans include: (i) real estate; (ii) equipment; (iii) corporate and personal guarantees; and (iv) assignment of leases.

As at March 31, 2016, \$142,000 (2015: \$467,000) of the impaired loans are secured by assets the Corporation has the ability to sell in order to satisfy borrowers' commitments. There were no significant changes to the Corporation's credit risk management policies and practices from the prior year.

The table below illustrates the maximum credit exposure to the Corporation if all counterparties defaulted on March 31, 2016:

	000's	
	2016	2015
	\$	\$
Cash	15,608	17,166
Accounts receivable	120	132
Loans receivable	39,209	36,844
Venture investments	7	18
Letters of credit	2,375	2,385

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk in that changes in market interest rates will cause fluctuations in the future cash flows of the advances from the Government, fluctuations in the fair value and future cash flows of loans receivable, and interest revenue from cash.

18. Risk management (continued)

The Corporation's borrowing from the Government is based on a variable market rate and it lends to the majority of its clients at fixed term rates. The Corporation's interest rate margin or spread widens when interest rates fall and it narrows when interest rates rise.

The Corporation manages its interest rate risk by paying down the advances from the Government with excess cash available from the Loans and Bonds fund.

Based on the Corporation's advances from the Government as at March 31, 2016 and the monthly cash balance on hand, a 100 basis point increase in interest rates would decrease annual surplus by \$93,000 (2015: \$118,000). A 100 basis point decrease in interest rates would increase annual surplus by \$3,000 (2015: \$82,000).

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with its financial liabilities. The Corporation manages its liquidity risk by regularly monitoring forecasted and actual cash flows.

The advances from the Government are due on demand with no fixed repayment terms. Repayment on advances is made whenever the Corporation has sufficient cash on hand which is not earmarked for lending purposes.

19. Subsequent event

In April 2016, the Minister approved an interest rebate to qualifying borrowers. Each borrower is eligible to receive up to a maximum of \$3,000 in interest rebate for a period of up to one year effective April 2016 at an estimate cost of \$260,000.

20. Comparative figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

Northwest Territories Business Development and Investment Corporation

Consolidated Schedule of Tangible Capital Assets

**Schedule A
000's**

	Land	Buildings	Vehicle and Equipment	Leasehold Improve- ments	Computer Equipment	March 31, 2016	March 31, 2015
	\$	\$	\$	\$	\$	\$	\$
Cost of tangible capital assets, opening	80	1,950	659	449	25	3,163	3,608
Acquisitions	-	-	53	-	-	53	-
Disposals	-	-	(47)	-	(5)	(52)	(445)
Cost of tangible capital assets, closing	80	1,950	665	449	20	3,164	3,163
Accumulated amortization, opening	-	1,782	647	449	25	2,903	3,251
Amortization expense	-	12	20	-	-	32	95
Disposals	-	-	(47)	-	(5)	(52)	(443)
Accumulated amortization, closing	-	1,794	620	449	20	2,883	2,903
Net book value	80	156	45	-	-	281	260



NORTHWEST TERRITORIES HERITAGE FUND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

(unaudited)

Northwest Territory Heritage Fund

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

These accompanying financial statements of the Northwest Territories Heritage Fund ("the Fund") have been prepared by management in accordance with Canadian public sector accounting standards. Management is responsible for the integrity and objectivity of the data in these financial statements and, where appropriate, the financial statements include estimates based on careful consideration of the information available to management.

Management maintains financial and management systems and practices which are designed to provide reasonable assurance that transactions are properly authorized and recorded, assets are safeguarded, proper books of account are maintained, reliable financial information is available on a timely basis, and the Fund complies with the relevant authorities and policies approved by the Financial Management Board. Management also recognizes its responsibility for conducting the Fund's affairs in accordance with the requirements of applicable laws and for maintaining the standards of conduct that are appropriate for a public agency of the Government of the Northwest Territories.

On behalf of the Northwest Territories Heritage Fund



Sandy Kalgutkar, CGA
Deputy Secretary of the Financial Management Board
Government of the Northwest Territories

Yellowknife, Northwest Territories
June 10, 2016

Northwest Territories Heritage Fund
Statement of Financial Position (unaudited)

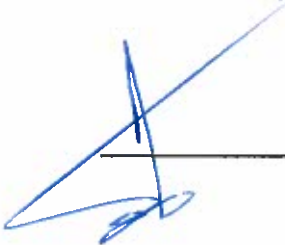
as at March 31, 2016

	2016 \$	2015 \$
Financial assets:		
Cash (Note 3)	5,520,492	764,843
Accounts Receivable	4,923	779
	<u>5,525,415</u>	<u>765,662</u>
Liabilities	<u>-</u>	<u>-</u>
Net financial assets	<u>5,525,415</u>	<u>765,662</u>
Accumulated surplus	<u>5,525,415</u>	<u>765,662</u>

Approved:



Robert C. McLeod
Chairman of the Financial Management Board



Sandy Kalgutkar
Deputy Secretary of the Financial Management Board

Northwest Territories Heritage Fund

Statement of Change in Net Financial Assets (unaudited)

for the year ended March 31, 2016

	2016 \$	2015 \$
Net financial assets, beginning of year	765,622	506,033
Items affecting net financial assets:		
Annual surplus	4,759,793	259,589
Net financial assets, end of year	5,525,415	765,622

Northwest Territories Heritage Fund

Statement of Operations and Accumulated Surplus (unaudited)

for the year ended March 31, 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Revenues:			
Interest	25,000	37,583	9,589
Contribution from GNWT	7,600,000	4,722,210	250,000
	7,625,000	4,759,793	259,589
Expenses	-	-	-
Annual surplus	7,625,000	4,759,793	259,589
Accumulated surplus, beginning of year	765,622	765,622	506,033
Accumulated surplus, end of year	8,390,622	5,525,415	765,622

Northwest Territories Heritage Fund

Statement of Cash Flow (unaudited)

for the year ended March 31, 2016

	2016 \$	2015 \$
Cash provided by (used in) Operating transactions		
Annual surplus for the year	4,759,793	259,589
Changes in non-cash assets and liabilities:		
Increase in accounts receivable	(4,144)	(264)
Increase in cash	4,755,649	259,325
Cash, beginning of year	764,843	505,518
Cash, end of year	5,520,492	764,843

Northwest Territories Heritage Fund

Notes to Financial Statements (unaudited)

March 31, 2016

1. AUTHORITY AND OPERATIONS

The Northwest Territories Heritage Fund ("the Fund") was established by the Government of the Northwest Territories (the Government) under the *Northwest Territories Heritage Fund Act* to set aside a portion of resource revenues to provide financial resources for the Government to fund long-term investments that would allow Northwest Territories residents to receive benefits from the development of the territory's non-renewable resources. Oversight of the Fund's operations is provided by the Financial Management Board. Administration of the Fund is the responsibility of the Secretary of the Financial Management Board, appointed by the Minister of Finance under subsection 3(5) of the *Financial Administration Act*. The Fund's single objective is to maximize the long-term growth in the Northwest Territories Heritage Fund while avoiding undue risk. The investment management will be guided by the Government's approved investment principles. The Fund is not subjected to taxation under the *Income Tax Act* of Canada.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(b) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances and short-term highly liquid investments that are readily convertible to cash with an original maturity date of 90 days or less.

(c) Interest income

Interest income is recognized when earned.

3. Cash and cash equivalents

The Fund's cash balances are held in a trust account. The Fund's yield for the year ended March 31, 2016 was 1.13% (2015 - 1.25%). Investments made by the Fund are subject to the Investment Regulations of the *Financial Administration Act*.

4. Financial Instruments

Financial instruments consist of cash and cash equivalents and accrued interest receivable. It is management's opinion that the Fund is not exposed to significant interest rate, market, currency, credit, liquidity, cash flow, or other price risks. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

*Northwest Territories
Housing Corporation
Annual Report 2015-2016*



*Northwest Territories
Housing Corporation
Annual Report 2015-2016*

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MESSAGE FROM THE MINISTER

As Minister Responsible for the Northwest Territories Housing Corporation (NWTHC), it is my pleasure to present the NWTHC 2015-2016 Annual Report.

As we near the end of our current strategic framework established in 2012, we take stock of all that's been achieved and begin to look ahead to what work still needs to be accomplished.

Our approach to housing has been to encourage and strengthen self-reliance and support residents in meeting their own shelter needs. We recognize the importance of housing in supporting community sustainability, contributing to efforts to reduce poverty, and reflect on the linkages between housing, education and health concerns that affect the most vulnerable among Northwest Territories (NWT) residents.



The local housing organizations (LHOs), the NWTHC's front line agents on the ground, are located in most communities throughout the NWT. To make housing services and programs more accessible, we have expanded the LHO offices into the communities of Gameti and Whati. In addition, the services of Government Service Officers are utilized in communities where there are no LHOs.

Our elders are the foundation of our communities' cultures, traditions and history, and are among the fastest growing populations in the NWT. In recognition of this the NWTHC is increasing accessibility of not only our housing stock, building seniors centres such as the Joe Greenland Centre, but also repair programs for homeowners wanting to build accessible modifications to their homes.

As one of the priorities of the 18th Legislative Assembly is to lower the cost of living and create solutions to address homelessness, the NWTHC will continue to look towards creative solutions towards resolving homelessness in the NWT. We recognize that the best approach is a holistic one, where communities and stakeholders work together and, we will continue to foster these relationships that includes hearing the voices of the most vulnerable in our communities, the homeless.

In the face of challenges such as the declining federal funding and economic downturn, the NWTHC will continue to strive to be responsive to the housing needs of our people.

The Honourable Caroline Cochrane
Minister Responsible for the Northwest Territories Housing Corporation

MESSAGE FROM THE PRESIDENT AND CEO

The Northwest Territories Housing Corporation (NWTHC) continues to strive towards providing access to safe and affordable housing for residents across the Northwest Territories (NWT). Our actions are guided by the priorities of the 18th Legislative Assembly, and our strategic framework, Building for the Future.

The Public Housing Program continues to be the NWTHC's largest portfolio with a housing stock that exceeds 2,400 housing units, and expenses representing 55% of the annual operating expenditures. Significant investments totaling a near \$37 million were made to the program during the fiscal year.

Lack of rental housing for critical community workers such as nurses and teachers was identified as a barrier to service delivery as options for rental housing in non-market communities may often be limited. To help address this barrier, the NWTHC constructed 41 affordable housing units across the NWT this year. These new units contribute to ongoing community sustainability and governance.

The NWTHC strives to meet the changes in housing demand as demographics of our population continue to change. With the number of seniors across the NWT forecasted to increase by 26% over the next five years, the NWTHC is constructing seniors' complexes such as the Joe Greenland Centre in Aklavik. In addition, the NWTHC has implemented changes to the homeownership repair programs to support elders aging in place within their communities.

To address the sustainability of Public Housing, the NWTHC has worked with the Housing Corporations of the Yukon and Nunavut to develop a plan for renewed federal engagement which includes a Tri-Territorial Business Case. This work will help drive discussions that may lead to consistent long-term federal support for northern housing.

This year brought about the end of the 17th Legislative Assembly and ushered in a new government. New leadership continued to view safe and affordable housing as a key focus. Specifically, the 18th Legislative Assembly included housing actions under the key priorities of cost of living and community wellness and safety.

In closing, I would like to thank the dedication of the NWTHC staff, community agencies and the participation of residents without whom the work that we are committed to doing would not be possible. Moving forward as the NWT faces increasing economic uncertainty and declines in the federal provision for social housing, the NWTHC will continue to work tirelessly for the residents of the NWT in our goal of providing safe and affordable housing.



Mr. Jeff Anderson
President and CEO
Northwest Territories Housing Corporation



CORPORATE PROFILE

Mission Statement

The Northwest Territories Housing Corporation (NWTHC) works in partnership with residents, where appropriate and necessary, to ensure access to affordable, adequate and suitable housing.

Goals:

- Ensure a sufficient supply of adequate, suitable and affordable housing to address the housing needs of NWT residents.
- Promote personal responsibility and accountability for housing.
- Provide homeownership and rental programs and services that are effective and appropriate.
- Help address homelessness through supporting the infrastructure needs of emergency shelters and transitional housing.
- Acquire housing in an effective and efficient manner for program delivery through appropriate designs, land planning and acquisition, and appropriate construction standards.
- Enhance the long term sustainability of NWTHC housing assets through on-going maintenance and repairs and implementing energy efficiency technologies.

CORPORATE STRUCTURE

Corporate Summary

The NWTHC provides social and market housing programs and services including subsidized rental and homeownership programs (including purchase and repairs), and unsubsidized rental housing in rural and remote communities. Policy and program development play a key role in creating appropriate programs to address the core housing need of NWT residents and promote self-reliance. The NWTHC incorporates energy-efficient technologies in its housing design and in the retrofitting of housing to improve its sustainability and energy efficiency. The NWTHC also works in partnership with the Canada Mortgage and Housing Corporation to cost-share the development and improvement of housing infrastructure across the NWT. At the community level, the NWTHC partners with Local Housing Organizations, and municipal and Aboriginal governments, to manage and administer community housing services in 33 communities.

Branches

The Executive, comprised of the President's Office and the Strategic Planning, Policy and Communications Division manages the implementation of the Government's direction related to housing.

The President's Office—The President's Office is responsible for supporting the Minister Responsible for the NWTHC, providing overall strategic and operational direction, leading the senior management team and managing the human and financial resources of the NWTHC.

CORPORATE STRUCTURE

Strategic Planning, Policy and Communications - The Strategic Planning, Policy and Communications Section provides support with regard to long-term strategic direction and planning for the NWT HC. This Section is also responsible for strategic and business planning, policy development, qualitative and quantitative research, corporate communications and homelessness initiatives. This section represents the NWT HC on a Federal/Provincial/Territorial level, on interdepartmental working groups, and on other committees.

Finance and Infrastructure Services - The Finance and Infrastructure Services Branch is comprised of the Finance and Administration Division, Infrastructure Services Division, Financial Planning Section and Information Services Section. Through these units, the Branch manages and administers the NWT HC's financial services, capital planning, land acquisition and planning, information services, asset management and capital infrastructure delivery.

Finance and Administration Division - The Finance and Administration Division is responsible for the overall financial management and administrative functions of the Corporation including financial support and advice to senior management and other stakeholders including the Local Housing Organizations (LHOs). The Division provides accounting services such as reporting and monitoring on the financial position of the Corporation and the completion of the year-end consolidated financial statements. It is also responsible for the treasury function and for the mortgage and debt administration of the Corporation.

The Division also provides asset management services to ensure that over 2,700 housing assets are safeguarded through effective inventory management, life cycle costing, and the collection of asset level utility and maintenance costing. It supports the administration of all leases for supplemental housing units and Corporate and LHO office and warehouse space requirements. The Division also oversees the administration of the Social Housing and Affordable Housing funding agreements with our federal partner, the Canada Mortgage and Housing Corporation (CMHC) and various other third party agreements where the Corporation provides subsidy assistance and operation support to non-profit housing organizations.

Debt Repayment is the responsibility of this Branch, which refers to the payment of long-term debt to CMHC for the provision of rental housing. The annual principal and interest payments are cost-shared with CMHC as they contribute a significant portion of the funds to service the debt.

Financial Planning - The Financial Planning Section is responsible for the coordination of the development of plans for capital infrastructure and minor capital projects, corporate budget development, project and budget change management and variance analysis.

Information Services - The Information Services Section provides strategic advice and guidance on the use of information and communications technology and broad information management services to support the delivery of programs and services of the Corporation and its community partners. The Section is responsible for developing Corporation specific information systems as well as system training, which are critical to the delivery of housing programs and services.

CORPORATE STRUCTURE

Infrastructure Services Division - The Infrastructure Services Division is responsible for the overall development, design and procurement, planning and delivery of capital infrastructure projects in support of the NWTHC's rental and homeownership programs. This Division is also responsible for the planning, procurement, and administration of suitable land for the delivery of housing programs and services, and the security of NWTHC assets and mortgage interests. Infrastructure Services is also responsible for the maintenance management of the NWTHC's rental housing portfolio in order to ensure its long term sustainability. The Division provides technical assistance in the development of new housing programs and supports the District Offices in their delivery of the Contributing Assistance for Repairs and Enhancements (CARE) program in collaboration with private homeowners to determine their repair needs and develop scopes of work. Finally, Infrastructure Services is the NWTHC's lead on issues related to energy efficiency and new housing technologies.

Programs and District Operations - The Programs and District Operations Branch provides corporate support and oversight to the NWTHC's five District Offices in the delivery of programs and services to the residents of the NWT. This includes the development, implementation, training, monitoring, and delivery of programs and initiatives that support the NWTHC's response to housing needs in the NWT, and to ensure a continuity of approach to program delivery and implementation.

The Programs Development and Implementation Section - The Program Development and Implementation Section works closely with District Offices and Local Housing Organizations (LHOs) to ensure compliance with existing program policies and procedures. This Section also develops and updates ongoing operational policies and procedures to ensure housing programs remain updated and responsive, and to ensure that District Offices and LHOs have the support, training and capacity required to effectively and efficiently deliver the NWTHC's programs and services.

The District Operations - District Offices are responsible for the administration of district capital and program delivery. District Offices also play a pivotal role in lands acquisition and development, maintenance, training, and work closely with stakeholders at the community level. District Offices work with LHOs and NWT residents to identify options for programming to assist individuals and families in decision making regarding their housing needs. This assistance includes the delivery of the Corporation's Providing Assistance for Territorial Homeownership (PATH), Contributing Assistance for Repairs and Enhancements (CARE), Contributing Assistance for Repairs and Enhancements Preventive Maintenance (CARE PM), Contributing Assistance for Repairs and Enhancements Mobility for Seniors (CARE Mobility) and Securing Assistance for Emergencies (SAFE) homeownership programs.

North Slave District Office:

This District Office supports the communities of: Behchoko, Dettah/N'dilo, Gameti, Lutsel K'e, Wekweeti, Whati and Yellowknife.

South Slave District Office:

This District Office supports the communities of: Enterprise, Hay River, Hay River Reserve, Kakisa, Fort Providence, Fort Resolution and Fort Smith.

CORPORATE STRUCTURE

Nahendeh District Office:

This District Office supports the communities of: Fort Liard, Fort Simpson, Jean Marie River, Nahanni Butte, Trout Lake and Wrigley.

Sahtu District Office:

This District Office supports the communities of: Colville Lake, Deline, Fort Good Hope, Norman Wells and Tulita.

Beaufort-Delta District Office:

This District Office supports the communities of: Aklavik, Fort McPherson, Inuvik, Paulatuk, Sachs Harbour, Tsiigehtchic, Tuktoyaktuk and Ulukhaktok.

Local Housing Organizations (LHOs) - The NWTHC, in partnership with 24 LHOs, and community organizations, administers approximately 2,400 social housing units in 31 communities across the NWT. The LHOs, under agreement with the NWTHC, provide property management services including the allocation of units, the assessment of rent, the collection of rents, and the provision of preventative and demand maintenance services. LHOs have an advisory board that oversees its operations. The NWTHC's district offices are responsible for these operations in communities where an LHO has not been established.

LHOs, operating as agents of the NWTHC, are responsible for the administration of Public and Affordable housing rental units in the majority of communities across the NWT. Public housing units were developed under the Social Housing Agreement between the NWTHC and the Canada Mortgage and Housing Corporation. The Public Housing Program is a rental program designed for individuals and families who do not have the financial resources to access shelter on their own. Affordable housing includes both our leased subsidized Homeownership Entry Level Program units, and our unsubsidized Market Housing units for that are used to house critical staff in NWT communities.

The following is a list of all LHOs:

Aklavik Housing Association	Lutsel K'e Housing Authority
Behchokö Ko Gha K'òodèè	Norman Wells Housing Authority
Deline Housing Association	Paulatuk Housing Association
Fort McPherson Housing Association	Radilih Koe Housing Association
Fort Providence Housing Association	Sachs Harbour Housing Association
Fort Resolution Housing Authority	Tsiigehtchic Housing Association
Fort Simpson Housing Authority	Tuktoyaktuk Housing Association
Fort Smith Housing Authority	Tulita Housing Association
Gameti Housing Authority	Ulukhaktok Housing Association
Hamlet of Fort Liard	Whati Housing Authority
Hay River Housing Authority	Yellowknives Dene Band Housing Division
Inuvik Housing Authority	Yellowknife Housing Authority

NWTHC PROGRAMS

The NWTHC's programs are essential pieces in supporting the GNWT's efforts to improve the quality of life for its residents. Our programs and services facilitate access to housing that NWT residents can afford, that meets suitability standards, and is adequate to meet residents' needs. In addition, our programs and services should provide easy access for clients and promote greater personal responsibility for housing through community-based training and support.

Public Housing

The Public Housing Program provides income-based subsidies for the rental of housing for residents in need. The NWTHC provides financial, administrative, maintenance, construction and repair support to its community partners who deliver the program on behalf of the NWTHC. The NWTHC utilizes management/services agreements with LHOs or community services organizations to manage its affordable housing portfolio. Currently, the NWTHC operates approximately 2,400 public housing units, which are managed by LHOs and community organizations, located in 31 communities throughout the NWT.

Affordable Housing

The NWTHC provides affordable housing throughout the NWT through the delivery of the Homeownership Entry Level Program (HELP) and the Market Housing Program. In 2015-2016, the NWTHC had 225 units in the HELP program and 152 units in the Market Housing Program.

The HELP Program assists prospective first-time homebuyers who are not able to secure mortgage financing or are unsure of their responsibilities as homeowners, by providing the opportunity to lease subsidized units from the NWTHC at affordable standardized rents based on geographic zones. Tenants are responsible for the payment of utilities. The program also offers homeownership educational opportunities through STEP courses.

A unit is leased to eligible applicants (tenant) who pay a subsidized rent depending on the Community they reside in. After completing a six-month lease period, the tenant is eligible to receive an "equity contribution" of up to \$20,000, to purchase a unit, provided that the tenant: is not in default of the HELP Agreement or the Residential Tenancy Agreement, has no outstanding rental arrears or tenant related damages and has completed the required courses of the STEP Program.

A lack of market housing options in small communities has been a key challenge in delivering GNWT programs and services, especially in the case of front-line workers like teachers and nurses. In order to support non-market communities, the NWTHC operates 152 units under the Market Housing Program. Under the program, the NWTHC provides rental housing units at market rental rates intended to increase the availability of housing in smaller communities for community workers.

NWTHC PROGRAMS

Transitional Rent Supplement Program

On September 1, 2012, the NWTHC launched a new rent assistance program call the Transitional Rent Supplement Program (TRSP). The TRSP is designed to provide short-term support to Northwest Territories residents who pay more than 30% of their household income towards rent in private market rentals. This program fills an important gap in assisting working families challenged by affordability issues.

Homeownership

The NWTHC provides an opportunity for NWT residents to access government support through programming for the purchase of a modest private home, repair their homes to ensure a safe and healthy residence and to increase the useful economic life of their home, or access a rental program that allows them to experience the commitments required to be a successful homeowner.

The simplified structure of the homeownership programs offers flexible delivery options to NWT residents and also meets the needs of seniors, and those with accessibility challenges. These programs use education and counselling to help residents in becoming successful homeowners.

Last year, program application intake changed to a year-round intake to better provide timely supports to residents in need. These one-on-one discussions between residents and staff of the NWTHC is necessary in order to explore program requirements, help individuals in identifying their housing needs and to determine the program that will best fit an individual's or a household's needs.

The following housing programs help us to achieve our goals to improve housing in the NWT.

- Solutions To Educate People (STEP)
- Providing Assistance for Territorial Homeownership (PATH)
- Contributing Assistance for Repairs & Enhancements (CARE)
- Contributing Assistance for Repairs & Enhancements - Mobility (CARE Mobility)
- Contributing Assistance for Repairs & Enhancements - Preventative Maintenance (CARE PM)
- Securing Assistance For Emergencies (SAFE)

STEP

STEP provides education and counseling assistance consisting of four courses designed to prepare participants for the responsibilities of homeownership. STEP aims to increase homeownership applicants' financial skills, as well as, their knowledge of the home purchase process, basic home maintenance and repairs.

STEP courses are not only offered to NWTHC applicants and clients, but also to NWT residents at large. Although priority is given to applicants/clients, space permitting, residents are encouraged to sign up for the courses through their District Offices.

NWTHC PROGRAMS

PATH

PATH allows clients the opportunity to become homeowners by assisting in the construction or purchase of a modest home. Clients obtain additional funding from an approved financial institution or other verifiable sources. Assistance levels are determined by a zone approach that provides a level of subsidy to roughly equalize shelter costs for dwellings of a similar age and quality within non-market communities, and range between 5% and 55% of the purchase price or the Maximum Construction Cost (MCC), whichever is less. Applicants with moderate income, but income over the Core-Need Income Threshold (CNIT), will be eligible for 50% of the subsidy. Assistance is provided through a forgivable loan. The forgiveness period of the loan is dependent on the amount of assistance provided.

CARE

CARE assists existing homeowners in making necessary repairs to their home to ensure a safe and healthy residence and to increase the remaining economic life of their home. Assistance of up to \$100,000 is provided in the form of a forgivable loan to subsidize the cost of preventative maintenance checks, repairs and renovations for their existing home. The forgiveness period is dependent on the amount of assistance being provided. Co-pay may be required depending on household income.

CARE Mobility

CARE Mobility assists low-income homeowners with disabilities by providing up to \$100,000 to carry out modifications to their home to improve accessibility and support independent living. Again, co-pay may be required depending on household income.

- Modifications may include:
- The construction of wheelchair access ramps;
- The installation of grab bars in bathrooms; and
- Creating better access to bathtubs, showers, and the kitchen.
- Modifications must be directly related to the disability of the homeowner or a family member residing in the unit.

CARE PM

CARE PM provides assistance for preventative maintenance and minor repairs. Clients can apply for up to \$3,000 annually and can apply for this support on a year-round basis.

SAFE

SAFE is an emergency repair program. Clients are eligible for up to \$10,000 for emergency repairs to their private home to ensure health and safety standards are met, and are able to make applications for SAFE funding at any time. SAFE is designed to assist eligible homeowners with emergency repairs to their private home based on a partnership model (co-payment) between the NWTHC and the homeowner.

NWTHC PROGRAM DELIVERY IN A SNAPSHOT

Major and Minor Capital Spending

Overall, the NWTHC provided housing programs at a value of \$51,386,000 in fiscal year 2015-2016.

The following chart reports the programs and financial assistance under major and minor capital provided to NWT residents by the NWTHC during fiscal year 2015-2016. The data is presented as a breakdown by regional basis and territorial wide then follows with the amount of approved applications for homeownership programs offered through the NWTHC.

Beaufort-Delta District

Activity	Dollar Value
<i>Public Housing</i>	
Replacement	\$5,686,000
Major M&I	\$3,670,000
Minor M&I	\$3,470,000
<i>Affordable Housing New</i>	\$3,299,000
<i>Homeownership Repair</i>	\$914,000
<i>Other Capital</i>	\$299,000
Total	\$17,338,000

Sahtu District

Activity	Dollar Value
<i>Public Housing</i>	
Replacement	\$2,570,000
Major M&I	\$3,051,000
Minor M&I	\$948,000
<i>Affordable Housing New</i>	\$4,919,000
<i>Homeownership Repair</i>	\$455,000
<i>Other Capital</i>	\$40,000
Total	\$11,983,000

Nahendeh District

Activity	Dollar Value
<i>Public Housing</i>	
Replacement	\$1,334,000
Major M&I	\$756,000
Minor M&I	\$292,000
<i>Affordable Housing New</i>	\$703,000
<i>Homeownership Repair</i>	\$163,000
<i>Other Capital</i>	\$75,000
Total	\$3,323,000

South Slave District

Activity	Dollar Value
<i>Public Housing</i>	
Replacement	\$790,000
Major M&I	\$2,212,000
Minor M&I	\$2,159,000
<i>Affordable Housing New</i>	\$549,000
<i>Homeownership Repair</i>	\$566,000
<i>Other Capital</i>	\$151,000
Total	\$6,427,000

North Slave District

Activity	Dollar Value
<i>Public Housing</i>	
Replacement	\$6,110,000
Major M&I	\$1,716,000
Minor M&I	\$2,030,000
<i>Affordable Housing New</i>	\$1,522,000
<i>Homeownership Repair</i>	\$695,000
<i>Other Capital</i>	\$242,000
Total	\$12,315,000

Northwest Territories

Activity	Dollar Value
<i>Public Housing</i>	
Replacement	\$16,490,000
Major M&I	\$11,405,000
Minor M&I	\$8,899,000
<i>Affordable Housing New</i>	\$10,992,000
<i>Homeownership Repair</i>	\$2,793,000
<i>Other Capital*</i>	\$807,000
Total	\$51,386,000

* Other Capital includes Warehouses, TRSP & Homelessness, Computers, and Vehicles including purchases allocated to Headquarters.

NWTHC PROGRAM DELIVERY IN A SNAPSHOT

Homeownership Programs

Approved programs offered through the NWTHC in 2015-2016.

Beaufort Delta District

Program	Number of Programs
CARE PM	74
CARE Major	6
CARE Mobility	1
PATH	4
HELP	5
SAFE	18
Totals:	108

Sahtu District

Program	Number of Programs
CARE PM	8
CARE Major	0
CARE Mobility	0
PATH	1
HELP	7
SAFE	1
Totals:	17

Nahendeh District

Program	Number of Programs
CARE PM	18
CARE Major	1
CARE Mobility	0
PATH	0
HELP	0
SAFE	16
Totals:	35

South Slave District

Program	Number of Programs
CARE PM	41
CARE Major	9
CARE Mobility	0
PATH	5
HELP	4
SAFE	30
Totals:	89

North Slave District

Program	Number of Programs
CARE PM	95
CARE Major	8
CARE Mobility	0
PATH	3
HELP	0
SAFE	20
Totals:	126

Northwest Territories

Program	Number of Programs
CARE PM	236
CARE Major	24
CARE Mobility)	1
PATH	13
HELP	16
SAFE	85
Totals:	375

NWTHC PROGRAM DELIVERY IN A SNAPSHOT

Public Housing and Affordable Housing Programs

Expenditures for public housing and affordable housing programs in 2015–2016 totaled \$52.1 million. The NWTHC provides financial, administrative, maintenance, construction and repair support to community partners so they can deliver these programs on behalf of the NWTHC. The operating agreements between the community partners and the NWTHC cover the areas of financial administration, tenant relations and operations and maintenance of social housing units in the NWT.

Beaufort Delta District

Rental Housing	Results
Number of Units	862
Expenditures	\$21,287,000
Tenant Assessed Rent	\$2,293,376
Collection Rate	111%

Sahtu District

Rental Housing	Results
Number of Units	235
Expenditures	\$6,653,000
Tenant Assessed Rent	\$661,355
Collection Rate	100%

Nahendeh District

Rental Housing	Results
Number of Units	139
Expenditures	\$2,844,000
Tenant Assessed Rent	\$440,437
Collection Rate	89%

South Slave District

Rental Housing	Results
Number of Units	502
Expenditures	\$8,221,000
Tenant Assessed Rent	\$1,062,386
Collection Rate	109%

North Slave District

Rental Housing	Results
Number of Units	710
Expenditures	\$13,153,000
Tenant Assessed Rent	\$1,910,366
Collection Rate	116%

Northwest Territories

Rental Housing	Results
Number of Units	2,448
Expenditures ¹	\$52,158,000
Tenant Assessed Rent	\$6,367,920
Collection Rate ²	110%

¹ See Note 13 in Notes to Consolidated Financial Statements. Repairs, Maintenance and Improvement portion of maintenance and other costs and interest on long term debt are not included in above data.

² The Collection Rate is calculated using actual collections divided by the Tenant Assessed Rent. Collections includes payments on rental arrears, which may result in collections rates over 100%.

PUBLIC HOUSING UNIT CONDITION RATINGS

Each year, the NWTHC and LHOs conduct unit condition ratings on NWTHC owned public housing units.

Unit condition ratings provide the NWTHC with valuable information as to the state of its assets. The ratings are one source of information that helps support the NWTHC on how best to utilize its scarce financial resources to improve the quality of housing across the NWT.

The unit condition ratings influence the capital planning process. The yearly capital planning process directs future modernization and improvements (M&I) projects based on the condition of our existing public housing stock. M&Is are done in order to maintain the quality of housing for our tenants.

Condition ratings are also done to determine when older units need to be replaced or scheduled for demolition. In addition, the data collected through the unit condition ratings allow a planned approach to mitigate the financial pressures in the longer term while maintaining our assets in good condition. A systematic walk-through inspection is conducted to complete the condition rating of a unit. A standardized condition rating form is used that lists the components that make up the unit. The condition of each component is documented to assist in prioritizing repairs and estimating their cost.

The NWTHC has also implemented a training, monitoring and reporting process so this annual inspection can be utilized as an opportunity for both quality control in ensuring that all LHOs across the NWT are completing the inspections consistently as per NWTHC guidelines and a training opportunity where required.

Units with low condition ratings undergo a more detailed evaluation. This additional evaluation determines the cost benefit of investing further dollars to modernize and improve the unit to extend its useful life or to dispose of the unit and replace it.

The NWTHC plans for a 50-year life of new units with two major renovation/repair milestones; the first at 20 years and the second at 35 years. As well, regular maintenance is performed on its public housing assets.

The table provides a snapshot of the condition of the public housing stock for the fiscal year 2015-2016. Unit condition ratings are finalized in the month of October of each year.

PUBLIC HOUSING UNIT CONDITION RATINGS

NWTHC owned Public Housing Unit Condition Ratings for 2015-2016				
Community	Unit Condition Ratings			TOTAL UCRs Completed
	Under 60%	60% to 69%	70% and better	
BEAUFORT DELTA				
Aklavik	1	2	140	143
Fort McPherson	3	20	118	141
Inuvik	21	22	177	220
Paulatuk	-	6	61	67
Sachs Harbour	-	1	23	24
Tsiigehtchic	1	-	24	25
Tuktoyaktuk	1	-	171	172
Ulukhaktok	-	-	97	97
TOTAL BEAUFORT DELTA	27	51	811	889
NAHENDEH				
Fort Liard	1	-	42	43
Fort Simpson	6	-	101	107
Jean Marie River	1	-	4	5
Nahanni Butte	1	1	2	4
Trout Lake	1	-	5	6
Wrigley	6	-	11	17
TOTAL NAHENDEH	16	1	165	182
NORTH SLAVE				
Behchoko	59	55	104	218
Dettah	2	16	25	43
Gameti	1	4	23	28
Lutsel K'e	2	8	55	65
N'Dilo	3	12	15	30
Wekweeti	-	-	9	9
Whati	3	4	34	41
Yellowknife	20	9	159	188
TOTAL NORTH SLAVE	90	108	424	622
SAHTU				
Colville Lake	-	-	7	7
Deline	27	16	58	101
Fort Good Hope	6	1	52	59
Norman Wells	4	3	49	56
Tulita	16	24	44	84
TOTAL SAHTU	53	44	210	307
SOUTH SLAVE				
Fort Providence	10	6	108	124
Fort Resolution	1	5	83	89
Fort Smith	-	1	156	157
Hay River	4	17	153	174
Kakisa	2	-	2	4
K'atlodeeche First Nation	-	1	6	7
TOTAL SOUTH SLAVE	17	30	508	555
TOTAL ALL DISTRICTS	203	234	2,118	2,555

*Note: Approved surplus and pending surplus units have been removed from this summary. UCRs are not completed on units leased from private landlords.

RETROSPECTIVE ON THE BUILDING FOR THE FUTURE STRATEGIC PLAN

In 2012, the NWT HC developed a strategic plan for housing, *Building for the Future*, which was built off of the Shelter Policy Review completed in previous year. The strategic plan outlines eight strategic priorities related to housing, which are:

- Strengthening Public Housing
- Improving homeownership supports
- Increasing housing options in non-market communities
- Improving housing services
- Strengthening the approach to homelessness and transitional housing
- Addressing housing challenges for the working poor
- Developing infrastructure solutions based on individual and community needs and
- Addressing the declining federal funding

Since being released the NWT HC has made tremendous strides in implementing actions to meet these priorities. In strengthening public housing a new rent scale was developed and implemented, designed to address the disincentive to work and not create barriers for people improving their well-being. Improvements have been made on the accessibility of homeownership programming and a new emergency repair program has been created for when homeowners are facing unexpected disasters.

To reach out to families that are struggling to pay their bills and spend more than 30% of their gross income on their shelter costs the Transitional Rent Supplement program has been implemented.

Critical community service workers such as teachers and nurses have had challenging times in finding adequate housing, especially in the smaller remote communities. To meet this demand the NWT HC has begun expanding its market housing program by constructing 88 units over 3 years.

Expanding our local housing services into communities improves access to housing programs and services. The NWT HC is coordinating with, and supporting a range of public and private agencies to address gaps in the housing continuum; including addressing emergency shelter needs and housing supports for seniors.

The NWT HC will continue to be responsive to the housing needs of the residents of the NWT. Further work will be undertaken to incorporate alternative energy technology and retrofit upgrades into the design of social housing units that promotes energy efficiency, extends and modernizes the units and reduces our carbon footprint.

Part of strengthening the provision of housing on the local front also means bringing it forward nationally. The NWT HC is working with our provincial and territorial counterparts to raise the prominence of northern housing issues at the federal level and make it a significant part of the national discussion. Further to those efforts, the NWT HC worked with Yukon and Nunavut to develop a Tri-Territorial Business Case as a blueprint for informed federal engagement.

The priorities that are being brought forward are key to ensuring housing in the North is suitable, adequate and available for future generations of Northerners and are key to building on the Cost-of-Living priority of the 18th Legislative Assembly.

SENIORS PROGRAMMING

As the population of seniors in the NWT increases, so does the demand for housing options and services that facilitate a senior's ability to live independently in their own homes and their own communities as they age. While this may not seem pressing, the population of seniors in the NWT is forecasted to nearly double by 2031.

To meet the needs of our aging population, the NWT HC is taking a number of steps to help our seniors' age in place. With the appropriate support, seniors staying in their own home communities, amongst their support system including their family and friends has the potential to defer costly moves into long-term or extended care in a regional centre or Yellowknife.

As part of this initiative, the NWT HC has constructed the Aklavik Seniors Complex, the Joe Greenland Centre, that was completed in the fall of 2015. The Joe Greenland Centre includes modern features that will assist residents in their day-to-day living. Some of these supports include a "visit-able" design approach. The design includes no-step entrance areas, wider doorways and a bathroom on the main floor. Other design features may include reinforced bathroom walls for grab bars, levered door handles, raised electrical outlets and lowered light switches.

The NWT HC is planning to build a further four seniors' buildings in Fort Liard, Fort McPherson, Fort Good Hope, and Whati. In each of these buildings eight units will be occupied by seniors and one unit will be designated as a caretaker unit. These buildings will extend seniors' community living arrangements and may assist in the prevention of premature admission to long-term care facilities.

These units are operated under the Public Housing program. Currently, there are 356 Public Housing units across the territory that are designated for seniors and have modifications to improve accessibility. The NWT HC is incorporating specific accessibility features in all new housing units, whether or not they are intended for occupants with mobility challenges.

Making all our units more accessible increases the type of clients that can use all units and allows for our existing buildings to serve the population as it ages.



MARKET HOUSING

The lack of market housing options in small communities has been noted as a challenge to effective service delivery, especially in the case of front-line workers like teachers and nurses.

On April 29, 2013, the Northwest Territories Teachers' Association released the Northwest Territories Teachers' Association 2013 Housing Report – NWT Summary. The second part of the report, a Regional Summary, was released on July 3, 2013. This summary noted that the NWT HC was working to allocate a number of vacant housing to teachers, but that teachers still faced three key challenges when it came to housing in the north; lack of available housing, lack of affordable housing, and a lack of adequate housing.

To address this need for market rental options, the NWT HC is planning to deliver 89 new market units over a three-year period from 2014-15 to 2016-17. As part of its 2015-16 delivery, the NWT HC built 41 new Affordable Housing units in various communities across the NWT, which includes the 27 units carried over from 2014-15. A further 22 units will be carried over to the next fiscal year.

EXPANDING LOCAL COMMUNITY HOUSING SERVICES

The NWT HC expanded local housing service delivery in the communities of Whati and Gameti during the year.

This expansion of services requires the NWT HC to build local capacity in these communities as units have been allocated for use as public housing in some communities where there was previously no public housing or limited public housing. The establishment of a formal LHO involves the legal establishment of a Housing Authority under the NWT Housing Corporation Act.

LHOs also require community infrastructure such as an administrative office, a workshop/garage, storage yard, and maintenance equipment and tools. These communities will benefit from more support for their NWT HC operated units, quicker response to their needs, and staff that are available in the community. This will also bring the additional benefit of more jobs to these communities.

New local housing organizations (LHOs) have been established in Whati and Gameti. Another LHO is in the process of being established in Fort Liard. The establishment of these LHOs will create full-time administrative and maintenance staff in these communities. Both Whati and Gameti have full-time managers hired, and will be hiring maintenance staff in the next fiscal year.

These new LHO expansions will support the following units in these communities:

- Gameti: 17 public housing units; 9 affordable housing units
- Whati: 25 public housing units; 16 affordable housing units

This initiative improves community access to housing programs and services, and builds on the Cost-of-Living priority of the 18th Legislative Assembly.

2015-2016 LONG SERVICE AWARD RECIPIENTS

Five Years

Arusa Shafi, Policy Analyst – Strategic Planning, Policy and Communications
Dolphus Ferdinand, Service Desk Analyst – Information Services
Gil Lafferty, Technical Advisor – North Slave District Office
Louise Cumming, Supervisor, Accounting Services – Finance and Administration

Ten Years

Crystal Wegernoski, Contracts/Finance Administrator – Sahtu District Office
Jim Martin, Vice-President – Finance and Infrastructure Services
Kate Smith, Construction Manager – Beaufort-Delta District Office
Kelcy McDonald, Programs Manager – Beaufort-Delta District Office
Leon Nason, Technical Advisor – South Slave District Office
Sandy Stewart, Senior Lands Officer – Beaufort-Delta District Office
Shelly Martin, Senior Advisor – Executive Office
Shona Barbour, Programs Advisor – Beaufort-Delta District Office
Susie Hanna, Contracts Administrator – North Slave District Office

Fifteen Years

Bonnie Leonardis, Programs Advisor – North Slave District Office
Mike Keohane, Manager, Programs – North Slave District Office
Rudi Mouthaan, Database Administrator/Programmer – Information Services
Stephen Murphy, Chief Information Officer – Information Services
Todd Moran, Manager, Maintenance Services – Infrastructure Services

Twenty-five Years

Ioan Astle, Manager, Housing Programs & District Operations – Programs and District Operations

Thirty Years

David Klingbeil, Technical Officer Architectural – Infrastructure Services

Appendix A:
Management Discussion and Analysis
Fiscal Year 2015-2016

MANAGEMENT DISCUSSION AND ANALYSIS - FISCAL YEAR 2015-2016

Managing Risk / Pressures

Although the NWT HC has accomplished much over the 2015-16 fiscal year and has an ambitious agenda of how it will move forward to address the housing needs of our residents, there are both external and internal pressures and risks that impact how the NWT HC does business. In response to these challenges the NWT HC has employed various mitigation strategies to help offset, to the extent possible, these risks.

Declining CHMC Funding

Funding from CMHC for social housing continues to decline. Overall, the decline will be from \$20 million in 2002-03 to zero by 2038-39. The funding declines by different amounts on an annual basis depending on when the housing stock was initially constructed in partnership with the federal government. Over the life of the 18th Legislative Assembly federal funding will decline by \$1.4 million.

The NWT HC participates in the Provincial – Territorial Housing Forum that leads the inter-jurisdictional efforts to engage the federal government in meaningful discussion regarding sustainable housing. One mitigation strategy that the NWT HC is pursuing is the expansion of the market rent program to house RCMP in communities. This initiative will not only increase the availability of market housing, but also increase overall corporate revenue with a view of partially offsetting ongoing reductions in federal funding.

The NWT HC will continue to provide opportunities for tenants to take greater responsibility for their utility consumption with a view to reduce overall operating and maintenance costs to offset CMHC funding declines. On August 1, 2016 the tenant paid portion of electricity increased from \$.09 per kWh to \$.15 per kWh.

Increase in Core Need (Quality of Housing and Affordability)

The level of core need in the NWT according to the 2014 NWT Community Survey is 19.8%. To assist in addressing this situation the NWT HC has continued the allocation of funding under its capital plan towards the replacement or retrofit of the older public housing units.

In accordance with the priorities in the strategic framework, the NWT HC continues to provide the Transitional Rent Supplement Program to address market housing challenges of the working poor and the Securing Assistance for Emergencies repair program to provide access to emergency repairs for low to moderate income households. These programs are in addition to the homeownership and repair programs already offered.

MANAGEMENT DISCUSSION AND ANALYSIS - FISCAL YEAR 2015-2016

Increased Utility Costs

The sheer remoteness, a small population spread over a large landmass, and the growing global demand for resources such as natural gas and oil has helped to drive up the cost of utilities in the NWT. The NWT HC continually implements capital plans that improve the quality and energy-efficiency of Public Housing units to mitigate increasing utility costs. New construction for the replacement of aging single detached Public Housing is almost exclusively multi-unit buildings, resulting in lower consumption of heating fuel. Our standards for retrofits and new units require that projects meet or exceed EnerGuide for Housing (EGH) 80 design standards. The NWT HC has also invested in new energy efficiency technologies such as biomass and photovoltaic solar systems to help offset the high cost of energy.

In 2014-15 the NWT HC designed and implemented a system to improve detailed tracking of utility consumption and pricing. The system continues to undergo upgrades to improve data obtained from the system to inform the decision making process regarding energy efficient initiatives.

Land Development Issues

The availability of land for both current and future housing construction projects is an ongoing challenge. Land development in many Northwest Territories communities has not kept pace with the ongoing demand for suitable, developed, vacant lots. The NWT HC continues to work with community governments to identify and develop suitable land for residential construction.

Credit Risk

The NWT HC is exposed to credit risk from tenants and mortgage clients. Several LHOs have had challenges in collecting rent from tenants, resulting in accumulated tenant arrears. The NWT HC has increased support to enhance rent collections, including establishing a collections unit to further support LHOs with their ongoing collection activity. Our Territorial Housing System (THS), an information management database and reporting system, gives the NWT HC the ability to monitor tenant matters and arrears management within LHOs more effectively. The increased focus on collections has resulted in a 110% collection rate for public housing in the 2015-16 fiscal year.

Since 2012, the NWT HC has worked with clients to restructure their mortgages with a view to improving overall collections rates. In 2015-16 the NWT HC realized an average mortgage collection rate of 71% across refinanced mortgages. It was through working with our clients to structure repayment plans that meet their needs that the NWT HC was able to recognize loans previously uncollectible as viable loans.

Financial Results

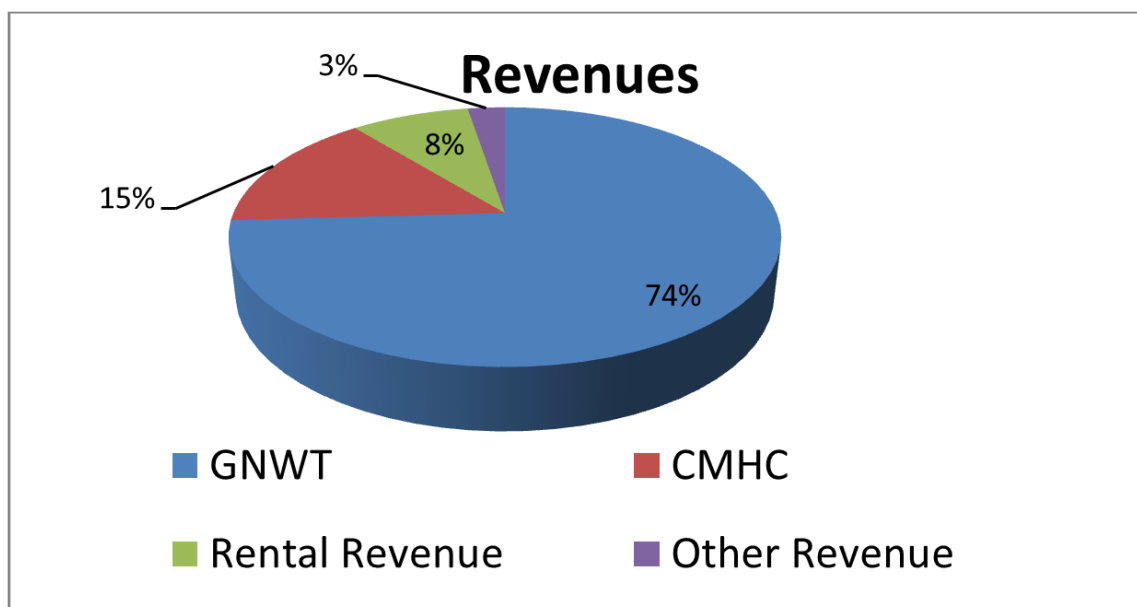
Revenues

The total revenues for the Corporation in 2015-16 were \$115.7 million, a decrease of \$1.9 million from the previous year's total of \$117.6 million.

MANAGEMENT DISCUSSION AND ANALYSIS - FISCAL YEAR 2015-2016

Government funding, from the GNWT and our Federal housing partner, the Canada Mortgage and Housing Corporation (CMHC), increased from \$102.5 million to \$103.1 million. The increase is mainly in GNWT funding related to forced growth for collective bargaining and other initiatives.

Revenue generated from operations amounted to \$12.6 million in 2015-16, a decrease of \$2.5 million over the \$15.1 million in revenue generated in 2014-15. This decrease was related to lower rental revenues on the housing portfolio, lower accounting recovery on the mortgage portfolio as a result of higher recoveries recognized in the past several years and lower income from portfolio investments as the investment pool has been drawn down to finance capital projects.



Expenses

The Corporation's total operating expenditures for 2015-16 were \$97.8 million, a 2% decrease over the previous year's expenses (2014-15 \$99.7 million). Costs of operating the public housing program increased by 2% to \$54 million during the fiscal year. Included in these costs was \$25.7 million spent on utilities (2014-15 \$26.4 million) representing a 3% decrease over the cost for the previous year. The public housing program costs continue to be the largest component of the Corporation's expenses, representing 55.2% of the annual operating expenditures .

Building, repairs and maintenance costs related to the public housing stock were \$10.6 million in 2015-16, an increase of 14% over the \$9.3 million spent in 2014-15. This includes preventative and demand maintenance as well as non-capital repairs and upgrades and environmental remediation under the modernization and improvement program to maximize the useful life of our public housing assets. The increasing expenditures are partially due to a large demolition and environmental remediation project to make land available for future development.

MANAGEMENT DISCUSSION AND ANALYSIS - FISCAL YEAR 2015-2016

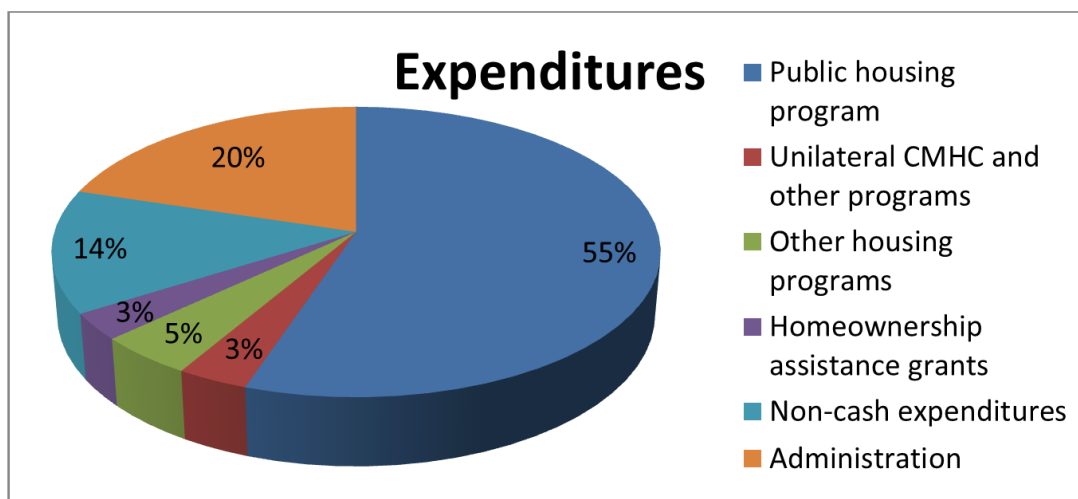
Expenditures on affordable housing programs (market housing and HELP housing programs) were \$4.0 million in 2015-16, a 9% decrease of over the \$4.5 million expended in 2014-15. The decrease was attributable to lower utility costs due to a reduction in the number of vacant leased units, and reduced repairs and maintenance expenses. The NWTHC also contributed \$2.6 million to unilateral CMHC programs and other programs, an increase of 3% over the \$2.5 million contributed in 2014 -15. The increase was related to increasing operational and maintenance costs of unilateral groups.

Homeownership assistance grants were \$2.9 million in 2015-16, a decrease of 48% over the previous year amount of \$5.6 million. This funding is used for the provision of homeownership grants & contributions to support increased homeownership units and improvements to existing homeownership units. Funding provided by the NWTHC is subject to the receipt of qualified applicants. Over the past several years there has been a large uptake into the program and the decrease in funding is partially attributable to large program delivery in previous years. During 2015-16 the NWTHC introduced a co-pay portion to access services under these programs which has also affected program utilization numbers.

The Corporation had losses of \$.6 million in 2015-16 related to impairment of tangible capital assets, down from \$1.6 million in the previous year. These losses are related to the write-down of asset values as a result of 1 property damaged by fire and 15 buildings to be disposed where estimated proceeds are lower than the net book value of the units.

The Corporation spent \$19.8 million in Administrative, Program and Technical Services in 2015-16, representing the same level of expenditures as the previous year. Costs include administration support, program development and delivery, and technical support services that occurred at the District office and Headquarters. The largest component of administration expenses are salaries and benefits of \$15 million (\$14.7 million in 2014-15).

The acquisition or construction of new housing assets and the renovation of existing housing is funded by the GNWT, CMHC and own source revenues. These budgeted revenues are reflected on the operating statement net of amortization resulting in an overall budgeted operating surplus of \$12.2 million. These surplus operating funds are utilized to support the delivery of the capital infrastructure acquisition plan.



MANAGEMENT DISCUSSION AND ANALYSIS - FISCAL YEAR 2015-2016

Financial Position

The Corporation continues to maintain a solid financial position in 2015-16, with net financial resources of \$44.1 million, a decrease of \$7.4 million over the prior year. The requirement for the Corporation to maintain a positive net financial resources position is necessary to ensure future obligations can be met, particularly related to capital projects and contractual commitments and to mitigate financial risk associated with the \$18.7 million third party loans that the Corporation administers on behalf of the CMHC. The Corporation indemnifies and holds harmless the CMHC from all losses, costs and expenses related to these loans, as provided under the Social Housing Agreement (SHA). The Corporation has also provided loan guarantees to private sector companies and households in support of new construction or improvements of residential housing across the north. The total outstanding balance of loans guaranteed was \$3.3 million as at March 31, 2016.

The cash and cash equivalents balance of \$21.8 million (\$13.4 million at March 31, 2015) represents the March 31, 2016 balance in 23 LHO and Corporation bank accounts. The Corporation invests excess cash flow in portfolio investments that meet the terms of the investment policy. As at March 31, 2016 \$50.8 million (\$65.2 million at March 31, 2015) was invested in portfolio investments with a weighted average rate of return of 2.2%. Excess cash resources will be used to fund investment in new tangible capital assets in the next few years.

Since 2012 the Corporation has been working with mortgage clients to restructure their loans. As a result of the success of this program on collections the Corporation reinstated \$.8 million of mortgages and loans previously determined to be uncollectible. As a result of this reinstatement the mortgage and loans balance increased from \$4.2 million at March 31, 2015 to \$4.4 million at March 31, 2016.

Investment in Housing

As at March 31, 2016 the Corporation had \$269.1 million of investments in land and buildings, representing the amortized book value of 2,564 owned public housing, homeownership rental and market rental units. During the year, an additional investment of \$40.1 million was made in new properties and the major renovation of existing properties. There were 7 housing units, with a carrying value of \$1.1 million, disposed of during the year through sale or demolition, 16 properties written down by \$.6 million and \$12.8 million of property costs were amortized during the year.

MANAGEMENT DISCUSSION AND ANALYSIS - FISCAL YEAR 2015-2016

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017 Budget
Revenues						
GNWT	54.0	67.0	69.3	85.1	85.8	81.7
CMHC	19.6	18.6	17.5	17.4	17.3	33.7
Amortization of Deferred Capital	14.8	-	-	-	-	-
Other	12.8	12.1	16.8	15.1	12.6	12.0
Total Revenues	101.2	97.7	103.6	117.6	115.7	127.4
Expenses						
Public Housing Programs	47.0	52.7	52.7	52.7	54.0	51.6
Other Housing Programs	5.5	5.6	9.2	8.3	7.7	11.8
Homeownership Assistance Programs	7.9	7.1	5.2	5.6	2.9	6.5
Impairment/ Disposal Loss on TCAs	2.3	3.5	1.1	1.6	.6	-
Amortization	12.3	11.9	12.2	11.7	12.8	14.6
Administrative, Program and Technical Services	17.8	17.6	19.6	19.8	19.8	22.6
Total Expenses	92.8	98.4	100	99.7	97.8	107.1
Annual Surplus (Deficit)	8.3	(0.7)	3.6	17.9	17.9	20.3

Expenses

Public Housing Programs - In general, the costs to administer the Public Housing program continue to increase due primarily to inflationary pressures related to utility costs and salaries and benefits. There are also fluctuations from year to year dependent on the level of funding that is provided for minor repairs that are necessary to maintain the NWTHC owned housing assets.

Homeownership Assistance Programs - the funds available to provide as grants to homeowners (for the purchase repair of homeownership units), varies from year to year depending on the client demand for repair programs balanced against the requirement to maintain good quality NWTHC owned housing assets.

Annual Surplus (Deficit)

For fiscal years 2014-2015 and 2015-2016, the Corporation incurred substantial operating surpluses. This was due, in large part to an increase in funding from the GNWT for capital repair and replacement of the housing stock. The operating surplus is offset by capital expenditures of \$27.0M and \$40.1M respectively in those years.

MANAGEMENT DISCUSSION AND ANALYSIS - FISCAL YEAR 2015-2016

Write-off of Corporate Debt

As referenced in Part IX, Public Agencies, Section 84 of the Financial Administration Act any asset, debt or obligation written-off during the financial year that exceeds \$500 must be reported in the annual report of the public agency.

Under Section 82 of the Financial Administration Act, a public agency such as the NWT HC has the authority to write-off debts or obligations up to \$20,000. Any write-off requests above \$20,000 require the express authority of an Act through the Legislative Assembly. When debts are written off it does not mean these debts are forgiven and the NWT HC has an obligation to continue collection activities.

Approved write-offs for fiscal year 2015-2016:

Name	Community	Reason	Amount
Joe Abel	Lutsel K'e	Over 6 years, Statute of Limitations	843
Pauline Bonnetrouge	Fort Providence	Deceased	64
Louis Chocolate	Behchoko	Deceased	11,263
Billy Cholo	Fort Simpson	Deceased	221
Peter Cornielle	Fort Simpson	Deceased	1,899
Deh Cho Futures	Fort Simpson	Over 6 years, Statute of Limitations	13,736
Denesoline Corporation	Lutsel K'e	Over 6 years, Statute of Limitations	80
Johnny Dryneck	Behchoko	Deceased	12,794
Bruno Eyakfwo	Behchoko	Deceased	2,328
Corrine Eyakfwo	Behchoko	Deceased	9,774
Madeline Gargan & Mary Causa	Fort Providence	Deceased	305
John Grossette	Fort Simpson	Deceased	364
Marie Kenny Sr.	Deline	Deceased	105
Elizabeth Kodakin	Deline	Deceased	13,120
Allen Koe Sr.	Aklavik	Deceased	10
Janice Mandeville	Fort Simpson	Bankruptcy	18,805
Leonard McDonald	Norman Wells	Deceased	4,361
Marie Modeste	Deline	Deceased	9,639
Adrian Nataway	Lutsel K'e	Over 6 years, Statute of Limitations	614
Angela Prevost	Fort Simpson	Deceased	44
Louis Quitte	Behchoko	Deceased	416
John Baptiste Rabesca	Lutsel K'e	Deceased	980
Philip Rabesca	Behchoko	Deceased	1,017
Edwin Sabourin	Fort Providence	Uncollectible	133
Bruce Stewart	Aklavik	Deceased	455
William Tinqu	Behchoko	Deceased	662
Terry Vital	Gameti	Uncollectible	1,245
Pierre Washie & Melanie Washie	Behchoko	Deceased	59
Paul Wetrade	Gameti	Deceased	7,135
TOTAL			112,471

Appendix B:
Independent Auditor's Report and
Consolidated Financial Statements

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

These accompanying consolidated financial statements and notes to the consolidated financial statements and schedules of Northwest Territories Housing Corporation have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for ensuring that the information contained in the annual report is consistent, where appropriate, with the information contained in the consolidated financial statements.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are properly authorized and recorded, proper records are maintained, assets are safeguarded, and the Corporation complies with applicable laws and regulations. These controls and practices ensure the orderly conduct of business, the preparation of reliable financial information, and adherence to the Corporation's statutory requirements and policies.

The external auditor, the Auditor General of Canada, conducts an independent audit for the purpose of expressing his opinion on the consolidated financial statements.

On behalf of Northwest Territories Housing Corporation



Jeff Anderson, CGA, CPA (VT, US)
President & CEO



For Jim Martin, CGA
Vice President
Finance & Infrastructure Services

Yellowknife, Northwest Territories
August 23, 2016



INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Northwest Territories Housing Corporation

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Northwest Territories Housing Corporation, which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net financial assets and consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

.../2

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Northwest Territories Housing Corporation as at 31 March 2016, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

I report that, in my opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Northwest Territories Housing Corporation and the consolidated financial statements are in agreement therewith. In addition, the transactions of the Northwest Territories Housing Corporation that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with the *Financial Administration Act* of the Northwest Territories and regulations and the *Northwest Territories Housing Corporation Act* and regulations.



Guy LeGras, CPA, CA
Principal
for the Auditor General of Canada

23 August 2016
Edmonton, Canada

NORTHWEST TERRITORIES HOUSING CORPORATION

Consolidated Statement of Financial Position


As at March 31, 2016


(in thousands)

	2016	2015
Financial assets		
Cash (Note 3)	\$ 21,819	\$ 13,377
Portfolio investments (Note 4)	50,830	65,165
Accounts receivable (Note 5)	5,892	5,870
Mortgages and loans receivable (Note 6)	4,439	4,233
	82,980	88,645
 Liabilities		
Accounts payable and accrued liabilities (Note 7)	23,840	20,601
Deferred revenue	95	41
Loans payable to Canada Mortgage and Housing Corporation (Note 8)	9,911	10,719
Obligations under capital leases (Note 9)	53	281
Environmental liabilities (Note 10)	683	301
Retirement and post-employment benefits (Note 11)	4,308	5,201
	38,890	37,144
 Net financial assets	\$ 44,090	\$ 51,501
 Non-financial assets		
Tangible capital assets (Schedule A)	269,064	243,507
Inventories held for use	2,843	2,992
Prepaid expenses	34	104
	271,941	246,603
 Accumulated surplus	\$ 316,031	\$ 298,104

Contractual obligations and contingencies (Notes 17 and 18)

Approved:


 Caroline Cochrane
 Minister Responsible for the
 Northwest Territories Housing Corporation


 Jeff Anderson, CGA, CPA (VT - US)
 President & CEO

The accompanying notes and schedule form an integral part of the consolidated financial statements.

NORTHWEST TERRITORIES HOUSING CORPORATION

Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2016
(in thousands)

	<u>2016</u> Budget	<u>2016</u> Actual	<u>2015</u> Actual
Net financial assets, beginning of the year	\$ <u>51,501</u>	\$ <u>51,501</u>	\$ <u>46,084</u>
Items affecting net financial assets:			
Annual surplus	12,171	17,927	17,907
Acquisition of tangible capital assets	(35,850)	(40,103)	(27,001)
Amortization of tangible capital assets	14,404	12,840	11,700
Disposal of tangible capital assets	-	1,144	1,874
Write-downs of tangible capital assets	-	561	1,432
Acquisition of inventories held for use	-	(1,475)	(1,611)
Consumption of inventories held for use	-	1,625	1,060
Acquisition of prepaid expenses	-	(34)	(68)
Use of prepaid expenses	-	104	124
Increase (decrease) in net financial assets	<u>(9,275)</u>	<u>(7,411)</u>	<u>5,417</u>
Net financial assets, end of year	\$ <u>42,226</u>	\$ <u>44,090</u>	\$ <u>51,501</u>

The accompanying notes and schedule form an integral part of the consolidated financial statements.

NORTHWEST TERRITORIES HOUSING CORPORATION
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2016
(in thousands)

	<u>2016</u>	<u>2016</u>	<u>2015</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues			
Government funding:			
Government of the Northwest Territories	\$ 85,368	\$ 85,770	\$ 85,116
Canada Mortgage and Housing Corporation (Note 12)	17,314	17,345	17,388
	<u>102,682</u>	<u>103,115</u>	<u>102,504</u>
Generated revenues:			
Rental revenue	8,938	9,596	10,221
Recoveries from mortgages and loans (Note 6)	445	1,174	2,186
Income from portfolio investments	811	1,291	1,788
Gain on disposal of tangible capital assets	1,400	53	-
Other revenue and recoveries	19	375	733
Interest revenue on mortgages and loans	120	115	153
	<u>11,733</u>	<u>12,604</u>	<u>15,081</u>
	<u>114,415</u>	<u>115,719</u>	<u>117,585</u>
Expenses			
Public housing program (Note 13)	53,625	53,958	52,690
Unilateral CMHC programs and other programs	2,520	2,609	2,542
Affordable housing (Note 14)	3,065	4,049	4,453
Non-residential building operations (Note 15)	392	413	450
Rent subsidy program	900	328	411
Homelessness fund program	855	339	387
Homeownership assistance grants	6,952	2,908	5,595
Rental housing rural and remote	783	-	-
Amortization	14,404	12,840	11,700
Loss on disposal of tangible capital assets	-	-	195
Write-downs of tangible capital assets	-	561	1,432
Administration (Note 16)	18,748	19,787	19,823
	<u>102,244</u>	<u>97,792</u>	<u>99,678</u>
Annual surplus	<u>\$ 12,171</u>	<u>\$ 17,927</u>	<u>\$ 17,907</u>
Accumulated surplus, beginning of year	<u>298,104</u>	<u>298,104</u>	<u>280,197</u>
Accumulated surplus, end of year	<u>\$ 310,275</u>	<u>\$ 316,031</u>	<u>\$ 298,104</u>

The accompanying notes and schedule form an integral part of the consolidated financial statements.

NORTHWEST TERRITORIES HOUSING CORPORATION

Consolidated Statement of Cash Flow For the year ended March 31, 2016 (in thousands)

	2016	2015
Operating transactions		
Cash received from:		
Government of the Northwest Territories	\$ 85,889	\$ 84,870
Canada Mortgage and Housing Corporation	17,351	17,397
Rental revenue	9,841	10,977
Investment revenue	1,077	821
Miscellaneous revenue and recoveries	130	2,169
	114,288	116,234
Cash paid for:		
Payments to and on behalf of employees	(29,172)	(27,468)
Payments to suppliers	(51,026)	(56,583)
Payments to individuals	(667)	(659)
Payments for interest	(648)	(708)
	(81,513)	(85,418)
Cash provided by operating transactions	32,775	30,816
Capital transactions		
Acquisition of tangible capital assets	(39,766)	(21,563)
Proceeds on disposal of tangible capital assets	1,198	1,679
Cash used in capital transactions	(38,568)	(19,884)
Financing transactions		
Repayment of long-term debt and capital leases	(1,036)	(1,695)
Cash used in financing transactions	(1,036)	(1,695)
Investing transactions		
Redemption of portfolio investments	76,751	68,638
Purchases of portfolio investments	(62,399)	(79,143)
Mortgage payments received	919	889
Cash provided by (used in) investing transactions	15,271	(9,616)
Increase (decrease) in cash	(8,442)	(379)
Cash, beginning of year	13,377	13,756
Cash, end of year	\$ 21,819	\$ 13,377

The accompanying notes and schedule form an integral part of the consolidated financial statements.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

1. PURPOSE OF THE ORGANIZATION

The Northwest Territories Housing Corporation (the "Corporation") is a territorial corporation, established under the *Northwest Territories Housing Corporation Act* (the "Act") and named in Schedule B of the *Financial Administration Act* (FAA) of the Northwest Territories (NWT). Accordingly, the Corporation operates in accordance with its Act and regulations, Part IX of the FAA, and any directives issued to it by the Minister responsible for the Corporation. The Corporation is exempt from income tax but is subject to Goods and Services Tax.

The Corporation's mandate is to ensure, where appropriate and necessary, that there is a sufficient supply of affordable, adequate, and suitable housing stock to meet the housing needs of residents in the NWT. The Corporation works in partnership with the local communities in the NWT to ensure residents have access to housing that supports a healthy, secure, independent, and dignified lifestyle.

The Corporation's public housing program is delivered by twenty-four community-based local housing organizations (LHOs). Each LHO has a board of directors and management and staff who are responsible for the day-to-day activities associated with the delivery of the program in the communities. Agreements are in place between the Corporation and the LHOs which outline the roles and responsibilities of each party.

The Corporation and the LHOs are economically dependent upon the Government of the NWT (the "Government") for the funds required to finance the net cost of their operations and capital acquisitions.

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards.

The significant accounting policies are as follows:

Measurement uncertainty

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires the Corporation to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the consolidated financial statements and accompanying notes. By their nature, these estimates are subject to measurement uncertainty. Actual results could differ significantly from the estimates. The more significant management estimates relate to the allowance for impaired mortgages and loans receivable, the amortization of tangible capital assets, and contingencies.

Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses, change in net financial assets and cash flows of the reporting entity. The reporting entity is comprised of the Corporation and the accounts of the following twenty-two LHOs, via consolidation, which are controlled by the Corporation:

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Aklavik Housing Association	Lutsel K'e Housing Authority
Bechokö Kö Gha K'òdèè	Norman Wells Housing Authority
Deline Housing Association	Paulatuk Housing Association
Fort McPherson Housing Association	Radilih Koe Housing Association
Fort Providence Housing Association	Sachs Harbour Housing Association
Fort Resolution Housing Authority	Tsiigehtchic Housing Association
Fort Simpson Housing Authority	Tuktoyaktuk Housing Association
Fort Smith Housing Authority	Tulita Housing Association
Gameti Housing Authority	Ulukhaktok Housing Association
Hay River Housing Authority	Whati Housing Authority
Inuvik Housing Authority	Yellowknife Housing Authority

The following two LHOs: Yellowknife Dene First Nation (Housing Division) and the Hamlet of Fort Liard, have been excluded from the reporting entity since they are considered to be parts of separate levels of government and thus should be excluded from the reporting entity of any other government or government organization.

All significant inter-entity balances and transactions have been eliminated in the preparation of the consolidated statements.

Revenue recognition

The Corporation receives funding for operating and capital purposes from the Government of the Northwest Territories.

The Corporation also receives funding from the Canada Mortgage and Housing Corporation (CMHC) under the Social Housing Agreement and other agreements between CMHC and the Corporation for the operations and maintenance of the various public housing programs, the acquisition of public housing and to provide assistance to eligible homeowners and landlords for repairs and rehabilitation of properties.

Funding provided by the Government and CMHC is recognized as government funding in the fiscal year when authorized by the transferring government, except to the extent that any such funding gives rise to an obligation that meets the definition of a liability. Funding which gives rise to a liability is recognized as revenue as the liability is settled.

Rental revenue is recognized on an accrual basis. An allowance is recognized for any rental amounts owing which are deemed uncollectible.

Contributions for public and affordable housing

The Corporation provides contributions to the LHOs for their administration of the public and affordable housing programs and maintenance of the housing units. These administration and maintenance contributions are determined using a funding formula based on the number of units managed by the LHO.

Contributions for unilateral CMHC and other programs

The Corporation provides subsidy assistance to various non-profit housing sponsor groups and co-operatives in accordance with operating agreements, which set out the basis on which eligibility for subsidy assistance will be determined. These expenditures are recognized based on actual or estimated costs incurred by each sponsor group in the year.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances net of outstanding cheques and short-term investments that have terms to maturity of less than 90 days from the dates of acquisition.

Portfolio investments

Portfolio investments are investments in debt securities of organizations that do not form part of the reporting entity and are accounted for using the amortized cost method.

Investment income is recognized on the accrual basis, premiums and discounts arising on purchase are amortized over the term of the respective investment, and capital gains and losses are recognized when realized. When there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss.

Homeownership assistance grants

The Corporation, under section 44(1) of its Act, may make a home ownership assistance grant in the form of a forgivable loan to eligible homeowners on terms and conditions that may be imposed by the Corporation. The conditional grants, which vary in amount depending on the income or community of the applicant and are not expected to be repaid unless certain conditions are not met, are expensed in the year the grant is approved. Any recoveries on the conditional grants are recognized in the year the amount is recovered from the borrower (Note 6).

The Corporation is not currently providing any new repayable mortgages, loans or loan guarantees to eligible homeowners under its Homeownership Assistance program.

Mortgages and loans receivable

The net carrying amount of the mortgages and loans receivable represents the present value of the expected future principal and interest payments to be received, net of the grants provided to the borrowers, any restructuring costs, and the allowance for impairment. Interest income on mortgages and loans receivable is recognized when earned. The costs related to a mortgage or loan restructuring, if any, are expensed in the year of the restructuring.

A mortgage or loan is considered to be impaired when, in management's opinion, there is reasonable doubt as to the collection of principal and interest or when six months of arrears have accumulated. When a mortgage has six months of arrears an allowance for impairment of 100% is established to reduce the carrying amount of mortgages and loans receivable identified as impaired to their estimated recoverable value of nil based on management's best judgment and the Corporation's historical loss experience. The recognition of interest income also ceases on a mortgage or loan identified as impaired.

The Corporation also performs an annual assessment of mortgages with payments in arrears between one and six months. A partial allowance is recorded on these mortgages based on the average collection rate on similar type mortgages.

A mortgage or loan receivable reverts to performing status when, in management's opinion, the ultimate collection of principal and interest is reasonably assured and in the case of a mortgage or loan restructuring, when at a minimum twelve months has passed since the restructuring and payments are not more than six months in arrears.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Mortgages and loans receivable (continued)

Borrowers in arrears may choose to settle their obligation with a quit claim. A quit claim is an agreement between the owner of a housing unit and the Corporation to transfer ownership of the housing unit back to the Corporation for a nominal fee. The fair value of the housing unit acquired through the quit claims process is determined to be the original purchase price or construction costs (if available) less amortization from the original purchase date to the date the quit claim occurred. This is considered to be a reasonable estimate of the fair value of the assets recovered. Quit claim units are evaluated for suitability for delivery of programs and if suitable are added to tangible capital assets at a value as described above. Where suitability criteria are not met the units are disposed of by sale to a third party or demolished and are written down to their residual value if any.

Loan guarantees

An obligation and expense is recognized related to a loan guarantee when it is likely that a loss will be incurred, and the amount of the loss can be reasonably estimated. When estimating the amount of contingent loss, management considers the value of any security (properties) which could be sold to cover the loan guarantee. Provisions for losses are reviewed annually.

Tangible capital assets

a) Land and buildings

Land and housing units constructed or purchased by the Corporation are recorded at cost. Housing units previously transferred from CMHC or the Government were recognized at net book value which was considered a reasonable estimate of fair value at the time of the transfer. Housing materials are also recorded at cost and included in construction in progress.

Public and affordable housing units are recorded as capital leases when the Corporation enters into lease agreements where, in effect, the risks and benefits of ownership are transferred to the Corporation. In such cases, the cost of the asset is determined as the discounted net present value of the minimum lease payments and is amortized using the straight-line method over the lease term. Obligations recorded under capital leases are reduced by rental payments net of imputed interest and executory costs. Interest expense is included in interest on long-term debt.

Housing units are amortized at an annual rate of 5% on a declining balance basis. Amortization begins in the year the housing unit is placed into service. Construction in progress is not amortized.

b) Property and equipment

Property and equipment are stated at cost. Amortization is provided using the following methods and annual rates:

Warehouses and offices	Declining balance	5%
Office furniture and equipment	Declining balance	20%
Mobile equipment	Declining balance	20%
Software	Straight-line over 10 years	
Leasehold improvements	Straight-line over term of lease	

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets (continued)

Inventories held for use

Inventory held for use consists of materials and supplies to be used for the maintenance or minor modifications of buildings. The inventory is valued on a weighted average basis at the lower of cost and replacement value.

Employee future benefits

a) Pension benefits

All eligible employees of the Corporation are covered by the Public Service Pension Plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation to cover current service cost. The Corporation's contributions are charged as an expense on a current year basis and represent the total pension obligations. The Corporation is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Pension Plan.

b) Northern Employee Benefits Service (NEBS) Pension Plan

Eligible employees of the following LHOs are covered by the Northern Employee Benefits Services Pension Plan ("NEBS"). This plan is a multi-employer contributory defined benefit plan and accordingly contributions are expensed as incurred. NEBS is a member owned, not-for-profit corporation that sponsors an insurance and health care benefits plan and a pension plan for public sector employees in the north.

Bechokö Kö Gha K'òdèè	Fort Smith Housing Authority
Deline Housing Association	Inuvik Housing Authority
Fort McPherson Housing Association	Lutsel K'e Housing Authority
Fort Resolution Housing Authority	Radlilh Koe' Housing Association
Fort Simpson Housing Authority	Yellowknife Housing Authority

NEBS establishes contribution rates for participating employers/employees, and contributions are remitted to NEBS on a regular basis throughout the year. Contributions are recorded as an expense in the year when the employees have rendered service.

c) Retirement, post-employment and other leave benefits

Under the terms and conditions of employment, government 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. Also, employees earn other benefits including maternity and parental leave and non-vesting accumulating sick leave benefits. The cost of these benefits are determined using management's best estimate and are recognized as employees render service.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Environmental liabilities

Contaminated sites are a result of contamination that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. The Corporation:
 - is directly responsible; or
 - accepts responsibility;
- iv. it is expected that future economic benefits will be given up; and
- v. a reasonable estimate of the amount can be made.

The liability is recognized net of any expected recoveries.

Services provided without charge

The Corporation receives services provided by the Government without charge which include legal, human resource and other services. The Corporation does not recognize any amounts related to these services.

3. CASH

Included in cash are tender and security deposits from contractors on construction projects and rental housing damage deposits held in trust in the amount of \$1,978 (2015 - \$1,919) which are also included in accounts payable and accrued liabilities (Note 8). Also included in cash is reserve funds of \$854 (2015 - \$0) designated by management to settle mortgage principal where the underlying asset has been disposed. It is anticipated that these funds will be expended in December 2018.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

4. PORTFOLIO INVESTMENTS

Issuer	2016		Carrying amount	2015	
	Stated interest rate	Remaining term		Carrying amount	
Fixed income investments:					
Bankers acceptances, fixed rate	1.2% to 4.63%	37 to 269 days	\$ 39,234	\$	34,923
Bankers acceptances, fixed rate	1.65% to 2.65%	6 to 9 years	9,434		-
Provincial governments, fixed rate	1.54%	4 years	-		8,399
Ontario Hydro Strip Bonds, fixed rate	1.54%	4 years	907		19,155
Ontario Hydro Zero Coupon Bonds, fixed rate	1.96%	6 years	1,255		2,688
			<u>\$ 50,830</u>	\$	<u>65,165</u>

The weighted average effective yield of this portfolio in 2016 was 2.20% (2015 – 1.76%). Investments in bankers' acceptances are highly liquid investments with original terms to maturities of 90 days to one year.

5. ACCOUNTS RECEIVABLE

	2016	2015
Trade accounts receivable	\$ 2,902	\$ 2,376
Tenant rents receivable	13,819	14,744
	<u>16,721</u>	<u>17,120</u>
Less allowance for doubtful accounts	(13,026)	(13,625)
	3,695	3,495
Receivables from CMHC	2,110	2,116
Receivables from related parties:		
Government of the Northwest Territories	87	259
Net Accounts Receivable	<u>\$ 5,892</u>	<u>\$ 5,870</u>

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

6. MORTGAGES AND LOANS RECEIVABLE

a) Mortgage and loans receivable

	2016	2015
Corporate loans, repayable in monthly installments at interest rates of 0.00% and 3%, secured, with a term of 10 years.	\$ 544	\$ 405
Mortgages based on Income Assessment, repayable in monthly installments at interest rates varying between 6.35% and 10.50%, secured by registered charges against real property, with a term over a maximum of 15 years.	320	677
Loans based on Income Assessment, repayable in monthly installments at interest rates varying between 0.00% and 12.00%, unsecured, with a term over a maximum of 15 years.	3,919	3,698
Restructured mortgages, repayable in monthly installments at interest rates of 3%, secured by registered charges against real property, with a term over a maximum of 25 years.	1,690	1,866
Restructured loans, repayable in monthly installments at interest rates varying between 3.00% and 7.20%, unsecured, with a term over a maximum of 25 years.	8,268	8,009
Mortgages and loans receivable	14,741	14,655
Less allowance for impaired mortgages and loans	(10,302)	(10,422)
Net mortgages and loans receivable	\$ 4,439	\$ 4,233

The carrying value of the mortgages and loans receivable that are past due but not classified as impaired is \$1,224 (2015 - \$1,093) There were no write-offs in the current year (2015 - 8).

b) Homeownership assistance grants

Conditional grants have been provided by the Corporation to eligible homeowners, which are fully forgivable on the condition of the property remaining the principal residence and annual income remaining below the core need income threshold for the term of the agreement. If the conditions are not met, the grants are repayable to the Corporation. Conditional grants comprise the Homeownership Assistance grants of \$2,908 (2015 - \$5,595), which are expensed on the consolidated statement of operations and accumulated surplus.

c) Net recoveries on mortgages and loans receivable and conditional grants

	2016	2015
Recoveries on impaired mortgages and loans	\$ 386	\$ 208
Adjustment to allowance for impaired mortgages and loans	405	1,636
Recoveries from conditional grants	383	387
	\$ 1,174	\$ 2,231

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
Trade payables	\$ 13,973	\$ 11,673
Contractors holdbacks	3,015	2,503
Tender and security deposits	438	88
Wages and employee benefits	851	711
Accrued interest	133	153
Damage deposits	2,055	1,831
Loan guarantee obligation	97	81
Prepaid rent	55	57
Payables to related parties:		
Government of the Northwest Territories	3,223	3,504
	\$ 23,840	\$ 20,601

8. LOANS PAYABLE TO CANADA MORTGAGE AND HOUSING CORPORATION

	2016		2015	
	Debt balance	CMHC funded portion	Net debt balance	Net debt balance
Mortgages payable to CMHC (NHA Section 79 debt), repayable in monthly or quarterly installments, maturing from 2017 to 2038, at interest rates from 5.94% to 19.00% (2015 - 5.94% to 19.00%).	\$ 24,008	\$ (24,008)	\$ -	\$ -
Loans payable to CMHC (NHA Section 82 debt), repayable in annual installments until the year 2033, bearing interest of 6.97% (2015 - 6.97%). These loans are guaranteed by the Government.	15,758	(8,754)	7,004	7,576
Mortgages payable to CMHC for three housing projects acquired from third parties in accordance with the provisions of the SHA related to third party loans, maturing in 2026 and 2027, at interest rates from 2.78% to 3.68% (2015 - 2.78% to 3.68%).	2,907	-	2,907	3,143
	\$ 42,673	\$ (32,762)	\$ 9,911	\$ 10,719

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

8. LOANS PAYABLE TO CANADA MORTGAGE AND HOUSING CORPORATION (continued)

Under the terms of the 1999 Social Housing Agreement (SHA), CMHC originally provided funding to the Corporation to build public housing assets in the form of long-term mortgages payable to CMHC (referred to as National Housing Act (NHA) Section 79 debt under the SHA) and loans payable to CMHC (referred to as National Housing Act (NHA) Section 82 debt under the SHA). Under the SHA, CMHC also agreed to provide additional funding to the Corporation to reduce 100% of the NHA Section 79 debt and to reduce by 5/9th the NHA Section 82 debt, and to fund the related interest repayments that the Corporation would make each year to CMHC. This additional funding receivable from CMHC and the related payments due by the Corporation each year on the long-term debt payable to CMHC are offset, resulting in no exchange of cash between the Corporation and CMHC.

Had CMHC not funded the repayments of the long-term debt principal and interests payable to CMHC, the Corporation would have incurred additional interest expense of \$3,687 (2015 - \$3,794) and would have made additional principal long-term debt repayments to CMHC of \$1,349 (2015 - \$1,268).

The above mortgages and loans payable to CMHC are not secured.

Principal repayments and interest requirements over the life of outstanding loans are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 847	\$ 582	\$ 1,429
2018	807	532	1,339
2019	1,801	475	2,276
2020	598	406	1,004
2021	585	370	955
2022 - 2026	3,388	1,270	4,658
2027 - 2038	<u>1,885</u>	<u>336</u>	<u>2,221</u>
	<u>\$ 9,911</u>	<u>\$ 3,971</u>	<u>\$ 13,882</u>

9. OBLIGATIONS UNDER CAPITAL LEASES

The Corporation is committed to annual payments for 1 (2015 - two) lease agreement for affordable housing units. This lease agreement is based on an implicit interest rate of 7% with an expiry date in 2017. The Corporation is also responsible for other operating costs not included in the annual lease payment.

	<u>Executory costs</u>	<u>Imputed interest</u>	<u>Lease obligation</u>	<u>Future minimum lease payments</u>
2017	\$ -	\$ 1	\$ 52	\$ 53

The value of the leased housing unit which is included as part of the Corporation's tangible capital assets and the related accumulated amortization as at March 31, 2016 is \$662 and \$589 respectively (2015 - \$2,875 and \$2,583 respectively).

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

10. ENVIRONMENTAL LIABILITIES

The Corporation has identified eight sites (seven fuel spills and one other contaminated site) (2015 – six) for which an environmental liability has been recorded. The liability is calculated as estimated costs remaining to remediate the spills to the required environmental standard. The spills are expected to be remediated within the next twelve months subsequent to year end. The estimated amount of recoveries is nil (2015 – nil). The Corporation has not identified any sites where an environmental liability may exist but no liability has been recorded.

11. RETIREMENT AND POST-EMPLOYMENT BENEFITS

Pension benefits

The employees of the Corporation are covered by the public service pension plan (the “Plan”), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees’ required contribution. The required employer contribution rate is dependent on the employee’s employment start date. For employment start dates after January 1, 2013, the Corporation’s contribution rate effective at year-end was 1.11 times (2015 – 1.28) the employee’s contribution; and for employment start dates before December 31, 2012, the Corporation’s contribution rate effective at year-end was 1.15 times (2015 – 1.28) the employee’s contribution. The Corporation’s and employee’s contributions for the year were \$1,031 and \$1,346 respectively (2015 - \$1,443 and \$830 respectively). Total contributions of \$1,031 (2015 - \$1,443) were recognized as an expense in the current year.

The public service pension plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the plan on or after January 1, 2013. For existing members, the normal retirement age remains age 60. Furthermore, contribution rates for current service for all members of the public service will increase gradually to an employer: employee cost sharing ratio of 50:50 by 2017.

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2% of pensionable service times the average of the best five consecutive years of earnings. The benefits are indexed to inflation.

Other benefits include survivor pensions, minimum benefits in the event of death, unreduced early retirement pensions, and disability pension.

Post-employment benefits

In addition to pension benefits, the Corporation provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to 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 Corporation’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 location of hire, employee category and length of service.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

11. RETIREMENT AND POST-EMPLOYMENT BENEFITS (continued)

Post-employment benefits (continued)

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

The Corporation provides leave, severance and removal benefits to its employees based on years of service and final salary. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Liability for leave, severance, and removal benefits is as follows:

	<u>2016</u>	<u>2015</u>
Accrued benefit obligation, beginning of year	\$ 5,201	\$ 5,195
Costs for the year	1,004	1,898
Benefits paid during the year	<u>(1,897)</u>	<u>(1,892)</u>
Accrued benefit obligation, end of year	<u>\$ 4,308</u>	<u>\$ 5,201</u>

Northern Employees Benefits Services (NEBS) Pension Plan

Eligible employees of member LHOs are covered by the Northern Employee Benefits Services (NEBS) Pension Plan, a contributory defined benefit plan. NEBS is a member owned, not-for profit corporation that sponsors an insurance and health care benefits plan and a pension plan for public sector employees in the north. The employer and employee contribution rates effective at year end were both 8% (2015 - 8%). The Corporation's and employees' contribution to the NEBS Pension Plan for the year were \$481 and \$481 respectively (2015 - \$459 and \$459 respectively).

The plan serves 1,700 Employee Members and 115 Employer Members. As of April 2004, the Office of the Superintendent of Financial Institutions (OSFI) exempted NEBS from compliance with the Pension Benefits Standards Act (PBSA). NEBS has agreed to voluntarily comply with PBSA until the plan can be registered under Territorial legislation. The Governments of the NWT and Nunavut passed the NEBS Pension Plan Protection Act in February 2014 which sets rules to protect Plan Members funds. As of December 31, 2015 the plan had a surplus \$24,873 (December 31, 2014 - \$15,474).

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

12. FUNDING FROM CANADA MORTGAGE AND HOUSING CORPORATION

	2016	2015
Funding received from CMHC recognized as government funding under the:		
Social Housing Agreement:		
Contributions for public housing rental subsidies	\$ 10,100	\$ 10,127
Contributions to non-profit housing sponsor groups and cooperatives	3,919	3,918
Repairs, maintenance and other costs	1,456	1,468
Agreement for Investment in Affordable Housing	1,840	1,840
Agreement for Energy Construction Monitoring	30	35
	\$ 17,345	\$ 17,388

Under the terms of the 1999 Social Housing Agreement with CMHC, the Corporation assumed full responsibility for the management of various public housing programs specified in the SHA. CMHC provides annual funding to the Corporation to manage these programs. The SHA and the funding expire in 2038.

On December 20, 2011 the Corporation and CMHC signed the Agreement for Investment in Affordable Housing. This \$11 million three year agreement amalgamated two existing agreements between the Corporation and CMHC: Housing Renovation Program Agreement and the Affordable Housing Agreement Extension. Funding under this agreement can be utilized under specific housing programs: CARE, PATH, HELP and Shelter Enhancement, capital improvements and leased rental units. This Agreement was extended on February 2, 2015 for a period of five years (2014/2015 to 2018/2019) for \$18.4 million. The annual funding is cost shared with CMHC and the Corporation each contributing \$1.84 million for this program. Both parties to the Agreement will provide a total of \$14.7 million over the eight year period from 2011/2012 to 2018/2019.

13. PUBLIC HOUSING PROGRAM

	2016	2015
Utilities, taxes and land leases	\$ 25,704	\$ 26,368
Repairs, maintenance and other costs	10,577	9,304
Salaries and benefits	11,577	11,196
Administration	903	1,147
Contribution for public housing	922	1,087
Rental housing lease	3,647	2,890
Interest on long-term debt	628	698
	\$ 53,958	\$ 52,690

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

14. AFFORDABLE HOUSING

	2016	2015
Utilities, taxes and land leases	\$ 952	\$ 986
Repairs, maintenance and other costs	742	1,495
Salaries and benefits	1,822	1,585
Administration	143	162
Rental housing lease	50	57
Contribution for affordable housing	340	168
	\$ 4,049	\$ 4,453

15. NON-RESIDENTIAL BUILDING OPERATIONS

	2016	2015
Utilities, taxes and land leases	\$ 274	\$ 206
Repairs, maintenance and other costs	40	88
Contributions	60	68
Non-Residential lease costs	39	88
	\$ 413	\$ 450

16. ADMINISTRATION

	2016	2015
Salaries and benefits	\$ 15,020	\$ 14,727
Building and equipment rentals	2,340	2,211
Travel and relocation	589	664
Administration	454	652
Professional and special services	451	533
Computer services	441	474
Materials and supplies	235	240
Communications	222	248
Workshops and studies	35	74
	\$ 19,787	\$ 19,823

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

17. CONTRACTUAL OBLIGATIONS

The Corporation leases office space and rents supplemental public housing units and is committed to basic rental payments. The leases contain escalation clauses for operating costs and property taxes, which may cause the payments to exceed the basic rental. Included in the contractual obligations below are ongoing maintenance contributions funded by the Government of Northwest Territories. Also included in the 2017 contractual obligations are construction commitments of \$13,158 (2015 - \$19,353).

		Total
2017	\$	17,575
2018		3,870
2019		3,176
2020		2,611
2021		1,196
After		<u>10,806</u>
Total	\$	<u>39,234</u>

18. CONTINGENCIES

The Corporation provided guarantees to banks in financing certain new or renovated residential housing construction. The Corporation has the authority to provide loan guarantees to a limit of \$30,000 as established by Regulation made pursuant to the *Northwest Territories Housing Corporation Act*. As at March 31, 2016 a total of twenty-two (2015 – twenty-five) loan guarantees were in effect, and the outstanding balance of loans guaranteed was \$3,260 (2015 - \$3,592). Four (2015 - four) of these loans guaranteed with a total outstanding balance of \$2,239 (2015 - \$2,461) are secured by registered charges against real property. The period covered by these guarantees extends up to 2028.

Under the terms of the Social Housing Agreement with CMHC, the Corporation is responsible for the administration of a number of loans to third parties, where CMHC is the lender or insurer of these loans. The agreement provides that the Corporation shall indemnify and reimburse CMHC for and save it harmless from all losses, costs and expenses related to these loans. The outstanding balance of these third party loans as at March 31, 2016 was \$18,666 (2015 - \$20,550). The period covered by these third party loans extends up to 2029.

The outstanding balances represent the maximum amount of future loan principal payments under the guarantees and indemnities. In the event of default by the borrowers, the lenders could request payment from the Corporation. The obligation under loan guarantees as at March 31, 2016 is \$97 (2015 - \$81) for one personal loan and is recognized under accounts payable and accrued liabilities.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

19. EXPENSES BY OBJECT

	2016	2015
Amortization	\$ 12,841	\$ 11,700
Compensation and benefits	36,418	34,673
Computer hardware and software	138	166
Contract services	7,884	5,163
Controllable assets	45	57
Fees and payments	569	562
Grants, contributions and transfers	4,395	4,537
Housing debt repayment	622	674
Housing operating and maintenance	30,229	36,365
Materials and supplies	2,327	2,056
Other expenses	306	565
Purchased services	717	789
Travel	707	714
Valuation allowances	594	1,657
	\$ 97,792	\$ 99,678

20. FINANCIAL RISK MANAGEMENT

The Corporation's financial instruments consist of cash, portfolio investments, accounts receivable, mortgages and loans receivable, accounts payable and accrued liabilities, loans payable to CMHC, obligations under capital lease are measured at amortized cost. The Corporation has exposure to the following risks from its use of financial instruments:

a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities or cash outflow obligations as they come due. The Corporation manages its liquidity risk by regularly monitoring forecasted and actual cash flows. The Corporation does not believe that it will encounter difficulty in meeting its future obligations associated with its financial liabilities. The table below shows when various financial liabilities mature:

Financial liabilities	Up to 6 months	6 months to 1 year	1 to 5 years	Over 5 years	Total
Accounts payable and accrued liabilities	\$ 23,840	\$ -	\$ -	\$ -	\$ 23,840
Loans payable to CMHC	121	726	3,791	5,273	9,911
Obligations under capital lease	36	17	-	-	53
	\$ 23,997	\$ 743	\$ 3,791	\$ 5,273	\$ 33,804

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

20. FINANCIAL RISK MANAGEMENT (continued)

b) Credit risk

The Corporation is exposed to credit risk on its portfolio investments, accounts receivable and mortgages and loans receivable.

Portfolio investments

Credit risk on portfolio investments arises from the possibility that the counterparty to the instrument fails to meet their obligations. In order to manage this risk, the Corporation only invests in high quality fixed income investments. The maximum exposure to credit risk is \$64,397 (2015 - \$65,165).

Accounts receivable

Credit risk on accounts receivable arises from the possibility that the customer fails to meet their obligations. In order to manage this risk, the Corporation actively monitors the age of accounts receivable and initiates collection action when necessary. The maximum exposure to credit risk is \$5,892 (2015 - \$5,870).

Mortgages and loans receivable

Credit risk on mortgages and loans receivable arises from the possibility that the borrower fails to meet their obligations. In order to manage this risk, the Corporation actively monitors mortgage and loan payments and works with borrowers to develop payment plans to resolve outstanding arrears issues. In 2013 the Corporation developed the Revised Mortgage Approach to determine new repayable loan amounts. The maximum exposure to credit risk is \$4,439 (2015 - \$4,233).

As at March 31, 2016, \$2,554 (2015 - \$2,407) of the impaired loans are secured by homes the Corporation has the ability to sell or use in its operations in order to satisfy borrowers' commitments. The value of security is not readily determinable.

As at March 31, 2016, the following financial assets were past due but not impaired:

Financial assets	30 days	60 days	90 + days
Tenants rent receivable	\$ 245	\$ 69	\$ 1,015
Trade accounts receivable	230	16	304
Mortgages and loans receivable	-	-	185

c) Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate in the future because of interest rate changes. The Corporation is exposed to interest rate risk primarily through its investment in fixed income investments. Fluctuations in interest rates can affect the fair value of the fixed income investments, as well as shift investor preferences among asset classes. Because the Corporation accounts for its fixed rate instruments at amortized cost, a change in interest rates would not affect the consolidated statement of operations with respect to these fixed rate instruments.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

20. FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk is minimized by actively managing the duration of the fixed income investments.

Term						Carrying value	
	Within 1 year	1 to 2 years	2 to 5 years	5 to 10 years	Over 10 years	2016	2015
Portfolio investments	\$ 39,234	\$ -	\$ 907	\$ 10,689	\$ -	\$ 50,830	\$ 65,165

The Corporation does not face cash flow interest rate risk on its loans payable to the Canada Mortgage and Housing Corporation because these interest rates are fixed for the full term of the loans. Because the Corporation accounts for these loans at amortized cost, a change in interest rates would not affect the consolidated statement of operations with respect to these loans payable.

21. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The fair value of the Corporation's financial assets and liabilities is estimated as follows:

	2016		2015	
	Carrying amount	Fair value	Carrying amount	Fair value
Portfolio investments	\$ 50,830	\$ 50,193	\$ 65,165	\$ 65,579
Loans payable to CMHC	7,004	8,716	7,576	9,705
Mortgages payable to CMHC	2,907	2,942	3,143	3,303
Obligations under capital lease	53	53	281	281

The fair value of the portfolio investments is the market values as at March 31.

The fair value of loans and mortgages payable to CMHC is determined by applying the current yield for debt with a similar maturity date issued by the province of Newfoundland & Labrador and applying this yield to the Corporation's debt. This approach is used because the Government of the Northwest Territories does not issue debt and the province of Newfoundland & Labrador would be considered to have a similar risk profile.

The fair value of the mortgages and loans receivable is estimated to be the carrying amount due to the significant valuation allowances provided.

The fair values of the cash, accounts receivable, accounts payable and accrued liabilities approximate their carrying amounts because of the short term to maturity.

22. RELATED PARTY TRANSACTIONS

The Corporation is related in terms of common ownership to all Government of the Northwest Territories created departments, territorial corporations and public agencies. Except for services provided without charge, the Corporation enters into transactions with these entities in the normal course of business, under terms and conditions similar to those with unrelated parties. Significant transactions with related parties and balances at year-end are disclosed separately in the consolidated financial statements and notes thereto.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2016

(all figures in thousands)

23. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.

24. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and have been derived from the Main Estimates approved by the Legislative Assembly.

NORTHWEST TERRITORIES HOUSING CORPORATION

Schedule A

Consolidated Schedule of Tangible Capital Assets March 31, 2016 (all figures in thousands)

	Cost					Accumulated amortization				Net book value	
	Opening balance	Acquisitions	Disposals/ transfers *	Write-down	Closing balance	Opening balance	Amortization	Disposals	Closing balance	2016	2015
Land	6,683	879	-	-	7,562	-	-	-	-	7,562	6,683
Public housing	299,893	21,061	(3,704)	(561)	316,689	140,422	8,814	(3,470)	145,766	170,923	159,471
Affordable housing	64,851	7,747	(61)	-	72,537	18,763	2,743	(30)	21,476	51,061	46,088
Non-residential properties	7,691	789	(2,072)	-	6,408	3,932	478	(1,192)	3,218	3,190	3,759
Construction in progress	18,845	40,103	(31,298)	-	27,650	-	-	-	-	27,650	18,845
Sub-total	397,963	70,579	(37,135)	(561)	430,846	163,117	12,035	(4,692)	170,460	260,386	234,846
Property and equipment:											
Warehouses and offices	12,423	237	-	-	12,660	5,115	433	-	5,548	7,112	7,308
Office furniture and equipment	5,511	86	-	-	5,597	5,032	110	-	5,142	455	479
Mobile equipment	2,082	456	-	-	2,538	1,300	247	-	1,547	991	782
Software	114	-	-	-	114	22	11	-	33	81	92
Leasehold Improvements	728	43	-	-	771	728	4	-	732	39	-
Sub-total	20,858	822	-	-	21,680	12,197	805	-	13,002	8,678	8,661
Total	418,821	71,401	(37,135)	(561)	452,526	175,314	12,840	(4,692)	183,462	269,064	243,507

NORTHWEST TERRITORIES HOUSING CORPORATION

Schedule A

Consolidated Schedule of Tangible Capital Assets
March 31, 2016
(all figures in thousands)

*This presentation includes \$31,298 of transfers to acquisitions and \$5,837 of dispositions during the fiscal 2015 – 2016 year.



NORTHWEST TERRITORIES
HOUSING CORPORATION

Northwest Territories Human Rights Commission

Financial Statements

March 31, 2016

Northwest Territories Human Rights Commission

Financial Statements

March 31, 2016

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Independent Auditors' Report

To the Commission Members of Northwest Territories Human Rights Commission

We have audited the accompanying financial statement of Northwest Territories Human Rights Commission, which comprise the statement of financial position as at March 31, 2016, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Public Sector Accounting Standards for Not-for-profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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



Independent Auditors' Report (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Northwest Territories Human Rights Commission as at March 31, 2016 and the results of its operations and cash flows for the year then ended in accordance with Public Sector Accounting Standards for Not-for-Profit Organizations.

Report on Other Legal and Regulatory Requirements

We further report in accordance with the *Financial Administration Act* of the Northwest Territories that, in our opinion, proper books of account have been kept by the Commission, the financial statements are in agreement therewith, and the transactions that have come under our notice have, in all material respects, been in accordance with the *Financial Administration Act*.

Crowe MacKay LLP

**Yellowknife, Northwest Territories
August 3, 2016**

Chartered Accountants

Northwest Territories Human Rights Commission

Statement of Operations

For the year ended March 31,	2016	2015
Revenue		
Government of the Northwest Territories ("GNWT")		
- Operating grant	\$ 250,000	\$ 370,000
- Expense reimbursement (Note 4)	(32,239)	(63,682)
- Refunded to GNWT	(29,000)	(20,000)
	188,761	286,318
Expenses		
Accounting	6,760	6,760
Advertising and promotion	16,179	24,901
Bank charges	25	25
Benefits and pension	1,805	1,968
Catering	2,515	4,538
Contracts - administration	-	101,790
Events	6,528	29,886
Honorarium - commission chair	21,688	23,644
Honorarium - commission members	27,224	38,187
Legal expenses	69,979	28,487
Membership fees	2,200	2,242
Office supplies	700	-
Postal and courier	-	97
Printing	6,436	2,773
Professional development	490	-
Telephone	43	268
Travel - commission members	-	220
Travel - staff	-	250
Website	-	639
	162,572	266,675
Excess revenue	\$ 26,189	\$ 19,643

Northwest Territories Human Rights Commission**Statement of Changes in Net Assets**

For the year ended March 31,		2016	2015
	General Fund	Total	Total
Balance, beginning of year	\$ 124,735	\$ 124,735	\$ 105,092
Excess revenue	26,189	26,189	19,643
Balance, end of year	\$ 150,924	\$ 150,924	\$ 124,735

Northwest Territories Human Rights Commission

Statement of Financial Position

As at March 31, 2016 2015

Assets

Current

Cash	\$ 157,219	\$ 147,509
Due from GNWT - Legislative Assembly (Note 4)	2,911	6,348
Prepaid expenses	899	950
	\$ 161,029	\$ 154,807

Liabilities

Current

Accounts payable and accrued liabilities	\$ 10,105	\$ 30,072
--	-----------	-----------

Net Assets

General Fund	150,924	124,735
	\$ 161,029	\$ 154,807

Approved on behalf of NWT Human Rights Commission



Commission Chair



Commission Member

Northwest Territories Human Rights Commission

Statement of Cash Flows

For the year ended March 31,	2016	2015
Cash provided by (used in)		
Operating activities		
Excess revenue	\$ 26,189	\$ 19,643
Change in non-cash operating working capital		
Due from GNWT - Legislative Assembly	3,437	12,465
Prepaid expenses	51	(14)
Accounts payable and accrued liabilities	(19,967)	19,728
Change in cash	9,710	51,822
Cash, opening	147,509	95,687
Cash, closing	\$ 157,219	\$ 147,509

Northwest Territories Human Rights Commission

Notes to Financial Statements

March 31, 2016

1. Nature of Operations

The Northwest Territories Human Rights Commission (the "Commission") was established to promote human rights through education and advocacy and to provide the administration of the complaints process. The Commission was established by the *Human Rights Act* of the Northwest Territories which came into effect on July 1, 2004. The Commission is exempt from income taxes and GST on the basis that they are an entity of the Government of the Northwest Territories (GNWT).

2. Accounting Policies

These financial statements have been prepared in accordance with Public Sector Accounting Standards for Not-for-Profit Organizations (PSA-NPO) as issued by the Public Sector Accounting Board (PSAB). The following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

(a) Financial Instruments

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

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

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

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

(b) Fund accounting

Revenue and expenses for general operating activities are reported in the General Fund.

(c) Revenue recognition

The Commission follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Funds received and not expended are neither deferred nor repayable to the funding organization.

Northwest Territories Human Rights Commission

Notes to Financial Statements

March 31, 2016

2. Accounting Policies (continued)

(d) Measurement uncertainty

The preparation of financial statements in conformity with Public Sector Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the updated amounts of revenues and expenses during the period. Actual results could differ from those estimates.

(e) Contributed Services

These financial statements only report the funding and expenditures relating to the contribution funding from the Legislative Assembly of the Northwest Territories. The Legislative Assembly makes expenditures on behalf of the Commission and the expenditures are not included in these financial statements. The salaries for Director, Deputy Director, and staff, rent and office expenses are paid directly by the Legislative Assembly and are not reflected in these financial statements.

3. Transfer of Assets

The equipment that was previously held and recorded in the Commission has been transferred to the GNWT. This has been done to enable the GNWT to consolidate all their tangible capital assets for their reporting purposes.

Northwest Territories Human Rights Commission

Notes to Financial Statements

March 31, 2016

4. Expense Reimbursement

The Commission gave the GNWT a portion from its funding to pay for travel expenses on behalf of the Commission. In the current year, \$35,150 of the \$250,000 funding was given to the GNWT for travel. The GNWT spent \$32,239 on behalf of the Commission and \$2,911 is shown as a receivable.

- 5784 - Travel Commission Chair
- 5785 - Travel Commission Member
- 5786 - Travel Staff Member
- 5893 - Registration - Commission Chair
- 5892 - Registration - Commission Member
- 5615 - Advertising
- 5700 - Office supplies
- 5789 - Event expense

	Account 5784	Account 5785	Account 5786	Account 5893	Account 5892	Account 5615	Account 5700	Account 5789	TOTAL 2016	TOTAL 2015
Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 608
HRC in Person										
Meetings	-	4,352	-	-	-	-	-	-	4,352	4,448
CASHRA	3,146	7,417	-	700	2,646	-	-	-	13,909	14,389
Community Visits	3,743	7,324	2,911	-	-	-	-	-	13,978	14,451
Community Events	-	-	-	-	-	-	-	-	-	24,514
Community Initiatives	-	-	-	-	-	-	-	-	-	915
Comprehensive										
Review	-	-	-	-	-	-	-	-	-	4,357
Total	\$ 6,889	\$ 19,093	\$ 2,911	\$ 700	\$ 2,646	\$ -	\$ -	\$ -	\$ 32,239	\$ 63,682

5. Financial Instruments

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

(a) Credit risk

Credit risk is the risk of financial loss to the Commission if a debtor fails to make payments of interest and principal when due. The Commission is exposed to this risk relating to its, cash and due from the GNWT - Legislative Assembly.

The Commission holds its cash with a federally regulated chartered bank who is insured by the Canadian Deposit Insurance Corporation. In the event of default, the Commission's cash is insured up to \$100,000.

Credit risk related to amount due from the GNWT - Legislative Assembly is mitigated by internal controls as well policies and oversight over arrears for ultimate collection. Management has determined that no impairment was required.

The Commission's maximum exposure to credit risk is represented by the financial assets for a total of \$160,130 (2015 - \$153,857).

Northwest Territories Human Rights Commission

Notes to Financial Statements

March 31, 2016

5. Financial Instruments (continued)

(a) Credit risk (continued)

Concentration of credit risk

The Commission does have concentration risk. At March 31, 2016, receivables from one government agency comprised 100% of the total outstanding accounts receivables. The Commission reduces this risk by monitoring overdue balances.

The Commission also has concentration risk of credit risk as deposits are held in one Canadian chartered bank.

**NORTHWEST TERRITORIES HYDRO CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2016**



**NORTHWEST TERRITORIES
HYDRO
CORPORATION**

Power for Generations



INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Northwest Territories Hydro Corporation

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Northwest Territories Hydro Corporation, which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated statement of operations and accumulated surplus, consolidated statement of changes in net debt and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

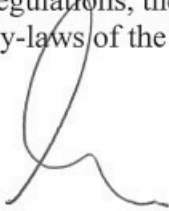
Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Northwest Territories Hydro Corporation as at 31 March 2016, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

I report that, in my opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Northwest Territories Hydro Corporation and the consolidated financial statements are in agreement therewith. In addition, the transactions of the Northwest Territories Hydro Corporation that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with the *Financial Administration Act* of the Northwest Territories and regulations, the *Northwest Territories Hydro Corporation Act* and regulations and the by-laws of the Northwest Territories Hydro Corporation.



Guy LeGras, CPA, CA
Principal
for the Auditor General of Canada

24 August 2016
Edmonton, Canada

NORTHWEST TERRITORIES HYDRO CORPORATION

Management's Responsibility for Financial Reporting

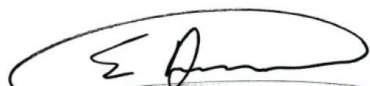
The accompanying consolidated financial statements were prepared by management in accordance with Canadian public sector accounting standards (PSAS). Where PSAS permits alternative accounting methods, management has chosen those it deems most appropriate in the circumstances. A summary of significant accounting policies are described in Note 2 to the consolidated financial statements. Financial statements include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects. Management has prepared financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the consolidated financial statements.

The Northwest Territories Hydro Corporation (NT Hydro) maintains financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis, that assets are acquired economically, are used to further NT Hydro's objectives, are protected from loss or unauthorized use and that NT Hydro acts in accordance with the laws of the Northwest Territories and Canada. Management recognizes its responsibility for conducting NT Hydro's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to an agent of the territorial government. An internal auditor reviews the operation of financial and management systems to promote compliance and to identify changing requirements or needed improvements.

The Auditor General of Canada provides an independent, objective audit for the purpose of expressing his opinion on the consolidated financial statements. He also considers whether the transactions that come to his notice in the course of the audit are, in all significant respects, in accordance with the specified legislation.

The Board of Directors appoints certain members to serve on the Audit and Efficiency Committee. This Committee oversees management's responsibilities for financial reporting and reviews and recommends approval of the consolidated financial statements. The internal and external auditors have full and free access to the Audit and Efficiency Committee.

The consolidated financial statements have been approved by the Board of Directors.



Emanuel DaRosa
President & Chief Executive Officer



Belinda Whitford
Chief Financial Officer

Hay River, NT
August 24, 2016

NORTHWEST TERRITORIES HYDRO CORPORATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at March 31 (in thousands of dollars)

	2016	2015
Financial assets		
Cash	\$ 1,236	\$ 2,333
Revenues receivable (Note 3)	14,559	12,999
Loan receivable (Note 4)	15,306	16,134
Sinking fund investments (Note 5)	7,988	7,194
Investment in Aadrii Ltd. (Note 6)	393	656
	39,482	39,316
Liabilities		
Accounts payable and accrued liabilities	19,457	22,219
Capital lease obligations (Note 4)	18,568	20,670
Debenture debt (Note 5)	181,818	184,326
Operating line of credit (Note 7)	32,600	18,115
Asset retirement obligations and environmental liabilities (Note 8)	17,674	18,553
Other employee future benefits (Note 9)	3,056	3,248
Deferred government contributions (Note 10)	2,702	5,781
	275,875	272,912
Net debt	\$ (236,393)	\$ (233,596)
Non-financial assets		
Tangible capital assets (Note 11)	349,526	340,456
Inventories (Note 12)	8,981	9,142
Prepaid expenses	1,056	854
	359,563	350,452
Accumulated surplus / equity (Note 13)	\$ 123,170	\$ 116,856

Contractual obligations and contingencies (Note 21)

The accompanying notes are an integral part of these consolidated financial statements.

Approved on behalf of the Board:


Paul Guy, Chairman of the Board


David Stewart, Director

NORTHWEST TERRITORIES HYDRO CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the year ended March 31 (in thousands of dollars)

	2016 Budget	2016 Actual	2015 Actual
Revenues			
Sale of power (Note 14)	\$ 101,687	\$ 99,783	\$ 96,333
Other revenue and customer contributions (Note 15)	2,177	2,511	2,160
Fuel rider revenues (Note 1)	1,629	1,711	2,996
Interest income (Note 17)	1,539	1,616	1,677
Insurance proceeds	-	1,278	-
(Loss) Income from investment in Aadrii Ltd. (Note 6)	-	(39)	45
	107,032	106,860	103,211
Expenses (Note 16)			
Thermal generation	77,497	76,942	76,208
Hydro generation	18,015	18,531	17,856
Corporate services	17,503	17,155	17,560
Transmission, distribution and retail	11,255	10,059	10,155
Purchased power	2,444	2,263	3,462
Alternative power generation	308	336	332
	127,022	125,286	125,573
Deficit for the year before government contributions	(19,990)	(18,426)	(22,362)
Government contributions			
GNWT extreme low water contributions (Note 10)	19,565	23,008	14,219
Other government contributions (Note 18)	762	1,732	2,228
GNWT power sales contributions (Note 19)	-	-	2,800
	20,327	24,740	19,247
Surplus (deficit) for the year before adjustment for NTPC PSAS conversion	\$ 337	\$ 6,314	\$ (3,115)
Adjustment resulting from NTPC conversion to PSAS, beginning of year	-	-	4,141
Surplus for the year	\$ 337	\$ 6,314	\$ 1,026
Accumulated surplus / equity, beginning of year	116,856	116,856	115,830
Accumulated surplus / equity, end of year	\$ 117,193	\$ 123,170	\$ 116,856

The accompanying notes are an integral part of these consolidated financial statements.

NORTHWEST TERRITORIES HYDRO CORPORATION

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT For the year ended March 31 (in thousands of dollars)

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Surplus for the year	\$ 337	\$ 6,314	\$ 1,026
Tangible capital assets			
Additions	(27,899)	(27,155)	(18,320)
Capitalized overhead	(4,175)	(3,790)	(3,575)
Capitalized interest (Note 17)	(476)	(745)	(446)
Disposals	-	6,466	258
Amortization (Note 11)	16,796	16,155	15,439
	<u>(15,754)</u>	<u>(9,069)</u>	<u>(6,644)</u>
Additions of inventories	(5,191)	(7,272)	(6,456)
Use of inventories	4,747	7,431	6,314
Additions to prepaids	(1,700)	(1,759)	(2,057)
Use of prepaids	1,600	1,558	2,255
	<u>(544)</u>	<u>(42)</u>	<u>56</u>
Increase in net debt for the year	<u>(15,961)</u>	<u>(2,797)</u>	<u>(5,562)</u>
Net (debt) financial assets, beginning of year	(233,596)	(233,596)	113,382
Adjustment to net financial assets upon consolidation of NTPC, beginning of year	-	-	(341,416)
Adjusted net debt, beginning of year	<u>(233,596)</u>	<u>(233,596)</u>	<u>(228,034)</u>
Net debt, end of year	<u>\$ (249,557)</u>	<u>\$ (236,393)</u>	<u>\$ (233,596)</u>

The accompanying notes are an integral part of these consolidated financial statements.

NORTHWEST TERRITORIES HYDRO CORPORATION

CONSOLIDATED STATEMENT OF CASH FLOWS For the year ended March 31 (in thousands of dollars)

	2016	2015
Cash provided by (used in) operating activities		
Cash receipts from customers	\$ 103,887	\$ 101,175
Government contributions received	21,447	25,477
Cash paid to suppliers	(71,331)	(62,208)
Cash paid to employees	(26,690)	(26,941)
Interest paid (Note 4)	(11,310)	(11,508)
Interest received (Note 4)	104	89
	16,107	26,084
Cash provided by (used in) investing activities		
Loan receivable receipts (Note 4)	128	84
Sinking fund investment purchases	(794)	(681)
Return of capital from Aadrii Ltd.	225	-
	(441)	(597)
Cash provided by (used in) capital activities		
Acquisition and development of tangible capital assets	(28,824)	(21,662)
Proceeds on sale of tangible capital assets	162	7
	(28,662)	(21,655)
Cash provided by (used in) financing activities		
Net proceeds from operating line of credit	14,485	227
Repayment of debenture debt	(2,552)	(2,421)
Repayment of capital lease obligations (Note 4)	(34)	(444)
Repayments to related parties	-	(18)
	11,899	(2,656)
(Decrease) increase in cash	\$ (1,097)	\$ 1,176
Cash, beginning of year	\$ 2,333	\$ 475
Adjustment to cash upon consolidation of NTPC, beginning of year	-	682
Adjusted cash, beginning of year	2,333	1,157
Cash, end of year	\$ 1,236	\$ 2,333

The accompanying notes are an integral part of these consolidated financial statements

NORTHWEST TERRITORIES HYDRO CORPORATION

1. The Corporation

a) Authority and corporate information

The Northwest Territories Hydro Corporation (NT Hydro) was established under the *Northwest Territories Hydro Corporation Act*. NT Hydro is a public agency under Schedule B of the *Financial Administration Act* of the Northwest Territories and is exempt from income tax. The Government of the Northwest Territories (GNWT) owns all shares of NT Hydro (Note 13).

NT Hydro's primary asset is its 100% ownership interest in Northwest Territories Power Corporation (NTPC), which owns and operates hydroelectric, diesel, gas and photovoltaic generation facilities to provide utility services in the Northwest Territories. NTPC is a regulated company, established under the *Northwest Territories Power Corporation Act* and controls one wholly-owned subsidiary, the Northwest Territories Energy Corporation Ltd. (NWTEC). NWTEC, under the authority of the *Northwest Territories Power Corporation Act*, financed the Dogrib Power Corporation in 1996 for the construction of a 4.3 MW hydro facility (Note 4). NWTEC is also responsible for the joint operation and shared ownership (50%) in one residual heat project in Fort McPherson (Note 6).

NT Hydro has another subsidiary, the Northwest Territories Energy Corporation (03) Ltd. (NTEC(03)). NTEC(03) was inactive in fiscal 2016 as the operations were transferred to the GNWT's Public Works and Services (PWS) effective April 1, 2015 (Note 20).

b) Regulated activities

The activities of NTPC are regulated by the Public Utilities Board (PUB) of the Northwest Territories pursuant to the *Public Utilities Act*. The PUB regulates matters covering rates, financing, accounting for regulatory purposes, construction, operation and service area. As the PUB is a board appointed by the GNWT, and NTPC is a public agency of the GNWT, NTPC and the PUB are related parties.

The PUB is required to review the affairs, earnings and accounts of NTPC a minimum of every three years. The regulatory hearing process used to establish or change rates typically begins when NTPC makes a General Rate Application (GRA) for its proposed electricity rate changes. Normally, NTPC applies for rates in advance of the applicable fiscal years (Test Years) to which the new rates will apply. In addition to GRAs, interim rate applications may be used between GRAs to deal with circumstances which could result in the use of interim rates or riders until the next GRA, when rates are reviewed and set as final.

The PUB uses cost of service regulation to regulate NTPC's earnings on a return on equity basis. On January 21, 2013 in Decision 1-2013 the PUB approved a return on equity for fiscal 2013 and fiscal 2014 of 8.5% on assets outside the thermal zone and 0% for thermal zone assets. The approved return on equity will remain in effect until it is reassessed at the time of the next GRA. As actual operating conditions will vary from forecast, actual returns achieved may differ from approved returns.

Decision 8-2015 issued by the PUB on March 12, 2015 was the final Decision related to the phasing in of the 2013/14 revenue requirement. The Decision approved a 6.2% increase in base energy rates effective April 1, 2015 for fiscal 2016.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 1. The Corporation (continued)

In Decision 16-2010, the PUB approved the establishment of the Territory-wide Rate Stabilization Fund (RSF) for NTPC in order to flow through to customers, subject to a \$2,500 threshold, variances in fuel prices and purchased power prices relative to the GRA forecast, and to flow through fuel mix variances in dual fuel communities, pursuant to the Electricity Rate Policy Guidelines issued by the Minister Responsible for the PUB. In April 2014, under NTPC's RSF, the PUB approved a RSF rider of 1.17 cents/kWh effective May 1, 2014 for all firm power customers with the exception of Northland Utilities (NWT) Limited. The collection of this rider completed on October 31, 2015.

Note 23 provides additional information on NTPC's interim rate filing, GRA filing and refund rider filing with the PUB in fiscal 2017.

c) Economic Dependence

NT Hydro has historically been able to maintain its operations and meet its liabilities through the rate regulation process without receiving any significant financial assistance from the GNWT and was classified as a GBE. Over the past few years, in order to mitigate rate increases to customers, the GNWT has provided larger increases in subsidization to customers through rates by providing direct contributions to NTPC to apply against those rate increases. As a result of this government driven policy, NT Hydro is economically dependent on the GNWT to maintain its operations and meet its liabilities. It is expected that the ongoing operations of NT Hydro will depend on continued financial support from GNWT.

2. Significant accounting policies

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Public Sector Accounting Board (PSAB). The accounting policies set out below have been applied in preparing the consolidated financial statements as at March 31, 2016.

a) Basis of consolidation

The consolidated financial statements of NT Hydro consist of the consolidation of the accounts of the NT Hydro and its wholly-owned subsidiaries, from the date that control commences until the date that control ceases. NT Hydro's investment in a government business partnership, resulting from NWTEC's 50% shared ownership in Aadrii Ltd. (Note 6) is accounted for using the modified equity method using NWTEC's 50% share of Aadrii Ltd. to record its investment, the net income and other changes in equity.

Inter-entity transactions and balances with wholly owned subsidiaries are eliminated upon consolidation. The inter-entity transactions and balances of the subsidiaries accounted for using the modified equity basis are not eliminated.

The consolidated budget figures presented in these financial statements were approved by the Board and the boards of consolidated entities and include adjustments to eliminate budgeted inter-entity revenues and expenses. The budget figures do not reflect any forecast changes made throughout the year.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 2. Significant accounting policies (continued)

b) Measurement uncertainty

To prepare these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, and the disclosure of contingent liabilities. Significant estimates include the estimated useful life, impairment and the value of future economic benefits associated with the tangible capital assets, the provision for other employee future benefits and the provision for asset retirement obligations and environmental liabilities.

Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these consolidated financial statements. Actual results could differ significantly from these estimates.

c) Inventories

Inventories are only held for use and consist mainly of materials, supplies, lubricants, critical spare parts and fuel. Inventories are recorded at cost. Cost is determined using the weighted average cost method. Impairments, when recognized, result in write-downs to net realizable value.

d) Financial instruments

The financial instruments of NT Hydro are classified and measured at amortized cost using the effective interest method and include the following: cash, revenues receivable, sinking fund investments, loan receivable, accounts payable and accrued liabilities, the operating line of credit, and the debenture debt.

A provision for impairment of revenues receivable and the loan receivable is established when there is objective evidence that NT Hydro will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganization, and default or delinquency in payment are considered indicators that revenue receivables are impaired. The carrying amount of the receivable is reduced through the use of an allowance account, and the amount of the loss is recognized in the consolidated statement of operations and accumulated surplus as bad debt expense. When a receivable is deemed uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognized in the consolidated statement of operations and accumulated surplus.

All financial assets, excluding receivables, are tested annually for impairment or more frequently if indicators of impairment exist. When these financial assets are impaired, impairment losses are recorded in the consolidated statement of operations and accumulated surplus. Such impairment is not reversed following a subsequent increase in value.

Transaction costs, with respect to financial assets and liabilities carried at amortized cost, are added to the initial cost of the acquired financial asset or financial liability.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 2. Significant accounting policies (continued)

e) Tangible capital assets

Tangible capital assets represent property, plant and equipment and are recorded at historical cost less accumulated amortization. Costs include amounts that are directly related to the acquisition, design, construction, development, improvement and betterment of the assets. Costs include contracted services, materials and supplies, direct labour, attributable overhead costs, and capitalized interest directly attributable to construction or development (IDC). Capitalization of interest ceases when no construction or development is taking place or when a tangible capital asset is ready for use in producing goods or services. The IDC rate for fiscal 2016 was 5.676% (2015 – 5.676%). Gains or losses on disposition are included in the consolidated statement of operations and accumulated surplus.

i) Leased tangible capital assets

Leases that transfer substantially all of the benefits and risks incidental to ownership of tangible capital assets are accounted for as leased tangible capital assets and a lease liability. The value of the leased tangible capital asset and lease liability is recorded at the inception of the lease based upon the present value of the minimum lease payments, excluding executory costs.

ii) Transfers of tangible capital assets

Tangible capital assets received as contributions from third parties are recorded as assets and revenue at their fair value at the date of receipt, except in circumstances where fair value cannot reasonably be determined, in which case they are recognized at nominal value.

iii) Impairment

When conditions indicate that a tangible capital asset no longer contributes to NT Hydro's ability to provide goods and services, or that the value of the future economic benefits associated with the tangible capital asset is less than its net book value, the carrying value of the tangible capital asset is reduced to reflect that a permanent decline in the value of the asset has occurred. The related expense is recorded in the consolidated statement of operations and accumulated surplus and is not reversed if conditions subsequently change.

iv) Amortization

The cost, less residual value, of tangible capital assets, excluding land, is amortized on the straight-line average group useful life basis.

Annual amortization rates are as follows:

	%
Electric power plants	1.00 – 6.63
Transmission and distribution systems	1.54 – 5.00
Electric power plant under capital lease	1.33 – 1.54
Warehouse, equipment, motor vehicles and general facilities	1.00 – 12.83
LNG and other equipment under capital lease	20.0

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 2. Significant accounting policies (continued)

Assets under construction are not amortized until they are ready for their intended productive use. NT Hydro uses amortization studies and other information to assess amortization rates and substantiate amortization rate changes. Amortization rate changes are accounted for on a prospective basis.

f) Government contributions

Government contributions are recognized as revenue when the contributions are authorized and any eligibility criteria are met, except to the extent that stipulations of a contribution give rise to an obligation that meets the definition of a liability in which case the contribution is recorded as a deferred government contribution and subsequently recognized as revenue when the stipulations are met.

g) Customer contributions in aid of construction

Certain tangible capital asset additions are made with the assistance of cash contributions from customers. These contributions are recorded as revenues when all external restrictions or stipulations imposed by an agreement with the external party related to the contribution have been satisfied, generally when the resources are used for the purposes intended.

h) Public service pension plan

All eligible employees participate in the Public Service Pension Plan ("the Plan"), administered by the Government of Canada. The Plan is a multi-employer contributory defined benefit plan established through legislation. NT Hydro's contributions to the Plan are charged as an expense on a current year basis and represent the total pension obligations. NT Hydro is not required under present legislation to make contributions with respect to actuarial deficiencies of the Plan.

i) Other employee future benefits

The expected cost of providing these benefits is actuarially determined using assumptions based on management's best estimates and are recognized as employees render service. The benefit plans are not funded and thus have no assets, resulting in plan deficits equal to the accrued benefit obligation.

i) Severance and ultimate removal benefits

Under the terms and conditions of employment, eligible employees may earn severance and removal benefits based on employee start dates, years of service, final salary and point of hire. The benefits are paid upon resignation, retirement or death of an employee.

ii) Sick leave benefits

NT Hydro provides certain sick leave benefits that are available to be used in future periods when claimed by the employee upon becoming sick. The sick leave benefits accumulate but do not vest and are not paid out to employees upon resignation, retirement or death of an employee.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 2. Significant accounting policies (continued)

j) Asset retirement obligations

On an annual basis, NT Hydro identifies legal obligations associated with the retirement of its tangible capital assets. Management's best estimate of the future expenditures required to settle the legal obligations are recognized to the extent that they can be reasonably estimated and are calculated based on the estimated future cash flows necessary to discharge the legal obligations, discounted using NT Hydro's cost of borrowing for maturity dates that coincide with the expected future cash flows.

The estimated asset retirement obligation (ARO) is recorded as a liability and a corresponding increase to tangible capital assets. The liability for AROs is increased annually for the passage of time by calculating accretion on the liability based on the discount rates implicit in the initial measurement. Changes in the obligation resulting from revisions to the timing or amount of the estimated undiscounted future cash flows or revisions to the discount rate are recognized as an increase or decrease in the related carrying amount of the related tangible capital asset.

NT Hydro has identified AROs for certain hydro, thermal, transmission and distribution assets where NT Hydro expects to maintain and operate these assets indefinitely and therefore no related ARO has been recognized.

k) Environmental liabilities

Environmental liabilities consist of the estimated costs related to the monitoring, maintenance and remediation of environmentally contaminated sites. NT Hydro recognizes environmental liabilities when all of the following criteria are satisfied: an environmental standard exists, contamination exceeds the environmental standard, NT Hydro is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made.

Environmental liabilities are discounted for the time value of money. NT Hydro reviews its estimates of future environmental liabilities on an on-going basis.

l) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using exchange rates at year-end. Foreign currency transactions are translated into Canadian dollars using rates in effect at the time the transactions were entered into. All realized exchange gains and losses are included in surplus for the year according to the activities to which they relate.

m) Revenues

Revenues for the sale of power and fuel rider revenues are recognized in the period earned based on cyclical meter readings. Sale of power revenues and fuel rider revenues include accruals for electricity sales not yet billed.

Interest, contract, contribution and other revenues are recognized on the accrual basis.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 2. Significant accounting policies (continued)

n) Expenses

Expenses are recognized on an accrual basis.

o) Contractual obligations and contingencies

The nature of NT Hydro's activities require entry into contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual obligations pertain to funding commitments for operating and capital projects. Contractual obligations are obligations of NT Hydro to others that will become liabilities in the future when the terms of those contracts or agreements are met.

The contingencies of NT Hydro are potential liabilities, which may become actual liabilities when one or more future events occur or fail to occur. If the future event is considered likely to occur and is quantifiable, an estimated liability is accrued. If the occurrence of the confirming future event is likely but the amount of the liability cannot be reasonably estimated, the contingency is disclosed. If the occurrence of the confirming future event is not determinable, the contingency is disclosed.

p) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess revenues over expenses, provides the change in net debt during the year.

3. Revenues receivable

At March 31, 2016, the aging of revenues receivable was as follows:

	2016			Total
	Current (less than 28 days)	29-90 days	Over 90 days	
Utility	\$ 11,180	\$ 523	\$ 298	\$ 12,001
Non-utility	2,436	2	438	2,876
Allowance for doubtful accounts	-	-	(318)	(318)
	<u>\$ 13,616</u>	<u>\$ 525</u>	<u>\$ 418</u>	<u>\$ 14,559</u>

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 3. Revenues receivable (continued)

At March 31, 2015, the aging of revenues receivable was as follows:

	2015			Total
	Current (less than 28 days)	29-90 days	Over 90 days	
Utility	\$ 10,336	\$ 691	\$ 325	\$ 11,352
Non-utility	494	-	1,665	2,159
Allowance for doubtful accounts	-	-	(512)	(512)
	<u>\$ 10,830</u>	<u>\$ 691</u>	<u>\$ 1,478</u>	<u>\$ 12,999</u>

The changes in the allowance for doubtful accounts were as follows:

	2016	2015
Balance, beginning of the year	\$ (512)	\$ (793)
Receivables written off	89	193
Decrease (increase) to allowance	105	88
Balance, end of the year	<u>\$ (318)</u>	<u>\$ (512)</u>

Revenues receivable on utility and non-utility accounts are generally due in 45 days and interest is charged after 28 and 30 days, respectively, at rates in the terms of service agreement. As at March 31, 2016, NT Hydro provided an allowance for doubtful accounts for some of its revenues receivable accounts with amounts outstanding longer than 90 days. Additional disclosures on NT Hydro's exposure and management of credit risk associated with revenues receivable can be found in Note 22.

4. Loan receivable and capital lease obligations

Loan receivable

NWTEC loaned \$22,900 to the Dogrib Power Corporation (DPC) to finance the construction of a hydroelectric generating plant on the Snare River (the "Snare Plant") in the NWT between 1994 and 1996. The loan bears interest at an annual rate of 9.6%, which is the average rate of interest on NWTEC's debenture debt issued to finance the loan. It is due July 2026 and is repayable in equal monthly blended principal and interest payments of \$195.

Loan receivable payments and the capital lease payments for the Snare Plant are settled on a net basis and are presented on a net basis on the statement of cash flows.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 4. Loan receivable and capital lease obligations (continued)

Capital lease obligations

Snare Plant

NTPC has an initial 65-year lease from the DPC for the Snare Plant at an imputed interest rate of 9.6% until 2061. The lease can be renewed at NTPC's option subject to the same covenants, obligations and agreements except for the monthly rental price which shall be determined by arbitration. The renewal term will be based on the end of the useful life of the property or the expiry of the Ground Lease, whichever comes first. To reflect the effective acquisition and financing nature of the lease, the Snare Plant is included in electric power plant under capital lease (Note 11).

A \$4,000 guarantee from DPC's parent company, the Tlicho Investment Corporation and a blocked account agreement established by DPC provide collateral for the loan receivable. NWTEC has signing authority and full control over the blocked account in the event of default. At the beginning of each fiscal year, the balance in the blocked account must be equal to the top up payments (the difference between the loan payment made by DPC to NWTEC and the lease payment received by DPC from NTPC) required for the next 12 months.

Colville Lake Office

In 2016, NTPC entered into a capital lease arrangement for a trailer in Colville Lake with minimum monthly payments of \$4 until June 1, 2020.

LNG Capital Lease Obligation

On April 1, 2015, NTEC(03) transferred its lease obligation related to a liquefied natural gas (LNG) facility in Inuvik to the GNWT. The net present value of the lease obligation transferred was \$1,883.

The present values of the minimum lease payments required for the capital lease obligation over the next five years and thereafter are as follows:

	Colville Lake		
	Snare Plant	Office	Total
2017	\$ 2,167	\$ 48	\$ 2,215
2018	2,121	48	2,169
2019	2,073	48	2,121
2020	2,024	48	2,072
2021	1,974	8	1,982
Thereafter	46,445	-	46,445
	56,804	200	57,004
Less: amounts representing imputed interest	(38,422)	(14)	(38,436)
Total capital lease obligations	\$ 18,382	\$ 186	\$ 18,568

Additional disclosures on NT Hydro's exposure and management of risk associated with the loan receivable and associated capital lease obligations can be found in Note 22.

NORTHWEST TERRITORIES HYDRO CORPORATION

5. Debenture debt and related sinking fund investments

	<u>2016</u>	<u>2015</u>
5.16% amortizing debenture, due September 13, 2040	\$ 46,545	\$ 47,476
5.443% debenture, due August 1, 2028	25,000	25,000
5.995% debenture, due December 15, 2034	25,000	25,000
3.818% debenture, due November 25, 2052	25,000	25,000
5% debenture, due July 11, 2025	15,000	15,000
6.42% amortizing debenture, due December 18, 2032	11,333	12,000
6.33% sinking fund debentures, due October 27, 2018	10,000	10,000
8.41% sinking fund debentures, due February 27, 2026	8,700	8,700
9.11% debenture series 3, due September 1, 2026 repayable in equal monthly payments of \$73	5,883	6,206
9.75% debentures series 2, due October 1, 2025 repayable in equal monthly payments of \$69	5,085	5,394
10% debenture series 1, due May 1, 2025 repayable in equal monthly payments of \$70	5,002	5,323
	<u>\$ 182,548</u>	<u>\$ 185,099</u>
Less: Unamortized premium, discount and issuance costs	<u>(730)</u>	<u>(773)</u>
	<u>\$ 181,818</u>	<u>\$ 184,326</u>

The GNWT guarantees NT Hydro's debenture debt.

Principal repayments for the next five years are as follows:

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Thereafter</u>	<u>Total</u>
\$ 2,700	\$ 2,857	\$ 13,027	\$ 3,210	\$ 3,413	\$157,341	\$182,548

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 5. Debenture debt and related sinking fund investments (continued)

Sinking fund investments and requirements

Sinking fund investments are held by the Trustee for the redemption of debentures. The agreements require annual installments to retire debt at maturity. NT Hydro's sinking fund policy allows only Canadian fixed-income investments with investment grade credit. All asset classes are measured at cost or amortized cost, and market value approximates cost due to the short-term to maturity of the investments. Additional disclosures on NT Hydro's exposure and management of risk associated with sinking fund investments can be found in Note 22.

The weighted average effective rate of return for the year was 0.48% (2015 - 0.87%)

Estimated sinking fund investment requirements for future years are as follows:

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Thereafter</u>	<u>Total</u>
\$ 680	\$ 680	\$ 680	\$ 290	\$ 290	\$ 1,450	\$ 4,070

6. Investment in Aadrii Ltd.

Included in NT Hydro's consolidated financial statements, is NWTEC's 50% shared ownership and joint control of Aadrii Ltd., a residual heat project in Fort McPherson. The investment is accounted for as a government business partnership using the modified equity method. The accounting records of Aadrii Ltd. are based upon International Financial Reporting Standards.

Condensed financial information of Aadrii Ltd. is as follows

Statement of Operations – Years ending March 31

	<u>2016</u>	<u>2015</u>
Heat revenues	\$ 1	\$ 208
Operating expenses including amortization	78	119
Net (loss) income	\$ (77)	\$ 89

Statement of Financial Position as at March 31

	<u>2016</u>	<u>2015</u>
Current assets	\$ 30	\$ 526
Non-current assets	760	810
	\$ 790	\$ 1,336
Current liabilities	\$ 5	\$ 23
Shareholder's equity	785	1,313
	\$ 790	\$ 1,336

Statement of Cash Flows Years ending March 31

	<u>2016</u>	<u>2015</u>
Cash flows provided by operating activities	\$ 24	\$ 146
Repayment to owners	\$ (450)	\$ -

During 2016, Aadrii's heat sales were minimal due to operational problems with the heating system and its primary customer. Normal operations are expected to continue in fiscal 2017.

NORTHWEST TERRITORIES HYDRO CORPORATION

7. Operating line of credit

NT Hydro has a \$50,000 (March 31, 2015 - \$30,000) operating line of credit with its bank. The operating line of credit allows NT Hydro to borrow using Bankers' Acceptances or other advances directly against the line of credit.

The short term debt outstanding at March 31, 2016 had a weighted average 43 day term and a 1.72% (2015 – 1.85%) weighted average annual interest rate.

8. Asset retirement obligations and environmental liabilities

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 18,553	\$ 15,106
Liabilities settled	(1,641)	(147)
Accretion expense	166	149
Valuation adjustment	515	3,057
Additions	81	388
	<u>\$ 17,674</u>	<u>\$ 18,553</u>

AROs include costs related to the disposal of generating plants on leased land, storage tank systems and the associated piping for petroleum products in all communities served by NTPC and the remediation of contaminated sites. Following is a summary of the key assumptions upon which the carrying amount of the AROs is based:

- Total expected future cash flows - \$48,132 (2015 - \$48,855)
- Expected timing of payments of the cash flows – asset removal and/or site remediation is expected to occur between 1 and 74 years with the majority occurring after 2040.
- The discount rate is the cost of borrowing rate of 2.47% (2015 – 2.33%) for those obligations to be settled in less than 10 years and 3.5% (2015 – 3.17%) for those obligations to be settled in 10 years or longer.

Environmental protection legislation (Environmental Guideline for Contaminated Site Remediation, Northwest Territories Department of Environment and Natural Resources, 2003) establishes maximum standards for concentrations of petroleum hydrocarbons in soil to protect environmental quality and human health from the long-term effect of exposure to them. Legislation requires a responsible party to perform remediation activities if the concentrations exceed standard levels. NT Hydro estimates that it has 24 sites (2015 - 24 sites) which have contaminated soil that exceed the accepted maximum standard in the Northwest Territories. NT Hydro is responsible for remediation of the contaminated site upon sale of the land or termination of the lease.

Management estimates that over 75% of the contamination occurred prior to May 5, 1988 when the Government of Canada controlled Northern Canada Power Commission (NT Hydro's predecessor company). There is no provision recorded in these consolidated financial statements for a potential recovery from the Government of Canada.

NORTHWEST TERRITORIES HYDRO CORPORATION

9. Other employee future benefits

a) Public Service Pension Plan:

The employees of NT Hydro participate in the Plan. The Plan provides benefits based on the number of years of pensionable service to a maximum of 35 years. Benefits are determined by a formula set out in the legislation; they are not based on the financial status of the Plan. The basic benefit formula is two percent per year of pensionable service multiplied by the average of the five consecutive years of highest paid service. The employer contribution rate effective at the end of the year was 1.15 times (2015 – 1.28) the employees' contributions for employees who started prior to January 2013 and 1.1 times (2015 – 1.28) the employees' contributions for all other employees. Employer contributions of \$2,697 (2015 - \$2,810) were recognized as an expense in the current year. The employees contribution to this plan were \$1,850 (2015 - \$1,743).

The Plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the Plan on or after January 1, 2013. For existing members, the normal retirement age remains age 60. Furthermore, contribution rates for current service for all members of the public service will increase gradually to an employer - employee cost sharing ratio of 50:50 by 2017.

b) Other employee future benefits:

Summary of other employee future benefit liabilities:

	2016			2015		
	Severance and Removal Obligation	Accumulated Sick time Obligation	Total	Severance and Removal Obligation	Accumulated Sick time Obligation	Total
Accrued benefit obligation, beginning of the year	\$ 3,066	\$ 182	\$ 3,248	\$ 3,420	\$ 175	\$ 3,595
Current period benefit cost	454	(59)	395	33	106	139
Benefits paid during the year	(508)	(79)	(587)	(387)	(99)	(486)
Accrued benefit obligation, end of the year	\$ 3,012	\$ 44	\$ 3,056	\$ 3,066	\$ 182	\$ 3,248

An actuarial valuation for accounting purposes was prepared at March 31, 2015 using the projected benefits method prorated on services and the results were extrapolated to March 31, 2016. The next valuation will be conducted as of March 31, 2018.

NT Hydro provides accumulating sick leave employee benefits of one and one quarter days of sick leave per month which will require funding in future periods when claimed upon an employee becoming sick. Sick leave can only be used for paid time off for illness of the employee. Sick leave taken is paid at the employee's normal rate of pay. The sick leave benefits are not paid out to an employee upon termination of employment, resignation or retirement. Unused sick days accumulate and there are no limits to the accumulation. Sick leave benefits accumulate over the periods of service provided by employees and are recognized as services are performed to earn them.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 9. Other employee future benefits (continued)

Total expenses related to the severance, removal benefit and sick leave plan include the following components:

	<u>2016</u>	<u>2015</u>
Current benefits earned	\$ 313	\$ 64
Interest	73	75
Amortization of net actuarial loss	9	-
	<u>\$ 395</u>	<u>\$ 139</u>

Expected future benefit payments are as follows:

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Thereafter</u>	<u>Total</u>
\$ 439	\$ 349	\$ 426	\$ 379	\$ 416	\$ 1,406	\$ 3,415

The actuarial valuation reflects management's best estimate based upon a number of assumptions about a number of future events including:

	<u>2016</u>	<u>2015</u>
Expected inflation rates	2.0%	2.0%
Discount rate used to determine the accrued benefit obligation	2.33%	2.33%
Expected average remaining service life of related employee groups (EARSL)	8.6 years	9.3 years

10. Deferred government contributions

In fiscal 2015, NT Hydro signed a contribution agreement with the GNWT to fund an expected \$20,000 in diesel fuel and lubricant costs and salaries related to additional operating time resulting from extreme low water on NTPC's hydro systems incurred between April 1, 2014 and December 31, 2015. NTPC received the \$20,000 from the GNWT in fiscal 2015.

On October 15, 2015 NT Hydro and the GNWT signed a contribution agreement in the amount of \$27,864 to cover the additional operating expenses expected to be incurred by NTPC in fiscals 2016 and 2017 due to continued extreme low water conditions including diesel fuel and lubricant costs, salaries, overhauls and expense related to the failure of a hydro unit at the Snare Falls Hydro Plant in fiscal 2015 not first recoverable through insurance proceeds. The agreement also includes funding for two fiscal 2016 capital projects: \$300 for LED streetlight conversions and \$100 for a 10 – 15 kW solar project in Wrigley. Due to the decrease in NTPC's unit price of diesel fuel, an amendment to the agreement was signed on January 14, 2016 to reduce the total contribution to the amount of \$24,829. The reduction applies solely to the costs related to the extreme low water conditions. NTPC received \$20,329 of this contribution agreement from the GNWT in fiscal 2016.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 10. Deferred government contributions (continued)

As of March 31, 2016 \$23,008 (2015-\$14,219) has been recorded as extreme low water government contribution to offset equivalent costs resulting from extreme low water. \$5,781 of those contribution revenues are related to the initial contribution agreement from fiscal 2015.

The unspent balance of the extreme low water contribution agreements was \$2,702 (2015 - \$5,781) at March 31, 2016 and is recorded in deferred government contributions. These funds will be recognized as extreme low water government contributions in fiscal 2017 to offset equivalent thermal generation expenses related to the additional diesel fuel and lubricant and other costs resulting from extreme low water between April 1, 2016 and March 31, 2017.

11. Tangible capital assets

	March 31, 2016						
	Electric power plants	T&D systems	Warehouse equipment, motor vehicles, and general facilities	Electric power plant under capital lease	LNG assets under capital lease	Construction work in progress	Total
Cost							
Opening balance	\$ 312,907	\$ 86,299	\$ 55,091	\$ 26,469	\$ 2,556	\$ 15,637	\$ 498,959
Additions	1,123	-	-	-	-	30,568	31,691
Transfers – completed projects	15,225	5,088	8,704	422	-	(29,439)	-
Disposals	(4,306)	(1,480)	(3,725)	-	(2,556)	-	(12,067)
Closing balance	324,949	89,907	60,070	26,891	-	16,766	518,583
Accumulated Amortization							
Opening balance	(97,214)	(27,096)	(26,024)	(7,620)	(549)	-	(158,503)
Amortization	(9,531)	(2,365)	(3,819)	(440)	-	-	(16,155)
Disposals	1,571	824	2,657	-	549	-	5,601
Closing balance	(105,174)	(28,637)	(27,186)	(8,060)	-	-	(169,057)
Net book value	\$ 219,775	\$ 61,270	\$ 32,884	\$ 18,831	\$ -	\$ 16,766	\$ 349,526

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 11. Tangible capital assets (continued)

	March 31, 2015						
	Electric power plants	T&D systems	Warehouse equipment, motor vehicles, and general facilities	Electric power plant under capital lease	LNG assets under capital lease	Construction work in progress	Total
Cost							
Opening balance	\$ -	\$ -	\$ 63	\$ -	\$ 1,314	\$ 1,203	\$ 2,580
Net change in account balances assumed on consolidation of NTPC from modified equity	298,994	81,793	52,792	26,469	-	17,922	477,970
Additions	1,361	-	-	-	-	20,980	22,341
Transfers – completed projects	15,003	4,714	3,509	-	1,242	(24,468)	-
Disposals	(2,451)	(208)	(1,273)	-	-	-	(3,932)
Closing balance	312,907	86,299	55,091	26,469	2,556	15,637	498,959
Accumulated Amortization							
Opening balance	\$ -	\$ -	\$ (22)	\$ -	\$ (111)	\$ -	\$ (133)
Net change in account balances assumed on consolidation of NTPC from modified equity	(90,727)	(24,987)	(23,706)	(7,185)	-	-	(146,605)
Amortization	(8,807)	(2,302)	(3,457)	(435)	(438)	-	(15,439)
Disposals	2,320	193	1,161	-	-	-	3,674
Closing balance	(97,214)	(27,096)	(26,024)	(7,620)	(549)	-	(158,503)
Net book value	\$ 215,693	\$ 59,203	\$ 29,067	\$ 18,849	\$ 2,007	\$ 15,637	\$ 340,456

NORTHWEST TERRITORIES HYDRO CORPORATION

12. Inventories

	<u>2016</u>	<u>2015</u>
Materials, supplies and lubricants	\$ 4,461	\$ 6,067
Critical spare parts	4,169	2,735
Fuel	351	340
	<u>\$ 8,981</u>	<u>\$ 9,142</u>

Inventories are used to make repairs, complete overhauls or generate electricity. Production fuel inventory is only held in five of NT Hydro's operating plants. The LNG fuel requirement for NT Hydro's Inuvik plant is managed under the LNG fuel supply agreement described in Note 21. Diesel fuel requirements for the remaining 20 plants are all managed under the fuel management services agreement described in Note 21.

13. Accumulated surplus / equity

	<u>2016</u>	<u>2015</u>
Share capital, common and preferred shares	\$ 43,129	\$ 43,129
Accumulated operating surplus / equity	80,041	73,727
	<u>\$ 123,170</u>	<u>\$ 116,856</u>

The authorized share capital of NT Hydro is comprised of one common share without par value and one preferred, non-cumulative share without par value. As at March 31, 2016, 1 common share (2015 – 1 common share), at \$43,129 per share, (2015 – \$43,129 per share), has been issued and fully paid, and one preferred share at one dollar.

NT Hydro may only issue its shares to the GNWT.

14. Sale of power

	<u>2016</u>	<u>2015</u>
Power sales to external customers	\$ 73,649	\$ 70,499
Power sales to GNWT and related parties	14,525	14,928
GNWT HSP payments	6,330	5,983
GNWT TPSP payments	5,279	4,923
	<u>\$ 99,783</u>	<u>\$ 96,333</u>

Sale of power includes GNWT support program payments received by NTPC on behalf of customers. The GNWT offers these support programs to both NTPC and Northland Utilities Ltd. customers.

The GNWT Territorial Power Support Program ("TPSP") payments subsidize residential power rates to the rate paid in Yellowknife for energy used within a specified threshold.

The GNWT Housing Support Program ("HSP") payments subsidize the difference between the specified rate paid by GNWT residential customers living in public housing and the PUB residential rate for that community.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 14. Sale of power (continued)

NTPC administers these support programs on behalf of the GNWT and invoices the GNWT monthly for the payments. The support payments are subject to the same terms as other utility customers as per NTPC's Terms and Conditions of Service.

15. Other revenue and customer contributions

	<u>2016</u>	<u>2015</u>
Customer contributions in aid of construction	\$ 774	\$ 536
Contract work	762	353
Connection fees	296	341
Heat revenues	291	555
Pole rental	283	273
Miscellaneous	105	102
	<u>\$ 2,511</u>	<u>\$ 2,160</u>

Customer contributions in aid of construction

Certain tangible capital asset additions are made with the assistance of financial contributions from customers. During year, capital customer contributions of \$774 (2015 - \$536) were recognized as revenue.

16. Expenses

The following is a summary of the expenses for the year by object:

	<u>2016</u>	<u>2015</u>
Fuels and lubricants (Note 21)	\$ 40,641	\$ 44,663
Salaries and wages	25,050	26,404
Supplies and services	23,934	22,340
Amortization (Note 11)	16,155	15,439
Interest expense (Note 17)	12,380	12,947
Net loss on disposal of assets	4,379	1,052
Travel and accommodation	2,581	2,579
Accretion on AROs (Note 7)	166	149
	<u>\$ 125,286</u>	<u>\$ 125,573</u>

NORTHWEST TERRITORIES HYDRO CORPORATION

17. Interest expense and interest income

Interest expense

	<u>2016</u>	<u>2015</u>
Interest on debenture debt and capital leases (Notes 4, 5)	\$ 12,556	\$ 12,848
Short-term debt financing costs (Note 7)	569	545
Capitalized interest during construction	(745)	(446)
	<u>\$ 12,380</u>	<u>\$ 12,947</u>

Interest income

	<u>2016</u>	<u>2015</u>
Income on loan receivable (Note 4)	\$ 1,513	\$ 1,588
Income from sinking fund investments (Note 5)	35	59
Income from overdue accounts	68	30
	<u>\$ 1,616</u>	<u>\$ 1,677</u>

18. Other government contributions

NT Hydro recorded \$1,732 in government contributions (2015 - \$2,228) relating to various contribution agreements with the GNWT. The agreements in fiscal 2016 were all one year agreements between NTPC and the GNWT. Total eligible expenditures (capital and operating) were \$1,676, of which \$1,472 was eligible for government contributions. These projects included the LED streetlight replacement program in fifteen communities, solar PV in several communities, organic rankine cycle generator study, and a south slave heat feasibility study. As at March 31, 2016, the resulting net receivable regarding these projects is \$186. Additionally, the GNWT made an in-kind infrastructure contribution in the amount of \$260 of solar panels in Fort Liard, which is recorded in tangible capital assets and government contribution revenues

19. GNWT power sale contributions

As part of the GRA and Decision 1-2013, NTPC signed a contribution agreement in fiscal 2013 with the GNWT to cover anticipated revenue shortfalls. Contributions are provided by the GNWT to NTPC to mitigate the impact of operating expenses on rate increases to customers over three years. Contributions for all years were received in the year specified. The agreement specified maximum contributions as follows:

2013 - \$17.6 million less \$2 million of foregone dividends = \$15.6 million
 2014 - \$11.4 million less \$2 million of foregone dividends = \$ 9.4 million
 2015 - \$ 4.8 million less \$2 million of foregone dividends = \$ 2.8 million

NORTHWEST TERRITORIES HYDRO CORPORATION

20. Related party transactions and balances

NT Hydro is a Territorial public agency and consequently is related to the GNWT and its agencies and corporations. NT Hydro, thru NTPC, provides utility services to, and purchases fuel and other services from, these related parties. These transactions are in the normal course of operations and are at the same rates and terms as those with similar unrelated customers and suppliers.

Transactions with related parties and balances at year-end not disclosed elsewhere in these consolidated financial statements are as follows:

	2016	2015
Revenue		
Other revenue	\$ 486	\$ 288
Expenses		
Purchases of fuel from PWS (Note 21)	\$ 34,380	\$ 35,538
Other operating expenses	273	782
	\$ 34,653	\$ 36,320
Financial assets		
Revenues receivable		
Utility	\$ 1,040	\$ 1,953
Non-utility	93	347
Allowance for doubtful accounts	-	(68)
	\$ 1,133	\$ 2,232
Liabilities		
Accounts payable to PWS for fuel (Note 21)	\$ 6,610	\$ 8,694
Other accounts payable and accrued liabilities	26	37
	\$ 6,636	\$ 8,731

Transfer of NTEC(03) operations

In fiscal 2015 the GNWT issued a Directive for the operations of NTEC(03) (a wholly-owned subsidiary of NT Hydro) to be brought under the Petroleum Products Division of Public Works and Services (PWS), renamed to "Fuel Services Division" (FSD), effective April 1, 2015. As part of the windup of NTEC(03), NTPC reviewed its loan receivable from NT Hydro for NT Hydro's investment in NTEC(03) and Sahdae Energy Ltd. (SEL) as of March 31, 2014. With the operations of NTEC(03) moving to the FSD in fiscal 2016 and no additional sources of revenues, NT Hydro indicated the loan would not be repaid. In December 2014, NTPC's Board of Directors voted to write off a \$4,565 loan receivable from NT Hydro for NT Hydro's investment in NTEC(03) and SEL and a short-term loan for \$292 resulting from various transactions.

NORTHWEST TERRITORIES HYDRO CORPORATION

21. Contractual obligations and contingencies

a) Contractual obligations

NT Hydro and its subsidiaries have entered into agreements for, or are contractually committed for the following expenses that will be incurred subsequent to March 31, 2016:

	<u>Expiry</u>	<u>2017</u>	<u>2018 and subsequent</u>
Non related parties	2021	\$ 7,690	\$ 3,124

NT Hydro and its subsidiaries have entered into the following contractual obligations with related parties:

Fuel management services agreement

NTPC has a fuel management services agreement with the PWS. Under this agreement fuel inventory and maintenance of fuel tank farms of 20 communities served by NTPC are provided by PWS. The price of fuel under this agreement changes with the change in market price, the cost of freight, the GNWT fuel tax rate and the amount of fuel purchased by NTPC from PWS in a given year. The contract expires March 31, 2021.

Liquefied natural gas (LNG) purchases

On October 31, 2013 NTPC entered into an agreement with NTEC(03) to supply NTPC with LNG to its' Inuvik facilities. This contract was transferred to PWS as of April 1, 2015 without interruption of service. The agreement is effective for five years until October 31, 2018. The price of LNG under this agreement varies with PWS's costs, which include LNG fuel costs, which are subject to changes in the market price, transportation costs and an administrative fee.

b) Contingencies

Statement of claim

A Statement of Claim naming NTPC as a defendant along with two former employees was received June 11, 2015 in connection with an event that occurred in 2013 while clearing a transmission line near Fort Smith. It is too early to assess any potential liability resulting from this claim.

NORTHWEST TERRITORIES HYDRO CORPORATION

22. Financial instruments and risk management

Risks – overview

NT Hydro's financial instruments include cash, revenues receivable, loan receivable, accounts payable and accrued liabilities, debenture debt, sinking fund investments and the operating line of credit.

NT Hydro is exposed to the following risks from its use of financial instruments: credit risk, liquidity risk, and interest rate risk. NT Hydro manages these risk exposures on an ongoing basis.

a) Credit risk

Credit risk is the risk that a third party will cause a financial loss for NT Hydro by failing to discharge its obligation. The following table sets out NT Hydro's maximum exposure to credit risk under a worst case scenario and does not reflect results expected.

	<u>2016</u>	<u>2015</u>
Loan receivable	\$ 15,306	\$ 16,134
Revenues receivable	14,559	12,999
Sinking fund investments	7,988	7,194
Cash	1,236	2,333
	<u>\$ 39,089</u>	<u>\$ 38,660</u>

Loan receivable

The credit risk for the loan receivable for the Snare Cascades hydro project was minimized by security in place. See Note 4 for additional details.

Revenues receivable

NT Hydro minimizes revenues receivable credit risk by having a collections policy and terms and conditions of service consistent with industry standards. Credit risk is minimized by NTPC's large customer base. Thirty seven percent (2015 - 37%) of NTPC's sales are to two other utilities. Twenty six percent (2015 - 27%) of sales, including HSP and TPSP are to the GNWT.

Sinking fund investments and cash

NT Hydro minimizes the credit risk of cash and sinking fund investments by dealing with only reputable financial institutions and investing in securities that meet minimum credit ratings as stipulated by its investment policy and limiting exposure to any one security or asset class. An ongoing review is performed to evaluate changes in the status of counterparties.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 22. Financial instruments and risk management (continued)

b) Liquidity risk

Liquidity risk is the risk that NT Hydro will encounter difficulty in meeting its obligations associated with its financial liabilities. Debt liquidity risk is managed by the use of sinking fund requirements and amortization provisions on seven of the eleven debentures. NT Hydro arranges its financing in such a manner that the total amount of debt maturing in any given year does not exceed its ability to borrow in any given year. This practice gives NT Hydro the maximum flexibility over the use of its cash flow such that both its existing capital expenditure program and its ability to consider any future investment opportunities will not be constrained.

Liquidity risk is also managed by continuously monitoring actual and forecast cash flows, having the opportunity to borrow on a short-term basis from its shareholder and by maintaining a \$50,000 operating line with a reputable financial institution. The following table shows the maturities of the operating line of credit, debenture debt, sinking funds, Snare capital lease obligation, the associated loan receivable, and the LNG capital lease agreement:

	March 31, 2016				
	Less than 1 year	Greater than 1 year and not later than 6 years	Greater than 6 years and not later than 20 years	Greater than 20 years	Total
Operating line of credit	\$ 32,600	\$ -	\$ -	\$ -	\$ 32,600
Debenture debt	2,700	26,138	115,335	38,375	182,548
Sinking fund investments	-	(5,385)	(2,603)	-	(7,988)
Snare capital lease obligation	2,215	10,218	21,941	22,582	56,956
Loan receivable	(2,341)	(11,704)	(10,144)	-	(24,189)
	<u>\$ 35,174</u>	<u>\$ 19,267</u>	<u>\$ 124,529</u>	<u>\$ 60,957</u>	<u>\$ 239,927</u>
	March 31, 2015				
	Less than 1 year	Greater than 1 year and not later than 6 years	Greater than 6 years and not later than 20 years	Greater than 20 years	Total
Operating line of credit	\$ 18,115	\$ -	\$ -	\$ -	\$ 18,115
Debenture debt	2,552	25,207	116,388	40,953	185,100
Sinking fund investments	-	(4,890)	(2,304)	-	(7,194)
Snare capital lease obligation	2,212	10,360	22,532	23,913	59,017
Loan receivable	(2,341)	(11,704)	(12,484)	-	(26,529)
LNG capital lease obligation	565	1,435	-	-	2,000
	<u>\$ 21,103</u>	<u>\$ 20,408</u>	<u>\$ 124,132</u>	<u>\$ 64,866</u>	<u>\$ 230,509</u>

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Changes in market interest rates will cause fluctuations in the fair value of the loan receivable, the Snare capital lease obligation, the LNG capital lease obligation, debenture debt, and sinking fund investments as all have fixed rates. The impact on net income due to fluctuations in interest rates on the operating line of credit or sinking fund investments is not significant.

NORTHWEST TERRITORIES HYDRO CORPORATION

23. Subsequent events

(a) Power revenues

NTPC filed its 2016/19 GRA on June 30, 2016. NTPC is anticipating a PUB Decision on the application prior to March 31, 2017.

NTPC also filed an Interim Rate Application with the PUB on June 30, 2016. This application requested a 4.8% increase to base energy rates for all customers effective August 1, 2016. The PUB approved this application on July 26, 2016.

On April 29, 2016 NTPC filed a refund rider application to refund the balance of the RSF to customers resulting from the world wide decrease in fuel prices over the past two years. The PUB's Decision 6-2016 approved the refund rider of 0.36 cents/kWh effective June 1, 2016.

(b) Governance

On May 24, 2016 the GNWT revoked the appointment of its existing board members and formed a Board of Directors comprised of Deputy Ministers from the GNWT. Part of the new Board's mandate is to review and recommend an appropriate long term governance structure for NT Hydro.

24. Comparative figures

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

NWT LOTTERY AUTHORITY
Yellowknife, NT

FINANCIAL STATEMENTS
For the year ended March 31, 2016

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MANAGEMENT'S RESPONSIBILITY FOR REPORTING

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


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

Avery Cooper & Co. Ltd., Certified General Accountants annually provides an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards.



General Manager,
NWT Sport and Recreation Council

July 10, 2016



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INDEPENDENT AUDITOR'S REPORT

To the Members of
NWT Lottery Authority

We have audited the accompanying financial statements of NWT Lottery Authority, which comprise the Statement of Financial Position as at March 31, 2016, and the Statements of Changes in Net Assets, Operations, and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of NWT Lottery Authority as at March 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Avery Cooper & Co. Ltd.

Avery Cooper & Co. Ltd.
Certified General Accountants
Yellowknife, NT

July 10, 2016



NWT LOTTERY AUTHORITY

STATEMENT OF FINANCIAL POSITION
March 31, 2016

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash	\$ 154,650	\$ 385,932
Accounts Receivable	23,950	-
Due from Western Canada Lottery Corporation	475,423	478,788
Due from NWT Sport and Recreation Council (Note 5)	70,325	67,481
Cash Holdback (Note 4)	<u>275,000</u>	<u>275,000</u>
	<u>999,348</u>	<u>1,207,201</u>
LIABILITIES		
Accounts Payable & Accrued Liabilities	49,056	11,142
Wages & Benefits Payable	1,730	6,631
Accrued termination benefits	26,854	42,453
Due to Government of Nunavut (Note 5)	<u>247,098</u>	<u>376,094</u>
	<u>324,738</u>	<u>436,320</u>
NET FINANCIAL ASSETS	674,610	770,881
NON-FINANCIAL ASSETS		
Prepaid Expenses	<u>13,599</u>	<u>7,496</u>
ACCUMULATED SURPLUS (Note 4)	<u>\$ 688,209</u>	<u>\$ 778,377</u>

Approved:



Member



Member

See the accompanying notes.

NWT LOTTERY AUTHORITY

**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ended March 31, 2016**

	<u>2016</u>	<u>2015</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (90,168)	\$ (496,396)
Change in Prepaid Expenses	<u>(6,103)</u>	<u>(6,333)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(96,271)	(502,729)
NET FINANCIAL ASSETS, opening	<u>770,881</u>	<u>1,273,610</u>
NET FINANCIAL ASSETS, closing	<u>\$ 674,610</u>	<u>\$ 770,881</u>

See the accompanying notes.

NWT LOTTERY AUTHORITY

STATEMENT OF OPERATIONS

For the year ended March 31, 2016

	2016 Budget Unaudited	2016 Actual	2015 Actual
REVENUES			
Lottery Revenue, Net - Schedule 1	\$ 5,185,364	\$ 6,068,759	\$ 4,656,843
Nunavut Lottery revenue	(754,616)	(801,290)	(589,689)
Miscellaneous income	5,826	6,615	6,670
Interest income	4,333	1,399	4,637
Management fee revenue	14,124	156,582	12,557
	<u>4,455,031</u>	<u>5,432,065</u>	<u>4,091,018</u>
EXPENSES			
Advertising and promotion	18,000	43,757	8,277
Audit and accounting	9,000	8,441	5,507
Communications	4,000	2,996	3,119
Contributions	3,946,511	4,950,000	4,080,736
Equipment lease	-	1,487	816
Grants to retailers	114,000	113,586	118,089
Insurance	2,500	2,085	1,948
Interest and bank charges	1,200	1,283	1,168
Legal	5,000	1,429	-
Miscellaneous	-	247	1,732
Office supplies	5,000	26,520	9,300
Periodicals, printing and newsletters	-	-	26
Postage and courier	30,000	33,002	30,256
Professional development and training	5,000	10,898	-
Professional fees	22,000	48,664	-
Repairs and maintenance	1,000	2,229	1,083
Retailer training (NWT only)	-	-	1,163
Travel	10,000	19,341	5,535
Wages and benefits	281,820	256,268	318,659
	<u>4,455,031</u>	<u>5,522,233</u>	<u>4,587,414</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ (90,168)</u>	<u>\$ (496,396)</u>

NWT LOTTERY AUTHORITY

**STATEMENT OF CHANGES IN ACCUMULATED SURPLUS
For the Year Ended March 31, 2016**

	<u>2016</u>	<u>2015</u>
<u>For the Year Ended March 31, 2016</u>		
ACCUMULATED SURPLUS, opening	\$ 778,377	\$ 1,274,773
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>(90,168)</u>	<u>(496,396)</u>
ACCUMULATED SURPLUS, closing (Note 4)	<u>\$ 688,209</u>	<u>\$ 778,377</u>
	<u>2015</u>	<u>2014</u>
<u>For the Year Ended March 31, 2015</u>		
ACCUMULATED SURPLUS, opening	\$ 1,274,773	\$ 867,358
EXCESS OF REVENUES OVER EXPENSES	<u>(496,396)</u>	<u>407,415</u>
ACCUMULATED SURPLUS, closing	<u>\$ 778,377</u>	<u>\$ 1,274,773</u>

See the accompanying notes.

NWT LOTTERY AUTHORITY

STATEMENT OF CASH FLOWS

For the year ended March 31, 2016

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from Western Canada Lottery	\$ 5,402,021	\$ 4,040,801
Cash receipts from other revenue	6,615	6,670
Cash paid to suppliers	(428,749)	(324,511)
Contributions to NWT Sport and Recreation Council	(4,950,000)	(4,080,736)
Cash paid to employees	<u>(261,169)</u>	<u>(318,167)</u>
DECREASE IN CASH	(231,282)	(675,943)
CASH, opening	<u>385,932</u>	<u>1,061,875</u>
CASH, closing	<u><u>\$ 154,650</u></u>	<u><u>\$ 385,932</u></u>

NWT LOTTERY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

1. NATURE OF OPERATIONS

NWT Lottery Authority was established by the NWT Sport and Recreation Council (NWTSRC) as per the Western Canada Lottery Regulations, R.R.N.W.T. 1993, c.W-1 as amended (the "Regulations"), for the purpose of assisting the NWTSRC in the performance of its duties under these regulations. As a public service entity, the Authority's function is to support the objectives of the Government of the Northwest Territories (GNWT) by operating the lottery in the Northwest Territories.

The NWTSRC has agreements with the Western Canada Lottery Corporation (Western Canada Lottery Corporation Agreement, signed April 1, 2009) and the Government of the Northwest Territories (Lottery Operations Agreement, signed September 9, 2010) for the purpose of conducting and managing the sale of Western Canada Lottery products pursuant to the Western Canada Lottery Act, R.S.N.W.T. 1988ccW-3 as amended (the "Act") and the Regulations.

2. CHANGE IN ACCOUNTING POLICIES

(a) Inter-entity transactions

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

- under a policy of cost allocation, revenues and expenses are recognized on a gross basis;
 - transactions are measured at their carrying amount, except in special circumstances;
 - a recipient may choose to recognize unallocated costs for the provision of goods and services and measure them at the carrying amount, fair value or other amount dictated by policy, accountability structure or budget practice, and
 - the transfer of an asset or liability for nominal or no consideration is measured by the provider at the carrying amount and by the recipient at the carrying amount or fair value.
- This Section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The NWT Lottery Authority is currently assessing the impact of this Section.

(b) Assets

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

NWT LOTTERY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

2. CHANGE IN ACCOUNTING POLICIES, continued

(c) Related party disclosures

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

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards. The significant policies are detailed as follows:

(a) Financial instruments

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The company subsequently measures its financial assets and financial liabilities at amortized cost, except for securities quoted in an active market, which are subsequently measured at fair value.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable, accrued liabilities and mortgages payable.

(b) Cash equivalents

The Organization considers all investments with maturities of three months or less and bank loans with no fixed terms of repayment to be cash equivalents.

(c) Tangible capital assets

Minor capital assets purchased during the year are recorded as expenses.

(d) Revenue recognition

Funds received from Western Canada Lottery Corporation are recognized as revenue only when the draw has been completed.

(e) Financial assets

Financial assets, consisting of cash, accounts receivable and due from related parties, are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

NWT LOTTERY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

3. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Non-financial assets

Non-financial assets, consisting of prepaid expenses, are not available to discharge existing liabilities and are held for use in the provision of services in future periods. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(g) Net debt

Net debt is measured as the difference between the Organization's liabilities and financial assets. This difference bears directly on the Organization's future revenue requirements and on its ability to finance its activities and meet its liabilities and contractual obligations.

4. ACCUMULATED SURPLUS

The cash holdback represents the March 31, 1996 outstanding settlement from the Western Canada Lottery Corporation ("WCLC"). The amount is withheld as an operating cash holdback to finance the continuing operations of WCLC. This holdback will not be recovered in the foreseeable future therefore a reserve has been established in the amount of \$275,000 (2015 - \$275,000) and is included in accumulated surplus as at March 31, 2016 as follows:

	<u>2016</u>	<u>2015</u>
Reserve	\$ 275,000	\$ 275,000
Operating Surplus	<u>413,209</u>	<u>503,377</u>
Accumulated Surplus	<u>\$ 688,209</u>	<u>\$ 778,377</u>

5. DUE FROM/TO RELATED PARTY

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.

The amount due from NWT Sport and Recreation Council are for expenses paid by NWT Lottery Authority which are billed back to the organization. During the year, the Organization received \$292,044 (2015 - \$465,187) from NWT Sport and Recreation Council relating to payroll expenses. The Organization also paid out \$4,950,000 (2015 -\$ 4,080,736) in lottery contributions to NWT Sport and Recreation Council.

The amount due to Government of Nunavut represents their share of lottery proceeds less expenses paid by NWT Lottery Authority which are billed back to the organization.

NWT LOTTERY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

6. CONTRIBUTIONS

The NWT Lottery Authority funds have been distributed to the following organizations during the year:

NWT Sport and Recreation Council	<u>\$ 4,950,000</u> <u>\$ 4,080,736</u>
----------------------------------	---

7. FINANCIAL INSTRUMENTS RISKS AND UNCERTAINTIES

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Liquidity risk

The Organization does have a liquidity risk in the accounts payable and accrued liabilities of \$49,056 (2015 - \$11,142). Liquidity risk is the risk that the Organization cannot repay its obligations when they become due to its creditors. The Organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the Organization is low and is not material.

8. NUNAVUT LOTTERY

By an agreement dated April 1, 2009 between Western Canada Lottery Corporation (WCLC) and the NWT Sport and Recreation Council (NWTSRC), NWTSRC was appointed to assist WCLC in the joint marketing of the Western Canada Lottery (the "Lottery") in the Territory of Nunavut. NWTSRC administers the financial accounting and reporting functions in accordance with the schedules to the agreement which detail the allocation of revenues and expenses of the Lottery in Nunavut. This agreement was updated on April 1, 2015 and expires March 31, 2020 unless terminated earlier in accordance with the Agreement or renewed by mutual parties.

9. GRANTS TO RETAILERS

Grants to retailers in aid of administration, represents grants paid to non-profit retailers based upon sales volume, to assist with their administration costs.

NWT LOTTERY AUTHORITY

SCHEDULE TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

SCHEDULE OF LOTTERY REVENUE, NET

Schedule 1

	2016 Budget Unaudited	2016 Actual	2015 Actual
	<u> </u>	<u> </u>	<u> </u>
SALES			
Lottery ticket sales	\$ 16,522,696	\$ 19,529,499	\$ 15,199,689
Interest and other income	28,667	24,513	18,501
	<u>16,551,363</u>	<u>19,554,012</u>	<u>15,218,190</u>
DIRECT EXPENSES			
Free tickets	730,484	1,175,379	782,932
Prizes	8,551,087	9,975,724	7,753,810
Retailer commissions	917,056	1,064,123	827,029
Ticket printing	216,721	246,845	222,135
	<u>10,415,348</u>	<u>12,462,071</u>	<u>9,585,906</u>
OPERATING INCOME	<u>6,136,015</u>	<u>7,091,941</u>	<u>5,632,284</u>
EXPENSES			
Amortization	79,124	69,106	95,454
Communications	137,108	160,956	157,545
Cost of premises	22,659	22,986	19,889
Draws and winning numbers publication	5,099	4,349	4,541
Employee development	4,829	4,181	3,802
Equipment	32,909	33,854	38,373
Freight and product transport	3,171	3,017	2,944
Goods and services tax	78,686	89,703	74,012
I. L. C. expense	13,902	11,640	13,599
Insurance and bank charges	1,749	1,717	1,668
Media & advertising	128,284	144,092	133,210
Overhead allocation	(248)	(292)	(245)
Payment to Government of Canada	155,329	167,410	154,702
Presentations, publications and miscellaneous	2,334	3,696	3,963
Professional fees	50,399	49,354	44,984
Promotion	15,602	10,804	5,728
Supplies	2,441	2,197	2,087
Travel	3,018	1,906	2,613
Wages and benefits	214,256	242,506	216,572
	<u>950,651</u>	<u>1,023,182</u>	<u>975,441</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 5,185,364</u>	<u>\$ 6,068,759</u>	<u>\$ 4,656,843</u>

N.W.T. SPORT AND RECREATION COUNCIL
Yellowknife, NT

FINANCIAL STATEMENTS
For the year ended March 31, 2016

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MANAGEMENT'S RESPONSIBILITY FOR REPORTING

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


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

Avery Cooper & Co. Ltd., Certified General Accountants annually provides an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards.



General Manager,
NWT Sport and Recreation Council

July 10, 2016



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
N.W.T. Sport and Recreation Council

We have audited the accompanying financial statements of N.W.T. Sport and Recreation Council, which comprise the Statement of Financial Position as at March 31, 2016, and the Statements of Changes in Net Assets, Operations, and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of N.W.T. Sport and Recreation Council as at March 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Avery Cooper & Co. Ltd.

Avery Cooper & Co. Ltd.
Certified General Accountants
Yellowknife, NT

July 10, 2016



N.W.T. SPORT AND RECREATION COUNCIL

STATEMENT OF FINANCIAL POSITION

March 31, 2016

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash (Note 4)	\$ 1,408,264	\$ 1,192,294
Short-Term Investments (Note 5)	29,484	29,250
Accounts Receivable	100	344,101
Government remittances receivable	11,928	9,746
Due from related party (Note 6)	-	238
	<hr/>	<hr/>
	1,449,776	1,575,629
	<hr/>	<hr/>
LIABILITIES		
Line of Credit (Note 8)	95,000	-
Accounts Payable & Accrued Liabilities	434,103	155,554
Wages & Benefits Payable	165,940	3,621
Due to related party (Note 6)	70,325	67,482
	<hr/>	<hr/>
	765,368	226,657
	<hr/>	<hr/>
NET FINANCIAL ASSETS	684,408	1,348,972
	<hr/>	<hr/>
NON-FINANCIAL ASSETS		
Prepaid Expenses	10,577	3,156
Tangible Capital Assets (Note 7)	5,485	7,513
	<hr/>	<hr/>
	16,062	10,669
	<hr/>	<hr/>
SUBSEQUENT EVENTS (Note 10)		
ACCUMULATED SURPLUS	\$ 700,470	\$ 1,359,641
	<hr/>	<hr/>

Approved:



Member



Member

N.W.T. SPORT AND RECREATION COUNCIL

**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ended March 31, 2016**

	<u>2016</u>	<u>2015</u>
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (659,171)	\$ (835,439)
Acquisition of Tangible Capital Assets	(1,512)	(4,837)
Amortization of Tangible Capital Assets	3,540	4,934
Change in Prepaid Expenses	<u>(7,421)</u>	<u>(3,156)</u>
DECREASE IN NET FINANCIAL ASSETS	(664,564)	(838,498)
NET FINANCIAL ASSETS, opening	<u>1,348,972</u>	<u>2,187,470</u>
NET FINANCIAL ASSETS, closing	<u>\$ 684,408</u>	<u>\$ 1,348,972</u>

See the accompanying notes and schedules.

N.W.T. SPORT AND RECREATION COUNCIL

STATEMENT OF OPERATIONS

For the year ended March 31, 2016

	2016 Budget (Unaudited)	2016 Actual	2015 Actual
REVENUES			
Administration - Schedule 1	\$ 597,068	\$ 723,363	\$ 505,883
Governance - Schedule 2	28,935	3,808	6,903
Investment and Evaluation - Schedule 3	3,310,258	4,230,204	3,536,988
Multi Sport Games - Schedule 4	<u>650,000</u>	<u>650,091</u>	<u>692,600</u>
	<u>4,586,261</u>	<u>5,607,466</u>	<u>4,742,374</u>
EXPENSES			
Administration - Schedule 1	597,068	723,363	505,883
Governance - Schedule 2	28,935	3,808	6,903
Investment and Evaluation - Schedule 3	4,240,262	4,240,262	4,829,408
Multi Sport Games - Schedule 4	<u>861,133</u>	<u>1,299,204</u>	<u>235,619</u>
	<u>5,727,398</u>	<u>6,266,637</u>	<u>5,577,813</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	<u>\$ (1,141,137)</u>	<u>\$ (659,171)</u>	<u>\$ (835,439)</u>

N.W.T. SPORT AND RECREATION COUNCIL

**STATEMENT OF CHANGES IN ACCUMULATED SURPLUS
For the Year Ended March 31, 2016**

	<u>Unrestricted Surplus</u>	<u>Building Reserve</u>	<u>Games Reserve</u>	<u>Program Reserve</u>	<u>Total 2016</u>
<u>For the Year Ended March 31, 2016</u>					
ACCUMULATED SURPLUS, opening	\$ 234,975	\$ 255,000	\$ 211,133	\$ 658,533	\$ 1,359,641
DEFICIENCY OF REVENUES OVER EXPENSES	(659,171)	-	-	-	(659,171)
CONTRIBUTIONS	4,950,000	-	650,091	4,230,204	9,830,295
EXPENSES	(4,290,831)	-	(1,299,204)	(4,240,260)	(9,830,295)
TRANSFERS	-	-	437,980	(437,980)	-
ACCUMULATED SURPLUS, closing	<u>\$ 234,973</u>	<u>\$ 255,000</u>	<u>\$ -</u>	<u>\$ 210,497</u>	<u>\$ 700,470</u>
	<u>Unrestricted Surplus</u>	<u>Building Reserve</u>	<u>Games Reserve</u>	<u>Program Reserve</u>	<u>Total 2015</u>
<u>For the Year Ended March 31, 2015</u>					
ACCUMULATED SURPLUS, opening	\$ 236,014	\$ 600,000	\$ 54,152	\$ 1,304,914	\$ 2,195,080
DEFICIENCY OF REVENUES OVER EXPENSES	(835,439)	-	-	-	(835,439)
CONTRIBUTIONS	4,174,492	-	650,000	3,524,492	8,348,984
EXPENSES	(3,340,092)	-	(193,019)	(4,815,873)	(8,348,984)
TRANSFERS	-	(345,000)	(300,000)	645,000	-
ACCUMULATED SURPLUS, closing	<u>\$ 234,975</u>	<u>\$ 255,000</u>	<u>\$ 211,133</u>	<u>\$ 658,533</u>	<u>\$ 1,359,641</u>

See the accompanying notes and schedules.

N.W.T. SPORT AND RECREATION COUNCIL

STATEMENT OF CASH FLOWS

For the year ended March 31, 2016

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 5,949,285	\$ 4,395,210
Cash paid to suppliers and employees	<u>(5,829,649)</u>	<u>(5,466,071)</u>
	<u>119,636</u>	<u>(1,070,861)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Changes in amounts due to/from related parties	3,081	8,651
Line of credit	<u>95,000</u>	<u>-</u>
	<u>98,081</u>	<u>8,651</u>
CASH FLOWS FROM CAPITAL ACTIVITY		
Purchase of tangible capital assets	<u>(1,513)</u>	<u>(4,839)</u>
INCREASE (DECREASE) IN CASH	216,204	(1,067,049)
CASH, opening	<u>1,221,544</u>	<u>2,288,593</u>
CASH, closing	<u>\$ 1,437,748</u>	<u>\$ 1,221,544</u>
REPRESENTED BY:		
Cash	\$ 664,858	\$ 455,274
Restricted cash	743,406	737,020
Short term investment	<u>29,484</u>	<u>29,250</u>
	<u>\$ 1,437,748</u>	<u>\$ 1,221,544</u>

N.W.T. SPORT AND RECREATION COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

1. NATURE OF OPERATIONS

N.W.T. Sport and Recreation Council (SRC) operates to provide leadership and support for the Northwest territories sport and recreation sector. As a public service entity, the Council's function is to support the objectives of the Government of the Northwest Territories (GNWT). In fulfillment of this role, the SRC shall: streamline decision making and improve coordination; plan collaboratively with communities and sport and recreation leaders; effectively use resources that result in opportunities for all NWT residents to access physical activities; be accountable for achieving outcomes; and manage the Western Canada Lottery program in the NWT.

The SRC was incorporated as a Society in accordance with the Societies Act under the statutes of the Northwest Territories on March 10, 2005. The SRC is a "Related Entity" to the Government of the NWT and is exempt from income taxes pursuant to Subsection 149(1)(c) of the Income Tax Act (Canada).

2. FUTURE CHANGES IN ACCOUNTING POLICIES

(a) Inter-entity transactions

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

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

This Section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The NWT Sport and Recreation Council is currently assessing the impact of this Section.

(b) Assets

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

N.W.T. SPORT AND RECREATION COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

2. FUTURE CHANGES IN ACCOUNTING POLICIES, continued

(c) Related party disclosures

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

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards. The significant policies are detailed as follows:

(a) Financial instruments

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Organization subsequently measures its financial assets and financial liabilities at amortized cost, except for securities quoted in an active market, which are subsequently measured at fair value.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable, accrued liabilities and mortgages payable.

(b) Capital management

NWT Sport and Recreation Council's objective in managing its net assets is to remain a sustainable operation while fulfilling its overall mandate to provide leadership and support for the Northwest Territories sport and recreation sector. It achieves its objective by strong day-to-day management of its cash flows and by regularly monitoring revenues and expenses against its operating and capital budgets.

(c) Cash equivalents

The Organization considers all investments with maturities of three months or less and bank loans with no fixed terms of repayment to be cash equivalents.

N.W.T. SPORT AND RECREATION COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

3. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Tangible capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Where fair value cannot reasonably be estimated, contributed assets are recorded at nominal value. The cost of capital assets are amortized over the estimated useful lives of assets by category. Estimates of useful life are made as assets are acquired. A full year's amortization is expensed in the year of acquisition. Capital assets are being amortized to expense using the declining balance method at the following rates:

Equipment	30%
Computer equipment	40%
Computer software	50%

(e) Revenue recognition

Revenue on significant contracts, which provide for progress billings and payments as part of the contract, are recognized on the percentage of completion method. Deferred revenue, in current liabilities, represents billings rendered in excess of revenue earned.

Interest is recognized when earned, donations are recognized when received and service contracts are recognized when the funder is invoiced for reimbursement of expenses.

(f) Financial assets

Financial assets, consisting of cash, accounts receivable and due from related parties, are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

(g) Non-financial assets

Non-financial assets, consisting of prepaid expenses, are not available to discharge existing liabilities and are held for use in the provision of services in future periods. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(h) Net debt

Net debt is measured as the difference between the Organization's liabilities and financial assets. This difference bears directly on the Organization's future revenue requirements and on its ability to finance its activities and meet its liabilities and contractual obligations.

N.W.T. SPORT AND RECREATION COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

3. SIGNIFICANT ACCOUNTING POLICIES, continued

(i) Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant areas requiring the use of estimates include: estimated useful lives of property, plant and equipment. Actual results may differ from management's best estimates as additional information becomes available in the future.

4. CASH

	<u>2016</u>	<u>2015</u>
Cash in bank	\$ 664,858	\$ 455,274
RBC Dominion Securities mutual funds	<u>743,406</u>	<u>737,020</u>
	<u>\$ 1,408,264</u>	<u>\$ 1,192,294</u>

Cash, in the amount of \$743,406, is restricted for use in the establishment of the reserve funds as outlined in Note 8. At March 31, 2016 restricted cash exceeded reserves by \$277,909.

5. SHORT TERM INVESTMENT

The Council has invested in Cashable GIC's issued by the Royal Bank of Canada with interest rate of .5% and a maturity date of July 27, 2016. The Council does not anticipate redemption of the investments within the next year.

	<u>2016</u>	<u>2015</u>
RBC Cashable GIC	<u>\$ 29,484</u>	<u>\$ 29,250</u>

6. DUE FROM/TO RELATED PARTIES

(a) During the year, the Organization entered into transactions with the following related parties:

NWT Lottery Authority
Nunavut Lottery
MACA

N.W.T. SPORT AND RECREATION COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

6. DUE FROM/TO RELATED PARTIES, continued

(b) Transactions

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

	2016	2015
Revenue		
MACA - Games funding	\$ 650,000	\$ 650,000
NWT Lottery Authority - Program funding	4,229,357	3,524,492
NWT Lottery Authority - SRC funding	720,643	556,244
	\$ 5,600,000	\$ 4,730,736
Expenses - NWT Lottery Authority - payroll	\$ 292,044	\$ 465,187
(c) Due from related party	2016	2015
Nunavut Lottery	\$ -	\$ 238
(d) Due to related party	2016	2015
NWT Lottery Authority	\$ 70,325	\$ 67,482

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

N.W.T. SPORT AND RECREATION COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

7. TANGIBLE CAPITAL ASSETS

	<u>2016</u>		<u>2015</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>	<u>Net</u>
Equipment	\$ 10,926	\$ 9,751	\$ 1,175	\$ 1,679
Computer equipment	28,032	24,209	3,823	4,860
Computer software	<u>18,408</u>	<u>17,921</u>	<u>487</u>	<u>974</u>
	<u>\$ 57,366</u>	<u>\$ 51,881</u>	<u>\$ 5,485</u>	<u>\$ 7,513</u>

8. LINE OF CREDIT

In December 2015, a line of credit was authorized by the Board of Directors to a maximum of \$600,000 and bears interest at bank's prime lending rate plus 0.60% per annum and is secured by a borrowing resolution signed by the Board of Directors. Balance was paid April 4, 2016.

9. RESERVES

	<u>Opening Balance</u>	<u>Additions</u>	<u>Expenses</u>	<u>2016</u>	<u>2015</u>
Program reserve	\$ 658,533	\$ 4,230,204	\$ 4,678,240	\$ 210,497	\$ 658,533
Building reserve	255,000	-	-	255,000	255,000
Games reserve	<u>211,133</u>	<u>1,088,071</u>	<u>1,299,204</u>	<u>-</u>	<u>211,133</u>
	<u>\$ 1,124,666</u>	<u>\$ 5,318,275</u>	<u>\$ 5,977,444</u>	<u>\$ 465,497</u>	<u>\$ 1,124,666</u>

N.W.T. SPORT AND RECREATION COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

9. RESERVES, continued

GAMES RESERVE FUNDING

The games reserve is established by the SRC to support approved multi-sport games. The games reserve was decreased in the current year as follows:

	<u>2016</u>
GNWT MACA Contribution	\$ 650,000
Transfer from Program reserve	437,980
Interest	<u>91</u>
	<u>1,088,071</u>
Interest charges	311
Canada Winter Games 2015 refund	(5,350)
Western Canada Summer Games 2015	204,243
Arctic Winter Games 2016	<u>1,100,000</u>
	<u>1,299,204</u>
	<u><u>\$ (211,133)</u></u>

BUILDING RESERVE FUNDING

The Council is responsible for the distribution of net lottery proceeds which includes the development of a policy on the operation of a building reserve for capital improvements to the administration building owned by Lex Borealis Ltd. Lex Borealis Ltd. is a 100% owned subsidiary of Sport North Federation, a funding recipient of the Council. This policy must include an annual minimum percentage allocation from the net proceeds of the Lottery, a maximum reserve balance of 100% of the assessed value of the building (\$600,000), allocation of 50% of the excess proceeds of the Lottery in excess of the approved allocations and a definition of capital improvements to delineate which items qualify for payment from the reserve. No changes in the building reserve in the current year.

PROGRAM RESERVE FUNDING

The program reserve is established by the SRC to be directed toward programs impacting strategic priorities. 30% of the surplus funds shall be allocated to this reserve in any given year. The maximum reserve balance is 10% of net proceeds of the lottery program in any given year. The program reserve received \$4,230,204 from Lottery revenue in the current year end and expended \$4,240,260 to partners during the year. In the current year, \$437,980 was transferred from the program reserve to the games reserve to cover the excess expenditures.

10. SUBSEQUENT EVENTS

NWT Sport and Recreation Council will cease to operate once the NWT Lottery Authority is rolled into the Government of the Northwest Territories. The current date for this to occur is April 1, 2017.

N.W.T. SPORT AND RECREATION COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

11. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

12. LOTTERY FUNDING

NWT Sport and Recreation Council received the following amounts from the NWT Lottery Authority during the year:

	<u>2016</u>	<u>2015</u>
Funds transferred from NWT Lottery Authority	<u>\$ 4,950,000</u>	<u>\$ 4,080,736</u>

13. LOTTERY AUTHORITY

The Lottery Authority was established by SRC as per Section 4(1) of the Western Canada Lottery Act Regulations for the purpose of assisting the SRC in the performance of its duties under the regulations. By agreement dated April 1, 2009, between the Western Canada Lottery Corporation (WCLC) and the SRC, the SRC agreed to jointly market with the WCLC the lottery schemes in the Northwest Territories. By Agreement dated April 1, 2015, provision of marketing the WCLC products in the Nunavut territory has been extended until March 31, 2020.

N.W.T. SPORT AND RECREATION COUNCIL

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

ADMINISTRATION	Schedule 1		
	2016 Budget (Unaudited)	2016 Actual	2015 Actual
REVENUE			
Lottery contribution	\$ 587,068	\$ 715,988	\$ 494,245
Interest revenue	10,000	6,562	10,498
Miscellaneous Revenue	-	813	1,140
	<u>597,068</u>	<u>723,363</u>	<u>505,883</u>
EXPENSES			
Amortization	3,900	3,540	4,932
Audit and accounting fees	10,550	12,149	9,113
Bank charges	300	370	173
Catering	2,000	828	578
Communications	7,500	5,250	6,894
Computer	-	-	16,424
Contracts/fees	-	106	1,323
Contributions	254,998	248,931	-
Course registration/Professional development	16,000	359	12,405
Insurance	5,000	2,333	4,851
Membership fees	400	-	233
Professional fees	-	-	1,274
Supplies	5,000	1,357	3,324
Travel	9,600	-	9,032
Wages and benefits	281,820	448,140	435,327
	<u>597,068</u>	<u>723,363</u>	<u>505,883</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

N.W.T. SPORT AND RECREATION COUNCIL

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

GOVERNANCE

Schedule 2

	2016 Budget (Unaudited)	2016 Actual	2015 Actual
REVENUE			
Lottery contribution	\$ 28,935	\$ 3,808	\$ 6,903
EXPENSES			
Catering	1,200	876	317
Communications	100	122	92
Contracts/fees	-	-	1,156
Supplies	2,800	-	-
Travel	24,835	2,810	5,338
	<u>28,935</u>	<u>3,808</u>	<u>6,903</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

N.W.T. SPORT AND RECREATION COUNCIL

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

INVESTMENT AND EVALUATION

Schedule 3

	2016 Budget (Unaudited)	2016 Actual	2015 Actual
REVENUE			
Lottery contribution	\$ 3,310,258	\$ 4,230,204	\$ 3,536,988
EXPENSES			
Catering	-	-	32
Contracts/fees	-	-	9,937
Membership fees	-	-	516
Travel	-	-	3,050
	-	-	13,535
Aboriginal Sport Circle of the NWT	954,002	954,002	1,043,603
Beaufort Delta Sahtu Recreation	325,980	325,980	382,308
Mackenzie Recreation Association	304,686	304,686	309,631
NWT Recreation and Parks Association	872,630	872,630	981,142
Sport North Federation	1,782,964	1,782,964	2,099,189
	<u>4,240,262</u>	<u>4,240,262</u>	<u>4,829,408</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (930,004)</u>	<u>\$ (10,058)</u>	<u>\$ (1,292,420)</u>

N.W.T. SPORT AND RECREATION COUNCIL

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

MULTI SPORT GAMES

Schedule 4

	2016 Budget (Unaudited)	2016 Actual	2015 Actual
REVENUE			
MACA Contribution	\$ 650,000	\$ 650,000	\$ 650,000
Lottery contribution	-	-	42,600
Interest Revenue	-	91	-
	<u>650,000</u>	<u>650,091</u>	<u>692,600</u>
EXPENSES			
Bank Charges	-	311	-
Contribution to Sport North Federation	861,133	1,298,893	(56,981)
Contribution to games ASCWA	-	-	250,000
Grants	-	-	42,600
	<u>861,133</u>	<u>1,299,204</u>	<u>235,619</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	<u>\$ (211,133)</u>	<u>\$ (649,113)</u>	<u>\$ 456,981</u>

N.W.T. SPORT AND RECREATION COUNCIL

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

SCHEDULE OF OPERATIONS BY OBJECT

Schedule 5

	2016 Budget (Unaudited)	2016 Actual	2015 Actual
Lottery Revenue	\$ (3,926,261)	\$ (4,950,000)	\$ (4,080,736)
MACA Revenue	(650,000)	(650,000)	(650,000)
Interest Revenue	(10,000)	(6,653)	(10,498)
Miscellaneous Revenue	-	(813)	(1,140)
Amortization	3,900	3,540	4,934
Audit and accounting fees	10,550	12,149	9,113
Bank charges	300	681	173
Catering	3,200	1,704	926
Communications	7,600	5,373	6,986
Computer	-	-	16,424
Contracts/fees	-	106	12,416
Contribution to games	861,133	1,298,893	193,019
Contribution to partners	4,495,260	4,489,192	4,858,473
Course registration	16,000	359	12,405
Insurance	5,000	2,333	4,851
Membership fees	400	1,241	749
Professional fees	-	-	1,273
Supplies	7,800	116	3,324
Travel	34,435	2,810	17,420
Wages	281,820	448,140	435,327
	<u>\$ 1,141,137</u>	<u>\$ 659,171</u>	<u>\$ 835,439</u>

**NORTHWEST TERRITORIES
SURFACE RIGHTS BOARD**

AUDITED FINANCIAL STATEMENTS

MARCH 31, 2016

Management's Responsibility for Financial Reporting

Independent Auditor's Report

Statement of Financial Position

Statement of Revenue, Expenditures and Accumulated Surplus

Statement of Cash Flows

Notes to the Financial Statements

Management's Responsibility for Financial Reporting

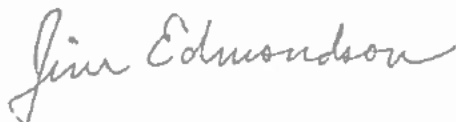
May 20, 2016

To the Members of the Board
NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
Yellowknife, N.W.T.

The accompanying financial statements were prepared by management in conformity with generally accepted accounting principles appropriate in the circumstances.

The Board maintains internal financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis and that the Board acts in accordance with the laws of the Northwest Territories and Canada. Management recognizes its responsibility for conducting the Board's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate.

The external auditor annually provides an independent, objective audit for the purposes of expressing an opinion on the financial statements. He also considers whether transactions which come to his notice in the course of this audit are, in all significant respects, in accordance with the specified legislation.



J. Edmondson, Board Coordinator,
NORTHWEST TERRITORIES SURFACE RIGHTS BOARD

Robert
Stewart

Chartered Accountant/
Management Consultants
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Email: stewartr@peace.ca

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
Yellowknife, N.W.T.

We have audited the accompanying financial statements of NORTHWEST TERRITORIES SURFACE RIGHTS BOARD, which comprise the statement of financial position as at March 31, 2016, and the statements of revenue, expenditures and accumulated surplus, and cash flow for the 8 month period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Generally Accepted Accounting Principles for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of NORTHWEST TERRITORIES SURFACE RIGHTS BOARD as at March 31, 2016, and its financial performance and its cash flows for the 8 month period then ended in accordance with Canadian Public Sector Accounting Standards.



May 20, 2016
Yellowknife, N.W.T

CHARTERED ACCOUNTANT

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2016

ASSETS

	<u>2016</u>
Current	
Cash	\$ 168,366
Goods and Services Tax recoverable (Note 2)	3,703

172,069

Capital assets (Notes 1b and 3) -

\$ 172,069

LIABILITIES

Current	
Accounts payable and accrued liabilities	\$ 58,480
Deferred revenue (Note 4)	113,589

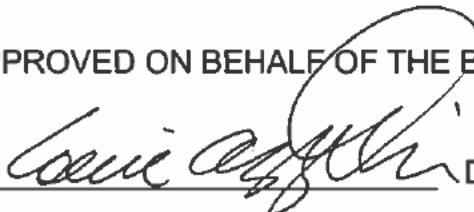
172,069

EQUITY

Accumulated surplus	-
Investment in capital assets (Note 1b)	-

\$ 172,069

APPROVED ON BEHALF OF THE BOARD:



Director

Director

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD

STATEMENT OF OPERATING FUND REVENUE AND EXPENDITURES

FOR THE PERIOD ENDED MARCH 31, 2016

	<u>Budget</u> (Note 1h)	<u>Actual</u>
REVENUE		
Government of NWT Contributions	\$ 289,300	\$ 289,300
Transfer from (to) deferred revenue	-	(113,589)
	<u>289,300</u>	<u>175,711</u>
OPERATING EXPENSES		
Wages and benefits	48,000	17,628
Insurance	8,000	-
Professional fees	42,500	51,859
Information technology and computer costs	20,000	13,266
Advertising and external communication	8,000	6,652
Bank charges and interest	1,000	1,194
Office and other supplies	9,000	544
Telephone, fax and internet	3,000	2,032
Honoraria	87,300	52,400
Board travel and other costs	36,000	25,905
Rent charges	26,500	4,231
Miscellaneous	-	-
	<u>289,300</u>	<u>175,711</u>
EXCESS REVENUE (EXPENDITURES) FOR THE PERIOD	<u>-</u>	<u>-</u>
ACCUMULATED SURPLUS, BEGINNING OF PERIOD	<u>-</u>	<u>-</u>
ACCUMULATED SURPLUS, END OF PERIOD	<u>\$ -</u>	<u>\$ -</u>

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2016

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD (THE "Board") was created upon the enactment of the Surface Rights Board (Northwest Territories) by the fifth session of the seventeenth Legislative Assembly of the Northwest Territories, and commenced operations in April 2016. The objective of the Board is to fairly and equitably resolve disputes regarding access to lands in the Northwest Territories and waters overlying those lands in the Mackenzie Valley. The Board's objectives are based on the plan developed by the Government of the Northwest Territories Department of Lands. The Board's activities are in accordance with the requirements of the Northwest Territories Surface Rights Board Act (Canada), in accordance with the requirements of the Northwest Territories Land and Resource Devolution Agreement. The Board is exempt from income taxes under Section 149 of the Income Tax Act.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards.

a) Use of estimates

The preparation of financial statements necessarily involves the use of estimates, which have been made using careful judgment. Actual results could differ from these estimates and any differences will be reflected in the financial statements in the period in which they are known. The financial statements have, in the opinion of management, been properly prepared within the reasonable limits of materiality and the framework of the significant accounting policies summarized below.

b) Capital assets

Capital assets, when purchased, are recorded in the Capital Fund at cost minus accumulated amortization, and offset by the Investment in Capital Assets and any related debt. Amortization is provided to reduce the Investment in Capital Assets over the expected useful lives of the particular assets. Amortization is recorded using the diminishing balance method. At March 31, 2016, the Board had not acquired any capital assets.

d) Revenue and Expenditure Recognition

Government Contracts and Contribution Agreements:

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

e) Fund accounting

Revenues and expenses related to Board operations delivery and administrative activities are reported in the Operating Fund. The net book value of capital assets is reported in the Capital Fund, offset by Investment in Capital Assets and any related debt.

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2016

NOTE 1 **SIGNIFICANT ACCOUNTING POLICIES (cont.)**

f) **Financial Instruments**

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

Risk Management

The Board reviews financial risks and sets appropriate limits and controls when necessary.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will affect the organization's revenue, the organization's expenses and the organization's financial instruments. The Board does not own a significant number of interest earning assets and the Board does not have a significant number of interest bearing liabilities.

Liquidity Risks

Liquidity risk is the risk that the Board will not be able to meet its financial obligations as they become due. The Board manages liquidity risk by reviewing forecasted cash flows from operating activities, forecasted financing activities and forecasted investing activities including budgeted capital expenditures and related financing.

Fair Values

The methods and assumptions followed to disclose fair value are inherently matters of judgment. Accordingly, fair values do not necessarily reflect the amounts that would be recovered or paid under the circumstances that immediate settlement of the financial instruments were required. The use of different methods of estimating and different assumptions could have a material effect on the estimated fair value amounts.

Due to the short-term nature of accounts receivable, accounts payable and accrued liabilities the carrying amounts approximate fair value.

g) **Going Concern**

Financial Statements, under Canadian generally accepted accounting standards, are prepared on the assumption that the entity is a going concern, meaning that it will continue in operations for the foreseeable future and that it will be able to realize assets and discharge liabilities in the normal course of its operations.

h) **Budget and Actual**

Budget figures are for twelve months, unaudited and are those approved by the Board.

Actual figures are for 8 months since the commencement of 2015/16 operations in August 2015.

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2016

NOTE 2 ACCOUNTS RECEIVABLE

	<u>2016</u>
Goods & services tax recoverable	\$ 3,703
Less: allowance for doubtful accounts	-
	<u>\$ 3,703</u>

NOTE 3 DEFERRED REVENUE

Deferred revenue results from projects which have not yet been completed at year end, and under the terms of the contribution agreements signed with the funding bodies, have contribution terms which extend beyond year end. Unexpended funds at year end may be carried forward to next year.

	<u>2016</u>
Comprised of:	
Balance, beginning of period	\$ -
Deferred revenue transfer for the period included in Statement of Operating Fund Revenue and Expenditures	113,589
Balance, end of period	<u>\$ 113,589</u>

NOTE 4 ECONOMIC DEPENDENCE

Revenues

The Board derives a material amount of its revenues from contribution agreements with the Government of the Northwest Territories. Interruption of this funding would materially affect the operations of the Board.

Supplies and Expenditures

The Board may purchase all of the resources necessary for its operations at fair market values from available vendors deemed to provide best value to the Board.

The Board does not engage in the employment services of skilled individuals who could not be replaced in the labour market.

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2016

NOTE 5 CONTINGENT LIABILITIES

The Board has determined that there have been no events that confirm that an asset has been impaired or liability incurred as at the financial statement date.

The continued operations of the Board is dependent upon the Board securing financing by maintaining a volume of contribution funding. The Board has entered into a long term funding agreement with the Government of the Northwest Territories ending on March 31, 2020.

NOTE 6 COMMITMENTS

Effective May 1, 2016, the Board has entered into an obligation under a 2 year lease for office space. Annual minimum payments under for rent are \$13,103.

NOTE 7 SUBSEQUENT EVENTS

The Board has determined that there have been no subsequent events that provide further evidence of conditions which existed at the financial statement date, and/or which are indicative of conditions which arose subsequent to the financial statement date.

**Status of Women Council
of the Northwest Territories
Yellowknife, NT**

**Financial Statements
March 31, 2016**

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**Status of Women Council of the NWT
P.O. Box 1320, Yellowknife, NT X1A 2L9**

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of the Status of Women Council of the Northwest Territories are the responsibility of the management and have been approved by the directors.

The financial statements have been prepared by the management in accordance with generally accepted accounting principles for the public sector and include some amounts that are necessarily based on management's best estimates and judgment. Financial information presented elsewhere in the annual report is consistent with that contained in the financial statements.

The Council maintains systems in internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Council's assets are appropriately accounted for and adequately safeguarded.

The directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and are ultimately responsible for reviewing and approving the financial statements. The directors carry out this responsibility principally through review of the annual budgets, comparison of actual results to budgets on a periodic basis, approval of the financial statements, and engagement of the external auditor.

The auditor annually provides an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with generally accepted auditing standards

Lorraine Phaneuf
Executive Director

A handwritten signature in black ink that reads "Lorraine Phaneuf". The signature is written in a cursive, flowing style.

Yellowknife, Northwest Territories
July 4, 2016

Independent Auditor's Report

To the Directors of the Status of Women Council of the Northwest Territories

I have audited the financial statements of The Status of Women Council of the Northwest Territories, which comprise the statement of financial position as at March 31 2016, and the statements of operations, changes in net financial assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

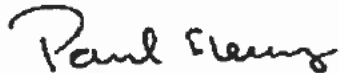
Opinion

In my opinion these financial statements present fairly, in all material respects, the financial position of the Status of Women Council of the Northwest Territories as at March 31, 2016, and the results of its operations, changes in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other matter

As required by the Financial Administration Act of the Northwest Territories, I report that, in my opinion, the accounting principles in Canadian public sector accounting standards have been applied.

Further in my opinion, proper books of account have been kept by the Status of Women Council of the Northwest Territories and the financial statements are in agreement therewith. In addition, the transactions of the Status of Women Council of the Northwest Territories that have come to my notice during my audits of the financial statements have, in all significant respects, been in accordance with Part 1X of the Financial Administration Act of the Northwest Territories and regulations; the Status of Women Council Act (Act) and regulations; the by-laws of the Council; and any directives issued to the Council by the Minister under the FAA or the Act.

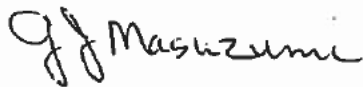


Paul Fleury, CGA
Yellowknife, NWT
July 4, 2016

**Status of Women Council of the Northwest Territories
Statement of Financial Position**

As at March 31,	2016	2015
	\$	\$
Financial assets		
Cash and cash equivalents (Note 3)	128,465	110,562
Accounts receivable (Note 4)	39,600	74,975
	<u>168,065</u>	<u>185,537</u>
Liabilities		
Accounts payable and accrued expenses	36,785	46,158
Vacation payable	16,004	9,194
Employee deductions payable	8,518	1,272
Deferred Revenue	-	2,000
Benefits Fund (Note 5)	38,367	38,334
Contingency Fund (Note 6)	42,891	42,854
	<u>142,565</u>	<u>139,812</u>
Net financial assets	25,500	45,725
Non-financial assets		
Tangible capital assets-Council (Note 7)	3,913	3,100
-Projects (Note 7)	552	788
	<u>4,465</u>	<u>3,888</u>
Accumulated Surplus (Note 8)	<u>29,965</u>	<u>49,613</u>

Approved on behalf of the Boar



Acting President



Director

The accompanying notes and supplementary schedules are an integral part of the financial statements

Contingencies (Note 10)

Commitments (Note 12)

**Status of Women Council of the Northwest Territories
Statement of Operations**

Year ended March 31,	2016	2015
	\$	\$
REVENUE		
Contributions		
Government of the NWT	490,200	567,850
Government of Canada	11,274	20,904
Deferred revenue	2,000	(2,000)
Other Revenue		
Administration fees & miscellaneous	6,131	9,079
Contributed Rent	70,870	70,870
	580,475	666,703
EXPENDITURES		
Wages and benefits	306,594	279,343
Professional development, staff	1,680	3,495
Contracted Services	4,565	83,130
Honoraria	7,375	9,075
Books, videos, subscriptions	-	4,106
Office supplies & photocopies	7,562	5,019
Supplies and workshops	30,988	9,641
Travel	62,060	92,690
Food service special events	4,444	6,080
Facility rental	15,768	8,417
Contributed rent	70,870	70,870
Bank charges	1,167	1,033
Audit, Legal and accounting	10,600	10,625
Advertising	23,502	21,643
Meetings and conferences	3,050	5,546
Dues & fees	3,367	2,165
Telephone, fax, internet & website	6,297	7,823
Postage & courier	7,010	5,363
Design & printing	8,705	11,560
Project management	20,000	9,000
Amortization	981	940
Administration fees	5,096	8,279
	601,681	655,843
EXCESS REVENUE (EXPENDITURES)	(21,206)	10,860

The accompanying notes and supplementary schedules are an integral part of the financial statements

**Status of Women Council of the Northwest Territories
Statement of Change in Net Financial Assets**

Year ended March 31,	2016	2015
	\$	\$
Annual (deficit) surplus	(21,206)	10,860
Effect of change in tangible capital assets		
<u>Amortization of tangible capital assets</u>	<u>981</u>	<u>940</u>
Increase (decrease) in net financial assets	(20,225)	11,800
<u>Net financial assets at beginning of year</u>	<u>45,725</u>	<u>33,925</u>
<u>Net financial assets at end of year</u>	<u>25,500</u>	<u>45,725</u>

The accompanying notes and supplementary schedules are an integral part of the financial statements

**Status of Women Council of the Northwest Territories
Statement of Cash Flows**

Year ended March 31,	2016	2015
	\$	\$
Operating Activities		
Excess revenue/ (expenditure)	(21,206)	10,860
Interest earned	70	155
Amortization	982	940
	(20,154)	11,955
Accounts receivable	35,375	(69,421)
Payables	(9,374)	(6,047)
Vacation Payable	6,810	(10,582)
Employee deduction payable	7,246	(432)
Deferred revenue	(2,000)	2,000
Change in cash position	17,903	(72,527)
Cash position, beginning of year	110,562	183,089
Cash position, end of year	128,465	110,562
Represented by		
Cash in bank	35,428	17,595
Investment in cash account	93,037	92,967
	128,465	110,562

The accompanying notes and supplementary schedules are an integral part of the financial statements

Status of Women Council of the Northwest Territories
Notes to Financial Statements
March 31, 2015

1. AUTHORITY AND MANDATE

The Council was established by the consolidation of *Status of Women Council Act*, S.N.W.T. 1990(1).c.6. that was proclaimed in force on April 4, 1990 by SJ-006-90 by the Government of the Northwest Territories.

The objectives of the Council are:

- a) to develop public awareness of issues affecting the status of women;
- b) to promote a change in attitudes within the community in order that women may enjoy equality;
- c) to encourage discussion and expression of opinion by residents of the Northwest Territories on issues affecting the status of women;
- d) to advise the Minister on issues that the Minister may refer to the council for consideration;
- e) to review policies and legislation affecting women and to report its findings to the relevant government departments or agencies;
- f) to provide assistance to the Minister in promoting changes to ensure the attainment of equality of women; and
- g) to provide the appropriate assistance to organizations and groups whose objectives promote the equality of women.

The Council may:

- a) receive and hear submissions and suggestions from individuals and groups concerning the status of women;
- b) research matters relating to the status of women;
- c) suggest research areas in relation to matters relating to the status of women that may be studied by any interested persons;
- d) recommend and participate in programs concerning the status of women;
- e) recommend legislation, policies and practices to improve the equality of opportunity for women and to improve the status of women;
- f) publish any reports, studies or recommendations that the Council considers advisable;
- g) present reports to the Minister to be laid before the Legislative Assembly;
- h) contract and be contracted in the name of the Council; and
- i) make bylaws to regulate the affairs of the Council.

**Status of Women Council of the Northwest Territories
Notes to Financial Statements
March 31, 2015**

2. Significant Accounting Policies

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The significant accounting policies are detailed as follows:

a) Fund accounting

The Council follows the restricted fund method of accounting for contributions.

The General Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestrictive resources and restricted operating grants. The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to the Council's capital assets.

b) Cash and cash equivalents

Cash equivalents are comprised of highly liquid deposits that are readily convertible to cash.

c) Financial instruments

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

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

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

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

d) Capital assets

Capital assets are recorded at cost. Capital assets are amortized following the declining balance method at the following annual rates.

Equipment	20%
Computers	30%

Status of Women Council of the Northwest Territories
Notes to Financial Statements
March 31, 2016

2. Significant accounting policies (continued)

e) Measurement uncertainty

The preparation of financial statements in accordance with PSAS requires the Status of Women Council of the Northwest Territories to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. At the time of preparation of these statements, the Council believes the estimates and assumptions to be reasonable. Some of the more significant management estimates relate to amortization, non-monetary transactions, and revenue accruals.

f) Employee future benefits

Employees are entitled to severance benefits, as provided under labour contracts and conditions of employment, based upon years of service. The benefits are paid upon resignation, retirement or death of an employee.

The cost of severance benefits are recorded as expenses in the year paid.

g) Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be recorded can be reasonably estimated and collection is reasonably assured.

h) Contributed services.

Any time contribute by volunteers to assist the Council in carrying out its service delivery activity are not recognized in the financial statements because of the difficulty in determining their fair value.

i) Government contributions-services received without charge.

The Government of the Northwest Territories provided the Council with office premises. The estimated value of these rental premises are recognized as expenses with an offsetting credit to revenues in order to reflect the full cost of the Council's operations in the financial statements.

**Status of Women Council of the Northwest Territories
Notes to Financial Statements
March 31, 2016**

2. Significant accounting policies (continued)

j) Contract services

Contract services acquired by the Council are recognized as expenses in the year the services are rendered.

k) Allocation of expenditures

The Council allocates expenditures according to the contribution agreement to which the expenditure relates. The expenditures are any direct cost related to the fulfillment of the contribution agreement. The costs are then allocated to the contribution agreement based on the actual amount of the expenditure.

Office administrative costs are allocated to contribution agreements that allow such costs to be allocated. Office administrative costs are allocated based on the percentage of staff time required to fulfill that contribution agreement.

l) Funds and reserves

Certain amounts, as approved by the Board, are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved.

m) Income taxes

The Council is exempt from income taxes under section 149(1) (e) of the Income Tax Act.

**Status of Women Council of the Northwest Territories
Notes to Financial Statements
March 31, 2016**

3. Cash and Cash Equivalents

Cash balances are made up as follows:	<u>2016</u>	<u>2015</u>
	\$	\$
Cash	35,428	17,595
Investment Cash Account	93,037	92,967
	<hr/>	<hr/>
Total cash and cash equivalents	128,465	110,562

4. Accounts Receivable

	<u>2016</u>	<u>2015</u>
	\$	\$
Project income Government of the NWT	39,600	74,925
Other	-	50
	<hr/>	<hr/>
Total accounts receivables	39,600	74,975

5. Benefits Fund

The Council, under its amended contribution agreement, is allowed to create a Maternity and Parental Leave Benefit Fund, using 100% of its annual unexpended core contribution to a maximum of \$ 40,000.00.

Information about the fund is as follows:

	<u>2016</u>	<u>2015</u>
	\$	\$
Benefits Fund, beginning of year	38,334	38,261
Interest earned	33	73
	<hr/>	<hr/>
Benefits Fund, end of year	38,367	38,334

**Status of Women Council of the Northwest Territories
Notes to Financial Statements
March 31, 2016**

6. Contingency Fund

The Council created a contingency fund to protect against funding cutbacks.

Information about the fund is as follows:

	<u>2016</u>	<u>2015</u>
	\$	\$
Contingency Fund, beginning of year	42,854	42,772
Interest earned	37	82
Contingency Fund, end of year	42,891	42,854

7. Tangible Capital Assets

Council assets

	Cost	Accumulated Amortization	Net Book Value	
	\$	\$	2016	2015
	\$	\$	\$	\$
Furniture	4,870	3,131	1,739	2,174
Projector	1,125	1,033	92	132
Computer	30,517	28,435	2,082	794
Total Council assets	36,512	32,599	3,913	3,100
 Project assets				
Computers	13,664	13,112	552	788
Total assets	50,176	45,711	4,465	3,888

8. Accumulated Surplus

	<u>2016</u>	<u>2015</u>
	\$	\$
Balance, opening April 1,	49,613	39,091
Operating surplus (deficit)	(21,207)	10,860
Tangible capital asset addition	1,795	-
Amortization tangible capital assets-projects	(236)	(338)
Balance, closing March 31,	29,965	49,613

Status of Women Council of the Northwest Territories
Notes to the Financial Statements
March 31, 2016

9. Financial Instruments

The Council uses risk management to monitor and manage its risk arising from financial instruments. These risk include credit risk, interest risk, liquidity risk, and market risk.

The Council does not uses any derivative financial instruments to mitigate these risks.

Credit Risk

Credit risks arise from three sources: cash and cash equivalents, investment in interest bearing securities and accounts receivable. Cash and cash equivalents are deposited with reputable major financial institutions to limit the credit risk exposure. Investment in interest bearing securities are with high-credit quality financial institutions. The credit risk from counter parties not paying accounts receivable is not considered to be significant.

Interest Rate Risk

The Council is exposed to interest rate risk with respect to the following financial instruments: cash and cash equivalents, investments in interest bearing securities. Changes in interest rates can affect the fair value of investments and the cash flows relating to interest income and expense.

Liquidity Risk

Liquidity risk exposure is dependent on the receipts of funds from the Government of The Northwest Territories and other sources to enable the Council to pay its liabilities as they become due. History has shown that funding from the Government of The Northwest Territories and other funders to be consistent. Nevertheless, Council has established a reserve to protect against funding cut-backs.

Market Risk

The Council is not exposed to market risk as it has no investment in publicly traded companies.

10. Contingent Liabilities

Management is not aware of any contingent liabilities outstanding against the Status of Women Council

Status of Women Council of the Northwest Territories
Notes to the Financial Statements
March 31, 2016

11. Related Parties

The Council receives contributions from the Government of The Northwest Territories and services provided without or with charge.

	2016	2015
	\$	\$
Operating contributions received	394,000	379,000
Other project contributions	96,200	188,850
<u>Operating premises received without charge</u>	<u>70,870</u>	<u>70,870</u>
	<u>561,070</u>	<u>638,720</u>
<u>Mail support services received with charge</u>	<u>7,010</u>	<u>5,363</u>

12. Commitments

The Council is committed to office equipment leases of \$ 2,379.86 per quarter with the following remaining payments:

	\$
2017	9,519
2018	9,519
2019	9,519
2020	9,519
<u>2021</u>	<u>4,761</u>
	<u>42,837</u>

13. Comparative Figures

Certain prior year figures have been reclassified for comparative purposes to conform to current year figures.

14. Budget

The budget figures presented are unaudited, and are those approved by the Board

**Status of Women Council of the NWT
Schedule 1-Core**

Year ended March 31,	2016 Budget (Unaudited)	2016 Actual	2015 Actual
	\$	\$	\$
Revenue			
GNWT - DAAIR Core Funding	394,000	394,000	379,000
Service Revenue	-	-	
Contributed Rent	-	70,870	70,870
	394,000	464,870	449,870
Expenditures			
Wages & Benefits	305,604	306,594	279,343
Professional Development – Staff	3,000	1,680	3,495
Professional Development – Board	4,500	-	-
Facilitators /Contractors	1,600	1,275	3,000
Honoraria	7,500	7,375	9,075
Books	700	-	4,106
Office Supplies	8,900	6,444	3,813
Equipment Rental	-	5,759	5,713
Travel Council Directors	14,600	492	-
Travel Community Worker	3,000	184	-
Travel F/P/T	5,400	32,975	31,218
Bank Charges	800	1,167	1,034
Audit	9,000	10,500	10,500
Advertising & Promotion	7,806	3,915	3,290
Telephone & Fax	5,600	5,210	6,401
Postage , Courier , mail service	5,500	1,851	2,829
Meeting Expenses/Conference Fees	-	1,287	1,713
Food Service Special Events	1,490	3,444	3,507
Materials,Resources/Subscriptions	-	1,260	255
Workshop Expenses	-	4,387	2,560
Design & Printing	3,500	3,276	2,262
Computer Services and Internet	5,500	3,367	2,165
Amortization	-	982	940
Contributed Rent	-	70,870	70,870
	394,000	474,294	448,089
Excess revenue (expenditures)	-	(9,424)	1,781

**Status of Women Council of the NWT
Schedule 2- Donations**

Year ended March 31,	2016 Budget (Unaudited)	2016 Actual	2015 Actual
	\$	\$	\$
Revenue			
Service Revenue	-	1,896	8,279
Donations, Events Grants	-	3,835	800
	-	5,731	9,079
Expenditures			
Meeting Expenses	-	320	-
Travel Expenses - General	-	35	-
Materials, Resources, /Subscriptions	-	1,618	-
Workshop Expenses	-	522	-
Contract / Research Fees	-	1,680	-
	-	4,175	-
Excess revenue (expenditures)	-	1,556	9,079

**Status of Women Council of the NWT
Schedule 3-Community Response**

Year ended March 31,	2016 Budget (Unaudited)	2016 Actual	2015 Actual
	\$	\$	\$
Revenue			
RCMP	-	8,500	12,000
Deferred Revenue	-	2,000	-2,000
	-	10,500	10,000
Expenditures			
Project Management	-	5,000	5,000
Advertising and promotion	-	703	-
Meeting Expenses	-	46	-
Mail Service	-	443	-
Materials,Resources,/Subscriptions	-	1,879	-
Workshop Expenses	-	2,429	-
Contract / Research Fees	-	-	5,000
	-	10,500	10,000
Excess revenue (expenditures)	-	-	-

**Status of Women Council of the NWT
Schedule 4-Family Violence Week**

Year ended March 31,	2016 Budget (unaudited)	2016 Actual	2015 Actual
	\$	\$	\$
Revenue			
GNWT- HSS	-	20,000	10,000
GNWT - Justice (Victims Assistance Fund)	-	19,000	15,000
GNWT - DAAIR	-	5,000	5,000
		44,000	30,000
Expenditures			
Office supplies - Small Equipment	-	787	208
Design and Printing	-	5,429	8,073
Project Management	-	2,000	4,000
Advertising and promotion	-	14,499	10,259
Meeting Expenses	-	105	-
Telecommunications	-	1,087	543
Mail Service	-	3,930	2,507
Materials,Resources,/Subscriptions	-	10,441	606
Equipment Rental	-	3,722	1,904
Food Service-Special Events	-	-	400
Administration Fees	-	2,000	1,500
		44,000	30,000
Excess revenue (expenditures)	-	-	-

**Status of Women Council of the NWT
Schedule 5-Leadership**

Year ended March 31,	2016 Budget (Unaudited)	2016 Actual	2015 Actual
	\$	\$	\$
Revenue			
GNWT -DAAIR	-	15,000	19,000
Donations, Events, Grants	-	400	
	-	15,400	19,000
Expenditures			
Office supplies - Small Equipment	-	430	-
Advertising and promotion	-	4,386	2,189
Mail Service	-	408	-
Travel Expenses - General	-	8,330	10,692
Materials, Resources/Subscriptions	-	4,173	553
Workshop Expenses	-	1,964	-
Computer Service	-	200	-
Meeting Expenses	-	-	3,143
Research and Contract Fees	-	1,610	-
Facility Rental	-	6,237	800
Food Service-Special Events	-	1,000	500
Awards & Gifts and Hospitality	-	-	1,123
	-	28,738	19,000
Excess revenue (expenditures)	-	(13,338)	-

**Status of Women Council of the NWT
Schedule 6- Victim Awareness Week**

Year ended March 31,	2016 Budget (Unaudited)	2016 Actual	2015 Actual
	\$	\$	\$
Revenue			
Department of Justice Canada	-	2,774	5,904
		2,774	5,904
Expenditures			
Design and Printing	-	-	5,904
Meeting Expenses	-	828	-
Facility Rental	-	50	-
Administration fees	-	1,896	-
	-	2,774	5,904
Excess revenue (expenditures)	-	-	-

**Status of Women Council of the NWT
Schedule 7-What Will It Take**

Year ended March 31,	2016 Budget (Unaudited)	2016 Actual	2015 Actual
	\$	\$	\$
Revenue			
GNWT- HSS	-	37,200	-
	-	37,200	
Expenditures			
Project Management	-	13,000	-
Mail Service	-	378	-
Travel Expenses - General	-	20,045	-
Materials, Resources/Subscriptions	-	10	-
Workshop Expenses	-	2,304	-
Meeting Expenses	-	263	-
Administration fees	-	1,200	-
	-	37,200	-
Excess revenue (expenditures)	-	-	-

**Status of Women Council of the NWT
Schedule 8-FV Educational Series**

Year ended March 31,	2016 Budget (Unaudited)	2016 Actual	2015 Actual
	\$	\$	\$
Revenue			
GNWT- HSS	-	-	50,000
	-	-	50,000
Expenditures			
Design and Printing	-	-	595
Travel Expenses - General	-	-	32,463
Materials, Resources/Subscriptions	-	-	4,052
Meeting Expenses	-	-	690
Research and Contract Fees	-	-	9,700
Food Service-Special Events	-	-	2,500
	-	-	50,000
Excess revenue (expenditures)	-	-	-

**Status of Women Council of the NWT
Schedule 9-Dehcho Protocol**

Year ended March 31,	2016 Budget (Unaudited)	2016 Actual	2015 Actual
	\$	\$	\$
Revenue			
GNWT- HSS	-	-	89,850
	-	-	89,850
Expenditures			
Design and Printing	-	-	631
Mail Service	-	-	27
Travel Expenses - General	-	-	18,317
Materials, Resources/Subscriptions	-	-	1,615
Telecommunications	-	-	879
Research and Contract Fees	-	-	62,430
Food Service-Special Events	-	-	1,672
Administration Fees	-	-	4,279
	-	-	89,850
Excess revenue (expenditures)	-	-	-

**Status of Women Council of the NWT
Schedule 10-Motivational Interviewing Training**

Year ended March 31,	2016 Budget (Unaudited)	2016 Actual	2015 Actual
	\$	\$	\$
Revenue			
Department of Justice Canada	-	-	3,000
	-	-	3,000
Expenditures			
Research and Contract Fees	-	-	3,000
	-	-	3,000
Excess revenue (expenditures)	-	-	-

FUR MARKETING SERVICE REVOLVING FUND

FOR YEAR ENDED MARCH 31, 2016

Fur Marketing Service Revolving Fund

Purpose: To provide working capital for the operation of a fur advance system. Trappers receive interest free advances on fur sent to southern auction houses. Approximately 1,000 trappers take advantage of this program.


(thousands of dollars)

	2015/2016 Actuals	2015/2016 Revised Estimates	2015/2016 Main Estimates	2014/2015 Actuals
Authorized Limit	1,500	1,500	1,500	1,500
Opening Accounts Receivable	357	358	950	927
Advances to Trappers	795	1,000	1,000	662
Repayment of Fur Account Loans	(615)	(950)	(950)	(1,231)
Closing Accounts Receivable	537	408	1,000	357
Cash	(1,560)			(1,227)
Other Asset Accounts	2			2
Liability Accounts	(136)			(3)
Clearing Accounts	63			63
Closing Balance Fund 12	(1,096)			(808)
Authorized limit	1,500			1,500

Note:

The authorized limit for the Fur Marketing Revolving Fund was increased to \$1,500,000 in 2013-14.

The information provided within this working paper addresses all requirements of YE Directive #51 with regards to content, format, completeness, analysis and reconciliation to SAM data, and its due date of May 12th, 2016.

 Susan Craig, DFA
 _____, May 12th, 2016

2015 - 2016

62ND ANNUAL REPORT

NORTHWEST TERRITORIES LIQUOR COMMISSION



Northwest Territories Territoires du Nord-Ouest
Finance Finances

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MEMBERS OF LEGISLATIVE ASSEMBLY

NWT Liquor Commission Annual Report

I am pleased to present, for the information of the Members of the Legislative Assembly, the sixty-second Annual Report for the Northwest Territories Liquor Commission for the fiscal year ending March 31, 2016.

Robert C. McLeod
Minister Responsible for the
NWT Liquor Commission

**THE HONOURABLE ROBERT C. MCLEOD
MINISTER OF FINANCE**

NWT Liquor Commission

Pursuant to Subsection 64 (1) of the *Liquor Act*, we are pleased to submit the sixty-second Annual Report of the Northwest Territories Liquor Commission for the fiscal year ending March 31, 2016.

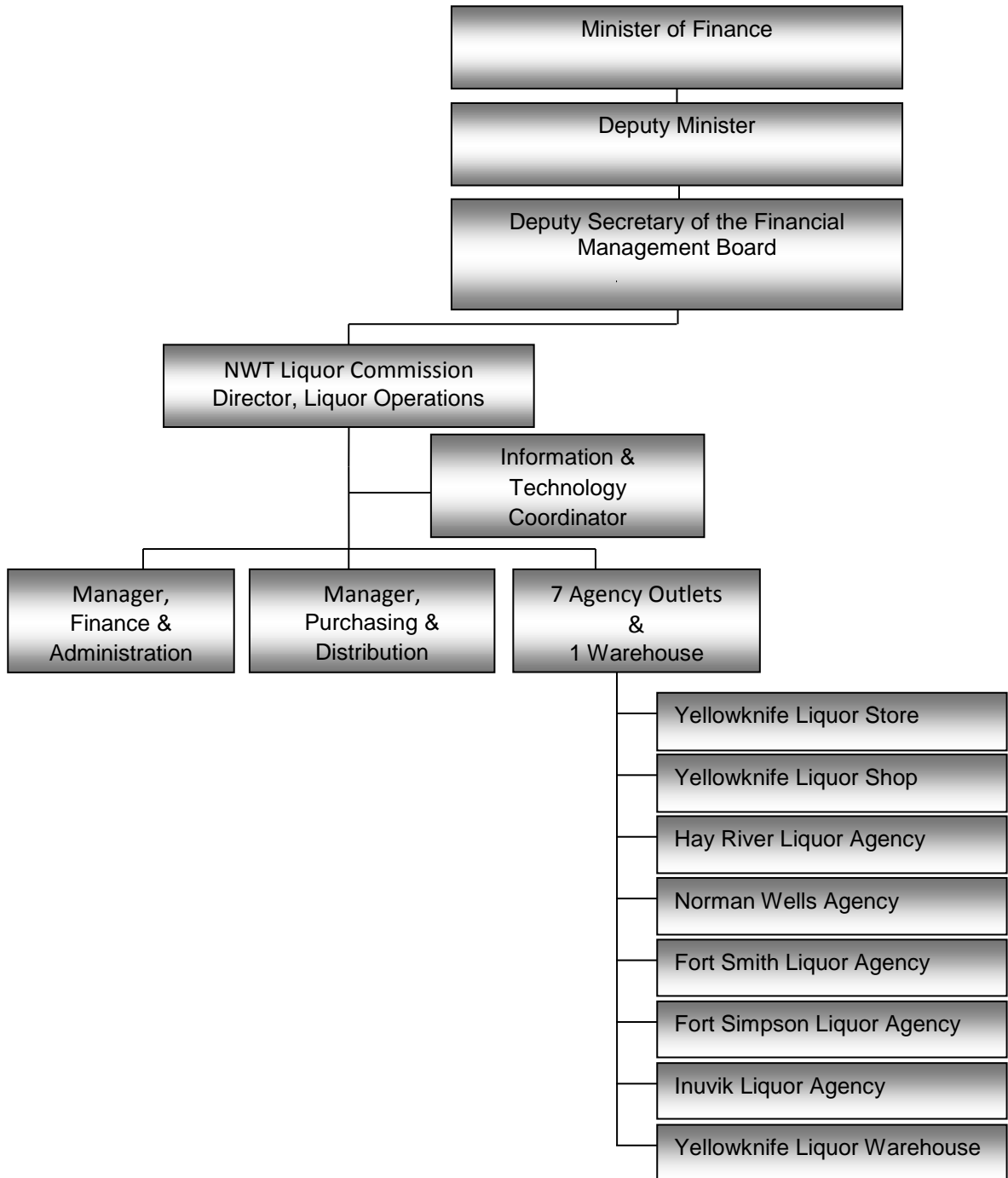
We wish to express our thanks to our staff for all their support and contributions to the progress of the Commission during the year.



Peter Maher
Director, Liquor Operations
NWT Liquor Commission

Deputy Minister
Department of Finance

ORGANIZATION CHART



NORTHWEST TERRITORIES LIQUOR COMMISSION

**SUITE 201 – 31 CAPITAL DRIVE
HAY RIVER, NT X0E 1G2
PH: 867 874 8700
FAX: 867 874 8720**

www.fin.gov.nt.ca/liquor



DIRECTOR, LIQUOR OPERATION'S REPORT

The Northwest Territories Liquor Commission (NWTLC) is established under the *Liquor Act* of the Northwest Territories to purchase, sell classify and distribute liquor in the Northwest Territories.

The year showed a 2.2% sales growth over the prior year at \$49 million. Budget estimates for the year were achieved; with the annual surplus within .7% of the budget targets. The volume of liquor sold, in litres, was down 1.9% over 2014/15, and \$23 million was transferred to the Territorial Treasury.

Sales and distribution are carried out through a network consisting of seven retail outlets and one Yellowknife warehouses, contracted to private sector operators.

The strategic plan of the Commission focuses on three key areas for measuring performance:

1. Efficient operations, and compliance with legislation, regulation and policy
2. Social Responsibility
3. Financial Income Targets

These areas serve as a guideline for incorporating our mission statement into day to day activities. The success of the organization should not be measured in financial performance alone, and the responsibility of the Commission includes ensuring performance as a responsible industry partner, and as a socially responsible member of society. The Commission was successful in meeting the goals established in the strategic plan.

I would like to thank our staff, agents, customers and partners for another successful year.



Peter Maher
Director, Liquor Operations

MANDATE

Vision

Our customers will have a healthy and responsible attitude toward alcohol consumption and we will provide them the opportunity to discover, enjoy and share a wide variety of beverage alcohol.

Mission Statement

We will be an innovative, efficient and profitable organization, dedicated to the retail and wholesale distribution of beverage alcohol, and promote the development of a healthy and responsible drinking culture.

Values

We value our customers and employees.

We encourage and support the responsible use of alcohol.

We will be efficient and cost effective.

We will be responsible for our actions and will be honest and fair.

We will treat others with dignity and courtesy.

We will support one another to achieve our goals.

OPERATIONAL REVIEW

The NWTLC has a number of stakeholders including the people of the Northwest Territories, our customers, employees, private sector contractors, suppliers, industry partners and all those who share our concern for social responsibility and public safety. Our customer base includes the public who access our products through our retail network, as well as commercial clients such as restaurants and bars.

To respond to the needs and concerns of our customers and stakeholders in the fiscal year 2015 – 2016 we:

- Delivered a wide variety of quality beverage alcohol products through our network of stores and warehouse.
- Promoted safe and responsible use of beverage alcohol.

STRATEGIC OBJECTIVES

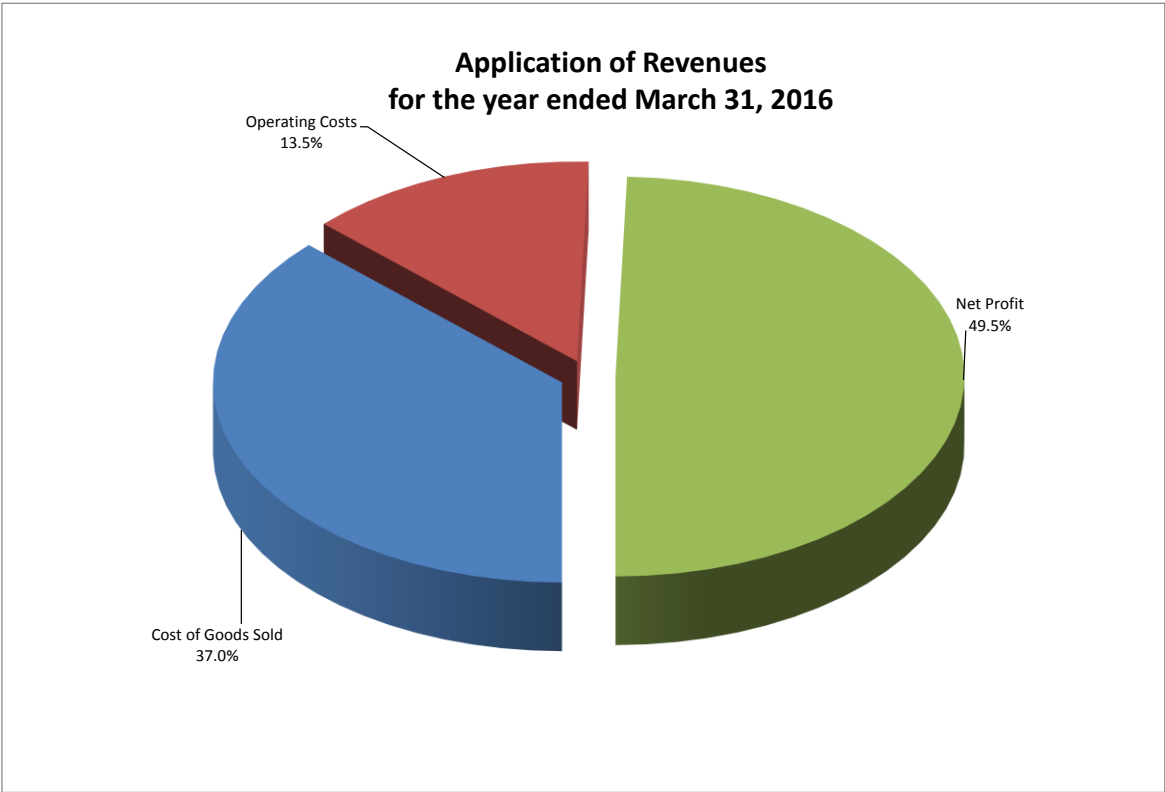
Goal #1

Operations are managed efficiently and comply with legislation, regulation and policy.

Performance Highlights

The operational structure of the NWTLC is designed to deliver optimal service levels for the best possible costs, and consists of a headquarters administrative staff of eight and a network of seven stores and one warehouse, operated by private contractors. Five of the private agency stores operate with inventory on consignment from the Commission and the two Yellowknife stores purchase inventory directly from the Yellowknife warehouse. The Yellowknife stores changed from private to consignment stores on September 8, 2015. Sales to consumers and licensees are incurred through sales by the consignment stores. Sales to private stores are realized through their purchase of liquor products from our warehouse. The cost to deliver the sales and administration throughout the year was 13.5% of sales revenue, of which 9.9% was paid to liquor store and warehouse contractors.

Operational compliance with contracts, regulation and legislation by the store and warehouse operators was maintained throughout the year. The operations of all liquor outlets are monitored monthly and visited periodically by headquarters management.



Social Responsibility Awareness Programs

We ID anyone who appears under 25 Responsible Retailing

Our employees now wear a Responsible Retailing Tag.

We want you to be aware that we now ask potential customers, who appear to be under 25 years of age, for proof of age.

This helps us ensure that minors who look older than their years are not served.

It's our responsibility.

We believe in Responsible Retailing.

Northwest Territories Liquor Commission

WARNING

1. WOMEN SHOULD NOT DRINK ALCOHOLIC BEVERAGES DURING PREGNANCY BECAUSE OF THE RISK OF BIRTH DEFECTS.
2. CONSUMPTION OF ALCOHOLIC BEVERAGES IMPAIRS YOUR ABILITY TO DRIVE A CAR OR OPERATE MACHINERY, AND MAY CAUSE HEALTH PROBLEMS.

Goal #2

Actively and continuously promote the responsible use of alcohol.

Performance Highlights

The NWTLC supports the responsible use of alcohol through various awareness programs and initiatives.

Liquor server training is mandatory in all NWT liquor stores. All liquor store service personnel must successfully complete the NWTLC liquor store training program and demonstrate competence in the service of beverage alcohol.

The Check 25 program is intended to strengthen controls in place concerning service to minors. The program conditions our customers to expect to be asked for proof of identification if they appear to be under the age of 25.

The NWTLC applies warning labels to beverage alcohol containers. The labels warn of the Dangers of Alcohol Consumption during pregnancy and drinking and driving.

In support of MADD Canada, all liquor stores participated in the Red Ribbon program, *"Its Time to Change the Meaning of Tie One On, "Drive Safe, Drive Sober"*.

The NWTLC participants with the Canadian Association of Liquor Jurisdictions Social Responsibility Committee in support of socially responsible liquor retailing on a nationwide basis.

Reusable bags are provided as an alternative to single use paper bags.

GOAL #3

Meet financial income targets.

Performance Highlights

NWTLC annual surplus was 2.7% lower than the previous fiscal year and .7% within budget targets. Sales volume in litres was approximately 1.9% lower than the previous year.

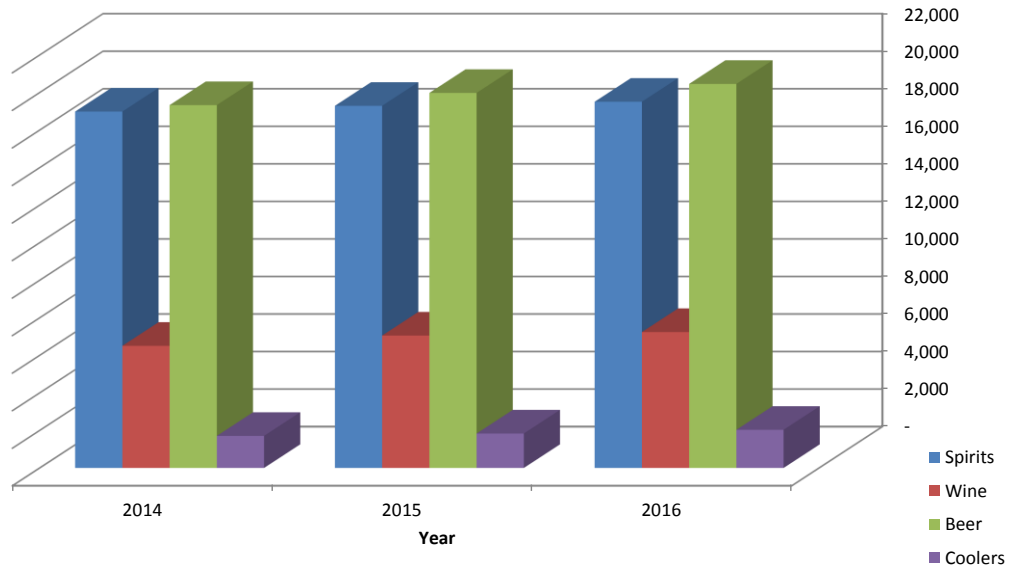
Five Year Performance History

For the year ending March 31st

(\$000's)

	2016	2015	2014	2013	2012
Gross sales	49,238	48,157	46,527	47,313	46,300
Gross profit	30,984	29,976	29,350	30,239	29,378
as a % of sales	62.9	62.2	63.1	63.9	63.5
Other Income	9	10	7	9	20
Net surplus	24,362	25,043	24,523	25,441	24,463
as a % of sales	49.5%	52.0%	52.7%	53.8%	52.8%
Operating expenses	6,631	4,943	4,834	4,807	4,935
as a % of sales	13.5%	10.3%	10.4%	10.2%	10.7%

Three Year Dollar Sales Trend by Category



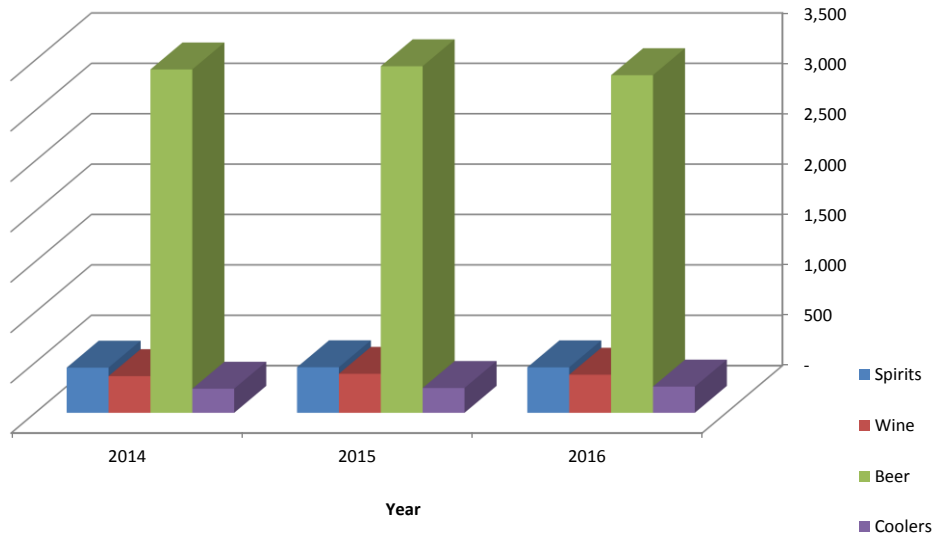
Three Year Dollar Sales by Category

for the year ending March 31

(\$000's)

	Spirits	Wine	Beer	Coolers	Total
2014	18,985	6,506	19,329	1,707	46,527
2015	19,292	7,053	19,978	1,834	48,157
2016	19,508	7,240	20,459	2,031	49,238

Three Year Litre Sales Trend by Category

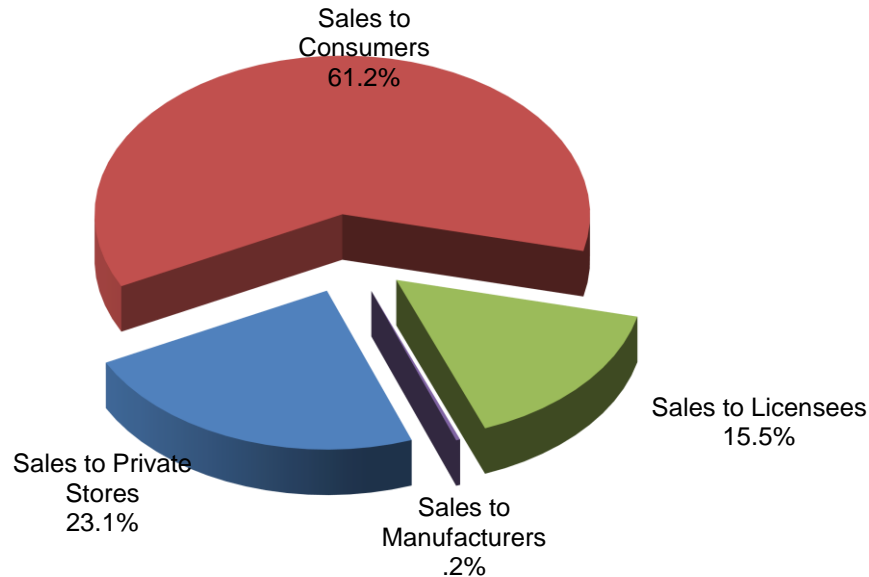


Three Year Litre Sales by Category for the year ending March 31

(000's)

	Spirits	Wine	Beer	Coolers	Total
2014	448	364	3,407	239	4,458
2015	452	387	3,439	246	4,524
2016	451	378	3,362	260	4,451

Litre Sales by Distribution Channel



Three Year Litre Sales by Distribution Channel

for the year ending March 31

(000's)

	2016	2015	2014
Sales to Private Stores	1,027	2,057	2,116
Sales to Consumers	2,724	1,647	1,616
Sales to Licensees	688	819	839
Sales to Manufacturers *	12	0	0
Total	4,451	4,523	4,571

Three Year Dollar Sales by Distribution Channel

for the year ending March 31

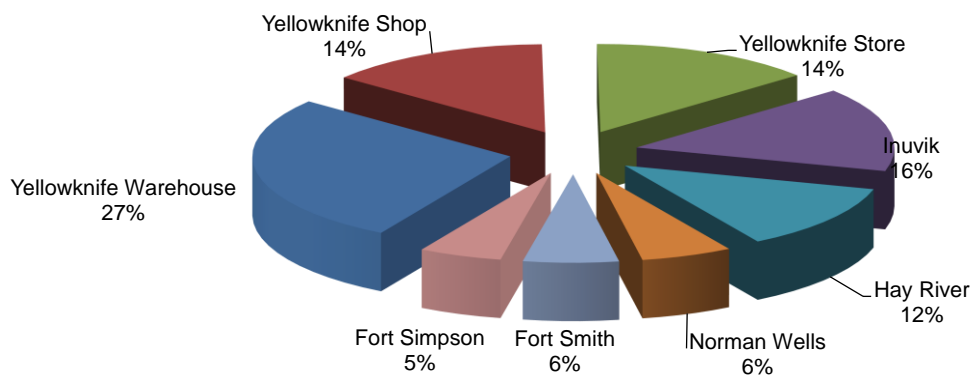
(000's)

	2016	2015	2014
Sales to Private Stores	9,354	22,500	21,916
Sales to Consumers	34,123	19,990	19,248
Sales to Licensees	5,747	5,667	5,363
Sales to Manufacturers *	13	0	0
Total	49,238	48,157	46,527

* Manufacturer's license markup; per the Liquor Regulations (4.1) A licence holder referred to in paragraph (4)(a) or (b) who sells liquor directly to patrons in the Northwest Territories is deemed to have first sold the liquor to the Commission and purchased it back from the Commission.

STORE OPERATIONS

**Location Sales
for the year ending March 31, 2015**



Sales by Location

for the year ended March 31

(\$000's)

	2016	2015	Increase (Decrease)
Yellowknife Warehouse	\$ 13,424	\$ 26,275	\$ -12851
Yellowknife Shop	6,907	-	6907
Yellowknife Store	6,894	-	6894
Inuvik	7,583	7,479	104
Hay River	5,937	6,050	-113
Norman Wells	2,811	2,786	25
Fort Smith	2,933	2,865	68
Fort Simpson	2,556	2,562	-6
*Other	193	140	53
Total	\$ 49,238	\$ 48,157	\$ 1081

* Other consists of miscellaneous sales that do not conform to the prescribed commission sales.

Statement of Operations by Location

(for the year ended March 31, 2016 with comparative figures for 2015)
(revenue and expenses directly related to sales per location)

YELLOWKNIFE WAREHOUSE

(\$000's)

					2016	2015
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Private Stores	2,985	1,441	4,435	494	9,355	22,500
Licensees	1,299	626	1,929	215	4,069	3,775
	4,284	2,067	6,364	709	13,424	26,275
Cost of goods sold	1,345	996	3,084	343	5,768	10,518
Gross margin	2,939	1,071	3,280	366	7,656	15,757
Other income					-	-
Operating expenses					897	851
Net income					6,759	14,906

YELLOWKNIFE SHOP (Sept 8, 2015 - March 31, 2016)

(\$000's)

					2016	2015
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	2,916	1,260	2,493	238	6,907	-
Licensees	-	-	-	-	-	-
	2,916	1,260	2,493	238	6,907	-
Cost of goods sold	794	558	885	92	2,329	-
Gross margin	2,122	702	1,608	146	4,578	-
Other income					-	-
Operating expenses					738	-
Net income					3,840	-

YELLOWKNIFE STORE (September 8, 2015 - March 31, 2016)

(\$000's)

	Spirits	Wine	Beer	Coolers	2016 Total	2015 Total
Sales						
Consumers	2,746	1,567	2,370	211	6,894	-
Licensees	-	-	-	-	-	-
	<u>2,746</u>	<u>1,567</u>	<u>2,370</u>	<u>211</u>	<u>6,894</u>	<u>-</u>
Cost of goods sold	<u>777</u>	<u>680</u>	<u>869</u>	<u>80</u>	<u>2,406</u>	<u>-</u>
Gross margin	1,969	887	1,501	131	4,488	-
Other income					-	-
Operating expenses					<u>714</u>	<u>-</u>
Net income					<u>3,774</u>	<u>-</u>

INUVIK OPERATIONS

(\$000's)

	Spirits	Wine	Beer	Coolers	2016 Total	2015 Total
Sales						
Consumers	3,335	737	2,576	250	6,898	6,692
Licensees	126	29	498	32	685	787
	<u>3,461</u>	<u>766</u>	<u>3,074</u>	<u>282</u>	<u>7,583</u>	<u>7,479</u>
Cost of goods sold	<u>952</u>	<u>322</u>	<u>1,296</u>	<u>123</u>	<u>2,693</u>	<u>2,631</u>
Gross margin	2,509	444	1,778	159	4,890	4,848
Other income					-	-
Operating expenses					<u>832</u>	<u>799</u>
Net income					<u>4,058</u>	<u>4,049</u>

HAY RIVER OPERATIONS

(\$000's)

	Spirits	Wine	Beer	Coolers	2016 Total	2015 Total
Sales						
Consumers	2,290	648	2,260	291	5,489	5,598
Licensees	74	32	322	20	448	452
	<u>2,364</u>	<u>680</u>	<u>2,582</u>	<u>311</u>	<u>5,937</u>	<u>6,050</u>
Cost of goods sold	<u>657</u>	<u>300</u>	<u>989</u>	<u>133</u>	<u>2,079</u>	<u>2,105</u>
Gross margin	1,707	380	1,593	178	3,858	3,945
Other income					-	-
Operating expenses					<u>679</u>	<u>647</u>
Net income					<u>3,179</u>	<u>3,298</u>

NORMAN WELLS OPERATIONS

(\$000's)

	Spirits	Wine	Beer	Coolers	2016 Total	2015 Total
Sales						
Consumers	1,230	245	1,066	79	2,620	2,550
Licensees	37	18	130	6	191	236
	<u>1,267</u>	<u>263</u>	<u>1,196</u>	<u>85</u>	<u>2,811</u>	<u>2,786</u>
Cost of goods sold	<u>350</u>	<u>122</u>	<u>506</u>	<u>42</u>	<u>1,020</u>	<u>1,002</u>
Gross margin	917	141	690	43	1,791	1,784
Other income					-	-
Operating expenses					<u>645</u>	<u>496</u>
Net income					<u>1,146</u>	<u>1,288</u>

FORT SMITH OPERATIONS

(\$000's)

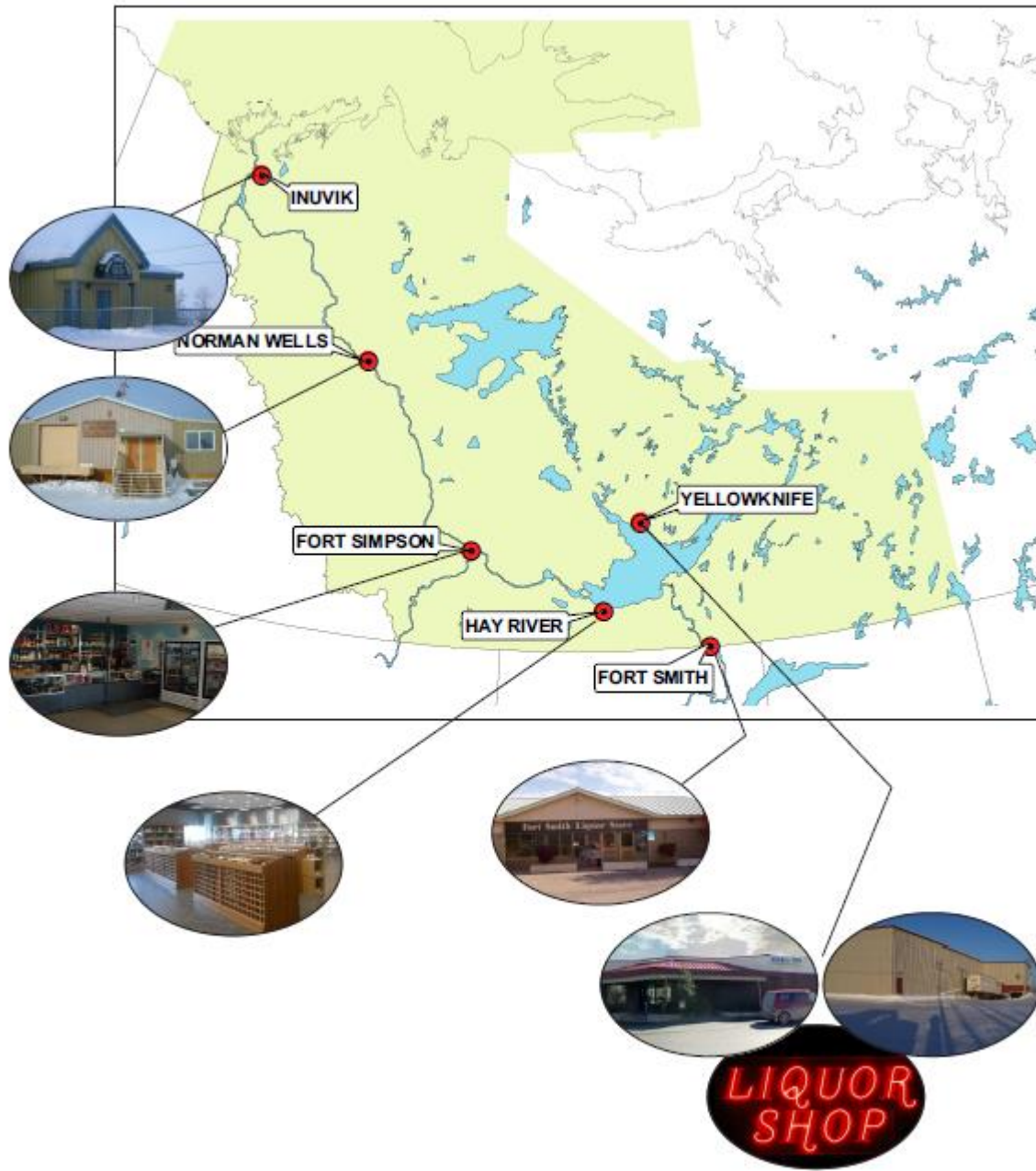
	Spirits	Wine	Beer	Coolers	2016 Total	2015 Total
Sales						
Consumers	883	393	1,380	172	2,828	2,751
Licensees	24	1	75	5	105	114
	<u>907</u>	<u>394</u>	<u>1,455</u>	<u>177</u>	<u>2,933</u>	<u>2,865</u>
Cost of goods sold	<u>266</u>	<u>160</u>	<u>567</u>	<u>73</u>	<u>1,066</u>	<u>1,024</u>
Gross margin	641	234	888	104	1,867	1,841
Other income					-	-
Operating expenses					<u>503</u>	<u>478</u>
Net income					<u>1,364</u>	<u>1,363</u>

FORT SIMPSON OPERATIONS

(\$000's)

	Spirits	Wine	Beer	Coolers	2016 Total	2015 Total
Sales						
Consumers	1,242	154	843	69	2,308	2,259
Licensees	33	3	204	8	248	303
	<u>1,275</u>	<u>157</u>	<u>1,047</u>	<u>77</u>	<u>2,556</u>	<u>2,562</u>
Cost of goods sold	<u>325</u>	<u>83</u>	<u>392</u>	<u>32</u>	<u>832</u>	<u>833</u>
Gross margin	950	74	655	45	1,724	1,729
Other income					-	-
Operating expenses					<u>388</u>	<u>375</u>
Net income					<u>1,336</u>	<u>1,353</u>

STORE LOCATIONS



AUDITED FINANCIAL STATEMENTS
2015 – 2016

NORTHWEST TERRITORIES LIQUOR COMMISSION

Financial Statements

Year ended March 31, 2016

NORTHWEST TERRITORIES LIQUOR COMMISSION

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March 31, 2016

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the financial statements of the Northwest Territories Liquor Commission (Commission) is the responsibility of the Commission's management.

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Where alternative accounting methods are permitted, management has chosen those that are most appropriate. Where required, management's best estimates and judgments have been applied in the preparation of these financial statements.

Management fulfills its financial reporting responsibilities by maintaining financial management and control systems and practices which are designed to provide reasonable assurance that transactions are properly authorized, proper records are maintained, accurate financial information is prepared on a timely basis, assets are safeguarded, and the Commission complies with all statutory requirements.

Our auditor performs an annual audit on the financial statements in order to express an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the Commission, the results of its operations, the change in its net financial resources and its cash flows for the year. During the course of the audit, he also examines transactions that have come to his notice, to ensure they are, in all significant respects, in accordance with the statutory authorities of the Commission.



Peter Maher
Director, Liquor Operations
Northwest Territories Liquor Commission
August 29, 2016

Chris Polselli CPA, CA
5 Deer Park Point
Spruce Grove, AB, T7X 4N6

INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Northwest Territories Liquor Commission

Report on the Financial Statements

I have audited the accompanying financial statements of the Northwest Territories Liquor Commission, which comprise the statement of financial position as at March 31, 2016, and the statements of operations, accumulated surplus, change in net financial resources and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Northwest Territories Liquor Commission as at March 31, 2016 and the results of its operations, changes in its net financial resources, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Independent Auditor's Report (Continued)

Report on Other Legal and Regulatory Requirements

I further report in accordance with the *Financial Administration Act* that, in my opinion, proper books of account have been kept by the Northwest Territories Liquor Commission and the financial statements are in agreement therewith. In addition, the transactions of the Northwest Territories Liquor Commission that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the *Financial Administration Act* of the Northwest Territories and regulations and the *Liquor Act* of the Northwest Territories and regulations.

A handwritten signature in dark ink, appearing to be 'C. R.', is displayed on a light green rectangular background.

August 29, 2016
Spruce Grove, Canada

NORTHWEST TERRITORIES LIQUOR COMMISSION

Statement of Financial Position

As at March 31 (\$000)	2016	2015
Financial Assets		
Cash	\$ 2,739	\$ 2,632
Accounts receivable	43	28
Inventories for resale (note 3)	3,527	2,495
	<u>6,309</u>	<u>5,155</u>
Financial Liabilities		
Accounts payable and accrued liabilities	2,159	1,717
Pension and other employee benefits (note 4)	127	160
Due to the NWT Liquor Licensing Board (note 5)	271	201
	<u>2,557</u>	<u>2,078</u>
Net Financial Resources	<u>3,752</u>	<u>3,077</u>
Non-Financial Assets		
Tangible capital assets (note 6)	620	575
Prepaid expenses	44	52
	<u>664</u>	<u>627</u>
Accumulated Surplus	<u>\$ 4,416</u>	<u>\$ 3,704</u>

The accompanying notes are an integral part of the financial statements.

Approved by the Northwest Territories Liquor Commission:



Peter Maher
Director of Liquor Operations

NORTHWEST TERRITORIES LIQUOR COMMISSION

Statement of Operations

For the year ended March 31 (\$000)	2016	2016	2015
	Budget	Actual	Actual
Sales			
Beer	\$ 20,630	\$ 20,459	\$ 19,978
Spirits	18,766	19,508	19,292
Wine	6,879	7,240	7,053
Coolers and Ciders	2,069	2,031	1,834
	<u>48,344</u>	<u>49,238</u>	<u>48,157</u>
Cost of goods sold			
Beer	8,637	8,593	8,647
Spirits	5,274	5,468	5,428
Wine	3,069	3,276	3,268
Coolers and ciders	934	917	838
	<u>17,914</u>	<u>18,254</u>	<u>18,181</u>
Gross profit on sales	<u>30,430</u>	<u>30,984</u>	<u>29,976</u>
Other income			
Government contribution - services provided without charge (note 7)	-	3	3
Import fees and Income	6	6	7
	<u>6</u>	<u>9</u>	<u>10</u>
Expenses (notes 7 and 8)			
Commissions to agents	4,551	4,871	3,256
Salaries, wages and employee benefits	874	854	975
Administration	467	516	375
Travel	47	46	27
Rent	221	249	219
Amortization of tangible capital assets	91	95	91
	<u>6,251</u>	<u>6,631</u>	<u>4,943</u>
Annual surplus	<u>24,185</u>	<u>24,362</u>	<u>\$ 25,043</u>

The accompanying notes are an integral part of the financial statements.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Statement of Accumulated Surplus

For the year ended March 31 (\$000)	2016	2016	2015
	Budget	Actual	
Accumulated surplus, beginning of the year	\$ 3,704	\$ 3,704	\$ 3,387
Annual surplus	24,185	24,362	25,043
Amounts transferred to the Consolidated Revenue Fund	(23,574)	(23,024)	(24,511)
Amounts Transferred to the NWT Liquor Licensing Board (note 5)	(611)	(626)	(215)
Increase in accumulated surplus	-	712	317
Accumulated surplus, end of year	\$ 3,704	\$ 4,416	\$ 3,704

The accompanying notes are an integral part of the financial statements.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Statement of Change in Net Financial Resources

For the year ended March 31 (\$000)	2016 Budget	2016 Actual	2015 Actual
Net financial resources, beginning of the year	\$ 2,804	\$ 3,077	\$ 2,693
Items affecting net financial resources:			
Increase (decrease) in accumulated surplus	-	712	317
Net investment in tangible capital assets:			
Acquisitions	-	(140)	(5)
Amortization expense	91	95	91
Decrease (increase) in prepaid expenses	-	8	(19)
Net financial resources, end of year	\$ 2,895	3,752	\$ 3,077

The accompanying notes are an integral part of the financial statements.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Statement of Cash Flows

For the year ended March 31 (\$000)	2016	2015
Operating activities		
Cash received from customers	\$ 49,229	\$ 48,136
Cash paid to employees and suppliers	(25,402)	(22,594)
Cash provided by operating activities	23,827	25,542
Capital activities		
Purchase of tangible capital assets	(140)	(5)
Financing activities		
Cash transferred to the Consolidated Revenue Fund	(23,024)	(24,511)
Cash transferred to the NWT Licensing Board	(556)	(142)
Cash provided by financing activities	(23,580)	(24,653)
Decrease in cash	107	884
Cash, beginning of year	2,632	1,748
Cash, end of Year	\$ 2,739	\$ 2,632

The accompanying notes are an integral part of the financial statements.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2016 (\$000)

1. Authority and operations

The Northwest Territories Liquor Commission (the "Commission") was established under the *Liquor Act* (the "Act") for the purposes of operating liquor stores and distributing liquor in the Northwest Territories (the "NWT"). The Northwest Territories Liquor Licensing Board (the "Board") was also established under the same Act for the purposes of regulating the sale of liquor in licensed premises, issuing liquor licenses and overseeing the issuing of special occasion permits and other permits in the NWT. The activities of the Board are administered by the Commission.

In accordance with the Act and the *Revolving Funds Act*:

- The operations of the Commission and the Board are accounted for through the Liquor Revolving Fund (the "Fund"). All monies received by the Commission and the Board must be deposited into the Fund and all expenditures incurred by the Commission and the Board must be paid out of the Fund. The Commission may also receive a working capital advance from the Consolidated Revenue Fund (the "CRF") of the Government of the Northwest Territories ("GNWT") to finance its operations.
- The authorized limit of the Fund, defined as the maximum amount by which the assets (cash, accounts receivable and inventories) exceed the liabilities, must not exceed \$6,500.
- The Commission must periodically transfer amounts from the Fund to the CRF to ensure that the Fund does not exceed its authorized limit. As at March 31, 2016, the Fund's assets exceeded the liabilities by \$3,752 (2015 – \$3,077).

Neither the Commission nor the Board are separate legal entities apart from the Department of Finance of the NWT and neither are subject to the requirements of the *Income Tax Act*.

2. Significant accounting policies

(a) Basis of accounting

The financial statements of the Commission are prepared in accordance with Canadian generally accepted accounting principles (GAAP) for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

(b) Measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ significantly from those estimates. The more significant management estimates include the calculation of the liability for employee future benefits and estimation of the useful life of the tangible capital assets.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2016 (\$000)

2. Significant accounting policies (continued)

(c) Revenue recognition

The Commission recognizes revenue on an accrual basis (i.e. when the goods are shipped and the customer assumes all risks of ownership and the collection of any amounts receivable is considered probable).

(d) Services provided without charge

The Commission records the estimated cost of the legal services it receives without charge from the Department of Justice. The services are recorded as a government contribution – services provided without charge and included in the expenses in the statement of operations.

(e) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Cost includes invoiced cost, freight, duties and taxes.

(f) Tangible capital assets

Tangible capital assets are recorded at cost. Amortization is determined on a straight-line basis using the following rates:

Asset	Rate
Furniture and fixtures	20%
Computer hardware and software	30%
Leasehold improvements	Over the life of the lease plus any additional renewal period

(g) Pension benefits

The employees of the Commission are covered by the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Commission to cover current service cost. Pursuant to legislation currently in place, the Commission has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Commission.

(h) Other employee benefits

Employees are entitled to severance benefits, reimbursement of removal costs and other compensated absences, as provided for under labour contracts and conditions of employment, based upon years of service. The cost of these benefits is accrued as the employees render the services necessary to earn them. The cost of these benefits were actuarially determined using the projected unit credit valuation methodology and expected utilization methods. This change was implemented in 2015 and has been accounted for in the comparative figures.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2016 (\$000)

3. Inventories for resale

	2016	2015
Spirits	\$ 1,322	\$ 1,074
Beer	1,213	776
Wine	839	537
Coolers and ciders	153	108
	\$ 3,527	\$ 2,495

4. Pension and other employee benefits

a) Pension benefits

The employees of the Commission participate in the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Benefits are determined by a formula set out in the legislation; they are not based on the financial status of the plan. The basic benefit formula is 2% per year of pensionable service multiplied by the average of the five consecutive years of highest paid service. Contributions are required by both the employees and the Commission. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. As of March 31, 2016, the employer contribution rates for employees hired before January 1, 2013 is 1.15 (2015 - 1.18) times employee's contributions. The employer's contribution rate for employees hired after January 1, 2013 is 1.15 (2015 - 1.28) times employee's contributions.

The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation. The Commission's and employees' contributions to the Plan for the year were as follows:

	2016	2015
Commission's contributions (recognized as expense)	\$ 74	\$ 76
Employees' contribution	59	54

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2016 (\$000)

4. Pension and other employee benefits (continued)

b) Other employee benefits

	2016			2015		
	Severance and Removal Obligation	Accumulated Sick & Special Obligation	Total	Severance and Removal Obligation	Accumulated Sick & Special Obligation	Total
Accrued benefit obligation, beginning of the year	\$ 147	\$ 14	\$ 160	\$ 75	\$ -	\$ 75
Current period benefit cost (note 1)	(6)	11	5	70	65	135
Accuarial (gains) loss	(26)	(13)	(39)			
Accretion in liability	3	0	4	2	-	2
Benefits paid during the year	(40)	(2)	(42)	-	(51)	(51)
	\$ 77	\$ 11	\$ 88	\$ 147	\$ 14	\$ 160
Unamortized net actuarial gain (loss)	26	13	39	-	-	-
Accrued benefit obligation, end of the year	\$ 103	\$ 24	\$ 127	\$ 147	\$ 14	\$ 160

The Commission provides severance benefits to its employees based on years of service and final salary. The Commission also provides removal assistance to eligible employees, as provided under labour contracts. These benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

The Commission provides accumulating sick and special leave employee benefits. Sick leave accrues at a rate of one and a one quarter day per month and special leave accumulates at a rate of one half day per month. These leave balances require funding in future periods when employees become sick or require special leave. Sick leave can only be used for paid time off for illness of the employee. Special leave can only be claimed in certain circumstances (e.g. sick family members, family deaths, marital leave) Sick and special leave taken is paid at the employee's normal rate of pay. Sick and special leave benefits are not paid out to an employee upon termination of employment, resignation or retirement. Unused sick and special days accumulate and there are no limits to the accumulation.

An actuarial valuation for accounting purposes was prepared at March 31, 2016 for the Commission's other employee future benefit plans using the projected benefits method prorated on services.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2016 (\$000)

4. Pension and other employee benefits (continued)

b) Other employee benefits (continued)

The actuarial valuation at March 31, 2016 reflects management's best estimate based upon a number of future orientated assumptions including:

	<u>2016</u>	<u>2015</u>
Expected inflation rate	2.0%	2.0%
Discount rate used to determine the accrued benefit obligation	3.2%	2.5%
Expected average remaining service life of related employee groups (EARSL)	8.6	8.8
Expected age at termination	58.3	58.6

Timing of expected payments for other employee benefits are as follows:

2018	\$ 7
2019	6
2020	5
2021	38
2022 and beyond	<u>45</u>
	<u>\$101</u>

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2016 (\$000)

5. Due to the NWT Liquor Licensing Board

As explained in Note 1, the financial activities of the Board are administered by the Commission. The Commission receives all amounts receivable to the Board and pays all amounts payable by the Board. The Board does not keep separate cash accounts nor does it directly own any tangible capital assets. Any amounts owing from the Board to the Commission (or vice versa) are settled through transfers to/from accumulated surplus.

The Commission provides capital assets for the use by the Board and Enforcement without charge.

6. Tangible capital assets

	Furniture and fixtures	Computer hardware and software	Leasehold improvements	2016	2015
Cost:					
Opening balance	\$ 101	\$ 615	\$ 848	\$ 1,564	\$ 1,559
Acquisitions	10	130	-	140	5
Disposals and write-downs	(2)	(31)	-	(33)	-
Closing balance	109	714	848	1,671	1,564
Accumulated Amortization:					
Opening balance	(93)	(598)	(298)	(989)	(898)
Amortization	(3)	(35)	(57)	(95)	(91)
Disposals and write-downs	2	31	-	33	-
	(94)	(602)	(355)	(1,051)	(989)
Net book value	\$ 15	\$ 112	\$ 493	\$ 620	\$ 575

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2016 (\$000)

7. Related party transactions

The Commission is related in terms of common ownership to all GNWT created departments, agencies and corporations. The Commission enters into transactions with these entities in the normal course of business and these transactions are measured at the exchange amount.

The Commission incurred \$854 (2015 – \$975) related to salaries, wages, and employee benefits for the Commission's employees. The Commission reimburses the Department of Finance for these costs.

The Department of Justice provides the Commission with legal services without charge. The total cost of these services has been estimated to be \$3 (2015 – \$3). The cost of the services noted above has been recognized on the statement of operations.

Included in accounts payable and accrued liabilities is an amount of \$170 (2015 – \$172) for bottle deposits payable to the Department of Environment and Natural Resources, and \$64 (2015 – \$188) for salaries, wages, and employee benefits to the Department of Finance.

8. Contractual obligations

The Commission has a five year lease agreement ending April 30, 2021 for its Office premises. The Commission also has a ten year lease agreement ending January 31, 2022 with the option of extending the lease for two further terms of five years for the Hay River Liquor Store. The minimum annual lease payments for the leases over the next five year(s) are:

2016/17	\$ 231
2017/18	\$ 231
2018/19	\$ 231
2019/20	\$ 231
2020/21	\$ 231

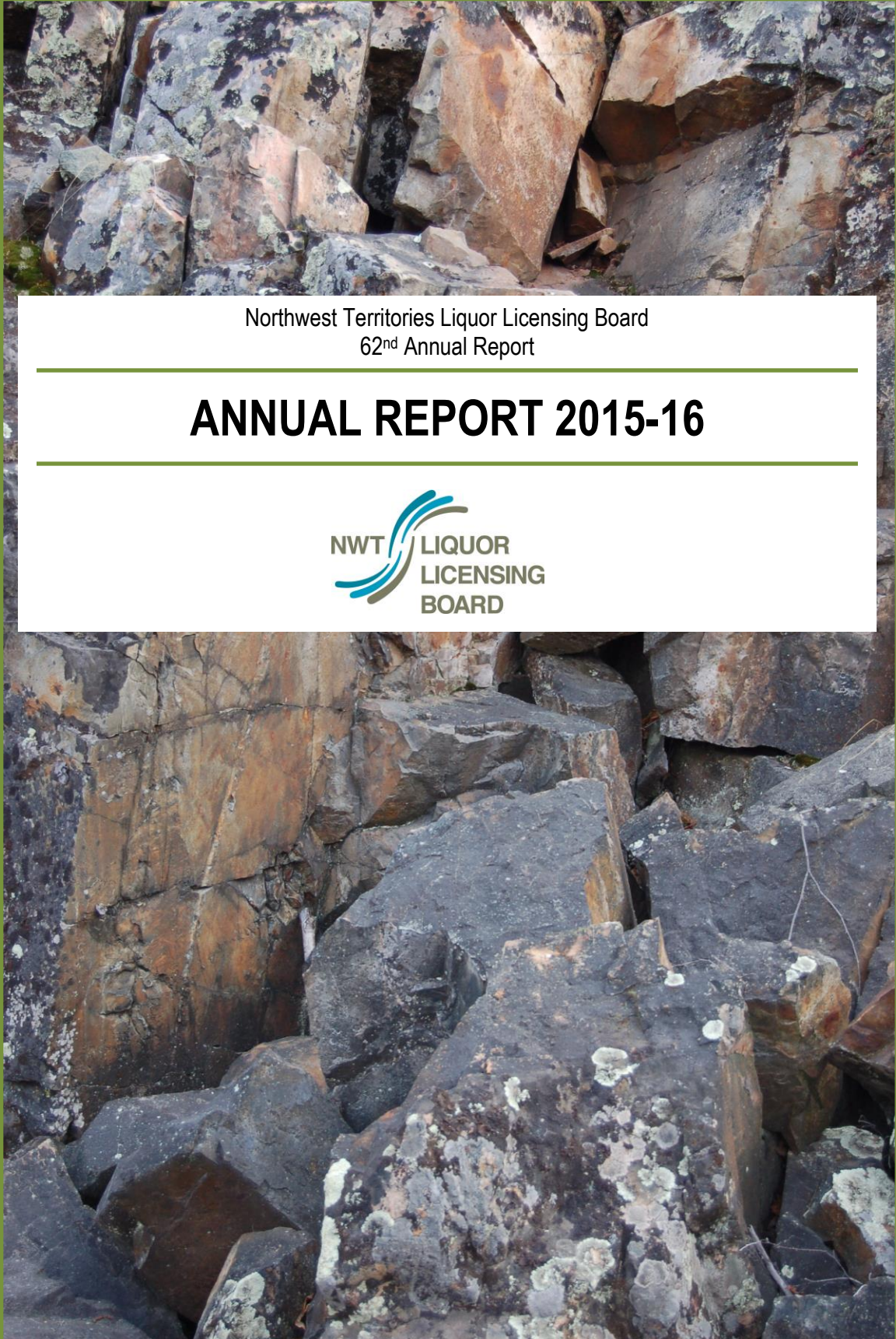
Annual lease payments for the office premises include estimated operating costs and property taxes.

9. Financial instruments

The Commission's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, pension and other employee benefits and due to the NWT Liquor Licensing Board. It is management's opinion that the Commission is not exposed to significant interest or currency risks arising from these financial instruments.

The commission is subject to credit risk with respect to accounts receivable. Credit risk arises from the possibility that debtors may experience financial difficulty and be unable to fulfill their obligations. Credit risk is considered minimal as most sales are done on a cash-on-delivery basis.

The carrying value of the financial instrument approximates fair value.

The background of the cover is a photograph of a rocky, rugged landscape. The rocks are in various shades of brown, tan, and grey, with some white lichen or mineral deposits. The lighting suggests a bright, sunny day.

Northwest Territories Liquor Licensing Board
62nd Annual Report

ANNUAL REPORT 2015-16





204-31 Capital Drive
Hay River, NT X0E 1G2
Tel: 867.874.8717
Fax: 867.874.8722

August 29, 2016

Honourable Robert C. McLeod
Minister Responsible for the NWT Liquor Licensing Board

Dear Honourable Minister:

In accordance with the *Liquor Act*, I am pleased to present the Northwest Territories Liquor Board's 2015 - 16 Annual Report.

Sincerely,

A handwritten signature in black ink, appearing to be "Colin Baile". The signature is fluid and cursive, with a long horizontal stroke at the end.

Colin Baile
Chairperson

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Chairperson's Message

This reporting period has seen many changes for the Board. Our General Manager / Registrar began working towards the Board's intention of improving our accessibility and administrative processes in order to better serve the Territory's Licence Holders and Permit Holders.

Some of the changes the Board has made include new online forms, improved communication strategies, and faster decision-making processes. The Board is working towards a fully online application, renewal, and payment process. The Board is also working towards a more effective licence management system.

The Board said goodbye to Albert Monchuk of Fort Smith. Albert served as a Board Member for many years. His conscientious service is very much appreciated. Three new Board Members were appointed.

I would like to take this opportunity to thank both our external stakeholders for their contributions as the Board moves forward with our changes, and the collaborative assistance by the Department of Finance for administrative support of the Board's activities.

Sincerely,



Colin Baile
Chairperson

Overview

The Northwest Territories Liquor Licensing Board (The Board) is established under Section 2(1) of the Northwest Territories *Liquor Act*. The Minister responsible appoints Board Members for a term of three years.

The Board is a regulatory and quasi-judicial administrative tribunal that is independent from government. The Board administers several parts of the *NWT Liquor Act* and the *NWT Liquor Regulations*.

The Liquor Licensing Board regulates:

- Liquor sales and service in restaurants, bars, and at special events, and
- The manufacture of liquor.

The Board also adjudicates alleged violations of specific liquor laws by Licence and Permit Holders.

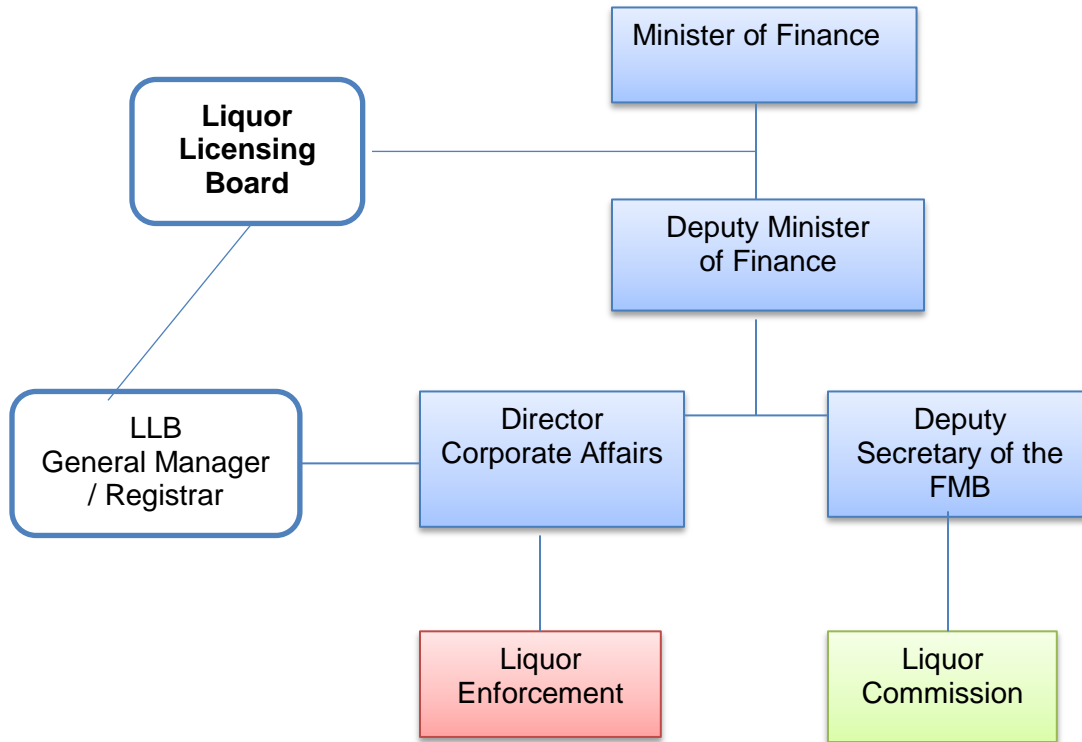
Board Members and Staff

Colin Baile – Chairperson (Yellowknife)
Adelle Guigon (Yellowknife)
Wayne Smith (Inuvik)
Heather Bourassa (Fort Good Hope)
Michael Hansen (Hay River)
Linda Martin (Fort Smith)
Jaimie Graham – General Manager / Registrar
Helene Maher – Administrative Assistant

In addition to the Liquor Licensing Board, the Northwest Territories liquor system also includes:

- Liquor Enforcement – Inspections and enforcement of licensed premises
- Liquor Commission – Purchasing and retail sales of liquor

Each agency fulfils a unique role. The Board, while arms length from the Liquor Commission and Enforcement, often interact on administrative and licensing matters.



Board Activity

The Board participated in several meetings and hearings during this reporting period.

Administration Meetings

Three administrative meetings were conducted focusing on identifying gaps in administrative processes, preparing suggested amendments to the *Liquor Regulations*, and orientation of new Board Members. Where possible, the Board meets by teleconference, or alternatively, in person where other business such as compliance hearings are scheduled.

Hearing of Licence Applications

The Board must consider each application for a liquor licence. Most often this is done by teleconference, however there are times the Board must meet in person and/or conduct a public hearing of the application. During this reporting period, the Board conducted 16 application hearings, one of which was a public hearing.

Compliance Hearings

Where Liquor Enforcement alleges a Licence Holder has failed to comply with the *Liquor Act* or a condition of their liquor licence, the matter may be brought before the Board for adjudication.

As with other administrative tribunals, the Board does not operate on a cost-recovery basis. To do so could impact people's rights to fair and unbiased decision-making. As there is no cost-recovery to policing and the Courts, the cost of administrating and enforcing the *Liquor Act* and its Regulations is always balanced against the requirements of procedural fairness.

One of the key requirements of administrative justice is that matters should be heard in a timely manner. A person accused of a statutory violation has the right to have the matter heard without undue delay. This can, on occasion, result in procedural fairness overriding financial considerations

Should the Board find a Licence Holder is noncompliant, a monetary penalty may be ordered. A licence may also be suspended for up to one year, or cancelled.

During this reporting period, three matters were set for hearing with one proceeding. Two matters were withdrawn prior to hearing. This is a marked reduction in the number of compliance hearings from previous reporting periods.

Year	Number of Compliance Hearings
2013-2014	7
2014-2015	3
2015-2016	1

Board Meetings and Hearings				
Administrative	Hearing of Applications/Board Requests (Teleconferences)	Public Hearings	Compliance Hearings	Total # of Board Meetings
3	15	1	1	20

Professional Development

Board training and professional development plays an important part in assuring decisions are qualitative and fair. Similarly, interaction with other Canadian licensing authorities promotes best practices and the sharing of resources.

It is our goal for all Board Members and staff to obtain the *Foundation of Administrative Justice's* certification for tribunal members and staff. This program consists of several 1-3 day courses such as Decision-making, Evidence, and the Principles of Administrative Justice. Two Board Members have completed the certification program while other Members and staff began the training this past year.

As a member of the *Association of Liquor Authorities of Canada*, the Board Chairperson and Registrar attend biannual meetings. This presents an opportunity to exchange information and trends.

Liquor Licences

The Liquor Licensing Board regulates liquor sales and service in restaurants, bars, and special events. The Board also regulates liquor manufacturers. A person, company or organization that holds a Liquor Licence is known as a Licence Holder.

There are six types of Liquor Licences:

Class A (liquor primary) - allows a Licence Holder to sell patrons liquor in a bar or similar business. The business must generate revenue primarily from the sale and service of liquor.

Class B (food primary) - allows a Licence Holder to sell patrons liquor in a restaurant or similar business. The business must generate revenue primarily from the sale and service of meals.

Class C (mobile) - allows a Licence Holder to sell and serve liquor under one of three circumstances:

- Catering – where someone other than the Licence Holder at various locations hosts events, and the Licence Holder's primary source of revenue is from catering food.
- Ship – where the Licence Holder operates a ship that generates revenue primarily from the sale and service of food, entertainment or services related to tourism.
- Special Events – where the Licence Holder organizes special events from time to time and revenue is primarily generated from the sale and service of entertainment.

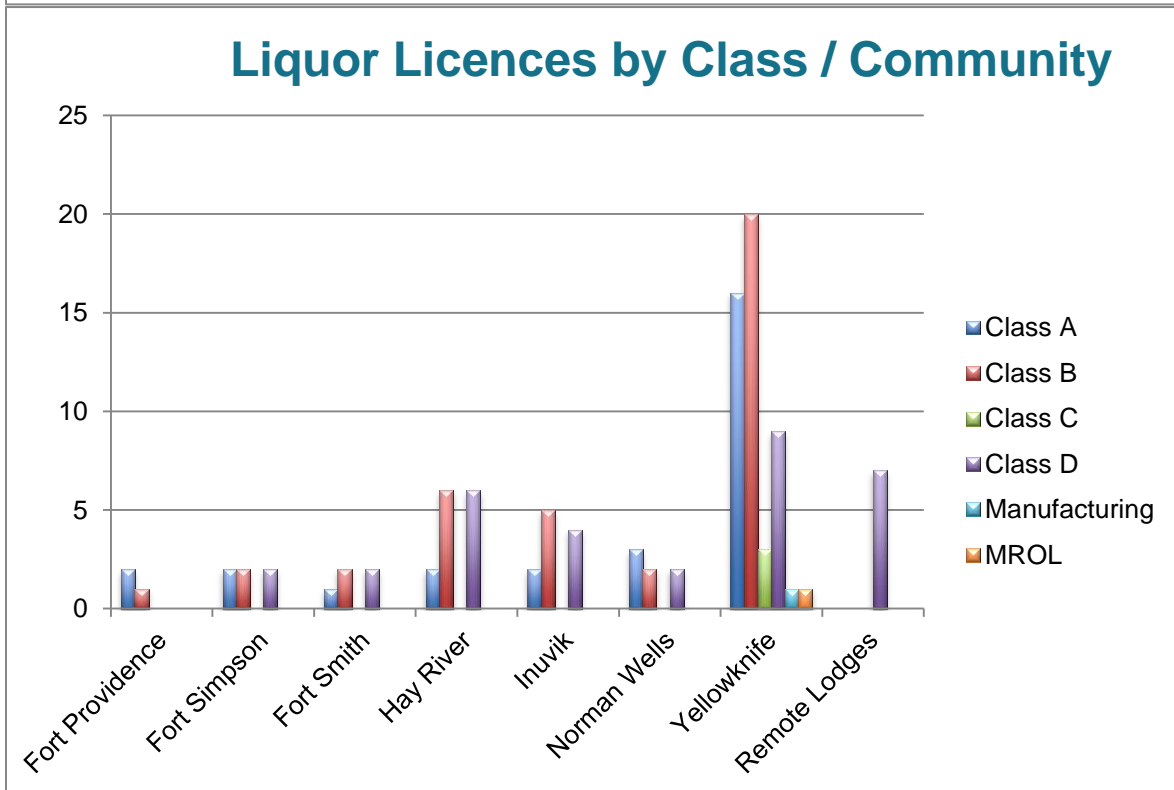
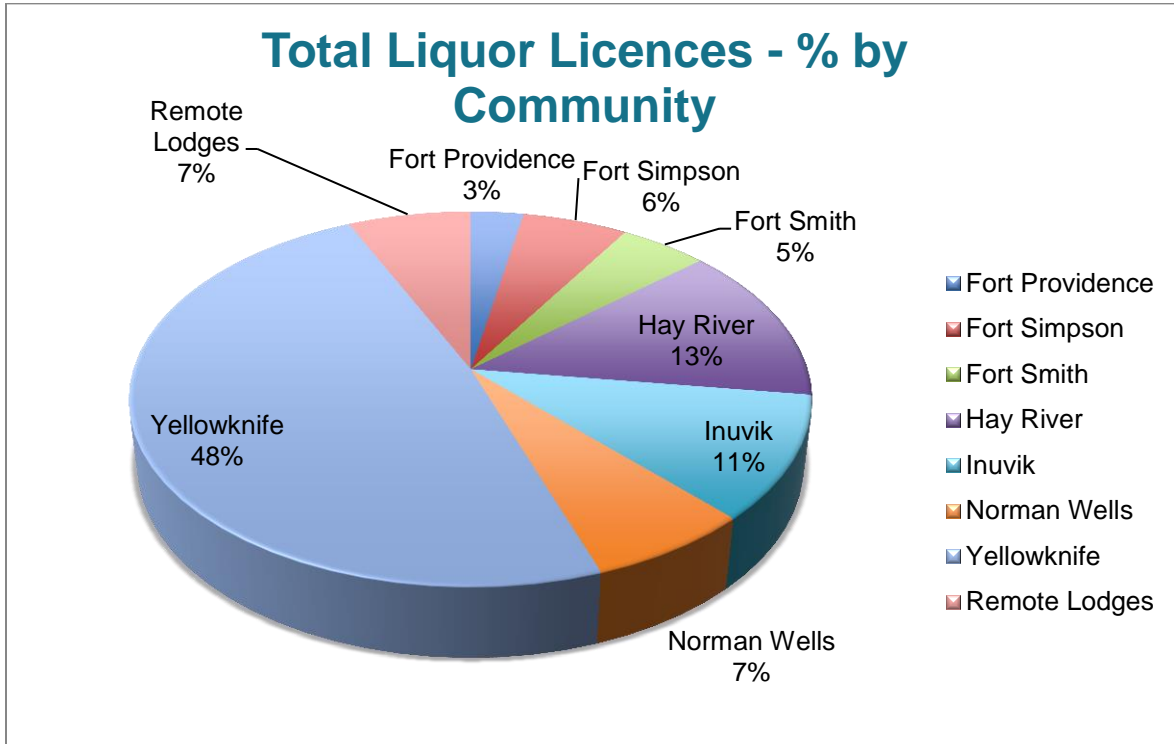
Class D (liquor incidental) - allows a Licence Holder to sell and serve liquor under one of four circumstances:

- Canteen – The Licence Holder is an authorized organization operating a canteen for its authorized patrons. An authorized organization includes a division of the military, RCMP, and a fire department.
- B & B, Lodge – The Licence Holder operates a bed & breakfast or a remote lodge and the sell or use of liquor is for its authorized patrons.
- Community, Recreational, Cultural Activities – the Licence Holder operates a facility that provides benevolent, philanthropic, charitable, religious, scientific, artistic, musical, literary, social, educational, recreational, sporting or other like activities, and the sell or use of liquor is for its authorized patrons.
- Tourist Facility – The Licence Holder operates a tourist facility without a licensed premises but may have a mini-bar extension.

Manufacturing Licence - authorizes the Licence Holder to manufacture a specified type of liquor. The holder of a Manufacturing Licence may only sell its manufactured liquor to the NWT Liquor Commission or a liquor commission or other similar authority outside the Northwest Territories.

Manufacturer's Retail Outlet Licence - A Manufacturer's Retail Outlet Licence may only be issued to a person who holds a Manufacturing Licence. A Manufacturer's Retail Outlet Licence authorizes the Licence Holder to operate a retail outlet within the manufacturing facility in order to sell its own liquor to the public.

Community	Class of Licence						Total Licences
	A	B	C	D	Manufacturing	Manufacturer's Retail Outlet	
Fort Providence	2	1	0	0	0	0	3
Fort Simpson	2	2	0	2	0	0	6
Fort Smith	1	2	0	2	0	0	5
Hay River	2	6	0	6	0	0	14
Inuvik	2	5	0	4	0	0	11
Norman Wells	3	2	0	2	0	0	7
Yellowknife	16	20	3	9	1	1	50
Other (Lodges)	-	-	-	7	-	-	7
Total	28	38	3	32	1	1	103



Special Occasion Permits

Special Occasion Permits are issued in communities at Liquor Stores, the Department of Education, Culture and Employment's French Language Services, and the Board office. The Board oversees the issuance of Permits.

There are three types of Special Occasion Permits:

Class 1 - Anyone 19 years of age or older may apply for a Class 1 Permit. There may not be an admission charge for the event. Liquor may not be directly or indirectly sold. A Class 1 permit is intended for events where liquor is given to guests such as a business meet & greet where wine is served, or a wedding reception with an open bar.

Class 2 (resale) - Anyone 19 years of age or older may apply for a Class 2 Permit. Liquor may be sold, but not for a profit. The Board sets the maximum a Permit Holder may charge for liquor. Presently that amount is \$3.00 per drink. This class of permit is intended for events where the organizer wants to provide liquor but does not want to give it away. The per-drink limit is intended to offset some of these costs.

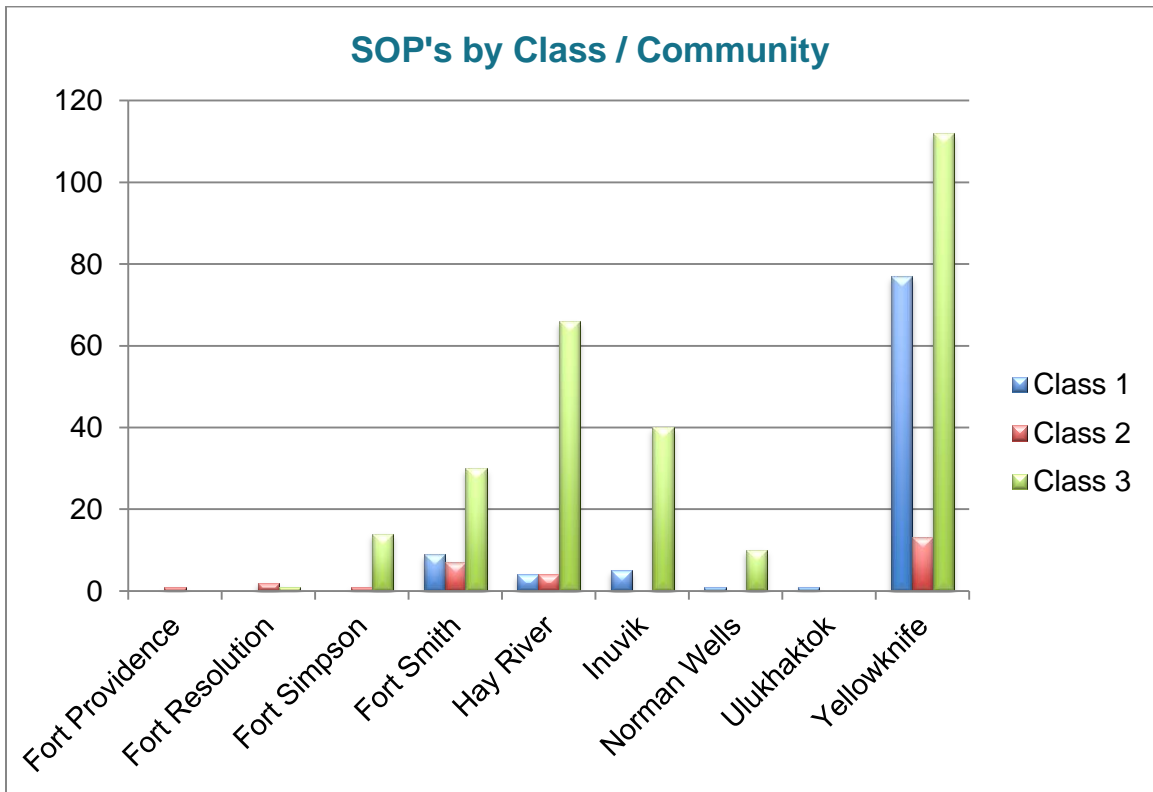
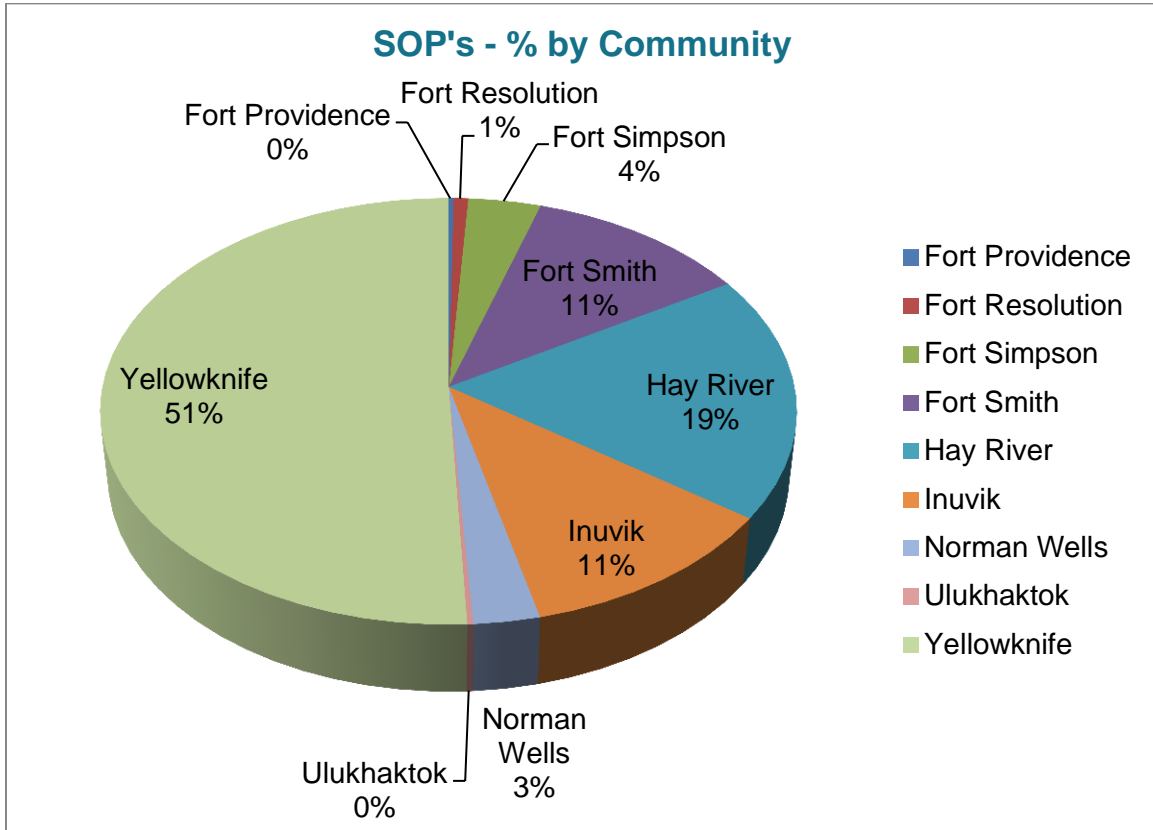
Class 3 (fundraising) - Class 3 - Resale Permits are available to organizations only, and not to individuals. Organizations that are eligible for a Class 3 permit include:

- A society incorporated under the Societies Act;
- A body incorporated under Part II of the Canada Corporations Act (non-profit);
- A service club that holds a premises licence; or
- an unincorporated group of persons that:
 - has been in existence for a period not less than six months before the date of application,
 - has an executive elected by its members, and
 - conducts a community, recreational or cultural activity and does not carry on a trade or business for the pecuniary gain of its members;

After the event, a Class 3 Permit Holder must provide the Board with a statement of account, which reflects the profit from liquor sales and the purpose to which it will be used.

Community	Class of Permit			Total Permits
	Class 1	Class 2	Class 3	
Fort Providence*	0	1	0	1
Fort Resolution*	0	2	1	3
Fort Simpson	0	1	14	15
Fort Smith	9	7	30	46
Hay River	4	4	66	74
Inuvik	5	0	40	45
Norman Wells	1	0	10	11
Ulukhaktok*	1	0	0	1
Yellowknife	77	13	112	202
Total	97	28	273	398

*Permits for Fort Providence, Fort Resolution and Ulukhaktok are issued from Hay River.



Special Purpose Permits

A Special Purpose Permit authorizes a Permit Holder to possess and use liquor for a medicinal, scientific or other special purpose.

All applications for Special Purpose Permits require the approval of the Liquor Licensing Board.

The Liquor Licensing Board may issue a Special Purpose Permit to:

- a medical practitioner, dentist, nurse practitioner, registered midwife or a veterinarian;
- a person requiring liquor for a legitimate scientific or research purpose; or
- a person in charge of a health facility or nursing home.

There are presently four such Permits issued.

Board Accomplishments

During this reporting period, the Board and staff have accomplished several projects, including:

- A complete update and redesign of all Board forms;
- Board website with access to all forms and information publications;
- Conducted a Needs & Wants assessment of Permit Holders;
- Hiring of a General Manager / Registrar;
- Extensive administrative process review and reorganization;
- Developed Special Occasion Permit Guidelines;
- Approved a Statement of Direction;
- Published a newsletter for Licence and Permit Holders.



Working with NWT Licence & Permit Holders

"During the past several months, the Liquor Licensing Board has made several changes. It is our intention to improve our accessibility and administrative processes in order to better serve the Territory's Licence Holders and Permit Holders. Many of you have already communicated with the Board's recently hired General Manager/Registrar, Mrs. Jaimie Graham. We encourage you to contact Jaimie should you have any questions about liquor Licences or Special Occasion Permits. Some of the changes we have made recently include new forms, which are available online. We are working towards a fully online application, renewal, and payment process. We are also working towards a more effective licence management system. We hope you will experience this change by improved response and decision-making times. One example of this change is our new general email account: LLBinfo@gov.nt.ca. Please use this email address for all your electronic correspondence with the Board. Should you have any topic suggestions for future newsletters, please let us know. Colin Balle, Chairperson, Liquor Licensing Board

Inside This Issue:
What's new? – Board introduces new forms available online
Operating hours – Important information about changing your hours
Renovations – Before you start the work, read this
On-site Managers – Information for when you hire a new manager
Licence renewals – Many licences are up for renewal soon
Asking for your input – We want to hear from you
Special Occasion Permits – Applying for a Permit



Board Intentions

There are areas of Board business for which the work to improve continues. These include:

BOARD OFFICE OPERATION	Board Intentions
<p>Licence Holder/Special Occasion Permit information Board Policies</p>	<p>The Board requires current, complete, and accurate information about each Licence Holder and Special Occasion Permit Holder. The absence of this information can lead to inappropriate, biased, or appealable decisions.</p> <p>The Board will have its revised policies in place by the end of 2016.</p>
<p>Online Services</p>	<p>The Board intends to work towards a “paperless” office. This includes offering the public liquor licence application and renewal online, including acceptance of monies. In order to provide services to a broader segment of the public, the Board will also work towards online SOP applications.</p> <p>One of the largest elements of moving in this direction is the establishment of an integrated management software system capable of allowing for managing online services and administrative tasks.</p>
<p>Special Occasion Permit Issuer Program</p>	<p>The Board intends to establish a system of appointment recommendation and monitoring; Permit Issuer training, permit review, and greater Enforcement interaction.</p>
STAKEHOLDER INTERACTIONS	
<p>Licence Holders</p>	<p>A quarterly newsletter informing Licence Holders of recent compliance hearings, reminders of selected statutory obligations, reporting requirements, licence renewal information, and Enforcement issues.</p> <p>Regular meetings for the informal exchange of information. Being an adjudicative tribunal, the Board must be careful in the nature of this exchange. The Board cannot be seen to be “pre-judging” issues, which may come before it. There is merit however to giving Licence Holders the opportunity to discuss issues with the Board. Meetings will likely start with semi-annual meetings in Yellowknife (where the majority of Licence Holders operate). Meeting could be webcasted for Licence Holders in other communities.</p>
<p>Major Permit Applicants</p>	<p>Contact major permit applicants several months prior to their anticipated annual event with permit application information.</p> <p>Expand the contact list in order to make regular proactive contact with organizations, which have repeatedly applied for a liquor permit or have sponsored large events.</p>

Board Office

The Liquor Licensing Board office is located in Hay River, Northwest Territories.

The Board office is staffed by one full-time General/Manager and one part-time Administrative Assistant.

NWT Liquor Licensing Board
Suite 204-31 Capital Drive
Hay River, NT X0E 1G2

Toll-free: 1-800-351-7770

Email: LLBinfo@gov.nt.ca

Website: www.fin.gov.nt.ca/services/liquor/liquor-licensing-board

Appendix – Liquor Enforcement

Liquor Enforcement is not a part of the Liquor Licensing Board.

This appendix is intended for reporting purposes only and should be considered an independent report. Information requests regarding Liquor Enforcement should be directed to their office.

NORTHWEST TERRITORIES ENFORCEMENT

SUITE 204 – 31 CAPITAL DRIVE
HAY RIVER NT X0E 1G2
PH: 867 874 8715
FAX: 867 874 8722
TOLL FREE: 1 800 351 7770

ENFORCEMENT ACTIVITY

The Liquor Enforcement Division is responsible superintending liquor inspectors, conducting liquor inspections, and administering community options on behalf of communities. Contracted liquor inspectors monitor the activities of licensed premises by doing liquor inspections at irregular intervals at licensed premises and at licensed special occasion permit functions where liquor is being served or sold. The inspection program strives for voluntary compliance through regular liquor inspections, training courses, newsletters and on-site visits from the Manager of Enforcement. The inspections program targets high risk premises (those most likely to offend) for inspections more frequently than those considered to be a lower risk (e.g. Restaurants).

The RCMP also conducts walkthroughs at licensed premises and at licensed special occasion permit functions. The number of times these types of inspections are done is not reported to Enforcement. However, violations are reported to Liquor Enforcement when found.

INSPECTION OF LICENSED PREMISES

Community	Inspections	
	2015 - 2016	2014 - 2015
Fort Providence	2	1
Fort Simpson	0	3
Fort Smith	183	47
Hay River	131	133
Inuvik	144	164
Norman Wells	32	71
Yellowknife	591	802
TOTAL	953	1221

Fluctuations in the number of inspections performed are affected by the availability of the inspectors.

SERVER TRAINING

Enforcement offers and conducts server training courses free of charge to licence holders, their staff, the general public and special occasion permit holders. Attendance at these courses is voluntary. The Liquor Licensing Board can order licence holders and their staff to take the course as part of a penalty when a licence holder has been found in violation of the *Liquor Act* or at high risk events. The server training course educates the license and permit holders on their responsibilities under the *Liquor Act and Regulations* and on Board policy. The training covers recognizing intoxication, identifying minors, responsible serving, managing crowd control, providing a safe environment and liability issues.

Licence holders are provided with a newsletter on a quarterly basis and provided with up-to-date information to assist them in complying with the *Liquor Act and Regulations*.

Licence holders also have access to a toll-free line for assistance. Every licence holder has been provided with a licence holder handbook and a copy of the *Liquor Act* and *Regulations*. When a large number of persons are expected to attend an event such as a concert the permit holder is contacted and offered server training for persons working the event.

SERVER TRAINING COURSE PARTICIPANTS

Community	2015 – 2016	2014 - 2015
Fort Providence	12	12
Fort Simpson	0	0
Fort Smith	8	8
Hay River	54	59
Inuvik	0	0
Norman Wells	0	0
Yellowknife	283	160
Total	357	239

COMMUNITY STATUS

Communities in the Northwest Territories have options available to them regarding their liquor status. Communities are either:

Unrestricted - there are no restrictions beyond those that are described in the *Liquor Act* or *Regulations*;

Restricted - a restriction may limit the quantity of alcohol and/or frequency that liquor can be brought into the community, the quantity of alcohol and hours of sale, or to seek approval to bring alcohol into the community from an Alcohol Education Committee; or

Prohibited - there is a complete ban on alcohol being brought into the community.

UNRESTRICTED COMMUNITIES INCLUDE

Aklavik	Fort Smith*	Kakisa
Colville Lake	Hay River*	Sachs Harbour
Enterprise	Inuvik *	Wrigley
Fort Providence*	Jean Marie River	Yellowknife*
Fort Resolution	Norman Wells*	

*These communities have licensed premises and/or liquor store/liquor warehouses.

RESTRICTED COMMUNITIES INCLUDE

Déline	Fort McPherson	Ulukhaktok
Dettah	Fort Simpson*	Tuktoyaktuk
Fort Good Hope	Paulatuk	
Fort Liard	Tulita	

*The restriction applies to the amount of liquor that can be bought at the liquor store.

Déline

The restriction prohibits an individual from bringing into the community in any 24-hour period or possesses at any time within a 25-km radius of the Déline Charter Community Office an amount of liquor that exceeds any one of the following combinations:

- (a) 1140 ml of spirits and 12 containers (355 ml) of beer;
- (b) 1140 ml of spirits and two litres of wine;
- (c) 12 containers (355 ml) of beer and two litres of wine; or
- (d) 24 containers (355 ml) of beer and one litre of wine.

The restriction regulations authorize the Déline Dene Council to bring into and possess in the restricted area greater quantities of liquor for consumption at a wedding, community dance or other special events.

Dettah

The restriction applies to the amount of liquor an individual can possess in any one-month. This is either;

- (a) 12 containers (355 ml) of beer and 1 container (750 ml) of spirits; or
- (b) 4500 ml of wine.

Fort Good Hope

The restriction applies to the amount of liquor an individual can possess in a seven-day period. An individual may possess one of the following quantities of liquor:

- (a) 1140 ml of spirits and one dozen (355 ml) containers of beer;
- (b) 1140 ml of spirits and two litres of wine;
- (c) one dozen (355 ml) containers of beer and two litres of wine; or
- (d) two dozen (355 ml) containers of beer and one litre of wine.

Fort Liard

The restriction applies to the amount of liquor an individual can transport into the community over a one-week period. An individual may transport either:

- (a) 1140 ml of spirits;
- (b) two dozen containers (355 ml) of beer; or
- (c) two containers (750 ml) of wine.

The restriction does not apply to the purchase, sale or transport of liquor by the municipal or band council where liquor shall be consumed at community dances.

Fort McPherson

The restriction prohibits an individual from:

- i. bringing into the restricted area, in any seven-day period, a quantity of liquor that is in excess of one of the following combinations:
- ii. operating within the restricted area a vehicle having two or more occupants and transporting a quantity of liquor that is in excess of two of the following combinations:
 - (a) 2280 ml of spirits and 24 containers (355 ml) of beer;
 - (b) 2280 ml of spirits and four litres of wine;
 - (c) 24 containers (355 ml) of beer and four litres of wine; or
 - (d) 48 containers (355 ml) of beer and two litres of wine.

Fort Simpson

The restriction applies to the quantity of liquor the vendor can sell to a person during a day in which the liquor store is open. The quantity is:

- (a) 1140 ml of spirits and 12 containers (355 ml) of beer;
- (b) 1140 ml of spirits and two litres of wine;
- (c) 2 litres of wine and 12 containers (355 ml) of beer; or
- (d) 24 containers (355 ml) of beer and one litre of wine.

Paulatuk

The restriction prohibits an individual from bringing into the restricted area in any seven-day period, and from possessing in the restricted area at any time, a quantity of liquor that is in excess of one of the following combinations:

- (a) 1140 ml of spirits and 12 container (355 ml) of beer;
- (b) 1140 ml of spirits and two litres of wine;
- (c) 12 containers (355 ml) of beer and two litres of wine; or
- (d) 24 containers (355 ml) of beer and 750 ml of spirits;
- (e) 1175 ml of spirits.

Trout Lake

The restriction prohibits an individual from bringing into the restricted area in any twenty-four hour period, a quantity of liquor that is in excess of one of the following combinations:

- (a) 750 ml of spirits and 12 container (355 ml) of beer;
- (b) 750 ml of spirits and two litres of wine;
- (c) 12 containers (355 ml) of beer and two litres of wine; or
- (d) 24 containers (355 ml) of beer and one litre of wine.

Tulita

The restriction prohibits an individual from bringing into the restricted area, in any 24 hour period, and from possessing in the restricted area, at any time, a quantity of liquor that is in excess of the following combinations:

- (a) 1140 ml of spirits and 12 container (355 ml) of beer;
-

- (b) 1140 ml of spirits and two litres of wine;
- (c) 12 containers (355 ml) of beer and two litres of wine; or
- (d) 24 containers (355 ml) of beer and one litre of wine.

Ulukhaktok

The restriction prohibits an individual from bringing into the community in any seven-day period, and from possessing at any time, a quantity of liquor that is in excess of one of the following combinations:

- (a) 1140 ml of spirits and 12 container (355 ml) of beer;
- (b) 1140 ml of spirits and two litres of wine;
- (c) 12 containers (355 ml) of beer and two litres of wine;
- (d) 24 containers (355 ml) of beer and one 750 ml bottle of hard liquor; or
- (e) 1775 ml of spirits of hard liquor.

The restriction regulations authorize the Ulukhaktok Hamlet Council to bring into and possess in the restricted area greater quantities of liquor for consumption at a wedding, community dance or other special events.

Tuktoyaktuk

The restriction prohibits an individual from bringing into the community at any time, and from possessing at any time a quantity of liquor that exceeds one of the following combinations:

- (a) 1140 ml of spirits and 24 containers (355 ml) of beer;
- (b) 1140 ml of spirits and two litres of wine;
- (c) 24 containers (355 ml) of beer and three litres of wine;
- (d) 2280 ml of spirits;
- (e) 6 litres of wine; or
- (f) 48 containers (355 ml) of beer.

The restriction authorizes the Hamlet Council to authorize a person to bring into and possess in the restricted area greater quantities of liquor for consumption at a wedding, community dance or some other special function.

PROHIBITED COMMUNITIES INCLUDE

Behchokö
Gamèti
Lutsel'Ke

Nahanni Butte
Tsiigehtchic

Whati
Wekweètì

COMMUNITY OPTIONS

Municipalities, settlements or bands may request to have the consumption, purchase, sale or transport of alcohol prohibited during a special event. An Order may not be made if it would require the temporary closure of any licensed premises or liquor store in the area. Liquor Enforcement liaises with local governments, Legislation and the

Department of Finance to assist communities in the process to obtain Temporary Prohibition Orders and Plebiscites.

Between April 1st, 2015 and March 31st, 2016 the Minister approved the following Temporary Prohibition Orders:

<u>Community</u>	<u>Event</u>	<u>Duration</u>
Tuktoyaktuk	2015 Beluga Jamboree	14- 20th April, 2015
Fort Good Hope	2015 Rampart Rendezvous	6-10th August, 2015
Fort Resolution	2015 Cultural Awareness Week	11-19th August, 2015
Paulatuk	2015 Iqalukpik Jamboree	12-18th August, 2015
Tulita	2nd Annual Hand-Games Tournament	30 Aug - 7 Sept. 2015

Communities are sent an information package in May of each year with instructions on how to apply for a Temporary Prohibition Order.

In requesting a Temporary Prohibition Order the municipality, settlement or band must send their request to the Minister no later than fifteen (15) days prior to the event.

If the Minister considers it appropriate in the circumstances, he may accept a request for a temporary prohibition order that is received less than 15 days before the commencement of the temporary prohibition if the request was unable to be given within the 15 day period because the event requiring the order is a crisis or an event that was not reasonably foreseeable prior to the 15 day period.

For greater certainty, the regulations stipulate that a failure to adequately plan for the request in a timely fashion does not constitute a reason to waive the 15 day period.

Liquor Enforcement assists communities in identifying Community Status Options for their unique needs. Choices are Unrestricted, Restricted and Prohibited. Status options and changes in status options are community driven by way of plebiscite. Enforcement assists in educating the leadership as to available options and steering the community through the plebiscite process, with the Departments of Finance and Justice. All legitimate expenses incurred by a plebiscite are managed by Liquor Enforcement and paid through the Revolving Fund.

During 2015 – 2016 there were no requests for plebiscites.

Audited Financial Report Statements

**NORTHWEST TERRITORIES LIQUOR LICENSING BOARD
AND LIQUOR ENFORCEMENT**

Financial Statements

Year ended March 31, 2016

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

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March 31, 2016

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the financial statements of the Northwest Territories Liquor Licensing Board and Liquor Enforcement (Board) is the responsibility of the Board's management.

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Where alternative accounting methods are permitted, management has chosen those that are most appropriate. Where required, management's best estimates and judgments have been applied in the preparation of these financial statements.

Management fulfills its financial reporting responsibilities by maintaining financial management and control systems and practices which are designed to provide reasonable assurance that transactions are properly authorized, proper records are maintained, accurate financial information is prepared on a timely basis, assets are safeguarded, and the Board complies with all statutory requirements.

Our auditor performs an annual audit on the financial statements in order to express an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the Liquor Licensing Board and Liquor Enforcement, the results of its operations, the change in its net financial resources and its cash flows for the year. During the course of the audit, he also examines transactions that have come to his notice, to ensure they are, in all significant respects, in accordance with the statutory authorities of the Board.



Colin Baile
Chairperson, NWT Liquor Licensing Board
August 29, 2016

Chris Polselli CPA, CA
5 Deer Park Point
Spruce Grove, AB, T7X 4N6

INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Northwest Territories Liquor Licensing Board and Liquor Enforcement

Report on the Financial Statements

I have audited the accompanying financial statements of the Northwest Territories Liquor Licensing Board and Liquor Enforcement, which comprise the statement of financial position as at March 31, 2016, and the statements of operations, accumulated surplus, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Northwest Territories Liquor Licensing Board and Liquor Enforcement as at March 31, 2016, the results of its operations, changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Independent Auditor's Report (Continued)

Report on Other Legal and Regulatory Requirements

I further report in accordance with the *Financial Administration Act* that, in my opinion, proper books of account have been kept by the Northwest Territories Liquor Licensing Board and Liquor Enforcement and the financial statements are in agreement therewith. In addition, the transactions of the Northwest Territories Liquor Licensing Board and Liquor Enforcement that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the *Financial Administration Act* of the Northwest Territories and regulations and the *Liquor Act* of the Northwest Territories and regulations.

A handwritten signature in dark ink, appearing to be 'C. R.', is written on a light green rectangular background.

August 29, 2016
Spruce Grove, Canada

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

Statement of Financial Position

As at March 31 (\$000)	2016	2015
Financial Assets		
Accounts receivable	\$ 2	\$ -
Pension and other employee benefits (note 4)	15	-
Due from NWT Liquor Commission (note 3)	271	201
	288	201
Financial Liabilities		
Accounts payable	274	169
Pension and other employee benefits (note 4)	-	12
Deferred revenue	16	23
	290	204
Net debt	(2)	(3)
Non-financial Assets		
Prepaid Expenses	2	3
Accumulated surplus	\$ -	\$ -

Contractual obligations (note 7).

The accompanying notes are an integral part of the financial statements.

Approved by the Northwest Territories Liquor Licensing Board:



Colin Baile
Chairperson, Liquor Licensing Board

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

Statement of Operations

For the year ended March 31, (\$000)	2016		2016		2015	
	Budget		Actual		Actual	
Revenue						
License fees and permits	\$	112	\$	122	\$	375
Government contribution – services provided without charge (note 6)		-		7		11
		112		129		386
Expenses (notes 5 and 6)						
Salaries, wages and employee benefits		486		490		379
Honoraria		67		71		34
Inspector's fees		47		47		45
Rent		43		43		72
Travel		30		40		25
Professional fees		17		35		20
Administration		33		29		26
		723		755		601
Annual loss	\$	(611)	\$	(626)	\$	(215)

The accompanying notes are an integral part of the financial statements.

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

Statement of Accumulated Surplus

For the year ended March 31, (\$000)	2016	2015
Accumulated surplus, beginning of year	\$ -	\$ -
Annual loss	(626)	(215)
Amounts transferred from the NWT Liquor Commission	626	215
Increase (decrease) in accumulated surplus	-	-
Accumulated surplus, end of year	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

Statement of Changes in Net Debt

For the year ended March 31 (\$000)	2016		2016	2015
	Budget	Actual		
Net debt, beginning of the year	\$ (3)	\$ (3)	\$	-
Items affecting net financial resources:				
Increase (decrease) in accumulated surplus	-	-		-
Decrease (increase) in prepaid expenses	-	1		(3)
Net debt, end of year	\$ (3)	\$ (2)	\$	(3)

The accompanying notes are an integral part of the financial statements.

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

Statement of Cash Flows

For the year ended March 31, (\$000)	2016	2015
Operating transactions		
Cash received from customers	\$ 113	\$ 383
Cash paid to employees and suppliers	(669)	(525)
Cash provided by operating transactions	(556)	(142)
Financing transactions		
Cash transferred from the NWT Liquor Commission	556	142
Decrease in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

Notes to Financial Statements

March 31, 2016 (\$000)

1. Authority and operations

The Northwest Territories Liquor Licensing Board (the "Board") was established under the *Liquor Act* (the "Act") for the purposes of regulating the sale of liquor in licensed premises, issuing liquor licenses and overseeing the issuing of special occasion permits and other permits in the NWT. The Minister appoints a member of the Public Service to be the Executive Secretary to the Board. Liquor Enforcement is separate from the Liquor Licensing Board and is managed by different staff. The Liquor Commission (the "Commission") provides financial administrative support to the Board.

In accordance with the Act and the *Revolving Funds Act*:

- The operations of the Commission and the Board are accounted for through the Liquor Revolving Fund (the "Fund"). All monies received by the Commission and the Board must be deposited into the Fund and all expenditures incurred by the Commission and the Board must be paid out of the Fund. The Commission provides for the financial administrative support to the Board and may receive a working capital advance from the Consolidated Revenue Fund (the "CRF") of the Government of the Northwest Territories ("GNWT") to finance its operations.
- The authorized limit of the Fund, defined as the maximum amount by which the assets (cash, accounts receivable and inventories) exceed the liabilities, must not exceed \$6,500.
- The Commission must periodically transfer amounts from the Fund to the CRF to ensure that the Fund does not exceed its authorized limit. As at March 31, 2016, the Fund's assets exceeded the liabilities by \$3,752 (2015 – \$3,077).

Neither the Commission nor the Board are separate legal entities apart from the Department of Finance of the GNWT and neither are subject to the requirements of the *Income Tax Act*.

The operations of enforcement are managed separately from the Board. For the purpose of financial reporting the assets, liabilities, and expenses are combined in these financial statements as both are funded from the Liquor Revolving Fund. The Board is a Schedule A (Financial Administration Act) public agency and Liquor Enforcement is not.

2. Significant accounting policies

(a) Basis of accounting

The financial statements of the Board are prepared in accordance with Canadian generally accepted accounting principles (GAAP) for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. These financial statements include the activities of the Enforcement Program which have been disclosed separately and combined with the activities of the Board in the statement of operations.

(b) Measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ significantly from those estimates. The more significant management estimates include the calculation of the liability for employee future benefits and deferred revenue.

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

Notes to Financial Statements

March 31, 2016 (\$000)

2. Significant accounting policies (continued)

(c) Revenue recognition

License fees and permits are recorded in revenue in the year that the fee or permit relates. If cash is received in advance of the fee or permit period, it is recorded in deferred revenue.

(d) Services provided without charge

Liquor Enforcement records the estimated cost of the legal services it receives without charge from the Department of Justice. The services are recorded as a government contribution – services provided without charge and included in the expenses in the statement of operations.

(e) Tangible capital assets

The Board receives the use of tangible capital assets from the Commission without charge.

(f) Pension benefits

The appointed employees of the Board are covered by the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Board to cover current service cost. Pursuant to legislation currently in place, the Board has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Board.

(g) Other employee benefits

Employees are entitled to severance benefits, reimbursement of removal costs and other compensated absences, as provided for under labour contracts and conditions of employment, based upon years of service. The cost of these benefits is accrued as the employees render the services necessary to earn them. The cost of these benefits were actuarially determined using the projected unit credit valuation methodology and expected utilization methods. This change was implemented in 2015 and is accounted for in 2015 comparative figures.

3. Due from NWT Liquor Commission

As explained in note 1, The Commission provides financial administrative support to the Board. The Commission receives all amounts receivable to the Board and pays all amounts payable by the Board. The Board does not keep separate cash accounts nor does it directly own any tangible capital assets. Any amounts owing from the Board to the Commission (or vice versa) are settled through transfers to/from accumulated surplus.

The Commission provides tangible capital assets for the use by the Board without charge.

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

Notes to Financial Statements

March 31, 2016 (\$000)

4. Pension and other employee benefits

a) Pension benefits

The employees of the Liquor Board & Enforcement participate in the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Benefits are determined by a formula set out in the legislation; they are not based on the financial status of the plan. The basic benefit formula is 2% per year of pensionable service multiplied by the average of the five consecutive years of highest paid service. Contributions are required by both the employees and the Board & Enforcement. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. As of March 31, 2016, the employer contribution rates for employees hired before January 1, 2013 is 1.15 (2015 - 1.28) times employee's contributions. The employer's contribution rate for employees hired after January 1, 2013 is 1.21 (2015 - 1.28) times employee's contributions.

The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation. The Board & Enforcement's employees' contributions to the Plan for the year were as follows:

	2016	2015
Employer's contributions (recognized as expense)	\$ 30	\$ 38
Employee's contribution	38	27

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

Notes to Financial Statements

March 31, 2016 (\$000)

4. Pension and other employee benefits, continued

b) Other employee benefits

	2016			2015		
	Severance and Removal Obligation	Accumulated Sick & Special Obligation	Total	Severance and Removal Obligation	Accumulated Sick & Special Obligation	Total
Accrued benefit obligation, beginning of the year	\$ 8	4	\$ 12	\$ 28	\$ -	\$ 28
Current period benefit cost (note 1)	0	4	4	7	24	31
Accuarial Gains	(2)	21	20	-	-	-
Accretion in liability	0	0	0	1	-	1
Benefits paid during the year	(6)	(25)	(31)	(28)	(20)	(48)
	0	5	5	8	4	12
Unamortized net actuarial gain (loss)	2	(21)	(20)	-	-	-
Accrued benefit obligation (asset), end of the year	\$ 2	(17)	\$ (15)	\$ 8	\$ 4	\$ 12

The Board provides severance benefits to its employees based on years of service and final salary. The Board also provides removal assistance to eligible employees, as provided under labour contracts. These benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

The Board provides accumulating sick and special leave employee benefits. Sick leave accrues at a rate of one and one quarter days per month and special leave accumulates at a rate of one half day per month. These leave balances require funding in future periods when employees become sick or require special leave. Sick leave can only be used for paid time off for illness of the employee. Special leave can only be claimed in certain circumstances (e.g. sick family members, family deaths, marital leave) Sick and special leave taken is paid at the employee's normal rate of pay. Sick and special leave benefits are not paid out to an employee upon termination of employment, resignation or retirement. Unused sick and special days accumulate and there are no limits to the accumulation.

An actuarial valuation for accounting purposes was prepared at March 31, 2016 for the Board's other employee future benefit plans using the projected benefits method prorated on services.

The actuarial valuation at March 31, 2016 reflects management's best estimate based upon a number of future orientated assumptions including:

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

Notes to Financial Statements

March 31, 2016 (\$000)

4. Pension and other employee benefits, continued

	<u>2016</u>	<u>2015</u>
Expected inflation rate	2.0%	2.0%
Discount rate used to determine the accrued benefit obligation	3.2%	2.5%
Expected average remaining service life of related employee groups (EARSL)	8.6	8.8
Expected age at termination	58.3	58.6

Time of expected payments for other employee benefits are as follows:

2018	\$ 1
2019	1
2020	1
2021	-
2022 and beyond	-
	<u>\$3</u>

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

Notes to Financial Statements

March 31, 2016 (\$000)

5. Expenses

(a) As explained in note 1, the liquor enforcement activities are included in total expenses as follows:

For the year ended March 31, (\$000)	Enforcement	
	2016	2015
Expenses (notes 6 and 7)		
Salaries, wages and employee benefits	\$ 281	\$ 225
Inspector's Fees	36	45
Rent	25	42
Travel	10	4
Professional Fees	10	-
Honoraria	-	-
Other	8	16
	370	332
Annual loss	\$ (370)	\$ (332)

6. Related party transactions

The Board is related in terms of common ownership to all GNWT created departments, agencies and corporations. The Board enters into transactions with these entities in the normal course of business and these transactions are measured at the exchange amount.

The Board incurred \$490 (2015 - \$379) related to salaries, wages, and employee benefits for the Board's employees and \$71 (2015 - \$34) related to honoraria for Board members. The Board reimburses the Department of Finance for these costs.

The Department of Justice provides Liquor Enforcement with legal services without charge. The total cost of these services has been estimated to be \$7 (2015 - \$11). The cost of the services noted above has been recognized on the statement of operations.

Included in accounts payable and accrued liabilities is \$52 (2015 - \$104) for salaries, wages, employee benefits, and honorariums.

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

Notes to Financial Statements

March 31, 2016 (\$000)

7. Contractual obligations

The Board has a five year lease agreement ending April 30, 2021 for its Office premises. The minimum annual lease payments for the leases over the next five year(s) are:

2016/17	\$ 32
2017/18	\$ 31
2018/19	\$ 31
2019/20	\$ 31
2020/21	\$ 31

Annual lease payments for the office premises include estimated operating costs and property taxes.

8. Financial instruments

The Board's financial instruments consist of cash due from the NWT Liquor Commission, accounts payable and accrued liabilities, pension and other employee benefits. It is management's opinion that the Board is not exposed to significant interest or currency risks arising from these financial instruments.

The carrying value of the financial instrument approximates fair value.

Fuel Services Division

Financial Statements

March 31, 2016

Management's Responsibility for Financial Reporting

**Minister
Department of Public Works and Services
Government of the Northwest Territories**

Management is responsible for the reliability, integrity and objectivity of the data in the accompanying financial statements, which have been prepared in accordance with Canadian public sector accounting. Where appropriate, the financial statements include estimates and judgments based on careful consideration of the information available to management.

In discharging its responsibility for financial reporting, management maintains and relies on internal control systems and practices, which are designed to provide reasonable assurance that the transactions are authorized, the assets are safeguarded and proper records are maintained. These control systems and practices ensure the orderly conduct of business, the accuracy of the accounting records, reliability of financial information and compliance to legislation governing the Fuel Services Division revolving fund (the "Fund").

The auditor provides an independent, objective audit for the purpose of expressing an opinion on the financial statements. The auditor also considers whether the transactions that come to their notice during the course of the audit are, in all significant respects, in accordance with specified legislation.



**Derrick Briggs, Director
Fuel Services Division
Yellowknife, Northwest Territories
June 22, 2016**

Fuel Services Division

Financial Statements

March 31, 2016

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Independent Auditors' Report

To the Minister of Public Works and Services Government of the Northwest Territories

We have audited the accompanying financial statements of Fuel Services Division, which comprise the statement of financial position as at March 31, 2016, and the statement of change in net financial resources (debt), the statement of operations, and the statement of accumulated surplus for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Independent Auditors' Report (continued)

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Fuel Services Division as at March 31, 2016 and the results of its operations and changes in net financial resources (debt) for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

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

Crowe MacKay LLP

**Yellowknife, Northwest Territories
June 22, 2016**

Chartered Accountants

Fuel Services Division

Statement of Financial Position

As at March 31, 2016 2015

Financial Assets

Accounts receivable (note 4)	\$ 12,192,927	\$ 13,098,875
Inventories for resale (note 5)	24,279,582	26,453,417
	36,472,509	39,552,292

Liabilities


Accounts payable and accrued liabilities (note 6)	7,104,495	5,704,637
Employee benefits payable	239,433	229,069
Due to the Government of the Northwest Territories (note 7)	28,519,252	32,827,745
	35,863,180	38,761,451

Net Financial Resources (Debt) **609,329** **790,841**

Accumulated Surplus (Deficit) **\$ 609,329** **\$ 790,841**

Commitments (note 13)

Approved:



Derrick Briggs, Director



Trevor Ryhorchuk, Comptroller

Fuel Services Division

Statement of Changes in Net Financial Resources (Debt)

March 31,	2016	2015
Annual surplus (deficit)	\$ (181,512)	\$ 892,686
Change in prepaid expenses	-	1,198
Increase in net financial resources (debt)	(181,512)	893,884
Net financial resources (debt), beginning of year	790,841	(103,043)
Net financial resources, end of year	\$ 609,329	\$ 790,841

Fuel Services Division

Statement of Operations

For the year ended March 31,	2016	2015
Revenues		
Sales of petroleum products (note 10)	\$ 53,194,231	\$ 55,821,030
Cost of sales		
Cost of goods sold	45,544,854	48,688,981
Commissions	2,557,620	2,440,408
	48,102,474	51,129,389
Gross margin	5,091,757	4,691,641
Expenditures		
Bad debts	86,113	10,430
Contracts and purchased services	719,091	626,980
Inventory write-off	140,373	90,782
Operating and maintenance costs	467,061	274,896
Miscellaneous	55,340	89,531
Salaries, wages and employee benefits	2,066,924	1,956,750
Travel	362,985	309,945
Utilities	450,699	443,502
	4,348,586	3,802,816
Excess of revenues over expenditures before other items	743,171	888,825
Other expenses (revenue)		
Other expenses (revenue) (note 8)	924,683	(3,861)
Grant-in-kind, Government assets provided at no cost (note 9)	(2,193,257)	(2,723,034)
Financing charges (note 9)	332,478	570,831
Tangible capital assets - rent expenses (note 9)	1,860,779	2,152,203
	924,683	(3,861)
Excess (deficiency) of revenues over expenditures	\$ (181,512)	\$ 892,686

Fuel Services Division

Statement of Accumulated Surplus (Deficit)

March 31,	2016	2015
Stabilization fund, beginning of year	\$ 790,841	\$ (101,845)
Annual surplus (deficit)	(181,512)	892,686
Total Accumulated Surplus (Deficit)	\$ 609,329	\$ 790,841

Fuel Services Division

Notes to the Financial Statements

March 31, 2016

1. Authority and Operations

Fuel Services Division revolving fund (the "Fund") was established in 1973 for the distribution of petroleum products in the Northwest Territories. The Fund operates under the authority of the Revolving Funds Act (the "Act") and the Northwest Territories Financial Administration Act. The Fuel Services Division of the Department of Public Works and Services of the Government of the Northwest Territories (the "Government") is responsible for the administration of the Fund.

Under the Act, the Fund receives working capital advances from the Consolidated Revenue Fund (the "CRF") to finance inventory, accounts receivable and operating expenses. The Fund's purchases of petroleum products and operating expenses are paid from the CRF and funds received by the Fund are deposited in the CRF. The authorized limit of the Fund, being the maximum amount by which the assets may exceed the liabilities is \$55 million. The balance of the fund is reported as a current liability due to the Government of the Northwest Territories.

The prices for the Fund's petroleum products are approved by the Government. It is the expectation of the Government that the Fund's cost of goods sold and operating expenses will be recovered through the price structure to achieve a break-even operation. Under the Act, there is a special account in the CRF called the Petroleum Products Stabilization Fund to which profits of the Fund shall be credited and losses shall be charged. The debit or credit amount in the Stabilization Fund shall not exceed \$1,000,000 at the end of any fiscal year. The balance in the Stabilization Fund at March 31, 2016 is a surplus of \$609,329 (2015 - surplus of \$790,841).

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(b) Tangible capital assets

Tangible capital assets are the property of the Government of the Northwest Territories and accordingly are not reported on the financial statements. Use of assets, such as fuel storage facilities and fuel delivery vehicles are accounted for as rent offset by a grant in kind from the Government which is calculated based on the amortization of the assets as described in Note 8.

Fuel Services Division

Notes to the Financial Statements

March 31, 2016

2. Significant accounting policies (continued)

(c) Services provided without charge

Environmental restoration costs

The Fund does not record any future environmental restoration costs, as they are the responsibility of the Government of the Northwest Territories.

Other services provided without charge

The Fund does not record the following services provided without charge by the Government: the procurement of goods and services, the processing of payroll, legal counsel and internal audit services, as it is difficult to estimate them.

(d) Employee benefits

Under the terms and conditions of labour contracts, employees may qualify and earn employment benefits for annual leave, retirement, severance and removal costs based on years of service and salary. The estimated liability for these benefits is recorded as the benefits are earned by the employees. The benefit plan is not pre-funded.

(e) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the weighted average method.

(f) Pensions

The Fund and its employees, who are deemed to be employees of the Government of the Northwest Territories, make contributions to the Public Service Superannuation Plan administered by the Government of Canada. The Fund and the employees contribute to the cost of the plan. The Fund contributes at a rate of 1.4 times that of the employees. During the year the Fund contributed \$147,514 (2015 - \$152,574) to the plan which was recognized as an expense while employees contributed \$118,675 (2015 - \$129,173). These contributions represent the total pension obligation of the Fund and are expensed on a current year basis. The Fund is not required under present legislation to make contributions with respect to actuarial deficiencies to the Public Service Superannuation Account.

(g) Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard.

As the Government of the Northwest Territories owns the assets of the Fund, they also accept responsibility for any contaminated sites. As a result, the Fund does not record any liabilities associated with contaminated sites.

Fuel Services Division

Notes to the Financial Statements

March 31, 2016

2. Significant accounting policies (continued)

(h) Revenue recognition

Revenue from the sale of petroleum products is recognized when the fuel is dispensed or delivered to the customers. The customer assumes all risks of ownership and the collection of any amounts receivable is considered probable. Other revenue is recognized as goods are delivered or services are provided.

(i) Financial instruments

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

This category includes accounts receivable, accounts payable and accrued liabilities and amounts due to the Government of the Northwest Territories. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

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

On occasion, the Fund enters into derivative contracts to mitigate risks associated with price risk. The Fund does not designate these contracts as hedging items and accordingly accounts for them as freestanding derivatives whereby they are measured at fair value without adjustment for transaction costs. Changes in fair value are recognized in earnings in the period such changes are recorded. The Fund did not hold derivatives at March 31, 2016.

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

(j) Related party balances

The Fund initially measures related party balances in accordance with the substance of the transactions that gave rise to them. The Fund subsequently measures related party balances in accordance with the Fund's policies for financial instruments, as set out in note (i).

The transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Fuel Services Division

Notes to the Financial Statements

March 31, 2016

3. Future changes to significant accounting policies

Related party disclosures, Section PS 2200

In December of 2014, PSAB approved Section PS 2200, Related Party Disclosures. The new section defines related parties and establishes disclosures required for related party transactions. It is expected that reasonable efforts would be made to identify related party transactions. This may involve adopting policies and procedures designed to ensure that these transactions are appropriately identified, measured and disclosed in the financial statements. Not all related party relationships or transactions occurring between related parties are required to be disclosed. Disclosure is generally required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated. However, not all of these transactions are reportable under this Section. Only those transactions that have or could have a material financial effect on the financial statements are disclosed.

The effective date for Section PS 2200 is April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards has not yet been determined.

Inter-entity Transactions, Section PS 3420

In December of 2014, PSAB approved Section PS 3420, Inter-entity Transactions. This Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. This section may be applied in conjunction with Related Party Disclosures, Section 2200.

The effective date for Section PS 3420 is April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards has been reviewed by management.

Contingent Assets, Section PS 3320

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

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

Contractual Rights, Section PS 3380

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

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

Fuel Services Division

Notes to the Financial Statements

March 31, 2016

3. Future changes to significant accounting policies (continued)

Restructuring Transactions, Section PS 3430

PSAB approved Section PS 3430, Restructuring Transactions. This Section is effective for fiscal periods beginning on or after April 1, 2018. Earlier adoption is permitted. This Section establishes standards on how to account for and report restructuring transactions such as but not limited to amalgamations of entities or operations within the government entity, amalgamation of local governments, and shared service arrangements entered into by local governments in a region, by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.

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

4. Accounts receivable

	2016	2015
Commercial and Private Customers	\$ 2,595,147	\$ 2,254,666
Territorial and Municipal Housing Authorities	2,098,770	1,669,435
Government of the Northwest Territories		
Departments and Agencies	552,135	749,536
Northwest Territories Power Corporation	7,002,389	8,722,085
Government of Canada	(2,486)	21,739
	12,245,955	13,417,461
Less: Allowance for doubtful accounts	53,028	318,586
	\$ 12,192,927	\$ 13,098,875

5. Inventories for resale

	2016	2015
Diesel	\$ 20,151,945	\$ 21,665,359
Gasoline	3,446,070	3,961,625
Jet A1	632,849	766,625
Naphtha	48,718	59,808
	\$ 24,279,582	\$ 26,453,417

Inventory in the amount of \$45,544,854 (2015 - \$48,688,981) was expensed during the year.

Fuel Services Division

Notes to the Financial Statements

March 31, 2016

6. Accounts payable and accrued liabilities

	2016	2015
Commissions	\$ 219,957	\$ 214,724
Government remittances	535,524	328,689
Petroleum products	5,144,420	4,462,431
Trade payables	1,204,594	198,793
Offer in settlement of NTCL dispute	-	500,000
	\$ 7,104,495	\$ 5,704,637

7. Due to the Government of the Northwest Territories - revolving fund

The amount due to the Government of the Northwest Territories represents the balance in the revolving fund as follows:

	2016	2015
Balance, beginning of year	\$ 32,827,745	\$ 33,630,169
Plus: Payments made by the Government		
Purchases of petroleum products	45,928,640	45,969,287
Other cash disbursement	2,938,362	4,549,877
Less: Cash received by the Government	(53,175,495)	(51,321,588)
	\$ 28,519,252	\$ 32,827,745

Fuel Services Division

Notes to the Financial Statements

March 31, 2016

8. Other expenditures (revenues)

Other expenditures (revenues) are transactions that generally occur outside of normal operations. They are composed of transactions that have a flow-through effect such as a direct expenditure that is fully charged back to another party, as well as one-time transactions. Other transactions can include charge back revenue where the revenue is not directly related to expenditures, and other miscellaneous revenue transaction such as returned cheque fees.

The balance consists of the following:

	2016
Other expenditures:	
NTPC - payment related to pricing	\$ 912,116
NTPC - payment related to adjusted operations levy (2015)	46,366
Retroactive payment of commissions	62,483
Training costs related to LNG contract	14,562
Incident costs related to LNG contract	86,982
	1,122,509
Other revenue:	
Recovery of training costs related to LNG contract	(14,562)
Recovery of incident costs related to LNG contract	(86,982)
Chargeback revenue for inventory variances	(65,313)
Recovery of prior year expenditures	(20,948)
Other	(10,021)
	(197,826)
	\$ 924,683

Fuel Services Division

Notes to the Financial Statements

March 31, 2016

9. Grant in kind

Financing charges

Management estimated that the Fund required up to \$45 million in working capital with an estimated financing cost of \$332,478 for the year. (For 2015 they were \$50 million and \$570,831 respectively). The financing cost is based upon the average monthly balance due to the Government at a month rolling average interest rate for the Government of the prime corporate rate + 0.35% per annum.

Tangible capital assets - rent expenses

Tangible capital assets, i.e. fuel storage facilities and fuel delivery vehicles, are owned by the Government of the Northwest Territories. Tangible capital assets are amortized over the estimated useful life of the assets at the following rates and the expense is recognized as rent:

Buildings	40 years straight line, no salvage
Fuel storage facilities	30 years straight line, no salvage
Fuel delivery vehicles	10 years straight line, no salvage

	Cost	Accumulated Amortization	2016	2015
Fuel storage facilities	\$ 61,563,158	\$ 24,171,683	\$ 37,391,475	\$ 37,950,724
Fuel delivery vehicles	4,257,891	2,707,161	1,550,730	1,264,245
Construction in process	127,287	-	127,287	1,070,386
Buildings	504,036	46,303	457,733	-
	\$ 66,452,372	\$ 26,925,147	\$ 39,527,225	\$ 40,285,355

Amortization expense for 2016 is \$1,860,779 (2015 - \$2,152,203).

10. Sales of Petroleum Products

	2016	2015
Commercial / Private	\$ 9,896,910	\$ 10,745,876
Territorial Municipalities and Housing Associations	6,083,323	6,920,476
Government of the Northwest Territories		
Northwest Territories Power Corporation	34,330,068	34,995,568
Departments and Agencies	2,724,755	2,972,499
Government of Canada	159,175	186,611
	\$ 53,194,231	\$ 55,821,030

11. Statement of Cash Flows

A statement of cash flows has not been presented as these financial statements report the transactions within the revolving fund of the Government of the Northwest Territories (GNWT). The cash received and payments made by the GNWT on behalf of this Fund are reported in Note 7.

Fuel Services Division

Notes to the Financial Statements

March 31, 2016

12. Related party transactions

In addition to those transactions with related parties disclosed elsewhere in the financial statements, the Fund is related in terms of common ownership to all Government of the Northwest Territories departments, agencies and Crown Corporations. The Fund enters into transactions with these entities in the normal course of business, with the exception of the Northwest Territories Power Corporation (NTPC). In accordance with an agreement with the Government of the Northwest Territories, NTPC is charged the weighted average cost of petroleum products consumed.

13. Comparative amounts

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

14. Commitments

Fuel resupply contracts

The Government established a long-term contract with Northern Transportation Company Limited (NTCL) for the supply and delivery of bulk petroleum products to communities served by marine transport effective May 25, 2016. The contract will terminate in December 2016.

The Government routinely enters into contracts with Bluewave Energy Ltd. for the supply and transportation of bulk petroleum destined for delivery to communities served by road by tanker truck; the carrier for these contracts is Bassett Petroleum Ltd. There are varying contracts with different termination dates; the most recent contract terminates in July 2016 and the latest contract terminates in September 2018.

Community fuel delivery contracts

The Government provides local fuel delivery services in 16 communities across the Northwest Territories. The contracts for sales, dispensing and delivery services are awarded based on a competitive request for proposal (RFP) process. Contracts are awarded to local residents or businesses. Under these contracts, fixed commission rates are paid.

The value of this commitment is estimated at \$4,795,037 as follows:

2017	\$	1,815,018
2018		1,409,823
2019		1,160,822
2020		356,594
2021		52,780
		<hr/>
		\$ 4,795,037

The Fund paid \$2,557,620 (2015 - \$2,440,408) in commissions to local contractors in the 16 communities that they serve.

Fuel Services Division

Notes to the Financial Statements

March 31, 2016

15. Risk management

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

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

The Fund is managed to ensure that the cost of goods sold and operating expenses are recovered through the price structure to achieve a break-even operation. In addition, it is the objective of management that the debit or credit amount in the Stabilization Fund shall not exceed \$1,000,000 at the end of any fiscal year.

(a) Credit risk

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

Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection.

The Fund's maximum exposure to credit risk is represented by its financial assets for a total of \$12,192,927 (2015 - \$13,098,875). Financial assets consist of accounts receivable. All financial assets are considered current and mature within 6 months. At March 31, 2016, the Fund's management has determined that a portion of accounts receivable is impaired. Management's assessment was based on specific identification and age of receivables.

Concentration of credit risk

Concentration of credit risk is the risk that a customer(s) has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the Fund in the event of a default. The Fund does have concentration risk. At March 31, 2016, receivables from three customers comprised 59% of the total outstanding accounts receivables (2015 - 69%). The Fund reduces this risk by monitoring overdue balances.

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

Fuel Services Division

Notes to the Financial Statements

March 31, 2016

15. Risk management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet all cash outflow obligations as they come due. The Fund mitigates this risk by monitoring cash activities and expected outflows through budgeting.

The Fund's maximum exposure to liquidity risk is represented by the financial liabilities for a total of \$35,623,747 (2015 - \$38,532,382). Financial liabilities consist of accounts payable and accrued liabilities and amounts due to the Government of the Northwest Territories. All financial liabilities are considered current and mature within 6 months.

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

(c) Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. The Fund is exposed to other price risks as it purchases and sells petroleum products which are sensitive to price fluctuations. The Fund reduces its exposure to this risk by purchasing and selling the petroleum products at pre-approved rates. The Fund also enters into derivatives in the form of commodity swaps or cash settlement agreements to further mitigate this risk. The derivative transactions are guided by the Fund's hedging strategy, policy, and procedures, including oversight by the Petroleum Product Derivatives Risk Management Committee.

PUBLIC STORES REVOLVING FUND

FOR THE YEAR ENDED MARCH 31, 2016

**Schedule of Public Stores Revolving Fund Inventories
for the year ended March 31, 2016**

Public Stores	Balance March 31, 2015	Net Receipts	Net Issues	Board of Survey	Inventory (Write-downs) Write-ups	Balance March 31, 2016
Yellowknife	149,950	85,243	(98,914)			136,278
Total	149,950	85,243	(98,914)	0	0	136,278



 Vince McCormick, Director of Corporate Services

Environment Fund

Financial Statements

March 31, 2016

Environment Fund

Financial Statements

March 31, 2016

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Management Responsibility Statement

Management is responsible for the reliability, integrity and objectivity of the data in the accompanying financial statement, which has been prepared in accordance with Canadian public sector accounting standards for not-for-profit organizations. Where appropriate, the financial statements include estimates and judgments based on careful consideration of the information available to management.

In discharging its responsibility for financial reporting, management maintains and relies on internal control systems and practices, which are designed to provide reasonable assurance that the transactions are authorized, the assets are safeguarded and proper records are maintained. These control systems and practices ensure the orderly conduct of business, the accuracy of the accounting records, reliability of financial information and compliance to legislation governing the Environment Fund.

The auditor provides an independent, objective audit for the purpose of expressing an opinion on the financial statements. The auditor also considers whether the transactions that come to their notice during the course of the audit are, in all significant respects, in accordance with specified legislation.


Ernie Campbell, Deputy Minister,
Department of Environment and Natural Resources


Susan Craig, Director Finance and Administration,
Department of Environment and Natural Resources

July 6, 2016

Independent Auditors' Report

To the Minister of the Department of Environment and Natural Resources

We have audited the accompanying financial statements of the Environment Fund, which comprise the statement of financial position as at March 31, 2016, and the statements of operations and changes in fund balances for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Independent Auditors' Report (continued)

Basis for Qualified Opinion

The Environment Fund relies on reports prepared by distributors, processing centres and depots for the recording of beverage container program revenues, depot handling fees, processing fees and refundable deposits. The reports provided by distributors, processing centres and depots are not independently verifiable, and consequently, our review of these accounts was limited to the amounts reported on the filed claims. As a result we are unable to determine, if adjustments would be required to revenues, expenditures, accounts receivable, accounts payable or fund balances.

Salaries and benefits paid to employees of the Authority are administered by the Government of the Northwest Territories and are audited as part of the Government of the Northwest Territories' audit. Our audit scope was limited as we did not audit the components of salaries and benefits expenditures and related balances. Accordingly, we were not able to determine whether any adjustments might be necessary to wages and benefits expenditures, liabilities and net assets.

Qualified Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Environment Fund as at March 31, 2016 and the results of its operations for the year then ended in accordance with Canadian public sector accounting standards for not-for-profit organizations.

Yellowknife, Canada
July 6, 2016



Chartered Accountants

Environment Fund

Statement of Operations

For the year ended March 31,	2016	2015
	\$	\$
Revenues		
Beverage container program	5,105,248	4,994,935
Recoveries	52,419	35,017
Salvage	283,889	345,175
Single-use retail bag program	646,586	561,857
	6,088,142	5,936,984
Expenditures		
Advertising and promotion	78,986	21,154
Contract service - miscellaneous	11,475	94,838
Contract service - satellite depots	99,291	81,292
Depot handling fee	677,034	641,143
E-waste fee	87,070	21,000
Equipment, supplies and maintenance	104,640	193,378
Freight	348,537	337,863
Grants and contributions	203,567	259,271
Insurance	12,314	4,125
Memberships	6,030	8,091
Office	11,286	17,127
Processing centre handling fee	611,731	566,160
Professional fees	101,148	60,311
Refundable deposit fee	3,252,653	2,805,887
Storage	90,450	81,894
Travel and training	36,733	31,554
Wages and benefits (note 4)	817,797	198,388
	6,550,742	5,423,476
Excess (deficiency) of revenues over expenditures before other income	(462,600)	513,508
Other income		
Interest	32,677	41,849
Excess (deficiency) of revenues over expenditures	\$ (429,923)	\$ 555,357

Environment Fund

Statement of Changes in Fund Balances

For the year ended March 31, 2016


	Unrestricted	Equipment replacement reserve	Total 2016	Total 2015
Balance, beginning of year	\$ 2,032,514	\$ 493,942	\$ 2,526,456	\$ 1,971,099
Excess (deficiency) of revenues over expenditures	(429,923)	-	(429,923)	555,357
Transfers (Note 2c)	(11,917)	11,917	-	-
Balance, end of year	1,590,674	505,859	2,096,533	2,526,456


Environment Fund

Statement of Financial Position

March 31,	2016	2015
	\$	\$
Financial Assets		
Accounts receivable	1,143,085	747,323
Due from Treasury (note 5)	2,153,279	3,110,971
Loans receivable	472	472
	<u>3,296,836</u>	<u>3,858,766</u>
Liabilities		
Accounts payable and accrued liabilities	427,115	559,122
Unredeemed container liability (note 6)	773,188	773,188
	<u>1,200,303</u>	<u>1,332,310</u>
Net financial assets	<u>\$ 2,096,533</u>	<u>\$ 2,526,456</u>
Fund balances		
Unrestricted	1,590,674	2,032,514
Equipment replacement reserve	505,859	493,942
	<u>2,096,533</u>	<u>2,526,456</u>

Approved on behalf of the fund:

 Deputy Minister

 Director, Finance and Administration

Environment Fund

Notes to the Financial Statements

March 31, 2016

1. Nature of operations

The Environment Fund ("the Fund") contains all fees and surcharges collected from programs established under the authority of the *Waste Reduction and Recovery Act* ("the Act") of the Northwest Territories. The Act was enacted in October 2003 during the 6th session of the 16th Legislative Assembly. The Act came into force in July 2005 with the establishment of the Environment Fund.

The financial assets of the Fund may be used to pay for:

- the establishment, operation and evaluation of programs in respect of the reduction or recovery of waste
- education programs related to the reduction or recovery of waste
- research and development activities related to the reduction or recovery of waste
- the appropriate disposal of a designated or prohibited material as waste
- expenses associated with the work of the advisory committee established by the Minister to provide advice and assistance relating to the establishment of programs and operation of programs in respect of the reduction and recovery of waste
- other costs associated with programs, initiatives, or activities in respect of the reduction or recovery of waste

Environment Fund Programs

The Beverage Container Program, which came into effect November 1, 2005, is one of three established programs operating within the Environment Fund. Administration of this program rests with the Chief Environmental Protection Officer appointed under the *Environmental Protection Act*.

The Single Use Retail Bag Program, which came into effect January 15, 2010, is currently the second of three established programs operating within the Environment Fund. Administration of this program rests with the Chief Environmental Protection Officer appointed under the *Environmental Protection Act*.

The Electronics Recycling Program, which came into effect on February 1, 2016, is currently the third of three established programs operating within the Environment Fund. Administration of this program rests with the Chief Environmental Protection Officer appointed under the *Environmental Protection Act*.

The Department of Environment and Natural Resources advised it will be examining other waste reduction and recovery programs that could, in the future, to become part of the Fund.

Environment Fund

Notes to the Financial Statements

March 31, 2016

2. Significant accounting policies

These financial statements have been prepared in accordance with Public Sector Accounting Standards for Not-for-Profit Organizations (PSA-NPO) as issued by the Public Sector Accounting Board (PSAB). The following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

(a) Revenue recognition

Beverage Container Program revenue, Single-use Retail Bag Program, and Electronics Recycling Program revenue is recognized when beverage containers, single use retail bags or electronics are sold by distributors to retailers. Recoveries and salvage revenue from recycled materials are recognized when cash is received.

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.

(b) Capital assets

The equipment managed by the fund is not included in these financial statements as they are not the capital assets of the Fund, they are held by the Department of Environment and Natural Resources.

(c) Reserve funds

Restrictions have been placed on surplus to reserve funds for future operations:

Equipment replacement reserve - an amount equal to 1/10 of the cost of capital equipment, including capital equipment purchased with start-up funds, has been reserved annually for future replacements of capital equipment. The 2016 transfer is \$11,917 (2015 - \$59,511). This reserve was approved by the Government of the Northwest Territories to be set up for future capital equipment purchases/replacement.

(d) Contributed services

The Department of Environment and Natural Resources maintains the accounts of the Environment Fund. The costs associated with administering and maintaining the accounts are not reflected in these financial statements as they are reported on in the consolidated financial statements of the Government of the Northwest Territories.

Environment Fund

Notes to the Financial Statements

March 31, 2016

2. Significant accounting policies (continued)

(e) Start-up funding

The Department of Environment and Natural Resources received \$1,143,000 in start-up funding from the Government of the Northwest Territories to cover the costs of implementing the Beverage Container Program. The start-up costs, which were incurred before the Beverage Container Program came into force on November 1, 2005, are not reflected in the financial statements as they are reported on in the consolidated financial statements of the Government of the Northwest Territories.

(f) Cash flow statement

As the Fund does not maintain a bank account, but rather receives working capital advances and finances accounts receivable and operating expenses through the Government's Consolidated Revenue Fund (the "CRF"); a statement of cash flows has not been presented.

(g) Financial instruments

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

This category includes accounts receivable, loans receivable, due from treasury, accounts payable and accrued liabilities, and unredeemed container liability. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

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

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

Environment Fund

Notes to the Financial Statements

March 31, 2016

2. Significant accounting policies (continued)

(h) Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

3. Future changes to significant accounting policies

Related party disclosures, Section PS 2200

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

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

Assets, Section PS 3210

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

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

Contingent Assets, Section PS 3320

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

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

Environment Fund

Notes to the Financial Statements

March 31, 2016

3. Future changes to significant accounting policies (continued)

Contractual Rights, Section PS 3380

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

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

Inter-entity Transactions, Section PS 3420

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

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

4. Wages and benefits

During the prior year the Department of Environment and Natural Resources allocated funds to directly pay a significant portion of the payroll for the Fund. This was a one time reduction of wages and benefits. The details of the transaction are noted below.

	2016	2015
	\$	\$
Wages and benefits	817,797	660,339
Reduction of wages and benefits by the Department of Environment and Natural Resources	-	(461,951)
	<u>817,797</u>	<u>198,388</u>

5. Due from Treasury

The Fund is a special purpose fund as defined in subsection 1(1) of the *Financial Administration Act* that forms part of the Government of the Northwest Territories Consolidated Revenue Fund.

In April 2006, the Fund joined the Government of the Northwest Territories investment pool, which consolidates and invests the cash balances for all participants in money market securities. The monies for these investments flow out of the Consolidated Revenue Fund and do not affect the cash balances of the participants. The investment pool revenues are prorated and allocated to the participants.

Environment Fund

Notes to the Financial Statements

March 31, 2016

6. Expenses by program

Of the Fund's two major programs, beverage container program and single-use retail bag, only the beverage container program has direct costs associated with it in terms of depot handling fees, processing and refundable deposits. Out of the total expenses, the costs for the beverage container program total \$4,206,972. Out of the total expenses, the cost for the Electronics Recycling Program totaled \$87,070 for the year.

7. Unredeemed container liability

The unredeemed container liability is an amount that is equal to 15% of the beverage container surcharges of the current year. It has been recognized to cover the future redemption of containers that are currently in circulation. It was derived per the policy that the Government of the Northwest Territories specified.

8. Comparative figures

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

9. Related party transactions

The Fund receives human resource management, legal services and risk management from the Government of the Northwest Territories without charge.

The Fund also receives management services from the Department of Environment and Natural Resources, as outlined in Note 2(d).

Environment Fund

Notes to the Financial Statements

March 31, 2016

10. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

The financial instruments of the Fund and the nature of the risks to which it may be subject are as follows:

(a) Credit risk

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

Accounts receivable are due from government agencies. Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection. Management has determined that no accounts receivable required impairment.

The Fund's maximum exposure to credit risk is represented by the financial assets for a total of \$1,143,557 (2015 - \$747,795). All financial assets are considered current.

Concentration of credit risk

Concentration of credit risk is the risk that a customer(s) has a significant portion (more than ten percent) of the total accounts receivable balance and thus there is a higher risk to the Fund in the event of a default. The Fund does have concentration risk. At March 31, 2016, receivables from three customers comprised 55% of the total outstanding accounts receivables (2015 - 45%). The Fund reduces this risk by monitoring overdue balances.

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND
Yellowknife, NT**

FINANCIAL STATEMENTS
For the Year Ended March 31, 2016

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Northwest
Territories

Territoires du
Nord-Ouest

Legislative Assembly
Assemblée législative

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

The Accounting firm of Ashton Chartered Accountants has provided an independent objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian accounting standards for pension plans. The auditor also considers whether the transactions that come to his notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the NWT Legislative Assembly.

Aon Hewitt, an independent firm of consulting actuaries, has been engaged to provide an opinion on the adequacy and appropriateness of actuarial valuations of accrued pension benefits of the board.

On behalf of the Board of Management:

Jackson Lafferty, Speaker

Tim Mercer, Clerk

May 25, 2016

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www.assembly.gov.nt.ca

INDEPENDENT AUDITORS' REPORT

To the Members of Legislative Assembly Retiring Allowance Fund

We have audited the accompanying financial statements of the Legislative Assembly Retiring Allowance Fund, which comprise the statement of financial position as at March 31, 2016 and the statements of changes in net assets available for benefits and changes in pension obligations for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

(continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Legislative Assembly Retiring Allowance Fund as at March 31, 2016 and the changes in its net assets available for benefits and changes in its pension obligations for the year then ended in accordance with Canadian generally accepted accounting standards for pension plans.

Hay River, Northwest Territories
May 25, 2016



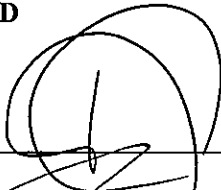
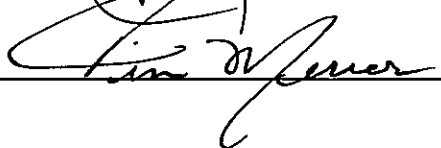
Ashton Chartered Accountants

**LEGISLATIVE ASSEMBLY RETIRING
ALLOWANCE FUND**

STATEMENT OF FINANCIAL POSITION
March 31, 2016

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT		
Accounts Receivable (Note 3)	\$ 6,000	\$ 22,848
Accrued Interest Income	<u>28,035</u>	<u>33,935</u>
	34,035	56,783
 INVESTMENTS (Note 4)	 <u>22,601,066</u>	 <u>26,172,327</u>
	<u>\$ 22,635,101</u>	<u>\$ 26,229,110</u>
LIABILITIES		
CURRENT		
Accounts Payable	<u>\$ 37,436</u>	<u>\$ 41,550</u>
 NET ASSETS AVAILABLE FOR BENEFITS per page 2	 22,597,665	 26,187,559
 PENSION OBLIGATIONS per page 3 (Note 5)	 <u>18,436,500</u>	 <u>20,021,100</u>
 PENSION PLAN FUND SURPLUS	 <u>\$ 4,161,165</u>	 <u>\$ 6,166,459</u>

APPROVED


 _____ Speaker

 _____ Clerk

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended March 31, 2016

	<u>2016</u>	<u>2015</u>
INCREASE IN ASSETS		
Contributions:		
Members	202,968	206,031
In-Kind Contributions	<u>6,000</u>	<u>6,000</u>
	<u>208,968</u>	<u>212,031</u>
Investment Income:		
Other Receipts	829	-
Interest	350,070	302,302
Dividends	372,144	385,479
Gain on Sale of Investments	<u>1,916,343</u>	<u>1,399,746</u>
	2,639,386	2,087,527
Current Period Change in Fair Values of Investments	<u>(2,936,979)</u>	<u>1,740,186</u>
Net Investment Income	<u>(297,593)</u>	<u>3,827,713</u>
Total Increase in Assets	<u>(88,625)</u>	<u>4,039,744</u>
DECREASE IN ASSETS		
Benefits		
Pension Payments	836,555	775,456
Termination/Lump sum Payments	<u>2,511,123</u>	<u>-</u>
Total Benefits	<u>3,347,678</u>	<u>775,456</u>
Administrative		
Actuary Fees	33,868	42,186
Audit Fees	6,000	6,000
Investment Management Fees	77,236	71,581
Meeting Travel & Accommodation	1,884	8,683
Trustee Fees	<u>34,603</u>	<u>34,564</u>
Total Administrative	<u>153,591</u>	<u>163,014</u>
Total Decrease in Assets	<u>3,501,269</u>	<u>938,470</u>
INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS	\$ (3,589,894)	\$ 3,101,274
NET ASSETS AVAILABLE FOR BENEFITS		
BEGINNING OF YEAR	<u>26,187,559</u>	<u>23,086,285</u>
END OF YEAR	<u>\$ 22,597,665</u>	<u>\$ 26,187,559</u>

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

**STATEMENT OF CHANGES IN PENSION OBLIGATIONS
For the Year Ended March 31, 2016**

	<u>2016</u>	<u>2015</u>
INCREASE IN PENSION OBLIGATIONS		
Interest accrued on benefits	\$ 920,400	\$ 934,700
Benefits accrued	<u>813,000</u>	<u>776,000</u>
	<u>1,733,400</u>	<u>1,710,700</u>
DECREASE IN PENSION OBLIGATIONS		
Benefits Paid	\$ 3,318,000	\$ 773,000
Experience gains	<u>-</u>	<u>-</u>
	<u>3,318,000</u>	<u>773,000</u>
INCREASE IN PENSION OBLIGATIONS	(1,584,600)	937,700
PENSION OBLIGATIONS, BEGINNING OF YEAR	<u>20,021,100</u>	<u>19,083,400</u>
PENSION OBLIGATIONS, END OF YEAR	<u>\$ 18,436,500</u>	<u>\$ 20,021,100</u>
AS REPRESENTED BY		
Active Members	\$ 5,723,900	\$ 7,102,200
Pensioners & Terminated Members	<u>12,712,600</u>	<u>12,918,900</u>
	<u>\$ 18,436,500</u>	<u>\$ 20,021,100</u>

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2016**

NOTE 1 DESCRIPTION OF PLAN

a) General

The Fund was established pursuant to the Legislative Assembly Retiring Allowances Act (NWT) and is administered by the Board of Management. The Act provides retiring allowances on a contributory, defined benefit basis to Members of the Legislative Assembly of the Northwest Territories who have been Members at any time for six or more years prior to October 16, 1995 or four or more years after October 16, 1995, commencing March 10, 1975, the date of the first fully elected Legislative Assembly.

- b) The following description of the Legislative Assembly Retiring Allowance Plan is a summary only. For more complete information, reference should be made to the Plan agreement.

1) Funding Policy

The Legislative Assembly Retiring Allowance (NWT) Act requires that the plan sponsor, the Government of the Northwest Territories, must fund the benefits determined under the Plan. The determination of the value of these benefits is made on the basis of an actuarial valuation for the fund that must be completed no less frequently than as of the day on which each general election is held.

The Legislative Assembly Retiring Allowances Act (NWT) requires Plan members to contribute 6.5% of their pensionable remuneration and earnings to the Plan. Employer contributions required are equal to the amount certified by the Actuary as being necessary to fully fund the benefits accruing under the Plan, less the amount of required employee contributions. Any surplus existing in the Plan may be used to reduce the required employer contributions. Any deficit existing in the Plan must be specifically funded in accordance with the requirements of the Pension Benefits Standards Act.

2) Normal Retirement Age

- a. Service Prior to 1992

Age 55

- b. Service After 1991

The earliest of:

- age 60
- 30 years of service
- age plus service equals 80

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2016**

NOTE 1 DESCRIPTION OF PLAN - cont'd

3) Retirement Pension

Two percent of the average best total earnings over four years multiplied by Credited Services as a Member.

Note that prior to the amendment in 2011, the retirement pension was determined as follows:

Two percent of the average best earnings over four years as an MLA multiplied by Credited Services as an MLA.

PLUS

Two percent of the average best earnings over four consecutive years in that capacity of Minister, Speaker or Chairperson multiplied by Credited Service for each position. A position must be held for at least one year for a pension to be paid, and the pension for each position is calculated separately.

4) Early Retirement

A Member may retire at any time upon ceasing to be a member of the Assembly. A Member retiring prior to Normal Retirement Age shall receive:

a. Service prior to 1992

A pension which is actuarially equivalent to the pension calculated as if the member was 55.

b. Service after 1991.

A pension which is reduced by .25% for each month a member retires before the Normal Retirement Age.

5) Late Retirement

Up to age 71.

6) Maximum Allowance

For benefits earned after 1991, the annual retirement pension payable shall not exceed the lessor of:

a. the defined limit as prescribed under the Income Tax Act of Canada for the year in which the pension commences, times the years of credited service after 1991;

b. 2% of the average annual indexed pensionable remuneration, times the years of credited service after 1991.

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2016

NOTE 1 DESCRIPTION OF PLAN - cont'd

7) Form of Pension

a. Service Prior to 1992

The normal form of payment is a joint and 75% survivor pension reducing on the death of the Member.

Each dependent will receive a pension of 10% of the retirement pension (to a maximum total of 25%) if the spouse survives. If there is no surviving spouse, a benefit of 25% of the retirement pension (to a maximum total of 100%) will be paid to each dependent.

b. Service After 1991

The normal form of payment for service after 1991 is a joint and 66-2/3% survivor pension reducing on the death of the Member with a guarantee of 100% of the first 60 monthly payments in any event.

Each Dependent will receive a pension of 10% of the retirement pension (to a maximum total of 33-1/3%) if the spouse survives. If there is no surviving spouse, a benefit of 100% shall be divided by the number of children for the first 60 monthly payments after the Member's pension commencement and then 25% of the benefit thereafter (to a maximum total of 100%).

8) Increases in Pension

Pensions in pay and deferred pensions are increased every January 1st based on increases in the Consumer Price Index up to the preceding September 30th.

9) Pre-Retirement Death Benefits

If a Member or Former Member dies before retirement and is not eligible to receive a pension, his accumulated contributions with interest will be returned to the beneficiary. If he was eligible to receive a pension, it will be assumed that the Member retired on the day preceding his death and elected the normal form of pension.

10) Withdrawal Benefits

A Member who terminates with four or more years of service or serves at least one full term as a Member of the Assembly is entitled to a retirement pension. All other Members who terminate will receive a lump sum payment of their accumulated contributions with interest.

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for pension plans. The significant policies are detailed as follows:

a) Basis of Presentation

These financial statements are prepared on the going concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity independent of the sponsor and plan members. The financial statements are prepared to assist plan members and others in reviewing the activities of the Plan for the fiscal period but they do not portray the funding requirements of the plan or the benefit security of individual plan members. As such, participants may also need to review, amongst other things, actuarial reports, and to take into account the financial health of the sponsor.

b) Investments

Investments for the Pension Fund are measured at fair value and categorized according to the fair value hierarchy using the market approach valuation technique. The Fund determines fair value of investments based on information supplied by the Investment Manager. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. Transaction costs are expensed as incurred. Investment income is recognized on an accrual basis. The current year change in fair value of investments is the difference between the fair value and the cost of investments at the beginning and end of each year, adjusted for realized gains and losses during the year.

c) Fair value hierarchy

The company classifies its financial assets and liabilities at fair value using a fair value hierarchy made up of three levels, according to the inputs used in making the measurements.

Level 1: This level includes assets and liabilities measured at fair value based on unadjusted quoted prices for identical assets and liabilities in an active market that the company can access at the measurement date.

Level 2: This category includes measurements that use, either directly or indirectly, observable inputs other than quoted prices included in level 1. Derivative instruments in this category are measured using models or other standard valuation techniques using observable market data.

Level 3: The measurements in this category depend upon inputs that are less observable, not available or for which observable inputs do not justify most of the instruments' fair value.

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES, continued

d) Pension obligations

Pension obligations of the defined benefit pension plan are measured using the actuarial present value of accrued pension benefits determined by applying best estimate assumptions and the projected benefit method prorated on services. Net assets available for benefits is the difference between the Plan's assets and its liabilities, excluding the accrued pension benefits.

e) Revenue recognition

Revenue from contributions and investment income are recognized on an accrual basis.

f) Contributed services

The Fund recognizes in-kind contributions of materials and services in these financial statements, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Fund's operations and would otherwise have been purchased.

g) Pension benefits

Pension benefits are shown as expenses in the year of payment.

h) Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting standards for pension plans requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results may differ from these estimates.

Significant estimates are used in determining pension obligations. The Fund's actual experience may differ significantly from assumptions used in the calculation of the Plan's pension obligations. While best estimates have been used in the valuation of the Plan's actuarial value of accrued benefits, management considers that it is possible, based on existing knowledge, that changes in future conditions in the short term could require a material change in the recognized amounts. Differences between actual results and expectations are disclosed in these financial statements as actuarial gains or losses on Actuarial Benefit Obligations in the Statement of Changes in Pension Obligations in the year when actual results are known.

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2016

3. ACCOUNTS RECEIVABLE

	2016	2015
Member Contributions	\$ -	\$ 16,848
In-Kind Contributions- GNWT	6,000	6,000
	\$ 6,000	\$ 22,848

In-kind contributions arise from the payment of audit fees by GNWT on the Fund's behalf and are also included in Accounts Payable and Accrued Liabilities.

These balances, which are unsecured, non-interest bearing, and due on demand, are measured at fair value

4. INVESTMENTS

The Plan's investments are categorized according to the fair value hierarchy as follows:

	Cost	2016 Market	Cost	2015 Market
Cash & Cash Equivalents	101,611	101,611	474,285	474,285
Canadian Equity Mutual Funds	3,638,830	3,665,557	5,612,979	6,443,956
International Equity Mutual Funds	6,343,867	7,702,769	6,426,521	9,055,640
Temporary Investments	56,290	56,290	62,652	62,652
Canadian Fixed Income Funds	7,844,897	7,755,233	5,407,864	5,818,139
Government of Canada Bonds	1,993,345	2,719,121	2,628,822	3,691,683
Province of Ontario Bonds	430,653	600,485	430,653	625,972
	<u>\$ 20,409,493</u>	<u>\$ 22,601,066</u>	<u>\$ 21,043,776</u>	<u>\$ 26,172,327</u>

The above listed investments are managed by CIBC Mellon Global Securities and invested by MFS Investment Management Canada Limited and Connor, Clark & Lunn Investment Management Ltd. The investments will not be redeemed in the subsequent period.

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

**TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2016**

4. INVESTMENTS, continued

The fair value hierarchy as described in note 2(c) requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified at the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The total investment portfolio by fair value hierarchy is as follows:

	2016	2015
Level 1	\$ 22,601,066	\$ 26,172,327

5. OBLIGATIONS FOR PENSION BENEFITS

The actuarial present value of accrued pension benefits was determined by Aon Hewitt, a firm of consulting actuaries. Their going concern valuation results are reflected in an extrapolation that was based on their last actuarial valuation conducted as at April 1, 2012.

The data and assumptions used for the March 31, 2015 obligations are the same as that used in the actuarial valuation as at April 1, 2012, with the exception of the mortality assumptions. For mortality assumptions, the table published in the CIA report: 2014 Combined Mortality Table with mortality improvement in accordance with CPM Improvement Scale B.

The going concern results were prepared using the projected benefit actuarial cost method (also known as the projected unit credit method).

The following were the assumptions used in determining the actuarial value of accrued pension benefits. They were developed by reference to expected long term market conditions.

	2016	2015
Valuation Interest Rate (net of expenses)	4.80%	4.80%
Salary Projection Rate	2.25%	2.25%
Interest Credited on Contributions	4.80%	4.80%
Inflation Rate	2.25%	2.25%

The actuarial valuation is performed on a going concern basis to determine the funded status and the funding requirements of the pension plan.

The latest actuarial valuation was conducted for the period April 1, 2012 and the related report completed in February 2013. The next actuarial valuation will be completed for April 1, 2016.

As provided by the Actuary, the value of pension benefit obligations as at March 31, 2016 has been obtained using a measurement date of January 31, 2016 by increasing the April 1, 2012 liability by the cost of accruing benefits and interest and subtracting the estimated benefit payments.

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2016

6. FINANCIAL INSTRUMENTS

The Fund's investments are recorded at fair value based on information provided by the investment manager. Other financial instruments consist of accounts receivable, accrued interest income and accounts payable. The fair value of these other financial instruments approximates their carrying values.

The fair values of investments are exposed to credit, liquidity, and market risks. Asset diversification and investment eligibility requirements serve as a basic risk-management tool for the investment portfolio as a whole. The Fund's investment strategy requires that investments be held in a diversified mix of asset types and also sets out investment eligibility requirements. The diversification of assets serves to lower the variations in the expected return performance of the portfolio. Eligibility requirements serve to ensure that Fund assets, to the extent possible, are not placed at undue levels of risk and can meet the obligations of the Fund as necessary. While the above policies aid in risk management, the Fund's investments and performance remain subject to risks, the extent to which is discussed below:

a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The Fund is exposed to currency risk arising from its holdings to investments denominated in foreign currencies, as well as investments that, although not denominated in foreign currencies, have underlying foreign currency exposure. This exposure lies principally within foreign equity funds. The Plan manages these risks through its investment policy, which limits the proportion of foreign assets within the portfolio.

b) Market risk

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

c) Credit risk

Credit risk is the risk that a counterparty to a financial contract will fail to discharge its obligations in accordance with agreed-upon terms. The Fund is exposed to credit risk through its investments in money market instruments (excluding cash), and fixed-income securities. The Fund's credit risk on money market instruments and fixed-income securities is managed by setting concentration limits on exposure to any single issuer, as well as by setting minimum credit-rating criteria for investment.

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2016

6. FINANCIAL INSTRUMENTS, continued

d) Concentration risk

Concentrations of credit risk exist when a significant proportion of the portfolio is invested in securities subject to credit risk with similar characteristics or subject to similar economic, political, or other conditions. The investment portfolio as a whole is subject to maximum exposure limits and asset allocation targets that are designed to manage exposure to concentrated credit risk.

e) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Fund's financial liabilities consist of Accounts Payable. These amounts are short term in duration and are set to mature within one year. Liquidity risk is managed through ensuring that sufficient liquid assets are maintained to meet anticipated payments and investment commitments in general. With respect to the Fund's financial liabilities and the actuarial value of accrued pension benefits, management believes that the Fund is not subject to any significant liquidity risk. The actuarial value of accrued pension benefits is not considered a financial liability; however, it is the most significant liability of the Fund in the Statement of Financial Position. The government of Northwest Territories (GNWT), as Plan sponsor, is required to contribute all funds necessary to meet any funding shortfalls of the Plan should they occur.

f) Interest rate risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate owing to changes in market interest rates. The Fund is exposed to interest rate risk through its investment holdings in interest-bearing assets. These principally include money market instruments and fixed-income securities. The Fund manages its exposure to interest rate risk through holding a diversified mix of assets, both interest-bearing and non-interest bearing. This approach lowers the impact of variations in overall portfolio performance owing to factors arising from interest rate risk. The fair value of the Fund's assets, specifically the fixed-income securities, is affected by changes in the nominal interest rate. Investments subject to interest rate risk bear fixed rates of interest. Therefore, short-term fluctuations in prevailing interest rates would not normally subject the Fund to fluctuating cash flows. In the event of a sale or redemption prior to maturity, proceeds would be affected by the impact of prevailing interest rates on the fair value of the investment. The actuarial value of accrued pension benefits is not considered a financial instrument; however, these benefits are sensitive to changes in long-term interest rates. The Fund is exposed to interest rate risk because of mismatches between the impacts of interest rates on the actuarial value of accrued pension benefits and their corresponding impact on the investment portfolio as a whole. Given the nature of pension benefits, such risks cannot be eliminated but are addressed through the funding of the Plan and through regular review of the characteristics of the Fund's investment portfolio related to the accrued pension benefit liability.

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2016

6. FINANCIAL INSTRUMENTS, continued

g) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Fund is exposed to other price risk through its holdings in Canadian equities. The Fund manages these risks through maximum proportions of equities in its investment portfolio and through concentration limits on investments in any one issuer, as outlined in the investment policies and procedures. Future cash flows relating to the sale of an investment exposed to other price risk will vary depending on market prices at the time of sale. Concentrations of other price risk exists when a significant portion of the portfolio is invested in equities with similar characteristics or subject to similar economic, market, political, or other conditions.

7. CAPITAL MANAGEMENT

The purpose of the Fund is to provide benefits to plan members. As such, when managing capital, the objective is to preserve assets in a manner that provides the Fund with the ability to continue as a going concern, to have sufficient assets to meet future obligations for benefits and to have sufficient liquidity to meet all benefit and expense payments. The capital of the Fund consists of its surplus. Excluding the impact of investment income, the Fund is financed through member contributions. The surplus represents the difference between the net assets available for benefits and the actuarially determined accrued pension benefits on a going-concern basis. Actuarial valuations, which aid in the determination of the extent of the Fund's capital, are performed every four years following the general election. Surpluses, as well as other relevant aspects of the Plan, are managed in order to comply with the externally imposed requirements of the Income Tax Act and the PBSA.

As at March 31, 2016, the Plan is not in violation of any externally imposed legal or regulatory requirements.

8. AUTHORIZATION

On May 25, 2016, the Board of Management authorized the issue of the financial statements for the year ended March 31, 2016.

**THE NATURAL RESOURCES
CONSERVATION TRUST FUND**
Yellowknife, NT

FINANCIAL STATEMENTS
For the year ended March 31, 2016

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MANAGEMENT'S RESPONSIBILITY FOR REPORTING

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with the *Natural Resources Conservation Trust Act of the Northwest Territories* ("the Act"). Where necessary the statements include amounts that are based on informed judgments and estimates by management, giving appropriate consideration to reasonable limits of materiality.

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

The accounting firm Avery Cooper & Co. Ltd. Certified General Accountants provide an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards.

Director, Finance and Administration

July 5, 2016



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INDEPENDENT AUDITOR'S REPORT

To the Minister of the Department of Environment and Natural Resources
The Natural Resources Conservation Trust Fund

We have audited the accompanying financial statements of The Natural Resources Conservation Trust Fund, which comprise the Statement of Financial Position as at March 31, 2016, and the Statements of Changes in Net Assets and Operations for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the *Natural Resources Conservation Trust Act* of the Northwest Territories ("the Act"), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements of The Natural Resources Conservation Trust Fund as at March 31, 2016, and the results of its operations for the year then ended are prepared, in all material respects, in accordance with Act.



INDEPENDENT AUDITOR'S REPORT, continued

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Fund to meet the requirements of the Act referred to above. As a result, the financial statements may not be suitable for another purpose.

Avery Cooper & Co. Ltd.

Avery Cooper & Co. Ltd.
Certified General Accountants
Yellowknife, NT

July 5, 2016

James H. Hoff

THE NATURAL RESOURCES CONSERVATION TRUST FUND

STATEMENT OF FINANCIAL POSITION

March 31, 2016

ASSETS

	<u>2016</u>	<u>2015</u>
CURRENT		
Cash	<u>\$ 235,981</u>	<u>\$ 235,926</u>

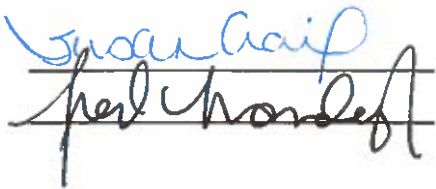
LIABILITY

CURRENT		
Accounts payable and accrued liabilities	<u>\$ 2,000</u>	<u>\$ 2,500</u>

FUND BALANCES

CAPITAL PORTION per page 2	187,828	187,828
INTEREST PORTION per page 2	<u>46,153</u>	<u>45,598</u>
	<u>233,981</u>	<u>233,426</u>
	<u>\$ 235,981</u>	<u>\$ 235,926</u>

Approved:



per [unclear]

THE NATURAL RESOURCES CONSERVATION TRUST FUND

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2016

	<u>Capital Portion</u>	<u>Interest Portion</u>	<u>Total 2016</u>	<u>Total 2015</u>
BALANCE, opening	\$ 187,828	\$ 45,598	\$ 233,426	\$ 233,059
Excess of revenues over general and administrative expenses per page 3	<u>-</u>	<u>555</u>	<u>555</u>	<u>367</u>
BALANCE, closing	<u>\$ 187,828</u>	<u>\$ 46,153</u>	<u>\$ 233,981</u>	<u>\$ 233,426</u>

THE NATURAL RESOURCES CONSERVATION TRUST FUND

STATEMENT OF OPERATIONS

For the year ended March 31, 2016

	<u>2016</u>	<u>2015</u>
REVENUES		
Interest income	\$ 2,555	\$ 2,867
GENERAL AND ADMINISTRATIVE EXPENSES		
Professional fees	<u>2,000</u>	<u>2,500</u>
EXCESS OF REVENUES OVER GENERAL AND ADMINISTRATIVE EXPENSES	<u>\$ 555</u>	<u>\$ 367</u>

THE NATURAL RESOURCES CONSERVATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

1. NATURE OF OPERATIONS

The Natural Resources Conservation Trust Fund was established under the Natural Resources Conservation Trust Act of the Northwest Territories. The purpose of the Fund is to promote, through education, research and demonstration, the:

- (a) wise use of renewable resources;
- (b) awareness, enhancement and protection of the environment; and
- (c) use of the most efficient and most effective methods of trapping wildlife.

A Board of Trustees was appointed by the Minister of Resources, Wildlife and Economic Development, Government of the Northwest Territories (GNWT). Commencing April 1, 2005, the responsibilities were transferred to the Minister of Environmental and Natural Resources to administer the Fund.

The Fund is established as a Special Purpose Fund as defined under subsection 20(1) of the Financial Administration Act (NWT). As such, the Fund is a part of the Consolidated Revenue Fund of the GNWT.

2. BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with the Natural Resources Conservation Trust Act of the Northwest Territories. The significant policies are detailed as follows:

(a) Fund accounting

In accordance with the Act, the Fund is administered into two portions, the Capital portion, and the Interest portion.

Capital portion

The Capital portion consists of donations, bequests and other payments for deposit accepted by the Board. The Board may not make payments from the capital portion without prior approval of the Minister unless the payment is for designated purpose that has been specified by the benefactor. There are no designated funds in the capital portion of the Fund.

Interest portion

The Interest portion consists of interest earned by the Fund. The Financial Management Board fixes the rate of interest earned by the Fund. The Board of Trustees may make payments from the Interest portion of the Fund to persons, groups and programs.

THE NATURAL RESOURCES CONSERVATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

2. BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES, continued

(b) Revenue recognition

The Fund follows the deferral method of accounting for contributions. Contributions subject to conditions are recognized as revenue in the year in which the related expenses are incurred. The Board of Trustees may accept donations, bequests or payments that are subject to conditions if the conditions are, in the opinion of the Board, appropriate to the purposes of the Fund. Where the Board accepts such items that are subject to conditions, the Board is bound to comply with those conditions.

Contributions not subject to conditions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recognized as revenue when earned.

(c) Contributed materials and services

The Department of Environment and Natural Resources maintains the Fund's accounts. The cost of administering the Fund are borne by the Department. The Fund has elected not to recognize contributed materials and services in these financial statements.

(d) Expenses

Payments from the Interest portion and the Capital portion of the Fund are recognized as expenses in the period in which the events giving rise to the payment occurred, as long as the payment is authorized, eligibility criteria have been met and a reasonable estimate of the amount can be made. All other expenses are recognized on an accrual basis.

3. FINANCIAL INSTRUMENTS

Fair value

The Fund's financial instruments consist of cash and accounts payable and accrued liabilities. In the opinion of the Board, the Fund is not exposed to significant interest rate, market, currency, market, liquidity or credit risks from these financial instruments. The carrying value of these instruments approximates their fair value.

**Report to the Commissioner of the
Northwest Territories
on the examination of the accounts
and financial statements of the**

**PUBLIC TRUSTEE FOR THE
NORTHWEST TERRITORIES**

For the Year Ended March 31, 2016

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The Public Trustee for the Northwest Territories is responsible for the preparation, integrity and objectivity of the financial statements. The financial statements have been prepared in accordance with the Public Trustee Act. Where appropriate, the preparation of financial information contained in this report includes estimates and judgements based on careful consideration of information available to management.

The Public Trustee for the Northwest Territories has developed and maintained books of account, records, financial and management controls and management practices. These are designed to provide reasonable assurance as to the reliability of financial information in accordance with the Public Trustee Act.

It is the responsibility of the auditors to provide an independent, objective audit for the purpose of expressing their opinion on the financial statements.

Public Trustee for the Northwest Territories

May 25, 2016

Brian J. Asmundson

To the Commissioner

Report on the Financial Statements

We have audited the accompanying financial statements of the Office of the Public Trustee for the Northwest Territories, which comprise the Balance Sheet as at March 31, 2016, and the Statement of Operations, and the Statement Changes in Estate & Trust Fund Balance for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the *Public Trustee Act* of the Northwest Territories ("the Act"), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements of the Office of the Public Trustee for the Northwest Territories for the year ended March 31, 2016 are prepared, in all material respects, in accordance with the Act.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Office of the Public Trustee for the Northwest Territories to meet the requirements of the Act referred to above. As a result, the financial statements may not be suitable for another purpose.

Report on Other Legal and Regulatory Requirements

We further report that in our opinion, proper books of account have been kept by the Public Trustee, the financial statements are in agreement therewith and the transactions that have come under our notice have, in all significant respects, been within the statutory powers of the Public Trustee.



**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES
ESTATE & TRUST FUND**

BALANCE SHEET

March 31, 2016

ASSETS

	<u>2016</u>	<u>2015</u>
Cash (Note 3)	\$5,605,479	\$6,133,658
Other assets at nominal value	<u>1</u>	<u>1</u>
	<u>\$5,605,480</u>	<u>\$6,133,659</u>

NET ASSETS

Undistributed Common Fund earnings per Statement II (Note 4)	\$ 26,741	\$ 34,308
Public Trustee Management Fund (Note 6)	30,643	24,997
Estate & Trust Fund per Statement III (Note 5)	<u>5,548,096</u>	<u>6,074,354</u>
	<u>\$5,605,480</u>	<u>\$6,133,659</u>

APPROVED:

Brian J. Asmurdson

Public Trustee for the Northwest Territories

See the accompanying notes.

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES
ESTATE & TRUST FUND**

STATEMENT OF OPERATIONS
For the year ended March 31, 2016

	<u>2016</u>	<u>2015</u>
Undistributed Common Fund earnings, opening	<u>\$ 34,308</u>	<u>\$ 38,053</u>
Add		
Common Fund earnings	<u>60,034</u>	<u>65,765</u>
Less		
Interest paid to estates and trusts (Statement III)	52,204	53,522
Excess interest paid to the Government of the Northwest Territories	-	113
Transfers to Public Trustee Management Fund (Note 6)	<u>15,397</u>	<u>15,875</u>
	<u>67,601</u>	<u>69,510</u>
Increase (decrease) in Undistributed Common Fund earnings balance	<u>(7,567)</u>	<u>(3,745)</u>
Undistributed Common Fund earnings, closing	<u>\$ 26,741</u>	<u>\$ 34,308</u>

See the accompanying notes.

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES
ESTATE & TRUST FUND**

STATEMENT OF CHANGES IN ESTATE & TRUST FUND BALANCE

For the year ended March 31, 2016

	<u>2016</u>	<u>2015</u>
Estate & trust funds provided:		
Estate and trust assets received	\$ 1,372,084	\$ 1,553,477
Common Fund interest paid to estates and trusts (Statement II)	<u>52,204</u>	<u>53,522</u>
	<u>1,424,288</u>	<u>1,606,999</u>
Estate & trust funds applied:		
Payments to beneficiaries	955,805	978,067
Disbursements made on behalf of estates and trusts	861,862	663,522
Administration fees (Note 2c)	124,957	106,950
GST on Administration fees	6,248	5,346
Court fees	<u>1,674</u>	<u>1,547</u>
	<u>1,950,546</u>	<u>1,755,432</u>
Decrease in Estate & Trust Fund balance	(526,258)	(148,433)
Estate & Trust Fund balance, opening	<u>6,074,354</u>	<u>6,222,787</u>
Estate & Trust Fund balance, closing	<u>\$ 5,548,096</u>	<u>\$ 6,074,354</u>

See the accompanying notes.

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

NOTE 1 AUTHORITY

The Public Trustee operates under the authority of the *Public Trustee Act*, Revised Statutes of the Northwest Territories 1988, Chapter P-19 as amended.

NOTE 2 BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the significant accounting policies set out below to comply with the *Public Trustee Act*. The basis of accounting used in these financial statements materially differs from Canadian public sector accounting standards because estate and trust funds provided and applied, and Common Fund earnings distributions otherwise accrued at year end, are not included until paid. Estate & Trust Fund assets other than cash have been recorded at nominal value. Significant accounting policies are as follows:

- a) These financial statements have been prepared on the cash basis of accounting except as otherwise stated.
- b) All Estate & Trust Fund assets other than cash, which include business interests, mortgages, stocks, bonds, term deposits, real estate and other assets, are carried at a nominal value of one dollar (\$1).
- c) Expenditures for the operation of the Public Trustee are paid from the Consolidated Revenue Fund of the Government of the Northwest Territories and, except for \$124,957 (2015 - \$107,063) paid to the Consolidated Revenue Fund as administration fees and the transfer of interest earned, are not reflected in these financial statements. Management fees paid to the Public Trustee out of the excess interest earned by the Common Fund are credited to the Public Trustee Management Fund.

NOTE 3 CASH IN BANK

The Office of the Public Trustee is a member of the Government of the Northwest Territories investment pool.

The Government of the Northwest Territories consolidates and invests the cash balances of all investment pool participants in money market securities. The monies for these investments flow out of the Government of the Northwest Territories main revenue account and accordingly do not affect the cash balances of the participants. Investment pool revenues are prorated and paid to participants weekly.

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

NOTE 4 UNDISTRIBUTED COMMON FUND EARNINGS

Common Fund earnings are distributed half-yearly, on April 30th and October 31st each year, as interest paid to estates and trusts, and excess interest paid to the Government of the Northwest Territories.

Interest earned on the Common Fund is utilized to pay prescribed interest on estates and trusts, and any deficiency between the aggregate amounts of sums invested in the Common Fund and the actual value of the investments of the Common Fund. Where the interest earned on investment of the Common Fund exceeds the amount required to make these payments and management fees paid to the Public Trustee, the excess is paid to the Consolidated Revenue Fund of the Government of the Northwest Territories.

The balance of Undistributed Common Fund earnings represents the cumulative earnings of the Common Fund between November 1st and March 31st which will be distributed on April 30th of the next fiscal year.

NOTE 5 ESTATE & TRUST FUND

The Estate & Trust Fund reflects all known assets of the estates and trusts administered by the Public Trustee. The Estate & Trust Fund is comprised of the following amounts:

	<u>2016</u>	<u>2015</u>
Common Fund	\$5,548,095	\$6,074,353
Other assets, at nominal value	<u> 1</u>	<u> 1</u>
	<u>\$5,548,096</u>	<u>\$6,074,354</u>

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

NOTE 6 PUBLIC TRUSTEE MANAGEMENT FUND

The change during the year in the Public Trustee Management Fund is as follows:

	<u>2016</u>	<u>2015</u>
Public Trustee Management Fund balance, opening	\$24,997	\$18,872
Add		
Management fees paid to the Public Trustee out of the excess interest earned	15,396	15,875
Less		
Costs incurred in respect of the annual audit	<u>(9,750)</u>	<u>(9,750)</u>
Public Trustee Management Fund balance, closing	<u>\$30,643</u>	<u>\$24,997</u>

NOTE 7 FINANCIAL INSTRUMENTS

The financial instruments of the Fund consist of cash, undistributed Common Fund earnings, and the Common Fund. It is management's opinion that the Public Trustee is not exposed to significant interest rate, currency, market, credit or liquidity risks and that the fair value of these financial instruments approximates their carrying value.

STUDENT LOANS REVOLVING FUND
FOR THE YEAR ENDED MARCH 31, 2016

**Government of the Northwest Territories
Student Loan Revolving Fund
Statement of Operations**

for the year ended March 31, 2016

(thousands of dollars)

	2016	2015
Loans Receivable, opening balance	\$ 40,632	\$ 39,502
Loans granted during the year	<u>\$ 5,719</u>	<u>\$ 6,036</u>
	<u>\$ 46,351</u>	<u>\$ 45,538</u>
Less:		
Principal amount of loans repaid	\$ (3,366)	\$ (3,506)
Principal amount of loan forgiveness	\$ (125)	\$ -
Principal amount of loan remissions	<u>\$ (907)</u>	<u>\$ (1,400)</u>
Loans Receivable, closing balance	\$ 41,953	\$ 40,632
Less:		
Allowance for remissable and doubtful loans	<u>\$ (19,247)</u>	<u>\$ (17,998)</u>
Net Loans Receivable, closing balance	<u>\$ 22,706</u>	<u>\$ 22,634</u>

Effect of Student Loan Revolving Fund on Government Operations

Interest earned and credited to general revenues	\$ 367	\$ 406
Less:		
Collection agency fees	\$ (21)	\$ (19)
Estimated provision for remission and doubtful accounts	<u>\$ (2,282)</u>	<u>\$ (2,414)</u>
Operating deficiency for the year	<u>\$ (1,936)</u>	<u>\$ (2,028)</u>

Approved:

David Stewart
Deputy Minister
Department of Education, Culture and Employment

Marissa Martin
Director, Finance and Capital Planning
Department of Education, Culture and Employment

**TERRITORIAL COURT JUDGES REGISTERED
PENSION PLAN FUND
Yellowknife, NT**

FINANCIAL STATEMENTS

For the Year Ended January 1, 2016

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

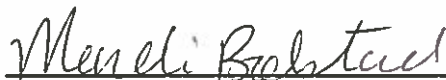
The Accounting firm of Avery, Cooper & Co. Ltd., Certified General Accountants, annually provides an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards. The auditor also considers whether the transactions that come to his notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the Government of the Northwest Territories Department of Justice.

Aon Hewitt, an independent firm of consulting actuaries, has been engaged to provide actuarial valuations of the present value of the accrued pension benefits to be provided from the Territorial Court Judges' Registered Pension Plan Fund.

On behalf of the Territorial Court Judges' Registered Pension Plan Fund



Ms. Sylvia Haener
Deputy Minister



Witness

April 13, 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of Territorial Court Judges Registered Pension Plan Fund

We have audited the accompanying financial statements of Territorial Court Judges' Registered Pension Plan Fund, which comprise the Statement of financial position as at January 1, 2016, and the statements of changes in net assets available for benefits, and changes in pension obligations for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Territorial Court Judges' Registered Pension Plan Fund as at January 1, 2016, and the changes in its net assets available for benefits, and changes in pension obligations in accordance with Canadian accounting standards for pension plans.



Avery, Cooper & Co.
Certified General Accountants
Yellowknife, NT

April 13, 2016

**TERRITORIAL COURT JUDGES' REGISTERED
PENSION PLAN FUND**

**STATEMENT OF FINANCIAL POSITION
January 1, 2016**

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT		
Contributions Receivable - GNWT (Note 3)	\$ 31,469	\$ 12,873
Contributions Receivable - Members	<u>7,312</u>	<u>-</u>
	<u>38,781</u>	<u>12,873</u>
INVESTMENTS (Note 4)	<u>5,636,568</u>	<u>5,529,723</u>
	<u>\$ 5,675,348</u>	<u>\$ 5,542,596</u>
LIABILITIES		
CURRENT		
Accounts Payable & Accrued Liabilities (Note 3)	<u>\$ 21,772</u>	<u>\$ 19,699</u>
NET ASSETS AVAILABLE FOR BENEFITS per page 2	5,653,576	5,522,896
PENSION OBLIGATIONS per page 3 (Note 5)	<u>6,812,900</u>	<u>6,560,600</u>
DEFICIENCY		
PENSION PLAN FUND DEFICIT per page 2	<u>\$ (1,159,324)</u>	<u>\$ (1,037,704)</u>

APPROVED



Deputy Minister

See the accompanying notes.

**TERRITORIAL COURT JUDGES' REGISTERED
PENSION PLAN FUND**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended January 1, 2016**

	<u>2016</u>	<u>2015</u>
INCREASE IN ASSETS		
Contributions		
Current Service Cost	\$ 80,273	\$ 77,227
Members	65,508	62,098
In-Kind Contributions	18,601	38,560
	<u>164,382</u>	<u>177,885</u>
Investment Income		
Interest & Dividends	414,009	369,118
Gain on Sale of Investments	76,573	69,521
	<u>490,582</u>	<u>438,639</u>
Current Period Change in Fair Value of Investments	<u>(174,956)</u>	<u>189,125</u>
Net investment income	<u>315,626</u>	<u>627,764</u>
Total Increase in Assets	<u>480,008</u>	<u>805,649</u>
DECREASE IN ASSETS		
Benefits		
Pension Payments	283,327	278,702
Administrative		
Actuary Fees	8,133	28,506
Audit Fees	10,469	10,054
Investment Management Fees	28,559	27,452
Trustee Fees	18,842	12,908
	<u>66,002</u>	<u>78,920</u>
Total Decrease in Assets	<u>349,329</u>	<u>357,622</u>
INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	\$ 130,679	\$ 448,027
NET ASSETS AVAILABLE FOR BENEFITS		
BEGINNING OF YEAR	<u>5,522,896</u>	<u>5,074,869</u>
END OF YEAR per page 1	<u>\$ 5,653,575</u>	<u>\$ 5,522,896</u>
CHANGES IN PENSION PLAN FUND DEFICIT		
BEGINNING OF YEAR	\$ (1,037,703)	\$ (777,630)
Increase in net assets available for benefits	130,679	448,027
Increase in pension obligations per page 3	(252,300)	(708,100)
Net change	<u>(121,621)</u>	<u>(260,073)</u>
END OF YEAR per page 1	<u>\$ (1,159,324)</u>	<u>\$ (1,037,703)</u>

See the accompanying notes.

**TERRITORIAL COURT JUDGES' REGISTERED
PENSION PLAN FUND**

**STATEMENT OF CHANGES IN PENSION OBLIGATIONS
For the Year Ended January 1, 2016**

	<u>2016</u>	<u>2015</u>
INCREASE IN PENSION OBLIGATIONS		
Interest accrued on benefits	\$ 313,400	\$ 301,900
Benefits accrued	227,600	219,200
Changes in mortality assumption	-	469,300
	<u>541,000</u>	<u>990,400</u>
DECREASE IN PENSION OBLIGATIONS		
Benefits paid	<u>288,700</u>	<u>282,300</u>
INCREASE IN PENSION OBLIGATIONS	252,300	708,100
PENSION OBLIGATIONS, BEGINNING OF YEAR	<u>6,560,600</u>	<u>5,852,500</u>
PENSION OBLIGATIONS, END OF YEAR	<u>\$ 6,812,900</u>	<u>\$ 6,560,600</u>

See the accompanying notes.

TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND

NOTES TO THE FINANCIAL STATEMENTS January 1, 2016

1. DESCRIPTION OF PLAN

a) General

The Fund for the Territorial Court Judges Registered Pension Plan (the Plan) represents the assets of the registered defined benefit plan covering all Territorial Court Judges of the Northwest Territories. The Plan was established by the Judges' Registered Pension Plan Regulations under Section 32 of the Territorial Court Act. The Plan is registered under the Income Tax Act, but it is not subject to any provincial or federal pension standards legislation. The Plan came into effect on February 1, 1994 and was a non-contributory plan until April 1, 1999 when it became contributory at 6% of pensionable earnings. A Territorial Court Judge appointed after the effective date participates in the Plan, unless the Judge objects on the basis of religious belief.

- b) The following description of the Territorial Court Judges' Pension Plan Fund is a summary only. For more complete information, reference should be made to the Plan Regulations.

1) Funding Policy

The Territorial Court Act requires that the plan sponsor, the Government of the Northwest Territories (GNWT) and the Plan members, fund the benefits determined under the Plan. The determination of the value of these benefits is made on the basis of a triennial actuarial valuation for the fund (See Note 5).

In accordance with the Trust agreement, employer and member contributions required are equal to the amount certified by the Actuary as being necessary to fund the benefits accruing under the Plan. Any surplus existing in the Plan may be used to reduce the required contributions. Any deficit existing in the Plan must be specifically funded in accordance with the requirements of section 8 of the Judges' Pension Plan Regulations.

2) Normal Retirement Age

A Judge may retire on or after attainment of age 60 without reduction in pension.

3) Early Retirement

A Judge may retire anytime after age 50 and prior to age 60 with a pension that is reduced by a quarter of one percent for each month that retirement precedes age 60. However, there is no reduction if the Judge has attained 80 years of combined judicial service and age at the date of pension commencement.

4) Late Retirement

A Judge who attains 69 years of age shall receive a retirement pension commencing on the first day of the month immediately following the month in which the judge attains that age.

TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2016

1. DESCRIPTION OF PLAN, continued

5) Benefits on Death

When a Judge or former Judge dies, the Judge's surviving spouse is entitled to receive a pension for life equal to 60% (50% in respect of pre 1992 pensionable service) of the pension that the Judge was receiving immediately before death, or, if the Judge was not yet retired, 60% (50% in respect of pre 1992 pensionable service) of the pension that the Judge had earned up to the date of death. If the deceased Judge was not receiving a pension prior to his/her death, the spouse has the option of transferring the commuted value of the spouse's pension to a Registered Retirement Savings Plan or receiving the commuted value as a cash payment.

6) Credited Pension

The benefit payable from the Plan for each year of pensionable service for periods after January 1, 1992 is equal to the maximum permitted under the Income Tax Act. The limit increases annually to reflect increases in average Canadian wages.

The annual pension at retirement for each year of pensionable service credited in respect of periods before 1992 is calculated as 2% of average annual earnings in the six consecutive years before retirement in which such average was the highest, reducing at age 65 by an amount equal to 0.7% of the average Year's Maximum Pensionable Earnings (as defined in the Canada Pension Plan) determined over 3 years at the time of retirement. The Income Tax Act maximum pension does not affect the pre 1992 entitlement.

7) Cost of Living Increases

All retirement, spousal and deferred pensions receive cost of living increases equal to the full rate of increase in the Consumer Price Index for Canada. Increases are applied at each January 1st; with the first such increase being pro-rated to reflect the portion of the prior year since the date of retirement/termination/death. Commuted values are calculated to reflect future cost of living increases.

8) Benefits Paid on Resignation

A Judge who resigns from the bench prior to attainment of age 60, and who is not entitled to an immediate unreduced pension, may elect to receive either a monthly deferred pension (commencing at any time between the ages of 50 and 69) or a lump sum payment of the commuted value of the deferred pension

TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2016

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for pension plans. The significant policies are detailed as follows:

(a) Basis of presentation

These financial statements are prepared on the going concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity independent of the sponsor and plan members. They are prepared to assist plan members and others in reviewing the activities of the Plan for the fiscal period but they do not portray the funding requirements of the plan or the benefit security of individual plan members. As such, participants may also need to review, amongst other things, actuarial reports, and to take into account the financial health of the sponsor.

In selecting or changing accounting policies that do not relate to its investment portfolio or pension obligations, Canadian accounting standards for pension plans (ASPP) require the Plan to comply on a consistent basis with either International Financial Reporting Standards (IFRS), or Canadian accounting standards for private enterprises (ASPE), to the extent that those standards do not conflict with the requirements of ASPP. The Plan has chosen to comply on a consistent basis with ASPE.

(b) Fair value hierarchy

The Fund classifies its financial assets and liabilities at fair value using a fair value hierarchy made up of three levels, according to the inputs used in making the measurements.

Level 1: This level includes assets and liabilities measured at fair value based on unadjusted quoted prices for identical assets and liabilities in an active market that the Fund can access at the measurement date.

Level 2: This category includes measurements that use, either directly or indirectly, observable inputs other than quoted prices included in level 1. Derivative instruments in this category are measured using models or other standard valuation techniques using observable market data.

Level 3: The measurements in this category depend upon inputs that are less observable, not available or for which observable inputs do not justify most of the instruments' fair value.

(c) Investments

Investments for the Pension Fund are measured at fair value and categorized according to the fair value hierarchy using the market approach valuation technique. The Fund determines the fair value of investments based on information supplied by the investment manager.

TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2016

2. SIGNIFICANT ACCOUNTING POLICIES, continued

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. Purchases and sales of investments are accounted for at trade date.

Transaction costs are expensed as incurred. Investment income is recognized on an accrual basis. The current year change in fair value of investments is the difference between the fair value and the cost of investments at the beginning and end of each year, adjusted for realized gains and losses during the year

(d) Pension obligations

Pension obligations of the defined benefit pension plan are measured using the actuarial present value of accrued pension benefits determined by applying best estimate assumptions and the projected benefit method prorated on services. Net assets available for benefits is the difference between the Plan's assets and its liabilities, excluding the accrued pension benefits.

(e) Revenue recognition

Revenue from contributions and investment income are recognized on an accrual basis. Deferred revenue results from contributions for future periods invoiced in advance. Employer contributions for current service and special payment for funding deficiency must meet contributions required based on the most recent actuarial valuation report. Employee contributions for past service are recorded in the year received.

(f) Contributed services

The Fund recognizes in-kind contributions of materials and services in these financial statements, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Fund's operations and would otherwise have been purchased.

(g) Pension benefits

Pension benefits are shown as expenses in the year of payment.

(h) Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for pension plans requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results may differ from these estimates.

TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2016

2. SIGNIFICANT ACCOUNTING POLICIES , continued

Significant estimates are used in determining pension obligations. The Plan's actual experience may differ significantly from assumptions used in the calculation of the Plan's pension obligations.

While best estimates have been used in the valuation of the Plan's actuarial value of accrued benefits, management considers that it is possible, based on existing knowledge, that changes in future conditions in the short term could require a material change in the recognized amounts. Differences between actual results and expectations are disclosed in these financial statements as actuarial gains or losses on Actuarial Benefit Obligations in the Statement of Changes in Pension Obligations in the year when actual results are known.

3. CONTRIBUTIONS RECEIVABLE - GNWT

	2016	2015
In-Kind Contributions	\$ 10,469	\$ 10,921
Current Service Contributions	21,000	1,952
	\$ 31,469	\$ 12,873

In-kind contributions arise from the payment of audit and actuary fees by GNWT on the Fund's behalf and are also included in Accounts Payable and Accrued Liabilities.

These balances, which are unsecured, non-interest bearing, and due on demand, are measured at fair value.

4. INVESTMENTS

The Plan's investments are categorized according to the fair value hierarchy as follows:

	2016	2015
Canadian Equities	\$ 1,679,697	\$ 1,706,576
Global Equities	1,533,146	1,530,413
Emerging Market Equity	231,099	214,698
Canadian Bonds	2,079,894	1,943,294
Canadian Money Market Funds	112,732	134,742
Total market value of the investment portfolio	\$ 5,636,568	\$ 5,529,723

TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2016

4. INVESTMENTS, continued

The total cost of the investments for the year ended Jan 1, 2016 is \$4,656,495 (2015: \$4,374,694).

The above listed investments are held in a pooled pension Trust by RBC Phillips, Hager & North Investment Counsel Inc. and will not be redeemed in the subsequent period.

The fair value hierarchy requires the use of observable market inputs wherever such inputs exist.

A financial instrument is classified at the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The total investment portfolio by fair value hierarchy is as follows:

	<u>2016</u>	<u>2015</u>
Level 1	\$ <u>5,636,568</u>	\$ <u>5,529,723</u>

Investments are valued based on information provided by the investment manager. In particular, the market value for the portfolio is determined by the Net Asset Value Per Unit (NAPVU or unit price) for the RBC Phillips, Hager & North Investment Counsel Inc. Balanced Pension Trust (BPT) on the last day of each quarter. This price is derived by end-of-day prices for each of the securities that make up the BPT.

The prices of each security are taken from relevant exchanges or third party providers for each security (TSX for Canadian stocks, NYSE for US stocks, PC Bond Analytics for Bonds) and are compiled by the BPT's custodian, RBC Investor Services Trust.

5. OBLIGATIONS FOR PENSION BENEFITS

The actuarial present value of accrued pension benefits was estimated by Aon Hewitt Associates, a firm of consulting actuaries. Their going concern valuation results are reflected in an extrapolation that was based on their last actuarial valuation conducted as at April 1, 2013. The data and assumptions used for the January 1, 2016 obligations are the same as that used in the actuarial valuation as at April 1, 2013. The going concern results were prepared using the projected benefit actuarial cost method (also known as the projected unit credit method).

The following were the assumptions used in determining the actuarial value of accrued pension benefits. They were developed by reference to expected long term market conditions.

TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2016

5. OBLIGATIONS FOR PENSION BENEFITS, continued

	<u>2016</u>	<u>2015</u>
Discount rate	4.80%	4.80%
Salary Projection Rate	2.25%	2.25%
Price Inflation	2.25%	2.25%
Real Rate of Return	3.25%	3.25%

An actuarial valuation is performed on a going concern basis to determine the funded status and the funding requirements of the pension plan.

The latest actuarial valuation report conducted for the period April 1, 2013 was completed in July, 2013. The next funding valuation must be performed no later than April 1, 2016.

As provided by the Actuary, the value of pension benefit obligations as at January 1 of each year is not available. Instead, the value as at March 31 is being used to compare with the net assets available for benefits as at January 1.

6. FINANCIAL INSTRUMENTS AND RISK

The Fund's investments are recorded at fair value based on information provided by the investment manager. Other financial instruments consist of contributions receivable and accounts payable and accrued liabilities. The fair value of these other financial instruments approximates their carrying values.

The fair values of investments are exposed to credit, liquidity, and market risks. Asset diversification and investment eligibility requirements serve as basic risk-management tools for the investment portfolio as a whole. The Fund's investment strategy requires that investments be held in a diversified mix of asset types and also sets out investment eligibility requirements. The diversification of assets serves to lower the variations in the expected return performance of the portfolio. Eligibility requirements serve to ensure that Fund assets, to the extent possible, are not placed at undue levels of risk and can meet the obligations of the Fund as necessary. While the above policies aid in risk management, the Fund's investments and performance remain subject to risks, the extent of which is discussed below:

Credit risk

Credit risk is the risk that counterparty to a financial contract will fail to discharge its obligations in accordance with agreed-upon terms. The Fund is exposed to credit risk through its investments in money market instruments (excluding cash), and fixed-income securities.

TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND

NOTES TO THE FINANCIAL STATEMENTS January 1, 2016

6. FINANCIAL INSTRUMENTS AND RISK, *continued*

The Fund's credit risk on money market instruments and fixed-income securities is managed by setting concentration limits on exposure to any single issuer, as well as by setting minimum credit-rating criteria for investment.

Concentrations of credit risk exist when a significant proportion of the portfolio is invested in securities subject to credit risk with similar characteristics or subject to similar economic, political, or other conditions. The investment portfolio as a whole is subject to maximum exposure limits and asset allocation targets that are designed to manage exposure to concentrated credit risk.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Fund's financial liabilities consist of Accounts Payable & Accrued Liabilities. These amounts are short term in duration and are set to mature within one year.

Liquidity risk is managed through ensuring that sufficient liquid assets are maintained to meet anticipated payments and investment commitments in general. With respect to the Fund's financial liabilities and the actuarial value of accrued pension benefits, management believes that the Fund is not subject to any significant liquidity risk. The actuarial value of accrued pension benefits is not considered a financial liability; however, it is the most significant liability of the Fund in the Statement of Financial Position. The Government of Northwest Territories (GNWT), as Plan sponsor, is required to contribute all funds necessary to meet any funding shortfalls of the Plan as they may arise from time to time.

Market risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate owing to changes in market interest rates. The Fund is exposed to interest rate risk through its investment holdings in interest-bearing, or fixed-income, assets. These principally include money market instruments and fixed-income securities. The Fund manages its exposure to interest rate risk through holding a diversified mix of assets, both interest-bearing and non-interest bearing. This approach lowers the impact of variations in overall portfolio performance owing to factors arising from interest rate risk. The fair value of the Fund's assets, specifically the fixed-income securities, is affected by changes in the nominal interest rate. Investments subject to interest rate risk bear fixed rates of interest. Therefore, short-term fluctuations in prevailing interest rates would not normally subject the Fund to fluctuating cash flows. In the event of a sale or redemption prior to maturity, proceeds would be affected by the impact of prevailing interest rates on the fair value of the investment. The actuarial value of accrued pension benefits is not considered a financial instrument; however, these benefits are sensitive to changes in long-term interest rates.

TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND

NOTES TO THE FINANCIAL STATEMENTS January 1, 2016

6. FINANCIAL INSTRUMENTS AND RISK, continued

The Fund is exposed to interest rate risk because of mismatches between the impacts of interest rates on the actuarial value of accrued pension benefits and their corresponding impact on the investment portfolio as a whole.

Given the nature of pension benefits, such risks cannot be eliminated but are addressed through the funding of the Fund and through regular review of the characteristics of the Fund's investment portfolio related to the accrued pension benefit liability.

This exposure lies principally within foreign equity funds. The Fund manages these risks through its investment policy, which limits the proportion of foreign assets within the portfolio.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk arising from its holdings of investments denominated in foreign currencies, as well as investments that, although not denominated in foreign currencies, have underlying foreign currency exposure.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Fund is exposed to other price risk through its holdings in Canadian equities.

The Fund manages these risks through maximum proportions of equities in its investment portfolio and through concentration limits on investments with any one issuer, as outlined in the investment policies and procedures. Future cash flows relating to the sale of an investment exposed to other price risk will vary depending on market prices at the time of sale. Concentration of other price risk exists when a significant portion of the portfolio is invested in equities with similar characteristics or subject to similar economic, market, political, or other conditions.

7. CONTRIBUTIONS

The GNWT made quarterly contributions to the Fund based on the most recent actuarial valuation which was as at April 1, 2013. Contribution values are based on the assumption of an annual expected return on Fund assets. The GNWT may reduce contributions to the Fund by the amount of any surplus existing within the Fund on the last actuarial valuation date. Per the actuarial valuation, a going concern unfunded liability in the amount of \$999,800 (2010 - \$846,800) existed in the Fund at April 1, 2013. Per actuarial valuation, the rule for determining the employer's current service cost and special payments is based on the maximum funding valuation as the going concern valuation produces a higher total employer contribution and unfunded liability. Per the actuarial valuation, the Plan had a maximum funding unfunded liability of \$73,700 as at April 1, 2013 (2010 - \$460,500).

TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2016

7. CONTRIBUTIONS, continued

Per the Plan Regulations, this amount is required to be funded over a period of not more than 15 years from the valuation date. Special payments required to fund the maximum funding unfunded liability are \$28,400 per quarter until a total of \$73,700 special payments are made, in addition to the regular quarterly current service cost contributions.

8. ADMINISTRATIVE EXPENSES

Administrative expenses include fees charged by the investment manager, trustee, auditor and actuary. Administration costs of the Fund may be paid directly by the GNWT or by the trustee from Fund assets. Payments made directly by the GNWT to the Fund are recognized as a corresponding increase to in-kind contributions.

PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF THE NORTHWEST TERRITORIES
FOR THE YEAR ENDED MARCH 31, 2016

SECTION IV
SUPPLEMENTARY FINANCIAL STATEMENTS
BOARDS

HONOURABLE ROBERT C. MCLEOD
Minister of Finance

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

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Dettah District Education Authority
N'dilo District Education Authority
Sahtu Divisional Education Council
South Slave Divisional Education Council
Yellowknife Public Denominational District Education Authority (Yellowknife Catholic Schools)
Yellowknife District No 1 Education Authority
TliCho Community Services Agency

Health and Social Services Authorities

Beaufort Delta Health and Social Services Authority
Dehcho Health and Social Services Authority
Fort Smith Health and Social Services Authority
Hay River Health and Social Services Authority
Sahtu Health and Social Services Authority
Stanton Territorial Health Authority
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**BEAUFORT-DELTA EDUCATION COUNCIL
INUVIK, NT**

**CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2015**

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BEAUFORT- DELTA EDUCATION COUNCIL

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

Management Discussion and Analysis

For the Year Ended June 30, 2015



BEAUFORT- DELTA EDUCATION COUNCIL

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

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Message from Superintendent of Schools Denise McDonald

On behalf of the Beaufort Delta Education Council (BDEC), we are pleased to present the Annual Report for 2014/2015. The Management Discussion and Analysis (MD&A) is presented as a go-forward responsibility of the management and the Board Members to promote transparency and accountability.

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

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

This approach will enable BDEC to clearly state the progress that the organization has made and will highlight areas where improved is needed. Some of the key accomplishments in 2014/2015 include:

- Continued partnership with the Gwich'in Tribal Council (GTC) on development of a high school course to reflect the Gwich'in culture and history.
- Partnership with the Inuvialuit Regional Corporation (IRC). The IRC continues to contribute financially to BDEC's eLearning Program and supporting the Data Analyst position
- Continuation of the eLearning program. The eLearning program provides high school students from small communities the opportunity to stay in their home community to complete high school. The program offers courses that are not available in the smaller communities; courses that require specialists that cannot be afforded. The program hosted out of East Three Secondary School provides 'face to face' live classes through videoconferencing to students from three NWT regions. The pilot program has already begun to show signs of an increase in the average success rate of students and this is a principal factor for continuing the program.
- BDEC has collaborated with IRC's initiative to hire candidates referred to as "Student and Family Support Workers" who are working in the communities of Inuvik, Aklavik, Tuktoyaktuk, Ulukhaktok, Paulatuk and Sachs Harbour. The Student and Family Support Workers will work with students (with parental approval) to improve student success by addressing attendance concerns and other matters.
- Completion of our first year of Common Math Assessments (CMAs) where each unit in math was assessed in grades 2-9. These assessments will help BDEC achieve greater consistency in mathematics assessment across the district. Student results are being collected with the long-term goal of identifying areas of strength and weakness which will assist in program planning and providing more targeted supports in math and numeracy.
- BDEC students in Grades 6 and 9 wrote the Alberta Achievement Test (AATs) in English language Arts, mathematics and French Language Arts. Alberta had planned to discontinue the

Grade 6 and Grade 9 AATs in 2015 and 2016 respectively, this plan has been postponed. Students in grades 6 and 9 in the NWT will continue to write the AATs until further notice.

- Grade 12 students currently write the June sitting of the Alberta Diploma Examinations. Diploma Exams currently weighted at 50% of a student's final grade are being heavily debated in Alberta. Starting in the 2015-2016 school year, the weight of the Diploma Exams will be reduced to 30% in Alberta.
- Access to High School Education, formerly the 'Home Boarding Program' provides academic, behavioral and financial support for students who do not have access to high school courses in their communities. Students are from Sachs Harbour and Tsiigehtchic.

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

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

Overview

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

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

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

Vision

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

Mission Statement

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

Strategic Plan

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

BDEC's strategic plan consists of Three Pillars:

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

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

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

BDEC Board of Directors

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

Chairperson	Lesa Semmler
Vice-Chairperson	Tena Blake
Member-at-Large	Maureen Pokiak
Aklavik	Evelyn Wilson
Fort McPherson	Tena Blake
Inuvik	Judy Harder
Paulatuk	Gilbert Thrasher Sr
Sachs Harbour	DEA Office
Tsiigehtchic	Anna May MacLeod
Tuktoyaktuk	Maureen Pokiak
Ulukhaktok	Margaret Kanayok
Gwich'in Tribal Council	Robert Charlie
Inuvialuit Regional Corporation	Evelyn Storr

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

BDEC Staff

Superintendent of Schools	Denise McDonald
Assistant Superintendent of Schools	Greta Sittichinli
Supervisor of Schools	Chris Gilmour
Comptroller	Gary McBride
Public Affairs Coordinator	Rose Anne Snow
LAN Manager	Michael Reardon

Consultants

Literacy Coordinator k-12	Angela Young
Inclusive Schooling	Theresa Hartley
Math Science	Tara Gilmour

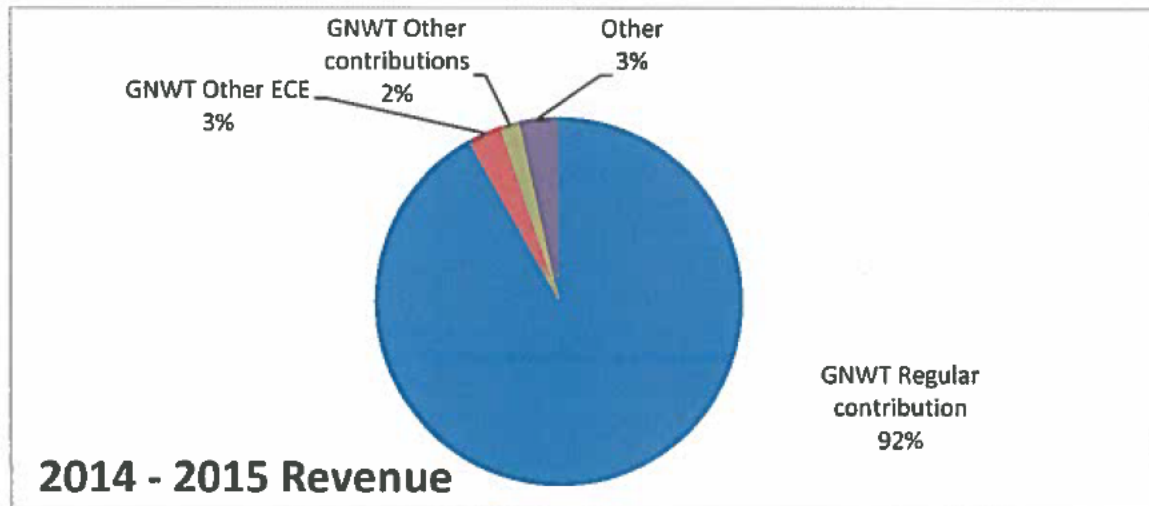
Principals

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

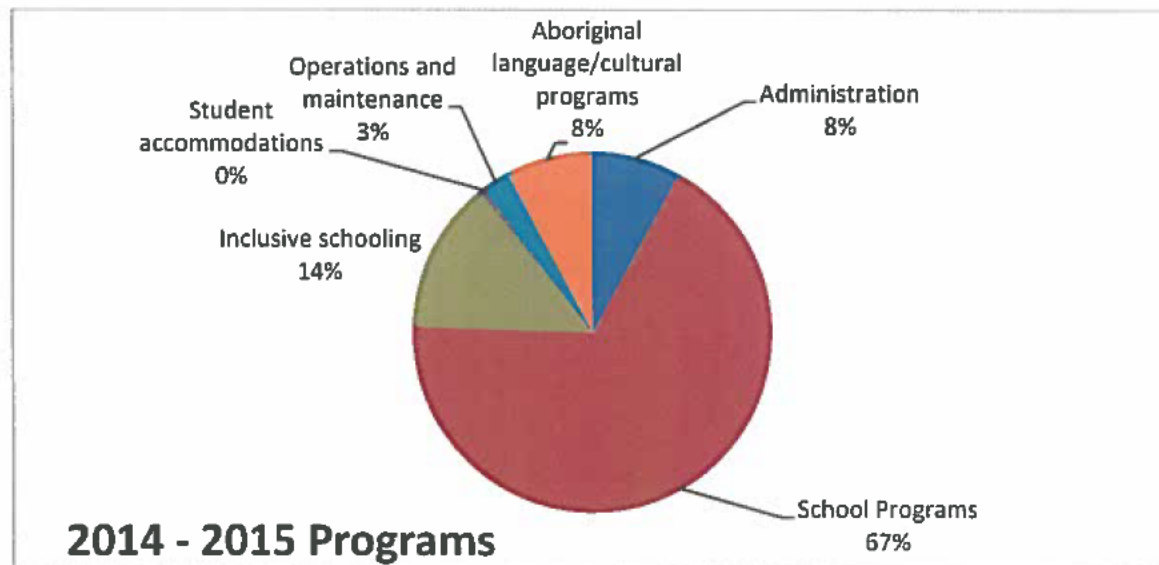
Debbie Redden-Cormier
Shirley Snowshoe
Sonia Gregory
Richard McKinnon
Lawrence Berger
Agnes Cudmore
Velma Illisiak
Deborah Reid
Deborah Reid

Financial Highlights

Revenues for 2014–2015 of \$30.7 million were \$2.2 million higher than budgeted. GNWT regular contributions accounted for a 92% of the revenue at \$28.2 million a drop of \$85.4K from 2013-2014 year. This was compensated by other contribution agreements from the GNWT bring the total GNWT contributions to \$29.6 million. Total revenues of \$30.7 million were an increase of \$123.1K from the 2013-2014 year.



Expenses are broken into program cost; school programs accounted for 67% of cost at \$19.4 million, Inclusive schooling for 14% of cost at \$3.97 million. Overall total expenses at \$28.8 million were \$721.4K less than 2013-2014.



For 2015 BDEC had an Accumulated Surplus of \$1,939,938 compared to a budgeted surplus of \$67,505. This is attributed to Total Revenue at \$30,706,898 being \$2,203,883 higher than budgeted representing a 7.73% increase over the budgeted amount of \$28,503,015.

BDEC generated \$1,531,786 from additional contribution agreements with the GNWT for a total of \$29,550,740, and the DEA's generated an additional \$618,657 for a total of \$1,073,718. With both the DEA's and BDEC there has been a solid effort in finding funding partners that will allow us to maintain our programs and to offer some specialty programming. In the Communities the schools and the DEA's continue to look for ways to enhance the education of our students through additional funding methods.

Expenses for the year end June 2015 were \$331,450 higher than the budget of \$28,435,510 for a total cost of \$28,766,960. This represents in total a 1.17% cost over-run for the year.

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

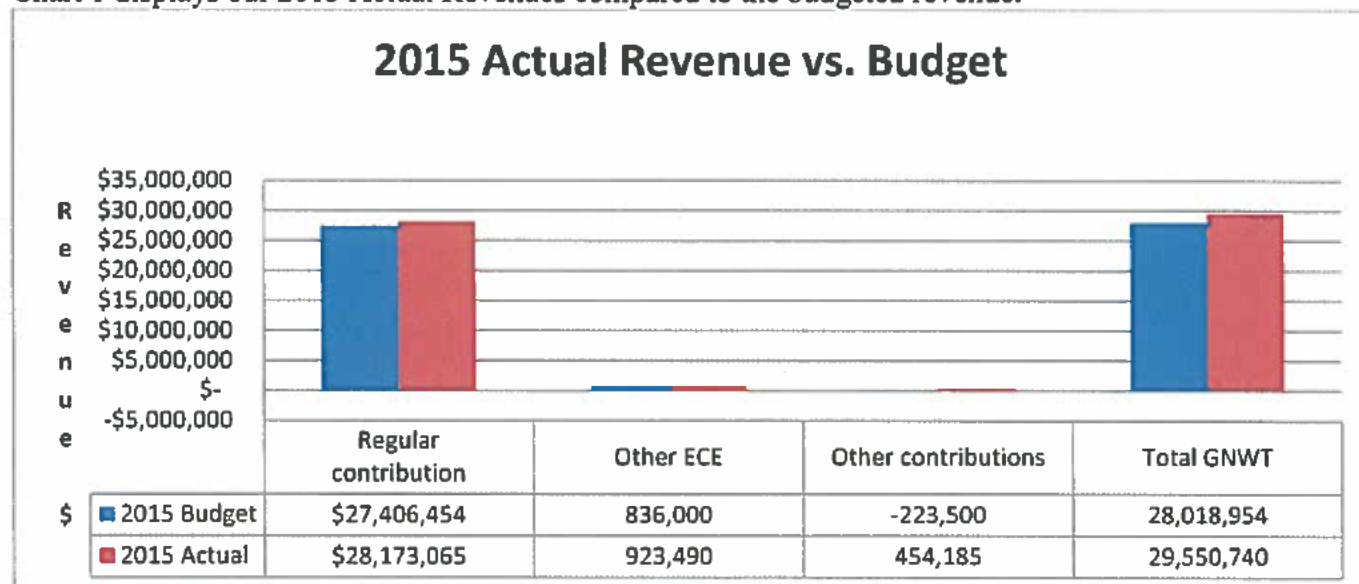
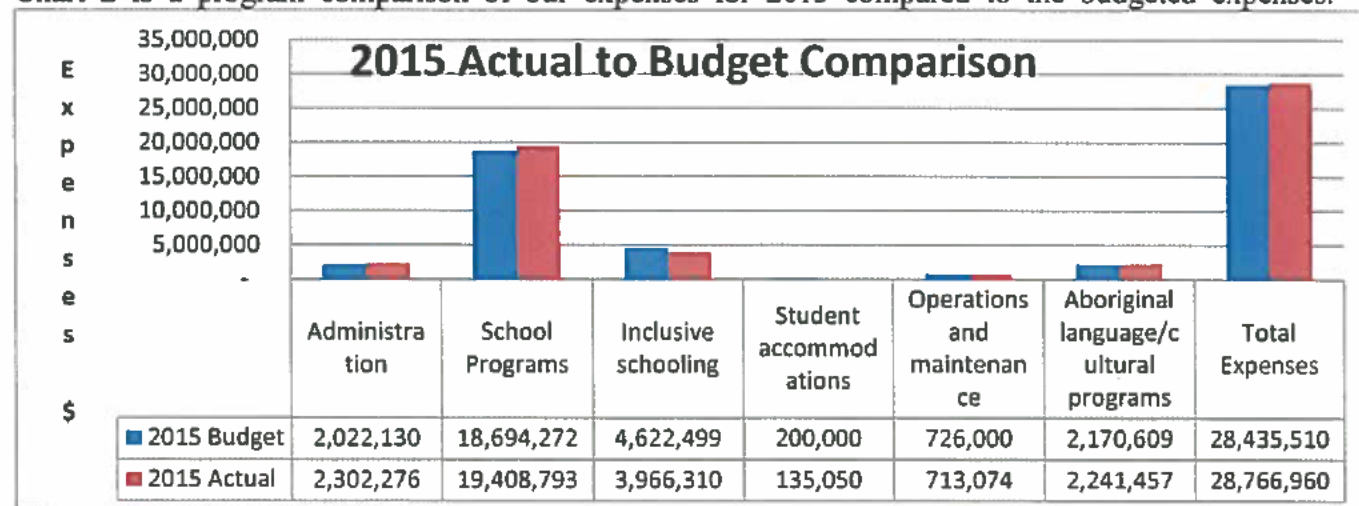


Chart 2 is a program comparison of our expenses for 2015 compared to the budgeted expenses.



When comparing 2015 against 2014, BDEC experienced a 0.03% decrease in revenues, and a reduction in cost of 2.45% showing an operating surplus of \$1,939,938 compared to the operating surplus for 2014 of \$1,095,371. This was the result of additional contribution agreements, stringent cost controls and expense monitoring in the 2015 year.

Chart 3 is a comparison of the 2015 GNWT Revenues compared to the 2014 Revenues

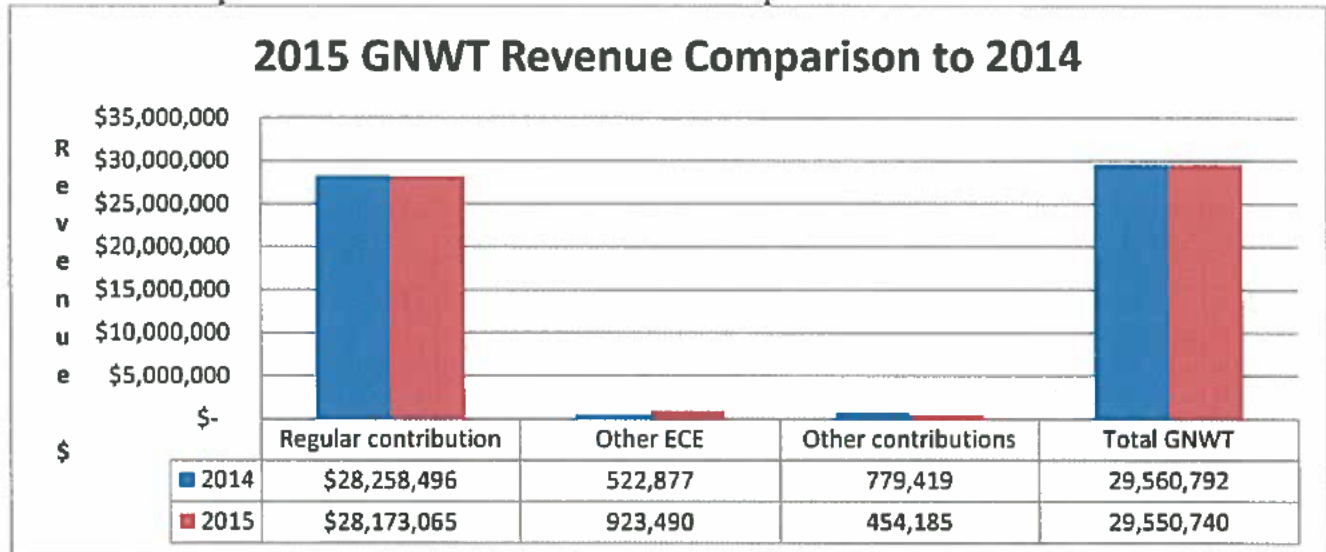
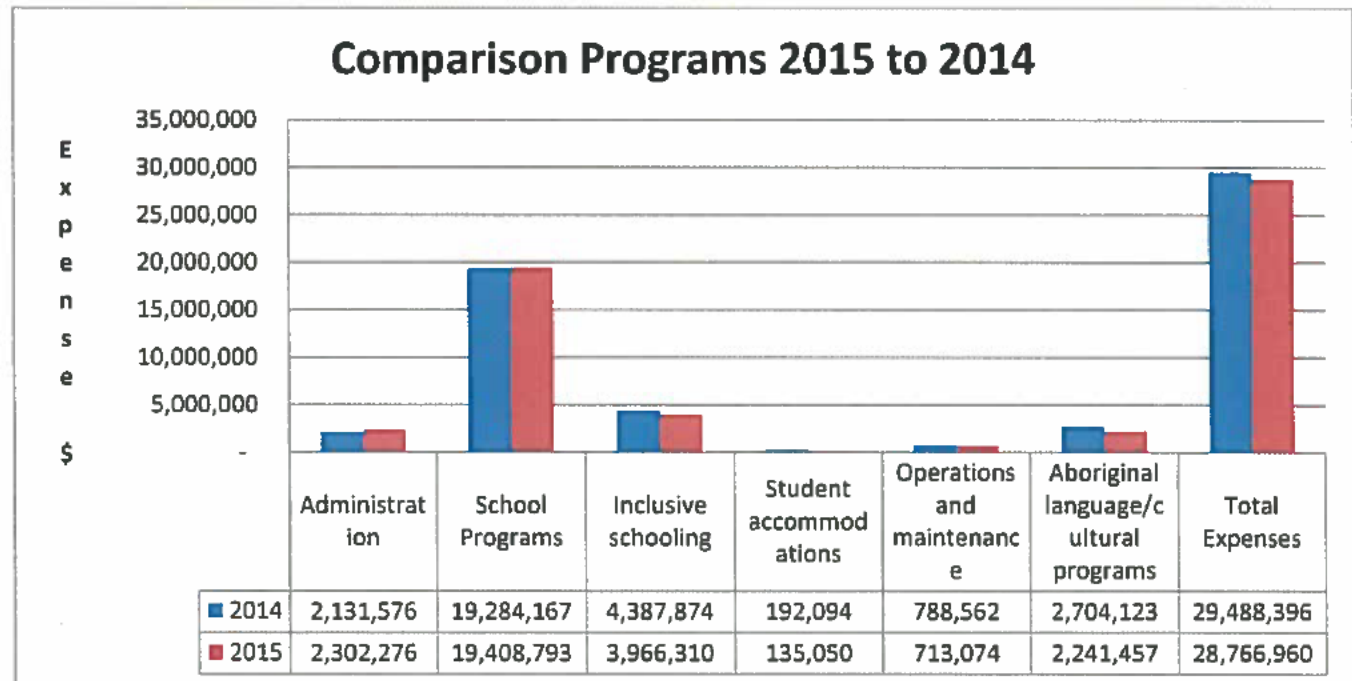


Chart 4 compares the 2015 Program Expenses against to the 2014 Program Expenses.



2014-2015 continues the trend from 2012-2013 of achieving an operating surplus. In 2013-2014 BDEC after four years of having an Accumulated Deficit managed a small Accumulated Surplus. With the \$1.94 million operating surplus has achieved an Accumulated Surplus of 7% of the Total Revenues or \$2.17 million. ECE recommends that all school councils maintain an Accumulated Surplus of 5% to 7% of Total Revenues to provide for unexpected expenditures, and to buffer timing difference in ECE funding. ECE regular contribution for the year is based upon number of students in attendance as of the end of September of the previous year.

The operating surplus was achieved partially through a reduction of teaching positions, and strong efforts by all staff to control cost. In addition to cost controls, the DEA's, schools and BDEC were successful in forming partnerships with other organizations resulting in above budgeted funding from additional contribution agreements. BDEC will continue to look for methods to deliver programs more effectively and efficiently and will continue to search for funding partnerships that aid us in delivering programs as outlined in our strategic plan to our students in each of our communities.

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

Student and Teacher population for each school

Community	School	2015 Students	2015 Teachers	2014 Students	2014 Teachers
Aklavik	Moose Kerr	151.00	11.93	151.00	11.93
Fort McPherson	Chief Julius	145.00	12.00	176.00	12.26
Inuvik	East 3 Elem	347.00	17.00	324.50	17.54
Inuvik	East 3 Second	266.00	20.00	283.00	21.43
Inuvik DEA	Subtotal	613.00	37.00	607.50	38.97
Paulatuk	Angik	51.75	5.50	50.00	7.21
Sachs Harbour	Inualthuyak	20.00	2.00	22.00	2.00
Tsiigehtchic	Chief Paul Niditchie	33.00	3.00	29.00	2.50
Tuktoyaktuk	Mangilaluk	221.50	14.00	202.50	12.62
Ulukhaktok	Helen Kalvak	107.00	7.00	100.50	8.77
Total		1342.25	92.43	1338.50	96.26

The Mary Bryant Award for Improvement in English (Award)

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

Background

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

Concept

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

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

The Award Recipient

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

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

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

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

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

Stallworthy-Carpenter Fund

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

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

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

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

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

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

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

2014/2015 Long Term Service Awards

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

Community	Name	Service Years
Aklavik	Deana Greenland	10
Fort McPherson	Shirley Snowshoe	20
Inuvik	Michelle Wright	5
	Kenneth Crocker	5
	William Logan	5
	Richard Letourneau	10
	Christina Pierrot	10
	Anna Pingo	10
	Allan Gillis	15
	Rosa Ann Kayotuk	20
Tsiigehtchic	Alma Cardinal	5
	Renie Koe	20
Tuktoyaktuk	Pamela Attwood	5
	Jenny Jacobson	5
	Annie Felix	25
Ulukhaktok	Laura Inuktalik	5
	Jennifer Dickson	5
	Shawn Feener	5
	Kathy Tollenaar	5

Summary and Outlook

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

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

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



MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

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

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

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

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

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



for Denise McDonald
Superintendent



Gary McBride
Comptroller

November 26, 2015



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INDEPENDENT AUDITORS' REPORT

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Beaufort-Delta Education Council which comprise the Consolidated Statement of Financial Position as at June 30, 2015 and the Consolidated Statements of Changes in Net Financial Assets (Debt), Revenue and Expenses and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Basis for Qualified Opinion

The Government of the Northwest Territories is responsible for the calculation and distribution of a significant portion of the wages and benefits that appear on the consolidated statement of operations, the accuracy of which is not susceptible to complete audit verification. We have satisfied ourselves that the payroll information provided by the GNWT was accurately reflected in the records of the Beaufort-Delta Education Council. Consequently, we were unable to determine whether adjustments to the financial performance and cash flows might be necessary for the year ended June 30, 2015.

INDEPENDENT AUDITORS' REPORT - cont'd.

Qualified Opinion

In our opinion, except for the matter described in the Basis for Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the Beaufort-Delta Education Council as at June 30, 2015 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

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

Avery Cooper & Co. Ltd.

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

November 26, 2015

BEAUFORT-DELTA EDUCATION COUNCIL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 June 30, 2015

Statement I

	<u>2015</u>	<u>2014</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents (Note 4)	\$ 8,697,156	\$ 5,888,309
Restricted Assets (Note 6)	258,247	257,553
Accounts Receivable (Note 8)	<u>370,135</u>	<u>585,483</u>
	<u>9,325,538</u>	<u>6,731,345</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 10)	686,478	761,028
Payroll Liabilities (Note 35)	3,523,631	2,833,323
Contribution Repayable (Note 12)	122,532	105,540
Employee Deductions Payable	37,343	36,083
Deferred Revenue (Note 11)	283,771	228,972
Post-Employment Benefits (Note 17)	<u>2,278,677</u>	<u>2,285,452</u>
	<u>6,932,432</u>	<u>6,250,398</u>
NET FINANCIAL ASSETS (Statement II)	<u>2,393,106</u>	<u>480,947</u>
NON-FINANCIAL ASSETS		
Prepaid Expenses (Note 20)	<u>31,022</u>	<u>2,549</u>
	<u>31,022</u>	<u>2,549</u>
ACCUMULATED SURPLUS (Statement IV)	<u>\$ 2,424,128</u>	<u>\$ 483,496</u>
CONTINGENCIES (Note 25)		

Approved:

Chris Selman for Superintendent

Hemmou Council Member

See the accompanying notes and schedules.

BEAUFORT-DELTA EDUCATION COUNCIL

Statement II

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

June 30, 2015

	2015 Budget (Unaudited)	2015 <u>Actual</u>	2014 <u>Actual</u>
EXCESS OF REVENUE OVER EXPENSES	\$ 67,505	\$ 1,939,938	\$ 1,095,370
Net Income from Stallworthy / Carpenter Fund	-	694	731
Acquisition of Prepaid Expenses	-	(31,022)	15,641
Use of Prepaid Expenses	<u>-</u>	<u>2,549</u>	<u>-</u>
	-	(27,779)	16,372
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	<u>67,505</u>	<u>1,912,159</u>	<u>1,111,742</u>
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>480,947</u>	<u>480,947</u>	<u>(630,795)</u>
NET FINANCIAL ASSETS, END OF YEAR	\$ <u>548,452</u>	\$ <u>2,393,106</u>	\$ <u>480,947</u>

See the accompanying notes and schedules.

BEAUFORT-DELTA EDUCATION COUNCIL
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended June 30, 2015

Statement III

	2015 Budget <u>(Unaudited)</u>	2015 <u>Actual</u>	2014 <u>Actual</u>
REVENUE			
Government of the NWT			
Regular contributions	\$ 27,406,454	\$ 28,173,065	\$ 28,258,496
Other ECE contributions (Note 33)	836,000	923,490	522,877
Other contributions (Note 34)	<u>(223,500)</u>	<u>454,185</u>	<u>779,419</u>
Total Government of the NWT	<u>28,018,954</u>	<u>29,550,740</u>	<u>29,560,792</u>
Government of Canada	<u>29,000</u>	<u>82,440</u>	<u>433,060</u>
Board Generated Funds			
Investment Income	-	66,658	34,488
Rentals	3,200	12,150	21,900
Other (Note 38)	<u>451,861</u>	<u>994,910</u>	<u>533,526</u>
Total Board Generated Funds	<u>455,061</u>	<u>1,073,718</u>	<u>589,914</u>
TOTAL REVENUE	<u>28,503,015</u>	<u>30,706,898</u>	<u>30,583,766</u>
EXPENSES (Schedule 1)			
Administration	2,022,130	2,302,276	2,131,576
School Programs	18,694,272	19,408,793	19,284,167
Inclusive Schooling	4,622,499	3,966,310	4,387,874
Student Accommodations	200,000	135,050	192,094
Operations & Maintenance	726,000	713,074	788,562
Aboriginal Languages/Cultural Programs	<u>2,170,609</u>	<u>2,241,457</u>	<u>2,704,123</u>
TOTAL EXPENSES	<u>28,435,510</u>	<u>28,766,960</u>	<u>29,488,396</u>
OPERATING SURPLUS	<u>\$ 67,505</u>	<u>\$ 1,939,938</u>	<u>\$ 1,095,370</u>

See the accompanying notes and schedules.

BEAUFORT-DELTA EDUCATION COUNCIL**Statement IV****CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS**

For the Year Ended June 30, 2015

	<u>2015</u>	<u>2014</u>
OPERATING FUND SURPLUS		
Operating Fund Surplus/(Deficit), Beginning of Year	225,943	(869,427)
Annual Surplus	<u>1,939,938</u>	<u>1,095,370</u>
Operating Fund Surplus, End of Year	<u>2,165,881</u>	<u>225,943</u>
STALLWORTHY / CARPENTER ENDOWMENT		
Opening Endowment Balance	257,553	-
Prior Period Adjustment (Note 37)	<u>-</u>	<u>256,824</u>
Opening Endowment Balance, as restated	257,553	256,824
Interest Income	3,194	3,229
Endowment Expenses	<u>(2,500)</u>	<u>(2,500)</u>
Closing Endowment Balance (Note 6)	<u>258,247</u>	<u>257,553</u>
Total Closing Accumulated Surplus	<u>2,424,128</u>	<u>483,496</u>

See the accompanying notes and schedules.

BEAUFORT-DELTA EDUCATION COUNCIL

Statement V

CONSOLIDATED STATEMENT OF CASH FLOW

For the Year Ended June 30, 2015

Cash provided by (used in):	<u>2015</u>	<u>2014</u>
OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ 1,939,938	\$ 1,095,370
Changes in non-cash assets and liabilities:		
Decrease (increase) in accounts receivable	215,348	28,835
Increase (decrease) in accounts payable	(74,550)	(13,547)
Increase (decrease) in payroll liabilities	690,308	933,765
Increase (decrease) in contributions repayable	16,992	76,606
Increase (decrease) in employee deductions payable	1,260	(2,815)
Increase (decrease) in deferred revenue	54,799	(6,111)
Increase (decrease) in post-employment benefits	(6,775)	194,971
Decrease (increase) in prepaid expenses	<u>(28,473)</u>	<u>15,624</u>
Cash provided by operating transactions	<u>2,808,847</u>	<u>2,322,698</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	2,808,847	2,322,698
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>5,888,309</u>	<u>3,565,611</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 8,697,156</u>	<u>\$ 5,888,309</u>

See the accompanying notes and schedules.

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

NOTE 1 NATURE OF ORGANIZATION

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

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

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

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

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

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

(b) Cash and Cash Equivalents

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

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES, *continued*

(c) Financial Instruments

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

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

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

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

(d) Non-Financial Assets

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

(e) Tangible Capital Assets

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

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES, *continued*

(f) Revenue Recognition

Government Transfers:

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

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

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

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

GNWT - Regular contributions:

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

Other contributions:

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

Stallworthy / Carpenter Endowment contributions:

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

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES, *continued*

(g) Infrastructure Funding

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

(h) Budget Data

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

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

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

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

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

(i) Measurement Uncertainty

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

(j) Inventories including Materials and Supplies

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

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES, continued

(k) Payroll Liabilities

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

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

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

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

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

(m) Special Purpose Funds

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

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

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

NOTE 3 FUTURE ACCOUNTING CHANGES

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

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

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

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

NOTE 4 CASH AND CASH EQUIVALENTS

	<u>2015</u>	<u>2014</u>
Cash	\$ <u>8,697,156</u>	\$ <u>5,888,309</u>
	\$ <u>8,697,156</u>	\$ <u>5,888,309</u>

NOTE 5 SPECIAL PURPOSE FUNDS

(Not applicable)

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

NOTE 6 RESTRICTED ASSETS

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

		<u>2015</u>	<u>2014</u>
Comprised of:			
Short-term	- GIC 0.95% due June 22, 2018	\$ 250,000	\$ 250,000
	- Due from general cash	<u>8,247</u>	<u>7,553</u>
		<u>\$ 258,247</u>	<u>\$ 257,553</u>
Stallworthy / Carpenter Endowment Fund: (Note 21)			
	Principal proceeds received	\$ 216,515	\$ 216,515
	Interest earned to date	255,645	252,452
	Expenses to date	<u>(213,913)</u>	<u>(211,414)</u>
		<u>\$ 258,247</u>	<u>\$ 257,553</u>

NOTE 7 PORTFOLIO INVESTMENTS

(Not applicable)

NOTE 8 ACCOUNTS RECEIVABLE

	<u>Accounts Receivable</u>	<u>Allowance</u>	<u>2015</u>	<u>2014</u>
Government of the Northwest Territories:				
- Education, Culture and Employment	\$ 29,910	\$ -	\$ 29,910	\$ 98,489
- Health and Social Services	4,466	-	4,466	10,344
- Municipal and Community Affairs	4,630	-	4,630	5,752
- Industry, Tourism and Investment	-	-	-	22,000
- Justice	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
Due from GNWT	39,006	-	39,006	141,585
Other Accounts receivable	406,477	75,348	331,129	425,251
Chief Julius School	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,647</u>
	<u>\$ 445,483</u>	<u>\$ 75,348</u>	<u>\$ 370,135</u>	<u>\$ 585,483</u>

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

NOTE 9 INVENTORY

(Not applicable)

NOTE 10 ACCOUNTS PAYABLE

	<u>2015</u>	<u>2014</u>
Government of the Northwest Territories:		
Education, Culture and Employment	\$ 41,106	\$ -
Municipal and Community Affairs	7,066	18,585
Finance	19,086	-
Taxation	1,742	-
Justice	3,592	-
Aurora College	-	330
Human Resources	-	1,500
Industry, Tourism and Investment	25,119	2,245
Public Works	<u>2,674</u>	<u>669</u>
Due to GNWT	100,385	23,329
Various BDEC schools	301,738	377,108
Accounts payable	40,066	32,674
Accrued payables	<u>244,270</u>	<u>327,917</u>
	<u>\$ 686,459</u>	<u>\$ 761,028</u>

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

NOTE 11 DEFERRED REVENUE

	<u>2015</u>	<u>2014</u>
Education, Culture & Employment		
- HKS Playground	\$ 20,000	\$ -
- HKS Kitchen Upgrade	19,800	-
- E3E Playground	50,000	-
- NGDG	6,641	-
- Healthy Food for Learning	104,130	-
- Safe and Caring Schools	2,160	-
-	-	115,272
Justice		
- New Beginnings - Inuvik DEA	5,159	8,751
Library		
- School & Public Library Services - Ft. McPherson DEA	9,979	-
- Library - Ulukhaktok DEA	14,280	57,285
Healthy and Social Services		
- Drop the Pop	7,153	4,500
Municipal & Community Affairs		
- Ivvavik	<u>5,155</u>	<u>5,155</u>
Government of the Northwest Territories	244,457	190,963
Health Canada - Community Oral Health initiative	1,197	-
Inuvik Community Corporation	12,350	800
Aklavik Community Corporation	804	1,725
Paulatuk Community Corporation	-	4,674
Hamlet of Sachs Harbour	1,500	1,500
Inuvialuit Regional Corporation	14,163	27,620
Food First Foundation	-	1,690
NWT Literacy Council	1,900	-
Show Kids You Care	2,400	-
E3E Breakfast	<u>5,000</u>	<u>-</u>
	<u>\$ 283,771</u>	<u>\$ 228,972</u>

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

NOTE 12 CONTRIBUTION REPAYABLE

	<u>2015</u>	<u>2014</u>
Education, Culture & Employment		
- Infrastructure 2013/14	-	94,559
- Library Services - Aklavik DEA	-	10,981
Municipal & Community Affairs		
- Employee Secondment	<u>122,532</u>	<u>-</u>
	<u>122,532</u>	<u>105,540</u>

NOTE 13 DUE FROM AND TO THE GOVERNMENT OF CANADA

(Not applicable)

NOTE 14 CAPITAL LEASE OBLIGATION

(Not applicable)

NOTE 15 PENSIONS

(Not applicable)

NOTE 16 LONG-TERM DEBT

(Not applicable)

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

Under conditions of employment, employees qualify for retirement and severance remuneration based on the number of years of service. some employees also qualify for annual leave. certain employees will also receive assistance with removal costs to return to their point of recruitment. annual leave is payable within one fiscal year; payment of other amounts is dependent upon employees leaving the government.

	<u>2015</u>	<u>2014</u>
Annual leave and lieu time	\$ 98,421	\$ 122,987
Retirement and resignation benefits	1,170,586	1,165,391
Ultimate removal assistance	<u>1,009,670</u>	<u>997,074</u>
	<u>\$ 2,278,677</u>	<u>\$ 2,285,452</u>

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

NOTE 18 TRUST ASSETS UNDER ADMINISTRATION

(Not applicable)

NOTE 19 TANGIBLE CAPITAL ASSETS

(Not applicable)

NOTE 20 PREPAID EXPENSES

	<u>2015</u>	<u>2014</u>
Air North	4,195	-
First Air	1,661	-
Alberta Assessment Consortium	1,100	1,100
Career Cruising	998	-
Studentlink Canada Ltd.	250	-
Cleaning supplies - Inuvik schools	21,009	-
WSCC overpayment - Tuk DEA	722	-
Bingo licensing and rental - Tuk DEA	1,087	725
PD Pro's Ltd.	-	499
Central Professional Development	-	225
	<u>31,022</u>	<u>2,549</u>

NOTE 21 ACCUMULATED SURPLUS/DEFICIT

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

NOTE 22 CAPITAL ADVANCES

(Not applicable)

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

NOTE 23 GNWT ASSETS PROVIDED AT NO COST

	<u>Cost</u>	<u>Accumulated Amortization</u>	2015 <u>Net Book Value</u>	2014 <u>Net Book Value</u>
BBDEC Student Housing				
Inuvik	\$ 182,650	\$ 182,650	\$ -	\$ -
East Three Secondary School Carpentry shop	461,563	461,563	-	-
East Three Secondary School Auto Shop	541,689	437,549	104,140	119,569
Moose Kerr School	7,930,856	4,558,565	3,372,291	3,617,549
Aklavik Portable Classrooms	62,052	62,052	-	-
Chief Julius School	9,146,834	4,127,574	5,019,260	5,245,190
Mangilaluk School	7,146,891	4,066,050	3,080,841	3,282,268
Inualthuyak School	2,298,578	1,010,492	1,288,086	1,335,887
Helen Kalvak School	8,864,887	5,956,416	2,908,471	3,206,775
Angik School	3,370,004	1,761,787	1,608,217	1,710,326
Chief Paul Niddchie School	2,467,761	627,922	1,839,839	1,882,679
Moose Kerr Foundation Replacement	753,546	80,101	673,445	692,283
Tsiigehtchic Gym	1	-	1	1
Moose Kerr School - Ventilation	173,505	33,574	139,931	151,512
Angik School Retrofit	123,278	25,721	97,557	107,562
Helen Kalvak School Vent & DDC Retrofit	354,896	66,543	288,353	317,928
East Three New Inuvik School	106,182,229	7,520,338	98,661,891	101,232,591
Tsiigehtchic Gym Pilings	205,668	10,712	194,956	195,384
Aklavik Community Library	<u>234,794</u>	<u>92,456</u>	<u>142,338</u>	<u>148,208</u>
	<u>\$150,501,682</u>	<u>\$ 31,082,065</u>	<u>\$119,419,617</u>	<u>\$123,245,712</u>

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

NOTE 24 CONTRACTUAL OBLIGATIONS

The Council has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2015:

	<u>Expires in Fiscal Year:</u>	<u>2016</u>	<u>2017-2021</u>	<u>Total</u>
Commercial Leases	2020	\$ 146,100	\$ 511,349	\$ 657,449
Equipment Leases	2021	<u>59,507</u>	<u>153,207</u>	<u>212,714</u>
Total		<u>\$ 205,607</u>	<u>\$ 664,556</u>	<u>\$ 870,163</u>

Estimated lease payments are as follows:

2016	\$ 205,607
2017	201,987
2018	196,043
2019	177,592
2020	85,574
Subsequent years	<u>3,360</u>
	<u>\$ 870,163</u>

NOTE 25 CONTINGENCIES

(Not applicable)

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

NOTE 26 RELATED PARTY TRANSACTIONS

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

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

	<u>2015</u>	<u>2014</u>
<u>Accounts receivable:</u>		
Department of Education, Culture & Employment	\$ 29,910	\$ 98,489
Department of Health and Social Services	4,466	10,344
Department of Municipal & Community Affairs	4,630	5,752
Department of Industry, Tourism and Investment	-	22,000
Department of Justice	-	5,000
Chief Julius School, Ft. McPherson	\$ -	\$ 18,647
	<u>39,006</u>	<u>160,232</u>
<u>Accounts payable:</u>		
Aurora College	\$ -	\$ 330
Department of Education, Culture & Employment	41,106	-
Department of Municipal & Community Affairs	7,066	18,585
Department of Finance	19,086	-
Department of Taxation	1,742	-
Department of Justice	3,592	-
Department of Industry, Tourism and Investment	25,119	2,245
Department of Human Resources	-	1,500
Department of Public Works	2,674	669
Various BDEC Schools	\$ 301,738	\$ 377,108
	<u>402,123</u>	<u>400,437</u>

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

NOTE 27 BUDGET DATA

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

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

The budget figures presented are those approved by the Minister of Education, Culture and Employment on June 4, 2014 and have not been audited.

NOTE 28 ECONOMIC DEPENDENCE

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

NOTE 29 FINANCIAL INSTRUMENTS

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

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

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

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

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

NOTE 30 EXPENSES BY OBJECT

	2015 Budget <u>(Unaudited)</u>	2015 <u>Actual</u>	2014 <u>Actual</u>
Compensation	\$ 20,001,945	\$ 22,107,426	\$ 22,551,922
Other	<u>8,433,565</u>	<u>6,659,534</u>	<u>6,936,474</u>
	<u>\$ 28,435,510</u>	<u>\$ 28,766,960</u>	<u>\$ 29,488,396</u>

NOTE 31 SUBSEQUENT EVENTS

(Not applicable)

NOTE 32 COMPARATIVE FIGURES

(Not applicable)

NOTE 33 ECE OTHER CONTRIBUTIONS

	<u>2015</u>
French Program	\$ 90,000
eLearning	460,000
TLC - Gwichin	39,000
TLC - Inuvialuit	39,000
School's O & M Surplus Carryforward	4,871
HKS Kitchen	33,700
Library Operations	58,762
Self Regulation & Action Research	12,000
NWT Literacy Program (Aklavik)	13,656
Library (Aklavik)	51,694
Public Library Services (Ft McPherson)	50,302
Community Literacy Projects (Ft McPherson)	15,000
Literacy (Ulukhaktok)	10,698
Library (Ulukhaktok)	<u>44,807</u>
	<u>\$ 923,490</u>

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

NOTE 34 GNWT OTHER CONTRIBUTIONS

	<u>2015</u>
Others (Finance)	14,130
Skills Power up (MACA)	4,630
Community Kitchen	8,966
YELS (MACA)	30,000
RYS - Basketball (MACA)	16,670
RYS - Soccer (MACA)	2,665
NGDG Summit (MACA)	37,000
RYS - Volleyball (MACA)	2,665
GNWT - RYS Hockey (MACA)	4,000
Drop the Pop (H & SS)	12,693
Take a Kid Trapping (ITI)	11,050
Talk a Kid Hunting (ITI)	7,000
GNWT - Others	898
After School Physical Activity (MACA)	135,522
HKS Resiliency (YK Catholic School)	41,940
4 Pillars - MKS & CJS (YK Catholic School)	47,854
Take a Kid Trapping (ITI)	21,150
Talk a Kid Hunting (ITI)	30,229
Keepers (MACA)	19,248
GNWT - Others	382
NWT Literacy Council (Ft McPherson)	4,100
Misc revenue (Ulukhaktok)	<u>1,393</u>
	<u><u>454,185</u></u>

NOTE 35 PAYROLL LIABILITIES

	<u>2015</u>
NWTTA	2,799,112
UNW School Year	646,826
Other June 30	<u>77,693</u>
	<u><u>3,523,631</u></u>

NOTE 36 STATEMENT OF REMEASUREMENT GAINS AND LOSSES

(Not applicable)

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

NOTE 37 **RESTATEMENTS**

The Stallworthy/Carpenter Fund is an Endowment Fund in Accumulated Surplus / (Deficit). Previously, the Council recorded this fund as a Trust Liability.

Consequently, the prior year's figures have been restated as if the Stallworthy/Carpenter Fund had always been recorded as an Endowment Fund. The amount of the adjustment as a result of the correction is a decrease in the Trust Liability at June 30, 2015 of \$258,246 (2014 - \$257,553) and an increase in the Accumulated Surplus / (Deficit) at June 30, 2015 of \$258,246 (2014 - \$257,553).

NOTE 38 **OTHER REVENUE**

	<u>2015</u>
NWTTA SSI	87,039
Partnerships - eLearning	60,000
NGDG Summit	31,209
Breakfast for Learning	66,749
eLearning	115,000
Inuvialuit Indicators	150,000
IRC - Tobacco Free	29,000
Other less than 20K	94,537
Other Contributions (Aklavik DEA)	23,203
Other less than 20K (Aklavik DEA)	24,963
TGC - Social Skills Program (Ft. McPherson DEA)	105,000
Other less than 20K (Ft. McPherson DEA)	12,657
Inuvik Community Corporation (Inuvik DEA)	57,201
Facility Use (Inuvik DEA)	27,037
Other less than 20K (Inuvik DEA)	6,669
Other less than 20K (Paulatuk DEA)	20,766
Donations (Tsiigehtchic DEA)	2,500
Bings (Tuktoyaktuk DEA)	26,361
Brighter Futures (Tuktoyaktuk DEA)	20,627
Other less than 20K (Tuktoyaktuk DEA)	8,801
Other less than 20K (Ulukhaktok DEA)	<u>25,591</u>
	<u><u>994,910</u></u>

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 1

CONSOLIDATED DETAILS OF EXPENSES

For the Year Ended June 30, 2015

	<u>School</u>	<u>Inclusive</u>	<u>Student</u>	<u>Operations &</u>	<u>Administration</u>	<u>Aboriginal</u>	<u>2015</u>
	<u>Programs</u>	<u>Schooling</u>	<u>Accommodations</u>	<u>Maintenance</u>		<u>Languages</u>	
SALARIES:							
Teachers	\$ 11,213,673	\$ 722,868	\$ -	\$ -	\$ -	\$ 984,613	\$ 12,921,154
Instruction Assistants	142,344	-	-	-	-	95,850	238,194
Non-instructional Staff	1,839,236	1,703,844	-	-	1,283,488	266,453	5,093,021
Board/Trustee Honoraria	2,520	-	-	-	82,525	72,915	157,960
EMPLOYEE BENEFITS							
Employee Benefit/Allowance	4,405,933	960,252	-	110,023	392,381	310,761	6,179,350
Leave and Termination	271,554	-	-	-	14,722	-	286,276
SERVICES PURCHASED/ CONTRACTED							
Professional/Technical Services	-	165,137	-	-	97,534	-	262,671
Postage/Communication	92,371	-	1,442	-	34,929	-	128,742
Utilities & Leases	1,104	3,202	-	-	2,999	-	7,305
Travel	85,880	20,694	-	-	131,272	76,757	314,603
Student Travel	116,869	4,770	131,242	-	-	30,280	283,161
Advertising/Printing/Publishing	-	-	128	-	6,889	-	7,017
Maintenance/Repair	37,771	-	-	-	6,769	15,895	60,435
Rentals/Leases	101,121	34,647	-	141,624	17,207	25,900	320,499
Others	55,024	-	-	461,427	71,670	8,761	596,882
Contracted Services	135,792	180,563	-	-	6,809	212,805	535,969
MATERIALS/SUPPLIES/FREIGHT							
Materials	741,794	79,233	2,238	-	91,214	138,805	1,053,284
Furniture and Equipment	113,898	78,931	-	-	53,798	-	246,627
Freight	<u>51,909</u>	<u>12,169</u>	<u>-</u>	<u>-</u>	<u>8,070</u>	<u>1,662</u>	<u>73,810</u>
CONTRIBUTIONS/TRANSFERS							
Total	<u>\$ 19,408,793</u>	<u>\$ 3,966,310</u>	<u>\$ 135,050</u>	<u>\$ 713,074</u>	<u>\$ 2,302,276</u>	<u>\$ 2,241,457</u>	<u>\$ 28,766,960</u>

AKLAVIK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2015

	<u>2015</u>	<u>2014</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 25,044	\$ 43,313
Due from Related Parties	24,030	-
Accounts Receivable	<u>14,149</u>	<u>25,984</u>
	<u>63,223</u>	<u>69,297</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	1,293	3,216
Due to Related Parties	960	20,866
Payroll Liabilities	1,165	11,278
Contribution Repayable	-	10,981
Deferred Revenue	<u>804</u>	<u>14,048</u>
	<u>4,222</u>	<u>60,389</u>
ACCUMULATED SURPLUS	<u>\$ 59,001</u>	<u>\$ 8,908</u>

AKLAVIK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2015

	2015 Budget (Unaudited)	2015 <u>Actual</u>	2014 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 130,514	\$ 74,294	\$ 82,421
Other ECE contributions	51,800	65,350	-
Other contributions	-	-	41,955
Government of Canada	-	50,988	231,538
Other	<u>17,000</u>	<u>48,166</u>	<u>52,476</u>
TOTAL REVENUE	<u>199,314</u>	<u>238,798</u>	<u>408,390</u>
EXPENSES			
Administration	47,344	15,909	71,357
School Programs	60,800	78,939	63,346
Inclusive Schooling	55,260	-	8,992
Aboriginal Languages/Cultural Programs	<u>35,910</u>	<u>93,856</u>	<u>263,290</u>
TOTAL EXPENSES	<u>199,314</u>	<u>188,704</u>	<u>406,985</u>
OPERATING SURPLUS	-	50,094	1,405
OPENING ACCUMULATED SURPLUS	<u>8,905</u>	<u>8,905</u>	<u>7,500</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 8,905</u>	<u>\$ 58,999</u>	<u>\$ 8,905</u>

AKLAVIK DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
For the Year Ended June 30, 2015

	<u>School</u>	<u>Administration</u>	<u>Aboriginal</u>	<u>2015</u>
	<u>Programs</u>	<u>Administration</u>	<u>Languages</u>	<u>2015</u>
SALARIES:				
Instruction Assistants	\$ -	\$ -	\$ 46,905	\$ 46,905
Non-instructional Staff	56,284	-	9,296	65,580
Board/Trustee Honoraria	500	4,925	4,500	9,925
EMPLOYEE BENEFITS				
Employee Benefit/Allowance	2,286	2,286	6,857	11,429
SERVICES PURCHASED/ CONTRACTED				
Professional/Technical Services	-	-	-	-
Postage/Communication	-	963	-	963
Travel	-	113	5,023	5,136
Others	100	2,122	-	2,222
Contracted Services	-	-	5,124	5,124
MATERIALS/SUPPLIES/FREIGHT				
Materials	14,144	5,500	16,151	35,795
Furniture and Equipment	5,107	-	-	5,107
Freight	518	-	-	518
Total	<u>\$ 78,939</u>	<u>\$ 15,909</u>	<u>\$ 93,856</u>	<u>\$ 188,704</u>

FT MCPHERSON DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2015

	<u>2015</u>	<u>2014</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 14,538	\$ 26,272
Due from Related Parties	34,165	24,382
Accounts Receivable	<u>4,540</u>	<u>22,996</u>
	<u>53,243</u>	<u>73,650</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	19,414	11,716
Payroll Liabilities	2,380	5,189
Deferred Revenue	<u>11,879</u>	<u>21,981</u>
	<u>33,673</u>	<u>38,886</u>
ACCUMULATED SURPLUS	<u>\$ 19,570</u>	<u>\$ 34,764</u>

FT MCPHERSON DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2015

	2015 Budget (Unaudited)	2015 <u>Actual</u>	2014 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 132,251	\$ 156,525	\$ 153,100
Other ECE contributions	53,300	65,302	-
Other contributions	-	4,100	41,071
Government of Canada	-	-	176,387
Other	<u>12,000</u>	<u>117,657</u>	<u>98,068</u>
TOTAL REVENUE	<u>197,551</u>	<u>343,584</u>	<u>468,626</u>
EXPENSES			
Administration	55,161	69,768	84,738
School Programs	53,950	131,214	107,384
Inclusive Schooling	55,260	21,906	32,555
Aboriginal Languages/Cultural Programs	<u>33,180</u>	<u>135,890</u>	<u>255,948</u>
TOTAL EXPENSES	<u>197,551</u>	<u>358,778</u>	<u>480,625</u>
OPERATING DEFICIT	-	(15,194)	(11,999)
OPENING ACCUMULATED SURPLUS	<u>34,759</u>	<u>34,759</u>	<u>46,758</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 34,759</u>	<u>\$ 19,565</u>	<u>\$ 34,759</u>

FT MCPHERSON DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
For the Year Ended June 30, 2015

	<u>School</u>	<u>Inclusive</u>	<u>Administration</u>	<u>Aboriginal</u>	<u>2015</u>
	<u>Programs</u>	<u>Schooling</u>		<u>Languages</u>	
SALARIES:					
Instruction Assistants	\$ 115,830	\$ -	\$ -	\$ -	\$ 115,830
Non-instructional Staff	-	-	36,484	81,119	117,603
Board/Trustee Honoraria	-	-	6,200	19,135	25,335
EMPLOYEE BENEFITS					
Employee Benefit/Allowance	4,267	-	2,561	10,241	17,069
SERVICES PURCHASED/ CONTRACTED					
Professional/Technical Services	-	-	-	-	-
Postage/Communication	-	-	826	-	826
Student Travel	2,179	-	-	200	2,379
Rentals/Leases	-	13,577	-	5,350	18,927
Others	-	-	3,954	-	3,954
Contracted Services	-	-	-	1,769	1,769
MATERIALS/SUPPLIES/FREIGHT					
Materials	8,702	8,329	19,743	18,076	54,850
Freight	236	-	-	-	236
Total	<u>\$ 131,214</u>	<u>\$ 21,906</u>	<u>\$ 69,768</u>	<u>\$ 135,890</u>	<u>\$ 358,778</u>

INUVIK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2015

	<u>2015</u>	<u>2014</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 77,133	\$ 100,970
Due from Related Parties	95,255	14,129
Accounts Receivable	<u>2,000</u>	<u>3,460</u>
	<u>174,388</u>	<u>118,559</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	12,138	49,709
Due to Related Parties	15,517	-
Payroll Liabilities	9,356	965
Deferred Revenue	<u>5,509</u>	<u>5,959</u>
	<u>42,520</u>	<u>56,633</u>
ACCUMULATED SURPLUS	<u>\$ 131,868</u>	<u>\$ 61,926</u>

INUVIK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2015

	2015 Budget (Unaudited)	2015 <u>Actual</u>	2014 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 244,179	\$ 305,235	\$ 241,290
Investment Income	-	-	85
Other	<u>117,360</u>	<u>90,907</u>	<u>82,543</u>
TOTAL REVENUE	<u>361,539</u>	<u>396,142</u>	<u>323,918</u>
EXPENSES			
Administration	121,258	98,820	142,003
School Programs	82,510	52,573	76,257
Inclusive Schooling	-	72,313	-
Aboriginal Languages/Cultural Programs	<u>157,771</u>	<u>102,494</u>	<u>116,099</u>
TOTAL EXPENSES	<u>361,539</u>	<u>326,200</u>	<u>334,359</u>
OPERATING SURPLUS	-	69,942	(10,441)
OPENING ACCUMULATED SURPLUS	<u>61,927</u>	<u>61,927</u>	<u>72,368</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 61,927</u>	<u>\$ 131,869</u>	<u>\$ 61,927</u>

INUVIK DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
For the Year Ended June 30, 2015

	<u>School Programs</u>	<u>Inclusive Schooling</u>	<u>Administration</u>	<u>Aboriginal Languages</u>	<u>2015</u>
SALARIES:					
Instruction Assistants	\$ -	\$ -	\$ -	\$ 47,815	\$ 47,815
Non-instructional Staff	19,085	1,695	71,882	22,055	114,717
Board/Trustee Honoraria	-	-	9,475	-	9,475
EMPLOYEE BENEFITS					
Employee Benefit/Allowance	1,342	-	4,543	4,441	10,326
SERVICES PURCHASED/ CONTRACTED					
Professional/Technical Services	-	-	-	-	-
Postage/Communication	-	-	53	-	53
Utilities & Leases	1,104	738	2,999	-	4,841
Travel	-	-	-	2,500	2,500
Student Travel	980	-	-	-	980
Advertising/Printing/Publishing	-	-	2,000	-	2,000
Rentals/Leases	14,730	5,670	-	-	20,400
Others	500	-	1,331	330	2,161
Contracted Services	11,898	7,141	-	15,000	34,039
MATERIALS/SUPPLIES/FREIGHT					
Materials	2,934	-	6,537	10,353	19,824
Furniture and Equipment	-	57,069	-	-	57,069
Total	<u>\$ 52,573</u>	<u>\$ 72,313</u>	<u>\$ 98,820</u>	<u>\$ 102,494</u>	<u>\$ 326,200</u>

PAULATUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2015

	<u>2015</u>	<u>2014</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 4,878	\$ 6,913
Due from Related Parties	<u>12,028</u>	<u>3,510</u>
	<u>16,906</u>	<u>10,423</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	4,000	-
Due to Related Parties	7,816	7,700
Payroll Liabilities	1,313	1,464
Deferred Revenue	<u>3,545</u>	<u>4,674</u>
	<u>16,674</u>	<u>13,838</u>
ACCUMULATED SURPLUS (DEFICIT)	<u>\$ 232</u>	<u>\$ (3,415)</u>

PAULATUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2015

	2015 Budget (Unaudited)	2015 <u>Actual</u>	2014 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 39,948	\$ 39,832	\$ 37,113
Other	<u>14,500</u>	<u>20,766</u>	<u>15,174</u>
TOTAL REVENUE	<u>54,448</u>	<u>60,598</u>	<u>52,287</u>
EXPENSES			
Administration	24,358	22,740	31,095
School Programs	13,700	22,708	30,535
Aboriginal Languages/Cultural Programs	<u>16,390</u>	<u>11,505</u>	<u>2,463</u>
TOTAL EXPENSES	<u>54,448</u>	<u>56,953</u>	<u>64,093</u>
OPERATING SURPLUS	-	3,645	(11,806)
OPENING ACCUMULATED DEFICIT	<u>(3,412)</u>	<u>(3,412)</u>	<u>8,394</u>
CLOSING ACCUMULATED SURPLUS (DEFICIT)	<u><u>\$ (3,412)</u></u>	<u><u>\$ 233</u></u>	<u><u>\$ (3,412)</u></u>

PAULATUK DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
For the Year Ended June 30, 2015

	<u>School Programs</u>	<u>Administration</u>	<u>Aboriginal Languages</u>	<u>2015</u>
SALARIES:				
Non-instructional Staff	\$ 8,050	\$ 10,890	\$ 10,000	\$ 28,940
Board/Trustee Honoraria	-	7,725	375	8,100
EMPLOYEE BENEFITS				
Employee Benefit/Allowance	680	700	680	2,060
SERVICES PURCHASED/ CONTRACTED				
Professional/Technical Services	-	-	-	-
Postage/Communication	-	1,751	-	1,751
Student Travel	675	-	-	675
Others	-	549	250	799
Contracted Services	8,000	-	-	8,000
MATERIALS/SUPPLIES/FREIGHT				
Materials	<u>5,303</u>	<u>1,125</u>	<u>200</u>	<u>6,628</u>
Total	<u>\$ 22,708</u>	<u>\$ 22,740</u>	<u>\$ 11,505</u>	<u>\$ 56,953</u>

SACHS HARBOUR DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION

For the year ended June 30, 2015

	<u>2015</u>	<u>2014</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 20,719	\$ 4,113
Due from Related Parties	<u>46,210</u>	<u>50,397</u>
	<u>66,929</u>	<u>54,510</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	-	574
Due to Related Parties	11,160	5,500
Payroll Liabilities	48	20
Deferred Revenue	<u>1,500</u>	<u>1,500</u>
	<u>12,708</u>	<u>7,594</u>
ACCUMULATED SURPLUS	<u>\$ 54,221</u>	<u>\$ 46,916</u>

SACHS HARBOUR DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2015

	2015 Budget (Unaudited)	2015 <u>Actual</u>	2014 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 29,576	\$ 23,416	\$ 26,823
Rentals	<u>-</u>	<u>-</u>	<u>1,800</u>
TOTAL REVENUE	<u>29,576</u>	<u>23,416</u>	<u>28,623</u>
EXPENSES			
Administration	4,176	3,401	1,723
School Programs	16,450	12,710	19,803
Aboriginal Languages/Cultural Programs	<u>8,950</u>	<u>-</u>	<u>300</u>
TOTAL EXPENSES	<u>29,576</u>	<u>16,111</u>	<u>21,826</u>
OPERATING SURPLUS	-	7,305	6,797
OPENING ACCUMULATED SURPLUS	<u>46,917</u>	<u>46,917</u>	<u>40,120</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 46,917</u>	<u>\$ 54,222</u>	<u>\$ 46,917</u>

SACHS HARBOUR DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
For the Year Ended June 30, 2015

	<u>School Programs</u>	<u>Administration</u>	<u>2015</u>
SALARIES:			
Non-instructional Staff	\$ -	\$ 1,650	\$ 1,650
Board/Trustee Honoraria	-	1,400	1,400
EMPLOYEE BENEFITS			
Employee Benefit/Allowance	-	88	88
SERVICES PURCHASED/ CONTRACTED			
Professional/Technical Services	-	-	-
Others	-	63	63
Contracted Services	12,000	-	12,000
MATERIALS/SUPPLIES/FREIGHT			
Materials	<u>710</u>	<u>200</u>	<u>910</u>
Total	<u>\$ 12,710</u>	<u>\$ 3,401</u>	<u>\$ 16,111</u>

TSIIGEHTCHIC DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2015

	<u>2015</u>	<u>2014</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 44,402	\$ 56,883
Due from Related Parties	93,398	76,053
Accounts Receivable	<u>5,200</u>	<u>-</u>
	<u>143,000</u>	<u>132,936</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	8,882	1,455
Due to Related Parties	7,047	4,024
Payroll Liabilities	<u>986</u>	<u>1,489</u>
	<u>16,915</u>	<u>6,968</u>
ACCUMULATED SURPLUS	<u>\$ 126,085</u>	<u>\$ 125,968</u>

TSIIGEHTCHIC DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2015

	2015 Budget (Unaudited)	2015 <u>Actual</u>	2014 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 25,690	\$ 22,666	\$ 25,166
Rentals	3,200	12,150	15,100
Other	<u>-</u>	<u>2,500</u>	<u>-</u>
TOTAL REVENUE	<u>28,890</u>	<u>37,316</u>	<u>40,266</u>
EXPENSES			
Administration	7,400	18,225	6,201
School Programs	9,200	14,923	2,641
Aboriginal Languages/Cultural Programs	<u>12,290</u>	<u>4,054</u>	<u>7,702</u>
TOTAL EXPENSES	<u>28,890</u>	<u>37,202</u>	<u>16,544</u>
OPERATING SURPLUS	-	114	23,722
OPENING ACCUMULATED SURPLUS	<u>125,966</u>	<u>125,966</u>	<u>102,244</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 125,966</u>	<u>\$ 126,080</u>	<u>\$ 125,966</u>

TSIIGEHTCHIC DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
For the Year Ended June 30, 2015

	<u>School Programs</u>	<u>Administration</u>	<u>Aboriginal Languages</u>	<u>2015</u>
SALARIES:				
Instruction Assistants	\$ -	\$ -	\$ 1,130	\$ 1,130
Non-instructional Staff	-	6,013	-	6,013
Board/Trustee Honoraria	-	3,950	-	3,950
EMPLOYEE BENEFITS				
Employee Benefit/Allowance	-	407	-	407
SERVICES PURCHASED/ CONTRACTED				
Professional/Technical Services	-	-	-	-
Postage/Communication	-	53	-	53
Student Travel	7,690	-	-	7,690
Others	4,733	3,104	2,924	10,761
MATERIALS/SUPPLIES/FREIGHT				
Materials	2,500	1,453	-	3,953
Furniture and Equipment	-	3,245	-	3,245
Total	<u>\$ 14,923</u>	<u>\$ 18,225</u>	<u>\$ 4,054</u>	<u>\$ 37,202</u>

TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION

For the year ended June 30, 2015

	<u>2015</u>	<u>2014</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 7,117	\$ 24,826
Due from Related Parties	20,288	6,116
Accounts Receivable	<u>47</u>	<u>300</u>
	<u>27,452</u>	<u>31,242</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	24,461	17,207
Due to Related Parties	2,396	-
Payroll Liabilities	3,168	3,498
Deferred Revenue	<u>6,197</u>	<u>-</u>
	<u>36,222</u>	<u>20,705</u>
NET FINANCIAL RESOURCES (DEBT)	<u>(8,770)</u>	<u>10,537</u>
NON-FINANCIAL ASSETS		
Prepaid Expenses	<u>1,810</u>	<u>725</u>
ACCUMULATED SURPLUS (DEFICIT)	<u>\$ (6,960)</u>	<u>\$ 11,262</u>

TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2015

	2015 Budget (Unaudited)	2015 <u>Actual</u>	2014 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 149,178	\$ 116,822	\$ 84,896
Government of Canada	29,000	28,602	25,135
Other	<u>46,000</u>	<u>55,788</u>	<u>71,625</u>
TOTAL REVENUE	<u>224,178</u>	<u>201,212</u>	<u>181,656</u>
EXPENSES			
Administration	41,650	46,450	53,480
School Programs	88,896	116,580	97,988
Inclusive Schooling	55,260	26,624	-
Aboriginal Languages/Cultural Programs	<u>38,372</u>	<u>29,783</u>	<u>32,791</u>
TOTAL EXPENSES	<u>224,178</u>	<u>219,437</u>	<u>184,259</u>
OPERATING DEFICIT	-	(18,225)	(2,603)
OPENING ACCUMULATED SURPLUS	<u>11,262</u>	<u>11,262</u>	<u>13,865</u>
CLOSING ACCUMULATED SURPLUS (DEFICIT)	<u>\$ 11,262</u>	<u>\$ (6,963)</u>	<u>\$ 11,262</u>

TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
For the Year Ended June 30, 2015

	<u>School</u> <u>Programs</u>	<u>Inclusive</u> <u>Schooling</u>	<u>Administration</u>	<u>Aboriginal</u> <u>Languages</u>	<u>2015</u>
SALARIES:					
Non-instructional Staff	\$ 22,220	\$ -	\$ 23,329	\$ -	\$ 45,549
Board/Trustee Honoraria	-	-	5,775	7,575	13,350
EMPLOYEE BENEFITS					
Employee Benefit/Allowance	1,706	-	3,285	-	4,991
SERVICES PURCHASED/ CONTRACTED					
Professional/Technical Services	-	-	-	-	-
Postage/Communication	-	-	20	-	20
Utilities & Leases	-	2,464	-	-	2,464
Travel	-	-	273	1,054	1,327
Rentals/Leases	-	15,400	3,923	750	20,073
Others	980	-	3,282	-	4,262
Contracted Services	35,066	8,760	350	12,368	56,544
MATERIALS/SUPPLIES/FREIGHT					
Materials	45,339	-	5,411	7,786	58,536
Furniture and Equipment	8,797	-	-	-	8,797
Freight	2,472	-	802	250	3,524
Total	<u>\$ 116,580</u>	<u>\$ 26,624</u>	<u>\$ 46,450</u>	<u>\$ 29,783</u>	<u>\$ 219,437</u>

ULUKHAKTOK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2015

	<u>2015</u>	<u>2014</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 35,956	\$ 52,580
Due from Related Parties	10,911	4,283
Accounts Receivable	<u>400</u>	<u>550</u>
	<u>47,267</u>	<u>57,413</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	250	250
Payroll Liabilities	1,015	953
Deferred Revenue	<u>17,177</u>	<u>22,980</u>
	<u>18,442</u>	<u>24,183</u>
ACCUMULATED SURPLUS	<u>\$ 28,825</u>	<u>\$ 33,230</u>

ULUKHAKTOK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2015

	2015 Budget (Unaudited)	2015 <u>Actual</u>	2014 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 72,087	\$ 72,087	\$ 55,953
Other ECE contributions	50,227	55,505	-
Other contributions	-	1,393	51,241
Rentals	-	-	5,000
Other	<u>24,799</u>	<u>25,592</u>	<u>20,568</u>
TOTAL REVENUE	<u>147,113</u>	<u>154,577</u>	<u>132,762</u>
EXPENSES			
Administration	17,010	28,698	25,794
School Programs	72,660	90,642	89,184
Inclusive Schooling	16,050	16,054	-
Aboriginal Languages/Cultural Programs	<u>41,393</u>	<u>23,589</u>	<u>26,587</u>
TOTAL EXPENSES	<u>147,113</u>	<u>158,983</u>	<u>141,565</u>
OPERATING DEFICIT	-	(4,406)	(8,803)
OPENING ACCUMULATED SURPLUS	<u>33,225</u>	<u>33,225</u>	<u>42,028</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 33,225</u>	<u>\$ 28,819</u>	<u>\$ 33,225</u>

ULUKHAKTOK DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
For the Year Ended June 30, 2015

	<u>School</u> <u>Programs</u>	<u>Inclusive</u> <u>Schooling</u>	<u>Administration</u>	<u>Aboriginal</u> <u>Languages</u>	<u>2015</u>
SALARIES:					
Teachers	\$ 8,825	\$ -	\$ -	\$ -	\$ 8,825
Non-instructional Staff	41,720	16,054	3,796	17,319	78,889
Board/Trustee Honoraria	1,430	-	13,175	1,950	16,555
EMPLOYEE BENEFITS					
Employee Benefit/Allowance	-	-	4,783	-	4,783
SERVICES PURCHASED/ CONTRACTED					
Professional/Technical Services	-	-	-	-	-
Travel	-	-	1,959	-	1,959
Student Travel	11,194	-	-	-	11,194
Maintenance/Repair	-	-	302	-	302
Others	608	-	4,668	-	5,276
MATERIALS/SUPPLIES/FREIGHT					
Materials	<u>26,865</u>	<u>-</u>	<u>15</u>	<u>4,320</u>	<u>31,200</u>
Total	<u>\$ 90,642</u>	<u>\$ 16,054</u>	<u>\$ 28,698</u>	<u>\$ 23,589</u>	<u>\$ 158,983</u>

NON-CONSOL BEAUFORT DELTA EDUCATION COUNCIL
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2015

	<u>2015</u>	<u>2014</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 8,467,369	\$ 5,572,439
Accounts Receivable	343,798	532,192
Restricted Assets	<u>258,247</u>	<u>257,553</u>
	<u>9,069,414</u>	<u>6,362,184</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	616,021	676,217
Due to Related Parties	291,389	140,780
Payroll Liabilities	3,504,200	2,809,151
Contribution Repayable	122,532	94,559
Employee Deductions Payable	37,343	36,083
Deferred Revenue	237,160	157,830
Post-Employment Benefits	<u>2,278,677</u>	<u>2,285,452</u>
	<u>7,087,322</u>	<u>6,200,072</u>
NET FINANCIAL RESOURCES	<u>1,982,092</u>	<u>162,112</u>
NON-FINANCIAL ASSETS		
Prepaid Expenses	<u>29,212</u>	<u>1,824</u>
ACCUMULATED SURPLUS	<u>\$ 2,011,304</u>	<u>\$ 163,936</u>

NON-CONSOL BEAUFORT DELTA EDUCATION COUNCIL
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2015

	2015 Budget <u>(Unaudited)</u>	2015 <u>Actual</u>	2014 <u>Actual</u>
REVENUE			
Government of the NWT			
Regular contributions	\$ 27,511,554	\$ 28,173,065	\$ 28,258,496
Other ECE contributions	576,500	737,333	522,877
Other contributions	<u>(223,500)</u>	<u>448,692</u>	<u>645,152</u>
Total Government of the NWT	<u>27,864,554</u>	<u>29,359,090</u>	<u>29,426,525</u>
Government of Canada	<u>-</u>	<u>2,850</u>	<u>-</u>
Board Generated Funds			
Investment Income	-	66,658	34,403
Other	<u>245,000</u>	<u>633,534</u>	<u>193,072</u>
Total Board Generated Funds	<u>245,000</u>	<u>700,192</u>	<u>227,475</u>
TOTAL REVENUE	<u>28,109,554</u>	<u>30,062,132</u>	<u>29,654,000</u>
EXPENSES			
Administration	1,914,760	2,206,902	2,000,393
School Programs	18,465,634	19,049,758	18,955,029
Inclusive Schooling	4,622,499	4,028,303	4,393,300
Student Accommodations	200,000	135,050	192,094
Operations & Maintenance	726,000	713,074	788,562
Aboriginal Languages/Cultural Programs	<u>2,113,156</u>	<u>2,082,382</u>	<u>2,215,524</u>
TOTAL EXPENSES	<u>28,042,049</u>	<u>28,215,469</u>	<u>28,544,902</u>
OPERATING SURPLUS	67,505	1,846,663	1,109,098
OPENING ACCUMULATED DEFICIT	<u>(93,620)</u>	<u>(93,620)</u>	<u>(1,202,718)</u>
CLOSING ACCUMULATED SURPLUS (DEFICIT)	<u>\$ (26,115)</u>	<u>\$ 1,753,043</u>	<u>\$ (93,620)</u>

NON-CONSOL BEAUFORT DELTA EDUCATION COUNCIL
DETAILS OF EXPENSES
For the Year Ended June 30, 2015

	<u>School</u> <u>Programs</u>	<u>Inclusive</u> <u>Schooling</u>	<u>Student</u> <u>Accommodations</u>	<u>Operations &</u> <u>Maintenance</u>	<u>Administration</u>	<u>Aboriginal</u> <u>Languages</u>	<u>2015</u>
SALARIES:							
Teachers	\$ 11,204,848	\$ 722,868	\$ -	\$ -	\$ -	\$ 984,613	\$ 12,912,329
Instruction Assistants	26,514	-	-	-	-	-	26,514
Non-instructional Staff	1,691,877	1,686,095	-	-	1,129,444	126,664	4,634,080
Board/Trustee Honoraria	590	-	-	-	29,900	39,380	69,870
EMPLOYEE BENEFITS							
Employee Benefit/Allowance	4,395,652	960,252	-	110,023	373,728	288,542	6,128,197
Leave and Termination	271,554	-	-	-	14,722	-	286,276
SERVICES PURCHASED/ CONTRACTED							
Professional/Technical Services	-	165,137	-	-	97,534	-	262,671
Postage/Communication	92,371	-	1,442	-	31,263	-	125,076
Travel	85,880	20,694	-	-	128,927	68,180	303,681
Student Travel	94,151	4,770	131,242	-	-	30,080	260,243
Advertising/Printing/Publishing	-	-	128	-	4,889	-	5,017
Maintenance/Repair	37,771	-	-	-	6,467	15,895	60,133
Rentals/Leases	86,391	-	-	141,624	13,284	19,800	261,099
Others	48,103	-	-	461,427	52,597	5,257	567,384
Contracted Services	68,828	164,662	-	-	6,459	178,544	418,493
MATERIALS/SUPPLIES/FREIGHT							
Materials	635,297	70,904	2,238	-	51,230	81,919	841,588
Furniture and Equipment	99,994	21,862	-	-	50,553	-	172,409
Freight	48,683	12,169	-	-	7,268	1,412	69,532
CONTRIBUTIONS/TRANSFERS							
Transfers - Other	<u>161,254</u>	<u>198,890</u>	<u>-</u>	<u>-</u>	<u>208,637</u>	<u>242,096</u>	<u>810,877</u>
Total	<u>\$ 19,049,758</u>	<u>\$ 4,028,303</u>	<u>\$ 135,050</u>	<u>\$ 713,074</u>	<u>\$ 2,206,902</u>	<u>\$ 2,082,382</u>	<u>\$ 28,215,469</u>

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 29

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
INFRASTRUCTURE**

For the Year Ended June 30, 2015

	<u>2015</u>	<u>2014</u>
PERSONNEL INFRASTRUCTURE		
Contributions	<u>536,346</u>	<u>728,695</u>
Expenses:		
Removal In/Transfer	282,272	336,051
Ultimate Removal	179,155	176,084
WSCC Premiums	<u>108,778</u>	<u>138,102</u>
Total Expenses	<u>570,205</u>	<u>650,237</u>
Net Surplus (Deficit)	<u>(33,859)</u>	<u>78,458</u>
LEASES INFRASTRUCTURE		
Contributions	<u>138,665</u>	<u>154,425</u>
Expenses:		
Leases	<u>141,624</u>	<u>138,325</u>
Total Expenses	<u>141,624</u>	<u>138,325</u>
Net Surplus (Deficit)	<u>(2,959)</u>	<u>16,100</u>
REPAYABLE TO EDUCATION, CULTURE AND EMPLOYMENT	<u>-</u>	<u>94,559</u>

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 30

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
FRENCH LANGUAGE PROGRAM
For the Year Ended June 30, 2015**

	<u>Contributions</u> <u>July 1 to June 30</u>	<u>Total Expenses</u> <u>July 1 to June 30</u>	<u>Variance</u>
Bilateral Agreement Funding			
Special Projects:			
Teacher's Assistant Salary	\$ 60,000	\$ -	\$ 60,000
Core French 1:12 Salary	-	565,013	(565,013)
French Resources	5,000	10,650	(5,650)
Cultural Activities	5,000	1,129	3,871
Professional Development	5,000	-	5,000
French Monitor	-	38,359	(38,359)
Mentorship with YCS on Immersion Program	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total	<u>\$ 90,000</u>	<u>\$ 630,151</u>	<u>\$ (540,151)</u>
Regular GNWT Funding			
Immersion Program	\$ 90,000		
Core French Instruction	<u>8,850</u>		
Total	<u>\$ 98,850</u>		

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 31

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
ABORIGINAL LANGUAGES
For the Year Ended June 30, 2015**

	<u>July 1 to March 31</u>	<u>April 1 to June 30</u>	<u>Total</u>
<u>Contribution Agreement Aboriginal Languages</u>			
Revenue			
Funding Received	<u>78,000</u>	<u>-</u>	<u>78,000</u>
Expenses			
Salaries	100,000	-	100,000
Other O & M	<u>78,000</u>	<u>-</u>	<u>78,000</u>
Total Expenses	<u>178,000</u>	<u>-</u>	<u>178,000</u>
Net Surplus (Deficit)	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 32

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
STUDENT SUCCESS INITIATIVE
For the Year Ended June 30, 2015**

NWT Student Success Initiative

Professional Development Initiative

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

	<u>2015</u>
Revenue	<u>87,039</u>
Expenses:	
Travel	
Air Charter	19,875
Accommodation	20,065
Daily Per Diems	13,647
Workshop Expenses	
Miscellaneous	<u>45,696</u>
Total Expenses	<u>99,283</u>
Net Surplus (Deficit)	<u><u>(12,244)</u></u>

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 33

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
DETAILS OF ABORIGINAL LANGUAGE AND CULTURAL-BASED EDUCATION EXPENSES
For the Year Ended June 30, 2015**

<u>FUNCTION</u>	<u>Student Instruction</u>	<u>Teaching/ Learning Resources</u>	<u>Professional Development</u>	<u>School Activities and Integrated Community Programs</u>	<u>Total</u>
<u>SALARIES</u>					
ALCBE Teachers	\$ 984,613	\$ -	\$ -	\$ -	\$ 984,613
Language Consultants	125,455	-	-	-	125,455
Instruction Assistants	95,850	-	-	-	95,850
Non Instructional Staff	-	-	-	140,998	140,998
Honoraria	-	-	-	72,915	72,915
<u>EMPLOYEE BENEFITS</u>					
Employee Benefits/Allowances	288,542	-	-	22,219	310,761
<u>SERVICES PURCHASED/ CONTRACTED</u>					
Travel	46,645	-	8,175	21,937	76,757
Student Transportation (bussing)	-	-	-	30,280	30,280
Advertising/Printing/Publishing	-	5,000	-	-	5,000
Maintenance/Repair	-	-	-	15,895	15,895
Rentals/Leases	-	-	-	25,900	25,900
Other Contracted Services	178,544	-	-	34,261	212,805
Others	-	-	-	3,761	3,761
<u>MATERIAL/SUPPLIES/FREIGHT</u>					
Materials	-	39,523	835	98,447	138,805
Freight	-	917	-	745	1,662
TOTAL	\$ <u>1,719,649</u>	\$ <u>45,440</u>	\$ <u>9,010</u>	\$ <u>467,358</u>	\$ <u>2,241,457</u>

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 34

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
DETAILS OF INCLUSIVE SCHOOLING EXPENSES
For the Year Ended June 30, 2015**

<u>FUNCTION</u>	<u>Staff Development</u>	<u>Assistive Technology</u>	<u>Student Resources</u>	<u>General Inclusive Schooling</u>	<u>Total</u>
<u>SALARIES</u>					
Program Support Teachers	\$ -	\$ -	\$ -	\$ 722,868	\$ 722,868
Consultants	-	-	-	129,431	129,431
Support Assistants	-	-	-	1,240,487	1,240,487
Non Instructional Staff	-	-	-	333,926	333,926
<u>EMPLOYEE BENEFITS</u>					
Employee Benefits/Allowances	-	-	-	960,252	960,252
<u>SERVICES PURCHASED/ CONTRACTED</u>					
Professional/Technical Services	-	-	-	165,137	165,137
Travel	-	-	-	3,202	3,202
Travel	1,833	-	-	18,861	20,694
Student Transportation (bussing)	-	-	-	4,770	4,770
Rentals/Leases	-	-	-	34,647	34,647
Other Contracted Services	-	164,662	-	15,901	180,563
<u>MATERIAL/SUPPLIES/FREIGHT</u>					
Materials	-	9,109	52,521	17,603	79,233
Furniture and Equipment	-	21,541	-	57,390	78,931
Freight	-	214	-	11,955	12,169
TOTAL	\$ <u>1,833</u>	\$ <u>195,526</u>	\$ <u>52,521</u>	\$ <u>3,716,430</u>	\$ <u>3,966,310</u>

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

Consolidated Financial Statements

June 30, 2015

Commission scolaire francophone Territoires du Nord-Ouest

Consolidated Financial Statements

June 30, 2015

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

Le rapport de gestion

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

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

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

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

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

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

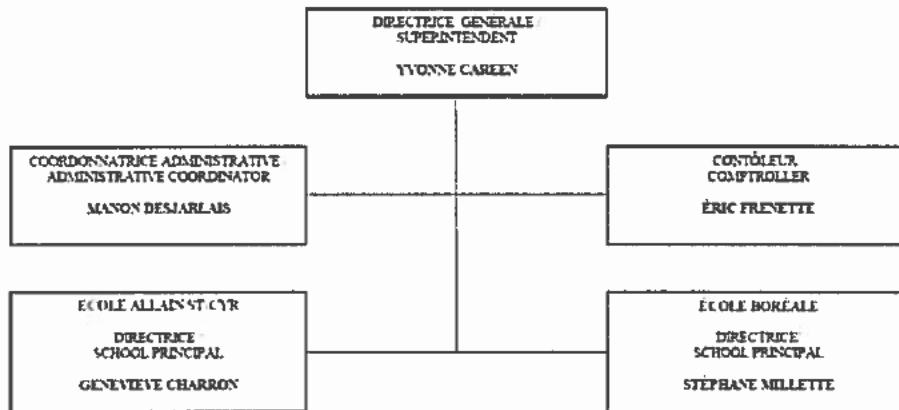
Les commissaires pour 2014-15 étaient :

Nom	Position
Suzette Montreuil	Présidente
Michael St. John	Vice-président
Jean de Dieu Tuyishime	Trésorier
Michael St-Amour	Commissaire
Simon Lepage	Commissaire
Simon Cloutier	Commissaire

La Commission scolaire francophone TNO gouverne deux écoles publiques en français langue première de la maternelle à la 12^e année: l'école Allain St-Cyr à Yellowknife et l'école Boréale à Hay River. En 2014-15, la CSFTNO avait trois employés au bureau central et trente-deux employés dans les écoles pour un total de trente-cinq employés.

L'organigramme pour 2014-15 de la Commission scolaire francophone :

**COMMISSION SCOLAIRE FRANCOPHONE TERRITOIRES DU NORD-OUEST
2014-2015
SIX COMMISSAIRES ÉLUS / SIX ELECTED TRUSTEES**

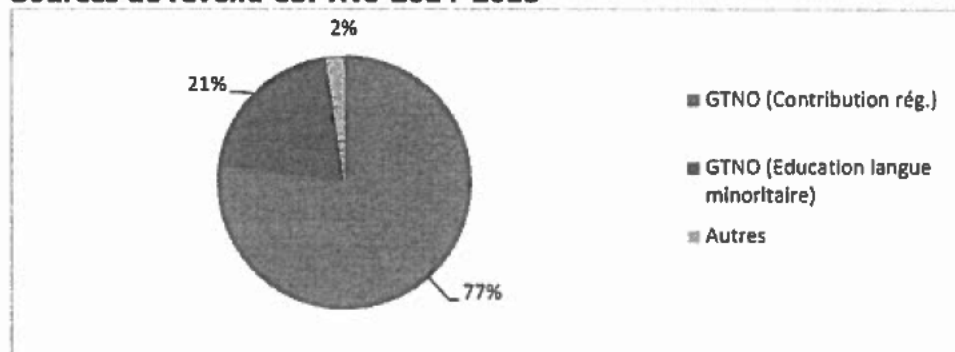


En 2014-2015, 134 élèves ont fréquenté l'école Allain St-Cyr et 88.5 ont fréquenté l'école Boréale.

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

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

Sources de revenu CSFTNO 2014-2015

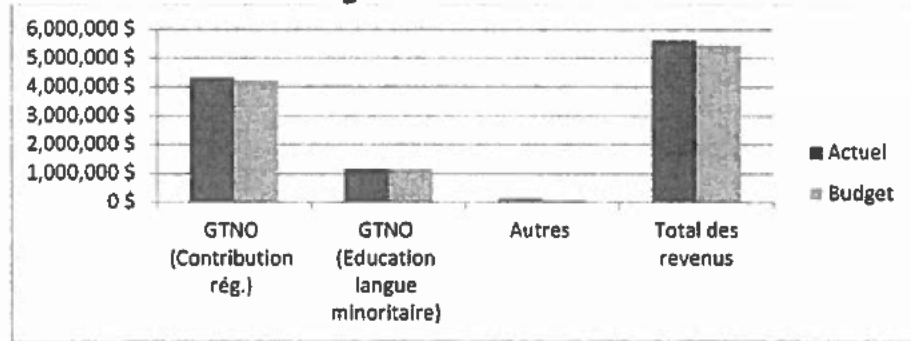


En 2014-2015, la Commission scolaire francophone TNO a enregistré des revenus d'une somme de 5.62 M\$ comparativement à un montant budgété de 5.45 M\$ en 2013-2014. Cette variance de 170 K\$ s'explique principalement par deux facteurs :

- Les sommes de 83 K\$ reçues par le Programme de contestation judiciaire du Canada et le Programme d'appui aux droits linguistiques non budgétées.
- Les contributions additionnelles reçues par le Gouvernement des Territoires du Nord-Ouest pendant l'année scolaire 2014-15 non incluent dans le budget approuvé.

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

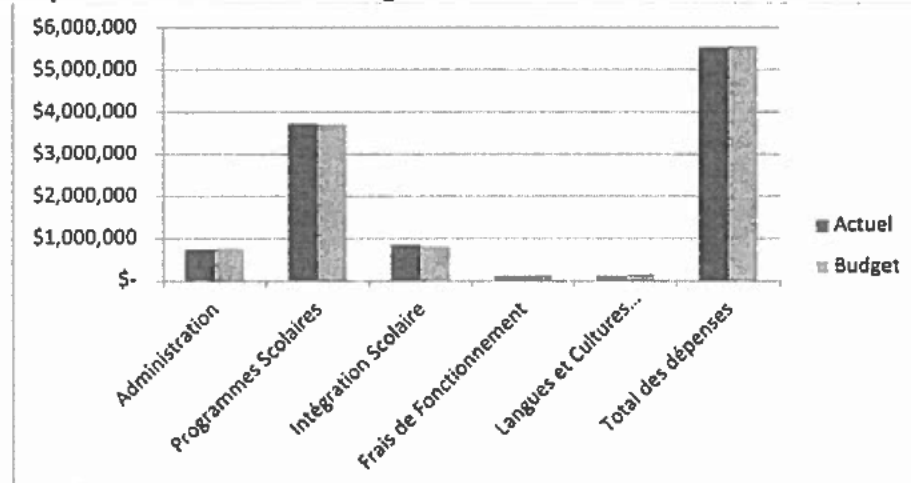
Revenus actuels vs. budgétés



Le total des dépenses de la Commission scolaire francophone TNO au 30 juin 2015 se chiffrait à 5.54 M\$ comparativement à un budget approuvé de 5.56 M\$.

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

Dépenses actuelles vs. budgétées



La Commission scolaire francophone TNO a approuvé un déficit de (115 334 \$) en raison des dépenses légales prévues pour l'année 2014-15.

La Commission scolaire francophone TNO a terminé l'année fiscale avec un surplus annuel de 73 087 \$. Par conséquent, le surplus accumulé est augmenté à 577 564\$ comparativement à 504 477 \$ au 30 juin 2014. Ce surplus annuel de 73 087\$ s'explique majoritairement par les contributions additionnelles reçues par le Gouvernement des Territoires du Nord-Ouest non prévues dans le budget approuvé.

Les enseignants et enseignantes des écoles à Yellowknife ainsi qu'à Hay River relèvent un grand défi d'enseigner aux élèves dans une langue minoritaire aux TNO. De plus, en raison des établissements scolaires construits par le GTNO et la croissance du nombre d'élèves pendant les dernières années, nos deux écoles manquent d'espaces adéquates pour offrir le programme éducatif d'excellence visé par la commission scolaire. Nous relevons ce défi à l'aide d'ententes de partage des espaces scolaires avec les commissions scolaires des écoles avoisinantes. Par contre, cette situation n'est pas celle que nous préconisons. La Cour Suprême du Canada a récemment statué qu'une école de la langue minoritaire a droit, selon l'article 23 de la *Charte canadienne des droits et libertés*, aux établissements scolaires de qualité équivalente aux établissements scolaires dont dispose la majorité de la même zone scolaire. Nous espérons que ce jugement contribuera positivement aux négociations avec le Gouvernement des Territoires du Nord-Ouest pour l'agrandissement des établissements scolaires.

Les poursuites judiciaires APADY VS GTNO et CSFTNO VS GTNO traitent des établissements scolaires adéquats, du pouvoir de gérer les demandes d'admissions dans les écoles francophones, ainsi que de la permission d'accepter les enfants d'âge préscolaire dans les écoles. Ces poursuites judiciaires engendrent des pressions financières considérables au niveau de dépenses légales. En janvier 2015, nous avons reçu la réponse de la Cour d'appel des TNO en faveur du Gouvernement des Territoires du Nord-Ouest. Conséquemment, nous avons interjeté appel à la Cour Suprême du Canada. En date du 30 juin 2015, nous sommes en attente d'une décision de la Cour Suprême du Canada afin que la cause soit entendue.

Malgré ces pressions financières, la commission scolaire s'engage à continuer d'offrir un excellent programme d'éducation en français langue première dans nos deux écoles de la maternelle à la 12^e année. Notre nouveau plan stratégique, qui sera finalisé en 2015-2016, nous aidera à prioriser nos ressources et nos

initiatives afin de nous assurer que la commission scolaire et la communauté francophone continuent à s'épanouir.



Commission scolaire francophone
Territoires du Nord-Ouest

Management Report

The Management Report describes the financial status of, and outlook for, the Commission scolaire francophone Territoires du Nord-Ouest (CSFTNO) from head office's standpoint. The Management Report is the responsibility of the CSFTNO Superintendent and trustees, and serves to promote transparency and accountability.

The two objectives of the CSFTNO's financial management can be summarized as follows:

- (1) Provide the best education programs possible, based on financial resources allocated.
- (2) Manage financial resources competently, and be accountable for these resources to the Northwest Territories Department of Education, Culture and Employment, and to the Government of Canada.

The CSFTNO's vision is to enable students to develop their skills and to cultivate their talents according to their specific needs, from the standpoint of their overall development as individuals and construction of their identity as Francophones.

Pursuant to the Northwest Territories *Education Act*, the CSFTNO has six elected trustees: three in Yellowknife and three in Hay River.

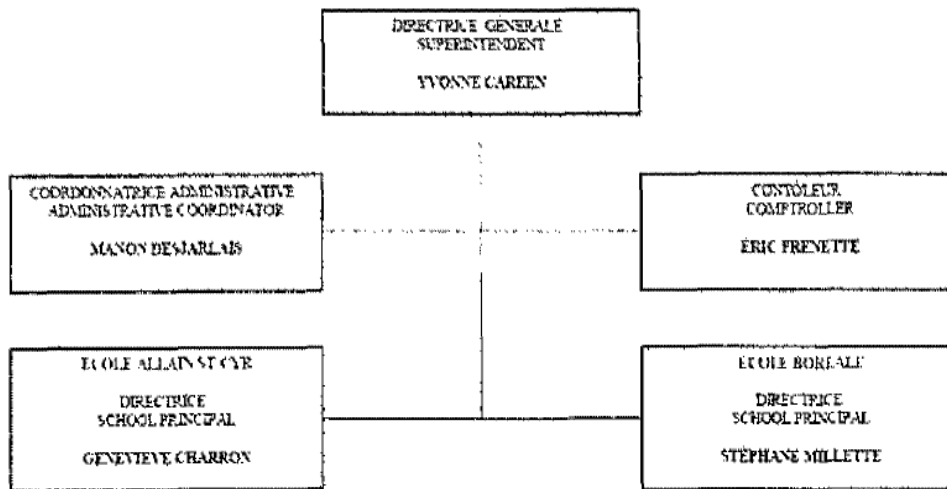
The trustees are responsible for supervising management of the school board and its schools. They are the link between the students, parents, schools and the two levels of government.

The trustees for 2014-2015 were as follows:

Name	Position
Suzette Montreuil	President
Michael St. John	Vice-President
Jean de Dieu Tuyishime	Treasurer
Michael St-Amour	Trustee
Simon Lepage	Trustee
Simon Cloutier	Trustee

The CSFTNO manages two French-language public schools (K-12): Ecole Allain St-Cyr in Yellowknife and Ecole Boreale in Hay River. In 2014-2015, the CSFTNO had three head office employees and 32 employees in the schools, for a total of 35.

Organization chart for 2014-2015 for the CSFTNO:¹

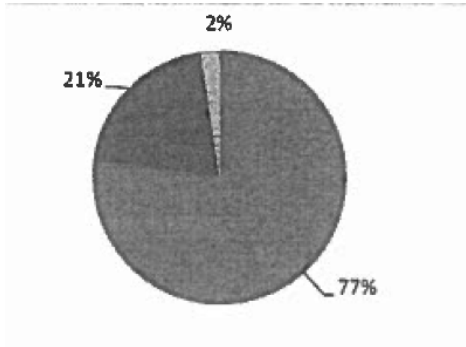


In 2014-2015, 134 students attended Allain St-Cyr, and 88.5 attended Boreale.

The Government of the Northwest Territories is the chief source of funding. For the most part, this funding can be broken down into two categories:

- Regular contributions through the Northwest Territories School Funding Framework; and
- Contribution from Canadian Heritage - Minority Language Education Agreement.

CSFTNO Revenue Sources 2014-2015



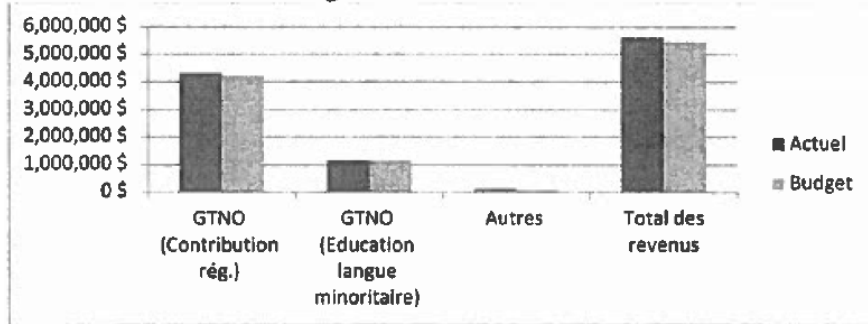
77% GNWT (Reg. contribution)
21% GNWT (Minority Language Education)
2% Other

In 2014-2015, the CSFTNO posted revenue of \$5.62M, compared to the \$5.45M budgeted in 2013-2014. The difference of \$170,000 is due mostly to two factors:

- \$83,000 received from the Court Challenges Program and the Language Rights Support Program (not budgeted).
- Supplementary contributions that were received from the Government of the Northwest Territories during 2014-2015 and not included in the approved budget.

The following chart illustrates actual revenue compared to budgeted revenue:

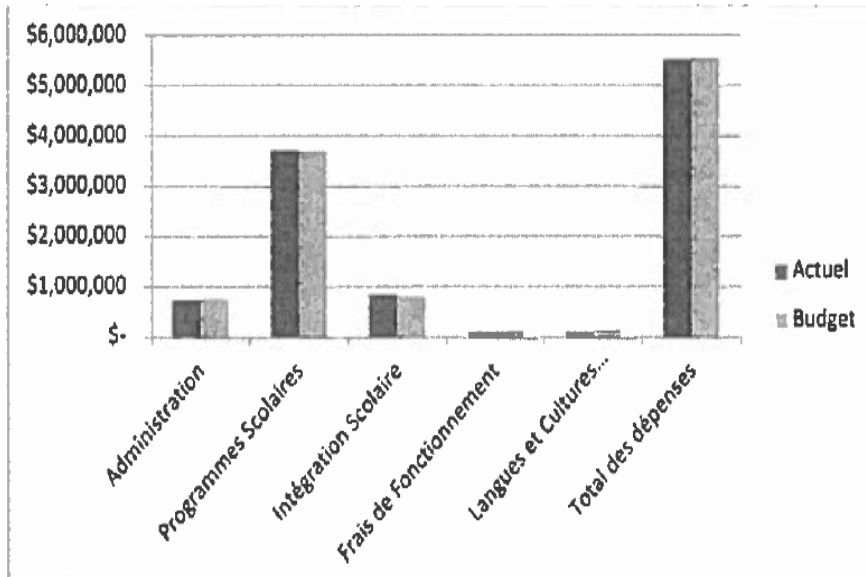
Actual versus budgeted revenues:



The CSFTNO's expenses as at June 30, 2015, totaled \$5.54M, compared to the approved budget of \$5.56M.

The following chart illustrates actual expenses compared to budgeted expenses by program:

Actual versus budgeted expenses



The CSFTNO approved a deficit of \$115,334 owing to the legal expenses anticipated for 2014-2015.

The CSFTNO ended the fiscal year with an annual surplus of \$73,087. Consequently, the accumulated surplus rose to \$577,564 from \$504,477 as at June 30, 2014. This annual surplus of \$73,087 is due mostly to the supplementary contributions received from the Government of the Northwest Territories that were not included in the approved budget.

Teachers at the school in Yellowknife and in Hay River face a major challenge in providing minority-language education in the Northwest Territories. In addition, owing to the educational facilities built by the Government of the Northwest Territories and the increase in the number of students in recent years, our two schools do not have the spaces needed to provide excellence in education as mandated by the school board. We are meeting this challenge through space-sharing agreements with the school boards of the neighbouring schools. However, that is not our preferred option. The Supreme Court of Canada recently ruled that minority language schools are entitled, under section 23 of the *Canadian Charter of Rights and Freedoms*, to educational facilities whose quality is equivalent to that of the educational facilities provided to the English-speaking majority in the same catchment area. We hope that this ruling will have a positive impact on negotiations with the Government of the Northwest Territories concerning expansion of the schools.

The APADY vs. GNWT and CSFTNO vs. GNWT court cases are concerned with suitable educational facilities, the authority to manage applications for admission to French-language schools, and authorization to accept preschoolers in the schools. These court actions have resulted in significant financial pressure due to the legal expenses involved. In January 2015, the Court of Appeal for the Northwest Territories ruled in favour of the Government of the Northwest Territories. We therefore appealed to the Supreme Court of Canada. As of June 30, 2015, we were still waiting for the Supreme Court of Canada to decide whether it would hear our case.

Despite these financial pressures, the school board is committed to continuing to provide a quality French First Language program at our two schools from kindergarten to Grade 12. Our new strategic plan, to be finalized in 2015-2016, will help us to prioritize our resources and initiatives in order to ensure that the school board and the French-speaking community continue to thrive.

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

Management's Responsibility for Financial Reporting with respect to the school year ended June 30, 2015

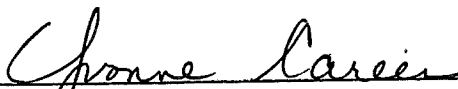
The Management Discussion and Analysis, Consolidated Financial Statements, Schedules and Notes herein submitted have been reviewed by management. They provide full disclosure and accurately reflect the financial and non-financial condition of Commission scolaire francophone Territoire du Nord-Ouest ("the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


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

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

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

Approved and confirmed on behalf of the Commission


Yvonne Careen **Directrice générale**


Eric Frenette, CGA **Contrôleur financier**

September 21, 2015

Independent Auditors' Report

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Commission scolaire francophone Territoires du Nord-Ouest ("the Commission") which comprise the consolidated statement of financial position as at June 30, 2015 and the consolidated statements of operations, changes in net financial asset (debt), and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Independent Auditors' Report (continued)

Basis for Qualified Opinion

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

Qualified Opinion

In our opinion, except for the possible effect of the matters described in the Basis of Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the Commission as at June 30, 2015 and the results of its operations, change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

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



Yellowknife, Northwest Territories
September 21, 2015

Chartered Accountants

Commission scolaire francophone Territoires du Nord-Ouest**Consolidated Statement of Financial Position**

As at June 30, **2015** **2014**

Financial Assets

Cash (Note 4)	\$ 1,372,140	\$ 1,253,104
Restricted assets (Note 6)	45,000	35,000
Accounts receivable (Note 8)	215,575	285,198
	1,632,715	1,573,302

Liabilities

Accounts payable and accrued liabilities (Note 10)	173,065	272,324
Payroll liabilities (Note 35)	666,574	570,192
Contributions repayable (Note 12)	17,410	60,776
Deferred revenue (Note 11)	45,000	35,000
Post-employment benefits (Note 17)	168,285	156,647
	1,070,334	1,094,939

Net financial asset **562,381** **478,363**

Non-financial assets

Prepaid expenses and deposits (Note 20)	15,183	26,114
Accumulated surplus	\$ 577,564	\$ 504,477

Represented By:

Operating surplus **\$ 577,564** **\$ 504,477**

Contractual obligations and contingencies (Note 24 and 25)

Approved on behalf of the Board:

_____ Trustee

_____ Trustee

Commission scolaire francophone Territoires du Nord-Ouest

Consolidated Statement of Operations

For the year ended June 30,	2015 Budget	2015 Actual	2014 Actual
Revenue			
Government of the NWT			
ECE Regular contributions	\$ 4,215,661	\$ 4,210,418	\$ 4,164,030
French language instruction	1,152,850	1,152,850	1,152,850
ECE Other contributions (Note 33)	10,000	115,836	141,803
Total ECE	5,378,511	5,479,104	5,458,683
GNWT Other contributions (Note 34)	-	-	1,136,587
Total GNWT	5,378,511	5,479,104	6,595,270
Government of Canada			
Other contributions	40,000	39,264	22,375
Education body generated funds			
Northwest Territories Teachers' Association			
Contributions	-	9,438	95,889
School fees	11,000	4,475	15,815
Other revenue	16,000	83,854	76,757
	27,000	97,767	188,461
	5,445,511	5,616,135	6,806,106
Expenses (Schedule 1)			
Administration	751,317	744,567	876,967
School programs	3,712,467	3,728,314	3,921,101
Inclusive schooling	808,364	846,870	862,203
Operations and maintenance	128,982	111,572	103,031
Aboriginal languages	159,715	111,725	128,664
	5,560,845	5,543,048	5,891,966
Operating surplus (deficit) before other items	(115,334)	73,087	914,140
Other items			
Grant in-kind - Assets provided at no cost (Note 23)	-	164,160	164,160
Rent expense - Assets provided at no cost (Note 23)	-	(164,160)	(164,160)
Operating surplus (deficit)	(115,334)	73,087	914,140
Opening accumulated surplus (deficit)	504,477	504,477	(409,663)
Closing accumulated surplus	\$ 389,143	\$ 577,564	\$ 504,477

Commission scolaire francophone Territoires du Nord-Ouest

Consolidated Statement of Changes in Net Financial Asset (Debt)

For the year ended June 30,	2015	2014
Operating surplus	\$ 73,087	\$ 914,140
Use (acquisition) of prepaid expenses and deposits	10,931	(14,562)
Increase in net financial asset	84,018	899,578
Net financial asset (debt), beginning of year	478,363	(421,215)
Net financial asset, end of year	\$ 562,381	\$ 478,363

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

For the year ended June 30, **2015** **2014**

Cash provided by (used in):**Operating transactions**

Operating surplus \$ 73,087 \$ 914,140

Changes in non-cash assets and liabilities

Increase (decrease) in accounts receivable 69,622 (69,509)

Increase (decrease) in accounts payable (99,258) (171,693)

Increase (decrease) in payroll liabilities 96,381 17,179

Increase (decrease) in contributions repayable (43,366) 49,633

Increase (decrease) in due to government of Canada - (676)

Increase (decrease) in deferred revenue 10,000 -

Increase (decrease) in post-employment benefits 11,638 8,412

Increase (decrease) in prepaid expenses and deposits 10,932 (14,562)

Increase in cash and cash equivalents **129,036** **732,924**Cash and cash equivalents at beginning of year **1,288,104** **555,180**

Cash and cash equivalents at end of year **\$ 1,417,140** **\$ 1,288,104**

Cash and cash equivalents consist of:

Cash \$ 1,372,140 \$ 1,253,104

Restricted cash (note 6) 45,000 35,000

\$ 1,417,140 **\$ 1,288,104**

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 1
Consolidated Details of Expenses

For the year ended June 30,

	School Programs	Inclusive Schooling (schedule 3)	Operation & Maintenance	Administration	Aboriginal Languages (schedule 2)	Total 2015	Budget 2015	Total 2014
Salaries								
Teacher salaries	\$ 2,620,331	\$ 438,712	\$ -	\$ -	\$ 47,463	\$ 3,106,506	\$ 3,044,122	\$ 3,246,156
Instruction assistants	190,826	193,777	-	-	-	384,603	394,977	439,046
Non-instruction staff	382,067	49,028	-	412,993	25,750	869,838	816,886	804,400
Board/trustee honoraria	-	-	-	35,579	-	35,579	34,000	33,920
	3,193,224	681,517	-	448,572	73,213	4,396,526	4,289,985	4,523,522
Employee Benefits								
Employee benefit	-	-	27,959	-	-	27,959	26,000	19,400
Leave and termination	-	-	34,976	-	-	34,976	60,000	28,831
	-	-	62,935	-	-	62,935	86,000	48,231
Services Purchased/Contracted								
Advertising/Publishing	-	-	7,237	15,380	-	22,617	39,015	16,271
Communication	12,264	-	-	15,136	-	27,400	26,500	24,342
Contracted services	36,744	61,966	-	153,280	-	251,990	319,000	444,086
Maintenance & repairs	13,525	-	41,400	-	-	54,925	39,469	59,328
Other	57,080	66,450	-	47,010	-	170,540	159,026	146,133
Rental/leases	98,918	-	-	12,847	-	111,765	70,500	124,193
Student travel	55,527	-	-	-	-	55,527	64,000	57,267
Travel	6,532	9,083	-	18,453	2,978	37,046	57,000	49,982
	280,590	137,499	48,637	262,106	2,978	731,810	774,510	921,602
Supplies and Materials								
Freight	186	1,265	-	421	-	1,872	4,550	3,312
Materials	254,314	26,589	-	33,468	35,534	349,905	405,800	395,299
	254,500	27,854	-	33,889	35,534	351,777	410,350	398,611
Total	\$ 3,728,314	\$ 846,870	\$ 111,572	\$ 744,567	\$ 111,725	\$ 5,543,048	\$ 5,560,845	\$ 5,891,966

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 2

Details of Aboriginal Language and Culture Expenses

For the year ended June 30, 2015

	Student Instructions	School Activities & Integrated Community Programs	Total
Function Salaries			
ALCBE teachers	\$ 47,463	\$ -	\$ 47,463
Honoraria	-	15,522	15,522
Elders in the schools	-	10,228	10,228
	47,463	25,750	73,213
Services Purchased/Contracted			
Travel	-	2,978	2,978
Materials/Supplies/Freight			
Materials	-	35,534	35,534
	\$ 47,463	\$ 64,262	\$ 111,725

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 3

Details of Inclusive Schooling Expenses

For the year ended June 30, 2015

	Staff Development	Student Resources	General Inclusive Schooling	Total
Function Salaries				
Consultants	\$ -	\$ -	\$ 49,028	\$ 49,028
Program support teachers	-	-	438,712	438,712
Supportive assistants	-	-	193,777	193,777
	-	-	681,517	681,517
Services Purchased/Contracted				
Contracted services	-	-	61,966	61,966
Other	66,450	-	-	66,450
Travel	-	-	9,083	9,083
	66,450	-	71,049	137,499
Materials/Supplies/Freight				
Freight	-	-	1,265	1,265
Materials	-	26,589	-	26,589
	-	26,589	1,265	27,854
	\$ 66,450	\$ 26,589	\$ 753,831	\$ 846,870

Commission scolaire francophone Territoires du Nord-Ouest**Schedule 4
French Language Funding**

For the year ended June 30, 2015

	Contributions from GNWT	Commitments from Commission	Expenditures	(Under) Over Funding
STUDENT PARTICIPATION				
School administration (salary)	\$ 231,500	\$ 20,000	\$ 237,201	\$ 14,299
Retention bursaries	12,000	-	21,250	(9,250)
2 grade level per class (salary)	250,350	1,700,000	2,158,703	(208,353)
2 secretaries / librarian (salary)	117,500	48,000	181,721	(16,221)
SCHOOL PROGRAMS				
Cyber pedagogy (salary)	105,000	10,000	124,464	(9,464)
Technology resources	60,000	-	58,157	1,843
PROGRAM ENRICHMENT				
Partnership early childhood	30,000	-	25,000	5,000
Teacher assistants for francisation (salary)	120,000	20,000	189,458	(49,458)
Art Program - Ecole Boreale	20,000	-	16,020	3,980
Cultural activities	40,000	-	44,334	(4,334)
French resource purchase	30,000	5,000	50,868	(15,868)
EDUCATIONAL SUPPORT FOR PERSONNEL				
Mentors in literacy and numeracy	90,000	15,000	93,809	11,191
Mentors in literacy and numeracy (O&M)	25,500	-	40,641	(15,141)
Professional development	21,000	20,000	37,555	3,445
Total	\$ 1,152,850	\$ 1,838,000	\$ 3,279,181	\$ (288,331)
Regular GNWT Funding				
Total	\$ 4,210,418			

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 5
Infrastructure

For the year ended June 30, 2015

	Total
GNWT ECE - Personnel Infrastructure	
Contributions	\$ 105,015
Expenditures	
Staffing:	
Advertising	7,238
Removal in/transfer	34,976
WCB Casual	783
WCB permanent	27,175
	70,172
Personnel Infrastructure net	34,843
Utilities and Leases Infrastructure	
Contributions	23,967
Expenditures	
Other	16,565
Maintenance	24,835
	41,400
Utilities and leases infrastructure net	(17,433)
Surplus repayable (Note 12)	\$ 17,410

Commission scolaire francophone Territoires du Nord-Ouest

**Schedule 6
Student Success Initiative**

For the year ended June 30, 2015

	Total
Revenue - GNWT	\$ 24,963
Expenditures	
Salaries/Wages	
Facilitator fees	15,500
Substitute teacher	3,579
	19,079
Travel	5,627
Workshop expenditures	
Material	461
Total expenditures	25,167
Deficit	\$ (204)

June 30, 2015

1. Nature of the Organization

The Commission was established under the *Education Act* of the Government of the Northwest Territories ("GNWT") by order of the Minister dated November 7, 2000. A full range of instructional programs ranging from pre-kindergarten through Grade 12 is offered by the Commission in both Yellowknife and Hay River.

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

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

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

2. Significant Accounting Policies

(a) Basis of Accounting

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

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

(b) Cash and Cash Equivalents

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

June 30, 2015

2. Significant Accounting Policies (continued)

(c) Financial Instruments

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

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

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

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

(d) Non-financial Assets

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

(e) Tangible Capital Assets

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

June 30, 2015

2. Significant Accounting Policies (continued)

(f) Revenue Recognition

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

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

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

GNWT - regular contributions

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

GNWT - French minority language

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

Other contributions

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

Special Purpose funds

Schools in the system administer funds which arise from certain school and student activities. Such funds, although subject to internal review, are not recorded in the accounts or in the financial statements of the Commission as they do not constitute any part of the approved budget and are available for use at the discretion of each individual school.

Deferred revenue

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

June 30, 2015

2. Significant Accounting Policies (continued)

(g) Infrastructure Funding

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

(h) Budget Data

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

The final priorities and funding allocations are determined by the Trustees of the Commission at a special meeting called for the purposes of reviewing budget proposals, recommending changes, additions or deletions and adopting the proposed budget. The budget is legally adopted by a motion of the Board in accordance with Section 135(2) of the *Education Act*.

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

This annual budget includes estimates of revenue and expenditures for operations. Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Commission.

The budget may be amended within a given fiscal year in accordance with the Commission's policy, regulations and approved budget procedures. The budget data presented in the financial statements reflect the amended budget for the fiscal year, and therefore, include any amendments that may have been made during the year. The budget has not been audited.

(i) Measurement Uncertainty

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

(j) Inventories Including Materials and Supplies

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

June 30, 2015

2. Significant Accounting Policies (continued)

(k) Payroll Liabilities

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

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

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

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

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

(m) Special Purpose Funds

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

(n) Donated Goods and Services

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

June 30, 2015

2. Significant Accounting Policies (continued)

(o) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organize or radioactive material or live organism that exceeds an environmental standard. A liability would be recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met: an environmental standard exists; contamination exceeds the environmental standard; The Commission is directly responsible and accepts responsibility and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available as at June 30, 2015.

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

(p) Change in Accounting Policy

Effective April 1, 2014, the Commission adopted Section PS 3260, *Liability for Contaminated Sites* issued by the Canadian Public Sector Accounting Standards Board. This section establishes standards for governments and government type organizations reporting under Canadian public sector accounting standards about how to account for and report a liability which is associated with the remediation of a contaminated site. The change in accounting policy has been applied prospectively.

The adoption of PS 3260 does not have an impact on the measurement of the Commission's liabilities but has resulted in additional disclosure.

Notes to Consolidated Financial Statements

June 30, 2015

3. Future Accounting Changes

Related Party Disclosures, Section PS 2200

In December of 2014, PSAB approved Section PS 2200, Related Party Disclosures. The new section defines related parties and establishes disclosures required for related party transactions. It is expected that reasonable efforts would be made to identify related party transactions. This may involve adopting policies and procedures designed to ensure that these transactions are appropriately identified, measured and disclosed in the financial statements. Not all related party relationships or transactions occurring between related parties are required to be disclosed. Disclosure is generally required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated. However, not all of these transactions are reportable under this Section. Only those transactions that have or could have a material financial effect on the financial statements are disclosed. The effective date for Section PS 2200 is April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards has been reviewed by management.

Inter-entity Transactions, Section PS 3420

In December of 2014, PSAB approved Section PS 3420, Inter-entity Transactions. This Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. This section may be applied in conjunction with Related Party Disclosures, Section 2200. The effective date for Section PS 3420 is April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards has been reviewed by management.

Special Purpose Funds - Student Activity

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

4. Cash and Cash Equivalents

	2015	2014
Cash	\$ 1,372,140	\$ 1,253,104

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

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

June 30, 2015

5. Special Purpose Funds

The Commission does not have special purpose funds.

6. Restricted Assets

Restricted Cash represents funds held in trust for the purpose of covering legal costs related to legal action against the GNWT for the provision of additional classroom space in Hay River (Note 25) received from Programme d'appui aux droits linguistiques (PADL) / Language Rights Support Program of Canada.

7. Portfolio Investments

The Commission does not have any portfolio investments.

8. Accounts Receivable

	Accounts Receivable 2015	Allowance for doubtful accounts 2015	Net 2015	Net 2014
GNWT - Department of Education, Culture and Employment	\$ 115,891	\$ -	\$ 115,891	\$ 124,149
GNWT - Department of Health and Social Services	-	-	-	2,000
Trade Receivable	100,014	330	99,684	159,049
	\$ 215,905	\$ 330	\$ 215,575	\$ 285,198

9. Inventory

The Commission does not have inventory.

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

June 30, 2015

10. Accounts Payable and Accrued Liabilities

	2015	2014
GNWT - Department of Education, Culture and Employment	\$ 15,792	\$ 4,802
Trades payable	157,273	267,522
	\$ 173,065	\$ 272,324

11. Deferred Revenue

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

	2015	2014
PADL funding	\$ 45,000	\$ 35,000

12. Contributions Repayable

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

	2015	2014
Government of the Northwest Territories		
Department of Education, Culture and Employment - Infrastructure funding	\$ 17,410	\$ 60,776

13. Due From and To the Government of Canada

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

14. Capital Lease Obligations

The Commission does not have capital lease obligation.

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

June 30, 2015

15. Pensions

The Commission does not have pensions.

16. Long-Term Debt

The Commission does not have long-term debt.

17. Post-Employment Benefits

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

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

	2015	2014
Termination and severance benefits	\$ 72,488	\$ 64,174
Removal liability benefits	95,797	92,473
	\$ 168,285	\$ 156,647

18. Trust Assets Under Administration

The Commission does not have trust assets under administration.

19. Tangible Capital Assets

The Commission does not have tangible capital assets.

20. Prepaid Expenses and Deposits

	2015	2014
Other prepaids	\$ 15,183	\$ 26,114

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

June 30, 2015

21. Accumulated Surplus/Deficit

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

22. Capital Advances

The Commission does not have capital advances.

23. GNWT Assets Provided At No Cost

	Cost	Accumulated Amortization	2015 Net Book Value	2014 Net Book Value
Ecole Allain St-Cyr	\$ 3,392,305	\$ 1,378,294	\$ 2,014,011	\$ 2,098,812
Ecole Boreale	3,638,058	838,927	2,799,131	2,889,914
Ecole Allain St-Cyr Phase 1	4,490,598	811,554	3,679,044	3,808,893
Final deficiencies	320,909	42,332	278,577	286,613
Ecole Boreale Modular Units	1,189,060	171,345	1,017,715	1,050,282
Ecole Boreale Pellet Boiler	86,115	22,605	63,510	67,816
	13,117,045	3,265,057	9,851,988	10,202,330
Deferred Capital Contribution				
Ecole Allain St-Cyr	(3,230,000)	(1,211,250)	(2,018,750)	(2,103,751)
Ecole Boreale	(2,600,000)	(622,723)	(1,977,277)	(2,041,405)
Ecole Allain St-Cyr Phase 1	(1,300,000)	(250,155)	(1,049,845)	(1,086,898)
	\$ 5,987,045	\$ 1,180,929	\$ 4,806,116	\$ 4,970,276

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

Notes to Consolidated Financial Statements

June 30, 2015

24. Contractual Obligations

The Commission has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to March 31, 2015.

The Commission had a busing services agreement with Cardinal Coach Lines Ltd. The agreement expired in June 2015. A new agreement is currently under negotiation. The equipment leases are payable in varying monthly installments.

The future minimum payments are as follows:

	Expires in fiscal year		2016		2017-2020		Total
Equipment leases							
Xerox WC5755 Printer	2017	\$	5,685	\$	3,043	\$	8,728
Xerox WC7125	2017		6,118		3,359		9,477
Aficio MP C4000	2017		11,340		2,835		14,175
			23,143		9,237		32,380
Operational Contracts							
Arctic alarm	Continuous		1,283		5,134		6,417
Northern Patrol Services	Continuous		2,688		10,752		13,440
		\$	27,114	\$	25,123	\$	52,237

25. Contingencies

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

During the fiscal year ended June 30, 2015, the GNWT submitted an appeal and was successful. The Commission has submitted an appeal, which has not yet been heard by the Supreme Court of Canada. In management's view the outcome of the appeal is not determinable. As a result, the loss, if any, will be recognized during the period in which the Supreme Court of Canada makes its final decision.

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

June 30, 2015

26. Related Parties

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

	2015		2014
Accounts Receivable			
GNWT - Department of Education, Cultural and Employment	\$ 115,891	\$	124,149
GNWT - Department of Health and Social Services	-		2,000
	\$ 115,891	\$	126,149

Accounts Payable

GNWT - Department of Education, Cultural and Employment	\$ 18,306	\$	4,802
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Salaries and wages payable

GNWT - Department of Finance (salaries and wages payable)	\$ 663,794	\$	569,117
GNWT - Department of Finance (employee deductions payable)	2,780		1,075
	\$ 666,574	\$	570,192

27. Budget Data

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

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

The budget figures presented are those approved by the Trustees of the Commission on June 16, 2014 and have not been audited.

June 30, 2015

28. Economic Dependence

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

29. Risk Management

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

a) Credit risk

Credit risk is the risk of financial loss to the Commission if a debtor fails to make payments of interest and principal when due. The Commission is exposed to this risk relating to its cash, restricted assets, and accounts receivable. The Commission holds its cash in accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Commission's cash in accounts are insured up to \$300,000.

The Commission's maximum exposure to credit risk is represented by the financial assets balance for a total of \$1,632,715 (2014 - \$1,573,302).

Accounts receivable are ultimately due from the departments of the Government of the Northwest Territories (GNWT) and pertain to outstanding contribution agreements. There is a concentration of credit risk in cash as the majority of the deposits are held in one Canadian chartered bank and the balance is in excess of the insurable limit. There is also a concentration risk in accounts receivable as more than 10% of the total balance is from the Government of the Northwest Territories. At June 30, 2015, receivables from the GNWT comprised approximately 63% of the total balance. The amounts represent a low credit risk as the debtors are reputable governments and government organizations with a good credit score. The Commission reduces its risk exposure by following up on old account receivables for collection.

Notes to Consolidated Financial Statements

June 30, 2015

29. Risk Management (continued)

b) Liquidity risk

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

The Commission's maximum exposure to liquidity risk is represented by accounts payable, accrued liabilities, payroll liabilities and contributions repayable for a total \$857,049 (2014 - \$903,292).

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

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

30. Expenditures By Object

	2015 Budget	2015 Actual	2014 Actual
Compensation	\$ 4,375,985	\$ 4,459,461	\$ 4,571,753
Materials/freight	410,350	351,777	398,611
Services purchased/contracted	774,510	731,810	921,602
	\$ 5,560,845	\$ 5,543,048	\$ 5,891,966

31. Subsequent Events

There were no subsequent events that have taken place between June 30, 2015 and the date the audit report was signed.

32. Comparative Figures

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

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Consolidated Financial Statements

June 30, 2015

33.ECE Other Contributions

	2015	2014
Government of the Northwest Territories - Department of Education, Culture and Employment		
Bussing	\$ 56,650	\$ 56,650
Other	17,686	30,956
Rental	41,500	54,197
	\$ 115,836	\$ 141,803

34.GNWT Other Contributions

	2015	2014
Government of the Northwest Territories		
Department of Finance	\$ -	\$ 1,127,287
Department of Health and Social Services	-	9,300
	\$ -	\$ 1,136,587

35.Payroll Liabilities

	2015
NWTTA	\$ 468,270
UNW School Year	99,616
Other June 30	98,688
	\$ 666,574

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Consolidated Financial Statements

June 30, 2015

36. Statement of Remeasurement Gains and Losses

The Commission does not have remeasurement gains and losses.

37. Correction of accounting error

The consolidated statement of operations of the Authority has been restated to include the in-kind grant received from the Government of the Northwest Territories. During the 2014 fiscal year, ECE allowed the Authority to use schools owned by the GNWT for no consideration. The effect of the change is to increase grant in-kind and increase rent expense. There is no net impact to the consolidated statement of operations as a result of this restatement

	Previously Reported		As Restated		Change
Increase grant in-kind	\$	-	\$	164,160	\$ 164,160
Increase rent expense		-		164,160	164,160
Increase in operating deficit	\$	-	\$	-	\$ -

Consolidated Financial Statements of

**DEHCHO DIVISIONAL
EDUCATION COUNCIL**

June 30, 2015

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Financial Statements

June 30, 2015

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DEHCHO DIVISIONAL EDUCATION COUNCIL

Box 376, Fort Simpson, N.W.T. X0E 0N0

MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

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

Vision and Core Strategy

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

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

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

Governance, Trustees and Key Management

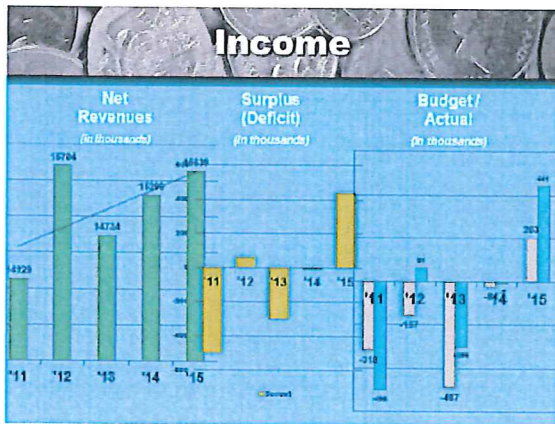
Presently, the Council is represented by trustees from eight communities in the Dehcho region. The Council Members are as follows:

- Fort Providence- Albertine Nadli- Chairperson
- Fort Liard- Kathy Hardisty- Vice Chairperson
- Fort Simpson- Rock Matte
- Jean Marie River- Yvonne Norwegian
- Kakisa Lake- Terry Simba

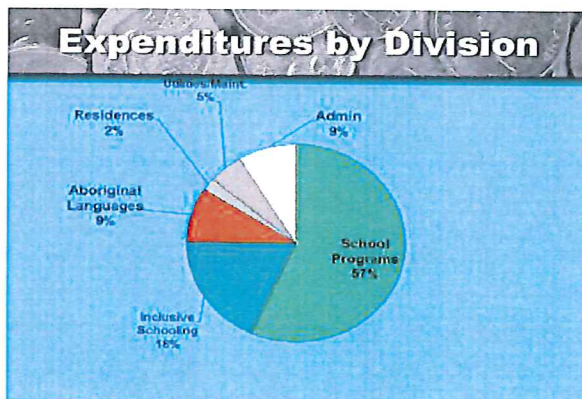
- Trout Lake- Rebecca Murdoch
- Wrigley- Lisa Moses
- Nahanni Butte- Jayne Konisenta

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

Key Financial Highlights



Revenue has fluctuated over the past five years due to fluctuating enrollment. Due to these factors and a healthy accumulated surplus from earlier years, the Council has recorded deficits or small surpluses in four of the past five years. Actual surpluses have been favorable over original budgets in four the past five years as Council tries to operate in the most financial responsible manner, taking advantage of cost saving measures wherever possible and maximizing other sources of income wherever possible.



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

Total Student and Teacher Populations

COMMUNITY SCHOOL	<u>FORT SIMPSON</u> Thomas Simpson School	<u>FORT BOMPAS</u> Bompas School	<u>FORT PROVIDENCE</u> Deh Gah School	<u>JEAN MARIE RIVER</u> Louie Norwegian School	<u>KAKISA LAKE</u> KAKISA LAKE School	<u>TROUT LAKE</u> Charles Tetcho School	<u>WRIGLEY</u> Chief Julian Yendo School	<u>FORT LIARD</u> Echo Dene School	<u>NAHANNIBUTTE</u> Charles Yohin School	TOTAL
<u>STUDENTS</u>										
Beginning of Year Enrollment	135	117	166	8	4	18	17	111.5	8	584.5
End of Year Enrollment	<u>132</u>	<u>116</u>	<u>165</u>	<u>8</u>	<u>4</u>	<u>18</u>	<u>17</u>	<u>113</u>	<u>10</u>	583
TOTAL BY DISTRICT EDUCATION AUTHORITY (DEA) END OF YEAR		<u>248</u>	<u>165</u>	<u>8</u>	<u>4</u>	<u>18</u>	<u>17</u>	<u>113</u>	<u>10</u>	<u>583</u>
<u>TEACHING STAFF</u>										
Beginning of Year Teachers	10	8.5	11	1	1	2	1.5	8	1	44
End of Year Teachers	<u>10</u>	<u>8.5</u>	<u>11</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>1.5</u>	<u>8</u>	<u>1</u>	<u>44</u>
TOTAL BY DISTRICT EDUCATION AUTHORITY (DEA) END OF YEAR		<u>18.5</u>	<u>11</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>1.5</u>	<u>8</u>	<u>1</u>	<u>44</u>

Operating Environment

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

Financial Conditions

During the fiscal year ending June 30, 2015, the Council budgeted for an operating surplus to reduce the accumulated deficit and at the same time, maintain a similar level of service in the schools and communities. In doing so, the Council budgeted for an annual surplus of \$202,708. However, the Council was able to maintain costs, while benefiting from extra sources of revenue to record a favorable surplus of \$440,721. This represented a favorable variance of \$238,013. This favorable variance helped restore the Council to an overall accumulated surplus of \$180,490 after several years of declining enrollment. The increase in this surplus has eliminated any liquidity concerns as the Council continues to maintain cost controls in the current year, while contingent liabilities are not a risk to the Council's financial health.

Summary and Outlook

During the past year, the Council was able to maintain and strengthen its financial stability in a period of declining or stagnant enrollment. It was able to be successful in many new initiatives such as Junior Kindergarten and Self Regulation which benefitted the teaching staff and brought in additional funding. An Aboriginal Language Instructor program in partnership with the University of Victoria, ECE and Aurora College provided potential new instructors for retiring senior teachers and strengthened our relationship with the community and First Nations. Council governance was improved through Trustee and Council training and development. Moving forward, the Council's goals for the upcoming year are to:

- continue to focus on student achievement in the area of literacy,
- support teachers with professional development and in-service in the areas of Self Regulation, Inclusive Learning and improved classroom instruction,
- continue to collaborate with our partners to provide courses for the Diploma in Indigenous Language Revitalization
- participate in Education Renewal and Innovation Initiatives: Distance Learning, Aboriginal Language Mentorship Pilot, Fourth R, Self-Regulation and Resiliency
- improve our monitoring and evaluation practices in the area of record keeping and performance appraisals
- develop succession plans for senior staff in key positions.

MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

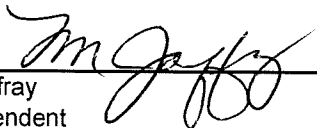
The Management Discussion & Analysis, Financial Statements, Schedules and Notes herein submitted have been reviewed by management. They provide full disclosure and accurately reflect the financial and non-financial condition of the authority in all material respects and in accordance with Canadian Public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

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

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

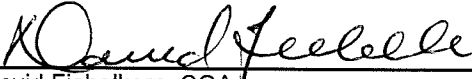
The auditors annually provide an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards. The auditors also consider whether the transactions that have come to their notice in the course of this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

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



Terry Jaffray
Superintendent
Dehcho Divisional Education Council

11 09 15
Date



David Fiebelkorn, CGA
Comptroller
Dehcho Divisional Education Council

Sept 11 / 15
Date

AUDITORS' REPORT

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

We have audited the consolidated financial statements of the Dehcho Divisional Education Council, which comprise the consolidated statement of financial position as at June 30, 2015, and the consolidated statements of operations and surplus, changes in net financial assets (debt), and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Basis for Qualified Opinion

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

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

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which might have been determined to be necessary had we been able to do a complete payroll audit, these consolidated financial statements present fairly, in all material respects, the financial position of the Education Body as at June 30, 2015 and the results of its operations and cash flow for the year then ended in accordance with the basis of accounting required by the Government of the Northwest Territories as described in Note 2 to the consolidated financial statements.

Report on Other Legal and Regulator Requirements

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



ASHTON
Chartered Accountants
Business Advisors

Hay River, NT
September 12, 2015

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Financial Position

June 30, 2015

	2015	*2014
FINANCIAL ASSETS		
Cash and cash equivalents, Note 4	\$ 3,040,150	\$ 2,464,198
Special purpose funds, Note 5	267,937	176,518
Due from Government of Canada, Note 13	-	-
Accounts receivable, Note 8	97,056	64,092
	<u>\$ 3,405,143</u>	<u>\$ 2,704,808</u>

LIABILITIES

Accounts payable and accrued liabilities, Note 10	\$ 644,337	\$ 600,960
Payroll liabilities, Note 35	1,070,077	1,065,598
Contributions repayable, Note 12	57,238	110,217
Due to the Government of Canada, Note 13	1,455	-
Deferred revenue, Note 11	145,560	80,255
Post-employment benefits, Note 17	1,289,776	1,098,187
Trust Liabilities, Note 18	36,210	29,822
	<u>3,244,653</u>	<u>2,985,039</u>
Net Assets (Deficit)	<u>\$ 160,490</u>	<u>\$ (280,231)</u>

NON-FINANCIAL ASSETS

Prepaid expenses, Note 20	\$ 20,000	\$ 20,000
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ACCUMULATED SURPLUS (DEFICIT)	<u>\$ 180,490</u>	<u>\$ (260,231)</u>
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* Reclassified for comparative purposes

Represented by:

Operating surplus

Divisional Education Council	\$ (114,151)	\$ (541,506)
District Education Authorities	294,641	281,275

	<u>\$ 180,490</u>	<u>\$ (260,231)</u>
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Contractual obligations, Note 24

Contingencies, Note 25

Approved: Albertine Nadeau Chair

Kathy Chaudhry Vice-chair

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Operations and Surplus

For the year ended June 30, 2015

	Budget 2015	Actual 2015	Actual *2014
Revenue			
Government of the NWT			
ECE regular contribution	\$ 14,295,964	\$ 14,616,233	\$ 14,190,968
Less: infrastructure repayable	-	(57,238)	(110,217)
Teaching and learning centres	-	-	-
French language instructions	-	-	-
ECE other contributions, Note 33	128,000	123,000	123,000
Total ECE contributions	14,423,964	14,681,995	14,203,751
GNWT other contributions, Note 34	-	209,560	407,173
Total GNWT	14,423,964	14,891,555	14,610,924
Government of Canada contributions	-	-	-
	14,423,964	14,891,555	14,610,924
Self-Generated Funds			
Rentals	36,000	30,150	26,530
Investment income	15,000	22,919	13,833
Contract and other	203,523	285,979	148,520
	254,523	339,048	188,883
Education authority generated funds, Schedule B-1	-	270,678	198,271
GNWT contributions to Education Authorities, Schedule B-1	-	138,109	190,361
	-	408,787	388,632
	14,678,487	15,639,390	15,188,439
Expenses			
Council administration	1,129,631	1,315,038	1,079,072
School programs	8,625,880	8,606,617	9,219,765
Inclusive schooling	2,657,738	2,798,947	2,800,811
Student accommodation	-	315,971	302,392
Operations and maintenance	751,396	784,159	796,591
Aboriginal language/cultural programs	1,311,134	1,377,937	996,712
Amortization	-	-	-
	14,475,779	15,198,669	15,195,343
Operating surplus (deficit)	\$ 202,708	\$ 440,721	\$ (6,904)
Accumulated surplus (deficit), beginning of year		(260,231)	(253,327)
Accumulated surplus (deficit), end of year		\$ 180,490	\$ (260,231)

* Reclassified for comparative purposes

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Change in Net Assets (Debt)

For the year ended June 30, 2015

	2015	2014
Operating Surplus (Deficit)	440,721	(6,904)
Amortization of tangible assets	-	-
Net change in prepaids	-	-
(Increase) Decrease in net debt	440,721	(6,904)
Net assets (debt) beginning of the year	(280,231)	(273,327)
Net assets (debt) end of year	\$ 160,490	\$ (280,231)

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Cash Flow

For the year ended June 30, 2015

	2015	2014
Operating Activities		
Operating Surplus (Deficit)	\$ 440,721	\$ (6,904)
Items not affecting cash:		
Amortization	-	-
Changes in non-cash assets and liabilities		
Decrease (increase) in due from the Government of Canada	-	-
Decrease (increase) in trust assets	-	-
Decrease (increase) in accounts receivable	(32,964)	(9,505)
Increase (decrease) in accounts payable	43,377	475,664
Increase (decrease) in payroll liabilities	4,479	70,174
Increase (decrease) in contributions repayable	(52,979)	78,185
Increase (decrease) in due to the Government of Canada	1,455	-
Increase (decrease) in deferred revenues	65,305	(88,650)
Increase (decrease) in post-employment benefits	191,589	51,310
Increase (decrease) in trust liabilities	6,388	14,140
Decrease (increase) in prepaids	-	-
	226,650	591,318
Cash provided by operating transactions	667,371	584,414
Financing Activities		
Repayment of capital lease obligation	-	-
Proceeds from capital lease obligation	-	-
Cash provided by (used for) financing activities	-	-
Investing Activities		
Disposition of portfolio investments	-	-
Acquisition of portfolio investments	-	-
Cash provided by (used for) investing transactions	-	-
Capital transactions		
Acquisition of tangible capital assets	-	-
Proceeds of disposition of tangible capital assets	-	-
Cash used for capital transactions	-	-
Increase (Decrease) in cash and cash equivalents	667,371	584,414
Cash and cash equivalents, beginning of year	2,640,716	2,056,302
Cash and cash equivalents, end of year	\$ 3,308,087	\$ 2,640,716
Cash consists of :		
Cash, Note 4	\$ 3,040,150	\$ 2,464,198
Special purpose funds, Note 5	267,937	176,518
	\$ 3,308,087	\$ 2,640,716

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Details of Expenses

For the year ended June 30, 2015

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations and Maintenance	Council Administration	Aboriginal Languages	Fiscal & Transfers	2015 Total	2015 Budget	2014 Total
Salaries										
Teachers' salaries	\$ 6,560,386	\$ 1,021,910	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,582,296	\$ 7,623,222	\$ 7,243,566
Consultants	-	207,513	-	-	-	-	-	207,513	-	239,514
Instruction assistants	-	1,367,430	-	-	-	892,095	-	2,259,525	1,939,718	2,180,980
Non-instructional staff	827,744	-	-	715,026	806,667	327,439	-	2,676,876	2,492,408	2,401,168
Board/Trustee Honoraria	-	-	-	-	50,817	38,673	-	89,490	66,000	51,981
	7,388,130	2,596,853	-	715,026	857,484	1,258,207	-	12,815,700	12,121,348	12,117,209
Employee Benefits										
Employee benefits and allowances	154,460	36,845	-	10,028	31,655	16,095	-	249,083	218,194	161,484
Leave and termination	-	46,359	-	-	-	-	-	46,359	131,949	152,300
	154,460	83,204	-	10,028	31,655	16,095	-	295,442	350,143	313,784
Services Purchased/Contracted										
Professional/Technical Services	-	-	-	-	28,228	-	-	28,228	55,000	18,819
Postage/Communication	58,510	-	3,203	-	28,238	-	-	89,951	68,000	75,762
Utilities	6,235	-	-	29,060	1,028	-	-	36,323	-	25,072
Travel	239,795	46,304	46,211	-	163,477	12,927	-	508,714	536,000	484,100
Student Travel (Bussing)	14,674	-	-	-	78,500	1,000	-	94,174	162,000	-
Advertising/Printing/Publishing	-	-	-	-	125	8,168	-	8,293	21,000	8,479
Maintenance/Repair	-	-	-	-	17,955	-	-	17,955	20,000	18,113
Rentals/Leases	22,682	-	-	23,992	21,010	-	-	67,684	112,397	62,296
Other - Student Awards	15,465	-	-	-	18,605	-	-	34,070	-	11,714
Other - Contracted Services	24,466	70,147	245,625	5,703	30,842	150	-	376,933	115,000	399,781
Other - School Programs	90,259	-	-	-	-	34,465	-	124,724	-	1,035,222
Other - Miscellaneous	-	-	-	-	16,450	-	-	16,450	148,500	26,909
	472,086	116,451	295,039	58,755	404,458	56,710	-	1,403,499	1,237,897	2,166,267
Materials, Supplies and Freight										
Materials	563,436	1,986	20,825	350	21,294	45,208	-	653,099	722,891	570,098
Freight	28,505	453	107	-	147	1,717	-	30,929	43,500	27,985
	591,941	2,439	20,932	350	21,441	46,925	-	684,028	766,391	598,083
Contributions and Transfers										
Transfers	-	-	-	-	-	-	-	-	-	-
Amortization										
	-	-	-	-	-	-	-	-	-	-
Total	\$ 8,606,617	\$ 2,798,947	\$ 315,971	\$ 784,159	\$ 1,315,038	\$ 1,377,937	\$ -	\$ 15,198,669	\$ 14,475,779	\$ 15,195,343

DEHCHO DIVISIONAL EDUCATION COUNCIL

Aboriginal Language and Cultural-based Education Expenses

For the year ended June 30, 2015

	Student Instruction	Teaching/ Learning Resources	Professional Development	School Activities and Integrated Community Programs	2015 Total
Salaries					
ALCBE teachers	\$ -	\$ -	\$ -	\$ -	\$ -
Language consultants	-	-	-	-	-
Instruction assistants	917,553	-	-	-	917,553
Non-instructional staff	52,511	216,878	-	-	269,389
Elders in schools	-	-	-	38,673	38,673
	970,064	216,878	-	38,673	1,225,615
Employee Benefits					
Employee benefits and allowances	-	16,095	-	-	16,095
Services Purchased/Contracted					
Professional services	-	-	-	-	-
Postage and communication	-	-	-	-	-
Travel	8,112	-	-	-	8,112
Student transportation	-	-	-	-	-
Advertising, printing and publishing	8,168	-	-	-	8,168
Maintenance and repairs	-	-	-	-	-
Rentals and leases	-	-	-	-	-
Other contracted services	-	-	-	-	-
	16,280	-	-	-	16,280
Materials, Supplies and Freight					
Materials	-	42,639	-	-	42,639
Freight	-	1,717	-	-	1,717
	-	44,356	-	-	44,356
Total	\$ 986,344	\$ 277,329	\$ -	\$ 38,673	\$ 1,302,346

DEHCHO DIVISIONAL EDUCATION COUNCIL

Inclusive Schooling Expenses

For the year ended June 30, 2015

Function	Staff Development	Intervention Strategies	Assistive Technology	Student Resources	Southern Placements	Magnet Facilities	General Inclusive Schooling	Total
Salaries								
Program support teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,021,910	\$ 1,021,910
Consultants	-	-	-	-	-	-	207,513	207,513
Instruction assistants	-	-	-	-	-	-	1,367,430	1,367,430
Non-instructional staff	-	-	-	-	-	-	-	-
Honoraria	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	2,596,853	2,596,853
Employee Benefits								
Employee benefits and allowances	-	-	-	-	-	-	83,204	83,204
Services Purchased/Contracted								
Professional and technical services	-	-	-	-	-	-	-	-
Travel	-	46,304	-	-	-	-	-	46,304
Student transportation	-	-	-	-	-	-	-	-
Advertising, printing and publishing	-	-	-	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-	-	-	-
Rentals and leases	-	-	-	-	-	-	-	-
Other contracted services	-	70,147	-	-	-	-	-	70,147
	-	116,451	-	-	-	-	-	116,451
Materials, Supplies and Freight								
Materials	-	-	-	-	-	-	1,986	1,986
Freight	-	-	-	-	-	-	453	453
	-	-	-	-	-	-	2,439	2,439
Total	\$ -	\$ 116,451	\$ -	\$ -	\$ -	\$ -	\$ 2,682,496	\$ 2,798,947

DEHCHO DIVISIONAL EDUCATION COUNCIL

French Language Program

For the year ended June 30, 2015

	Contributions from GNWT July 1 to June 30	Commitment from Dehcho July 1 to June 30	Expenses July 1 to June 30	Over/Under Funding
Special projects:				
Core French 1-12 (salary)	\$ -	\$ 50,000	\$ 79,326	\$ (29,326)

DEHCHO DIVISIONAL EDUCATION COUNCIL

Aboriginal Languages - Teaching and Learning Center

For the year ended June 30, 2015

	July 1, 2014 to March 31, 2015	April 1, 2015 to June 30, 2015	Total Fiscal Year 2014/2015
Revenue			
Funding received	\$ 73,000	\$ -	\$ 73,000
Expenditure			
Salaries	-	-	-
Resources	-	3,599	3,599
Workshops	36,517	19,679	56,196
Other O & M	-	-	-
Deficit Funding - June 30 Prev yr	-	-	-
	<u>36,517</u>	<u>23,278</u>	<u>59,795</u>
Surplus (Deficit), March 31, 2015	\$ <u>36,483</u>		
Surplus (Deficit), June 30, 2015		\$ <u>(23,278)</u>	
Surplus (Deficit) - Total			\$ <u>13,205</u>

DEHCHO DIVISIONAL EDUCATION COUNCIL

Infrastructure Funding

For the year ended June 30, 2015

	2015	2014
Personnel		
Revenue		
Contributions	\$ 209,524	\$ 259,777
Expenditure		
Staffing:		
Applicant Travel	14,639	10,576
Advertising	1,595	1,595
Employee Benefits:		
Removal in	53,578	33,803
Ultimate Removal	19,655	42,514
Workers' Compensation	80,751	71,197
	170,218	159,685
Surplus(Deficit)	\$ 39,306	\$ 100,092
Leases Infrastructure		
Revenue		
Contributions	\$ 60,192	\$ 48,397
Expenditure		
Housing:		
Utilities	29,060	25,072
Leases	13,200	13,200
	42,260	38,272
Surplus(Deficit)	\$ 17,932	\$ 10,125
Total Surplus(Deficit)	\$ 57,238	\$ 110,217

DEHCHO DIVISIONAL EDUCATION COUNCIL

Student Success Initiative Projects

For the year ended June 30, 2015

	2015	2014
Revenue		
GNWT - Education, Culture & Employment	\$ 55,000	\$ 55,000
NWT Teachers Association	57,529	61,656
	<u>112,529</u>	<u>116,656</u>
Expenditure		
Salaries and wages		
Substitute teacher wages	2,511	8,650
Staff	45,000	45,000
Travel		
Facilitator travel	935	4,322
Air Charter	3,126	11,343
Staff travel	19,782	9,367
Accommodations	1,800	4,705
Per diems	7,737	6,725
Student resources		
Room rental	-	416
Refreshments	441	14,622
Resources	3,652	7,379
Stationary printing	5,002	-
	<u>89,986</u>	<u>112,529</u>
Surplus (Deficit)	\$ 22,543	\$ 4,127

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2015

Note 1. Dehcho Divisional Education Council

The Dehcho Divisional Education Council (formerly known as the Divisional Board of Education) was established on March 30, 1990. The Dehcho Division encompasses an area which includes the communities of Wrigley (Chief Julian Yendo School), Nahanni Butte (Charles Yohin School), Trout Lake (Charles Tetcho School), Fort Simpson (Bompas Elementary School and Thomas Simpson Secondary School), Fort Liard (Echo-Dene School), Fort Providence (Deh Gah Elementary and Secondary School), Jean Marie River (Louie Norwegian School) and Kakisa Lake (Territorial School - Kakisa Lake School).

The Education Body's purpose is to administer and manage the educational affairs of the Division in accordance with the Education Act and the Financial Administration Act of the Northwest Territories and the regulations of the Order establishing the Education Division.

Note 2. Summary of Significant Accounting Policies

Basis of accounting

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

Cash and Cash Equivalents

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

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

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

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2015

Note 2. Summary of Significant Accounting Policies (continued)

Financial Instruments (continued)

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

Non-financial Assets

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

Tangible Capital Assets

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

Revenue Recognition

Government Transfers:

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

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

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

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

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2015

Note 2. Summary of Significant Accounting Policies (continued)

Revenue Recognition - (Continued)

GNWT – Regular Contributions:

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

Other Contributions:

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

Deferred Revenue:

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

Investment Income:

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

Infrastructure Funding

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

Budget Data

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

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

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

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

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2015

Note 2. Summary of Significant Accounting Policies (continued)

Measurement Uncertainty

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

Inventories Including Materials and Supplies

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

Payroll Liabilities

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

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

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

Post-employment and Termination Benefits

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

Special Purpose Funds

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

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

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2015

Note 3. Future Accounting Changes

Financial Instruments - Section PS 3450

PSAB has implemented changes to Section PS 3450, Financial instruments that outlines offsetting of financial assets and financial liabilities and the valuation of investments to be measured at fair value. These changes are to be applied on a go forward basis for all fiscal years beginning on or after April 1, 2016. The impact of the transition to these changes has not yet been determined.

Inter-entity Transactions - Section PS 3420

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

Student Activity/Fiduciary Funds Policy

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

Note 4. Cash and Cash Equivalents

	2015	2014
Cash	\$ 3,040,150	\$ 2,405,640
Short term investments	-	58,558
Cash	\$ 3,040,150	\$ 2,464,198

Note 5. Special Purpose Funds

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

	2015	2014
Fort Simpson (Bompas Elementary/Thomas Simpson Secondary Schools)	\$ 89,155	\$ 49,835
Fort Providence (Deh Gah Elementary/Secondary Schools)	23,408	56,584
Fort Liard (Echo-Dene School)	23,063	13,601
Jean Marie River (Louie Norwegian School)	16,067	2,484
Wrigley (Chief Julian Yendo School)	44,896	9,303
Nahanni Butte (Charles Yohin School)	24,518	10,239
Trout Lake (Charles Tetcho School)	253	(2,029)
Kakisa Lake (Territorial School - Kakisa Lake School)	46,577	36,501
	\$ 267,937	\$ 176,518

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2015

Note 6. **Restricted Assets - Not Applicable**

Note 7. **Portfolio Investments - Not Applicable**

Note 8. **Accounts Receivable**

	Receivables 2015	AFDA 2015	Net 2015	Net 2014
GNWT - ECE	\$ 29,646	-	\$ 29,646	\$ 36,624
GNWT - MACA	-	-	-	3,013
GNWT - Finance	718	-	718	571
GNWT - PWS	-	-	-	2,100
GNWT - ITI	7,560	-	7,560	-
Aurora College	14,812	-	14,812	557
Total Due from GNWT	52,736	-	52,736	42,865
Government of Canada	-	-	-	-
WSCC	-	-	-	-
Other	44,320	-	44,320	21,227
	\$ 97,056	-	\$ 97,056	64,092

Note 9. **Inventories - Not Applicable**

Note 10. **Accounts Payable and Accrued Liabilities**

	2015	2014
GNWT - Human Resources	\$ 541,875	\$ 484,714
GNWT	5,836	7,623
Government of Canada	1,455	-
WSCC	-	16,043
Employee source deductions	732	927
Accounts payable and accrued liabilities	95,894	91,653
	\$ 645,792	\$ 600,960

Note 11. **Deferred Revenue**

	2015	2014
GNWT - MACA		
Sport and Recreation	\$ 34,000	\$ 8,540
Healthy Choices	-	5,800
Physical Literacy	80,424	18,288
Bike Safety	-	2,382
Resiliency Training	31,136	-
GNWT - ITI		
After School Program	-	45,245
	\$ 145,560	\$ 80,255

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2015

Note 12. Contribution Repayable

	2015	2014
GNWT - ECE Infrastructure funding	\$ 57,238	\$ 110,217

Note 13. Due From and To the Government of Canada

	2015	2014
Receivables		
Projects	\$ -	\$ -
Miscellaneous receivables	-	-
	\$ -	\$ -
Payables		
Advances on projects	\$ -	\$ -
Miscellaneous payables	1,455	-
	\$ 1,455	\$ -

Note 14. Capital Lease Obligations - Not Applicable

Note 15. Pension - Not Applicable

Note 16. Long-term Debt - Not Applicable

Note 17. Post-employment Benefits

Under the conditions of employment, employees qualify for annual leave of varying lengths depending on length of service. Employees also earn severance remuneration based upon the number of years of service. Certain employees will also receive assistance with removal costs to return to their point of recruitment. Annual leave is payable within one fiscal year. Payment of severance and relocation amounts is dependent upon the date the employee leaves the Education Body

Costs are to also include those for contracted non-public servant employees (including Superintendents)

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

	2015	2014
Removal	\$ 463,525	\$ 443,870
Termination, severance, resignation, retirement	774,310	636,901
Leave*	51,941	17,416
	1,289,776	1,098,187
Less: current portion	(51,941)	(17,416)
Long-term portion	\$ 1,237,835	\$ 1,080,771

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2015

Note 17. Post-employment Benefits (continued)

* Leave

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

Note 18. Trust Assets and Liabilities under Administration

Superintendent's Association Fund: The balance is held on behalf of the Superintendent's Association. The fund increases by dues paid by Superintendents and funds are spent at the discretion of the Association.

Steve Rowan Memorial Scholarship Fund: The balance is held to provide scholarships to qualifying students.

Mercedes Benz Scholarship Fund: The balance is held to provide scholarships to qualifying students.

	2015		2014	
Superintendent Fund	\$	10,020	\$	3,915
Steve Rowan Memorial Scholarship Fund		14,493		14,337
Mercedes Benz Scholarship Fund		11,697		11,570
	\$	36,210	\$	29,822

Note 19. Tangible Capital Asset - Not Applicable

Note 20. Prepaid Expenses

	2015		2014	
CIBC Visa Deposit	\$	20,000	\$	20,000

Note 21. Accumulated Surplus/Deficit - Not Applicable

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

Note 22. Capital Advances - Not Applicable

Note 23. GNWT Assets Provided at No Cost

	Cost	Accumulated Amortization	2015 Net Book Value	2015 Net Book Value
Buildings				
Schools and colleges	\$ 26,299,097	\$ 16,029,672	\$ 10,269,425	\$ 11,138,927
Residences	843,808	469,434	374,374	395,465
Staff Housing	287,453	194,823	92,630	99,814
	\$ 27,430,358	\$ 16,693,929	\$ 10,736,429	\$ 11,634,206

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2015

Note 24. Contractual Obligations

At June 30, 2015, the Education Body had outstanding purchase order commitments for goods and services ordered, but not yet received, totaling \$22,081 (June 30, 2015 - \$9,831).

The Education Body has a contractual obligation for the lease of office equipment and with a contractor for the operation of the student accommodations. This commitment requires payments as shown below:

	Expires in Fiscal Year*	2016	2017 - 2020	Total
Equipment leases	2020	\$ 42,400	\$ 64,736	\$ 107,136
Operational leases	2016	126,788	-	126,788
		\$ 169,188	\$ 64,736	\$ 233,924

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

Note 25. Contingencies - Not Applicable

Note 26. Related Parties

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

	2015	2014
Revenues		
ECE Regular contribution	\$ 14,616,233	\$ 14,190,968
ECE other contributions, Note 33	123,000	123,000
GNWT other contributions, Note 34	209,560	407,173
GNWT contributions to Education Authorities, Schedule B-1	138,109	190,361
	\$ 15,086,902	\$ 14,911,502
Accounts receivable, Note 8		
Aurora College	\$ 14,812	\$ 557
MACA - Various contributions	-	3,013
PW&S - Janitorial services	-	2,100
ECE - Various contributions/reimbursements	29,646	36,624
Finance - interest	718	571
ITI - various contributions	7,560	-
	\$ 52,736	\$ 42,865
Accounts payable, Note 10		
Human Resources - wages	\$ 541,875	\$ 484,714
Finance - other	5,836	7,623
	\$ 547,711	\$ 492,337

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2015

Note 26. Related Parties (continued)

Contributions Repayable, Note 12			
ECE - Contributions repayable - Infrastructure funding	\$	57,238	\$ 110,217
Deferred Revenues, Note 11			
GNWT - MACA	\$	145,560	\$ 35,010
GNWT - ITI		-	45,245
	\$	145,560	\$ 80,255

Note 27. Budget

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

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

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

Note 28. Economic Dependence

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

Note 29. Financial Instruments

The Education Body is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Education Body's risk exposure and concentration as of June 30, 2015.

Credit risk

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

Liquidity

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

Market risk

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

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2015

Note 29. Financial Instruments (continued)

Currency risk

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

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. The Education Body minimizes risk through its normal operating and financing activities and maintains cash in a general bank account with interest fixed at 1.0%.

Note 30. Expenses by Object

	2015 Budget	2015 Actual	2014 Actual
Compensation	\$ 12,471,491	\$ 13,111,142	\$ 12,430,993
Professional/Technical Services	55,000	28,228	18,819
Postage/Communication	68,000	89,951	75,762
Utilities	-	36,323	25,072
Travel	536,000	508,714	484,100
Student Travel (Bussing)	162,000	94,174	-
Advertising/Printing/Publishing	21,000	8,293	8,479
Maintenance/Repair	20,000	17,955	18,113
Rentals/Leases	112,397	67,684	62,296
Other - Student Awards	-	34,070	11,714
Other - Contracted Services	115,000	376,933	399,781
Other - School Programs	-	124,724	1,035,222
Other - Miscellaneous	148,500	16,450	26,909
Materials, Supplies and Freight	766,391	684,028	598,083
Amortization	-	-	-
	\$ 14,475,779	\$ 15,198,669	\$ 15,195,343

Note 31. Subsequent Events - Not Applicable

Note 32. Comparative Figures

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

Note 33. Other ECE Revenue

	2015	2014
Aboriginal languages	\$ 73,000	\$ 73,000
French language	50,000	50,000
	\$ 123,000	\$ 123,000

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2015

Note 34. GNWT - Other Contributions

	2015	2014
MACA		
Sports and youth programs	\$ 41,869	\$ 119,853
Sport strategy	127,140	127,140
Children and youth resiliency	51,136	-
Active after school	30,600	-
Healthy choices	-	5,800
ITI		
Active after school	-	58,245
Take a kid trapping	9,000	29,124
ECE		
Northern grad employment	-	31,250
HSS		
Drop the pop	15,120	26,219
Deferred revenue, opening	80,255	89,797
Deferred revenue, closing	(145,560)	(80,255)
	\$ 209,560	\$ 407,173

Note 35. Payroll Liabilities

The following amounts have been accrued by the Education Body:

	2015	2014
UNW School Year	\$ 590,473	\$ 570,696
NWTTA	479,604	494,902
	\$ 1,070,077	\$ 1,065,598

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

DEHCHO DIVISIONAL EDUCATION COUNCIL

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

For the year ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue			
GNWT - ECE core contribution	\$ 14,295,964	\$ 14,616,233	\$ 14,190,968
Less: infrastructure repayable	-	(57,238)	(110,217)
GNWT - ECE other contributions	128,000	123,000	123,000
	14,423,964	14,681,995	14,203,751
GNWT - other contributions	-	209,560	407,173
Government of Canada contributions	-	-	-
Self-Generated Funds			
Rentals	36,000	30,150	26,530
Investment income	15,000	22,919	13,833
Contract and other	203,523	285,979	148,520
	254,523	339,048	188,883
	14,678,487	15,230,603	14,799,807
Expenditure			
School programs	8,625,880	8,617,193	8,932,041
Inclusive schooling	2,657,738	2,798,947	2,800,811
Student accommodations	-	315,971	302,392
Operations and maintenance	751,396	764,767	723,689
Council administration	1,129,631	1,004,024	988,508
Aboriginal languages	1,311,134	1,302,346	996,712
Fiscal and transfers	-	-	-
	14,475,779	14,803,248	14,744,153
Excess (Deficiency) of Revenue over Expenditure	\$ 202,708	\$ 427,355	\$ 55,654
Accumulated surplus (deficit), beginning of year		(541,506)	(597,160)
Accumulated surplus (deficit), end of year		\$ (114,151)	\$ (541,506)

DEHCHO DIVISIONAL EDUCATION COUNCIL

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

For the year ended June 30, 2015

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Council Administration	Aboriginal Languages	Fiscal & Transfers	2015 Total	2015 Budget	*2014 Total
Salaries										
Teachers' salaries	\$ 6,560,386	\$ 1,021,910	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,582,296	\$ 7,623,222	\$ 7,334,562
Consultants	-	207,513	-	-	-	-	-	207,513	-	239,514
Instruction Assistant	-	1,367,430	-	-	-	917,553	-	2,284,983	1,939,718	2,180,980
Non Instructional Staff	760,024	-	-	706,776	749,715	269,389	-	2,485,904	2,492,408	2,559,715
Board/Trustee Honoraria	-	-	-	-	20,175	38,673	-	58,848	66,000	51,981
	7,320,410	2,596,853	-	706,776	769,890	1,225,615	-	12,619,544	12,121,348	12,366,752
Employee Benefits										
Employee benefits and allowances	103,863	36,845	-	10,028	10,923	16,095	-	177,754	218,194	161,484
Leave and termination	-	46,359	-	-	-	-	-	46,359	131,949	152,300
	103,863	83,204	-	10,028	10,923	16,095	-	224,113	350,143	313,784
Services Purchased/Contracted										
Professional/Technical Services	-	-	-	-	23,294	-	-	23,294	55,000	18,819
Postage/Communication	58,510	-	3,203	-	27,749	-	-	89,462	68,000	75,762
Utilities	-	-	-	29,060	-	-	-	29,060	-	25,072
Travel	240,791	46,304	46,211	-	81,788	8,112	-	423,206	536,000	491,538
Student Travel (Bussing)	56,825	-	-	-	-	-	-	56,825	162,000	52,586
Advertising/Printing/Publishing	-	-	-	-	125	8,168	-	8,293	21,000	8,479
Maintenance/Repair	-	-	-	-	17,955	-	-	17,955	20,000	22,332
Rentals/Leases	22,682	-	-	13,200	21,010	-	-	56,892	112,397	62,296
Other - Student Awards	-	-	-	-	18,540	-	-	18,540	-	11,714
Other - Contracted Services	21,514	70,147	245,625	5,703	-	-	-	342,989	115,000	417,235
Other - School Programs	-	-	-	-	-	-	-	-	-	-
Other - Miscellaneous	-	-	-	-	16,450	-	-	16,450	148,500	26,909
	400,322	116,451	295,039	47,963	206,911	16,280	-	1,082,966	1,237,897	1,212,742
Materials, Supplies and Freight										
Materials	556,769	1,986	20,825	-	16,300	42,639	-	638,519	722,891	614,521
Freight	28,505	453	107	-	-	1,717	-	30,782	43,500	27,985
	585,274	2,439	20,932	-	16,300	44,356	-	669,301	766,391	642,506
Contributions and Transfers										
Transfers to DEA	207,324	-	-	-	-	-	-	207,324	-	208,369
Amortization										
	-	-	-	-	-	-	-	-	-	-
Total	\$ 8,617,193	\$ 2,798,947	\$ 315,971	\$ 764,767	\$ 1,004,024	\$ 1,302,346	\$ -	\$ 14,803,248	\$ 14,475,779	\$ 14,744,153

* Reclassified for comparative purposes

DEHCHO DIVISIONAL EDUCATION COUNCIL

Schedule B-1 - District Education Authority Operations (Summary)

Non-Consolidated

For the year ended June 30, 2015

	Fort Simpson	Fort Providence	Fort Liard	Jean Marie River	Wrigley	Nahanni Butte	Trout Lake	Kakisa Lake	Total
Revenue									
Operating contributions from Divisional Council	\$ 50,992	\$ 46,577	\$ 27,598	\$ 15,835	\$ 18,040	\$ 15,767	\$ 17,226	\$ 15,289	\$ 207,324
Other contributions from Divisional Council	68,712	232,681	44,395	31,529	-	-	26,361	910	404,588
Contributions from GNWT	48,190	89,919	-	-	-	-	-	-	138,109
Other	153,177	40,974	-	2,226	41,347	3,075	73	29,806	270,678
	321,071	410,151	71,993	49,590	59,387	18,842	43,660	46,005	1,020,699
Expenditure									
Administration	153,871	146,802	11,439	13,370	19,848	1,313	11,933	7,203	365,779
School programs	144,985	271,730	33,593	10,326	2,721	2,750	1,267	4,132	471,504
Inclusive schooling	-	-	-	-	-	-	-	-	-
Student accommodations	-	-	-	-	-	-	-	-	-
Operations and maintenance	10,292	-	-	350	-	500	7,360	890	19,392
Aboriginal language/cultural programs	24,209	57,784	18,024	4,984	1,225	-	20,818	23,614	150,658
	333,357	476,316	63,056	29,030	23,794	4,563	41,378	35,839	1,007,333
Excess (Deficiency) of Revenue over Expenditure	(12,286)	(66,165)	8,937	20,560	35,593	14,279	2,282	10,166	13,366
Accumulated surplus, beginning of year	120,578	90,073	14,126	2,484	9,303	10,239	(2,029)	36,501	281,275
Accumulated surplus, end of year	\$ 108,292	\$ 23,908	\$ 23,063	\$ 23,044	\$ 44,896	\$ 24,518	\$ 253	\$ 46,667	\$ 294,641
Composition of Ending Accumulated Surplus									
Cash	\$ 89,155	\$ 23,408	\$ 23,063	\$ 16,067	\$ 44,896	\$ 24,518	\$ 253	\$ 46,577	\$ 267,937
Short term investments	-	-	-	-	-	-	-	-	-
Accounts receivable	19,137	500	-	6,977	-	-	6,642	90	33,346
Accounts payable	-	-	-	-	-	-	(6,642)	-	(6,642)
	\$ 108,292	\$ 23,908	\$ 23,063	\$ 23,044	\$ 44,896	\$ 24,518	\$ 253	\$ 46,667	\$ 294,641

DEHCHO DIVISIONAL EDUCATION COUNCIL

Schedule B-2 - Details of DEA Expenses

Non-Consolidated

For the year ended June 30, 2015

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations and Maintenance	Council Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non-instructional Staff	195,042	-	-	8,250	62,655	81,792	347,739
Board/Trustee Honorarium	-	-	-	-	30,642	-	30,642
	195,042	-	-	8,250	93,297	81,792	378,381
Employee Benefits							
Employee Benefits and Allowances	50,597	-	-	-	20,732	-	71,329
Leave and Termination	-	-	-	-	-	-	-
	50,597	-	-	-	20,732	-	71,329
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	4,934	-	4,934
Postage/Communication	-	-	-	-	489	-	489
Utilities	6,235	-	-	-	1,028	-	7,263
Travel	23,962	-	-	-	81,689	4,815	110,466
Student Travel (Bussing)	14,674	-	-	-	78,500	1,000	94,174
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	10,792	-	-	10,792
Rentals/Leases	-	-	-	-	-	-	-
Other - Student Awards	15,465	-	-	-	65	-	15,530
Other - Contracted Services	2,952	-	-	-	30,842	150	33,944
Other - School Programs	90,259	-	-	-	-	34,465	124,724
	153,547	-	-	10,792	197,547	40,430	402,316
Materials/Supplies/Freight							
Materials	72,318	-	-	350	54,056	28,436	155,160
Freight	-	-	-	-	147	-	147
	72,318	-	-	350	54,203	28,436	155,307
Total	\$ 471,504	\$ -	\$ -	\$ 19,392	\$ 365,779	\$ 150,658	1,007,333

FORT SIMPSON

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenues			
Contributions from Divisional Council	\$ 50,992	\$ 50,992	\$ 48,132
Other - DehCho DEC	-	68,712	68,552
Other - Contributions from GNWT	-	48,190	26,061
Other	-	153,177	123,287
	50,992	321,071	266,032
Expenses			
Administration	11,400	153,871	12,396
School programs	-	144,985	240,060
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	10,292	62,500
Aboriginal language/cultural programs	39,592	24,209	-
	\$ 50,992	333,357	314,956
Surplus (Deficit)	-	(12,286)	(48,924)
Opening equity		120,578	169,502
Closing equity		\$ 108,292	\$ 120,578
Composition of Closing Equity			
Cash		\$ 89,155	\$ 49,835
GIC		-	58,558
Accounts Receivable		19,137	12,185
Accounts Payable		-	-
		\$ 108,292	\$ 120,578

FORT SIMPSON

District Education Authority
Details of Expenses - Non-Consolidated

For the year ended June 30, 2015

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	51,458	-	-	-	-	18,220	69,678
Board/Trustee Honoraria	-	-	-	-	3,052	-	3,052
	51,458	-	-	-	3,052	18,220	72,730
Employee Benefits							
Employee Benefits/Allowances	10,161	-	-	-	16,632	-	26,793
Leave and Termination Benefits	-	-	-	-	-	-	-
	10,161	-	-	-	16,632	-	26,793
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	489	-	489
Utilities	6,235	-	-	-	-	-	6,235
Travel	14,148	-	-	-	37,867	99	52,114
Student Travel (Bussing)	13,042	-	-	-	78,500	1,000	92,542
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	10,292	-	-	10,292
Rentals/Leases	-	-	-	-	-	-	-
Other - Student Awards	2,889	-	-	-	-	-	2,889
Other - Contracted Services	2,952	-	-	-	13,156	-	16,108
Other - School Programs	21,127	-	-	-	-	-	21,127
	60,393	-	-	10,292	130,012	1,099	201,796
Materials/Supplies/Freight							
Materials	22,973	-	-	-	4,028	4,890	31,891
Freight	-	-	-	-	147	-	147
	22,973	-	-	-	4,175	4,890	32,038
Total	\$ 144,985	\$ -	\$ -	10,292	\$ 153,871	\$ 24,209	\$ 333,357

FORT PROVIDENCE

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue			
Contributions from Divisional Council	\$ 46,577	\$ 46,577	\$ 47,017
Other - DehCho DEC	-	232,681	265,544
Other - Contributions from GNWT	-	89,919	164,300
Other	-	40,974	37,730
	<u>46,577</u>	<u>410,151</u>	<u>514,591</u>
Expenses			
Administration	21,275	146,802	55,081
School programs	-	271,730	459,055
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	25,302	57,784	-
	<u>46,577</u>	<u>476,316</u>	<u>514,136</u>
Surplus (Deficit)	-	(66,165)	455
Opening equity		90,073	89,618
Closing equity		\$ 23,908	\$ 90,073
Composition of Closing Equity			
Cash		\$ 23,408	\$ 56,584
Accounts Receivable		500	46,355
Accounts Payable		-	(12,866)
		<u>\$ 23,908</u>	<u>\$ 90,073</u>

FORT PROVIDENCE

District Education Authority
Details of Expenses - Non-Consolidated

For the year ended June 30, 2015

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	143,584	-	-	-	50,073	34,673	228,330
Board/Trustee Honoraria	-	-	-	-	9,488	-	9,488
	<u>143,584</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,561</u>	<u>34,673</u>	<u>237,818</u>
Employee Benefits							
Employee Benefits/Allowances	40,436	-	-	-	2,930	-	43,366
Leave and Termination Benefits	-	-	-	-	-	-	-
	<u>40,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,930</u>	<u>-</u>	<u>43,366</u>
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	1,028	-	1,028
Travel	4,574	-	-	-	25,084	4,716	34,374
Student Travel (Bussing)	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Student Awards	891	-	-	-	-	-	891
Other - Contracted Services	-	-	-	-	15,187	-	15,187
Other - School Programs	35,365	-	-	-	-	4,000	39,365
	<u>40,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,299</u>	<u>8,716</u>	<u>90,845</u>
Materials/Supplies/Freight							
Materials	46,880	-	-	-	43,012	14,395	104,287
Freight	-	-	-	-	-	-	-
	<u>46,880</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,012</u>	<u>14,395</u>	<u>104,287</u>
Total	\$ 271,730	\$ -	\$ -	\$ -	\$ 146,802	\$ 57,784	\$ 476,316

FORT LIARD

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue			
Contributions from Divisional Council	\$ 27,598	\$ 27,598	\$ 27,158
Other - DehCho DEC	-	44,395	29,794
Other - Contributions from GNWT	-	-	-
Other	-	-	1,162
	27,598	71,993	58,114
Expenses			
Administration	9,250	11,439	13,952
School programs	-	33,593	49,551
Inclusive Schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	18,348	18,024	-
	27,598	63,056	63,503
Surplus (Deficit)	-	8,937	(5,389)
Opening equity		14,126	19,515
Closing equity		\$ 23,063	\$ 14,126
Composition of Closing Equity			
Cash		\$ 23,063	\$ 13,601
Accounts Receivable		-	525
Accounts Payable		-	-
		23,063	14,126

FORT LIARD

District Education Authority
Details of Expenses - Non-Consolidated

For the year ended June 30, 2015

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	-	8,954	8,954
Board/Trustee Honoraria	-	-	-	-	4,321	-	4,321
	-	-	-	-	4,321	8,954	13,275
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	4,412	-	-	-	-	-	4,412
Student Travel (Bussing)	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Student Awards	9,482	-	-	-	-	-	9,482
Other - Contracted Services	-	-	-	-	313	150	463
Other - School Programs	19,699	-	-	-	-	6,851	26,550
	33,593	-	-	-	313	7,001	40,907
Materials/Supplies/Freight							
Materials	-	-	-	-	6,805	2,069	8,874
Freight	-	-	-	-	-	-	-
	-	-	-	-	6,805	2,069	8,874
Total	\$ 33,593	\$ -	\$ -	\$ -	\$ 11,439	\$ 18,024	\$ 63,056

JEAN MARIE RIVER

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenues			
Contributions from Divisional Council	\$ 15,835	\$ 15,835	\$ 15,945
Other - DehCho DEC	-	31,529	-
Other - Contributions from GNWT	-	-	-
Other	-	2,226	-
	15,835	49,590	15,945
Expenses			
Administration	10,950	13,370	18,281
School programs	-	10,326	25,889
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	350	-
Aboriginal language/cultural programs	4,885	4,984	-
	\$ 15,835	29,030	44,170
Surplus (Deficit)	-	20,560	(28,225)
Opening equity		2,484	30,709
Closing equity		\$ 23,044	\$ 2,484
Composition of Closing Equity			
Cash		\$ 16,067	\$ 2,484
Accounts Receivable		6,977	-
Accounts Payable		-	-
		23,044	2,484

JEAN MARIE RIVER

District Education Authority
Details of Expenses - Non-Consolidated

For the year ended June 30, 2015

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	4,050	3,870	7,920
Board/Trustee Honoraria	-	-	-	-	3,630	-	3,630
	-	-	-	-	7,680	3,870	11,550
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	4,840	-	4,840
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	828	-	-	-	-	-	828
Student Travel (Bussing)	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Awards	1,202	-	-	-	-	-	1,202
Other - Contracted Services	-	-	-	-	639	-	639
Other - School Programs	8,296	-	-	-	-	-	8,296
	10,326	-	-	-	5,479	-	15,805
Materials/Supplies/Freight							
Materials	-	-	-	350	211	1,114	1,675
Freight	-	-	-	-	-	-	-
	-	-	-	350	211	1,114	1,675
Total	\$ 10,326	\$ -	\$ -	\$ 350	\$ 13,370	\$ 4,984	\$ 29,030

WRIGLEY

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2015

	Current Year Budget	Current Year Actual	Prior Year Actual
Revenue			
Contributions from Divisional Council	\$ 18,040	\$ 18,040	\$ 20,295
Other - DehCho DEC	-	-	4,000
Other - Contributions from GNWT	-	-	-
Other	-	41,347	-
	<u>18,040</u>	<u>59,387</u>	<u>24,295</u>
Expenditure			
Administration	12,050	19,848	8,396
School programs	-	2,721	12,000
Inclusive schooling	-	-	-
Student Accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	5,990	1,225	-
	<u>\$ 18,040</u>	<u>23,794</u>	<u>20,396</u>
Excess (Deficiency) of Revenue over Expenditure	-	35,593	3,899
Accumulated surplus (deficit), beginning of year		9,303	5,404
Accumulated surplus (deficit), end of year		<u>\$ 44,896</u>	<u>\$ 9,303</u>
Composition of Closing Equity			
Cash		\$ 44,896	\$ 9,303
Accounts Receivable		-	-
Accounts Payable		-	-
		<u>\$ 44,896</u>	<u>\$ 9,303</u>

WRIGLEY DISTRICT EDUCATION AUTHORITY

District Education Authority
Details of Expenses - Non-Consolidated

For the year ended June 30, 2015

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations and Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non-instructional staff	-	-	-	-	-	-	-
Board/Trustee Honoraria	-	-	-	-	2,938	-	2,938
	-	-	-	-	2,938	-	2,938
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and termination	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	16,500	-	16,500
Student Travel (Bussing)	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Student Awards	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	410	-	410
Other - School Programs	2,721	-	-	-	-	-	2,721
	2,721	-	-	-	16,910	-	19,631
Materials, Supplies and Freight							
Materials	-	-	-	-	-	1,225	1,225
Freight	-	-	-	-	-	-	-
	-	-	-	-	-	1,225	1,225
Total	\$ 2,721	\$ -	\$ -	\$ -	\$ 19,848	\$ 1,225	\$ 23,794

NAHANNI BUTTE

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenues			
Contributions from Divisional Council	\$ 15,767	\$ 15,767	\$ 16,922
Other - DehCho DEC	-	-	800
Other - Contributions from GNWT	-	-	-
Other	-	3,075	1,869
	15,767	18,842	19,591
Expenses			
Administration	10,950	1,313	972
School programs	-	2,750	15,753
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	500	-
Aboriginal language/cultural programs	4,817	-	-
	15,767	4,563	16,725
Surplus (Deficit)	-	14,279	2,866
Opening equity		10,239	7,373
Closing equity		\$ 24,518	\$ 10,239
Composition of Closing Equity			
Cash		\$ 24,518	\$ 10,239
Accounts Receivable		-	-
Accounts Payable		-	-
		\$ 24,518	\$ 10,239

NAHANNI BUTTE

District Education Authority
Details of Expenses - Non-Consolidated

For the year ended June 30, 2015

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	-	-	-
Board/Trustee Honoraria	-	-	-	-	1,050	-	1,050
	-	-	-	-	1,050	-	1,050
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student Travel (Bussing)	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	500	-	-	500
Rentals/Leases	-	-	-	-	-	-	-
Other - Student Awards	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	263	-	263
Other - School Programs	285	-	-	-	-	-	285
	285	-	-	500	263	-	1,048
Materials/Supplies/Freight							
Materials	2,465	-	-	-	-	-	2,465
Freight	-	-	-	-	-	-	-
	2,465	-	-	-	-	-	2,465
Total	\$ 2,750	\$ -	\$ -	\$ 500	\$ 1,313	\$ -	4,563

TROUT LAKE

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue			
Contributions from Divisional Council	\$ 17,226	\$ 17,226	\$ 17,171
Other - DehCho DEC	-	26,361	4,595
Other - Contributions from GNWT	-	-	-
Other	-	73	-
	17,226	43,660	21,766
Expenses			
Administration	10,950	11,933	25,627
School programs	-	1,267	9,300
Inclusive schooling	-	-	-
Student Accommodations	-	-	-
Operations and maintenance	-	7,360	-
Aboriginal language/cultural programs	6,276	20,818	-
	17,226	41,378	34,927
Surplus (Deficit)	-	2,282	(13,161)
Opening equity		(2,029)	11,132
Closing equity	\$	253	\$ (2,029)
Composition of Closing Equity			
Cash	\$	253	\$ (2,029)
Accounts Receivable		6,642	-
Accounts Payable		(6,642)	-
	\$	253	\$ (2,029)

TROUT LAKE

District Education Authority
Details of Expenses - Non-Consolidated

For the year ended June 30, 2015

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	7,360	3,632	16,075	27,067
Board/Trustee Honoraria	-	-	-	-	6,163	-	6,163
	-	-	-	7,360	9,795	16,075	33,230
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	1,170	-	1,170
Leave and Termination Benefits	-	-	-	-	-	-	-
	-	-	-	-	1,170	-	1,170
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	94	-	94
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student Travel (Bussing)	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Awards	1,001	-	-	-	-	-	1,001
Other - Contracted Services	-	-	-	-	874	-	874
Other - Local Programs	266	-	-	-	-	-	266
	1,267	-	-	-	968	-	2,235
Materials/Supplies/Freight							
Materials	-	-	-	-	-	4,743	4,743
Freight	-	-	-	-	-	-	-
	-	-	-	-	-	4,743	4,743
Total	\$ 1,267	\$ -	\$ -	\$ 7,360	\$ 11,933	\$ 20,818	\$ 41,378

KAKISA LAKE

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenues			
Contributions from Divisional Council	\$ 15,289	\$ 15,289	\$ 15,729
Other - DehCho DEC	-	910	2,378
Other - Contributions from GNWT	-	-	-
Other	-	29,806	34,223
	15,289	46,005	52,330
Expenditure			
Administration	10,950	7,203	5,758
School programs	-	4,132	19,053
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	890	1,598
Aboriginal language/cultural programs	4,339	23,614	-
	\$ 15,289	35,839	26,409
Surplus (Deficit)	-	10,166	25,921
Opening equity		36,501	10,580
Closing equity		\$ 46,667	\$ 36,501
Composition of Closing Equity			
Cash		\$ 46,577	\$ 36,501
Accounts Receivable		90	-
Accounts Payable		-	-
		\$ 46,667	\$ 36,501

KAKISA LAKE

District Education Authority
Details of Expenses - Non-Consolidated

For the year ended June 30, 2015

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	890	4,900	-	5,790
Board/Trustee Honoraria	-	-	-	-	-	-	-
	-	-	-	890	4,900	-	5,790
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	2,238	-	2,238
Student Travel (Bussing)	1,632	-	-	-	-	-	1,632
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	65	-	65
Other - Awards	-	-	-	-	-	-	-
Other - School Programs	2,500	-	-	-	-	23,614	26,114
	4,132	-	-	-	2,303	23,614	30,049
Materials/Supplies/Freight							
Materials	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total	\$ 4,132	\$ -	\$ -	\$ 890	\$ 7,203	\$ 23,614	\$ 35,839

Dettah District Education Authority
Consolidated Financial Statements
June 30, 2015

Dettah District Education Authority

Consolidated Financial Statements

June 30, 2015

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Management Discussion and Analysis

Financial Position

The Authority's financial assets decreased from \$892,018 to \$604,792. This year the net financial assets (financial assets less liabilities) were \$353,922 compared to \$632,591 in the prior year.

The Authority had an operating deficit of \$278,699 for the year. This deficit is attributed to 3 new teachers being hired during the year, increase in pension to NEBS and increase in materials expenses. The accumulated surplus at year end is \$353,922.

Accounts payable and accrued liabilities have decreased from \$44,350 to \$31,664 due to on-time payments before year end.

Due to Yellowknife Education District #1 Payable increased from \$165,077 to \$219,206. The increase is attributed to greater payable balances due to 3 new employees being hired during the year and increase in pension to NEBS.

Detah DEA received 95% (2014 - 96%) of its funding from the GNWT. Other revenue in the current year mainly consists of donations from DDMI \$75,000 as well as interest revenue of \$2,500.

Management's Report

The Superintendent of the Authority delegates the responsibility of preparing consolidated financial statements to Management. Auditors are appointed to provide an independent opinion on the consolidated financial statements. Canadian public sector accounting standards were followed in the preparation of the Authority's consolidated financial statements.

The consolidated financial statements have been reported on by Crowe MacKay LLP, Chartered Accountants. The independent auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the consolidated financial statements.

Management Responsibility for Financial Reporting

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

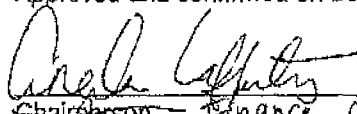
The Management Discussion and Analysis, Consolidated Financial Statements, Schedules and Notes herein submitted have been reviewed by management. They provide full disclosure and accurately reflect the financial and non-financial condition of Dettah District Education Authority ("the Authority") in all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

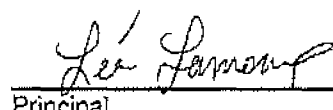
Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that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

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

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

Approved and confirmed on behalf of the Authority


Chairperson - Finance Committee Member, for Chair
Dettah District Education Authority


Principal
Dettah District Education Authority

October 27, 2015

Independent Auditors' Report

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Dettah District Education Authority ("the Authority") which comprise the consolidated statement of financial position as at June 30, 2015 and the consolidated statements of operations, changes in net financial asset, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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



Independent Auditors' Report (continued)

Basis for Qualified Opinion

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

Qualified Opinion

In our opinion, except for the effects of adjustments, if any, of the matter described in the Basis for Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the Authority as at June 30, 2015, and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

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

**Yellowknife, Northwest Territories
October 27, 2015**

Crowe MacKay LLP
Chartered Accountants

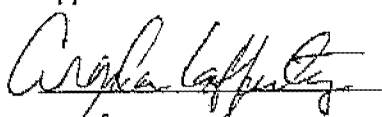
Dettah District Education Authority

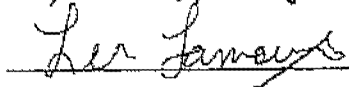
Consolidated Statement of Financial Position

As at June 30,	2015	2014
Financial Assets		
Cash (Note 4)	\$ 579,429	\$ 837,357
Short-term investments (Note 7)	-	28,466
Accounts receivable (Note 8)	25,363	26,195
	<u>604,792</u>	<u>892,018</u>
Liabilities		
Accounts payable and accrued liabilities (Note 10)	31,664	44,350
Due to Yellowknife Education District #1 (Note 26)	219,206	165,077
Deferred revenue (Note 11)	-	50,000
	<u>250,870</u>	<u>259,427</u>
Net Financial Assets and Accumulated Surplus	\$ 353,922	\$ 632,591

Contractual obligations and contingencies (Note 24 and 25)

Approved on behalf of the Authority

 *Angela Lafferty* Finance Committee Member for
Chairperson - F

 *Len Lavoie* Principal

Dettah District Education Authority

Consolidated Statement of Operations

For the year ended June 30,	2015	2015	2014
	Budget (unaudited)	Actual	Actual (restated)
Revenues			
Government of the NWT			
ECE Regular Contributions	\$ 1,594,188	\$ 1,606,601	\$ 1,345,615
ECE Other Contributions (Note 33)		15,921	73,389
Total ECE	-	1,622,522	1,419,004
GNWT Other Contributions (Note 34)	-	-	12,000
Total GNWT	-	1,622,522	1,431,004
Education Body Generated Funds			
Donations	10,700	92,372	52,893
Investment Income	-	2,570	3,754
Total Generated Funds	-	94,942	56,647
Total Revenues	\$ 1,604,888	\$ 1,717,464	\$ 1,487,651
Expenditures - Schedule 1			
Administration	338,720	175,597	355,402
School Programs	976,259	1,245,708	766,557
Inclusive Schooling	234,566	337,306	201,998
Operations and Maintenance	251,883	79,033	50,845
Aboriginal Languages	109,220	158,489	91,750
	\$ 1,910,648	\$ 1,996,133	\$ 1,466,552
Operating Surplus (Deficit) before other items	(305,760)	(278,669)	21,099
Other Items			
Grant in-kind - Assets provided at no cost (Note 23)	-	12,238	12,238
Rent expense - Assets provided at no cost (Note 23)	-	(12,238)	(12,238)
Operating Surplus (Deficit)	(305,760)	(278,669)	21,099
Opening Accumulated Surplus	632,591	632,591	611,492
Closing Accumulated Surplus	\$ 326,831	\$ 353,922	\$ 632,591

Dettah District Education Authority

Consolidated Statement of Changes in Net Financial Asset

For the year ended June 30,	2015	2014
Operating surplus (deficit)	\$ (278,669)	\$ 21,099
Net financial asset, beginning of year	632,591	611,492
Net financial asset, end of year	\$ 353,922	\$ 632,591

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

For the year ended June 30,	2015	2014
<i>Cash provided by (used in):</i>		
Operating transactions		
Operating surplus	\$ (278,669)	\$ 21,099
Changes in non-cash assets and liabilities		
Decrease (increase) accounts receivable	832	(26,195)
Increase (decrease) accounts payable and accrued liabilities	(12,686)	(20,404)
Increase (decrease) due to Yellowknife District Education #1	54,129	90,091
Increase (decrease) deferred revenue	(50,000)	50,000
Increase (decrease) in cash and cash equivalents	\$ (286,394)	\$ 114,591
Cash and cash equivalents at beginning of year	865,823	751,232
Cash and cash equivalents at end of year (Note 4)	\$ 579,429	\$ 865,823

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2015

1. Nature of Operations

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

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

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

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

2. Significant Accounting Policies

(a) Basis of accounting

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

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

(b) Cash and Cash Equivalents

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

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2015

2. Significant Accounting Policies (continued)

(c) Financial Instruments

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

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

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

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

(d) Non-financial Assets

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

(e) Tangible capital assets

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

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2015

2. Significant Accounting Policies (continued)

(f) Revenue Recognition

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

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

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

GNWT - regular contributions

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

Other contributions

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

School funds

Schools in the system administer funds which arise from certain school and student activities. Such funds, although subject to internal review, are not recorded in the accounts or in the financial statements of the Authority as they do not constitute any part of the approved budget and are available for use at the discretion of each individual school.

Deferred revenue

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

Investment income

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

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2015

2. Significant Accounting Policies (continued)

(g) Infrastructure Funding

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

(h) Budget Data

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

The final priorities and funding allocations are determined by the Trustees of the Authority at a special meeting called for the purposes of reviewing budget proposals, recommending changes, additions or deletions and adopting the proposed budget. The budget is legally adopted by a motion of the Board in accordance with Section 135(2) of the *Education Act*.

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

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

The budget may be amended within a given fiscal year in accordance with the Authority's policy, regulations and approved budget procedures. The budget data presented in the financial statements reflect the amended budget for the fiscal year, and therefore, include any amendments that may have been made during the year. The budget has not been audited.

(i) Measurement Uncertainty

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

(j) Inventories Including Materials and Supplies

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

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2015

2. Significant Accounting Policies (continued)

(k) Payroll Liabilities

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

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

Teacher payrolls for July and August are accrued.

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

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

(m) Special Purpose Funds

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

(n) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organize or radioactive material or live organism that exceeds an environmental standard. A liability would be recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met: an environmental standard exists; contamination exceeds the environmental standard; The Authority is directly responsible and accepts responsibility and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available as at June 30, 2015.

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

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2015

2. Significant Accounting Policies (continued)

(o) Change in Accounting Policy

Effective April 1, 2014, the Authority adopted Section PS 3260, *Liability for Contaminated Sites* issued by the Canadian Public Sector Accounting Standards Board. This section establishes standards for governments and government type organizations reporting under Canadian public sector accounting standards about how to account for and report a liability which is associated with remediation of a contaminated site. The change in accounting policy has been applied prospectively.

The adoption of PS 3260 does not have an impact on the measurement of the Authority's liabilities but has resulted in additional disclosure.

3. Future Accounting Changes

Related Party Disclosures, Section PS 2200

In December of 2014, PSAB approved Section PS 2200, Related Party Disclosures. The new section defines related parties and establishes disclosures required for related party transactions. It is expected that reasonable efforts would be made to identify related party transactions. This may involve adopting policies and procedures designed to ensure that these transactions are appropriately identified, measured and disclosed in the financial statements. Not all related party relationships or transactions occurring between related parties are required to be disclosed. Disclosure is generally required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated. However, not all of these transactions are reportable under this Section. Only those transactions that have or could have a material financial effect on the financial statements are disclosed. The effective date for Section PS 2200 is April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards has not yet been reviewed by management.

Inter-entity transactions, Section PS 3420

In December of 2014, PSAB approved Section PS 3420, Inter-entity Transactions. This Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. This section may be applied in conjunction with Related Party Disclosures, Section 2200. The effective date for Section PS 3420 is April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards has not yet been reviewed by management.

Student Activity Funds

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

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2015

4. Cash and Cash Equivalents

	2015	2014
Cash	\$ 579,429	\$ 837,357
Short-term investment	-	28,466
	<u>\$ 579,429</u>	<u>\$ 865,823</u>

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

5. Special Purpose Funds

The Authority does not have special purpose funds.

6. Restricted Assets

The Authority does not have restricted assets.

7. Short-term Investments

The Authority had a guaranteed investment certificate (GIC) to obtain a return on a temporary basis. The account was closed during the year.

8. Accounts Receivable

	2015	2014
Government of the Northwest Territories - Department of Education, Culture and Employment	\$ 25,363	\$ 26,195

The Authority does not have allowance for doubtful accounts in the current year.

9. Inventory

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

10. Accounts Payable

	2015	2014
Trades payable	\$ 31,664	\$ 44,350

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2015

11. Deferred Revenue

	2015	2014
Dominion Diamond Ekati Corporation	\$ -	\$ 50,000

12. Contributions Repayable

The Authority does not have any contributions repayable.

13. Due From and To the Government of Canada

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

14. Capital Lease Obligations

The Authority does not have capital lease obligations

15. Pensions

Defined Contribution Plan

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

The Authority makes contributions to the Plan in an amount equal to the employees contributions. Employees contributions are calculated at a rate of 4.8% for the amount up to the yearly maximum pensionable earnings and at a rate of 6.5% for the amount above the yearly maximum pensionable earnings.

During fiscal year ended June 30, 2015 the Authority contributed \$49,403 (2014 - \$25,335) to the Plan. This contribution was treated as an expense during the year.

All of the Plan's assets are held by a Trustee in favour of individual employees. The only obligation to the Authority is to match employee contributions. The Authority fully funds its obligation under the Plan each month. The Authority did not have any liability under the provision of the Plan as of June 30, 2015.

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

16. Long-Term Debt

The Authority does not have long-term debt

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2015

17. Post-Employment Benefits

The Authority does not have post-employment benefits because it is paid through Yellowknife District Education #1.

18. Trust Assets Under Administration

The Authority does not have trust assets under administration.

19. Tangible Capital Assets

The Authority does not have tangible capital assets.

20. Prepaid Expenses and Deposits

The Authority does not have prepaid expenses and deposits.

21. Accumulated Surplus/Deficit

	2015	2014
Operating surplus	\$ 353,922	\$ 632,591

22. Capital Advances

The Authority does not have capital advances.

23. GNWT Assets Provided At No Cost

	Cost	Accumulated Amortization	2015 Net Book Value	2014 Net Book Value
Kaw Tay Whee	\$ 895,327	\$ 358,421	\$ 536,906	\$ 549,234

Rent expense of \$12,328 (2014 - \$12,328) was offset by a grant in-kind.

24. Contractual Obligations

The Authority does not have any contractual obligations.

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2015

25. Contingencies

The Authority does not have any contingencies.

26. Related Parties

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

Accounts Receivable

	2015		2014
GNWT - Department of Education, Cultural and Employment	\$ 25,363	\$	26,195

Due to Related Party

	2015		2014
Yellowknife Education District #1	\$ 219,206	\$	165,077

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

27. Budget Data

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

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

The budget figures presented are those approved by the Trustees of the Authority on November 19, 2014 and have not been audited.

28. Economic Dependence

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

Detah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2015

29. Risk Management

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

a) Credit risk

Credit risk is the risk of financial loss to the Authority if a debtor fails to make payments of interest and principal when due. The Authority is exposed to this risk relating to its cash, short-term investments, and accounts receivable. The Authority holds its cash in accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Authority's cash in accounts are insured up to \$300,000.

The Authority's maximum exposure to credit risk is represented by the financial assets balance for a total of \$604,792 (2014 - \$892,018).

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

There is a concentration of credit risk in cash as the majority of the deposits are held in one Canadian chartered bank and the balance is in excess of the insurable limit. There is also a concentration risk in accounts receivable as more than 10% of the total balance is from the Government of the Northwest Territories. At June 30, 2015, receivables from the GNWT comprised approximately 100% of total balance. The amounts represent a low credit risk as the debtors are reputable governments and government organizations with a good credit score. The Authority reduces its risk exposure by following up on old account receivables for collection.

b) Liquidity risk

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

The Authority's maximum exposure to liquidity risk is represented by accounts payable, accrued liabilities and payroll liabilities for a total \$250,870 (2014 - \$259,427).

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

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

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2015

30. Expenditures By Object

	2015 Budget	2015 Actual	2014 Actual
Compensation	\$ 1,126,345	\$ 1,035,285	\$ 789,195
Materials/freight	110,583	244,440	172,798
Services purchased/contracted	673,720	716,408	504,559
	<u>\$ 1,910,648</u>	<u>\$ 1,996,133</u>	<u>\$ 1,466,552</u>

31. Subsequent Events

There were no subsequent events that have taken place between June 30, 2015 and the date the audit report was signed.

32. Comparative Figures

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

33. ECE Other Contributions

	2015	2014
Government of the Northwest Territories - Department of Education, Culture and Employment		
Healthy Children Initiative	\$ 15,921	\$ 53,863
Small Communities Initiative	-	15,000
Other	-	4,526
	<u>\$ 15,921</u>	<u>\$ 73,389</u>

34. GNWT Other Contributions

	2015	2014
Government of the Northwest Territories		
Department of Municipal and Community Affairs	\$ -	\$ 12,000

Dettah District Education Authority

Notes to Consolidated Financial Statements

June 30, 2015

35. Payroll Liabilities

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

36. Statement of Remeasurement Gains and Losses

The Authority does not have remeasurement gains and losses.

37. Correction of accounting error

The consolidated statement of operations of the Authority has been restated to include the in-kind grant received from the Government of the Northwest Territories. During the 2014 fiscal year, ECE allowed the Authority to use schools owned by the GNWT for no consideration. The effect of the change is to increase grant in-kind and increase rent expense. There is no net impact to the consolidated statement of operations as a result of this restatement

		Previously Reported		As Restated		Change
Increase grant in-kind	\$	-	\$	12,238	\$	12,238
Increase rent expense		-		12,238		12,238
Increase (decrease) in operating surplus	\$	-	\$	-	\$	-

Dettah District Education Authority

Schedule 1 - Consolidated Details of Expenditures

For the year ended June 30,

							Total 2015	Budget 2015	Total 2014
	School Programs	Operations & Maintenance	Administration	Aboriginal Languages	Inclusive Schooling	Other	Total	Total	Total
Salaries									
Teachers	\$ 343,360	\$ -	\$ 56,723	\$ -	\$ 199,280	\$ -	\$ 599,363	\$ 769,525	\$ 466,168
Instructional assistant	32,252	-	-	-	-	-	32,252	17,400	28,514
YK1 Superintendent	-	-	25,000	-	-	-	25,000	25,000	22,500
Non-instructional staff	-	37,160	-	127,701	29,286	-	194,147	130,220	105,527
Board/Trustee honoraria	6,910	-	13,240	-	-	-	20,150	17,000	19,649
School secretary	23,123	-	-	-	-	-	23,123	37,200	44,350
Total Salaries	405,645	37,160	94,963	127,701	228,566	-	894,035	996,345	686,518
Employee Benefits									
Employee benefits and allowances	75,200	-	18,351	12,551	35,148	-	141,250	130,000	102,377
Services Purchased or Contracted									
Advertising	39,430	-	-	-	-	-	39,430	27,000	47,689
Contracted services	346,976	-	34,562	-	-	-	381,538	282,200	301,410
Maintenance and upgrades	-	41,873	-	9,354	57,511	-	108,738	206,300	9,616
Other	46,791	-	21,050	-	-	-	67,841	50,200	57,641
Professional and technical services	31,615	-	2,126	-	14,902	-	48,643	38,600	28,779
Student transportation (bussing)	70,218	-	-	-	-	-	70,218	69,420	59,424
Total Services Purchased or Contracted	535,030	41,873	57,738	9,354	72,413	-	716,408	673,720	504,559
Materials and Freight									
Freight	1,498	-	-	-	-	-	1,498	-	348
Materials	228,335	-	4,545	8,883	1,179	-	242,942	110,583	172,450
Total Materials and Freight	229,833	-	4,545	8,883	1,179	-	244,440	110,583	172,798
Total Expenditures	\$ 1,245,708	\$ 79,033	\$ 175,597	\$ 158,489	\$ 337,306	\$ -	\$ 1,996,133	\$ 1,910,648	\$ 1,466,552

Dettah District Education Authority

**Schedule 2
Aboriginal Language and Culture Program Expenditures**

For the year ended June 30,

2015

Function	Student Instruction	Teaching/ Learning Resources	Professional Development	School Activities and Integrated Community Programs	Total
Salaries					
Non-instructional staff	\$ 127,701	\$ -	\$ -	\$ -	\$ 127,701
Employee Benefits					
Employee benefits/allowances	12,551	-	-	-	12,551
Services Purchased/Contracted					
Maintenance/repair	9,354	-	-	-	9,354
Materials/Supplies/Freight					
Materials	8,883	-	-	-	8,883
Total	\$ 158,489	\$ -	\$ -	\$ -	\$ 158,489

Dettah District Education Authority

Schedule 3

Details of Inclusive Schooling Expenses

For the year ended June 30,

2015

Function	Staff Development	Intervention Strategies	Assistive Technology	Student Resources	Southern Placements	Magnet Facilities	General Inclusive Schooling	Total
Salaries								
Program support teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	84,742	\$ 84,742
Consultants	-	-	-	-	-	-	74,267	74,267
Support assistants	-	-	-	-	-	-	69,557	69,557
	-	-	-	-	-	-	228,566	228,566
Employee Benefits								
Employee benefits/allowances	-	-	-	-	-	-	35,148	35,148
Services Purchased/Contracted								
Professional/technical services	-	-	-	-	-	-	14,902	14,902
Maintenance/repair	-	-	-	-	-	-	57,511	57,511
	-	-	-	-	-	-	72,413	72,413
Materials/Supplies/Freight								
Materials	-	-	-	-	-	-	1,179	1,179
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	337,306	\$ 337,306

**K'alemi Dene School
(Ndilo District Education Authority)**

Consolidated Financial Statements

June 30, 2015

K'alemi Dene School
(Ndilo District Education Authority)

Consolidated Financial Statements

June 30, 2015

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Management Discussion & Analysis
K'alemi Dene School
2014-15 School Year

Introduction:

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

The current NDEA Board Members are:

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

The NDEA has a financial committee composed of Trustee Betsina and Trustee Beaulieu. . The finances of the NDEA are completed by the Yellowknives Dene First Nation (YKDFN).

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

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

During the 2014-15 school year, KDS was funded for 103 FTE from Junior Kindergarten through grade 12. By the end of the school year, we had 110 students due to school transfers and students moving into Ndilo.

Operating Environment:

Strengths – We have a small community school that serves students from Junior Kindergarten – grade 12. Many of our teachers have been at our school for a long time, establishing long term relationships.

Weaknesses- Before the establishment of our NDEA in the Spring of 2013, the Yellowknives Dene First Nation was contracted by the GNWT to manage our school. When the NDEA took over, there were a number of changes in the reporting and management requirements. Unfortunately, we were not aware of these requirements and have had to address a number of concerns that could have been completed in a more timely fashion, made had we known at the time.

Opportunities – There is room to grow in a number of areas including day care services, trades opportunities and dual credit arrangements.

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

There are also a number of poverty, addictions and mental health issues facing our students and their families. It is critical that interagency partnerships that proactively provide support for our students and their families are established.

Financial Condition:

The NDEA is currently managing a surplus. The surplus will be used for a number of initiatives to enhance the literacy support provided at KDS. The surplus is currently being held by the YKDFN. The NDEA will develop a plan with the YKDFN for management of the surplus.

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

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

Summary and Outlook:

Achievements & Successes –

The implementation of Junior Kindergarten was very successful during the 2014-15 school year. We refigured our classrooms to include a Junior Kindergarten – Kindergarten classroom.

The NDEA hired a Literacy Consultant to assist in the enhancement of the literacy programming at KDS. The hiring of a Literacy Coach for the 2015/16 school year remained a priority.

The City of Yellowknife changed their bus schedule that resulted in very poor service for our students including over crowded busses and lack of connections. The purchase of a 24-passenger bus through donations made to KDS greatly alleviated the bussing challenges.

Utilizing our surplus, we purchased class sets of computers for all of our classrooms from grade 3 – 12. With the addition of classroom computers, we will be closing our computer room and integrating lessons into the classrooms during the 2015/16 school year.

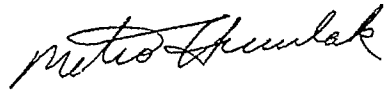
Challenges –

Our school is full. We lack space to meet with students and provide services.

The community gymnasium that we use for physical education classes is not always available. It is occasionally booked for funerals, meetings and other community events. As we had to turn our activity room into a classroom, the only alternative is to use a classroom or play outside for physical education classes.

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

Sincerely

A handwritten signature in cursive script, appearing to read "Metro Huculak".

Metro Huculak
Superintendent/CEO

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

Management Responsibility for Financial Reporting

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

Management's Responsibility for Financial Reporting with respect to the school year ended June 30, 2015

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

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

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

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

Approved and confirmed on behalf of the Authority



Metro Huculak

Superintendent

November 26, 2015

Independent Auditors' Report

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of K'alemi Dene School ("the Authority"), which comprise of the consolidated statement of financial position as at June 30, 2015, and the consolidated statements of operations, changes in net financial assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Basis for Qualified Opinion

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



Independent Auditors' Report (continued)

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Authority as at June 30, 2015, and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

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

Crowe MacKay Ltd

Chartered Accountants

**Yellowknife, Northwest Territories
November 26, 2015**

K'alemi Dene School
(Ndilo District Education Authority)


Consolidated Statement of Financial Position

As at June 30,	2015	2014
Financial Assets		
Cash and cash equivalents (Note 4)	\$ 365,963	\$ 8,790
Due from Government of Canada (Note 13)	19,324	-
Accounts receivable (Note 8)	1,284,037	1,509,946
	1,669,324	1,518,736
Liabilities		
Accounts payable and accrued liabilities (Note 10)	34,894	6,657
Payroll Liabilities (Note 35)	529,629	283,412
	564,523	290,069
Net Financial Assets and Accumulated Surplus	\$ 1,104,801	\$ 1,228,667
Represented By:		
Operating Surplus	\$ 1,104,801	\$ 1,228,667

Contractual obligations and contingencies (Notes 24 and 25)

Approved on behalf of the Authority

 Chairperson

 Trustee

K'alemi Dene School
(Ndilo District Education Authority)

Consolidated Statement of Operations

For the year ended June 30,	2015	2015	2014
	Budget (unaudited)	Actual	Restated (Note 37)
Revenues			
Government of the Northwest Territories (GNWT)			
ECE Regular contributions	\$2,350,042	\$2,357,934	\$3,267,067
Education body generated funds			
Donations - other	-	4,501	4,190
Other - Yellowknives Dene First Nation contributed services	-	45,960	-
	2,350,042	2,408,395	3,271,257
Expenditures - Schedule 1			
School programs	1,623,870	1,521,126	1,681,906
Inclusive schooling	507,999	637,148	225,415
Administration	24,718	168,502	1,302,222
Aboriginal languages	196,023	205,485	67,848
	2,352,610	2,532,261	3,277,391
Operating deficit before other items	(2,568)	(123,866)	(6,134)
Other items;			
Grant in-kind - Tangible Capital Assets provided at no cost (Note 23)	-	226,653	226,653
Rent expense - Tangible Capital Assets provided at no cost (Note 23)	-	(226,653)	(226,653)
	-	-	-
Operating deficit	(2,568)	(123,866)	(6,134)
Opening accumulated surplus	1,228,667	1,228,667	-
Transfer to accumulated surplus (Note 38)	-	-	1,234,801
Closing accumulated surplus	\$1,226,099	\$1,104,801	\$1,228,667

K'alemi Dene School
(Ndilo District Education Authority)

Consolidated Statement of Changes in Net Financial Assets

For the year ended June 30,	2015	2014
Operating deficit	\$ (123,866)	\$ (6,134)
Transfer to accumulated surplus	-	1,234,801
Increase (decrease) in net financial assets	(123,866)	1,228,667
Net financial assets, beginning of year	1,228,667	-
Net financial assets, end of year	\$ 1,104,801	\$ 1,228,667

K'alemi Dene School
(Ndilo District Education Authority)

Consolidated Statement of Cash Flows

For the year ended June 30,	2015	2014
Cash provided by (used in):		
Operating Activities		
Operating deficit	\$ (123,866)	\$ (6,134)
Items not affecting cash		
Surplus due from YKDFN	-	1,234,801
Grant in-kind - Assets provided at no cost	(226,653)	(226,653)
Rent expense - Assets provided at no cost	226,653	226,653
	-	1,234,801
	(123,866)	1,228,667
Change in non-cash assets and liabilities		
Decrease (increase) in accounts receivable	225,909	(1,509,946)
Increase in accounts payable and accrued liabilities	28,237	6,657
Increase in payroll liabilities	246,217	283,412
Decrease in amounts due from the Government of Canada	(19,324)	-
	481,039	(1,219,877)
Change in cash position	357,173	8,790
Cash position, beginning of year	8,790	-
Cash position, end of year	\$ 365,963	\$ 8,790

**Schedule 1
Consolidated Details of Expenditures**

For the year ended June 30,

									2015	2015	2014
	School Programs	Inclusive Schooling (Schedule 3)	Student Accomodation	Operations & Maintenance	Administration	Aboriginal Languages (Schedule 2)	Transfers & Others	Total	Budget	Total	
Salaries											
Teachers	\$ 839,797	\$ 182,415	-	-	\$ -	\$ -	\$ -	\$ 1,022,212	\$ 1,698,827	\$ 1,099,825	
Instruction assistants	107,602	-	-	-	-	143,089	-	250,691	209,970	162,687	
Non-Instructional staff	177,452	-	-	-	-	-	-	177,452	138,814	104,478	
Board/Trustee honoraria	-	-	-	-	18,473	-	-	18,473	18,000	18,178	
Total Salaries	1,124,851	182,415	-	-	18,473	143,089	-	1,468,828	2,065,611	1,385,168	
Employee Benefits											
Employee benefits and allowances	224,903	38,185	-	-	-	19,514	-	282,602	-	242,634	
Services Purchased or Contracted											
Advertising	3,142	-	-	-	-	-	-	3,142	-	393	
Electricity	2,446	-	-	-	-	-	-	2,446	10,000	3,187	
Insurance and permits	7,239	-	-	-	-	-	-	7,239	2,500	3,818	
Maintenance and repairs	-	1,903	-	-	-	-	-	1,903	-	4,662	
Other contracted services	30,015	-	-	-	-	-	-	30,015	-	2,200	
Postage and communication	-	7,381	-	-	-	-	-	7,381	20,000	7,237	
Professional/technical services	41,977	89,967	-	-	147,715	-	-	279,659	51,999	1,349,853	
Rentals and lease	-	12,630	-	-	-	-	-	12,630	10,000	7,536	
Student transportation and bussing	22,885	-	-	-	-	-	-	22,885	25,000	25,925	
Travel	11,935	1,200	-	-	2,314	-	-	15,449	2,500	8,701	
Water and sewage	6,195	-	-	-	-	-	-	6,195	-	3,914	
Total Services Purchased or Contracted	125,834	113,081	-	-	150,029	-	-	388,944	121,999	1,417,426	
Total Materials	45,538	303,467	-	-	-	42,882	-	391,887	165,000	232,163	
Total Expenditures	\$ 1,521,126	\$ 637,148	-	\$ -	\$ 168,502	\$ 205,485	\$ -	\$ 2,532,261	\$ 2,352,610	\$ 3,277,391	

K'alemi Dene School

Schedule 2 Details of Aboriginal Language and Culture Program Expenditures

For the year ended June 30,

2015

Function	Student Instruction	Teaching/ Learning Resources	Professional Development	School Activities and Integrated Community Programs	Total
Salaries					
Teachers	\$ -	\$ -	\$ -	\$ -	-
Language consultants	-	-	-	-	-
Instruction assistants	143,089	-	-	-	143,089
Non-instructional staff	-	-	-	-	-
Honoraria	-	-	-	-	-
School secretary	-	-	-	-	-
	143,089	-	-	-	143,089
Employee Benefits					
Employee benefits/allowances	19,514	-	-	-	19,514
Services Purchased/Contracted					
Advertising/printing/publishing	-	-	-	-	-
Maintenance/repair	-	-	-	-	-
Other contracted services	-	-	-	-	-
Professional/technical services	-	-	-	-	-
Rentals/leases	-	-	-	-	-
Student transportation (bussing)	-	-	-	-	-
Travel	-	-	-	-	-
Materials/Supplies/Freight					
Materials	42,882	-	-	-	42,882
Total	\$ 205,485	\$ -	\$ -	\$ -	\$ 205,485

K'alemi Dene School

Schedule 3

Details of Inclusive Schooling Expenditures

For the year ended June 30,

2015

Function	Staff Development	Intervention Strategies	Assistive Technology	Student Resources	Southern Placements	Magnet Facilities	General Inclusive Schooling	Total
Salaries								
Program support teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 182,415	\$ 182,415
Consultants	-	-	-	-	-	-	-	-
Support assistants	-	-	-	-	-	-	-	-
Non-instructional staff	-	-	-	-	-	-	-	-
School secretary	-	-	-	-	-	-	-	-
							182,415	182,415
Employee Benefits								
Employee benefits/allowances	-	-	-	-	-	-	38,185	38,185
Services Purchased/Contracted								
Professional/technical services	-	-	-	-	-	-	89,967	89,967
Travel	1,200	-	-	-	-	-	-	1,200
Student transportation (bussing)	-	-	-	-	-	-	-	-
Advertising/printing/publishing	-	-	-	-	-	-	7,381	7,381
Maintenance/repair	-	-	-	-	-	-	1,903	1,903
Rentals/leases	-	-	-	-	-	-	12,630	12,630
Other contracted services	-	-	-	-	-	-	-	-
	1,200	-	-	-	-	-	111,881	113,081
Materials/Supplies/Freight								
Materials	-	-	-	-	-	-	303,467	303,467
Total	\$ 1,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 635,948	\$ 637,148

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2015

1. Nature of Operations

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

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

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

2. Significant Accounting Policies

(a) Basis of Accounting

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

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

(b) Cash and Cash Equivalents

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

(c) Financial Instruments

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

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

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

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

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2015

2. Significant Accounting Policies (continued)

(d) Non-Financial Assets

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

(e) Tangible Capital Assets

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

(f) Revenue Recognition

Government Transfers

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

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

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

GNWT - Regular Contributions

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

Other Contributions

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

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2015

2. Significant Accounting Policies (continued)

(f) Revenue Recognition (continued)

Other Revenue - Donations

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

Contributed Services

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

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

(g) Infrastructure Funding

The Authority does not have any infrastructure funding.

(h) Budget Data

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

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

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

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

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

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

June 30, 2015

2. Significant Accounting Policies (continued)

(i) Measurement Uncertainty

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

(j) Inventories Including Materials and Supplies

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

(k) Payroll Liabilities

Payroll costs for teachers are accrued for July and August.

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

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

(m) Special Purpose Funds

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

(n) Donated Goods and Services

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

GNWT Tangible Capital Assets Provided At No Cost

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

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2015

2. Significant Accounting Policies (continued)

(o) Net Financial Assets (Debt)

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

(p) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organize or radioactive material or live organism that exceeds an environmental standard. A liability would be recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met: an environmental standard exists; contamination exceeds the environmental standard; the Authority is directly responsible or accepts responsibility and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available as at June 30, 2015.

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

(q) Change in Accounting Policy

Effective April 1, 2014, the Authority adopted Section PS 3260, *Liability for Contaminated Sites* issued by the Canadian Public Sector Accounting Standards Board. This section establishes standards for governments and government type organization's reporting under Canadian public sector accounting standards about how to account for and report a liability which is associated with the remediation of a contaminated site. The change in accounting policy has been applied prospectively.

The adoption of PS 3260 does not have an impact on the measurement of the Authority's liabilities but has resulted in additional disclosure.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2015

3. Future Accounting Changes

Related Party Disclosures, Section PS 2200

In December of 2014, PSAB approved Section PS 2200, Related Party Disclosures. The new section defines related parties and establishes disclosures required for related party transactions. It is expected that reasonable efforts would be made to identify related party transactions. This may involve adopting policies and procedures designed to ensure that these transactions are appropriately identified, measured and disclosed in the financial statements. Not all related party relationships or transactions occurring between related parties are required to be disclosed. Disclosure is generally required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated. However, not all of these transactions are reportable under this Section. Only those transactions that have or could have a material financial effect on the financial statements are disclosed. The effective date for Section PS 2200 is April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards has been reviewed by management.

Inter-entity Transactions, Section PS 3420

In December of 2014, PSAB approved Section PS 3420, Inter-entity Transactions. This Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. This section may be applied in conjunction with Related Party Disclosures, Section 2200. The effective date for Section PS 3420 is April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards has been reviewed by management.

Student Activity Funds

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

4. Cash and Cash Equivalents

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

5. Special Purpose Funds

The Authority does not have special purpose funds.

6. Restricted Assets

The Authority does not have restricted assets.

7. Portfolio Investments

The Authority does not have portfolio investments.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2015

8. Accounts Receivable

	Accounts Receivable 2015	Allowance 2015	Net 2015	Net 2014
Accounts receivable	\$ 49,236	\$ -	\$ 49,236	\$ 275,145
Surplus due from Yellowknives Dene First Nation	1,234,801	-	1,234,801	1,234,801
	<u>\$ 1,284,037</u>	<u>\$ -</u>	<u>\$ 1,284,037</u>	<u>\$ 1,509,946</u>

9. Inventories

The Authority does not have inventories.

10. Accounts Payable

	2015	2014
Trades payable	\$ 34,894	\$ 6,657

11. Deferred Revenue

The Authority does not have deferred revenue.

12. Contribution Repayable

The Authority does not have contribution repayable.

13. Due from and to the Government of Canada

	2015	2014
Goods and Services Tax	\$ 19,324	\$ -

14. Capital Lease Obligations

The Authority does not have capital lease obligations.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2015

15. Pensions

The Authority does not have pensions.

16. Long Term Debt

The Authority does not have long term debt.

17. Post Employment Benefits

The Authority does not have post employment benefits.

18. Trust Assets Under Administration

The Authority does not have trust assets under administration.

19. Tangible Capital Assets

The Authority does not have tangible capital assets.

20. Prepaid Expenses

The Authority does not have prepaid expenses.

21. Accumulated Surplus / Deficit

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

22. Capital Advances

The Authority does not have capital advances.

23. GNWT Tangible Capital Assets Provided At No Cost

	Cost	Accumulated Amortization	2015 Net Book Value	2014 Net Book Value
Buildings	\$ 9,066,125	\$ 1,246,592	\$ 7,819,533	\$ 8,046,186

Rent expense of \$226,653 (2014 - \$226,653) equal to current year amortization of the tangible capital assets was offset by a grant in-kind.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2015

24. Contractual Obligations

The Authority has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2015.

	Expires in Fiscal Year	2016	2017-2019	Total
Equipment leases	2019	\$ 9,056	\$ 36,224	\$ 45,280
Operation leases	2016	27,000	-	27,000
		\$ 36,056	\$ 36,224	\$ 72,280

25. Contingencies

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

26. Related Parties

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

	2015	2014
Trades payable and payroll liabilities Yellowknife District Education #1	\$ 532,379	\$ 286,305
Expenses - wages and salaries Yellowknife District Education #1	\$ 1,546,329	\$ 1,234,801

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2015

27. Budget Data

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

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

The budget figures presented are those approved by the Trustees of the Authority on September 22, 2014 and have not been audited.

28. Economic Dependence

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

29. Risk Management

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

a) Credit risk

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

The Authority's maximum exposure to credit risk is represented by the financial assets balance for a total of \$1,669,324 (2014 - \$1,518,736).

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

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2015

29. Risk Management (continued)

b) Liquidity risk

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

The Authority's maximum exposure to liquidity risk is represented by accounts payable and accrued liabilities, and payroll liabilities for a total of \$564,523 (2014 - \$290,069).

All of the Authority's financial assets and financial liabilities at June 30, 2015 mature within 6 months.

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

30. Expense by Object

	Budget 2015	Actual 2015	Actual 2014
Compensation	\$ 2,065,611	\$ 1,751,430	\$ 1,627,802
Materials and freight	165,000	391,887	232,163
Services purchased/contracted	121,999	388,944	1,417,426
	\$ 2,352,610	\$ 2,532,261	\$ 3,277,391

31. Subsequent Events

There were no material subsequent events that have taken place between June 30, 2015 and the date the audit report was signed.

32. Comparative Figures

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

33. ECE Other Contributions

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

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2015

34. GNWT Other Contributions

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

35. Payroll Liabilities

	2015	2014
Teachers - Northwest Territories Teachers' Association	\$ 529,629	\$ 283,412

36. Statement of Remeasurement Gains and Losses

The Authority does not have any remeasurement gains or losses.

37. Correction of Accounting Error

The consolidated statement of operations of the Authority has been restated to include the in-kind grant received from the Government of the Northwest Territories. During the 2014 fiscal year, ECE allowed the Authority to use schools owned by the GNWT for no consideration. The effect of the change is to increase grant in-kind and increase rent expense. There is no net impact to the consolidated statement of operations as a result of this restatement.

	Previously Reported	As Restated	Change
Increase grant in-kind	\$ -	\$ 226,653	\$ 226,653
Increase rent expense	-	(226,653)	(226,653)
	\$ -	\$ -	\$ -

38. Transfer to Accumulated Surplus

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

Consolidated Financial Statements of

Sahtu Divisional Education Council

June 30, 2015

Sahtu Divisional Education Council

Consolidated Financial Statements

June 30, 2015

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MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

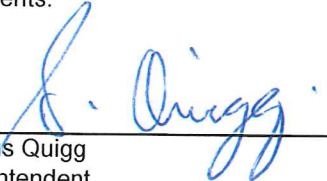
The Management Discussion & Analysis, Financial Statements, Schedules and Notes herein submitted have been reviewed by management. They provide full disclosure and accurately reflect the financial and non-financial condition of the authority in all material respects and in accordance with Canadian Public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

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

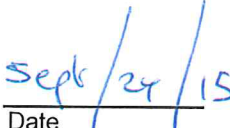
Management hereby asserts that auditors have been provided with all relevant records and documentation as well as unrestricted access to the same. Management is not aware of any undisclosed irregularities involving management or employees with either current or potential impact on financial results,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

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


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




Seamus Quigg
Superintendent
Sathu Divisional Education Council



Date



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



Date

INDEPENDENT AUDITORS' REPORT

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

We have audited the consolidated financial statements of the Sahtu Divisional Education Council, which comprise the consolidated statement of financial position as at June 30, 2015, and the consolidated statements of operations, changes in net financial resources, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Basis for Qualified Opinion

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

Independent Auditor's Report (continued)

Qualified Opinion

In our opinion, except for the possible effect of the matters described in the Basis of Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Sahtu Divisional Education Council as at June 30, 2015, and the results of its operations and cash flow for the year then ended in accordance with the Canadian public sector accounting standards.

The financial statement for the year ended June 30, 2014 were audited by another accounting firm and are presented for comparative purposes only.

Report on Other Legal and Regulatory Requirements

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



ASHTON
Chartered Accountants
Business Advisors

Hay River, NT
September 18, 2015

Santu Divisional Education Council
 Consolidated Statement of Financial Position

June 30, 2015

	2015	2014
FINANCIAL ASSETS		
Cash, Note 4	\$ 3,608,702	\$ 3,179,427
Special purpose funds, Note 5	206,731	255,026
Accounts receivable, Note 8	162,612	392,941
	<u>\$ 3,978,045</u>	<u>\$ 3,827,394</u>
LIABILITIES		
Accounts payable and accrued liabilities, Note 10	\$ 150,535	\$ 170,831
Payroll liabilities, Note 35	1,783,333	1,480,602
Deferred revenue, Note 11	208,731	327,103
Post-employment benefits, Note 17	1,337,046	1,409,848
	<u>3,477,645</u>	<u>3,388,384</u>
Net Financial Assets (Deficit)	<u>\$ 500,400</u>	<u>\$ 439,010</u>
NON-FINANCIAL ASSETS		
Prepaid expenses, Note 20	\$ 23,404	\$ 29,993
ACCUMULATED SURPLUS (DEFICIT)	<u>\$ 523,804</u>	<u>\$ 469,003</u>

Contractual obligations, Note 24

Approved on behalf of council:

 Chair

 Superintendent

Sahtu Divisional Education Council

Consolidated Statement of Operations and Surplus

For the year ended June 30, 2015

	Budget 2015	Actual 2015	Actual 2014
Revenue			
Government of the Northwest Territories			
ECE Regular Contributions	\$ 14,055,797	\$ 14,585,748	\$ 13,499,292
Teaching and Learning Centres	58,000	58,000	58,000
French Language Instruction	50,000	55,000	50,000
ECE Other Contributions, Note 33	-	240,998	177,858
Total ECE	14,163,797	14,939,746	13,785,150
GNWT Other Contributions, Note 34	-	307,751	159,974
Total GNWT	\$ 14,163,797	\$ 15,247,497	\$ 13,945,124
Education council generated funds			
Interest income	30,000	40,320	39,430
Other	60,000	113,821	273,579
	90,000	154,141	313,009
	14,253,797	15,401,638	14,258,133
Expenditures (Schedule 2)			
Administration	1,063,452	1,113,722	1,168,652
School programs	8,412,861	10,462,692	10,079,652
Inclusive schooling	1,858,197	1,906,760	1,677,449
Operations and maintenance	370,484	521,319	434,215
Aboriginal languages	2,383,261	1,342,344	1,380,731
	14,088,255	15,346,837	14,740,699
Operating Surplus (Deficit)	\$ 165,542	\$ 54,801	\$ (482,566)
Accumulated surplus (Deficit), beginning of year		\$ 469,003	\$ 951,569
Accumulated surplus (deficit), end of year		\$ 523,804	\$ 469,003

Sahtu Divisional Education Council

Consolidated Statement of Changes in Net Financial Resources

For the year ended June 30, 2015

	2015	2014
Annual surplus (deficit)	\$ 54,801	\$ (482,566)
Change in prepaid expenses	6,589	(21,785)
Increase (decrease) in net financial resources	61,390	(504,351)
Net financial resources, beginning of year	439,010	943,361
Net financial resources, end of year	\$ 500,400	\$ 439,010

Sahtu Divisional Education Council

Consolidated Statement of Cash Flow

For the year ended June 30, 2015

	2015	2014
Cash provided by (used in):		
Operating Transactions		
Operating Surplus (Deficit)	\$ 54,801	\$ (482,566)
	54,801	(482,566)
Change in non-cash assets and liabilities:		
Accounts receivable	230,329	(63,411)
Accounts payable and accrued liabilities	(20,296)	5,527
Payroll liabilities	302,731	6,911
Deferred revenue	(120,372)	222,918
Post-employment benefits	(72,802)	15,757
Prepaid expenses	6,589	(21,786)
	326,179	165,916
Increase (Decrease) in cash and cash equivalents	380,980	(316,650)
Cash and cash equivalents, beginning of year	3,434,453	3,751,103
Cash and cash equivalents, end of year	\$ 3,815,433	\$ 3,434,453
Consists of:		
Cash	\$ 3,608,702	\$ 3,179,427
Special purpose funds	206,731	255,026
	\$ 3,815,433	\$ 3,434,453

Sahtu Divisional Education Council

Consolidated Detail of Expenses

For the year ended June 30, 2015

Function	School Programs	Inclusive Schooling	Student Accom.	Operations & Maintenance	Administration	Aboriginal Languages	Transfers & Other	2015 Total	2015 Budget	2014 Total
Salaries										
Teachers' salaries	\$ 7,302,093	\$ 782,880	\$ -	\$ -	\$ -	\$ 1,084,641	\$ -	\$ 9,169,614	\$ 9,189,102	\$ 8,741,043
Instruction assistants	8,593	863,593	-	-	-	-	-	872,186	1,179,082	901,789
Non-instructional staff	1,710,006	163,194	-	-	651,601	164,943	-	2,689,744	2,001,929	2,359,368
Board/Trustee honorarium	4,765	-	-	-	43,365	7,125	-	55,255	25,000	83,835
	9,025,457	1,809,667	-	-	694,966	1,256,709	-	12,786,799	12,395,113	12,086,035
Employee Benefits										
Employee benefits and allowances	700	-	-	-	-	-	-	700	-	379,007
Leave and termination benefits	-	-	-	381,578	(38,539)	-	-	343,039	218,332	29,959
	700	-	-	381,578	(38,539)	-	-	343,739	218,332	408,966
Services Purchased/Contracted										
Professional services	80,581	25,262	-	-	189,925	26,519	-	322,287	150,605	276,090
Postage and communication	45,191	-	-	-	23,506	2,927	-	71,624	79,400	78,429
Utilities	-	-	-	-	-	-	-	-	-	-
Heating	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-
Water/Sewage	-	-	-	-	-	-	-	-	-	-
Travel	193,511	45,246	-	-	143,697	-	-	382,454	370,583	418,969
Student transportation (busing)	149,000	-	-	-	-	-	-	149,000	149,000	-
Advertising/printing/publishing	3,355	1,258	-	1,895	-	-	-	6,508	5,500	-
Maintenance and repair	30,734	-	-	5,167	-	-	-	35,901	33,900	-
Rentals and leases	-	-	-	132,679	-	-	-	132,679	106,752	131,505
Other contracted services	-	-	-	-	4,519	19,072	-	23,591	15,000	200,562
Other	68,392	-	-	-	59,182	-	-	127,574	101,500	9,271
	570,764	71,766	-	139,741	420,829	48,518	-	1,251,618	1,012,240	1,121,826
Materials, Supplies and Freight										
Materials	829,850	21,240	-	-	28,085	36,885	-	916,060	411,370	586,497
Freight	35,921	4,087	-	-	5,090	232	-	45,330	49,200	59,986
	865,771	25,327	-	-	33,175	37,117	-	961,390	460,570	646,483
Contributions/Transfers										
Transfers	-	-	-	-	-	-	-	-	-	-
Debt Services										
Other	-	-	-	-	3,291	-	-	3,291	2,000	51,176
Total	\$ 10,462,692	\$ 1,906,760	\$ -	\$ 521,319	\$ 1,113,722	\$ 1,342,344	\$ -	\$ 15,346,837	\$ 14,088,255	\$ 14,314,486

SAHTU DIVISIONAL EDUCATION COUNCIL

Aboriginal Language and Cultural-based Education Expenses

For the year ended June 30, 2015

	Student Instruction	Teaching/ Learning Resources	Professional Development	School Activities and Integrated Community Programs	2015 Total
Salaries					
ALCBE teachers	\$ 1,084,641	\$ -	\$ -	\$ -	\$ 1,084,641
Language consultants	-	-	-	-	-
Instruction assistants	-	-	-	-	-
Non-instructional staff	135,708	-	-	-	135,708
Honoraria	-	-	-	-	-
Elders in schools	-	-	-	29,235	29,235
	1,220,349	-	-	29,235	1,249,584
Employee Benefits					
Employee benefits and allowances	-	-	-	-	-
Services Purchased/Contracted					
Professional services	26,519	-	-	-	26,519
Postage and communication	-	-	2,927	-	2,927
Travel	-	-	-	-	-
Student transportation (busing)	-	-	-	-	-
Advertising, printing and publishing	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Rentals and leases	-	-	-	-	-
Other contracted services	-	-	19,072	-	19,072
	26,519	-	21,999	-	48,518
Materials, Supplies and Freight					
Materials	-	4,947	-	322	5,269
Freight	-	232	-	-	232
	-	5,179	-	322	5,501
Total	\$ 1,246,868	\$ 5,179	\$ 21,999	\$ 29,557	\$ 1,303,603

Sahtu Divisional Education Council

Inclusive Schooling Expenses

For the year ended June 30, 2015

Function	Staff Development	Intervention Strategies	Assistive Technology	Student Resources	Southern Placements	Magnet Facilities	General Inclusive Schooling	Total
Salaries								
Program support teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	782,880	\$ 782,880
Consultants	-	-	-	-	-	-	163,194	163,194
Support assistants	-	-	-	-	-	-	863,593	863,593
Non-instructional staff	-	-	-	-	-	-	-	-
Honoraria	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	1,809,667	1,809,667
Employee Benefits								
Employee benefits/allowances	-	-	-	-	-	-	-	-
Services Purchased/Contracted								
Professional/technical services	12,622	12,640	-	-	-	-	-	25,262
Travel	19,276	5,802	-	-	-	-	20,168	45,246
Student transportation (busing)	-	-	-	-	-	-	-	-
Advertising/printing/publishing	-	-	-	-	-	-	1,258	1,258
Maintenance/repairs	-	-	-	-	-	-	-	-
Rentals/leases	-	-	-	-	-	-	-	-
Other contracted services	-	-	-	-	-	-	-	-
	31,898	18,442	-	-	-	-	21,426	71,766
Materials, Supplies and Freight								
Materials	-	-	-	20,940	-	-	300	21,240
Freight	-	-	-	-	-	-	4,087	4,087
	-	-	-	20,940	-	-	4,387	25,327
Total	\$ 31,898	\$ 18,442	\$ -	\$ 20,940	\$ -	\$ -	1,835,480	\$ 1,906,760

Sahtu Divisional Education Council

French Language Programs

For the year ended June 30, 2015

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

Sahtu Divisional Education Council

Aboriginal Languages

For the year ended June 30, 2015

	July 1, 2014 to March 31, 2015	April 1, 2015 to June 30, 2015	Total Fiscal Year 2014/2015
Contribution Agreement			
Aboriginal Languages			
Revenues			
Funding Received	\$ 58,000	\$ -	\$ 58,000
	58,000	-	58,000
Expenditure			
Salaries	58,000	-	58,000
Other O & M	-	-	-
	58,000	-	58,000
Net Surplus (Deficit)	\$ -	\$ -	\$ -

Sahtu Divisional Education Council

Infrastructure

For the year ended June 30, 2015

	2015	2014
Personnel Infrastructure		
Revenue		
Contributions	\$ 217,152	\$ 206,208
Expenses		
Applicant Travel	12,599	1,125
Staff Advertising	1,895	-
Removal In/Transfer	249,057	223,004
Ultimate Removal	43,952	-
WCB Premiums	75,970	71,581
	383,473	295,710
Net Surplus (Deficit)	\$ (166,321)	\$ (89,502)
Leases Infrastructure		
Revenue		
Contributions	\$ 170,330	\$ 209,473
Expenses		
Leases	106,752	131,505
Other - Repairs and Maintenance	31,095	7,000
	137,847	138,505
Net Surplus (Deficit)	\$ 32,483	\$ 70,968

Sahtu Divisional Education Council

Student Success Initiative Projects

For the year ended June 30, 2015

	School Year
Revenue	
Education, Culture and Employment	\$ 55,000
NWTTA	52,541
Total Revenue	107,541
Expenses	
Salaries and wages	
Facilitator fees (including per diems)	78,575
Substitute teacher wages	-
Staff (p/y)	-
Travel	
Facilitator travel	58,216
Air charter	-
Staff travel	-
Accommodations	-
Daily per diems	-
Workshop expenses	
Room rental	-
Refreshments	-
Resources	-
Miscellaneous (stationary/printing)	-
Total Expenses	136,791
Net Surplus (Deficit)	\$ (29,250)

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2015

Note 1. Nature of Organization

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

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

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

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

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

Note 3. Significant Accounting Policies

(a) Basis of Accounting

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

(b) Cash and Cash Equivalents

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

(c) Financial Instruments

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

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

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2015

Note 3. Significant Accounting Policies (continued)

(c) Financial Instruments

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

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

(d) Non-financial Assets

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

(e) Tangible Capital Assets

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

(f) Revenue Recognition

Government Transfers:

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

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

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

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

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2015

(f) Revenue Recognition - (Continued)

GNWT – Regular Contributions:

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

Other Contributions:

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

Deferred Revenue:

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

Investment Income:

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

(g) Infrastructure Funding

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

(h) Budget Data

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

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

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

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

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2015

Note 2. Summary of Significant Accounting Policies (continued)

(i) Measurement Uncertainty

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

(j) Inventories Including Materials and Supplies

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

(k) Payroll Liabilities

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

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

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

(l) Post-employment and Termination Benefits

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

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2015

Note 2. Summary of Significant Accounting Policies (continued)

(m) Special Purpose Funds

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

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

Note 3. Future Accounting Changes

Financial Instruments - Section PS 3450

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

Inter-entity Transactions - Section PS 3420

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

Student Activity/Fiduciary Funds Policy

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

Sahtu Divisional Education Council

Consolidated Statement of Operations and Surplus

For the year ended June 30, 2015

Note 4. Cash and Cash Equivalents

	2015	2014
Cash	\$ 3,608,702	\$ 3,179,427
Short term investments	-	-
	\$ 3,608,702	\$ 3,179,427

Note 5. Special Purpose Funds

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

	2015	2014
Colville Lake	\$ 12,000	\$ 33,061
Deline	57,954	64,914
Fort Good Hope	50,065	66,134
Norman Wells	43,281	55,283
Tulita	43,431	35,634
	\$ 206,731	\$ 255,026

Note 6. Restricted Assets - Not Applicable

Note 7. Portfolio Investments - Not Applicable

Note 8. Accounts Receivable

	Receivables 2015	AFDA 2015	Net 2015	Net 2014
GNWT - ECE	\$ 61,482	\$ -	\$ 61,482	\$ 93,147
GNWT - HSS	10,520	-	10,520	43,595
Total Due from GNWT	72,002	-	72,002	136,742
WSCC	-	-	-	-
Other	183,602	92,992	90,610	256,199
	\$ 255,604	\$ 92,992	\$ 162,612	392,941

Note 9. Inventories - Not Applicable

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2015

Note 10. Accounts Payable and Accrued Liabilities

	2015	2014
GNWT	\$ 4,794	\$ 19,068
GNWT - Petroleum Products	-	89
WSCC	18,585	18,100
Trade payables	127,156	133,574
	<u>\$ 150,535</u>	<u>\$ 170,831</u>

Note 11. Deferred Revenue

	2015	2014
Junior Kindergarten	\$ -	\$ 72,077
Norman Wells	43,281	33,061
Tulita	43,431	64,914
Fort Good Hope	50,065	66,134
Deline	57,954	55,284
Colville Lake	12,000	35,633
	<u>\$ 206,731</u>	<u>\$ 327,103</u>

Note 12. Contribution Repayable - Not Applicable

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

Note 14. Capital Lease Obligations - Not Applicable

Note 15. Pension - Not Applicable

Note 16. Long-term Debt - Not Applicable

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2015

Note 17. Post-employment Benefits

Under the conditions of employment, employees qualify for annual leave of varying lengths depending on length of service. Employees also earn severance remuneration based upon the number of years of service. Certain employees will also receive assistance with removal costs to return to their point of recruitment. Annual leave is payable within one fiscal year. Payment of severance and relocation amounts is dependent upon the date the employee leaves the Education Body

Costs are to also include those for contracted non-public servant employees (including Superintendents)

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

	2015	2014
Removal	\$ 483,266	\$ 364,893
Termination, severance, resignation, retirement	637,663	636,451
Leave*	216,117	408,504
	1,337,046	1,409,848
Less: current portion	(288,447)	(408,504)
Long-term portion	\$ 1,048,599	\$ 1,001,344

* Leave

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

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

Note 19. Tangible Capital Asset - Not Applicable

Note 20. Prepaid Expenses

	2015	2014
Prepaid expenses	\$ 23,404	\$ 29,993

Note 21. Accumulated Surplus/Deficit - Not Applicable

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

Note 22. Capital Advances - Not Applicable

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2015

Note 23. GNWT Assets Provided at No Cost

	Cost	Accumulated Amortization	2015 Net Book Value	2014 Net Book Value
Buildings				
Schools and colleges	\$ 64,991,525	\$ 15,007,210	\$ 49,984,315	\$ 51,054,678
Staff Housing	275,800	63,932	211,868	217,023
	\$ 65,267,325	\$ 15,071,142	\$ 50,196,183	\$ 51,271,701

Note 24. Contractual Obligations

The Education Body has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to March 31, 2015.

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

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

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

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

Note 25. Contingencies - Not Applicable

Note 26. Related Parties

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

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2015

Note 26. Related Parties

	2015	2014
Accounts receivable		
GNWT - ECE	\$ 61,482	\$ 93,147
GNWT - HSS	10,520	43,595
Accounts payable		
GNWT - MACA	4,794	19,068
GNWT - Petroleum Products	-	89

Note 27. Budget

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

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

The budget figures presented are those approved by the Minister of education, Culture and Employment on Sept 23, 2014 and have not been audited.

Note 28. Economic Dependence

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

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2015

Note 29. Financial Instruments

The Education Body is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Education Body's risk exposure and concentration as of June 30, 2015.

Credit risk

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

Liquidity

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

Market risk

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

Currency risk

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

Interest rate risk

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

Note 30. Expenses by Object

	2015 Budget	2015 Actual	2014 Actual
Salaries	\$ 12,395,113	\$ 12,786,799	\$ 12,086,035
Employee Benefits	218,332	343,739	408,966
Services Purchased/Contracted	1,012,240	1,251,618	1,121,826
Materials, Supplies and Freight	460,570	961,390	646,483
Debt Services	2,000	3,291	51,176
	<u>\$ 14,088,255</u>	<u>\$ 15,346,837</u>	<u>\$ 14,314,486</u>

Note 31. Subsequent Events - Not Applicable

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2015

Note 32. Comparative Figures

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

Note 33. Other ECE Revenue

	2015	2014
Infrastructure funding	\$ 25,534	\$ 72,998
Junior Kindergarten	72,077	-
Library	229,800	222,163
Less: Deferred revenue & contributions repaid	(86,413)	(117,303)
	<u>\$ 240,998</u>	<u>\$ 177,858</u>

Note 34. GNWT - Other Contributions

	2015	2014
MACA		
Active After School	98,962	73,409
Girl's Leadership	4,000	-
Youth Contribution	34,000	45,000
Regional Youth Sports	108,000	57,000
HSS		
Drop The Pop	10,159	11,861
Nutrition North	28,928	27,900
Breakfast for learning	-	63,000
Food First Found	-	4,050
ITI		
Seed	15,000	49,921
Other		
On The Land	40,000	5,000
Community Justice	60,850	-
Resiliency Workshop	9,205	-
Northern Grad Teacher Funding	15,625	-
Self regulation & action research	12,000	-
Less: Deferred revenue & contributions repaid	(128,978)	(177,167)
	<u>\$ 307,751</u>	<u>\$ 159,974</u>

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2015

Note 35. Payroll Liabilities

	2015	2014
UNW School Year & NWTTA	\$ 1,783,333	\$ 1,480,602
	\$ 1,783,333	\$ 1,480,602

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

Sahtu Divisional Education Council

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

For the year ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue			
Government of the Northwest Territories	\$ 14,163,797	\$ 15,247,497	\$ 13,945,124
Other education body generated funds	90,000	154,141	313,009
	14,253,797	15,401,638	14,258,133
Expenditure			
Administration	983,452	1,044,079	1,095,815
School programs	8,362,861	10,149,447	9,617,743
Inclusive schooling	1,858,197	1,906,760	1,677,449
Operations and maintenance	370,484	521,319	434,215
Aboriginal languages	2,383,261	1,303,603	1,380,731
	13,958,255	14,925,208	14,205,953
Excess (Deficiency) of Revenue over Expenditure	\$ 295,542	\$ 476,430	\$ 52,180
Accumulated surplus (deficit), beginning of year		1,003,749	951,569
Accumulated surplus (deficit), end of year		\$ 1,480,179	\$ 1,003,749

SATHU DIVISIONAL EDUCATION COUNCIL

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

For the year ended June 30, 2015

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Council Administration	Aboriginal Languages	Fiscal & Transfers	2015 Total
Salaries								
Teachers' salaries	\$ 7,302,093	\$ 782,880	\$ -	\$ -	\$ -	\$ 1,084,641	\$ -	\$ 9,169,614
Instruction Assistant	8,593	863,593	-	-	-	135,708	-	1,007,894
Non Instructional Staff	1,592,894	163,194	-	-	607,324	-	-	2,363,412
Board/Trustee Honoraria	-	-	-	-	28,768	29,235	-	58,003
	8,903,580	1,809,667	-	-	636,092	1,249,584	-	12,598,923
Employee Benefits								
Employee benefits and allowances	-	-	-	-	-	-	-	-
Leave and termination benefits	-	-	-	381,578	(38,539)	-	-	343,039
	-	-	-	381,578	(38,539)	-	-	343,039
Services Purchased/Contracted								
Professional/Technical Services	80,581	25,262	-	-	183,675	26,519	-	316,037
Postage/Communication	45,191	-	-	-	23,506	-	-	68,697
Utilities	-	-	-	-	-	-	-	-
Heating	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-
Water/Sewage	-	-	-	-	-	-	-	-
Travel	171,926	45,246	-	-	143,697	2,927	-	363,796
Student Travel (busing)	149,000	-	-	-	-	-	-	149,000
Advertising/Printing/Publishing	3,355	1,258	-	1,895	-	-	-	6,508
Maintenance/Repair	30,734	-	-	5,167	-	-	-	35,901
Rentals/Leases	-	-	-	132,679	-	-	-	132,679
Other - Contracted Services	-	-	-	-	-	-	-	-
Other - Miscellaneous	47,295	-	-	-	59,182	19,072	-	125,549
	528,082	71,766	-	139,741	410,060	48,518	-	1,198,167
Materials, Supplies and Freight								
Materials	551,864	21,240	-	-	28,085	5,269	-	606,458
Freight	35,921	4,087	-	-	5,090	232	-	45,330
	587,785	25,327	-	-	33,175	5,501	-	651,788
Contributions and Transfers								
Transfers to DEAs	130,000	-	-	-	-	-	-	130,000
Transfers to Capital	-	-	-	-	-	-	-	-
Amortization								
	-	-	-	-	-	-	-	-
Debt Services								
	-	-	-	-	3,291	-	-	3,291
Total	\$ 10,149,447	\$ 1,906,760	\$ -	\$ 521,319	\$ 1,044,079	\$ 1,303,603	\$ -	\$ 14,925,208

* Reclassified for comparative purposes

SAHTU DIVISIONAL EDUCATION COUNCIL

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

For the year ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue			
Contributions from Divisional Council	\$ 130,000	130,000	122,687
GNWT	-	629,699	-
Other	-	26,050	-
Deferred Revenue	-	(206,732)	-
Contributions Repaid	-	(8,659)	-
	-	440,358	-
Total revenue	130,000	570,358	122,687
Expenditure			
Administration	58,310	69,643	72,837
School programs	51,878	443,245	35,696
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	38,741	-
	\$ 110,188	551,629	108,533
Surplus (Deficit)	19,812	(111,271)	(108,533)
Opening equity		(97,644)	10,889
Closing equity		\$ (208,915)	\$ (97,644)
Composition of Ending Accumulated Surplus			
Cash	\$	-	\$ -
Accounts receivable		43,772	25,429
Accounts payable		-	(386)
	\$	43,772	\$ 25,043

SAHTU DIVISIONAL EDUCATION COUNCIL

Schedule B-2 - Details of DEA Expenses

Non-Consolidated

For the year ended June 30, 2015

Function	School Programs	Inclusive Schooling	Student Accom.	Operations and Maintenance	Council Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non-instructional Staff	117,112	-	-	-	44,277	-	161,389
Board/Trustee Honorarium	4,765	-	-	-	14,597	7,125	26,487
	121,877	-	-	-	58,874	7,125	187,876
Employee Benefits							
Employee Benefits and Allowances	700	-	-	-	-	-	700
Leave and Termination	-	-	-	-	-	-	-
	700	-	-	-	-	-	700
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	6,250	-	6,250
Postage/Communication	-	-	-	-	-	-	-
Utilities							
Heating	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-
Water/Sewage	-	-	-	-	-	-	-
Travel	21,585	-	-	-	-	-	21,585
Student Transportation (busing)	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other Contracted Services	-	-	-	-	4,519	-	4,519
Other	21,097	-	-	-	-	-	21,097
	42,682	-	-	-	10,769	-	53,451
Materials/Supplies/Freight							
Materials	277,986	-	-	-	-	31,616	309,602
Freight	-	-	-	-	-	-	-
	277,986	-	-	-	-	31,616	309,602
Total	\$ 443,245	\$ -	\$ -	\$ -	\$ 69,643	\$ 38,741	551,629

COLVILE LAKE

District Education Authority
Statement of Operations

For the year ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue			
Contributions from Divisional Council	\$ 17,000	\$ 17,000	\$ 12,612
GNWT	-	59,134	-
Other	-	5,300	-
Deferred Revenue	-	(12,000)	-
Contributions Repaid	-	(4,707)	-
	17,000	64,727	12,612
Expenses			
Administration	-	1,776	3,689
School programs	-	42,227	5,087
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	10,000	-
	-	54,003	8,776
Surplus (Deficit)	17,000	10,724	3,836
Opening equity		240	(3,596)
Closing equity		\$ 10,964	\$ 240
Composition of Closing Equity			
Cash		\$ -	\$ -
Accounts Receivable		10,964	240
Accounts Payable		-	-
		\$ 10,964	\$ 240

COLVILLE LAKE

District Education Authority
 Details of Expenses

For the year ended June 30, 2015

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	-	-	-
Board/Trustee Honoraria	-	-	-	-	526	-	526
	-	-	-	-	526	-	526
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	1,250	-	1,250
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	-	-	-	-	1,250	-	1,250
Materials/Supplies/Freight							
Materials	42,227	-	-	-	-	10,000	52,227
Freight	-	-	-	-	-	-	-
	42,227	-	-	-	-	10,000	52,227
Total	\$ 42,227	\$ -	\$ -	\$ -	\$ 1,776	\$ 10,000	\$ 54,003

DELINE

District Education Authority
Statement of Operations

For the year ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue			
Contributions from Divisional Council	\$ 27,000	\$ 27,000	\$ 25,334
GNWT	-	152,234	-
Other	-	5,550	-
Deferred Revenue	-	(57,955)	-
Contributions Repaid	-	(146)	-
	27,000	126,683	25,334
Expenses			
Administration	16,300	19,562	18,086
School programs	10,700	86,877	4,082
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	20,000	-
	27,000	126,439	22,168
Surplus (Deficit)	-	244	3,166
Opening equity		3,376	210
Closing equity		\$ 3,620	\$ 3,376
Composition of Closing Equity			
Cash	\$	-	\$ -
Accounts Receivable		3,620	3,376
Accounts Payable		-	-
	\$	3,620	\$ 3,376

DELINE

District Education Authority
Details of Expenses

For the year ended June 30, 2015

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	39,390	-	-	-	11,056	-	50,446
Board/Trustee Honoraria	-	-	-	-	7,256	5,820	13,076
	39,390	-	-	-	18,312	5,820	63,522
Employee Benefits							
Employee Benefits/Allowances	500	-	-	-	-	-	500
Leave and Termination Benefits	-	-	-	-	-	-	-
	500	-	-	-	-	-	500
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	1,250	-	1,250
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	4,000	-	-	-	-	-	4,000
Student Transportation	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	4,000	-	-	-	1,250	-	5,250
Materials/Supplies/Freight							
Materials	42,987	-	-	-	-	14,180	57,167
Freight	-	-	-	-	-	-	-
	42,987	-	-	-	-	14,180	57,167
Total	\$ 86,877	\$ -	\$ -	\$ -	\$ 19,562	\$ 20,000	\$ 126,439

FORT GOOD HOPE

District Education Authority
Statement of Operations

For the year ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue			
Contributions from Divisional Council	\$ 27,000	\$ 27,000	\$ 25,445
GNWT	-	132,234	-
Other	-	4,400	-
Deferred Revenue	-	(50,065)	-
	27,000	113,569	25,445
Expenses			
Administration	19,510	16,932	15,910
School programs	7,490	97,052	3,048
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	-	-
	27,000	113,984	18,958
Surplus (Deficit)	-	(415)	6,487
Opening equity		5,411	(1,076)
Closing equity		\$ 4,996	\$ 5,411
Composition of Closing Equity			
Cash	\$	-	\$ -
Accounts Receivable		4,996	5,411
Accounts Payable		-	-
	\$	4,996	\$ 5,411

FORT GOOD HOPE

District Education Authority
Details of Expenses

For the year ended June 30, 2015

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	31,816	-	-	-	11,081	-	42,897
Board/Trustee Honoraria	-	-	-	-	4,601	-	4,601
	31,816	-	-	-	15,682	-	47,498
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	1,250	-	1,250
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	-	-	-	-	1,250	-	1,250
Materials/Supplies/Freight							
Materials	65,236	-	-	-	-	-	65,236
Freight	-	-	-	-	-	-	-
	65,236	-	-	-	-	-	65,236
Total	\$ 97,052	\$ -	\$ -	\$ -	\$ 16,932	\$ -	113,984

NORMAN WELLS

District Education Authority
Statement of Operations

For the year ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue			
Contributions from Divisional Council	\$ 31,000	\$ 31,000	\$ 30,975
GNWT	-	154,747	-
Other	-	1,700	-
Deferred Revenue	-	(43,281)	-
Contributions Repaid	-	(3,806)	-
	31,000	140,360	30,975
Expenses			
Administration	8,250	16,413	19,136
School programs	22,750	113,731	11,694
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	8,741	-
	31,000	138,885	30,830
Surplus (Deficit)	-	1,475	145
Opening equity		16,402	16,257
Closing equity		\$ 17,877	\$ 16,402
Composition of Closing Equity			
Cash	\$	-	\$ -
Accounts Receivable		17,877	16,402
Accounts Payable		-	-
	\$	17,877	\$ 16,402

NORMAN WELLS

District Education Authority
 Details of Expenses

For the year ended June 30, 2015

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	20,472	-	-	-	10,644	-	31,116
Board/Trustee Honoraria	-	-	-	-	-	1,305	1,305
	20,472	-	-	-	10,644	1,305	32,421
Employee Benefits							
Employee Benefits/Allowances	200	-	-	-	-	-	200
Leave and Termination Benefits	-	-	-	-	-	-	-
	200	-	-	-	-	-	200
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	1,250	-	1,250
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	1,185	-	-	-	-	-	1,185
Student Transportation	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	4,519	-	4,519
Other	21,097	-	-	-	-	-	21,097
	22,282	-	-	-	5,769	-	28,051
Materials/Supplies/Freight							
Materials	70,777	-	-	-	-	7,436	78,213
Freight	-	-	-	-	-	-	-
	70,777	-	-	-	-	7,436	78,213
Total	\$ 113,731	\$ -	\$ -	\$ -	\$ 16,413	\$ 8,741	\$ 138,885

TULITA

District Education Authority Statement of Operations

For the year ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue			
Contributions from Divisional Council	\$ 28,000	\$ 28,000	\$ 28,321
GNWT	-	131,350	-
Other	-	9,100	-
Deferred Revenue	-	(43,431)	-
	<u>28,000</u>	<u>125,019</u>	<u>28,321</u>
Expenses			
Administration	14,250	14,960	16,016
School programs	10,938	103,358	11,785
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	-	-
	<u>25,188</u>	<u>118,318</u>	<u>27,801</u>
Surplus (Deficit)	2,812	6,701	520
Opening equity		(386)	(906)
Closing equity		\$ 6,315	\$ (386)
Composition of Closing Equity			
Cash		\$ -	\$ -
Accounts Receivable		6,315	-
Accounts Payable		-	(386)
		<u>\$ 6,315</u>	<u>\$ (386)</u>

TULITA

District Education Authority
 Details of Expenses

For the year ended June 30, 2015

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	25,434	-	-	-	11,496	-	36,930
Board/Trustee Honoraria	4,765	-	-	-	2,214	-	6,979
	30,199	-	-	-	13,710	-	43,909
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	1,250	-	1,250
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	16,400	-	-	-	-	-	16,400
Student Transportation	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	16,400	-	-	-	1,250	-	17,650
Materials/Supplies/Freight							
Materials	56,759	-	-	-	-	-	56,759
Freight	-	-	-	-	-	-	-
	56,759	-	-	-	-	-	56,759
Total	\$ 103,358	\$ -	\$ -	\$ -	14,960	\$ -	118,318

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

FORT SMITH, NT.

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

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**Management Discussion and Analysis
For the year ended June 30, 2015**

Introduction

This management discussion and analysis is prepared as part of the responsibility of management and the *South Slave Divisional Education Council (SSDEC)* to promote transparency and accountability in its financial reporting.

The SSDEC was established in 1991 and its mandate is to provide quality pre-kindergarten (4 yr olds) to approximately 1,300 grade twelve 12 education in the communities of Hay River, Fort Smith, K'atloodceche, Fort Resolution and Lutsel K'e. The SSDEC is comprised of one representative from each of the five community-based District Education Authorities (DEAs). DEAs are elected or appointed at the community level, and each DEA chooses one of its members to represent them at the regional SSDEC meetings. The 2014-2015 representatives were as follows:

- Fort Smith – Ann Pischinger (Chairperson)
- Fort Resolution – Bess Ann McKay (Vice-Chairperson)
- Hay River – Kandis Jameson
- K'atloodceche – Shirley Lamalice
- Lutsel K'e – Prairie Desjarlais

Key senior management positions are as follows:

- Superintendent – Dr. Curtis Brown
- Assistant Superintendent – Brent Kaulback
- Comptroller – James Watts, CMA

The SSDEC and its DEAs are committed to a philosophy of education which is built upon a foundation of enabling communities, DEAs, schools, staff members, and parents to help students reach their potential. Student achievement is at the heart of everyone's work at the SSDEC and is the common thread connecting the Council's vision, mission, beliefs and values.

VISION	All individuals reach their educational potential
MISSION	<i>The South Slave Divisional Education Council strives to prepare students to create their futures by ensuring high levels of learning for ALL.</i>

The SSDEC is committed to improving student *literacy, numeracy and social responsibility* as the key priorities for student success in school and in life.

Operating Environment

The SSDEC receives the financial resources for the entire division on an annual basis, largely through funding formula established by the *GNWT Department of Education, Culture and Employment (ECE)*. Unfortunately, there are a number of unfunded and underfunded areas in the formula. For example:

- school boards are funded based on prior year staff salaries yet collective agreement provisions provide annual salary increments to staff which school boards must pay
- ECE confirms that they are underfunding school boards more than \$1 million per year for the hiring of casuals resulting from staff leave provisions in the collective agreements
- several of the funding formula line items are not indexed to keep up with inflation and have not increased in over 15 years (bussing contracts and repairs, for example, have probably more than doubled in that same timeframe)
- ECE funding formula does not provide an allocation for technology personnel (every school board in the NWT has between one and four unfunded technicians on staff).

A funding reduction (inclusive schooling) and an expanded mandate (adding junior Kindergarten with less funding) also contributed to the financial challenges of the SSDEC in recent years. Prior to these decisions, the NWT already had the third worst student-educator ratio of all the provinces and territories in Canada (see <http://www.statcan.gc.ca/pub/81-582-x/2013001/tbl/tblc2.3-eng.htm>).

Shrinking enrolment has also brought significant challenges over the last several years. South Slave student enrolment is now almost two thirds what it was fifteen years ago (approx. 1300 now vs. over 1800 previously). Fewer students means less funding and less flexibility the Council has to allocate the resources necessary to continue to fund its priorities and a diversity of program offerings.

	<u>Enrolment</u>		<u># of Teachers</u>	
	<u>Sept.</u> <u>2014</u>	<u>June</u> <u>2015</u>	<u>Sept.</u> <u>2014</u>	<u>June</u> <u>2015</u>
Joseph Burr Tyrrell	272.0	259.0	19.0	20.0
Paul William Kaeser	237.0	230.0	21.8	23.5
Total Fort Smith	509.0	489.0	40.8	43.5
Harry Camsell	159.0	164.0	10.3	10.5
Princess Alexandra	148.0	158.0	10.1	9.5
Diamond Jenness	231.0	216.0	20.0	21.1
Total Hay River	538.0	538.0	40.4	41.1
Chief Sunrise	62.0	60.0	7.0	7.0
Deninu	108.0	105.0	10.8	10.3
Lutsel K'e	73.0	81.0	7.0	6.5
SSDEC totals	1290.0	1273.0	106.0	108.4

The significant enrolment drop, combined with the change in the teacher allocations for larger schools in the funding formula, has already resulted in reduced funding for larger schools. This coming year, 2015-16 has seen a reduction of four Fort Smith teachers and two Hay River teachers.

The SSDEC continues to address the funding challenges by annually reviewing and applying their budget assumptions and priorities:

1. Approve a regional budget each year that prioritizes funding for the Council priorities.
2. Approve a budget each year that maintains an accumulated fund balance of at least \$500,000 after taking into account school staffing surpluses.
3. Ensure fair and equitable distribution of funds to schools and DEAs and minimize conflict between Council reps/DEAs.
4. Provide for significant community-based priority setting and related budgeting.
5. Provide transparency in budget process and allocations, and
6. Consider expenditures against a Council surplus over \$500,000, after taking into account school staffing surpluses, each year.

Each year the SSDEC determines the key priorities as well as the unfunded and underfunded areas that simply can't be overlooked, and budgets for those costs first. Upon notification of resulting allocations, staffing plans are developed by school principals for approval of their respective DEAs and the superintendent (prior to March 15th) so that the majority of teacher staffing for the next year can occur while quality applicants are still available. The SSDEC and schools have also been very successful in identifying, applying for and obtaining third party funding in order to supplement program offerings.

Another challenge for the Council is the low levels of readiness of many young children entering the school system, poor attendance by many students, and disengaged parents, probably related to the intergenerational effects of residential schooling. These varying levels and engagement can make it difficult to catch up and retain these students so that they progress and reach their potential.

In an effort to improve the life chances of more and more children, since 2007 the SSDEC has focused on a few key priorities, with carefully chosen research based strategies, and a long term and relentless commitment to results:

To improve student success in literacy	To increase the percentage of students meeting or exceeding expectations for reading proficiency
To improve student success in numeracy	To increase the percentage of students meeting or exceeding expectations for numeracy proficiency
To increase understanding and practice of socially responsible behaviour by all members of the school community	To increase the percentage of trustees, staff and students demonstrating responsible behaviour

Accordingly, Council has remained committed to funding the *Leadership for Literacy* initiative that places and trains experienced teachers in instructional coach roles in their respective schools. These coaches provide training and in-classroom support to other teachers and support staff so that more students will achieve success in literacy and math, the essential skills required for success in school and in life.

Much has been accomplished as evidenced by improving student achievement test results over the past several years. Further indicative of the SSDEC's success are the various awards received including the *Ministerial Literacy Award* for the *SSDEC Literacy Project*, the *Premier's Award of Excellence* for the *Trades Awareness Program* partnership, and then the *Premier's Award for Collaboration* (with Aurora College, South Slave Career Centres, Fort Smith and Hay River Health Authorities) for the *South Slave Healthy Communities Partnership* in 2009.

South Slave staff and students are excelling and benefitting accordingly as well. Aside from the recognition of the Council and the impressive recipients of the *SSDEC Excellence in Education Awards*, a teacher has received a *Prime Minister's Award for Teaching Excellence*, three of the South Slave school principals have now been selected to the exclusive National Academy of *Canada's Outstanding Principals (The Learning Partnership)*, and the SSDEC Superintendent and Assistant Superintendent are the first and only northern recipients of the *Canadian Superintendent of the Year* award (*Canadian Association of School System Administrators (CASSA) & American Association of School Administrators (AASA)*). Two of the five SSDEC trustees also received the *Queen's Diamond Jubilee* medals for exemplary service to their communities.

We continued to see the hard work of our educators and education partners recognized this past year:

- The *Lutsel K'e Chipewyan Dictionary Project*, spearheaded by SSDEC assistant superintendent Brent Kaulback and community elders, was honoured with the 2015 *Premier's Award for Collaboration*.
- Long-time Slavey language teacher Doris Camsell was inducted into the *Minister's Education Hall of Fame*.

These two awards are also examples of how effective literacy efforts are being encouraged and supported in our Aboriginal language programs in Cree, Slavey, Chipewyan, not just English and French.

Further, the SSDEC's Leadership for Literacy initiative was recently shortlisted to one of just six school boards in Canada in the running for the *Canadian Educator's Association's "Innovation that Sticks" Award* and Case Study Program. This is on the heels of the SSDEC becoming the first school board in Canada to win Gold in the education category of the *Public Sector Leadership Awards*, awarded by IPAC (*Institute of Public Administration of Canada*) and Deloitte in 2014.

Council understands that the more engaged students and parents are, the more likely children are to achieve. This is why Council has five targets for improvement that involve parents. Below are the targets and the results for 2014-15:

- 94% of parents (74% response rate) have discussed with their teacher and understand their child's *reading* strengths and stretches (target 90% of parents with 60% response rate)
- 91% of parents say they are satisfied with their child's growth as a *reader* (target 90%)

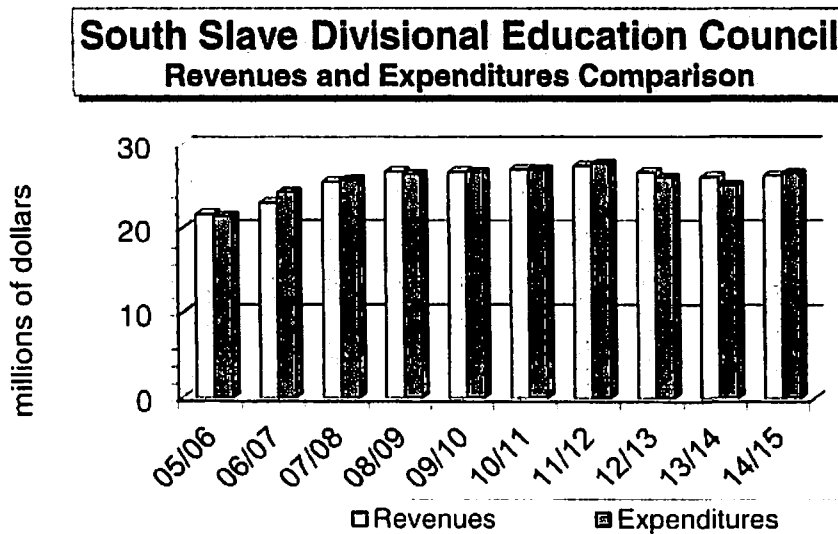
- 90% of parents (74% response rate) have discussed with their teacher and understand their child's *math* strengths and stretches (target 90% of parents with 60% response rate)
- 89% of parents say they are satisfied with their child's growth as a *mathematician* (target 90%)
- 81% of parents participate in at least one Community Education Planning day, 3-way conference or parent workshop (target 60%)

Still, only about half of South Slave students attend at least 90% of the time, meaning that half of our students have missed a full year of schooling by the time they reach grade 10. There has also been an increase in staff use of long-term leave requests due to mental health issues. As we are unsure when staff will be able to return to their classrooms, we increasingly find ourselves hiring unqualified substitutes for repeated one and two month periods. This is not only disruptive to classroom routine, but compromises the quality of students' education and is costly for the SSDEC.

ECE's new *Education Renewal and Innovation* initiative includes initiatives that might help to educate and provide support for mental health and wellness of both staff and students. Recent SSDEC strategies and targets are also intended to improve student attendance, ownership for their learning (inquiry-based, 21st century learning), pride and resiliency as part of its academic and social responsibility priorities.

Financial Condition

The bar chart below provides a historical comparison of revenues and expenditures over the past ten years. Two pie charts at the end of the financial statements show revenues and expenses by program.



For the year ended June 30, 2015 the Council had an operating deficit of \$236,936 inclusive of DEA surpluses and deficits. This was better than the projected deficit of \$1,212,425. The yearly result was better than budgeted mostly due to the average teacher salary being less than expected while revenues were approximately \$500,000 more than budgeted. Schools collectively dipped into their accumulated surpluses in the amount of \$400,000 through the course of 2014-15 as well.

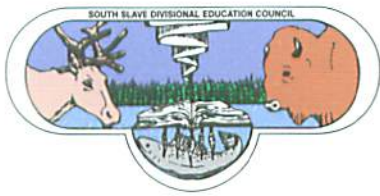
The accumulated uncommitted fund balance for the Council now sits at \$705,507 which is \$205,507 above the Council's minimum fund balance of \$500,000 spelled out in policy DFAA – Financial Surplus. The Council's budget for 2015-16 is a deficit budget that projects to bring the uncommitted fund balance down to just under \$264,000.

Currently the Council's liquidity position is good but there is still the concern that funds could be short around the end of March because of ECE's uneven and back-end loaded distribution of allocations to school boards. Given that about 80% of the SSDEC's expenditures are for staffing payroll and benefits, any unanticipated reductions in allocations from ECE would be difficult to adjust for until the following school year.

Summary and Outlook

In summary, the SSDEC is in a positive financial position consistent with Council Policy that requires at least \$500,000 uncommitted surplus.

The anticipation of a new Territorial government brings with it potential that existing challenges will be rectified, but uncertainty about the ability of the new government to address those challenges without inadvertently created more difficult challenges that might undermine the SSDEC, DEAs' and schools' ability to maintain and further improve student outcomes. Council fears the significant progress that has been made in the South Slave in the past several years could be undone with a potentially escalating student-educator ratio, compounded by existing unfunded and underfunded expenses (salary increments, casual costs, technology PYs, etc.) and cost increases (several formula funding lines not indexed to keep up with inflation). The SSDEC remains eager to work with the Minister and ECE to help provide the best possible education.



Creating Futures

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

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

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

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

Approved and confirmed on behalf of the South Slave Divisional Education Council

Dr. Curtis Brown
Superintendent

Jamfe Watt, CMA
Comptroller



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INDEPENDENT AUDITORS' REPORT

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of South Slave Divisional Education Council which comprise the Consolidated Statement of Financial Position as at June 30, 2015 and the Consolidated Statements of Changes in Net Financial Resources (Debt), Operations and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Basis for Qualified Opinion

The Government of the Northwest Territories is responsible for the calculation and distribution of a significant portion of the Council's salaries and wages that appear on the consolidated statement of operations, the accuracy of which is not susceptible to complete audit verification. We have satisfied ourselves that the payroll information provided by the GNWT was accurately reflected in the Council's records. Consequently, we were unable to determine whether adjustments to the financial performance and cash flows might be necessary for the years ended June 30, 2014, and June 30, 2015.

INDEPENDENT AUDITORS' REPORT (continued)

Qualified Opinion

In our opinion, except for the matter described in the Basis for Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of South Slave Divisional Education Council as at June 30, 2015 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

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

Avery Cooper & Co. Ltd.

Avery Cooper & Co. Ltd.
Certified General Accountants
Yellowknife, NT

September 19, 2015, except as to Note 37, which is as of October 2, 2015.

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at June 30, 2015**

	<u>2015</u>	<u>2014</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents (Note 4)	\$6,886,886	\$6,634,796
Trust Assets (Note 18)	79,972	79,693
Due from the GNWT (Note 8)	26,849	49,628
Due from the Government of Canada (Note 8)	0	258,436
Other Accounts Receivable (Note 8)	<u>168,614</u>	<u>178,646</u>
Total Financial Assets	<u>\$7,162,322</u>	<u>\$7,201,200</u>
<u>Liabilities</u>		
Bank Indebtedness	\$14,268	\$16
Accounts Payable and Accrued Liabilities (Note 10)	150,988	120,026
Trust Liabilities (Note 18)	79,972	79,693
Due to the GNWT (Note 10)	38,653	880,950
Payroll Liabilities (Note 35)	1,990,643	1,351,194
Deferred Revenue (Note 11)	86,258	3,472
Post-Employment Benefits (Note 17)	<u>2,571,909</u>	<u>2,299,282</u>
Total Liabilities	<u>\$4,932,691</u>	<u>\$4,734,633</u>
Net Financial Resources	<u>\$2,229,630</u>	<u>\$2,466,566</u>
<u>Non-Financial Assets</u>		
Prepaid Expenses (Note 20)	\$0	\$0
Accumulated Surplus	<u>\$2,229,630</u>	<u>\$2,466,566</u>
Contractual Obligations and Contingencies (Notes 24 and 25)		

Approved:


Chairperson


Comptroller

See attached notes and schedules.

Statement II

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL RESOURCES
For the Year Ended June 30, 2015**

	<u>2015</u>	<u>2014</u>
Operating Surplus/(Deficit)	(\$236,936)	\$1,000,521
Prior Year Adjustments	<u>0</u>	<u>0</u>
Increase/(Decrease) in Net Financial Resources (Statement III)	(\$236,936)	\$1,000,521
Opening Net Financial Resources	<u>2,466,566</u>	<u>1,466,045</u>
Closing Net Financial Resources	<u><u>\$2,229,630</u></u>	<u><u>\$2,466,566</u></u>

See attached notes and schedules.

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended June 30, 2015**

	(unaudited) <u>2015 Budget</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
ECE Regular Contributions	\$23,883,065	\$24,379,170	\$24,405,871
Other ECE Contributions	325,040	847,222	717,929
Total ECE Contributions	<u>\$24,208,105</u>	<u>\$25,226,392</u>	<u>\$25,123,800</u>
Other GNWT Contributions	\$0	\$272,439	\$183,532
Total GNWT Contributions	<u>\$24,208,105</u>	<u>\$25,498,831</u>	<u>\$25,307,332</u>
Other Education Bodies	\$0	\$136,283	\$0
Government of Canada Contributions	\$14,560	(\$25,877)	\$286,943
Generated Funds			
Investment Income	\$500	\$57,173	\$38,397
Non-GNWT Contributions	0	238,947	119,000
Donations	0	32,000	37,000
Other	59,500	359,921	322,884
Total Generated Funds	<u>\$60,000</u>	<u>\$688,041</u>	<u>\$517,281</u>
Total Revenues	<u>\$24,282,665</u>	<u>\$26,297,278</u>	<u>\$26,111,556</u>
<u>EXPENSES (Schedule 1)</u>			
Administration	\$1,520,532	\$1,573,167	\$1,540,075
School Programs	16,251,777	17,260,748	16,942,484
Inclusive Schooling	5,159,061	4,941,645	4,228,662
Distance Learning/Technology	310,000	320,330	311,726
Operations and Maintenance	422,002	263,007	277,428
Aboriginal Language/Cultural Programs	1,831,718	2,175,318	1,810,659
Total Expenses	<u>\$25,495,090</u>	<u>\$26,534,214</u>	<u>\$25,111,034</u>
OPERATING SURPLUS/(DEFICIT)	<u><u>(\$1,212,425)</u></u>	<u><u>(\$236,936)</u></u>	<u><u>\$1,000,521</u></u>
Opening Accumulated Surplus		<u>2,466,566</u>	<u>1,466,045</u>
Closing Accumulated Surplus		<u><u>\$2,229,630</u></u>	<u><u>\$2,466,566</u></u>

See attached notes and schedules.

Statement IV

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
CONSOLIDATED STATEMENT OF CASH FLOW
For the Year Ended June 30, 2015**

	<u>2015</u>	<u>2014</u>
Cash Provided By (Used In):		
Operating Surplus/(Deficit) - Statement III	(\$236,936)	\$1,000,521
Changes in Non-cash Assets and Liabilities		
Decrease (increase) due from Government of Canada	\$258,436	\$0
Decrease (increase) in accounts receivable	32,811	25,534
Increase (decrease) in acc. payroll/emp. deductions	639,449	721,654
Increase (decrease) in accounts payable	(811,335)	(19,275)
Increase (decrease) in trust liability	279	(221)
Increase (decrease) in deferred revenue	82,786	(26,721)
Increase (decrease) in post-employment benefits	272,627	138,038
Decrease (increase) in prepaid expenses	<u>0</u>	<u>0</u>
Cash Provided by (Used In) Operating Transactions	<u>\$238,117</u>	<u>\$1,839,530</u>
Increase/(Decrease) in Cash and Cash Equivalents	<u>\$238,117</u>	<u>\$1,839,530</u>
Cash and Cash Equivalents at Beginning of Year	\$6,714,473	\$4,874,943
Cash and Cash Equivalents at End of Year	<u><u>\$6,952,590</u></u>	<u><u>\$6,714,473</u></u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

Note 1. Nature of the Organization

The Council was formerly known as the South Slave Divisional Board of Education. With the adoption of the new Education Act, its legal name is now the South Slave Divisional Education Council (Council).

The Council was established under the Education Act of the Government of the Northwest Territories by order of the Minister of Education dated July 1, 1991. Its purpose is to administer and maintain standards of educational programs defined under the Act in the member communities of the South Slave region.

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

Note 2. Significant Accounting Policies

a) Basis of Accounting

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

b) Cash and Cash Equivalents

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

c) Financial Instruments

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

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

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

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

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

d) Non-Financial Assets

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

e) Revenue Recognition

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

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

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

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS

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

f) Infrastructure Funding

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

g) Budget Data

The *Education Act* of the NWT requires that the Council prepare an annual budget, as outlined in Sections 128 and 129.

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

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

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

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

h) Measurement Uncertainty

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

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

i) Inventories Including Materials and Supplies

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

j) Payroll Liabilities

According to the Northwest Territories Teachers Association (NWTTA) and GNWT Collective Agreement, teaching staff have their salary issued by the GNWT bi-weekly pay system. NWTTA staff will have earned their annual salary by June 30th of each year which provides for continued payment during the summer. GNWT payroll for NWTTA staff starts with the annualized salary commitment for compensation and then allocates the complete payout of that value over the number of pay periods between August 1 and July 31 (usually 26). The pay periods that fall within the month of July therefore have to be accrued.

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

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

k) Post-employment benefits, compensated absences and termination benefits.

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

l) Special Purpose Funds

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

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

Student activity funds which are controlled by students or parties other than the Council are not included in these financial statements even if custody of the funds is held by the Council. Examples might include student clubs or associations for which the Council has no on-going responsibility or liability for losses.

Note 3. Future Accounting Changes

Nothing to report.

Note 4. Cash and Cash Equivalents

	<u>2015</u>	<u>2014</u>
Cash	<u>\$6,952,590</u>	<u>\$6,714,473</u>
Total	<u>\$6,952,590</u>	<u>\$6,714,473</u>

Note 5. Special Purpose Funds

Nothing to report.

Note 6. Restricted Assets

Nothing to report.

Note 7. Portfolio Investments

Nothing to report.

Note 8. Accounts Receivable

	<u>2015 Net</u>	<u>2014 Net</u>
Commission Scolaire de Francophone	\$ 17,124	\$ 12,806
Princess Alexandra School	203	0
GNWT – HSS	0	9,500
GNWT – ECE	<u>9,522</u>	<u>27,322</u>
Total due from GNWT	\$ 26,849	\$ 49,628
Due from Government of Canada	0	248,114
Other	<u>168,614</u>	<u>188,968</u>
Total Receivables	<u>\$195,463</u>	<u>\$486,710</u>

Note 9. Inventories

Not applicable.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

Note 10. Accounts Payable

	<u>2015</u>	<u>2014</u>
WSCC	\$ 31,500	\$ 26,106
GNWT – Dept. of Finance	7,153	805,831
GNWT – Dept. of Education, Culture & Employment	<u>0</u>	<u>49,013</u>
Total Due to GNWT	\$ 38,653	\$ 880,950
Other	<u>150,988</u>	<u>120,026</u>
Total Accounts Payable	<u>\$189,641</u>	<u>\$1,000,976</u>

Note 11. Deferred Revenue

	<u>2015</u>	<u>2014</u>
Self-Regulation resources (from ECE)	\$ 5,116	\$ 3,472
Not Us – Hay River (Justice)	5,000	0
TLC Funding (ECE)	<u>61,000</u>	<u>0</u>
Total GNWT	\$ 71,116	\$ 3,472
Autism Speaks	<u>15,142</u>	<u>0</u>
Total Deferred Revenue	<u>\$ 86,258</u>	<u>\$ 3,472</u>

Note 12. Contribution Repayable

Nothing to report.

Note 13. Due To/From the Government of Canada

Nothing to report.

14. Capital Lease Obligations

Nothing to report.

15. Pensions

Nothing to report.

16. Long-term Debt

Nothing to report

17. Post-Employment Benefits, Compensated Absences and Termination Benefits

Under the conditions of employment, employees qualify for annual leave of varying lengths depending on length of service. Employees also earn retirement and severance

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

remuneration based on the number of years of service. Certain employees will also receive assistance with removal costs to return to their point of recruitment. Annual leave is payable within one fiscal year. The payment of the other amounts is dependent on employees leaving the government.

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

	<u>2015</u>	<u>2014</u>
Removal Assistance	\$ 666,924	\$ 644,176
Termination, Severance, Resignation & Retirement	1,780,841	1,532,180
Leave *	<u>124,146</u>	<u>122,926</u>
	<u>\$2,571,911</u>	<u>\$2,299,282</u>

* Leave includes annual and lieu time for UNW, Excluded, Senior Management and Contract employees.

18. Trust Assets Under Administration

	<u>2015</u>	<u>2014</u>
Andrew John Piche Scholarship Fund	\$79,972	\$79,693

19. Tangible Capital Assets

Nothing to report.

20. Prepaid Expenses

Nothing to report.

21. Accumulated Surplus/Deficit

Not applicable.

22. Capital Advances

Not applicable.

23. GNWT Assests Provided at no Cost.

	<u>Cost</u>	<u>Acc. Amort.</u>	<u>2015 NBV</u>	<u>2014NBV</u>
Joseph Burr Tyrrell School	\$9,413,958	\$4,382,341	\$5,031,617	\$5,271,455
Paul William Kaeser School	7,635,685	4,479,749	3,155,936	3,370,387
Deninu School	4,934,553	4,934,553	0	0
Lutsel K'e Dene School	2,117,192	1,562,651	554,541	611,417
Princess Alexandra School	7,672,236	4,401,159	3,271,077	3,548,367

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

Diamond Jenness School	33,724,083	7,759,027	25,965,057	27,187,520
Harry Camsell School	6,429,918	3,575,120	2,854,798	3,037,966
Chief Sunrise Education Ctr.	2,180,109	781,203	1,398,906	1,471,693
DJSS Trades Building	2,423,804	284,740	2,139,064	2,199,604
Hay River Central Seacan	832,998	236,016	596,982	652,515
PWK High School Seacan	687,229	194,715	492,514	538,330
PWK Welding Shop	389,368	6,489	382,879	0
	<u>\$78,441,135</u>	<u>\$32,597,763</u>	<u>\$45,843,372</u>	<u>\$47,889,255</u>

24. Contractual Obligations

	<u>Expired in 2015</u>	<u>2016</u>	<u>2017 Onward</u>	<u>Total</u>
Commercial/Residential Leases	\$158,650	\$158,650	\$370,184	\$687,484
Equipment Leases	40,749	30,234	25,937	96,920
Operational Leases	<u>7,286</u>			<u>7,286</u>
Totals	<u>\$206,685</u>	<u>\$188,884</u>	<u>\$396,121</u>	<u>\$791,690</u>

25. Contingencies

Nothing to report.

26. Related Parties

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

Accounts Payable

	<u>2015</u>	<u>2014</u>
Dept. of Finance	\$ 7,153	\$ 805,831
Dept. of Education, Culture and Employment	0	49,013

Accounts Receivable

Commission Scolaire de Francophone	17,124	12,806
Princess Alexandra School	203	0
Dept. of Health and Social Services	0	9,500
Dept. of Education, Culture and Employment	9,522	27,322

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

27. Budget Data

The Education Act of the Northwest Territories requires that Education Bodies prepare an annual budget as outlined in Section 117, Duties and Powers of Education Bodies. The budget is legally adopted by a motion of the Council.

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

The budget figures presented are those approved by the Minister of Education, Culture and Employment on August 6, 2014 and have not been audited.

28. Economic Dependence

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

29. Financial Instruments

The Council's carrying value of cash, accounts receivable, due from the GNWT, accounts payable and accrued liabilities, due to the GNWT, accrued salaries and the trust liability approximate fair value due to the immediate and short-term maturity of these instruments.

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

It is management's opinion that the Council is not exposed to significant interest rate, currency, market, credit, liquidity or cash flow risks arising from these financial instruments and that there are no significant concentrations of such risks.

30. Expenses by Object

	<u>2015 Budget</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
Compensation	\$22,222,069	\$23,094,654	\$21,816,439
Other	<u>3,192,891</u>	<u>3,439,560</u>	<u>3,294,595</u>
Total	<u>\$25,414,960</u>	<u>\$26,534,214</u>	<u>\$25,107,145</u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

31. Subsequent Events

Nothing to report.

32. Comparative Figures

The revenue figures from 2014 have been restated to conform to the new format for comparative purposes.

33. Other ECE Contributions

French as a Second Language	\$371,040
Aboriginal Languages	62,000
Trades Awareness	53,472
French Monitors	12,000
Career Coordinators	144,720
Self Regulation Resources	5,356
Action Research	7,000
French PD Travel Assistance	3,000
Career Cruising	(370)
Library Program	38,300
W.I.T.S Program	704
Diamond Jenness FF&E	<u>150,000</u>
Total	<u>\$847,222</u>

34. Other GNWT Contributions

Not Us – Hay River (Justice)	\$ 5,000
Not Us – Fort Smith (Justice)	5,000
Not Us – Lutsel K'e (Justice)	5,000
Not Us – K'atlo'deeche	5,000
Progressive Experience (HR)	3,333
Drop the Pop (HSS)	17,775
Northern Grad (HR)	15,625
Take a Kid Trapping – Fort Resolution (ITI)	8,000
Regional Youth Sports (MACA)	3,004
Youth Corps (MACA)	20,000
Child & Youth Resilience (MACA)	15,000
Trapping program – Fort Smith (ITI)	10,000
Healthy Choices (HSS)	67,203
Trapping Program – Hay River (ITI)	10,000
Forestry Program (ENR)	34,123
BCP Grant	3,083
UofA Field Trip	4,000

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

Active After School	15,922
Take A Kid Trapping – Lutsel K’e (ITI)	8,000
Take A Kid Trapping – K’atlo’deeche (ITI)	14,000
Local Sports (MACA)	<u>3,371</u>
Total	<u>\$272,439</u>

35. Payroll liabilities

NWTTA	\$1,826,423
UNW	163,571
Other	<u>649</u>
Total	<u>\$1,990,643</u>

36. Statement of Measurement Gains/Losses

Nothing to report.

37. Commitments Against Surplus

The Council currently has approved commitments against its surplus of \$1,626,400 consisting mainly of school staffing surpluses as detailed in Schedule 28 to the financial statements.

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended June 30, 2015**

	School Programs	Inclusive Schooling	Distance Learning/Tech	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers	\$13,054,252	\$1,984,821	\$0	\$0	\$0	\$1,056,072	\$0	\$16,095,145
Instruction Assistants	\$267,119	\$1,785,112	\$0	\$0	\$0	\$475,406	\$0	\$2,527,637
Non-Instructional Staff	\$1,885,200	\$452,027	\$260,441	\$0	\$1,157,686	\$8,000	\$0	\$3,763,355
Board/Trustee Honoraria	\$0	\$1,030	\$0	\$0	\$33,457	\$1,927	\$0	\$36,415
Employee Benefits								
Employee Benefits/Allowances	\$178,628	\$71,161	\$2,905	\$0	\$8,714	\$20,332	\$0	\$281,740
Leave & Termination Benefits	\$247,501	\$98,598	\$4,024	\$0	\$12,073	\$28,171	\$0	\$390,367
Services Purchased/Contracted								
Professional/Technical Services	\$12,040	\$92,220	\$0	\$10,000	\$44,946	\$23,158	\$0	\$182,364
Postage/Communication	\$55,930	\$83	\$0	\$0	\$57,793	\$0	\$0	\$113,807
Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Travel	\$156,340	\$197,663	\$12,625	\$0	\$90,845	\$75,346	\$0	\$532,819
Student Travel	\$119,511	\$11,394	\$0	\$0	\$2,948	\$1,820	\$0	\$135,674
Advertising/Printing/Publishing	\$12,794	\$372	\$0	\$12,548	\$12,058	\$26,997	\$0	\$64,769
Maintenance/Repair	\$3,630	\$0	\$0	\$0	\$12,831	\$0	\$0	\$16,462
Rentals/Leases	\$64,388	\$5,745	\$0	\$163,713	\$39,349	\$9,845	\$0	\$283,041
Contracted Services	\$332,005	\$82,244	\$0	\$9,086	\$2,560	\$115,581	\$0	\$541,476
Materials/Supplies/Freight								
Materials	\$853,814	\$157,917	\$40,336	\$52,031	\$93,594	\$330,883	\$0	\$1,528,575
Freight	\$17,595	\$1,259	\$0	\$15,629	\$4,309	\$1,781	\$0	\$40,573
Total	\$17,260,748	\$4,941,645	\$320,330	\$263,007	\$1,573,167	\$2,175,318	\$0	\$26,534,214

Schedule 2

FORT SMITH DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2015

	<u>2015</u>	<u>2014</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$118,137	\$100,053
Cash Held in Trust	79,972	76,693
Other Accounts Receivable (net)	2,133	1,153
Total Financial Assets	\$200,242	\$180,899
<u>Liabilities</u>		
Accounts Payable & Accrued Liabilities	(\$845)	\$41,696
Trust Liability	79,972	79,693
Total Liabilities	\$79,127	\$121,389
Net Financial Resources	\$121,115	\$59,510
Accumulated Fund Balance	\$121,115	\$59,510

Schedule 3

FORT SMITH DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2015

	<u>2015 Budget</u> <u>(unaudited)</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
ECE Regular Contributions	\$568,788	\$568,788	\$474,033
Other ECE Contributions	0	102,180	88,300
Total ECE Contributions	\$568,788	\$670,968	\$562,333
Other GNWT Contributions	\$0	\$10,000	\$13,000
Total GNWT Contributions	\$568,788	\$680,968	\$575,333
Generated Funds			
Investment Income	\$500	\$798	\$898
Other	30,000	52,334	85,864
Total Generated Funds	\$30,500	\$53,131	\$86,762
Total Revenues	\$599,288	\$734,099	\$662,095
<u>EXPENSES (Schedule 4)</u>			
Administration	\$60,300	\$68,889	\$66,568
School Programs	366,115	415,866	510,651
Inclusive Schooling	9,368	22,358	29,462
Student Accommodations	0	0	0
Operations and Maintenance	0	25,019	27,797
Aboriginal Language/Cultural Programs	183,635	140,364	89,217
Total Expenses	\$619,418	\$672,495	\$723,697
Operating Surplu/(Deficit)	(\$20,130)	\$61,605	(\$61,602)
Accumulated Fund Balance at beginning of year		59,510	121,112
Prior Period Adjustment		\$0	0
Accumulated Fund Balance at end of year		\$121,115	\$59,510

**FORT SMITH DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2015**

	School Programs	Inclusive Schooling	Student Accom.	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers	\$1,444							\$1,444
Instruction Assistants								\$0
Non-Instructional Staff					\$61,481			\$61,481
Board/Trustee Honoraria								\$0
Employee Benefits								
Employee Benefits/Allowances								\$0
Leave & Termination Benefits								\$0
Services Purchased/Contracted								
Professional/Technical Services								\$0
Postage/Communication	\$29,624				\$3,292			\$32,916
Utilities								\$0
Travel								\$0
Student Travel								\$0
Advertising/Printing/Publishing	\$811							\$811
Maintenance/Repair	\$2,995							\$2,995
Rentals/Leases	\$16,723				\$1,858			\$18,581
Contracted Services	\$70,817							\$70,817
Materials/Supplies/Freight								
Materials	\$293,450	\$22,358		\$25,019	\$2,258	\$140,364		\$483,449
Freight								\$0
Total	\$415,866	\$22,358	\$0	\$25,019	\$68,889	\$140,364	\$0	\$672,495

HAY RIVER DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2015

	<u>2015</u>	<u>2014</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$354,812	\$252,595
Due from the GNWT	17,327	12,806
Other Accounts Receivable (net)	<u>0</u>	<u>0</u>
Total Financial Assets	<u>\$372,139</u>	<u>\$265,401</u>
<u>Liabilities</u>		
Accounts Payable & Accrued Liabilities	<u>\$1,240</u>	<u>\$1,382</u>
Total Liabilities	<u>\$1,240</u>	<u>\$1,382</u>
Net Financial Resources	<u>\$370,899</u>	<u>\$264,019</u>
Accumulated Fund Balance	<u>\$370,899</u>	<u>\$264,019</u>

**HAY RIVER DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2015**

	<u>2015 Budget (unaudited)</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
ECE Regular Contributions	\$577,253	\$577,253	\$623,172
Other ECE Contributions	0	202,592	129,004
Total ECE Contributions	<u>\$577,253</u>	<u>\$779,845</u>	<u>\$752,176</u>
Other GNWT Contributions	\$0	\$111,326	\$48,750
Total GNWT Contributions	<u>\$577,253</u>	<u>\$891,171</u>	<u>\$800,926</u>
Generated Funds			
Investment Income	\$0	\$786	\$784
Other	29,500	105,745	98,992
Total Generated Funds	<u>\$29,500</u>	<u>\$106,531</u>	<u>\$99,776</u>
Total Revenues	<u>\$606,753</u>	<u>\$997,702</u>	<u>\$900,702</u>
<u>EXPENSES (Schedule 7)</u>			
Administration	\$115,348	\$118,721	\$116,272
School Programs	380,240	676,576	743,316
Inclusive Schooling	51,500	0	600
Student Accommodations	0	0	0
Operations and Maintenance	0	34,114	38,934
Aboriginal Language/Cultural Programs	59,665	61,411	40,149
Total Expenses	<u>\$606,753</u>	<u>\$890,822</u>	<u>\$939,271</u>
Operating Surplus/(Deficit)	<u>\$0</u>	<u>\$106,880</u>	<u>(\$38,569)</u>
Accumulated Fund Balance at beginning of year		<u>264,019</u>	<u>302,588</u>
Accumulated Fund Balance at end of year		<u>\$370,899</u>	<u>\$264,019</u>

HAY RIVER DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2015

	School Programs	Inclusive Schooling	Student Accom.	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers								\$0
Instruction Assistants	\$265,869					\$22,080		\$287,949
Non-Instructional Staff					\$103,421			\$103,421
Board/Trustee Honoraria					\$8,635			\$8,635
Employee Benefits								
Employee Benefits/Allowances								\$0
Leave & Termination Benefits								\$0
Services Purchased/Contracted								
Professional/Technical Services								\$0
Postage/Communication	\$24,530				\$3,055			\$27,585
Utilities								\$0
Travel								\$0
Student Travel	\$5,352							\$5,352
Advertising/Printing/Publishing								\$0
Maintenance/Repair								\$0
Rentals/Leases	\$34,675							\$34,675
Contracted Services	\$164,386							\$164,386
Materials/Supplies/Freight								
Materials	\$181,764			\$19,361	\$3,610	\$39,331		\$244,066
Freight				\$14,753				\$14,753
Total	\$676,576	\$0	\$0	\$34,114	\$118,721	\$61,411	\$0	\$890,822

K'ATLODEECHE FIRST NATIONS DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2015

	<u>2015</u>	<u>2014</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$21,678	\$26,964
Other Accounts Receivable (net)	<u>13,600</u>	<u>0</u>
Total Financial Assets	<u>\$35,278</u>	<u>\$26,964</u>
<u>Liabilities</u>		
Accounts Payable & Accrued Liabilities	<u>\$27,920</u>	<u>\$0</u>
Total Liabilities	<u>\$27,920</u>	<u>\$26,964</u>
Net Financial Resources	<u>\$7,358</u>	<u>\$26,964</u>
Accumulated Fund Balance	<u><u>\$7,358</u></u>	<u><u>\$26,964</u></u>

Schedule 9

K'ATLODEECHE FIRST NATIONS DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2015

	<u>2015 Budget</u> <u>(unaudited)</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
Regular ECE Contributions	\$68,076	\$68,076	\$60,263
Other ECE Contributions	0	71,934	56,787
Total ECE Contributions	<u>\$68,076</u>	<u>\$140,010</u>	<u>\$159,263</u>
Other GNWT Contributions	\$0	\$17,371	\$42,213
Total GNWT Contributions	<u>\$68,076</u>	<u>\$157,381</u>	<u>\$159,263</u>
Generated Funds			
Investment Income	\$0	\$12	\$15
Other	0	50,958	19,231
Total Generated Funds	<u>\$0</u>	<u>\$50,970</u>	<u>\$19,246</u>
Total Revenues	<u>\$68,076</u>	<u>\$208,351</u>	<u>\$178,509</u>
<u>EXPENSES (Schedule 10)</u>			
Administration	\$29,850	\$19,323	\$13,897
School Programs	26,626	161,258	82,684
Inclusive Schooling	0	29,027	5,455
Student Accommodations	0	0	0
Operations and Maintenance	5,600	4,636	4,252
Aboriginal Language/Cultural Programs	6,000	13,713	6,992
Total Expenses	<u>\$68,076</u>	<u>\$227,957</u>	<u>\$113,280</u>
Operating Surplus/(Deficit)	<u>\$0</u>	(\$19,606)	\$65,229
Accumulated Fund Balance at beginning of year		<u>26,964</u>	<u>(38,265)</u>
Accumulated Fund Balance at end of year		<u>\$7,358</u>	<u>\$26,964</u>

K'ATLODEECHE FIRST NATIONS DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2015

	School Programs	Inclusive Schooling	Student Accom.	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers								\$0
Instruction Assistants	\$1,250							\$1,250
Non-Instructional Staff	\$26,528							\$26,528
Board/Trustee Honoraria					\$7,865			\$7,865
Employee Benefits								
Employee Benefits/Allowances								\$0
Leave & Termination Benefits								\$0
Services Purchased/Contracted								
Professional/Technical Services					\$7,443			\$7,443
Postage/Communication					\$3,716			\$3,716
Utilities								\$0
Travel	\$20,516							\$20,516
Student Travel	\$10,735							\$10,735
Advertising/Printing/Publishing								\$0
Maintenance/Repair	\$635							\$635
Rentals/Leases	\$4,407							\$4,407
Contracted Services		\$29,027		\$4,636		\$13,713		\$47,376
Materials/Supplies/Freight								
Materials	\$97,187				\$299			\$97,486
Freight								\$0
Total	\$161,258	\$29,027	\$0	\$4,636	\$19,323	\$13,713	\$0	\$227,957

FORT RESOLUTION DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2015

	<u>2015</u>	<u>2014</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$186,950	\$163,877
Due from GNWT	0	0
Other Accounts Receivable (net)	<u>0</u>	<u>0</u>
Total Financial Assets	<u>\$186,950</u>	<u>\$163,877</u>
<u>Liabilities</u>		
Payroll Liabilities	<u>(\$46)</u>	<u>(\$373)</u>
Total Liabilities	<u>(\$46)</u>	<u>(\$373)</u>
Net Financial Resources	<u>\$186,996</u>	<u>\$164,250</u>
Accumulated Fund Balance	<u><u>\$186,996</u></u>	<u><u>\$164,250</u></u>

Schedule 12

FORT RESOLUTION DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2015

	<u>2015 Budget</u> <u>(unaudited)</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
Regular ECE Contributions	\$81,784	\$81,784	\$81,696
Other ECE Contributions	0	72,270	91,471
Total ECE Contributions	<u>\$81,784</u>	<u>\$154,054</u>	<u>\$173,167</u>
Other GNWT Contributions	\$0	\$46,004	\$12,000
Total GNWT Contributions	<u>\$81,784</u>	<u>\$200,058</u>	<u>\$185,167</u>
Generated Funds			
Investment Income	\$0	\$0	\$0
Other	0	45,605	68,484
Total Generated Funds	<u>\$0</u>	<u>\$45,605</u>	<u>\$68,484</u>
Total Revenues	<u>\$81,784</u>	<u>\$245,663</u>	<u>\$253,651</u>
<u>EXPENSES (Schedule 13)</u>			
Administration	\$15,750	\$47,388	\$35,006
School Programs	28,034	94,654	122,476
Inclusive Schooling	7,250	33,624	33,394
Student Accommodations	0	0	0
Operations and Maintenance	4,500	3,048	11,145
Aboriginal Language/Cultural Programs	26,250	44,203	42,859
Total Expenses	<u>\$81,784</u>	<u>\$222,917</u>	<u>\$244,880</u>
Operating Surplus/(Deficit)	<u>\$0</u>	<u>\$22,746</u>	<u>\$8,771</u>
Accumulated Fund Balance at beginning of year		<u>164,250</u>	<u>155,479</u>
Accumulated Fund Balance at end of year		<u>\$186,996</u>	<u>\$164,250</u>

FORT RESOLUTION DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2015

	School Programs	Inclusive Schooling	Student Accom.	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers								\$0
Instruction Assistants								\$0
Non-Instructional Staff		\$27,582			\$3,986			\$31,568
Board/Trustee Honoraria					\$7,375			\$7,375
Employee Benefits								
Employee Benefits/Allowances								\$0
Leave & Termination Benefits								\$0
Services Purchased/Contracted								
Professional/Technical Services								\$0
Postage/Communication					\$6,084			\$6,084
Utilities								\$0
Travel	\$833				\$3,262	\$3,795		\$7,890
Student Travel	\$1,794				\$2,948	\$1,820		\$6,562
Advertising/Printing/Publishing					\$457			\$457
Maintenance/Repair					\$87			\$87
Rentals/Leases	\$5,000			\$784	\$2,354			\$8,138
Contracted Services	\$22,920			\$1,250	\$2,125	\$19,674		\$45,969
Materials/Supplies/Freight								
Materials	\$63,856	\$6,042		\$927	\$18,001	\$18,915		\$107,740
Freight	\$250			\$87	\$709			\$1,046
Total	\$94,654	\$33,624	\$0	\$3,048	\$47,388	\$44,203	\$0	\$222,917

LUTSEL K'E DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2015

	<u>2015</u>	<u>2014</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$0	\$0
Other Accounts Receivable (net)	7,900	0
	<hr/>	<hr/>
Total Financial Assets	\$7,900	\$0
<u>Liabilities</u>		
Bank Indebtedness	\$14,268	\$17
Accounts Payable & Accrued Liabilities	43	24
	<hr/>	<hr/>
Total Liabilities	\$14,310	\$41
Net Financial Resources	(\$6,410)	(\$41)
	<hr/>	<hr/>
Accumulated Fund Balance	(\$6,410)	(\$41)
	<hr/> <hr/>	<hr/> <hr/>

LUTSEL K'E DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2015

	<u>2015 Budget</u> <u>(unaudited)</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
Regular ECE Contributions	\$73,307	\$73,307	\$66,251
Other ECE Contributions	0	27,900	7,914
Total ECE Contributions	<u>\$73,307</u>	<u>\$101,207</u>	<u>\$74,165</u>
Other GNWT Contributions	\$0	\$31,005	\$27,375
Total GNWT Contributions	<u>\$73,307</u>	<u>\$132,212</u>	<u>\$101,540</u>
Generated Funds			
Investment Income	\$0	\$0	\$0
Donations	0	32,000	37,000
Other	0	55,983	33,877
Total Generated Funds	<u>\$0</u>	<u>\$87,983</u>	<u>\$70,877</u>
Total Revenues	<u>\$73,307</u>	<u>\$220,195</u>	<u>\$172,417</u>
<u>EXPENSES (Schedule 16)</u>			
Administration	\$18,450	\$14,851	\$15,905
School Programs	33,050	119,929	56,060
Inclusive Schooling	2,750	4,193	24,339
Student Accommodations	0	0	0
Operations and Maintenance	6,500	10,713	7,623
Aboriginal Language/Cultural Programs	12,557	76,878	87,606
Total Expenses	<u>\$73,307</u>	<u>\$226,564</u>	<u>\$169,633</u>
Operating Surplus/(Deficit)	<u>\$0</u>	<u>(\$6,369)</u>	<u>\$2,784</u>
Accumulated Fund Balance at beginning of year		<u>(41)</u>	<u>(2,825)</u>
Accumulated Fund Balance at end of year		<u>(\$6,410)</u>	<u>(\$41)</u>

LUTSEL K'E DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2015

	School Programs	Inclusive Schooling	Student Accom.	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers								\$0
Instruction Assistants		\$600						\$600
Non-Instructional Staff								\$0
Board/Trustee Honoraria					\$4,463	\$2,277		\$6,741
Employee Benefits								
Employee Benefits/Allowances								\$0
Leave & Termination Benefits								\$0
Services Purchased/Contracted								
Professional/Technical Services								\$0
Postage/Communication	\$1,776				\$2,113			\$3,889
Utilities								\$0
Travel	\$857					\$225		\$1,082
Student Travel	\$22,630							\$22,630
Advertising/Printing/Publishing	(\$735)				\$735			\$0
Maintenance/Repair								\$0
Rentals/Leases	\$3,208	\$1,945			\$1,965	\$5,845		\$12,964
Contracted Services	\$20,360			\$3,200		\$43,331		\$66,891
Materials/Supplies/Freight								
Materials	\$62,174	\$1,148		\$6,724	\$3,766	\$24,181		\$97,993
Freight	\$9,659	\$500		\$789	\$1,808	\$1,018		\$13,774
Total	\$119,929	\$4,193	\$0	\$10,713	\$14,851	\$76,878	\$0	\$226,564

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at June 30, 2015**

	<u>2015</u>	<u>2014</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$6,203,663	\$6,071,494
Due from the GNWT	9,522	36,822
Other Accounts Receivable	155,927	468,656
Total Financial Assets	<u>\$6,369,112</u>	<u>\$6,576,972</u>
<u>Liabilities</u>		
Current		
Accounts Payable and Accrued Liabilities	\$131,973	\$90,209
Due to the GNWT	38,610	880,950
Payroll Liabilities	1,990,689	1,351,194
Deferred Revenue	86,258	3,472
Post-Employment Benefits	2,571,909	2,299,282
Total Liabilities	<u>\$4,819,439</u>	<u>\$4,625,107</u>
Net Financial Resources	<u>\$1,549,673</u>	<u>\$1,951,865</u>
<u>Non-Financial Assets</u>		
Prepaid Expenses (Note 20)	\$0	\$0
Accumulated Fund Balance	<u>\$1,549,673</u>	<u>\$1,951,865</u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NON-CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL RESOURCES
For the Year Ended June 30, 2015

	<u>2015</u>	<u>2014</u>
Annual Surplus/(Deficit) (Schedule 19)	(\$402,192)	\$1,023,909
Prior Year Adjustments	<u>0</u>	<u>0</u>
Increase/(Decrease) in Net Financial Resources	(\$402,192)	\$1,023,909
Opening Accumulated Net Financial Resources	<u>1,951,865</u>	<u>927,956</u>
Closing Accumulated Net Financial Resources	<u><u>\$1,549,673</u></u>	<u><u>\$1,951,865</u></u>

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NON-CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended June 30, 2015**

	<u>2015 Budget</u> <u>(unaudited)</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
Regular ECE Contributions	\$23,883,065	\$24,379,169	\$24,405,871
Other ECE Contributions	325,040	658,219	611,731
Total ECE Contributions	<u>\$24,208,105</u>	<u>\$25,037,388</u>	<u>\$25,017,602</u>
Other GNWT Contributions	\$0	\$56,733	\$40,194
Total GNWT Contributions	<u>\$24,208,105</u>	<u>\$25,094,121</u>	<u>\$25,057,796</u>
Federal Government	\$14,560	(\$25,877)	\$286,943
Other Education Bodies	\$0	\$136,283	\$0
Generated Funds			
Investment Income	\$0	\$55,577	\$36,701
Non-GNWT Contributions	0	238,947	119,000
Donations	0	0	0
Other	0	49,296	16,437
Total Generated Funds	<u>\$0</u>	<u>\$343,820</u>	<u>\$172,137</u>
Total Revenues	<u>\$24,222,665</u>	<u>\$25,548,347</u>	<u>\$25,516,877</u>
<u>EXPENSES (Schedule 20)</u>			
Administration	\$1,280,834	\$1,303,995	\$1,292,428
School Programs	15,417,712	16,020,781	15,425,765
Inclusive Schooling	5,088,193	4,852,443	4,157,313
Distance Learning/Technology	310,000	320,330	311,726
Operations and Maintenance	405,402	185,477	187,676
Aboriginal Language/Cultural Programs	1,543,611	1,841,106	1,601,139
Transfers to DEAs	1,369,208	1,426,407	1,516,921
Total Expenses	<u>\$25,414,960</u>	<u>\$25,950,539</u>	<u>\$24,492,968</u>
Operating Surplus/(Deficit)	<u><u>(\$1,192,295)</u></u>	<u><u>(\$402,192)</u></u>	<u><u>\$1,023,909</u></u>
Accumulated Fund Balance at beginning of year		<u>1,951,865</u>	<u>927,956</u>
Accumulated Fund Balance at end of year		<u><u>\$1,549,673</u></u>	<u><u>\$1,951,865</u></u>

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF EXPENSES
(Non-Consolidated)
For the Year Ended June 30, 2015**

	School Programs	Inclusive Schooling	Distance Learning/Tech	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers	\$13,052,808	\$1,984,821				\$1,056,072		\$16,093,701
Instruction Assistants		\$1,784,512				\$453,326		\$2,237,837
Non-Instructional Staff	\$1,858,672	\$424,445	\$260,441		\$988,799	\$8,000		\$3,540,356
Board/Trustee Honoraria		\$1,030			\$5,119	-\$350		\$5,800
Employee Benefits								
Employee Benefits/Allowances	\$178,628	\$71,161	\$2,905		\$8,714	\$20,332		\$281,738
Leave & Termination Benefits	\$247,501	\$98,598	\$4,024		\$12,073	\$28,171		\$390,367
Services Purchased/Contracted								
Professional/Technical Services	\$12,040	\$92,220		\$10,000	\$37,503	\$23,158		\$174,922
Postage/Communication		\$83			\$39,534			\$39,618
Utilities								\$0
Travel	\$134,134	\$197,663	\$12,625		\$87,583	\$71,326		\$503,330
Student Travel	\$79,000	\$11,394						\$90,394
Advertising/Printing/Publishing	\$12,718	\$372		\$12,548	\$10,866	\$26,997		\$63,500
Maintenance/Repair					\$12,744			\$12,744
Rentals/Leases	\$375	\$3,800		\$162,929	\$33,172	\$4,000		\$204,276
Contracted Services	\$53,522	\$53,217			\$435	\$38,863		\$146,037
Materials/Supplies/Freight								
Materials	\$341,199	\$128,370	\$40,336		\$65,660	\$56,958		\$632,522
Freight	\$7,686	\$759			\$1,792	\$763		\$11,000
Transfers to DEA's	\$42,500					\$53,491	\$1,426,407	\$1,522,398
Total	\$16,020,782	\$4,852,443	\$320,330	\$185,477	\$1,303,995	\$1,841,106	\$1,426,407	\$25,950,539

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENSES
ABORIGINAL LANGUAGES**

For the Year Ended June 30, 2015

	July 1, 2014 to March 31, 2015	April 1, 2015 to June 30, 2015	Total 2014/15
Revenues			
Funding Received	\$62,000		\$62,000
Total Funding	\$62,000	\$0	\$62,000
Expenditures			
Materials & Supplies	\$62,009	\$1,927	\$63,936
Wages & Benefit	\$0	\$0	\$0
Total Expenditures	\$62,009	\$1,927	\$63,936
Surplus/(Deficit)	(\$9)	(\$1,927)	(\$1,936)

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENSES
FRENCH LANGUAGE**

For the Year Ended June 30, 2015

	Contributions July 1, 2014 to June 30, 2015	SSDEC Commitment July 1, 2014 to June 30, 2015	Total Expenses July 1, 2014 to June 30, 2015	Under/(Over) Funding
Bilateral Agreement Funding				
Core French 1-12 (salary)	\$193,000	\$234,000	\$520,506	(\$93,506)
Immersion Pioneer Class (salary)	70,000	\$50,000	\$437,994	(\$317,994)
Resources	10,000	\$5,000	\$1,357	\$13,643
Partnership with YK1	15,000		\$15,000	\$0
French Monitor		\$10,000	\$58,215	(\$48,215)
Professional Development		\$5,000	\$7,426	(\$2,426)
Intensive French: Salary	75,000	\$50,000	\$116,089	\$8,911
Intensive French: Camp	800	\$3,200		\$4,000
Intensive French: Resources	1,600	\$6,400	\$1,456	\$6,544
Intensive French: Training/Visits	5,640	\$9,360	\$9,910	\$5,090
Totals	\$371,040	\$372,960	\$1,167,953	(\$423,953)

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENSES
INFRASTRUCTURE**

For the Year Ended June 30, 2015

Personnel Infrastructure

Funding Received	\$243,322
Expenditures	
Applicant Travel	
Advertising	\$12,548
Legal Fees	\$10,000
Removal In/Transfer	\$128,072
Ultimate Removal	\$88,989
Worker's Compensation	\$104,682
Medical Travel Assistance	
Total Expenditures	\$344,291
Net Surplus/(Deficit)	(\$100,969)

Leases Infrastructure

Funding received	\$162,976
Expenditures	
Leases	\$158,650
Leasehold improvements	\$4,279
Total Expenditures	\$162,929
Net Surplus/(Deficit)	\$47

Overall Surplus/(Deficit)	(\$100,922)
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**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES
NWT STUDENT SUCCESS INITIATIVE - PROFESSIONAL DEVELOPMENT**

For the Period July 1, 2014 to June 30, 2015

Funding Received		
<u>Expenditures</u>		
<u>Salaries/Wages</u>		
Facilitator's Fees	316,868	
Substitute Teachers Wages	29,073	
<u>Travel</u>		
Facilitator Travel	45,475	
Staff Travel	17,055	
Accommodation	19,713	
Per Diems	12,394	
<u>Workshop Expenses</u>		
Room Rental		
Tuition		
Refreshments	2,335	
Resources	13,003	
Miscellaneous	17,375	
Total Expenses	473,290	
Net Surplus/(Deficit)	(473,290)	

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
 SCHEDULE OF SPECIFIC PROGRAM EXPENDSES
 NWT STUDENT SUCCESS INITIATIVE**

For the Period July 1, 2014 to June 30, 2015

Funding Received	55,000
<u>Expenditures</u>	
<u>Salaries/Wages</u>	
Salaries	959,851
Facilitator's Fees	
Substitute Teachers Wages	
<u>Travel</u>	
Facilitator Travel	
Staff Travel	
Accommodation	
Per Diems	
<u>Workshop Expenses</u>	
Room Rental	
Tuition	
Refreshments	
Resources	31,597
Miscellaneous	
Total Expenses	991,448
Net Surplus/(Deficit)	(936,448)

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENSES
INCLUSIVE SCHOOLING**

For the Year Ended June 30, 2015

	Staff Development	Intervention Strategies	Assistive Technology	Student Resources	Southern Placements	Magnet Facilities	General	Total
Salaries								
Program Support Teachers						137,088	1,856,222	1,993,310
Consultants		321,866						321,866
Instruction Assistants						90,274	1,788,926	1,879,200
Non-Instructional Staff							27,582	27,582
Honoraria							1,030	1,030
Employee Benefits								
Employee Benefits/Allowances *							169,759	169,759
Services Purchased/Contracted								
Professional/Technical Services		92,220						92,220
Travel	197,663							197,663
Student Travel (Bussing)							11,394	11,394
Advertising/Printing/Publishing							372	372
Maintenance/Repair								-
Rentals/Leases	3,800						1,945	5,745
Contracted Services							82,244	82,244
Materials/Supplies/Freight								
Materials	2,299		10,555				145,146	158,000
Freight			759				500	1,259
Total	203,762	414,086	11,315	\$0	\$0	227,362	4,085,120	4,941,645

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENSES
ABORIGINAL LANGUAGE AND CULTURE-BASED EDUCATION**

For the Year Ended June 30, 2015

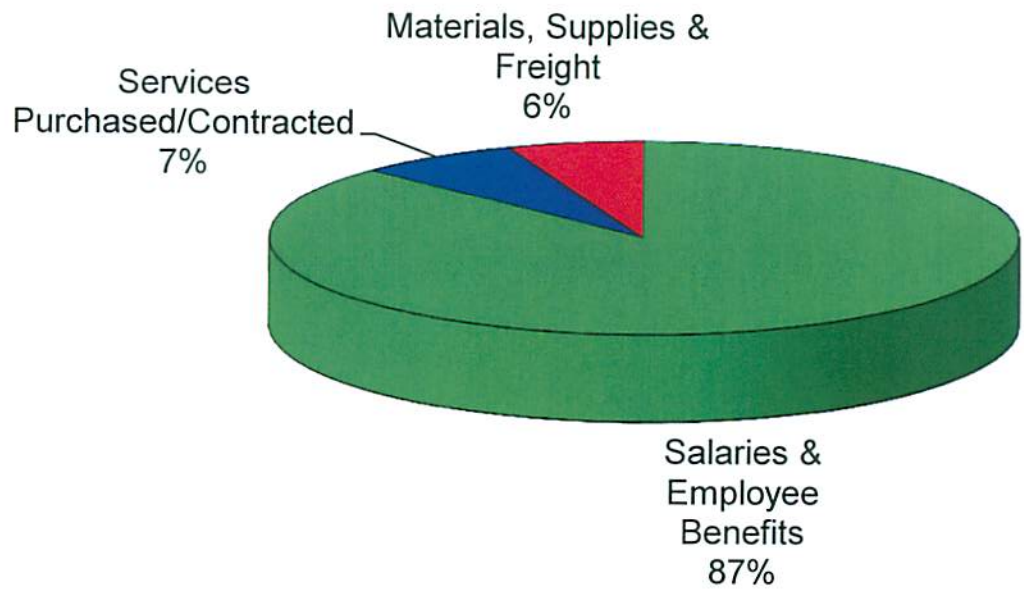
	Student Instruction	Teaching Resources	Professional Development	School Activities	Total
Salaries					
ALCBE Teachers	\$1,064,072				\$1,064,072
Language Consultants					\$0
Instruction Assistants	\$453,326			\$22,080	\$475,406
Non-Instructional Staff					\$0
Honoraria	\$53,141			\$2,277	\$55,418
Employee Benefits					
Employee Benefits/Allowances *	\$48,503				\$48,503
Services Purchased/Contracted					
Professional/Technical Services		\$23,158			\$23,158
Travel			\$71,326	\$4,020	\$75,346
Student Transportation (Bussing)				\$1,820	\$1,820
Advertising/Printing/Publishing		\$26,997			\$26,997
Maintenance/Repair					\$0
Rentals/Leases		\$4,000		\$5,845	\$9,845
Contracted Services		\$38,863		\$76,718	\$115,581
Materials/Supplies/Freight					
Materials		\$50,422	\$6,536	\$220,434	\$277,392
Freight		\$763		\$1,018	\$1,781
Total	\$1,619,042	\$144,203	\$77,861	\$334,212	\$2,175,318

South Slave Divisional Education Council
2014/15 Fund Balances
(Unaudited)

	<u>SSDEC</u>	<u>Fort Smith</u>	<u>Hay River</u>	<u>K'atlodeeche</u>	<u>Fort Resolution</u>	<u>Lutsel K'e</u>
Fund Balances as per audited Financial Statements	1,549,673	121,115	370,899	7,358	186,996	(6,410)
less: Staffing Surpluses						
- Lutsel K'e Dene School	49,308					
- Paul William Kaeser	90,818					
- Harry Camsell	79,695					
- Joseph Burr Tyrrell	84,888					
- Chief Sunrise	93,625					
- Princess Alexandra	117,960					
- Diamond Jenness Secondary School	222,841					
- Deninu School	<u>105,031</u>					
	(844,166)					
Commitments against surpluses						
- Council Office	-					
- K'atlo'deeche DEA plan				(13,502)		
- Fort Resolution DEA plan					(178,624)	
- Hay River DEA plan			(315,185)			
- Fort Smith plan		(69,416)				
Uncommitted Fund Balance	<u>705,507</u>	<u>51,699</u>	<u>55,714</u>	<u>(6,144)</u>	<u>8,372</u>	<u>(6,410)</u>
2015/16 contributions from SSDEC		<u>505,991</u>	<u>557,141</u>	<u>44,204</u>	<u>83,724</u>	<u>60,102</u>
Fund Balance percentage *		<u>10.22%</u>	<u>10.00%</u>	<u>-13.90%</u>	<u>10.00%</u>	<u>-10.67%</u>

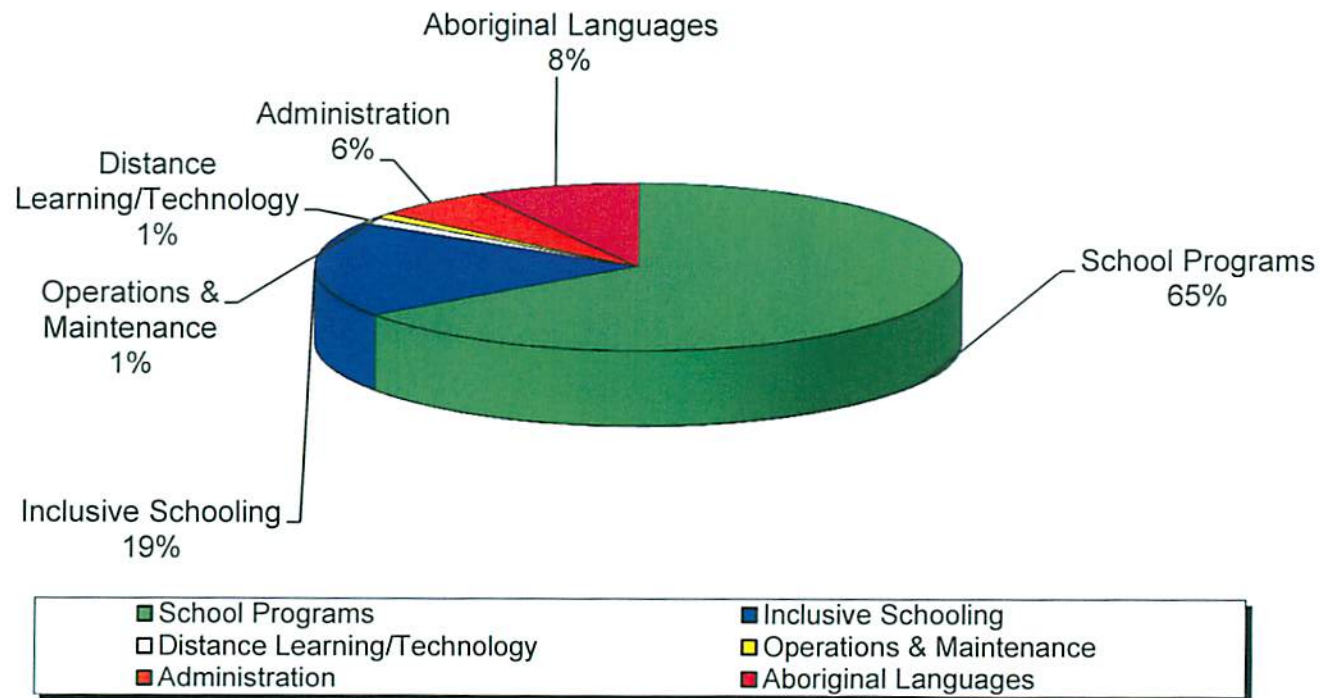
* Calculated as per SSDEC policy DFAA - Financial Surplus

**South Slave Divisional Education Council
Details of Expenditures
For the Year Ended June 30, 2015**



■ Salaries & Employee Benefits ■ Services Purchased/Contracted ■ Materials, Supplies & Freight

**South Slave Divisional Education Council
Expenditures by Function
For the Year Ended June 30, 2015**



**Yellowknife Catholic Schools
(Yellowknife Public Denominational
District Education Authority)**

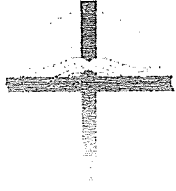
Annual Financial Report

June 30, 2015

Yellowknife Catholic Schools
(Yellowknife Public Denominational District
Education Authority)

Annual Financial Report

June 30, 2015



Yellowknife Catholic Schools

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis (MD&A) of the consolidated financial position and results of operations of Yellowknife Public Denominational District Education Authority (Yellowknife Catholic Schools) for the year ended June 30, 2015 should be read in conjunction with Yellowknife Catholic Schools' audited consolidated financial statements and related notes. The preparation of this report is the responsibility of management. It is the responsibility of the Board of Trustees to promote transparency and accountability.

Mission, Values and Beliefs

Yellowknife Catholic Schools is a family of learners: developing faith, celebrating culture, supporting diversity, teaching critical thinking, and inspiring service to others.

Through Christ we value: truth, honesty, compassion, respect, forgiveness, service, love, and living the faith.

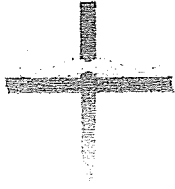
We believe that we are a Catholic, Christ-centered community that strives to nurture the spiritual, intellectual, emotional, social, and physical development of all learners.

Board of Trustees

There are seven trustees at Yellowknife Catholic Schools. Mr. Simon Taylor is the Chair and Mr. Miles Welsh is the Vice-Chair. Other trustees are Francis Chang, Erin Currie, John Dalton, Amy Simpson, and Steven Voytilla.

There are two committees in place – Finance and Facilities.

Trustee meetings are held each month and are open to the public.



Yellowknife Catholic Schools

Yellowknife Catholic Schools

Yellowknife Catholic Schools (YCS) was established in July of 1951 and is the only Catholic school board in the Northwest Territories. YCS' primary operation is the education of students from pre-Kindergarten to Grade 12.

YCS programs operate out of: Ecole St. Patrick High School (ESPHS), Weledeh Catholic School (WCS), Ecole St. Joseph School (ESJS), the Kimberlite Career and Technical Centre (KCTC), the Tallah Building, the Yellowknife Family Centre, Jim Murphy Maintenance Building, and the Central Services Building. All of our facilities are in excellent condition.

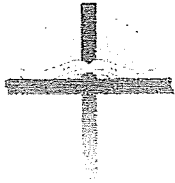
The senior administration team consists of Claudia Parker – Superintendent; John Bowden – Assistant Superintendent – Learning; and Janet Toner – Assistant Superintendent – Business.

The principal at Ecole St. Patrick High School is Coleen McDonald. The principal at Weledeh Catholic School for the 2014/2015 school year was Simone Gessler. The principal at Ecole St Joseph School is Gillian Dawes-Taylor.

Student and Teacher Population

The following chart shows student enrolment and the teachers that were employed as of June 30, 2015.

	Enrolment	Teachers	Pupil/Teacher Ratio
Ecole St Patrick High School	401	29	14
Weledeh Catholic School	399	28	14
Ecole St Joseph School	526	34	15
KCTC	0	5	0
District	0	5	0
TTC	0	1	0
	<u>1,326</u>	<u>102</u>	<u>43</u>



Yellowknife Catholic Schools

Operating Environment

The trustees and management have developed a strategic plan that outlines the goals of Yellowknife Catholic Schools.

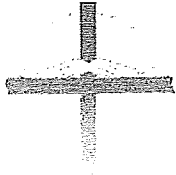
Below is a summary of the strategic plan.

STRATEGIC PRIORITY #1 – CATHOLIC IDENTITY

“YCS is a Catholic, Christ-centered community that nurtures the spiritual growth of all learners.”

Key Goals:

- To promote and support knowledge of the Catholic faith.
- To promote and support understanding of the liturgy and sacraments.
- To promote and support Catholic moral formation.
- To promote and support prayer.
- To promote and support discipleship.
- To promote and support a Christian lifestyle.



Yellowknife Catholic Schools

STRATEGIC PRIORITY #2 – STUDENT LEARNING

“YCS will provide a range of meaningful educational experiences and opportunities to challenge each student to achieve academic and individual excellence.”

Overall Student Learning / Literacy / Numeracy

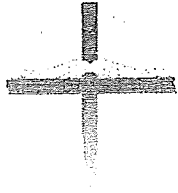
Key Goals:

- To demonstrate continuous and measurable improvement in literacy and numeracy for all students as measured by appropriate assessment tools identified by the district.
- To use current and relevant assessment data in developing and following through upon School Improvement Plans that address specific areas requiring improvement in reading, writing, and mathematics.
- To increase professional knowledge, skills, and practice in teaching literacy and numeracy.
- To support literacy for learning in all areas of the curriculum.

Inclusionary Schooling

Key Goals:

- To strengthen inclusive education and ensure equitable access for all learners.
- To support evidence-based informed decision making that embraces and values diversity.
- To ensure professional development of staff to assist them in valuing and responding to student diversity.
- To reduce barriers to participation and learning so that each student has a sense of belonging and is a successful learner.



Yellowknife Catholic Schools

French Programming

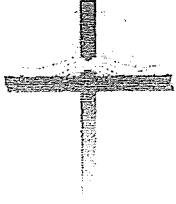
Key Goals:

- To establish, and support the “Common European Framework of Reference for Languages: Learning, Teaching, Assessment”: a guideline used to describe achievements of learners of a second language.
- To support a task based language teaching (TBLT) approach and authentic real life situations across the curriculum.
- To make French a living language and to promote authentic French culture in the school district.
- To implement and support international language proficiency accreditation for our Core French and French Immersion programs (DELF).

Technology in the Classroom

Key Goals:

- To provide students opportunities to develop the competencies needed to use current and emerging technologies effectively, both in school and in life.
- To provide educators the supports needed to use technology to empower the learning process, and to connect with each other, parents and communities.



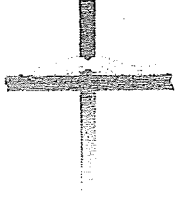
Yellowknife Catholic Schools

STRATEGIC PRIORITY #3 – ABORIGINAL STUDENT ACHIEVEMENT

"To provide a variety of educational experiences and opportunities that honor the contributions of Aboriginal knowledge, traditions, and values in order for Aboriginal students to contribute to the community at large."

Key Goals:

- To meet the needs of Aboriginal students by maintaining and expanding upon the aims of the DoEdaezhe program.
- To promote cultural education in order to increase the academic and social success of Aboriginal students.
- To use the teachings of elders across the curriculum as valid ways of knowing and understanding.
- To identify and address systemic, cultural, and historical barriers that impact full participation in school life.
- To build relationships within our schools that are welcoming and supportive of Aboriginal children, their families, and the Aboriginal community.
- To increase Aboriginal student attendance rates.
- To increase the number of Aboriginal students successfully completing courses.



Yellowknife Catholic Schools

Financial Condition

The audited consolidated financial statements were prepared for the Government of the Northwest Territories (GNWT) Minister of Education, Culture and Employment (ECE), in accordance with Canadian public sector accounting standards.

Highlights of YCS' Financial Position

Financial Assets

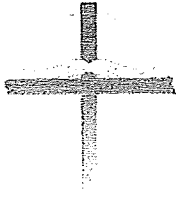
Cash balance is approximately \$6,198,000 indicating good cash flow. The reason for the increase in the cash position from the prior year is that there is a repayable to the GNWT for insurance proceeds from the fire that occurred at ESJS in August 2006. The accounts receivable mainly consists of GST receivable and outstanding funding from ECE.

Liabilities

Deferred revenue for 2015 consists primarily of funding for the next fiscal period. The decrease from the prior year is due to the timing of the quarterly payment of property tax from the City of Yellowknife. We customarily receive this payment on the first of June and recognize it as revenue in the following year. In the current year, the payment was received in July

YCS issued debentures for the construction of Weledeh Catholic School and for the purchase of the Tallah Building. Future streams of revenue (rental revenue for the Tallah building and GNWT Core funding for the Weledeh debenture) will more than cover the net financial debt. During 2014/2015 YCS made \$779,641 in principal repayments on its debentures.

The Consolidated Statement of Financial Position has a subtotal called "Net Debt". This line is an indicator of the ability to discharge all of the entity's debt with financial assets.



Yellowknife Catholic Schools

Non-financial Assets

Non-financial assets include land and buildings that YCS has no intention of selling and that would not be able to be quickly converted to cash.

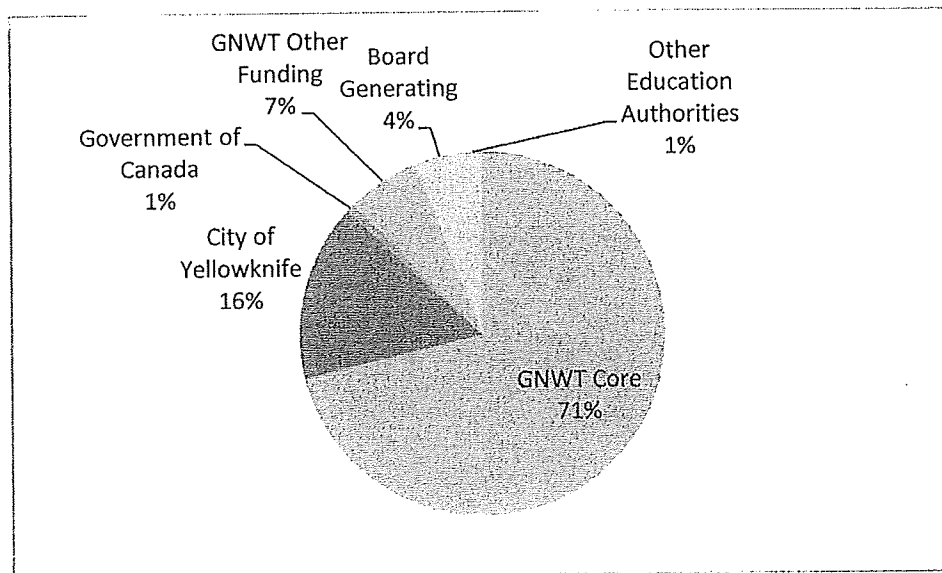
The \$1,547,495 decrease in tangible capital assets relates to depreciation of tangible capital assets for this fiscal year partially offset by the purchase of the new roof at the Tallah building.

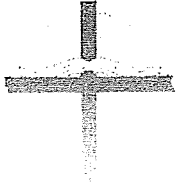
Accumulated Surplus

Accumulated surplus is equal to the difference between Non-financial assets and Net debt. Accumulated surplus represents the equity that YCS has generated in the last 65 years. The largest component of accumulated surplus is the Investment in Tangible Capital Assets. A further breakdown of accumulated surplus can be found on the Consolidated Statement of Accumulated Surplus.

Highlights of YCS Operations

Operating Revenue





Yellowknife Catholic Schools

Operating Revenue

The majority of the funding for YCS comes from the Government of the Northwest Territories (GNWT) Department of Education, Culture and Employment (ECE) as core funding. The core funding is derived from a funding formula developed by ECE. The most important factor in the funding formula is student enrollment. GNWT core funding also includes \$860,000 paid to YCS each year to cover principal and interest payments on a debenture issued by YCS to fund the construction of Weledeh Catholic School.

YCS generates revenue from property taxes. The City of Yellowknife collects property tax revenue on YCS' behalf.

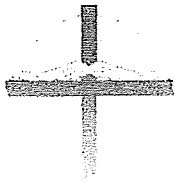
Yellowknife Catholic Schools has a contract with the Government of Canada for the Yellowknife Family Centre.

Other GNWT funding includes contribution agreement funding for: French language programs, the Four Plus program, Yellowknife Family Centre, preschool programs, active after-school programs, and for the development of materials for aboriginal languages.

Board generated funds include donations, bus pass sales, day care fees, investment revenue, and rental revenue.

YCS generates revenue from other school districts when a student from that district attends a YCS school. The other district then receives GNWT core funding for that student.

YCS is economically dependent upon the GNWT for the majority of its operating revenue. Significant changes to enrollment in Yellowknife or to the GNWT funding formula would have dramatic effects on the future operations of YCS.

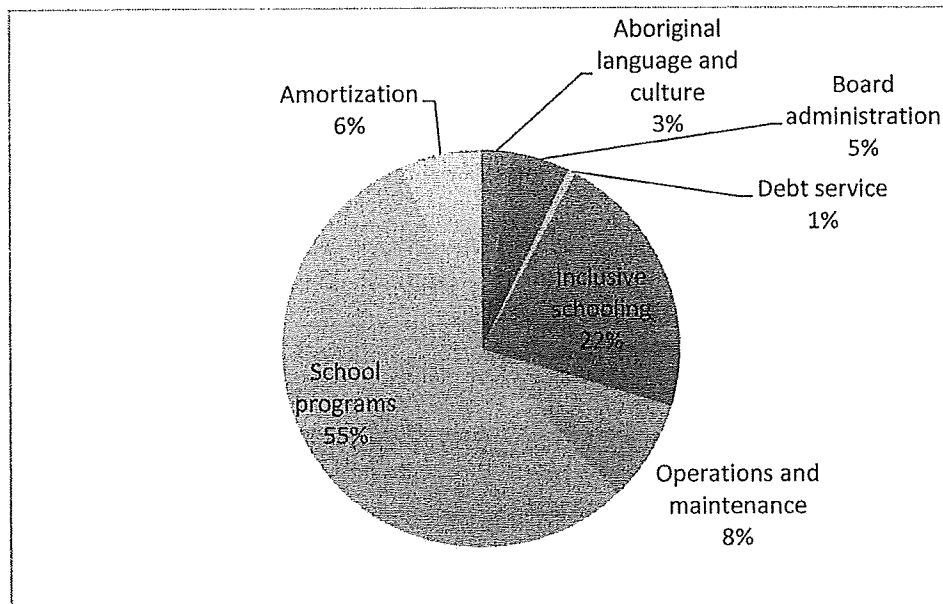


Yellowknife Catholic Schools

Operating Expenditures

The Consolidated Statement of Operations and Schedule 1 provide two different ways to classify expenditures. In the Consolidated Statement of Operations, expenditures are classified by program. Schedule 1 of the consolidated financial statements provides an additional breakdown by object.

Expenditures – By Program



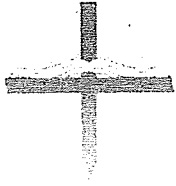


Yellowknife Catholic Schools

Expenditures – By Program

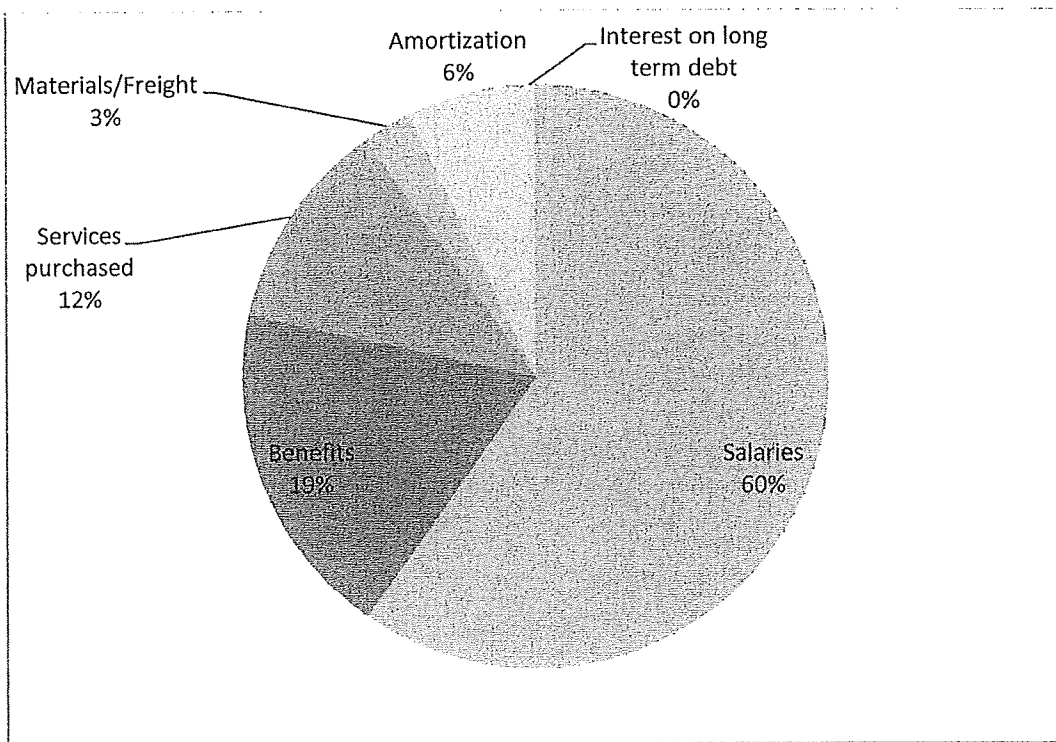
Program categories for YCS are:

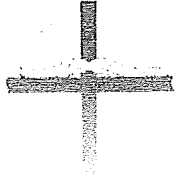
- **Aboriginal Language and Culture:** Includes salary and benefits of Dogrib Language instructors, salary and benefits of the literacy coach, costs related to the creation of learning materials in the Dogrib language, and the cost of running our aboriginal language and culture camps.
- **Board Administration:** Includes salary and benefits for central services administrative staff, honoraria for trustees, audit and legal fees, travel costs, advertising, and publishing costs.
- **Debt service:** Relates to interest on long-term debt for the repayment of debentures for WCS and the Tallah Building. The WCS debenture repayments are fully funded through an agreement with the GNWT. Debenture repayments for the Tallah building are mostly funded through lease payments from Aurora College.
- **Inclusive schooling:** Expenditures in this program relate to supporting students with diverse needs. This support can include enrichment opportunities as well as supporting students with learning challenges. Salary and benefits for program support teachers, literacy and early intervention teachers, the student services coordinator, counselors, classroom assistants, advanced placement teachers, and Do Edaeze program staff are included in this category.
- **Operations and maintenance:** Includes salary and benefits of maintenance staff, cost of electricity, fuel and water, expenditures on janitorial services, expenditures on repair and maintenance of our facilities (including minor capital projects).
- **School programs:** Salary and benefits for the majority of teachers are recorded in this program. Other large components of expenditure in this program are salary and benefits for school administrative assistants, library technicians, technology staff and curriculum coordinators, the cost for school textbooks and supplies, and the cost of busing services. The cost of ever-greening computers is also included in this category.
- **Amortization:** This expense relates to the rational and systematic manner to write off the value of tangible capital assets over an appropriate number of accounting periods.



Yellowknife Catholic Schools

Expenditures by Object

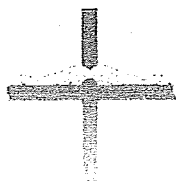




Yellowknife Catholic Schools

Expenditures by Object

- Salaries: Includes salary for teachers, coordinators, classroom assistants, maintenance staff, administration assistants, library technicians, counselors, technology staff, administrative staff, and trustee honoraria. The majority of YCS staff are unionized and collective agreements with the unions specify pay and benefits for these staff. Collective agreements with the Northwest Territories Teachers' Association (NWTTA) and the Union of North Workers (UNW) were ratified during the 2012/2013 fiscal year. The biggest change to these agreements is the implementation of a defined benefit pension plan. Non-unionized staff pay and benefits are specified under individual employment contracts. The contracts expire in 2016.
- Employee benefits: Consists of employer contributions to pension plans, extended health and dental plans, CPP, EI, WSCC premiums, life insurance, long term disability insurance, maternity leave, professional development, medical travel, vacation travel, removal benefits, and other allowances.
- Services Purchased/contracted services: Include busing, janitorial services, insurance services, security services, and snow removal.
- Materials/freight: Includes expenses for material and freight of goods.
- Amortization: This expense relates to the rational and systematic manner to write off the value of tangible capital assets over an appropriate number of accounting periods.
- Debenture interest: Includes interest expense paid during the year for the Weledeh and Tallah building debentures.



Yellowknife Catholic Schools

Summary of Accumulated Surplus

	Opening	Increase (Decrease)	Closing
Operating Fund Surplus	\$ 981,347	\$ 201,927	\$ 1,183,274
Investment in Tangible Capital Assets	43,233,924	(767,854)	42,466,070
Decentralized Budget Accumulated Surplus	383,536	(169,234)	214,302
	<u>\$ 44,598,807</u>	<u>\$ (735,161)</u>	<u>\$ 43,863,646</u>

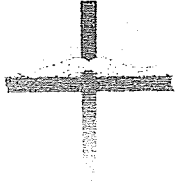
At the end of the year, there was a surplus of \$988,486 before the amortization expense. After the amortization expense, there was an operating deficit of \$735,161. The operating surplus equity increased by \$201,927.

Investment in tangible capital assets represents the amount of funds received and recognized as revenue that allow us to purchase our tangible capital assets less accumulated amortization. The decrease in this account in the current year is due to amortization of our tangible capital assets offset by the principal portion of the repayment of debentures on WCS and the Tallah Building and offset by the purchase of a new roof at the Tallah building.

The decentralized budget accumulated surplus consists of funds which are committed to or designated to specific purposes. The majority of these funds are professional development obligations carried forward under the terms of employment contracts. Other significant amounts in the decentralized budget accumulated surplus are school-based funds. Decisions on expenditure of school based funds are made by individual schools under YCS' School Based Decision Making Procedure.

The bottom line:

YCS had a small operating fund deficit for the year and has a strong cash position that will allow us to continue to operate in a financially prudent manner in the future. We will continue to be challenged to provide quality education in a fiscally responsible manner.



Yellowknife Catholic Schools

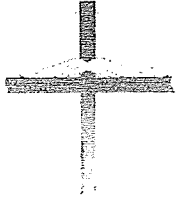
Budget

In 2014/2105, an annual deficit of \$787,679 was budgeted. The actual annual deficit was \$735,161. The difference is insignificant.

The budgeted revenue for the year was \$24,681,961 compared to the actual of \$25,645,970. The increase in revenue of \$964,009 is due to increased core and other contributions of approximately \$500,000 from the Government of the Northwest Territories – Department of Education, Culture and Employment. There was also an increase in education authority generated funds due to funds from a staff secondment and other sources of income.

The budgeted expenditures for the year were \$25,469,640 and the actual expenditures were \$26,381,131. The difference is \$911,491. The difference is mainly additional costs for school programs and the way that amortization and interest is shown in the budget. We budgeted \$980,000 for debt service and the actual interest and amortization was \$1,880,199.

The overall difference between the budget and the actual is only \$52,000.



Yellowknife Catholic Schools

Summary and Outlook

As our population is growing, we are challenged by our space needs. As a solution for the 2015/2016 year, we have moved our grade 8 students from Ecole St Joseph School and Weledeh Catholic School to our high school. Our grade 8 students are excited to join the students at the high school and become part of the Irish team at Ecole St. Patrick High School. The grade 8 students will join the high school and Yellowknifers should see lots of Irish jerseys being worn around town.

We continue to struggle with the special needs requirements in the classroom. Under the 2015/2016 budget we added one more classroom assistant position.

In the budget for 2015/2016, the Trustees showed commitment to supporting all the present programs and positions at Yellowknife Catholic Schools. The Trustees and administration will continue to work together to provide the best education while being fiscally responsible.

We are working on a five year capital plan that will outline the capital purchases for the next five years. Many of the projects will save operational costs as we look at providing more energy efficient items in our schools.

In the 2015/2016 school year, we welcome two new principals. Ms. Liz Baile will become the new principal at Weledeh Catholic School. Ms. Baile was the Assistant Principal at Weledeh Catholic School. She replaces Ms. Simone Gessler who has moved to the District Office to become the new Associate Assistant Superintendent. Ms. Jenny Reid will become the Assistant Principal at Weledeh Catholic School.

We also welcome Mr. Pat Sullivan at Ecole St Joseph School as the new principal and Mr. Tony Florio as the Assistant Principal at Ecole St Joseph School. The previous principal, Ms. Gillian Dawes-Taylor, is on a deferred leave for the year.

**Yellowknife Catholic Schools
(Yellowknife Public Denominational
District Education Authority)**

Consolidated Financial Statements

June 30, 2015

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Consolidated Financial Statements

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

**Management's Responsibility for Financial Reporting with respect to the school year ended June 30,
2015**

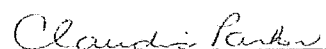
The Management Discussion and Analysis, Consolidated Financial Statements, Schedules and Notes herein submitted have been reviewed by management. They provide full disclosure and accurately reflect the financial and non-financial condition of Yellowknife Catholic Schools (YCS) in all material respects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

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

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

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

Approved and confirmed on behalf of the Yellowknife Catholic Schools.

 **Superintendent**

 **Assistant Superintendent - Business**

September 9, 2015



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Independent Auditors' Report

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

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Yellowknife Public Denominational District Education Authority ("Yellowknife Catholic Schools"), which comprises the consolidated statement of financial position as at June 30, 2015, and the consolidated statement of changes in net debt, the consolidated statement of operations, the consolidated statement of cash flows and the consolidated statement of accumulated surplus for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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



Independent Auditors' Report (continued)

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of Yellowknife Catholic Schools as at June 30, 2015 and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

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

Yellowknife, Northwest Territories
September 9, 2015

Crowe MacKay LLP

Chartered Accountants

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Consolidated Statement of Financial Position

As at June 30,	2015	2014
Financial Assets		
Cash and cash equivalents (Note 5)	\$ 6,198,619	\$ 5,132,062
Due from the Government of Canada (Note 14)	142,583	598,243
Accounts receivable (Note 9)	105,744	574,704
	6,446,946	6,305,009
Liabilities		
Accounts payable and accrued liabilities (Note 11)	1,401,749	696,415
Payroll benefits payable	564,965	487,265
Due to the Government of Canada (Note 14)	5,860	7,722
Pensions (Note 16)	26,400	14,100
Long term debt (Note 17)	3,189,515	3,969,156
Deferred revenue (Note 12)	126,383	946,465
Post-employment benefits (Note 18)	640,074	646,311
Accrued payroll liabilities (Note 36)	2,347,959	2,265,460
	8,302,905	9,032,894
Net debt	(1,855,959)	(2,727,885)
Non-financial Assets		
Tangible capital assets (Note 20)	45,655,583	47,203,078
Prepaid expenses and deposits (Note 21)	64,022	123,614
	45,719,605	47,326,692
Accumulated Surplus	\$ 43,863,646	\$ 44,598,807
Represented By:		
Operating fund surplus	\$ 1,183,276	\$ 981,347
Investment in tangible capital assets	42,466,068	43,233,924
Decentralized budget accumulated surplus	214,302	383,536
	\$ 43,863,646	\$ 44,598,807

Contractual obligations and contingencies (Note 25 and 26)

Approved on behalf of the Board

M Welsh Trustee

Amy Johnston Trustee

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Consolidated Statement of Changes in Net Debt

For the period ended June 30,	2015	2014
Annual deficit	\$ (735,161)	\$ (1,263,865)
Change in prepaid expenses and deposits	59,592	(67,416)
Change in tangible capital assets	1,547,495	1,617,411
Decrease in net debt	871,926	286,130
Net debt, beginning of year	(2,727,885)	(3,014,015)
Net debt, end of year	\$ (1,855,959)	\$ (2,727,885)

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Consolidated Statement of Operations

For the period ended June 30,	2015 Budget	2015 Actual	2014 Actual
Revenue			
Government of the Northwest Territories			
Operating grant	\$ 18,078,954	\$ 18,278,896	\$ 17,853,544
ECE - Other contributions (Note 34)	1,254,566	1,555,421	820,884
GNWT - Other contributions (Note 35)	21,900	117,556	125,151
	19,355,420	19,951,873	18,799,579
Government of Canada - grants and contributions	182,000	189,909	1,565,512
City of Yellowknife - property tax requisitioned	4,013,000	4,013,000	3,761,917
Other Education Authorities			
Extra-jurisdictional tuition	395,500	346,976	238,667
Joint venture funding	23,000	30,000	24,149
	418,500	376,976	262,816
Education authority generated funds (Note 38)	713,041	1,114,212	888,478
	24,681,961	25,645,970	25,278,302
Expenditures			
Aboriginal language and culture	662,662	682,232	729,020
Board administration (Schedule 1)	1,222,776	1,228,297	1,179,507
Debt service (Schedule 1)	980,000	156,552	195,200
Inclusive schooling (Schedule 2)	5,884,126	5,777,016	6,287,811
Operations and maintenance (Schedule 1)	2,354,635	2,201,821	2,287,754
School programs (Schedule 1)	14,365,441	14,611,566	14,153,214
Amortization (Schedule 1)	-	1,723,647	1,709,661
	25,469,640	26,381,131	26,542,167
Annual deficit	\$ (787,679)	\$ (735,161)	\$ (1,263,865)

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Consolidated Statement of Cash Flows

For the period ended June 30,	2015	2014
Cash provided by (used in):		
Operating transactions		
Operating deficit	\$ (735,161)	\$ (1,263,865)
Items not affecting cash:		
Amortization	1,723,647	1,709,661
	988,486	445,796
Changes in non-cash working capital items		
Due from the Government of Canada	455,660	8,225
Accounts receivable	468,960	16,491
Accounts payable	705,334	(102,818)
Payroll benefits payable	77,700	33,582
Due to the Government of Canada	(1,862)	-
Pensions	12,300	13,400
Deferred revenue	(820,082)	(43,970)
Post employment benefits	(6,237)	1,936
Accrued payroll liabilities	82,499	(160,688)
Prepaid expenses	59,592	(67,416)
	1,033,864	(301,258)
Cash flow from financing activities		
Repayment of long term debt	(779,641)	(740,993)
Cash flow from capital activity		
Purchase of tangible capital asset	(176,152)	(92,250)
Increase (decrease) in cash	1,066,557	(688,705)
Cash, beginning of year	5,132,062	5,820,767
Cash, end of year	\$ 6,198,619	\$ 5,132,062

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Consolidated Statement of Accumulated Surplus

For the period ended June 30,	2015	2014
Operating Fund Surplus		
Operating fund surplus, beginning of year	\$ 981,349	\$ 1,315,136
Annual deficit	(735,161)	(1,263,865)
Transfer from investment in tangible capital assets	767,854	876,418
Transfer from (to) decentralized budget accumulated surplus	169,234	53,658
Operating fund surplus, end of year	\$ 1,183,276	\$ 981,347
Transfer from Investment in Tangible Capital Assets consists of:		
Amortization	\$ 1,723,647	\$ 1,709,661
Capital acquisitions	(176,152)	(92,250)
Debenture principal repayment	(779,641)	(740,993)
	\$ 767,854	\$ 876,418
Investment in Tangible Capital Assets		
Investment in tangible capital assets, beginning of year	\$ 43,233,922	\$ 44,110,342
Amortization	(1,723,647)	(1,709,661)
Capital acquisitions	176,152	92,250
Debenture principal repayment	779,641	740,993
Investment in tangible capital assets, end of year	\$ 42,466,068	\$ 43,233,924
Decentralized Budget Accumulated Surplus		
Decentralized budget accumulated surplus, beginning of year	\$ 383,536	\$ 437,194
Transferred from (to) operating fund surplus	(169,234)	(53,658)
Decentralized budget accumulated surplus, end of year	\$ 214,302	\$ 383,536
Total Accumulated Surplus	\$ 43,863,646	\$ 44,598,807

Yellowknife Catholic Schools

(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2015

1. Nature of the Organization

Yellowknife Public Denominational District Education Authority, Yellowknife Catholic Schools ("YCS") was established in July 1951 and is presently the only Catholic school board in the Northwest Territories. A full range of instructional programs ranging from Kindergarten through Grade 12 is offered by the YCS.

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

Section 81 of the *Education Act* outlines the powers of a Board of Education which for the YCS includes all aspects of operation and management relating to Catholic education within the boundaries of the City of Yellowknife. The Board of Trustees is the lowest (and sole) level of government exercising oversight responsibility. The consolidated financial statements of the YCS are not included in the financial statements of the City of Yellowknife as the YCS trustees are a separate governing body that is not under the control of the City of Yellowknife. The City of Yellowknife, however, does collect and remit property taxes requisitioned by the Board.

2. Significant Accounting Policies

(a) Basis of Accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. The consolidated financial statements reflect the assets, liabilities, revenue and expenses of the reporting entity, which is composed of all organizations which are controlled by YCS. These organizations include the three schools, maintenance shop and Kimberlite Career and Technical Centre.

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

YCS uses fund accounting to separate transactions between its Operating fund surplus, Investment in tangible capital assets and Decentralized budget accumulated surplus.

Operating Fund Surplus

The Operating fund surplus is the general operating fund of the YCS in which all transactions concerned with current operations are recorded. Substantially all territorial, local (primarily property tax), and other operating revenue is accounted for in the Operating fund surplus. In accordance with accounting principles that are considered appropriate for organizations of this type, tangible capital assets acquired and debenture debt repayment that are financed with operating funds are treated as expenditures in the Operating fund surplus and then transferred to the Investment in tangible capital asset fund. The Operating fund also accounts for expenditures and contributions to or from other funds (transfers) which provide for day-to-day operations.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2015

2. Significant Accounting Policies (continued)

(a) Basis of Accounting (continued)

Operating Fund Surplus (continued)

In summary, the Operating fund surplus is used to account for all financial activities except those accounted for in the Investment in tangible capital assets fund and Decentralized budget accumulated surplus.

Investment in Tangible Capital Assets

The Investment in tangible capital assets fund is used to account for financial transactions related to the acquisition of tangible capital assets in excess of \$50,000.

Properties are carried at cost at the date of acquisition and amortization is recorded in the accounts. The cost of additions and repayment of debentures or other long-term debt is charged to the Investment in tangible capital assets fund. This results in a corresponding increase in the equity in tangible capital assets. Other additions are initially charged to the statement of operations.

Decentralized Budget Accumulated Surplus

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

(b) Cash and Cash Equivalents

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

(c) Financial Instruments

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

This category includes cash, accounts receivable, due to/from the Government of Canada, accounts payable and accrued liabilities, long term debt, payroll benefits payable and accrued payroll liabilities. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

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

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

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2015

2. Significant Accounting Policies (continued)

(d) Non-Financial Assets

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

(e) Tangible Capital Assets

Tangible capital assets acquired for more than \$50,000 are capitalized and amortized. Tangible capital assets are recorded at cost plus any betterments less accumulated amortization. The cost includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The buildings, portables and equipment will be amortized using the straight line method, based on their useful life. The buildings, portables and equipment have useful lives of 40, 25 and 10 years respectively. Any additions to the buildings and portables will be amortized over the remaining useful life of the assets.

(f) Revenue Recognition

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.

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2015

2. Significant Accounting Policies (continued)

(f) Revenue Recognition (continued)

GNWT - Regular Contributions

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

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

Local Tax Revenue

The *Education Act*, by virtue of Section 136(2), empowers a Board of Education to determine the amount, after taking into consideration territorial grants and other revenue, that is to be requisitioned from the municipality within the territory under the jurisdiction of the Board. This requisitioned amount is one portion of the property tax paid annually by property owners.

The City of Yellowknife is advised subsequent to the adoption of the budget of the amount of the requisition of the YCS and is responsible for the collection of taxes.

Section 136(4) of the *Education Act* requires the amount requisitioned to be paid to the YCS in equal quarterly installments on or before the first day of the months of June, September, December and March.

Other Contributions

YCS follows the deferral method of accounting for contributions from funding arrangements. Unrestricted contributions are recognized as revenue when they are received or receivable, if the amount can be reasonably estimated and its collection is reasonably assured. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred. Tuition fees revenue is recognized as educational services are provided. Insurance proceeds relating to ongoing expenses are recognized as the expenses are incurred. Insurance proceeds relating to building and equipment loss are recognized at the date of loss.

Deferred Revenue

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

Special Purpose Funds

Schools in the system administer funds which arise from certain school and student activities. Such funds, although subject to internal review, are not recorded in the accounts or in the financial statements of the YCS as they do not constitute any part of the approved Operating fund surplus (deficit) budget and are available for use at the discretion of each individual school.

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2015

2. Accounting Policies (continued)

(g) Infrastructure Funding

YCS does not have any infrastructure funding.

(h) Budget Data

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

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

The budget is legally adopted by a motion of the Board which also establishes a tax levy to support the approved budget in accordance with Section 135(2) of the *Education Act*.

This annual budget includes estimates of revenue and expenditures for the Operating fund surplus along with estimates of source and application for the Investment in tangible capital assets fund. Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the YCS.

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

(i) Measurement Uncertainty

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

(j) Inventories Including Materials and Supplies

Inventories held for consumption or use are recorded at the lower of historical cost and replacement cost.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2015

2. Accounting Policies (continued)

(k) Payroll Liabilities

Payroll costs for teachers are accrued for July and August. Payroll costs for members of the Union of Northern Workers (UNW) and employees who work for 10 and 11 months during the fiscal year are accrued as appropriate.

(l) Employee Future Benefits

i) Post employment benefits

YCS provides post employment benefits for certain employees pursuant to certain contracts and collective agreements.

Teachers and UNW employees leaving Yellowknife within one year of the date of resignation, after completing a minimum of two years experience with YCS, will receive removal assistance of \$1,500 plus \$400 for each year of consecutive service with YCS, excluding years on deferred salary leave. Teachers who leave the employment of YCS after twenty years of consecutive service will receive an additional payment of \$2,000. This benefit is considered to vest and accumulate. YCS recognizes a liability and expense for this post employment benefit in the period in which teachers and UNW employees render services to YCS.

YCS recognizes a liability and an expense for post employment benefits and compensated absences that do not vest or accumulate when the event that obligates YCS occurs. This includes benefits to employees in the event of an accident or injury. The benefit would be accrued when the accident or injury occurs.

ii) Pensions

Prior to May 1, 2013 all indeterminate full-time employees had the option to participate in a Defined Contribution (DC) pension plan. YCS contributions to this plan were recognized as an expense on a current year basis and represented YCS total pension obligations.

Effective May 1, 2013 the YCS added a Defined Benefit (DB) provision to the Pension Plan for the employees of Yellowknife Catholic Schools. The pension benefits under the DB provision are reported on an actuarial basis. This is done to determine the current value of future entitlements and uses various assumptions. When actual experience varies from assumptions, the resulting gains or losses are amortized on a straight line basis over the estimated average remaining service lives of the contributors.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2015

2. Accounting Policies (continued)

(m) Employee Benefit Plans

The YCS contributes 100% of the premiums related to life insurance, long term disability insurance and extended health care benefits for eligible employees, in accordance with negotiated salary agreements and employment practices.

In addition, the YCS contributes 100% of the premiums related to dental insurance in accordance with negotiated salary agreements and employment practices.

Employee and employer contributions are made on behalf of all employees for statutory federal deductions related to Canada Pension Plan and Employment Insurance.

(n) Expenses

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

(o) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability would be recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met: an environmental standard exists; contamination exceeds the environmental standard; YCS is directly responsible or accepts responsibility and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available as at June 30, 2015.

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

(p) Net Debt

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

Yellowknife Catholic Schools

(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2015

3. Change in Accounting Policy

Effective April 1, 2014, YCS adopted Section PS 3260, *Liability for Contaminated Sites* issued by the Canadian Public Sector Accounting Standards Board. This section establishes standards for governments and government type organization's reporting under Canadian public sector accounting standards about how to account for and report a liability which is associated with the remediation of a contaminated site. The change in accounting policy has been applied prospectively.

The adoption of PS 3260 does not have an impact on the measurement of the YCS's liabilities but has resulted in additional disclosure.

4. Future Accounting Changes

Related Party Disclosures, Section PS 2200

In December of 2014, PSAB approved Section PS 2200, Related Party Disclosures. The new section defines related parties and establishes disclosures required for related party transactions. It is expected that reasonable efforts would be made to identify related party transactions. This may involve adopting policies and procedures designed to ensure that these transactions are appropriately identified, measured and disclosed in the financial statements. Not all related party relationships or transactions occurring between related parties are required to be disclosed. Disclosure is generally required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated. However, not all of these transactions are reportable under this Section. Only those transactions that have or could have a material financial effect on the financial statements are disclosed. The effective date for Section PS 2200 is April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards has been reviewed by management.

Inter-entity Transactions, Section PS 3420

In December of 2014, PSAB approved Section PS 3420, Inter-entity Transactions. This Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. This section may be applied in conjunction with Related Party Disclosures, Section 2200. The effective date for Section PS 3420 is April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards has been reviewed by management.

Student Activity Funds

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

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2015

5. Cash and Cash Equivalents

	2015	2014
Cash	\$ 6,198,619	\$ 5,132,062

The cash is held in a bank account with the Canadian Imperial Bank of Commerce (CIBC) and is invested with the GNWT's investment pool.

6. Special Purpose Funds

YCS does not have special purpose funds.

7. Restricted Assets

YCS does not have any restricted assets.

8. Portfolio Investments

YCS does not have any portfolio investments.

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2015

9. Accounts Receivable

	Accounts Receivable		AFDA		Net 2015		Net 2014
Government of the Northwest Territories - Departments/Agencies							
Aurora College	\$ 2,985	\$	-	\$	2,985	\$	-
Education, Culture and Employment	72,000		-		72,000		75,934
Finance	-		-		-		1,954
Health and Social Services	-		-		-		2,246
Yellowknife Health and Social Services	15,332		-		15,332		-
	90,317		-		90,317		80,134
Other							
Insurance proceeds	-		-		-		449,210
Other	15,427		-		15,427		45,360
	15,427		-		15,427		494,570
Total	\$ 105,744	\$	-	\$	105,744	\$	574,704

10. Inventories

Inventories held for consumption or use are recorded at the lower of historical cost and replacement cost.

11. Accounts Payable and Accrued Liabilities

	2015	2014
Accrued interest	\$ 68,016	\$ 68,017
Damage deposits	5,426	3,624
GNWT - Department of Education, Culture and Employment	1,166,199	290,929
Trades payable	157,370	327,067
Workers' Safety and Compensation Commission	4,738	6,778
	\$ 1,401,749	\$ 696,415

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2015

12. Deferred Revenue

	2015	2014
Government of the Northwest Territories Aboriginal Language	\$ 59,000	\$ -
City of Yellowknife - Tax Revenue	-	940,915
Government of Canada - Public Health Agency Canada	67,383	-
Other	-	5,550
	\$ 126,383	\$ 946,465

13. Contribution Repayable

YCS does not have any contribution repayable.

14. Due from and to the Government of Canada

	Accounts Receivable	AFDA	Net 2015	Net 2014
Receivable				
Aboriginal Affairs and Northern Development	\$ 19,000	\$ -	\$ 19,000	\$ 467,423
GST receivable	123,583	-	123,583	130,820
	\$ 142,583	\$ -	\$ 142,583	\$ 598,243
Payable				
GST payable	\$ 5,860	\$ -	\$ 5,860	\$ 7,722

15. Capital Lease Obligations

YCS does not have any capital lease obligations.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2015

16. Pensions

(a) Defined Contribution Plan

Since January 1, 1966 Yellowknife Catholic Schools indeterminate staff have had the option to participate in a voluntary Defined Contribution (DC) pension plan. Since January 1, 1988, that participation has been in the Pension Plan for the Employees of Yellowknife Catholic Schools (the Plan).

All DC assets of the Plan are held by a Trustee in favour of individual employees. The only obligation to YCS is to match employee contributions. YCS fully funds its DC obligation under the Plan each month. YCS did not have any liability under the DC provision of the Plan as of June 30, 2015.

Effective May 1, 2013 teaching and non-union staff could no longer contribute to the DC provision. Instead all indeterminate teaching and non-unionized staff joined a new Defined Benefit (DB) provision of the Plan. Effective July 1, 2013, all indeterminate unionized non-teaching staff also ceased to make contributions to the DC provision and joined the DB provision of the Plan. After July 1, 2013, there are no employees making contributions to the DC provision.

DC assets of the Plan will continue to be held in Trust for the individual employees unless they either elect to transfer their DC account to the DB provision or leave the employment of Yellowknife Catholic Schools.

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

(b) Defined Benefit Plan

Effective May 1, 2013 a Defined Benefit (DB) provision was added to the Pension Plan for the Employees of Yellowknife Catholic Schools.

Summary of Defined Benefit provision:

Each permanent full-time employee, belonging to an eligible class of employees, automatically becomes a Member of the plan as of the first day of employment with YCS.

Each permanent part-time employee, belonging to an eligible class of employees, automatically becomes a Member of the plan if the employee earns at least 37% of the equivalent full-time earnings for his or her particular position.

All Members and the Employer have agreed to share the cost of benefits accrued annually, plus the administrative expenses of the DB plan in the following ratio:

- Employer 52.38%
- Employee 47.62%

Members are required to make contributions at 8.80% of earnings below the Year's Maximum Pensionable Earnings (YMPE) and 11.60% of earnings above YMPE. The YMPE for the 2015 calendar year is \$53,600 (2014 - \$52,500).

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2015

16. Pensions (continued)

(b) Defined Benefit Plan (continued)

The employer must contribute to the DB pension trust fund each year no less than its portion of the total current service cost as determined by the Actuary. In addition, YCS shall contribute to the Solvency Account such additional amounts as may be required, based on the advice of the Actuary, to amortize any going concern unfunded liabilities and solvency deficiencies of the Plan.

Normal retirement date for an employee is when they terminate employment with YCS having reached the age of 65. An employee would be entitled to an unreduced early retirement date when the Members' age plus years of service at YCS total 90. A Member may elect to retire up to 10 years prior to their normal retirement date or their unreduced retirement date and take a reduced pension benefit.

The annual pension payable to Member who retires at the normal retirement date is equal to 1.30% of the a Member's Best Average Pensionable Earnings up to the Average YMPE plus 2% of the Member's Best Average Pensionable Earnings in excess of the Average YMPE, multiplied by years of Pensionable Service. Pensionable Earnings and the YMPE are averaged over the best 10 years prior to termination, death or retirement.

The plan provides inflation protection during retirement at 75% of the increase in Northwest Territories Consumer Price Index.

Benefits are vested immediately.

During fiscal 2014/2015 Yellowknife Catholic Schools contributed \$1,585,297 (\$1,583,200 in fiscal 2013/2014) in respect of DB accruals.

During the year, employees at YCS transferred \$3,574,347 from the DC plan and other sources to the DB plan as part of the pension buy back.

The date of the most recent actuarial valuation of the Plan is June 30, 2014. The Accrued Benefit Obligation was calculated using the projected unit credit method, pro-rated on service.

The DB Pension Trust fund assets are recorded at fair market value.

(c) Supplementary Defined Benefit Pension Plan

The supplementary plan applies to the Superintendent and the Assistant Superintendents. The supplementary plan provides a pension benefit for pensionable earnings in excess of the defined benefit limit set out in the Income Tax Act. This plan is a non-contributory plan and is not funded until the employee terminates their employment from Yellowknife Catholic Schools. The employer is responsible to provide a pension at retirement equivalent to what the employee would have earned under the Defined Benefit provision of the Pension Plan for the Employees of Yellowknife Catholic schools if there were no *Income Tax Act* maximum pension limits in place. The Accrued Benefit Obligation was calculated using the projected unit credit method, pro-rated on service.

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2015

16. Pensions (continued)

Information about the Defined Benefit Plan and Supplementary Defined Benefit Pension Plan as at June 30, 2015 is as follows:

(d) Plan assets

	Pension Plan	Supplementary Plan	2015
Fair value, beginning of year	\$ 3,450,600	\$ -	\$ 3,450,600
Expected return on plan assets	258,500	-	258,500
Employer contributions	1,593,300	-	1,593,300
Employee contributions	1,437,500	-	1,437,500
Employee prior service contributions	3,574,300	-	-
Benefit payments and expenses	(229,100)	-	(229,100)
Experience (loss) gain	152,200	-	152,200
Fair value, end of year	\$ 10,237,300	\$ -	\$ 10,237,300

(e) Accrued benefit obligations

	Pension Plan	Supplementary Plan	2015
Balance, beginning of year	\$ 3,216,100	\$ 14,100	\$ 3,230,200
Current service cost	2,774,200	12,000	2,786,200
Interest cost on accrued benefit obligation	305,200	300	305,500
Employer prior service cost	50,700	-	50,700
Employee prior service cost	3,574,300	-	3,574,300
Benefit payments and expenses (Gains) / losses on accrued benefit obligation	(229,100)	-	(229,100)
	203,900	-	203,900
Balance, end of year	\$ 9,895,300	\$ 26,400	\$ 9,921,700

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2015

16. Pensions (continued)

(f) Funded status

	Pension Plan	Supplementary Plan	2015
Plan surplus / (deficit)	\$ 342,000	\$ (24,800)	\$ 317,200
Unrecognized (gains) losses	3,300	(1,600)	1,700
Accrued benefit asset (liability) before limit on assets	345,300	(26,400)	318,900
Impact of limit on assets	(345,300)	-	(345,300)
Accrued benefit asset (liability) after limit on assets	\$ -	\$ (26,400)	\$ (26,400)

(g) Determination of pension cost

	Pension Plan	Supplementary Plan	2015
Current service cost	\$ 1,336,700	\$ 12,000	\$ 1,348,700
Interest on accrued benefit obligation	46,700	300	47,000
Expected return on plan assets	-	-	-
Amortization of losses / (gains)	(3,500)	-	(3,500)
Extraordinary items	50,700	-	50,700
Change in valuation allowance	162,700	-	162,700
Pension expense	\$ 1,593,300	\$ 12,300	\$ 1,605,600

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2015

16. Pensions (continued)

Information about the Defined Benefit Plan and Supplementary Defined Benefit Pension Plan as at June 30, 2014 is as follows:

(h) Plan assets

	Pension Plan	Supplementary Plan	2014
Fair value, beginning of year	\$ 378,500	\$ -	\$ 378,500
Actual return on plan assets	166,900	-	166,900
Employer contributions	1,583,200	-	1,583,200
Employee contributions	1,405,700	-	1,405,700
Benefit payments and expenses	(83,700)	-	-
Fair value, end of year	\$ 3,450,600	\$ -	\$ 3,450,600

(i) Accrued benefit obligations

	Pension Plan	Supplementary Plan	2014
Balance, beginning of year	\$ 374,000	\$ 2,000	\$ 376,000
Current service cost	2,751,400	11,900	2,763,300
Interest cost on accrued benefit obligation	138,800	200	139,000
Benefit payments and expenses	(83,700)	-	-
(Gains) / losses on accrued benefit obligation	35,600	100	35,700
Balance, end of year	\$ 3,216,100	\$ 14,200	\$ 3,230,300

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2015

16. Pensions (continued)

(j) Funded status

	Pension Plan	Supplementary Plan	2014
Plan surplus (deficit)	\$ 234,500	\$ (14,200)	\$ 220,300
Unrecognized (gains) losses	(51,900)	100	(51,800)
Accrued benefit asset (liability) before limit on assets	182,600	(14,100)	168,500
Impact on limit of assets	(182,600)	-	(182,600)
Accrued benefit asset (liability)	\$ -	\$ (14,100)	\$ (14,100)

(k) Determination of pension cost

	Pension Plan	Supplementary Plan	2014
Current service cost	\$ 1,345,700	\$ 11,900	\$ 1,357,600
Interest on accrued benefit obligation	138,800	200	139,000
Expected return on plan assets	(82,400)	-	(82,400)
Amortization of losses/ (gains)	(200)	-	-
Increase in valuation allowance	182,600	-	-
Pension expense	\$ 1,584,500	\$ 12,100	\$ 1,596,600

(l) Actuarial assumptions

	2015	2014
Discount rate - pension plan	4.50%	4.50%
Discount rate - supplementary plan	1.20%	1.20%
Expected return on plan assets - pension plan	4.50%	4.50%
Expected return on plan assets - supplementary plan	n/a	n/a
Salary increase - pension plan	2.00%	2.00%
Salary increase - supplementary plan	2.00%	2.00%
Mortality table	120% of the CPM 2015 table *	120% of the CPM 2014 table *
Expected average remaining services lifetime (EARSL) - pension plan	14.2 Years	14.7 Years
Expected average remaining services lifetime (EARSL) - supplementary plan	8.5 Years	8.5 Years

* 120% of the 2014 Canadian Pensioners' Private Sector Mortality Table with projection scale CPM-B.

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2015

16. Pensions (continued)

(m) Plan assets consist of:

	2015	2014
Fixed income securities	60%	60%
Equity securities	40%	40%

17. Long Term Debt

	2015	2014
Pacific and Western debenture facilities number 2, 3, and 4, repayable in monthly installments of \$68,016, including interest at 5.73%, final installment on maturity due in March 2018.	\$ 2,129,876	\$ 2,802,930

Government of the Northwest Territories debenture, repayable in monthly installments of \$10,000 including interest. Interest rate consistent with GNWT cost of borrowing at a current rate of 1.20%. If rates do not change the final installment will be due in 2024.	1,059,639	1,166,226
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\$ 3,189,515	\$ 3,969,156
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The debenture are repayable annually as follows:

2016	\$ 820,497
2017	863,763
2018	773,123
2019	111,828
2020 and thereafter	620,304

\$ 3,189,515

The debentures are registered.

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2015

18. Post Employment Benefits

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

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

	2015	2014
Removal	\$ 466,390	\$ 479,320
Severance	173,684	166,991
	\$ 640,074	\$ 646,311

19. Trust Assets Under Administration

YCS does not have any trust assets under administration.

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2015

20. Tangible Capital Assets

	Cost	Additions	Disposals	Amortization	Accumulated Amortization	Net Book Value, June 30, 2015	Net Book Value June 30, 2014
Land and Improvements	\$ 1,838,825	\$ -	\$ -	\$ -	\$ -	\$ 1,838,825	\$ 1,838,825
Equipment	169,701	-	-	16,970	71,185	98,516	115,486
Buildings and Portables							
Career and Technical Centre	2,878,913	-	-	73,888	810,050	2,068,863	2,142,751
Central Services offices	953,899	-	-	34,426	508,115	445,784	480,210
Ecole St. Joseph School	37,333,024	-	-	958,888	10,537,965	26,795,059	27,753,947
Ecole St. Patrick High School	11,723,901	-	-	293,431	5,856,614	5,867,287	6,160,718
Tallah Building	444,875	176,152	-	15,883	41,834	579,193	418,924
Weledeh Catholic School	12,557,840	-	-	330,161	4,595,784	7,962,056	8,292,217
	65,892,452	176,152	-	1,706,677	22,350,362	43,718,242	45,248,767
	\$ 67,900,978	\$ 176,152	\$ -	\$ 1,723,647	\$ 22,421,547	\$ 45,655,583	\$ 47,203,078

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2015

21. Prepaid Expenses and Deposits

	2015	2014
Deposits	\$ 6,087	\$ 6,087
Other prepaids	57,935	117,527
	\$ 64,022	\$ 123,614

22. Accumulated Surplus/Deficit

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

23. Capital Advances

YCS does not have any capital advances.

24. GNWT Assets Provided At No Cost

YCS does not have any GNWT assets provided at no cost.

25. Contractual Obligations

YCS has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2015. YCS is committed to two rental agreements. The first rental agreement is with Side Door Ministries and this lease expired on June 30, 2015. A new rental agreement is currently under negotiation. The second rental agreement is with Shelter Canadian Properties expires in November 2015. YCS is committed to five janitorial contracts for various schools and buildings. All of the contracts expire in June 2016. YCS had a contract with Cardinal Coachlines Limited for student transportation. The contract expired in June 2015. A new agreement is currently under negotiation. YCS has a contract with ThyssenKrupp for elevator maintenance. YCS is invoiced annually. This contract expires in February 2021. In its normal course of operations, YCS has leases for equipment. The equipment leases are payable in varying monthly and annual installments.

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2015

25. Contractual Obligations (continued)

The future minimum payments are as follows.

	Expires in fiscal year	2016	2017 - 2021	Total
Commercial and residential leases	2016			
303 - 100 Beck Court	2016	\$ 9,425	\$ -	\$ 9,425
		9,425	-	9,425
Equipment leases	2016 - 2019			
Photocopier leases	2016	7,021	-	7,021
Photocopier leases	2017	4,768	4,768	9,536
Photocopier leases	2019	7,739	23,217	30,956
		19,528	27,985	47,513
Operation contracts	2016 - 2021			
Employee assistance program	2017	10,243	7,682	17,925
Mail services	2017	6,248	6,248	12,496
Janitorial services	2016	573,805	-	573,805
Elevator maintenance	2021	27,005	160,677	187,682
Post machine	2017	787	197	984
Google conference	2016	50,737	-	50,737
		668,825	174,804	843,629
		\$ 697,778	\$ 202,789	\$ 900,567

YCS is committed to the terms of the collective agreements with the Northwest Territories Teachers' Association and the Public Service Alliance of Canada as represented by its agent the Union of Northern Workers, which expire in 2016.

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2015

26. Contingencies

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

27. Related Parties

YCS has the following transactions with government and other government controlled organizations:

	2015	2014
Revenue		
Aurora College (Tallah Building rent)	\$ 116,083	\$ 113,089
Beaufort Delta Divisional Educational Council	15,000	-
Fort Smith Health and Social Services	1,736	-
GNWT - Department of Education, Cultural and Employment	19,834,317	18,674,428
GNWT - Other Government Departments (Note 35)	117,556	125,151
South Slave Divisional Education Council	15,000	-
Yellowknife Health and Social Services	60,413	-
	\$ 20,160,105	\$ 18,912,668
Accounts Receivable		
Aurora College (Tallah Building rent)	\$ 2,985	\$ -
GNWT - Department of Education, Cultural and Employment	72,000	80,134
Yellowknife Health and Social Services	15,332	-
	\$ 90,317	\$ 80,134
Accounts Payable		
GNWT - Department of Education, Culture and Employment	\$ 1,166,199	\$ 290,929

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2015

28. Budget Data

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

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

The budget figures presented are those approved by the Trustees of YCS on May 21, 2014 and have not been audited.

29. Economic Dependence

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

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2015

30. Risk Management

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

a) Credit risk

Credit risk is the risk of financial loss to the YCS if a debtor fails to make payments of interest and principal when due. The YCS is exposed to this risk relating to its, cash, due from the Government of Canada, and accounts receivable. The YCS holds its cash in accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the YCS's cash in accounts are insured up to \$300,000.

YCS's maximum exposure to credit risk is represented by the financial assets balance for a total of \$6,446,850 (2014 - \$6,305,009).

Accounts receivable are ultimately due from the departments of the Government of Canada and the Northwest Territories and pertain to outstanding contribution agreements. Accounts receivable from the Government of Canada represents goods and services tax receivable from the Government of Canada. The majority of the deposits are held in one Canadian chartered bank and more than 10% of the total accounts receivable is from the Government of the Northwest Territories. The amounts represent a low credit risk as the debtors are reputable governments and government organizations with a good credit score.

b) Interest rate risk

YCS manages its exposure to interest rate risk through fixed rate borrowings for its debentures. The fixed rate debts are subject to interest rate price risk, as the value will fluctuate as a result of changes in interest rates.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2015

30. Risk Management (continued)

c) Liquidity risk

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

The table below shows when various financial assets and liabilities mature.

Financial assets	Up to 6 months	6 months to 1 year	1 to 5 years	Over 5 years
Cash and cash equivalents	\$ 6,198,619	\$ -	\$ -	\$ -
Due from the government of Canada	142,583	-	-	-
Accounts receivable	105,744	-	-	-
Total assets	\$ 6,446,946	\$ -	\$ -	\$ -
Total assets - prior year	\$ 6,305,009	\$ -	\$ -	\$ -
Financial liabilities	Up to 6 months	6 months to 1 year	1 to 5 years	Over 5 years
Accounts payable and accrued liabilities	\$ 1,401,749	\$ -	\$ -	\$ -
Payroll benefits payable	564,965	-	-	-
Due to the Government of Canada	5,860	-	-	-
Long term debt	-	820,497	1,861,532	507,486
Accrued payroll liabilities	2,347,959	-	-	-
Total liabilities	\$ 4,320,533	\$ 820,497	\$ 1,861,532	\$ 507,486
Total liabilities - prior year	\$ 3,456,862	\$ 779,641	\$ 2,568,874	\$ 620,641
Net total	\$ 2,126,413	\$ (820,497)	\$ (1,861,532)	\$ (507,486)
Net total - prior year	\$ 2,848,147	\$ (779,641)	\$ (2,568,874)	\$ (620,641)

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

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2015

31. Expenditures By Object

	2015	2015	2014
	Budget	Actual	Actual
Amortization	\$ -	\$ 1,723,647	\$ 1,709,661
Compensation	20,384,494	20,704,652	20,562,208
Interest on long term debt	980,000	156,552	195,200
Materials/freight	782,912	722,705	809,010
Services purchased/contracted	3,322,234	3,073,575	3,266,088
	\$ 25,469,640	\$ 26,381,131	\$ 26,542,167

32. Subsequent Events

There were no subsequent events that have taken place between June 30, 2015 and the date the audit report was signed.

33. Comparative Figures

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

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2015

34. ECE Other Contributions

	2015	2014
Government of the Northwest Territories - Department of Education, Culture and Employment		
Aboriginal language	\$ 59,000	\$ 59,000
Do Edaezhe	923,000	-
Four Plus	100,000	128,000
French language - mentorship and other funding	47,000	8,500
French language	309,390	409,500
Other	55,031	153,884
Yellowknife Family Center	62,000	62,000
	\$ 1,555,421	\$ 820,884

35. GNWT Other Contributions

	2015	2014
Government of the Northwest Territories		
Department of Environment and Natural Resources	\$ -	\$ 5,000
Department of Health and Social Services	33,870	7,246
Department of Human Resources	-	62,500
Department of Industry, Tourism and Investment	13,500	8,000
Department of Municipal and Community Affairs	70,186	42,405
	\$ 117,556	\$ 125,151

36. Payroll Liabilities

	2015	2014
Teachers - Northwest Territories Teachers' Association	\$ 1,791,394	\$ 1,779,387
Non-Teacher - Union of Northern Workers	556,565	486,073
	\$ 2,347,959	\$ 2,265,460

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2015

37. Statement of Remeasurement Gains and Losses

YCS does not have any remeasurement gains or losses.

38. Education Authority Generated Funds

	2015 Budget	2015 Actual	2014 Actual
Donations	\$ 19,400	\$ 118,969	\$ 99,644
Fees and sales	453,642	466,222	398,996
Investments	50,000	65,744	56,716
Other	12,000	286,019	157,922
Rentals	177,999	177,258	175,200
	\$ 713,041	\$ 1,114,212	\$ 888,478

39. Insurance Proceeds

During the year, the outstanding insurance claim for the 2006 fire at Ecole St. Joseph School was settled for \$1,406,770.

A condition of the renovation at Ecole St. Joseph School is that the net insurance proceeds related to the 2006 fire will be paid to the GNWT - ECE once the funds have been received. As of June 30, 2014, insurance proceeds of \$838,700 were recognized for insurance proceeds. As of June 30, 2014 there was a receivable of \$540,424 to YCS from the insurance proceeds and a payable of \$284,407 to GNWT - ECE from the initial estimated proceeds of \$838,700. After legal expenses paid by YCS are deducted, there is \$1,146,322 owing to GNWT - ECE.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 1
Operating Fund - Detail of Expenditures

For the period ended June 30, 2015

	School Programs	Inclusive Schooling (Schedule 2)	Operations & Maintenance	Administration	Aboriginal Languages (Schedule 3)	Transfers & Others	Total 2015	Budget 2015	Total 2014
Salaries									
Teachers	\$8,804,133	\$2,235,493	\$ -	\$ -	\$ 411,114	\$ -	\$11,450,740	\$10,849,209	\$11,177,598
Instruction assistants	22,375	1,471,002	-	-	-	-	1,493,377	1,529,342	1,436,699
Non-instructional	1,316,749	440,688	351,637	662,057	-	-	2,771,131	2,527,621	2,796,868
Board honoraria	-	-	-	65,335	-	-	65,335	65,545	64,062
	10,143,257	4,147,183	351,637	727,392	411,114	-	15,780,583	14,971,717	15,475,227
Employee Benefits									
Employee benefits	3,191,736	1,312,034	102,565	183,558	124,823	-	4,914,716	5,379,611	5,039,539
Leave and termination benefits	3,641	-	-	5,712	-	-	9,353	33,166	47,442
	3,195,377	1,312,034	102,565	189,270	124,823	-	4,924,069	5,412,777	5,086,981
Services Purchased/Contracted									
Advertising/publishing	13,211	-	-	53,366	23,081	-	89,658	92,000	138,518
Communication	51,344	4,133	8,486	23,887	556	-	88,406	94,000	88,656
Contracted services	540,565	12,964	617,024	2,190	18,180	-	1,190,923	1,214,651	1,134,346
Maintenance & repairs	16,122	345	279,761	299	9,271	-	305,798	468,000	395,784
Other	62,312	87	12,937	57,479	-	-	132,815	82,500	83,515
Professional/technical	53,636	88,394	-	54,514	49,041	-	245,585	279,583	303,156
Rental/leases	31,792	72,290	-	15,048	3,505	-	122,635	123,500	127,439
Student transportation	2,625	12,569	-	-	-	-	15,194	25,000	100,499
Travel	5,645	-	-	43,711	3,794	-	53,150	104,000	38,693
Utilities: Electricity	-	-	427,715	-	-	-	427,715	839,000	390,714
Heating	-	-	306,457	-	-	-	306,457	-	367,295
Water/sewage	-	-	95,239	-	-	-	95,239	-	97,473
	777,252	190,782	1,747,619	250,494	107,428	-	3,073,575	3,322,234	3,266,088
Materials/Freight									
Materials	487,566	127,017	-	61,141	38,867	-	714,591	767,912	799,687
Freight	8,114	-	-	-	-	-	8,114	15,000	9,323
	495,680	127,017	-	61,141	38,867	-	722,705	782,912	809,010

Continued on next page

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Schedule 1 (Continued)
Operating Fund - Detail of Expenditures

For the period ended June 30, 2015

	School Programs	Inclusive Schooling (Schedule 2)	Operations & Maintenance	Administration	Aboriginal Languages (Schedule 3)	Transfers & Others	Total 2015	Budget 2015	Total 2014
Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,723,647	\$ 1,723,647	\$ -	\$ 1,709,661
Debenture Interest	-	-	-	-	-	156,552	156,552	-	195,200
	-	-	-	-	-	1,880,199	1,880,199	980,000	1,904,861
Total	\$14,611,566	\$ 5,777,016	\$ 2,201,821	\$ 1,228,297	\$ 682,232	\$ 1,880,199	\$26,381,131	\$25,469,640	\$26,542,167

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 2
Detail of Inclusive Schooling Expenditures

For the period ended June 30, 2015

	Staff Development	Intervention Strategies	Assistive Technology	Early Childhood	Magnet Facilities	Do Edaeze	General Inclusive Schooling	Total
Salaries								
Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 117,191	\$ 117,191
Non-instructional	-	200,075	-	240,613	-	-	-	440,688
Support assistants	-	1,415,400	-	-	55,601	-	-	1,471,001
Teachers	505	1,241,601	-	-	104,319	771,878	-	2,118,303
	505	2,857,076	-	240,613	159,920	771,878	117,191	4,147,183
Employee Benefits	59,752	939,275	-	89,199	47,924	143,982	31,902	1,312,034
Services Purchased/Contracted								
Contracted services	-	-	-	12,964	-	-	-	12,964
Communication	-	-	-	3,593	-	540	-	4,133
Maintenance & repairs	-	-	345	-	-	-	-	345
Professional/technical	-	28,163	-	19,556	-	40,675	-	88,394
Rental/leases	-	751	-	71,539	-	-	-	72,290
Student transportation	-	3,778	-	346	-	8,445	-	12,569
Other	-	87	-	-	-	-	-	87
	-	32,779	345	107,998	-	49,660	-	190,782
Materials/Freight	41,798	46,894	16,883	15,078	2,797	3,567	-	127,017
Total	\$ 102,055	\$ 3,876,024	\$ 17,228	\$ 452,888	\$ 210,641	\$ 969,087	\$ 149,093	\$ 5,777,016

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 3
Aboriginal Language and Culture Program Expenditures

For the period ended June 30, 2015

	Student Instruction	Teaching/ Learning Resources	Total
Salaries			
Elders honorarium	\$ 63,035	\$ -	\$ 63,035
Teachers	308,122	39,957	348,079
	371,157	39,957	411,114
Employee Benefits	113,943	10,881	124,823
Services Purchased/Contracted			
Contracted services	18,180	-	18,180
Communications	556	-	556
Maintenance and repairs	9,271	-	9,271
Printing and publishing	-	23,081	23,081
Professional/technical	44,291	4,750	49,041
Rentals	3,505	-	3,505
Travel	3,794	-	3,794
	79,597	27,831	107,428
Materials/Freight	19,555	19,312	38,867
Total	\$ 584,252	\$ 97,981	\$ 682,232

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 4
Aboriginal Language Materials

For the period ended June 30, 2015

	July 1, 2014 to March 31, 2015	April 1, 2015 to June 30, 2015	Total
Revenue			
Secretary of State Funding Aboriginal Languages	\$ 59,000	\$ -	\$ 59,000
Expenditures			
Salary and benefits	33,643	17,195	50,838
Supplies and materials	29,623	17,520	47,143
	63,266	34,715	97,981
Deficit	\$ (4,266)	\$ (34,715)	\$ (38,981)

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 5
Four Plus

For the period ended June 30, 2015

	July 1, 2014 to March 31, 2015	April 1, 2015 to June 30, 2015	Total
Revenue			
Contract	\$ 75,000	\$ 25,000	\$ 100,000
Usage	40,906	23,192	64,098
	115,906	48,192	164,098
Expenditures			
Operations and maintenance	2,497	2,561	5,058
Salary and benefits	100,103	71,293	171,396
	102,600	73,854	176,454
Surplus (deficit)	\$ 13,306	\$ (25,662)	\$ (12,356)

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 6
Yellowknife Family Centre

For the period ended June 30, 2015

	July 1, 2014 to March 31, 2015	April 1, 2015 to June 30, 2015	Total
Revenue			
Health Canada	\$ 129,909	\$ 50,000	\$ 179,909
Government of the Northwest Territories	46,500	15,500	62,000
Other	8,290	45	8,335
	184,699	65,545	250,244
Expenditures			
Operations and maintenance	78,828	20,221	99,049
Salary and benefits	90,059	68,444	158,503
	168,887	88,665	257,552
Surplus (deficit)	\$ 15,812	\$ (23,120)	\$ (7,308)

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Schedule 7
French Language Programs

For the period ended June 30, 2015

	Contribution from GNWT	Commitment from YCS	Actual Expenditures	Over (under) Expenditures
Bilateral Agreement Funding				
Special Projects				
Consultant - Immersion/Core French	\$ 60,000	\$ 87,000	\$ 147,847	\$ (847)
Core French (salary and benefits)	100,000	182,000	289,076	(7,076)
Early Immersion/Literacy (salary and benefits)	56,000	65,000	138,050	(17,050)
French cultural activities	4,000	5,000	9,140	(140)
French monitor	-	14,000	22,375	(8,375)
French resources	11,000	8,000	22,068	(3,068)
Professional development	4,000	8,000	12,834	(834)
Teacher assistant (salary and benefits)	45,500	30,000	79,677	(4,177)
Late Immersion Salary	25,000	90,000	221,663	(106,663)
Late Immersion Supplies	3,200	12,800	15,760	240
Late Immersion Training	690	2,460	1,436	1,714
Total	\$ 309,390	\$ 504,260	\$ 959,926	\$ (146,276)
Regular GNWT Funding				
Core French			\$ 176,982	
Immersion Program			1,572,043	
Total			\$ 1,749,025	

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 8
Student Success Initiative Projects

For the period ended June 30, 2015

	ESJS Literacy Project	Differentiated Professional Development	Total
Revenue			
Government of Northwest Territories - Department of Education, Culture and Employment	\$ 55,000	\$ 48,000	\$ 103,000
Expenditures			
Professional development	-	28,507	28,507
Staff salary and benefits	55,000	-	55,000
Substitute teacher wages	-	9,472	9,472
Training	-	16,450	16,450
	55,000	54,429	109,429
Deficit	\$ -	\$ (6,429)	\$ (6,429)

Yellowknife District No.1 Education Authority

(Yellowknife Education District No. 1)

Financial Statements

June 30, 2015





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EDUCATING FOR LIFE.

YELLOWKNIFE EDUCATION DISTRICT NO. 1 OF THE NORTHWEST TERRITORIES

BOX 788
YELLOWKNIFE, NT X1A 2N6
TEL: (867) 766-5050 FAX: (867) 873-5051

Management Discussion and Analysis

Introduction

Yellowknife Education District No. 1 ("YK1") Administration:

Metro Huculak, Superintendent of Education/CEO
Ed Lippert, Assistant Superintendent
Tram Do, Director of Corporate Services

Current Board Members:

John Stephenson, Chairperson
Allan Shortt, Acting Vice- Chairperson

Trustees:

Heather Clarke
Jay Butler
Terry Brookes
Blake Lyons

Active Committees include:

- Healthy Schools Steering Committee
- Policy Committee
- Aboriginal Language and Culture Committee
- Public Relations Committee
- Finance Committee

The YK1 Board of Trustees vision ensures all students:

- Reach their highest level of learning
- Engage in, and value, Aboriginal language and culture-based education
- With special needs flourish within an inclusive school community
- Engage in healthy lifestyles, and respectful and caring relationships.

School	Enrolment K-12		Teachers/ Admin/ PST		Pupil/Teacher ratio	
	Sep-14	Jun-15	Sep-14	Jun-15	Sep-14	Jun-15
Mildred Hall School	214.5	223.0	15.25	15.45	14.07	14.43
JH Sissons	236.0	224.0	15.00	15.00	15.73	14.93
William McDonald School	169.0	172.0	11.75	11.75	14.38	14.64
NJ Macpherson School	256.0	258.0	15.50	15.50	16.52	16.65
Range Lake North School	306.5	297.0	20.50	21.00	14.95	14.14
Sir John Franklin High School	627.0	637.0	31.10	31.10	20.16	20.48
Total District	1,809.0	1,811.0	109.10	109.80	16.58	16.49

Enrolment remained mainly consistent throughout the year.

Summary and Outlook

In 2014-2015, the YK1 faced many challenges including important decisions about the use of our facilities, the potential rollout and preparation of Junior Kindergarten ("JK") and budget restrictions. Despite these challenges, the board looks back proudly at their achievements and successes over the past year:

- The district hosted a widely successful fundraising effort for the family of Malcolm Austin, a student at Range Lake North School who has an inoperable brain tumour. The combined efforts of the fundraiser accumulated over \$26,000 in funds for the family.
- YK1 celebrated its 75th anniversary as well as 35 years of French Immersion programming. Both milestones were celebrated with the community.
- YK1 continued to work with the community to enrich student development by facilitating new learning opportunities including:
 - Elders in school programs
 - Artists and musician visits
 - Workshops and field trips to various Yellowknife establishments
- Outdoor beautification initiatives and gardening at Mildred Hall School and other schools continues to be a priority of the Board. This past spring several garden beds were installed at the front of Mildred Hall School in collaboration with Northern United Place residents and Betty House residents.
- Several parent conversation nights held at every YK1 school encouraged parents to speak about what programming they wanted to see at their schools. Several parent survey and feedback opportunities were available to parents, who then had the opportunity provide input into the 2015-2016 program.
- A clear bullying prevention policy which was drafted and approved by the Policy Committee was distributed to all parents and staff.
- There are two underground fuel tanks at two of our schools. YK1 will be work with the Department of Public Works and the Department of Education, Culture and Employment to conduct an environmental assessment of the area surrounding the two underground fuel tanks and draft plans for their removal and replacement and complete any environmental remediation as necessary.

Foreseeable challenges for 2015 -2016

- While a unanimous decision to retain all YK1 facilities status quo was reached, the board is aware that enrolment and facility decisions will continue to be discussed.
- Repairs needed to YK1 schools will occur throughout the year and will occur outside of school hours when possible.
- The YK1 board is preparing for the potential rollout of the GNWT's JK in YK1 schools with no additional funding for implementation within our schools.



Yellowknife District No. 1 Education Authority

(the Authority)

Management Responsibility for Financial Reporting

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

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

Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that proper records are maintained. Controls further include quality standards regarding the hiring and training of employees, that ensure the adequate maintenance of written policies and procedural manuals and that further provide for appropriate accountability for performance within well-defined areas of responsibility. The operations and administration of Yellowknife District No. 1 Education Authority have been conducted within the statutory powers of the Authority. The operations and administration of the Education Body as well as the supporting internal controls of the entity are regularly monitored to ensure their effectiveness and their continued compliance with all relevant legislation, standards, directives and policies including but not limited to the Education Act, Financial Administration Act, CPSAS FAM, FAMEA, Human Resources Manual, Ministerial Directives and the policies of the Authority's Board. Any non-compliance has been specifically identified and has been previously communicated to the Minister and Deputy Minister.

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

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

Metro Huculak
Superintendent
Yellowknife District No. 1 Education Authority

Tram Do
Director of Corporate Services
Yellowknife District No. 1 Education Authority

Independent Auditors' Report

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

We have audited the accompanying consolidated financial statements of the Yellowknife District No. 1 Education Authority (the Authority), which comprise of the consolidated statement of financial position as at June 30, 2015, consolidated statements of operations, consolidated changes in net assets, and consolidated cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Independent Auditors' Report (continued)*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Yellowknife District No. 1 Education Authority as at June 30, 2015, and its consolidated financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

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

**Chartered Accountants****Yellowknife, Northwest Territories
September 8, 2015**



Yellowknife District No. 1 Education Authority

(the Authority)

Consolidated Statement of Financial Position

Statement 1

As at June 30,	2015 \$	2014 \$
FINANCIAL ASSETS		
Cash (Note 4)	-	1,990,654
Portfolio Investments (Note 7)	6,183,106	6,165,410
Due from Government of Canada (Note 13)	96,833	101,025
Accounts Receivable (Note 8)	1,504,072	751,902
	7,784,011	9,008,991
LIABILITIES		
Bank Indebtedness (Note 4)	45,244	-
Accounts Payable and Accrued Liabilities (Note 10)	432,182	355,430
Payroll Liabilities (Note 35)	3,079,425	3,025,449
Leave and Termination Benefits (Note 17)	1,853,265	1,912,682
Deferred Revenue (Note 11)	72,000	1,433,087
	5,482,116	6,726,648
NET FINANCIAL ASSETS	2,301,895	2,282,343
NON-FINANCIAL ASSETS		
Prepaid Expenses (Note 20)	170,421	167,320
Tangible Capital Assets (Note 19)	15,545,293	16,483,457
Inventories (Note 9)	26,807	-
	15,742,521	16,650,777
ACCUMULATED SURPLUS	18,044,416	18,933,120
Represented by:		
Operating Fund	1,352,510	1,174,553
Investment in Tangible Capital Assets	15,545,293	16,483,457
Decentralized Surplus	242,448	370,945
Capital Fund Reserve	904,165	904,165
	18,044,416	18,933,120

Contractual Obligations (Note 24), Contingencies (Note 25)

Approved on behalf of the board:

Trustee 

Trustee 



Yellowknife District No. 1 Education Authority

(the Authority)

Consolidated Statement of Operations

Statement 2

For the year ended June 30,

	2015 Budget \$	2015 Actual \$	2014 Actual Restated (note 39) \$
REVENUE			
Government of the Northwest Territories			
Regular contributions	23,464,131	24,275,943	24,212,611
Other contributions (Note 33)	123,000	216,750	175,393
Aboriginal languages	60,000	73,900	60,000
French revenue	410,000	466,500	410,000
Total ECE	24,057,131	25,033,093	24,858,004
GNWT other contributions (Note 34)	60,775	46,875	8,000
Property tax requisitioned	5,788,986	5,737,836	5,704,347
Education authority generated funds			
Rental income	360,000	382,722	379,816
Portfolio investment income	100,000	129,279	138,350
Other (Note 37)	627,432	564,869	717,558
	1,087,432	1,076,870	1,235,724
Total revenue	30,994,324	31,894,674	31,806,075
EXPENDITURES			
School programs	20,521,991	20,725,074	20,281,870
Inclusive schooling	5,342,545	5,455,847	5,246,219
Staff accommodations	175,500	177,930	208,180
Operations and maintenance	2,921,068	3,193,088	3,196,175
Administration	1,429,925	1,250,306	1,688,972
Aboriginal language/cultural programs	936,535	939,196	951,765
Amortization	-	1,041,938	1,163,041
Total operating expenditures	31,327,564	32,783,379	32,736,222
Operating deficit before other items	(333,240)	(888,705)	(930,147)
Other items			
Grant in-kind - GNWT Assets provided at no cost (Note 23)	-	1,799,769	1,799,769
Rent expense - GNWT Assets provided at no cost (Note 23)	-	(1,799,769)	(1,799,769)
Operating deficit	(333,240)	(888,705)	(930,147)
Opening accumulated surplus	18,933,121	18,933,121	19,863,268
Closing accumulated surplus	18,599,881	18,044,416	18,933,121

**Yellowknife District No. 1 Education Authority****(the Authority)****Consolidated Statement of Changes in Net Financial Assets****Statement 3**

For the ended June 30,	2015	2014
	\$	\$
Operating deficit	(888,705)	(930,147)
Acquisition of tangible capital assets (2015 budget \$70,000)	(103,774)	-
Amortization of tangible capital assets	1,041,938	1,163,041
	49,459	232,894
Change in inventory	(26,807)	-
Change in prepaid expenses	(3,100)	(63,912)
	(29,907)	(63,912)
Increase (decrease) in net assets	19,552	168,982
Net asset at beginning of year	2,282,343	2,113,361
Net asset at end of year	2,301,895	2,282,343

(the Authority)

Consolidated Statement of Cash Flows
Statement 4

For the year ended June 30,	2015 \$	2014 \$
<i>Cash provided by (used in)</i>		
OPERATING TRANSACTIONS		
Operating deficit	(888,706)	(930,144)
Item not affecting cash:		
Amortization	1,041,938	1,163,040
Changes in non-cash assets and liabilities		
Decrease (increase) Due from (to) Government of Canada	4,192	(2,561)
Decrease (increase) accounts receivable	(752,170)	15,831
Increase (decrease) accounts payable	76,754	(252,842)
Increase (decrease) payroll liabilities	53,976	(708,975)
Increase (decrease) deferred revenue	(1,361,087)	(61,049)
Increase (decrease) post-employment benefits	(59,417)	38,197
Decrease (increase) inventory	(26,807)	-
Decrease (increase) prepaid expenses	(3,101)	(63,911)
CASH USED FOR OPERATING TRANSACTIONS	(1,914,428)	(802,414)
INVESTING TRANSACTIONS		
Disposition of portfolio investments	-	706,564
Acquisition of portfolio investments	(17,696)	-
CASH PROVIDED BY (USED FOR) INVESTING TRANSACTIONS	(17,696)	706,564
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(103,774)	-
Proceeds of disposition of tangible capital assets	-	-
CASH USED FOR CAPITAL TRANSACTIONS	(103,774)	-
FINANCING TRANSACTIONS		
Repayment of capital lease obligation	-	-
Proceeds from capital lease obligation	-	-
CASH PROVIDED BY (USED FOR) FINANCING TRANSACTIONS	-	-
DECREASE IN CASH AND CASH EQUIVALENTS	(2,035,898)	(95,850)
CASH AT BEGINNING OF YEAR	1,990,654	2,086,504
CASH (BANK INDEBTEDNESS) AT END OF YEAR	(45,244)	1,990,654
Total interest paid during the year	-	-

(the Authority)

Consolidated Details of Expenses

Statement 5

For the year ended June 30,	School Programs \$	Inclusive Schooling \$	Student Accommodation \$	Operations and Maintenance \$	Administration \$	Aboriginal Languages \$	Total 2015 \$	Budget 2015 \$	Total 2014 \$
SALARIES									
Honoraria	-	-	-	-	68,115	-	68,115	68,722	109,753
Instructional assistants	797,421	2,161,438	-	-	-	93,831	3,052,690	2,938,374	2,957,904
Non-instructional staff	1,878,079	-	21,825	457,708	934,861	193,077	3,485,550	3,379,232	3,645,378
Teachers	12,596,201	2,231,578	-	-	18,636	286,142	15,132,557	14,190,926	14,366,341
	15,271,701	4,393,016	21,825	457,708	1,021,612	573,050	21,738,912	20,577,254	21,079,376
EMPLOYEE BENEFITS									
Employee benefits/allowances	2,923,658	857,525	1,513	107,635	233,070	91,656	4,215,057	5,489,717	4,823,996
Leave and termination benefits	152,285	-	-	10,472	(222,173)	-	(59,416)	-	-
	3,075,943	857,525	1,513	118,107	10,897	91,656	4,155,641	5,489,717	4,823,996
SERVICES PURCHASED									
Advertising and printing	-	-	-	-	25,321	-	25,321	30,800	27,658
Communication	62,406	-	-	7,514	30,189	-	100,109	84,850	107,511
Contracted services	249,220	77,987	-	333,933	-	141,873	803,013	653,562	764,883
Maintenance and repairs	60,924	29,547	39,606	415,301	85	31,293	576,756	593,984	592,723
Other	137,837	-	-	-	88,176	-	226,013	185,500	267,509
Professional and technical	286,209	48,486	-	-	24,608	51,826	411,129	402,500	323,382
Rentals and leases	150,209	-	-	-	7,435	-	157,644	162,960	136,944
Student transportation	376,457	13,523	-	-	-	3,157	393,137	380,000	375,699
Travel	6,454	-	-	-	-	370	6,824	5,000	20,537
Utilities									
Heating	-	-	45,129	709,188	-	-	754,317	745,000	982,228
Electricity	-	-	47,529	926,864	-	-	974,393	780,000	883,422
Water/Sewage	-	-	21,144	152,693	-	-	173,837	137,002	159,820
	1,329,716	169,543	153,408	2,545,493	175,814	228,519	4,602,493	4,161,158	4,642,316
MATERIALS									
Awards and student events	13,391	-	-	-	11,733	-	25,124	25,632	40,495
Freight	12,828	-	-	395	110	-	13,333	30,500	20,242
Materials and supplies	1,021,495	35,763	1,184	71,385	30,140	45,971	1,205,938	1,043,303	966,756
	1,047,714	35,763	1,184	71,780	41,983	45,971	1,244,395	1,099,435	1,027,493
AMORTIZATION									
	-	-	-	-	1,041,938	-	1,041,938	-	1,163,041
Total operating expenditures	20,725,074	5,455,847	177,930	3,193,088	2,292,244	939,196	32,783,379	31,327,564	32,736,222



Yellowknife District No. 1 Education Authority

(the Authority)

Details of Aboriginal Language and Culture-Based Education Expenditures

Statement 6

For the year ended June 30,	Student Instruction \$	Professional Development \$	School Activities and Integrated Community Programs \$	Total 2015 \$
SALARIES				
ALCBE Teachers	286,142	-	-	286,142
Instructional Assistants	93,831	-	-	93,831
Non Instructional Staff	-	-	193,077	193,077
	379,973	-	193,077	573,050
EMPLOYEE BENEFITS				
	91,656	-	-	91,656
SERVICES PURCHASED				
Professional and technical	-	51,826	-	51,826
Travel	-	370	-	370
Maintenance and repairs	-	-	31,293	31,293
Student travel	-	-	3,157	3,157
Contracted services	-	-	141,873	141,873
	-	52,196	176,323	228,519
MATERIALS				
Materials and supplies	-	-	45,971	45,971
Total operating expenditures	471,629	52,196	415,371	939,196



Yellowknife District No. 1 Education Authority

(the Authority)

Details of Inclusive Schooling Expenditures

Statement 7

For the year ended June 30,	Student Resources \$	General Inclusive Schooling \$	Total 2015 \$
SALARIES			
Program support teachers	-	2,231,578	2,231,578
Support assistants	21,825	2,139,613	2,161,438
	21,825	4,371,191	4,393,016
EMPLOYEE BENEFITS			
	-	857,525	857,525
SERVICES PURCHASED			
Professional and technical	48,486	-	48,486
Student transportation	13,523	-	13,523
Maintenance and repairs	29,547	-	29,547
Contracted services	77,987	-	77,987
	169,543	-	169,543
MATERIALS			
Materials and supplies	35,763	-	35,763
Total operating expenditures	227,131	5,228,716	5,455,847



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, 2015

	Contribution from the Department \$	Commitment from the Authority \$	Expenses \$	Over(under) funding \$
Literacy Coach (Salary)	70,000	50,000	137,495	(17,495)
Teacher Assistants (Salary)	35,000	35,000	84,192	(14,192)
Intensive & Enhance French (Salary)	70,000	230,000	559,153	(259,153)
PIF (Elective courses at SJF)	50,000	10,000	63,691	(3,691)
Special Projects				
French Camps	13,000	2,000	16,029	(1,029)
French Resources	46,000	10,000	50,237	5,763
Assessment, Intensive French	15,000	5,000	32,885	(12,885)
Early Immersion, Lead Class				
Cultural Activities	12,000	3,000	14,283	717
Highschool, Additional Courses				
Professional Development	31,000	9,000	77,472	(37,472)
Consultant	80,000	140,000	228,277	(8,277)
Total	422,000	494,000	1,263,714	(347,714)



Yellowknife District No. 1 Education Authority

(the Authority)

Report on Activities of Specific Programs

Statement 9

Aboriginal Languages

For the periods and year ended June 30,

**2015
\$**

Secretary of State (Heritage Canada)

REVENUE

Contribution from federal government

60,000

EXPENDITURES

Salaries and benefits

114,622

114,622

Surplus (deficit)

(54,622)



Yellowknife District No. 1 Education Authority

(the Authority)

Report on Activities of Specific Programs

Statement 10

Student Success Initiative Projects

For the year ended June 30,

2015
\$

Revenue

Government of the Northwest Territories	123,000
Deficit from Prior Years	(66,799)
Deficit Rollover 2014/15	30,976

Total revenue

87,177

Expenses

Salaries/Wages

Facilitator fees (including per diems)	10,475
Substitute teacher wages	57,464

Travel

Facilitator travel	1,266
Staff Travel	4,401

Workshop expenses

Refreshments	332
Resources	255
Miscellaneous (Stationery)	12,984

Total expenses

87,177

Deficit

-



June 30, 2015

1. Nature of the Organization

The Yellowknife District No. 1 Education Authority (the "Authority"), was established by the *Education Act* of the Government of the Northwest Territories (GNWT). Its purpose is to administer and maintain the standards of education programs defined under the *Education Act* in the City of Yellowknife.

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

Section 81 of the *Education Act* outlines the powers of a Board of Education which for the Authority includes all aspects of operation and management relating to Public Education within the boundaries of the City of Yellowknife. The Board is the lowest (and sole) level of government exercising oversight responsibility. The financial statements of the Authority are not included in the financial statements of the City of Yellowknife as the Authority trustees are a separate governing body that is not under the control of the City of Yellowknife. The City of Yellowknife, however, does collect and remit property taxes requisitioned by the Board.

2. Significant Accounting Policies

a) Basis of Accounting

The consolidated financial statements of the Authority have been prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

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

The Authority uses fund accounting to separate transactions between its Operating fund surplus, Investment in tangible capital assets and decentralized budget accumulated surplus.



June 30, 2015

2. Significant Accounting Policies (Continued)

Operating Fund Surplus

The Operating fund surplus is the general operating fund of the Authority in which all transactions concerned with current operations are recorded. Substantially all territorial, local (primarily property tax), and other operating revenue is accounted for in the Operating fund surplus. In accordance with accounting principles that are considered appropriate for organizations of this type, tangible capital assets acquired and debenture debt repayment that are financed with operating funds are treated as expenditures in the Operating fund surplus and then transferred to the Investment in tangible capital asset fund. The Operating fund also accounts for expenditures and contributions to or from other funds (transfers) which provide for day-to-day operations. In summary, the Operating fund surplus is used to account for all financial activities except those accounted for in the Investment in tangible capital assets fund and decentralized budget accumulated surplus.

Investment in Tangible Capital Assets

Investment in tangible capital assets is used to account for financial transactions related to the acquisition of tangible capital assets in excess of \$50,000.

Properties are carried at cost at the date of acquisition and amortization is recorded in the accounts. The cost of additions and repayment of debentures or other long-term debt is charged to Investment in tangible capital assets. This results in a corresponding increase in the equity in tangible capital assets.

Decentralized Budget Accumulated Surplus

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

b) Cash and Cash Equivalents

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



June 30, 2015

2. Significant Accounting Policies (Continued)

c) Financial Instruments

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

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

Financial liabilities measured at amortized cost include bank indebtedness, accounts payable and accrued liabilities, and payroll liabilities

Financial assets measured at fair value include portfolio investments.

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



June 30, 2015

2. Significant Accounting Policies (Continued)

d) Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

e) Tangible Capital Assets

Tangible capital assets with a cost lower than a threshold value of \$50,000 will be expensed in the year of acquisition or amortized at a rate of 100%. Assets with an acquisition value more than \$50,000 are capitalized and amortized using the straight-line method.

Asset Category Amortization Period:

Land and improvements - Indefinite

Buildings - 40 years

Equipment and furnishings - 4 - 10 years

All capital facilities planning and construction undertaken by the Authority, excluding the Administration Building and Nordic Arms, are funded by the Government of the Northwest Territories and subject to their capital planning and approval process. Capital contributions received but not spent at year end, are recorded as deferred revenue.

The GNWT retains ownership of some tangible capital assets used by the Authority. These assets are used by the Authority and held on behalf of, or in trust for, the GNWT are not recognized by the Authority in the financial statements.

The statement of operations reflects the amount that would otherwise be considered amortization expense for the fiscal year as rent expense with an offsetting corresponding amount as a grant in-kind revenue.



June 30, 2015

2. Significant Accounting Policies (Continued)

f) Revenue Recognition

Government Transfers:

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

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

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

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

GNWT - Regular Contributions:

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



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

2. Significant Accounting Policies (Continued)

Local Tax Revenue:

The *Education Act of the Northwest Territories*, by virtue of Section 136(2), empowers a Board of Education to determine the amount, after taking into consideration territorial grants and other revenue, that is to be requisitioned from the municipality within the territory under the jurisdiction of the Board. This requisitioned amount is one portion of the property tax paid annually by property owners. The City of Yellowknife is advised subsequent to the adoption of the budget of the amount of the requisition of the Authority and is responsible for the collection of taxes.

Other Contributions:

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

Revenue from rentals is earned as the facilities are used. Other revenue is recorded as the service is provided and receipt is reasonably assured.

Deferred Revenue:

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

Investment Income:

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



June 30, 2015

2. Significant Accounting Policies (Continued)

School Funds

Schools in the system administer funds which arise from certain school and student activities. Such funds, although subject to internal review, are not recorded in the accounts or in the financial statements of the Authority as they do not constitute any part of the approved Operating fund surplus (deficit) budget and are available for use at the discretion of each individual school.

g) Infrastructure Funding

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

h) Budget Data

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

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

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

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

This annual budget includes estimates of revenue and expenditures for the Operating fund surplus (deficit) along with estimates of source and application for the Investment in tangible capital assets fund. Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Board.

The budget may be amended within a given fiscal year in accordance with Board policy, regulations and approved budget procedures. The budget data presented in the financial statements reflects the amended budget for the fiscal year, and therefore, includes any amendments that may have been made during the year. Schools carry forward surplus or deficit amounts from their school budgets.



June 30, 2015

2. Significant Accounting Policies (Continued)

i) Measurement Uncertainty

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

j) Inventories Including Materials and Supplies

Supplies inventory held for consumption or use are recorded at the lower of historical cost and replacement cost.

k) Payroll Liabilities

Payroll costs for teachers are accrued for July and August.

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

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

m) Special Purpose Funds

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

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



June 30, 2015

2. Significant Accounting Policies (Continued)

n) Fund Accounting

The Authority uses fund accounting to separate transactions.

The Operating Fund accounts for the Authority's operating and administrative activities.

The Investment in Tangible Capital Assets reports the transactions related to tangible capital assets.

The Decentralized Surplus is the operating surpluses retained by the individual schools.

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

o) Impact of the Change in Accounting Policy

Effective July 1, 2014, the Authority adopted Section PS 3260, *Liability for Contaminated Sites* Issues by the Canadian Public Sector Accounting Standards Board. This section establishes standards for governments and government type organization reporting under Canadian public sector accounting standards about how to account for and report a liability which is association with remediation of a contaminated site. The change in accounting policy has been applied prospectively.

There have not been any adjustments to the financial statements as a result of the adoption of PS3280 but has resulted in additional disclosures.



June 30, 2015

3. Future Accounting Changes

Related Party Transactions: Inter-entity Transfer Valuations (PS3420)

Under section PS 3420, Yellowknife Education District No.1 will be required to report any inter-entity transfer valuations on the financial statements. This new section is not required until April 2017. Management's opinion is that this will have little impact on the presentation of the financial statements.

Student Activity Funds

Under direction from the Government of Northwest Territories - Department of Education, Culture and Employment, student funds may be required to reported on the consolidated financial statements of Yellowknife Education District No. 1 in the future.

4. Cash (Bank Indebtedness)

	2015	2014
	\$	\$
Cash (Bank indebtedness)	(45,244)	1,990,654

The cash is held in a bank account with RBC and is invested with the GNWT's investment pool. Bank indebtedness consists of cheques written in excess of the bank balance.

5. Special Purpose Funds

The Authority does not have special purpose funds.

6. Restricted Assets

The Authority does not have restricted assets.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

7. Portfolio Investments

	2015 \$	2014 \$
GIC Investment with CIBC (interest rate range from 1.7% to 1.77% and maturity range from November 18, 2015 to April 17, 2017)	4,158,886	4,026,123
GIC Investment with RBC Dominion Securities (interest rate range from 1.8% to 2.04% and maturity range from November 4, 2015 to November 17, 2016)	2,024,220	2,139,287
	6,183,106	6,165,410

The investments are recorded at fair market value plus any interest earned to June 30, 2015. The fair market value at June 30, 2015 is equal to the cost.

8. Accounts Receivable

	2015 \$Net	2014 \$Net
South Slave DEC	15,271	-
Yellowknives Dene First Nation (Kalemi Dene School)	807,002	286,305
Dettah District Education Authority (Kaw Tay Whee School)	397,082	167,577
Commission Scolaire Francophone Territories Du Nord Ouest	14,895	14,380
Department of Education, Culture and Employment	92,326	161,405
Department of Health and Social Services	8,741	2,494
Trade Receivables	168,755	119,741
Total	1,504,072	751,902

Allowance for doubtful accounts at year end was \$nil.

9. Inventories

Inventory consists of computer equipment held for use for the 2015/2016 school year.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

10. Accounts Payable and Accrued Liabilities

	2015	2014
	\$	\$
Aurora College	-	1,000
Dettah DEA (Kaw Tay Whee School)	1,000	1,859
Accrued interest	12	12
Damage deposits	28,798	28,001
Trades payable	401,512	314,558
WSCC	860	10,000
	432,182	355,430

11. Deferred Revenue

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

	2015	2014
	\$	\$
City of Yellowknife - tax requisition received in advance	-	1,426,087
GNWT - Active After School Program	-	3,250
GNWT ECE - Preschool	12,000	-
GNWT ECE - TLC	60,000	-
Other	-	3,750
	72,000	1,433,087

12. Contribution Repayable

The Authority does not have any contribution repayable.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

13. Due from (to) the Government of Canada

Receivables	2015	2014
	\$	\$
GST Receivable	96,833	101,025
Projects on behalf of the Gov't of Canada	-	-
Miscellaneous Receivables	-	-
	96,833	101,025
<hr/>		
Payables		
GST Payables	-	-
Advances for Projects on behalf of the Gov't of Canada	-	-
Miscellaneous Payables	-	-
	-	-
<hr/>		

14. Capital Lease Obligations

The Authority does not have any Capital Lease Obligations.



June 30, 2015

15. Pension

During the year the Authority transferred the pensions for the members of the Northwest Territories Teachers' Association based on the negotiated collective agreement to the Northern Employee Benefits Service Pension Plan (NEBS) effective September 2014.

The Authority makes contributions to the Northern Employee Benefits (NEBS) Pension Plan, which is a multi-employer plan, on behalf of some members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to the NEBS pension was \$5,306,506. 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 \$159,705 for January 2015, and \$156,872 for January 2014. The maximum monthly contributions is \$2,129 for January 2015, and \$2092 for January 2014.

NEBS is an employer owned program and as such the Authority will be liable for its portion of any shortfall. The Plan serves 2,354 Employee Members and 85 Employer Members (total active, disabled and on leave 1376).

As of January 1, 2015, the excess (deficiency) of actuarial value of net assets over actuarial present value of defined benefits is estimated to be \$988,700 on a going concern valuation basis. The Plan had a solvency ratio deficiency of \$71,296,000 and a solvency ratio of 67%. Solvency is calculated for the purposes of determining obligations only in the event of a plan wrap up. Any potential deficiency in termination payments is guaranteed to be paid over the next 10 years or less, depending on the position of the fund. For the period ending December 31, 2014, the NEBS Pension plan had an accumulated surplus of \$15,474,029.

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 will be enacted October 1, 2015. NEBS is now operating under Bill 12.

16. Long-Term Debt

The Authority does not have long-term debt.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

17. Leave and Termination Benefits

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

	2015	2014
	\$	\$
Leave and termination benefits - current	537,273	461,397
Leave and termination benefits - non-current	1,315,992	1,451,285
	1,853,265	1,912,682
Comprised of:		
Removal	847,334	663,309
Annual and compensatory sick leave	311,565	639,587
Severance and sick leave (excluded)	472,336	391,417
Severance (USWA)	100,755	88,769
Non-moving accrual (NWTTA)	121,275	129,600
	1,853,265	1,912,682

18. Trust Assets Under Administration

The Authority does not have any trust assets under administration.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

19. Tangible Capital Assets

	Cost \$	Accumulated Amortization \$	2015 Net Book Value \$	2015 Net Book Value \$
Land and improvements	1,299,476	-	1,299,476	1,299,476
School buildings				
Ecole Sir John Franklin	2,253,435	(942,967)	1,310,468	1,270,967
William McDonald	7,078,328	(5,839,621)	1,238,707	1,415,666
Mildred Hall	11,009,651	(5,476,191)	5,533,460	5,808,701
Range Lake North	8,215,859	(4,518,722)	3,697,137	3,902,533
N. J. Macpherson	5,329,162	(3,679,916)	1,649,246	1,785,704
Ecole J. H. Sissons	2,436,769	(2,436,769)	-	-
	36,323,204	(22,894,186)	13,429,018	14,183,571
Other buildings				
Administration office	1,070,827	(588,955)	481,872	508,643
Nordic Arms residence	595,205	(595,205)	-	-
Total land and buildings	39,288,712	(24,078,346)	15,210,366	15,991,690
Equipment and furnishings				
Schools	4,427,048	(4,133,290)	293,758	445,452
Playgrounds	149,972	(149,972)	-	-
Residences	64,045	(64,045)	-	-
Administration office	322,132	(322,132)	-	-
Vehicles	246,532	(205,363)	41,169	46,315
	5,209,729	(4,874,802)	334,927	491,767
	44,498,441	(28,953,148)	15,545,293	16,483,457

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

20. Prepaid Expenses

	2015	2014
	\$	\$
Insurance	32,450	12,301
Professional Development	9,250	7,175
Materials and Supplies	108,783	116,110
Licenses	19,938	31,734
	170,421	167,320



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

21. Accumulated Surplus/ Deficit

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

Details of Funds

For the year ended June 30,	2015	2014
	\$	\$
OPERATING FUND		
Balance, beginning of year	1,174,553	1,004,429
Operating deficit (Statement 2)	(888,705)	(930,147)
Transfer (to) from Capital Fund (budget \$70,000)	(103,774)	-
Transfer (to) from Investment in Tangible Capital Assets	1,041,938	1,163,040
Transfer (to) from Playground/Recreational Equipment Fund Reserve	-	10,060
Transfer (to) from Decentralized Surplus	128,498	(72,829)
Balance, end of year	1,352,510	1,174,553
INVESTMENT IN TANGIBLE CAPITAL ASSETS		
Balance, beginning of year	16,483,457	17,646,497
Acquisition of tangible capital assets	103,774	-
Amortization	(1,041,938)	(1,163,040)
Balance, end of year	15,545,293	16,483,457



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

21. Accumulated Surplus/ Deficit (Continued)

Details of Surplus and Reserves

For the year ended July 1 through June 30,	2015 \$	2014 \$
DECENTRALIZED SURPLUS		
Balance, beginning of year	370,945	298,116
Transfer (to) from Operating Fund	(128,497)	72,829
Balance, end of year	242,448	370,945
CAPITAL FUND RESERVE		
Balance, beginning of year	904,165	904,165
Balance, end of year	904,165	904,165
PLAYGROUND/RECREATIONAL EQUIPMENT FUND RESERVE		
Balance, beginning of year	-	(10,060)
Transfer (to) from schools	-	10,060
Balance, end of year	-	-

22. Capital Advances

The Authority does not have any Capital Advances.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

23. GNWT Assets Provided at no cost

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

	Cost	Accumulated Amortization	2015 Net Book Value	2014 Net Book Value
	\$	\$	\$	\$
Ecole Sir John Franklin	25,965,232	22,664,462	3,300,770	5,186,925
Ecole Sir John Franklin portable classrooms	419,724	285,977	133,747	144,237
N.J. Macpherson	1,413,831	273,698	1,140,133	1,175,486
	<u>27,798,787</u>	<u>23,224,137</u>	<u>4,574,650</u>	<u>6,506,648</u>
Deferred capital contributions				
Ecole Sir John Franklin	(1,442,500)	(1,211,098)	(231,402)	(363,631)
	<u>26,356,287</u>	<u>22,013,039</u>	<u>4,343,248</u>	<u>6,143,017</u>

Rent expense of \$1,799,769 (2014 - \$1,799,769) was offset by a grant in-kind.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

24. Contractual Obligations (Commitments)

The Authority has a contract with Cardinal Coach Lines Limited for student transportation. The Authority is invoiced monthly and the amounts vary depending on a number of factors. The contract expires in June 2018.

The Authority leases space from Route 51. The contract expires in June 2017

The Authority has a collective bargaining agreement with the NWT Teachers Association for teachers, specialists and education assistance which expires August 31, 2016.

The Authority has a collective bargaining agreement with the United Steelworkers for support staff which expires on June 30, 2016.

The Authority has a Xerox equipment lease with annual payments of \$40,946.09 plus maintenance expiring in September 24, 2016. The Authority also leases from Lenovo computers with annual lease payments of \$64,232.01 expires December 2018.

	Expires in Fiscal Year	2016 \$	2017- 2019 \$	Total \$
Commitments:				
Commercial and Residential Leases	2017	37,800	37,800	75,600
Equipment Leases	2019	116,135	135,430	251,565
Operational Leases (Bussing)	2018	350,000	700,000	1,050,000
Total		503,935	873,230	1,377,165

25. Contingencies

The Authority does not have contingencies.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

26. Related Parties

Transactions with Related Parties and balances at year-end not disclosed elsewhere in the financial statements are disclosed in this note.

	2015	2014
	\$Net	\$Net
Accounts Payable:		
Dettah District Education Authority	1,000	1,859
Aurora College	-	1,000
Accounts Receivable:		
South Slave DEC	15,271	-
Yellowknives Dene First Nation (Kalemi Dene School)	807,002	286,305
Dettah District Education Authority	396,182	167,577
Commission Scolaire Francophone Territoires Du Nord Quest	14,895	14,380
Department of Education, Culture and Employment	92,326	161,405
Department of Health and Social Services	8,741	2,494

27. Budget Data

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

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

The budget figures presented are those approved by the Trustees of the Authority on June 10, 2014 and have not been audited.

28. Economic Dependence

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



June 30, 2015

29. Financial Instruments

Financial instruments consist of recorded amounts of cash, portfolio investments, due from GNWT, due from Government of Canada and other accounts receivable which will result in future cash receipts, as well as accounts payable and accrued liabilities, and wages and employee deductions payable which will result in future cash outlays.

The Authority is exposed to the following risks in respect of certain of the financial instruments held:

a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Authority is exposed to credit risk from funding agencies, recipients of services and preschool clients. The Authority has a concentrated risk of credit from two other school districts whose funding also comes from the Department of Education, Culture, and Employment. At June 30, 2015, receivables from two organizations comprised approximately 90% of the total outstanding receivables. Furthermore there is a concentration risk in cash and portfolio investments the full balance in these accounts is held at two financial institutions. The Authority is funded by Government of Northwest Territories - Department of Education, Culture, and Employment and other stable organizations, which reduces its exposure to credit risk. Most of the credit risk exposure is with trade receivables, Dettah District Education Authority, and Yellowknives Dene First Nation who administer the N'Dilo District Education Authority. The authority reduces its risk exposure by following up on old account receivables for collection and entering into service agreement with well-established organizations. As at June 30, 2015, 22% of other account receivable was non-current which represents \$300,215 of the total balance. All of these were deemed collectable, and as a result, none are impaired.

b) Interest rate risk

Interest rate risk is the risk that the fair value of financial instruments will fluctuate because of changes in market interest rate. The Authority is exposed to interest rate risk on its fixed and floating interest rate on cash and portfolio investments. Fixed interest instruments subject the Authority to a fair value risk while the floating rate instruments subject it to cash flow risk (see note 7). The Authority complies with the GNWT financial administration policies and guidelines which reduces its exposure to interest rate risk. Because portfolio investments can be converted into cash on a short notice, the Authority's exposure to market risk is reduced.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

29. Financial Instruments (Continued)

c) Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet all cash outflow obligations as they come due. The Authority mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise. Some of the Authority's financial assets and most of the financial liabilities at March 31, 2015 mature within the next six months. Total financial assets \$7,784,011 (2014 - \$9,008,991) of which \$4,145,862 (2014 - \$2,929,498) are not expected to mature within one year. Total financial liabilities are \$5,410,116 (2014 - \$5,293,561). The authority has disclosed future financial liabilities and commitments in Note 13.

30. Expenditures By Object

	2015 Budget \$	2015 Actual \$	2014 Actual \$
Amortization	-	1,041,943	1,163,041
Compensation	26,046,973	25,894,553	25,913,905
Other	5,280,591	3,766,173	5,659,276
	31,327,564	30,702,669	32,736,222

31. Subsequent Events

There were no material subsequent events that have taken place between June 30, 2015 and the date the audit report was signed.

32. Comparative Figures

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



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

33. ECE Other Contributions

	2015	2014
	\$	\$
Student Success Initiatives	123,000	123,000
TLC Vote 4	60,000	-
Self Regulation Project	20,000	-
Resource Travel and PD	13,750	-
Environmental Remediation	-	52,393
	216,750	175,393

34. GNWT Other Contributions

	2015	2014
	\$	\$
Government of the Northwest Territories:		
Department of Human Resources	46,875	-
Department of Municipal and Community Affairs	-	8,000
	46,875	8,000



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Consolidated Financial Statements

June 30, 2015

35. Payroll Liabilities

Teachers' salaries and benefits (NWTTA) earned prior to the end of the fiscal year that are payable during the months of July and August, following the school term, are accrued as follows:

	2015	2014
	\$	\$
NWTTA Payable at end of July	1,535,964	1,509,910
NWTTA Payable at end of August	1,543,461	1,515,539
	3,079,425	3,025,449

36. Statement of Remeasurement Gains and Losses

The Authority does not have remeasurement gains or losses.

37. Other Revenue

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

	2015	2014
	\$	\$
Pancake Donation	-	427
Superintendent Services	133,593	65,729
Range Lake North preschool	113,483	235,011
Mildred Hall preschool	78,368	84,371
J.H.Sissons preschool	188,223	272,888
Other funding and donations	51,202	59,132
	564,869	717,558



June 30, 2015

38. Liability for Contaminated Sites

The Authority has adopted PSAS Section PS 3260 - Liability for contaminated sites.

An obligation for remediation is recognized as a liability when all criteria below are satisfied:

- a) and environment standard exists;
- b) contamination exceeds the environment standard
- c) the Authority:
 - i) is directly responsible; or
 - ii) accepts responsibility;
- d) it is expected that the future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

The Authority has identified possible environmental liabilities at William MacDonald School and Range Lake North School that have underground fuel tanks. The Authority will undertake an environmental assessment to determine if an environmental liability exists during the 2015/2016 school year.

39. Correction of accounting error

The consolidated statement of operations of the Authority has been restated to include the in-kind grant received from the Government of the Northwest Territories. During the 2014 fiscal year, ECE allowed the Authority to use schools owned by the GNWT for no consideration. The effect of the change is to increase grant in-kind and increase rent expense. There is no net impact to the consolidated statement of operations as a result of this restatement

Consolidated Statement of Operations for the year ended June 30, 2014:

	Previously Reported	As Restated	Change
	\$	\$	\$
Increase grand in-kind	-	1,799,769	1,799,769
Increase rent expense	-	1,799,769	1,799,769
Increase in operating deficit	-	-	-

Financial Statements of
Tlicho Community Services Agency
Behchoko, NT
For the year ended March 31, 2016

Tlicho Community Services Agency

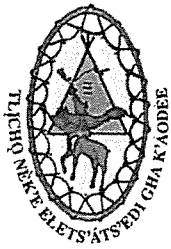
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Tlicho Community Services Agency

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Tlicho Community Services Agency

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Management Discussion Analysis March 31, 2016

Child and Family Services

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Education Programs

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Fax: 867-392-3001

Health Programs

Phone: 867-392-3017
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Financial and Administrative Services

Phone: 867-392-3011
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The Tlicho Community Services Agency (TCSA) is a unique organization in the Northwest Territories. It is a Government of the Northwest Territories Agency, while incorporating the values and principles of the Tlicho people.

Our mission statement “Strong Like Two People” was developed to ensure that the TCSA is committed to the development of a continuum of care that will return control of education, health and social programs and services to the people of our communities, support them in the task of strengthening their families, promote the knowledge and skills they need to survive today and model the values they need to live in harmony with their families, our communities and our land.

The Agency is also unique in that it is the only agency in the Northwest Territories to deliver both the health and social services programs along in conjunction with the education programs. All the other regions have separate Agencies for the delivery of health and education programs. The advantage of the TCSA model is that we are able to more effectively link the delivery of the programs.

The TCSA serves a population of approximately three thousand people (3,000) in the communities of Behchoko, Whati, Gameti and Wekweeti. The TCSA delivers its programs through five schools, 4 health centres in the region and Long Term Care Facility located in Behchoko.

The Agency is had an annual budget in fiscal 2015-2016 of just over \$31 million, a dedicated workforce of approximately 220 employees with a total payroll budget of \$ 25 million.

For the year, the TCSA had an operating deficit in health of \$ 515,000, thereby increasing the accumulated operating deficit to \$1.44 million. This represents approximately 3.3 % of the total health budget.

The operating deficit in health for 2015-2016 can be attributed to a number of factors:



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Health and Social Services

Program Delivery Costs

- (1) The Agency is underfunded for the delivery of Child and Family Services. Spending on social programs and foster care increased in 2015 – 2016 and was over budget by almost \$ 450,000. This spending was required due to an increase in the number of Children in Care.
- (2) The costs to operate the health centres in our three main communities continue to increase. Overtime / standby costs continue to run over budgeted amounts by \$440,000. The Agency is taking steps to reduce costs.
- (3) The ongoing costs to operate our Ambulance Services continue to run over budget. In 2015-2016 total expenses for the category was \$ 1,027,429, or \$ 242,000 over budget. These costs were partially offset by some recoveries from NIHB.

Administrative Costs

- (1) The cost of recruitment and relocation of TCSA staff continues to exceed budget, for 2015-2016 these costs were \$ 279,000 against a budget of only \$ 185,000, so we are \$ 94,000 overspent. These costs are invoiced to us each quarter by the Human Resource department in Yellowknife.
- (2) Cost for Information Systems in 2015-2016 was over budget by \$ 72,000, due mainly to some one-time costs to implement Electronic Medical Records in Behchoko, which required some investment in information technology infrastructure. In future, with the transfer of these responsibilities to the Technology Service Centre in Yellowknife, we expect revenue to more closely match expenditures.

Education

We have an operating deficit at March 31, 2016 of \$ 1,179,576. The TCSA had an accumulated surplus of \$2,528,315 at June 30, 2015, and the operating deficit has been



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While this audit includes expenses for education from April to March, we perform an additional audit for education which runs for the school year of July 1 to June 30, and we will report to the Board of Directors and the department of education our complete school year results at that time.

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Kevin Armstrong
Chief Executive Officer
Tłichò Community Services Agency



Tłıchǫ Community Services Agency

Management Responsibility Letter

To the Ministers' of Health and Social Services and Education, Culture and Employment

**Management Responsibility for Financial Reporting for the year ended
March 31, 2016**

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

Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that proper records are maintained. Controls further include quality standards regarding 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 Tłıchǫ Community Services Agency have been conducted with the statutory powers of the Health Authority and Divisional Education Council. The operations and administration of the Health and Education as well as the supporting internal controls of the entity are regularly monitored to ensure their effectiveness and their continued compliance with all relevant legislation, standards, directives and policies including but not limited to the Financial Administration Act, CPSAS, FAM, Human Resources Manual, Ministerial Directives and the policies of the Health Authority Board and Divisional Education Council. Any non-compliance has been specifically identified and has been previously communicated to the Minister and Deputy Minister.

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

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

Approved and confirmed on behalf of the Tłıchǫ Community Services Agency

Kevin Armstrong, CEO
Tłıchǫ Community Services Agency
June 29, 2016

Dǫ Nàke Lanì Nàts'etso · Strong Like Two People



VERY COOPER & CO. LTD.

Certified General Accountants

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INDEPENDENT AUDITORS' REPORT

To the Ministers of Health and Social Services and Education, Culture and Employment Government of the Northwest Territories

Report on the Financial Statements

We have audited the accompanying financial statements of the Tlicho Community Services Agency, which comprise the Statement of Financial Position as at March 31, 2016, and the Statements of Operations, Changes in Net Financial Resources and Cash Flow for the year then ended. We have also audited the revenue and expenditures of programs funded through contribution agreements by the Departments of Health and Social Services which total \$250,000 or more as listed in Schedule A.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Basis for Qualified Opinion

The GNWT is responsible for the calculation and distribution of the salaries and wages that appear on the statement of operations, the accuracy of which is not susceptible to complete audit verification. We have satisfied ourselves that the payroll information provided by the GNWT was accurately reflected in the Agency's records.

Qualified Opinion

In our opinion, except for the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2016 and the results of operations, net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards. Furthermore, these statements present fairly in all material respects, the funding and expenditures of all Health and Social Services funded programs in \$250,000 or more in Schedule A for the year ended March 31, 2016 in accordance with the provisions established by the individual contribution agreements.

Auditors' Report Cont'd

Report on Other Legal and Regulatory Requirements

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

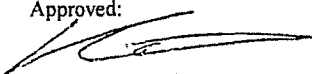
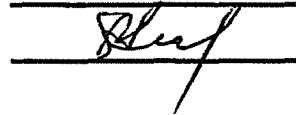
Avery Cooper & Co. Ltd.

Avery Cooper & Co. Ltd.
Certified General Accountants
Yellowknife, NT

June 29, 2016

**Tlicho Community Services Agency
Statement of Financial Position**

As at March 31, 2016

	<u>March 31, 2016</u>	<u>March 31, 2015</u>
Financial Assets		
Cash and Cash Equivalents (Note 4)	\$ 2,467,472	\$ 3,557,640
Accounts Receivable (Note 8)	349,987	593,987
	<u>2,817,459</u>	<u>4,151,627</u>
Liabilities		
Accounts Payable (Note 10)	659,943	828,148
Wages and Benefits Payable - GNWT (Note 10)	1,006,949	715,464
Employee Future Benefits (Note 16)	1,836,444	1,647,145
Deferred Revenue (Note 11)	219,823	266,195
	<u>3,723,159</u>	<u>3,456,953</u>
 Net Financial Assets (Debt)	 <u>(905,700)</u>	 <u>694,674</u>
Non Financial Assets		
Inventory held for use (Note 9)	61,000	61,000
Prepaid Expenses (Note 19)	3,373	-
Tangible Capital Assets (Note 18)	169,389	217,926
	<u>233,762</u>	<u>278,926</u>
 Accumulated Surplus (Deficit)- per page 8	 <u>\$ (671,938)</u>	 <u>\$ 973,601</u>
 Contractual Obligations (Note 23)		
Contingent Liabilities (Note 24)		
Approved:		
	_____ Chief Executive Officer	
	_____ Director of Finance	

Tlicho Community Services Agency
Statement of Operations
For the year ended March 31, 2016

	Budget (Unaudited)	Actual 2016	Actual 2015
Revenue			
Health & Social Services - per page 5	\$ 15,399,000	\$ 15,776,050	\$ 14,619,184
Education - per page 6	16,744,544	17,440,156	17,289,164
Other Operations - per page 7	300,000	322,008	273,399
	32,443,544	33,538,214	32,181,747
Expenditure			
Health & Social Services - Compensation	11,297,974	12,457,450	11,326,449
Health & Social Services - Other	3,976,027	3,833,299	3,670,054
Total Health and Social Services - per page 5	15,274,001	16,290,749	14,996,503
Education - Compensation	15,563,472	15,414,741	14,372,992
Education - Other	2,788,004	3,204,991	3,186,175
Total Education - per page 6	18,351,476	18,619,732	17,559,167
Other Operations - Compensation	-	-	-
Other Operations - Other	300,000	273,272	254,772
Total Other Operations - per page 7	300,000	273,272	254,772
	33,925,477	35,183,753	32,810,442
Operating Surplus / (Deficit)	\$ (1,481,933)	\$ (1,645,539)	\$ (628,695)
Unfunded Items			
Change in employee leave and termination benefits	-	189,299	64,036
Surplus / (Deficit) Before the Following		(1,456,240)	(564,659)
Rent Expense - GNWT Assets provided at no cost (note 22)		155,177	144,188
Grant-In-Kind - GNWT Assets Provided at no cost (note 22)		(155,177)	(144,188)
Surplus / (Deficit) After Unfunded Items		\$ (1,456,240)	\$ (564,659)

**Tlicho Community Services Agency
Health and Social Services
Statement of Operations
For the year ended March 31, 2016**

	Budget (Unaudited)	Actual 2016	Actual 2015
Revenue			
Contributions from GNWT (Schedule A)	\$ 15,013,000	\$ 15,125,077	\$ 13,967,456
Contributions from other sources (Schedule C)	-	-	-
Interest Income	30,000	33,970	42,206
Other Income (Schedule D)	70,000	116,464	102,040
Recoveries (Schedule B)	286,000	482,123	507,482
Recoveries of prior years' expenses		18,416	-
	15,399,000	15,776,050	14,619,184
Expenses			
Administrative and Support Services	1,143,670	1,328,922	1,256,986
Ambulatory Care Services	792,586	1,027,429	905,709
Physician Services	785,000	785,783	766,416
Community Health Programs	6,249,176	6,641,444	6,119,173
Community Social Programs	6,303,568	6,507,169	5,948,220
	15,274,000	16,290,748	14,996,503
Operating Surplus / (Deficit)	125,000	(514,697)	(377,319)
Unfunded Items			
Change in employee leave and termination benefits		189,299	64,036
Surplus / (Deficit) Before the Following		(325,399)	(313,283)
Rent Expense - GNWT Assets provided at no cost (note 22)		155,117	144,188
Grant-In-Kind - GNWT Assets Provided at no cost (note 22)		(155,117)	(144,188)
Annual Surplus / (Deficit)	\$	(325,399)	\$ (313,283)
Opening accumulated (deficit)	\$	(922,452)	\$ (545,133)
Closing accumulated (deficit)	\$	(1,437,149)	\$ (922,452)

**Tlicho Community Services Agency
Education
Statement of Operations
For the year ended March 31, 2016**

	Budget (Unaudited)	Actual 2016	Actual 2015
OPERATING FUND - REVENUE			
Government of the Northwest Territories			
Regular Contribution	\$ 16,744,544	\$ 16,623,289	\$ 16,196,150
Other ECE	-	-	215,435
	<u>16,744,544</u>	<u>16,623,289</u>	<u>16,411,585</u>
BOARD GENERATED FUNDS			
Other contributions and miscellaneous		52,154	195,996
Investment income		33,970	42,206
Projects Revenue (Schedule L.1)		730,742	639,377
	<u>-</u>	<u>816,867</u>	<u>877,579</u>
TOTAL OPERATING REVENUE	<u>16,744,544</u>	<u>17,440,156</u>	<u>17,289,164</u>
OPERATING FUND EXPENSES - per schedule L			
School Programs	11,473,971	11,649,147	10,833,763
Inclusive Schooling	3,403,608	3,158,777	2,985,898
Operations and Maintenance	200,000	151,360	164,641
Administration	1,333,799	1,255,049	1,271,010
Aboriginal Language/Cultural Programs	1,940,099	1,659,132	1,659,311
Projects Expenditures (Schedule L.1)	-	746,267	644,544
TOTAL EXPENSE	<u>18,351,477</u>	<u>18,619,732</u>	<u>17,559,167</u>
EXCESS REVENUE	<u><u>\$ (1,606,933)</u></u>	<u><u>\$ (1,179,576)</u></u>	<u><u>\$ (270,003)</u></u>

Tlcho Community Services Agency
Other Operations
Statement of Operations
For the year ended March 31, 2016

Revenue	Budget (Unaudited)	Actual 2016	Actual 2015
Other Revenue	\$ -	\$ -	\$ 767
Recoveries Housing	300,000	322,008	272,632
	<u>300,000</u>	<u>322,008</u>	<u>273,399</u>
Expenses			
General Administrative Expenditures			
Leased Property - Housing	300,000	273,272	254,772
	<u>300,000</u>	<u>273,272</u>	<u>254,772</u>
Operating Surplus / (Deficit)	<u>\$ -</u>	<u>\$ 48,735</u>	<u>\$ 18,627</u>

**Tlcho Community Services Agency
Statement of Changes in Net Debt
For the year ended March 31, 2016**

	2016	2015
Annual Surplus (Deficit)	\$ (1,645,539)	\$ (628,695)
Decrease/(Increase) in Inventories held for use	-	-
Decrease (Increase) in Prepaid Expenses	(3,373)	
Amortization of tangible capital assets	48,537	48,536
Increase (Decrease) in Net Financial Resources	<u>(1,600,375)</u>	<u>(580,159)</u>
Opening Net Financial Resources	<u>755,674</u>	<u>1,335,832</u>
Closing Net Debt	<u>(844,701)</u>	<u>755,674</u>
 Accumulated Surplus (Deficit)		
<u>Health and Social Services</u>		
Opening Surplus - Health and Social Services	(922,452)	(545,133)
Current years' surplus (deficit) per page 5	<u>(514,697)</u>	<u>(377,319)</u>
Closing Surplus (Deficit)	<u>(1,437,149)</u>	<u>(922,452)</u>
 <u>Education</u>		
Opening Surplus - Education	1,892,484	2,162,487
Current years' surplus per page 6	<u>(1,179,576)</u>	<u>(270,003)</u>
Closing Surplus	<u>712,908</u>	<u>1,892,484</u>
 <u>General</u>		
Opening Surplus - Other	3,564	(15,062)
Current years' surplus (deficit) per page 7	<u>48,735</u>	<u>18,627</u>
Closing surplus	<u>52,298</u>	<u>3,564</u>
Total Closing Accumulated Surplus (Deficit)	<u>\$ (671,938)</u>	<u>\$ 973,601</u>

**Tlicho Community Services Agency
Statement of Cash Flow
For the year ended March 31, 2016**

	<u>2016</u>	<u>2015</u>
Cash Provided by (used in) Operating Transactions		
Annual Surplus /(Deficit)	\$ (1,645,539)	\$ (628,695)
Items not affecting cash:		
Change in valuation allowances	\$ -	\$ -
Amortization	48,537	48,537
(Increase) Decrease in due to (from) the Government of Canada		
(Increase) Decrease in Accounts Receivable	244,000	423,535
Increase (Decrease) in Accounts Payable	(168,205)	\$ (275,796)
Increase (Decrease) in Wages and Benefits Payable	291,485	137,697
Increase (Decrease) in Inventory held for use	-	(61,000)
Increase in Employee Future benefits	189,299	\$ 145,434
Increase (Decrease) in Deferred Revenue	(46,372)	(12,397)
Decrease (Increase) Prepaid Expenses	(3,373)	-
Net Cash Provided from Operating Transactions	<u>(1,090,168)</u>	<u>(222,683)</u>
Cash Provided by (used in) Investing Transactions		
Disposition (Acquisition) of Portfolio Investments	-	-
Net Cash Provided by Investing Transactions	<u>-</u>	<u>-</u>
Cash Provided by (used in) Capital Transactions		
Acquisition of Capital Assets	-	-
Net Cash Provided by Capital Transactions	<u>-</u>	<u>-</u>
Cash Provided by (used in) Financing Transactions		
Net Proceeds from (Repayment) of Capital Lease Obligations	-	-
Net Cash Provided by Financing Transactions	<u>-</u>	<u>-</u>
Increase (Decrease) in Cash and Cash Equivalents	(1,090,168)	(222,683)
Cash and Cash Equivalents at Beginning of Year	<u>3,557,640</u>	<u>3,780,324</u>
Cash and Cash Equivalents at End of Year (Note 4)	<u><u>\$ 2,467,472</u></u>	<u><u>\$ 3,557,640</u></u>

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2016

1. NATURE OF ORGANIZATION

The Agency was established under the Tlicho Government Act by order of the Minister dated August 4, 2005. Its purpose is to administer and maintain the standards of Health and Educational programs defined under the respective Acts in the Member communities of the Tlicho Region.

The Agency was formerly known as the Dogrib Community Services Board and the Dogrib Divisional Board of Education. On May 22, 1997, an agreement was signed between the Dogrib Community Services Board and the Government of the Northwest Territories, Department of Health and Social Services, with the support of the Treaty 11 Council, to deliver Health and Social Service programs in the Dogrib region. The Tlicho Community Services Agency (TCSA) is an integrated Education and Health & Social Services Agency.

The Agency is dependent upon funding from the Government of the Northwest Territories.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board and by the directives of the Government of the Northwest Territories - Department of Health and Social Services ("DHSS") and Department of Education, Culture and Employment ("ECE"). Significant accounting policies are as follows.

a) Cash and cash equivalents

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

b) Funds

The Agency records financial information in individual funds that are segregated for the purpose of carrying on specific activities or attaining certain objectives. Funds established by the Agency are:

Operating Fund- reflecting activities associated with the Agency's day-to-day operations.

Leave and Termination Liability Fund - reflecting activities in employee leave and termination benefits combined with any amounts transferred from operations to fund these liabilities. This fund represents liabilities which will be funded in the year they become due through the regular annual allocations from the Government of the Northwest Territories ("GNWT").

Endowment and Special Purpose Fund - reflecting activities relating to endowments and other special purpose funds made available to the Agency under conditions specified by donors and other providers.

c) Surplus Reserves

The DHSS policy requires the Agency to establish the following reserves:

Surplus Reserve- reflects funds maintained in a reserve according to the DHSS Operations and Maintenance Surplus Retention Policy. Employee

Future Benefit Reserve- the funds received in advance for the severance liability of employees who were transferred to the Agency from the GNWT. These liabilities are reduced as employees are paid out upon termination of employment with the agency.

Tlcho Community Services Agency
Notes to the Financial Statements
March 31, 2016

d) Tangible Capital Assets

The GNWT retains ownership of all tangible assets (TCA) used by the Agency or purchased by the Agency (regardless of source of funding for the purchase). The GNWT amortizes TCAs over the estimated useful lives of the assets at the rates established in the Financial Administration Manual over the following terms:

Buildings	40 years
Mainframe and software systems	5-10 years
Leasehold Improvements	Lesser of useful life or lease term plus renewal option

The TCAs used by the Agency and held on behalf of, or in trust for, the GNWT are not recognized by the Agency in the financial statements.

The statement of operations reflects the Rent Expense amount that would otherwise be considered amortization expense for the fiscal year with an offsetting corresponding amount as a Grant-In-Kind revenue.

e) Inventory of Supplies

Inventories of supplies include inventories held for use in the process of providing services and are distributed to clients at no charge or for a nominal charge. Inventories consist of pharmacy items, parts for various equipment, and office supplies. Inventories of supplies are valued at the lower of cost and replacement value.

f) Accrued Employee Leave and Termination Benefits

In accordance with GNWT accounting policies specified for public agencies, the Agency annually accrues estimated employee leave and termination benefits payable

g) Pension Contributions

The Agency and its employees make contributions to the Public Service Superannuation Plan administered by the Government of Canada. These contributions represent the total liability to the Agency and are recognized in the accounts on a current basis.

Tlcho Community Services Agency
Notes to the Financial Statements
March 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

h) Revenue Recognition

The Agency is primarily funded by the GNWT in accordance with budget arrangements established by the DHSS and ECE. Under the arrangements, the Agency is responsible for the net deficit from operations and is allowed to retain surpluses from core programs. Any capital funding not spent may be retained for future capital purchases. These policies do not apply to contribution agreements, where an accounting of and return of surpluses may be required.

Other revenue is recognized when the service is performed or the goods are provided.

Government transfers

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

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

Tlcho Community Services Agency
Notes to the Financial Statements
March 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

i) Financial Instruments

The Agency classifies its financial instruments at cost or amortized cost.

The Agency's accounting policy for this financial instrument category is as follows:

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

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

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

j) Non-financial assets

Non-financial assets are accounted for as assets by the Agency because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the Agency unless they are sold.

k) Measurement uncertainty

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

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2016

3. FUTURE ACCOUNTING CHANGES

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

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

Assets

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

4. CASH AND CASH EQUIVALENTS

	<u>2016</u>	<u>2015</u>
Cash	\$2,467,472	\$3,557,640

5. SPECICAL PURPOSE FUNDS

Nil Report

6. RESTRICTED ASSETS

Nil Report

7. PORTFOLIO INVESTMENTS

Nil Report

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2016

8. ACCOUNTS RECEIVABLE

	Accounts Receivable <u>2016</u>	Allow. For Doubtful Accounts <u>2016</u>	Net <u>2016</u>	Net <u>2015</u>
General	\$ 149,298	\$ 805	\$ 148,493	\$ 182,835
Due from GNWT	167,708	-	167,708	380,874
Hospital related costs due from third parties	-	-	-	-
Workers' Safety and Compensation Commission	1,545	-	1,545	-
Yellowknife Health and Social Services Authority	6,961	-	6,961	-
Stanton Territorial Health Authority	25,280	-	25,280	30,278
	<u>\$ 350,792</u>	<u>\$ 805</u>	<u>\$ 349,987</u>	<u>\$ 593,987</u>

9. INVENTORIES

	<u>2016</u>	<u>2015</u>
Inventory held for use		
Health Centre Supplies	\$ 61,000	\$ 61,000

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2016</u>	<u>2015</u>
Due to GNWT	\$ 134,812	\$ 164,387
Due to Workers Safety and Compensation Commission	-	-
Due to Stanton Territorial Health Authority	23,308	21,987
Due to Yellowknife Health and Social Services Authority	-	21,309
Due to Hay River Health and Social Services Authority	-	11,650
Trade	410,289	524,931
Payable to Gameti School	72,551	83,884
Payable to Wekweeti School	18,983	-
	<u>\$ 659,943</u>	<u>\$ 828,148</u>
Payroll Liabilities		
	<u>2016</u>	<u>2015</u>
Government of the Northwest Territories	<u>\$ 1,006,949</u>	<u>\$ 715,464</u>

11. DEFERRED REVENUE

Deferred revenue consists of contributions received in advance for activities with dates beyond the fiscal year end. These amounts will be recognized in revenue as expenditures are incurred.

Tlcho Community Services Agency
Notes to the Financial Statements
March 31, 2016

11. DEFERRED REVENUE (con't)

	<u>2016</u>	<u>2015</u>
Government of the Northwest Territories		
Department of Education, Culture and		
CJBS Breakfast for Learning	\$ 1,700	\$ -
CJBS Breakfast for Learning- High School	8,100	-
CJBS Miscellaneous	37,993	3,807
CJBS Literacy	-	17,541
CJBS - BHP Culture	-	17,435
MEZI Mentorship	-	8,562
MEZI Breakfast for Learning	-	6,341
MEZI BHP Culture	10,277	51,232
MEZI Miscellaneous	10,500	-
MEZI Fundraising	13,295	-
MEZI E Learning	0	44,408
EMES BHP Culture	18,121	19,184
EMES Health Food First	219	-
EMES Breakfast for Learning	-	522
EMES Miscellaneous	17,687	5,181
AAS Miscellaneous	7,525	1,192
AAS Healthy Snack	-	-
AAS Food First	1,196	1,204
AAS BHP Culture	70,288	68,437
AAS Breakfast for Learning	1,832	2,953
JWGS - Literacy	1,368	-
JWGS - Food First	4,018	1,251
JWGS Breakfast for Learning	3,997	3,900
JWGS - Yoga Fitness	777	-
JWGS BHP Culture	0	4,802
JWGS Miscellaneous	9,471	1,750
JWGS Fundraising	1,461	6,495
	\$ 219,823	\$ 266,195

12. CONTRIBUTIONS REPAYABLE

Nil Report

13. DUE FROM AND TO THE GOVERNMENT OF CANADA

Nil Report

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2016

14. CAPITAL LEASE OBLIGATIONS

Nil Report

15. PENSIONS

Nil Report

16. EMPLOYEE FUTURE BENEFITS

Under the conditions of employment, employees qualify for annual leave of varying lengths depending on length of service. Employees also earn retirement and severance remuneration based on the number of years of service. Certain employees will also receive assistance with removal costs to return to their point of recruitment. Annual leave is payable within one fiscal year. The payments of the other amounts is dependent on employees leaving the Organization.

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

	Education	HSS	2016	2015
Removal	\$ 390,331	\$ 298,874	\$ 689,205	\$ 590,831
Termination	560,313	160,452	720,765	724,496
Leave	100,225	326,249	426,474	331,818
	<u>\$ 1,050,869</u>	<u>\$ 785,574</u>	<u>\$ 1,836,444</u>	<u>\$ 1,647,145</u>

17. TRUST LIABILITIES

Nil Report

18. TANGIBLE CAPITAL ASSETS

The agency has purchased buses and ambulances from operating funds provided by the Department of Health and Social Services and Education. These vehicles are being amortized over a straight line basis over 7 Years .

	Cost (unaudited)	Accumulated Amortization (unaudited)	Net book Value 2016 (unaudited)	Net book Value 2015 (unaudited)
2013 Ford F450 Ambulance	166,443	71,333	95,110	118,888
School Buses	173,318	99,039	74,279	99,039
Total	<u>\$ 339,761</u>	<u>\$ 170,372</u>	<u>\$ 169,389</u>	<u>\$ 217,926</u>

19. PREPAID EXPENSES

	2016	2015
Prepaid course fees	\$ 3,373	\$ -

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2016

20. ACCUMULATED SURPLUS (DEFICIT)

For management purposes, the Department of Education recalculates surplus as shown below.

	<u>2016</u>		<u>2015</u>
Surplus - Education as reported on statement Net Financial Resources page 8	\$ 712,908	\$	1,892,484
Infrastructure (Deficit) L-2			(25,815)
Termination and ultimate removal benefits (Note 6)	950,644		914,475
	<u>\$ 1,663,552</u>	<u>\$</u>	<u>2,781,145</u>

21. CAPITAL ADVANCE FROM THE GNWT

Nil Report

22. GNWT ASSETS PROVIDED AT NO COST

Tangible Capital Assets (TCA) are owned by the Government of the Northwest Territories. TCA are amortized over the estimated useful life of the assets at the following rates.

Buildings - 40 Years

Leasehold Improvements - Lesser of useful life or lease term plus renewal option

Mobile Equipment - 15 years

	Cost		Accumulated		Net book Value		Net book Value
	<u>(unaudited)</u>		<u>(unaudited)</u>		<u>2016</u>		<u>2015</u>
					<u>(unaudited)</u>		<u>(unaudited)</u>
Buildings	\$ 3,845,106	\$	2,829,640	\$	1,015,466	\$	1,136,354
Leasehold	252,800		176,400		76,400		88,958
Mobile Equipment	325,112		113,196		211,916		79,662
Total	<u>\$ 4,423,018</u>	<u>\$</u>	<u>3,119,236</u>	<u>\$</u>	<u>1,303,782</u>	<u>\$</u>	<u>1,304,974</u>

The TCA information was provided by the Government of the Northwest Territories.

Amortization expense 2015 - 2016 \$155,117 (2014-2015 \$144,188)

Tlcho Community Services Agency
Notes to the Financial Statements
March 31, 2016

23. CONTRACTUAL OBLIGATIONS (aka Commitments)

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

	<u>Expires in Fiscal Year</u>	<u>2017</u>	<u>2018 and thereafter</u>	Total
Residential Leases	2021-2022	\$236,400	\$1,191,000	\$1,427,400
Equipment Leases	2017-2021	45,731	52,839	98,570
		<u>\$282,131</u>	<u>\$1,243,839</u>	<u>\$1,525,970</u>

24. CONTINGENT LIABILITIES

In the normal course of business, the Agency is subject to claims and pending and threatened litigation against the Agency and its staff. The Agency is defending actions brought against it and the Agency has recorded an allowance for any claim or litigation where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. The allowance is based upon estimates determined by the Agency's legal experts experience or case law in similar circumstances.

The Agency did not have any environmental liabilities during the year.

25. PRIOR YEAR FUNDING

Nil Report

26. BUDGET

Budget figures are the opening budgets that were approved by the Agency's board of directors, DHSS and ECE. The budget figures are not audited and are intended for information purposes only. These figures represent the Agency's original fiscal plan for the year and do not reflect subsequent changes arising from amendments made by the Departments.

27. ECONOMIC DEPENDANCE

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

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2016

28. SUBSEQUENT EVENTS

April 1, 2016 new legislation came into effect giving the Minister of Health and Social Services the authority to create a Territorial Health and Social Services Authority (THSSA). The Minister of HSS has announced that the effective date for the THSSA to commence operations is August 1, 2016. When the THSSA is created, six of the eight current Health and Social Authorities (HSSAs) become part of the THSSA and will no longer be separate legal authorities. Hay River Health and Social Services Authority (HRHSSA) and Tlicho Community Services Agency (TCSA) will remain outside the THSSA; however, the legislation does include provisions to bring the HRHSSA into the THSSA at a later date. The THSSA will serve as a single integrated delivery system for NWT health and social service programs while recognizing that the TCSA retains a unique role through the provisions of the Tlicho Agreement. Through the Chief Executive Officer, the THSSA will report to and take direction from the Chair of Health and Social Services Leadership Council that will be comprised of persons appointed in accordance with legislation.

29. COMPARATIVE FIGURES

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

30. RELATED PARTIES

Related Party Transactions

The Agency is related in terms of common ownership to all GNWT created departments and public agencies. The Agency enters into transactions with these entities in the normal course of business. The Agency is provided with various administrative services by the GNWT, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage by the Department of Finance, compensation services by the Department of Human Resources, and internal audit services by the Department of Finance.

	<u>2016</u>	<u>2015</u>
Due from Related Parties		
Government of the Northwest Territories		
Department of Finance	\$101,037	\$358,341
Department of Human Resources		
Department of Health and Social Services	61,526	5,231
Department of Education, Culture and Employment	5,145	17,303
Stanton Territorial Health Authority	25,280	30,278
Yellowknife Health and Social Services Authority	6,961	-
Workers' Safety and Compensation Commission	1,545	-
	<u>\$201,494</u>	<u>\$411,153</u>
Due to Related Parties		
Government of the Northwest Territories		
Department of Finance	\$48,844	99,872
Department of Human Resources	2,048	1,873
Department of Health and Social Services	57,676	42,728
Department of Education, Culture and Employment	25,498	-
Department of Public Works	746	4,414
Department of municipal & Community Affairs	-	15,500
Gameti School	72,551	83,884
Hay River Health and Social Services	-	11,650
Stanton Territorial Hospital Authority	23,308	21,987
Wekweti School	18,983	-
Yellowknife Health and Social Services Authority	-	21,309
	<u>\$249,654</u>	<u>\$303,217</u>
Department of Finance - Payroll Liabilities	<u>1,006,949</u>	<u>\$ 715,464</u>

Related party transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Tlcho Community Services Agency
Notes to the Financial Statements
March 31, 2016

31. FINANCIAL INSTRUMENTS

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

(i) Credit risk

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

The Agency holds its cash, special purpose funds and trust assets deposits in trust accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation.

Accounts receivable are due from various governments, government agencies, corporations and individuals. Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection. Management has determined that a portion of accounts receivable are impaired based on specific identification as well as age of receivables.

These amounts are as disclosed in Note 8.

The Agency's maximum exposure to credit risk is represented by the financial assets for a total of \$349,987, 2015 \$593,987.

Concentration of credit risk

Concentration of credit risk is the risk that a customer(s) has a significant portion (more than ten percent) of the total accounts receivable balance and thus there is a higher risk to the Agency in the event of a default. The Agency does have concentration risk. At March 31, 2016, receivables from the GNWT and related parties accounted for 50% of the total outstanding accounts receivables. The Agency reduces this risk by monitoring overdue balances.

The Agency also has concentration risk of credit risk as deposits are held in one Canadian chartered bank.

Liquidity Risk

Liquidity risk is the risk that the Agency will not be able to meet all cash outflow obligations as they come due. The Agency mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise. Total financial assets are \$ 2,878,459 and financial liabilities are \$ 3,723,159. The agency has disclosed future financial liabilities and commitments in Note 23.

32. EXPENSES BY OBJECT

Compensation	\$ 27,872,191	25,699,441
Other	7,311,562	7,111,001
	<u>35,183,753</u>	<u>32,810,442</u>

**Tlicho Community Services Agency
Health and Social Services
Schedule A
Schedule of Contributions from the GNWT
For the year ended March 31, 2016**

	<u>Budget 2016</u>	<u>Actual 2016</u>	<u>Actual 2015</u>
Contributions from the GNWT			
Department of Health and Social Services			
Core Contribution Department of Health			
Administration	\$ 707,000	\$ 700,000	\$ 839,000
Medical Equipment	0	0	13,000
Finance	175,000	173,000	-
System Support	102,000	88,074	-
Human Resources	-	75,000	-
Community Clinics & Health Centres	6,240,000	6,243,000	6,132,000
Community Mental Health & Addictions	975,000	973,000	-
Health Promotion & Community Wellness	100,000	312,000	100,000
Homecare & Support Services	705,000	697,000	680,000
Residential Care Children & Adults	2,828,000	2,813,000	2,209,000
Child & Family Services	2,139,000	2,016,000	2,166,000
Family Violence	31,000	31,000	31,000
Protective Services	-	-	11,000
Foster Care	-	-	754,000
Medical Travel	465,000	458,000	444,000
Total Core Contribution	<u>14,467,000</u>	<u>14,579,074</u>	<u>13,379,000</u>
Other DHSS Contributions			
Enhanced Home Care - Schedule A -1	421,000	421,003	428,063
CHNDP Program - CHN - Schedule A -2	-	-	35,393
On the Land - Schedule A -3	125,000	125,000	125,000
Total Contributions from the GNWT	<u>\$15,013,000</u>	<u>\$15,125,077</u>	<u>\$13,967,456</u>

Tlcho Community Services Agency
Schedule A-1
Schedule of Detailed Contribution Funding and Expense
Home and Community Care Enhancement - (HSS01-0000002214)
Health & Social Services - GNWT
For the year ended March 31, 2016

Enhanced Home Care	2016	2016	2015
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Funding			
GNWT - Department of Health & Social Services	\$ 421,000	\$ 421,003	\$ 428,063
Contributions Repayable	-	-	-
A/R GNWT	-	-	-
	<u>421,000</u>	<u>421,003</u>	<u>428,063</u>
Regional Home Care			
Salaries	378,000	391,226	367,822
Materials and Supplies	4,000	6,822	13,000
Gasoline	3,000	1,162	2,400
Food	8,000	6,639	12,000
Vehicle Maintenance	3,500	-	1,647
Medical and Surgical Supplies	4,000	3,250	4,000
Delivery and Courier	2,500	70	2,000
Telephone	1,000	990	1,831
Travel	8,000	9,745	18,447
Equipment Maintenance	1,000	500	590
Minor Equipment	3,000	-	-
Contract Services	5,000	3,317	4,325
Total Regional Home Care	<u>421,000</u>	<u>423,720</u>	<u>428,063</u>
Excess Funding over Expense	<u>\$ -</u>	<u>\$ (2,717)</u>	<u>\$ -</u>

Tlcho Community Services Agency
Schedule A-2
Schedule of Detailed Contribution Funding and Expenses
CHNDP Program - CHN
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT	\$ -	\$ -	\$ 35,393
	<u>-</u>	<u>-</u>	<u>35,393</u>
Expenses			
Salaries & Benefits	-	-	33,695
Training and Development	-	-	2,029
	<u>-</u>	<u>-</u>	<u>35,724</u>
Excess Funding over Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (331)</u>

Tlicho Community Services Agency
Schedule A-3
Schedule of Detailed Contribution Funding and Expenses
GNWT - On the Land Program
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT Contribution	125,000	125,000	125,000
	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>
Expenses			
Salaries & Benefits	-	54,536	4,048
Materials and Supplies	-	15,306	12,343
Client Travel	-	-	6,981
Contracted Services	-	64,758	101,628
	<u>-</u>	<u>134,600</u>	<u>125,000</u>
Excess Funding over Expense	<u>\$ 125,000</u>	<u>\$ (9,600)</u>	<u>\$ -</u>

**Tlicho Community Services Agency
Health and Social Services
Schedule B
Schedule of Recoveries
For the year ended March 31, 2016**

	2016 Budget (unaudited)		2016 Actual		2015 Actual
Recoveries from the GNWT					
Health Cost Recoveries	\$ -		\$ 25,839		\$ 67,107
Stanton Territorial Health Authority	86,000		106,334		122,500
Recoveries directly from Third Parties					
NIHB	200,000		272,650		251,575
Health Centre - Rent	-		77,300		66,300
	\$ 286,000		\$ 482,123		\$ 507,482

Tlcho Community Services Agency
Health and Social Services
Schedule C
Schedule of Other Contributions
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Other Contributions from Related Parties	-	-	-
Other Contributions from Third Parties	-	-	-
Rent	-	-	-
Health Centres	-	-	-
Operations Contribution-Ambulance, HSS	-	-	-
Operations Contribution-Ambulance, MACA	-	-	-
	-	-	-

**Tlcho Community Services Agency
Health and Social Services
Schedule D
Schedule of Other Income
For the year ended March 31, 2016**

	2016 Budget (unaudited)	2016 <u>Actual</u>	2015 <u>Actual</u>
Other Income from Related Parties	-	-	-
Other Income from Third Parties			
JESH - Rent	70,000	76,277	74,148
Health Centre - Clinic Fees	-	40,187	27,892
	<u>70,000</u>	<u>116,464</u>	<u>102,040</u>

**Tlcho Community Services Agency
Health and Social Services
Schedule E
Schedule of Expenses by Object
For the year ended March 31, 2016**

	<u>2016 Budget</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
Compensation and Benefits			
GNWT			
GNWT Department of Finance	\$11,297,973	\$12,395,085	\$11,258,890
Third Parties			
Board of Directors	50,000	62,365	67,559
Total Compensation and Benefits	11,297,973	12,457,450	11,326,449
Other Expenses			
GNWT			
GNWT Health- Enhanced Home Care-Schedule A-1	43,000	32,494	60,241
GNWT Health- CHN-Schedule A-2	-	-	2,029
GNWT - On the Land-Schedule A-3	-	80,064	120,952
GNWT Department of Public Works	-	13,038	17,542
Related Parties			
Stanton Territorial Health Authority	-	101,242	72,447
Yellowknife Health & Social Services Authority	-	748,712	773,640
Third Parties	3,933,027	2,857,748	2,599,426
Total Other Expenses	3,976,027	3,833,299	3,646,277
Total Expenses	\$ 15,274,000	\$ 16,290,749	\$ 14,972,726

**Tlcho Community Services Agency
 Health and Social Services
 Schedule F
 Health Schedule of Reserves
 For the year ended March 31, 2016**

	Surplus/Deficit		Leave & Termination		Special Projects		Total Reserves	
Balance, beginning of the year	-	-	-	-	-	-	-	-
Additions/Reductions to/from Reserves	-	-	-	-	-	-	-	-
Transfers between Reserves	-	-	-	-	-	-	-	-
Balance, end of the year	-	-	-	-	-	-	-	-

The Agency has no funds in reserves.

Tlicho Community Services Agency
Schedule L
Education Division
Schedule of Expenses
For the year ended March 31, 2016

	School Programs	Inclusive Schooling	Infrastructure	Administration	Aboriginal Languages	Other Projects	Totals
Salaries							
Teachers	\$ 7,968,490	\$ 567,786			\$ 889,801		9,426,077
Inst Asst.		1,326,009			260,022		1,586,031
Non-Inst Staff	2,142,112	681,412		843,564	369,844	144,062	4,180,994
Brd Honoraria				27,093			27,093
Employee Benefits							
Benefits/Allow Leave & Term.	11,273	2,433	151,360	82,919	(53,438)		194,547
							-
Services Purchased / Contracted							
Prof & Tech Serv							-
Office Supp & Admin							-
Postage/Communication	75,041			42,786	1,482		119,309
Utilities							-
Travel/Training	57,494	303,418		89,952	34,055	12,514	497,433
Student Travel						87,911	87,911
Advert/Prntg/Pubshng	1,232			-	-		1,232
Main/Repair	4,253			2,397	3,528		10,178
Rentals/Leases	83,281			8,348	1,968		93,597
Vehicle Expense	112,964	421		4,258	8,832		126,475
Equipment Maintenance				-		-	-
Other	19,117	50		30,965	410		50,541
Contributed Services	164,155	-		46,144	5,000		215,299
Contracted Services	253,141	171,329		21,649	94,322	128,642	669,083
Renovations							-
Home Boarding Allowance	64,912						64,912
Materials / Supplies / Freight							
Materials	643,754	105,088		53,436	41,507	373,136	1,216,920
Furniture and Equipment	5,208	-		-	1,724	-	6,933
Freight	42,721	831		1,539	75	-	45,166
Total Expense	\$ 11,649,147	\$ 3,158,777	\$ 151,360	\$ 1,255,049	\$ 1,659,132	\$ 746,267	\$ 18,619,732

**Tlicho Community Services Agency
Education - Contribution Agreements
Schedule L.1**

**Other Education Contributions
For the year ended March 31, 2016**

		2016	2015
		<u>Actual</u>	<u>Actual</u>
Contribution Agreement Revenue			
Aboriginal Language	Schedule L-1	\$ 60,000	\$ 60,000
Take a Kid Trapping CJBS	Schedule L-3	8,000	8,000
Take a Kid Trapping EMES	Schedule L-4	8,000	8,000
Take a Kid Trapping JWGS	Schedule L-5	8,000	8,000
Take a Kid Trapping MEZI	Schedule L-6	8,000	8,000
Food First Foundation JWGS	Schedule L-7	3,334	8,798
Snack Program EMES	Schedule L-8	6,022	21,277
Snack Program MEZI	Schedule L-9	9,841	963
Snack Program JWGS	Schedule L-10	3,303	-
Snack Program AAS	Schedule L-11	4,021	3,278
Snack Program CJBS (Elem)	Schedule L-12	-	3,393
Snack Program CJBHS	Schedule L-13	-	9,216
Active After School CJBS	Schedule L-14	12,300	12,079
Active After School MEZI	Schedule L-15	17,300	15,999
Mentorship Program MEZI	Schedule L-16	8,562	6,808
Miscellaneous	Schedule L-17	260,556	216,172
Public Library Services CJBS	Schedule L-18	38,000	38,000
Public Library Services MEZI	Schedule L-19	38,000	38,000
Public Library Services JWGS	Schedule L-20	38,000	38,000
Food First Foundation EMES	Schedule L-21	3,115	6,666
Youth Contribution JWGS	Schedule L-22	15,500	-
Drop the Pop	Schedule L-23	9,800	10,100
Active After School JWGS	Schedule L-24	17,300	15,999
Active After School EMES	Schedule L-25	11,000	12,079
Youth Contribution CJBS	Schedule L-26	5,000	5,000
Youth Contribution MEZI	Schedule L-27	-	15,000
Take a Kid Harvesting CJBS	Schedule L-28	-	8,000
Take a Kid Harvesting EMES	Schedule L-29	-	8,000
Active After School Wekweeti	Schedule L-30	15,948	15,999
"Not Us" Drug Strategy JWGS	Schedule L-31	4,883	5,000
Food First Foundation (NWT Taste Makers)	Schedule L-32	2,234	2,940
Literacy CJBS	Schedule L-33	19,641	11,237
E-Learning MEZI	Schedule L-34	7,861	19,375
School Playground EMES	Schedule L-35	24,000	-
Youth Contribution-Vancouver CJBS	Schedule L-36	4,000	-
Youth Contribution--Canoe MEZI	Schedule L-37	5,000	-
Youth Contribution-YK Trip MEZI	Schedule L-38	5,000	-
Youth Contribution-China Trip JWGS	Schedule L-39	4,000	-
Yoga Fitness JWGS	Schedule L-40	2,223	-
Public Library Services EMES	Schedule L-41	38,000	-
Fourth R	Schedule L-42	-	-
Safe & Caring	Schedule L-43	5,000	-
		<u>\$ 730,742</u>	<u>\$ 639,377</u>

Contribution Agreement Expenditures

Aboriginal Language	Schedule L-1	\$ 60,070	\$ 62,007
Take a Kid Trapping CJBS	Schedule L-3	7,967	8,053
Take a Kid Trapping EMES	Schedule L-4	8,008	7,957
Take a Kid Trapping JWGS	Schedule L-5	8,000	8,024
Take a Kid Trapping MEZI	Schedule L-6	8,029	8,033
Food First Foundation JWGS	Schedule L-7	3,334	8,798
Snack Program EMES	Schedule L-8	6,142	21,277
Snack Program MEZI	Schedule L-9	10,175	963
Snack Program JWGS	Schedule L-10	3,303	-
Snack Program AAS	Schedule L-11	4,021	3,278
Snack Program CJBS (Elem)	Schedule L-12	-	3,364
Snack Program CJBHS	Schedule L-13	-	9,394
Active After School CJBS	Schedule L-14	12,304	11,987
Active After School MEZI	Schedule L-15	17,304	16,000
Mentorship Program MEZI	Schedule L-16	8,702	6,808
Miscellaneous	Schedule L-17	261,141	217,867
Public Library Services CJBS	Schedule L-18	39,546	38,000
Public Library Services MEZI	Schedule L-19	37,996	38,023
Public Library Services JWGS	Schedule L-20	38,073	38,257
Food First Foundation EMES	Schedule L-21	3,115	6,518
Youth Contribution JWGS	Schedule L-22	15,500	-
Drop the Pop	Schedule L-23	10,082	10,279
Active After School JWGS	Schedule L-24	17,237	16,008
Active After School EMES	Schedule L-25	10,813	12,900
Youth Contribution CJBS	Schedule L-26	5,000	5,000
Youth Contribution MEZI	Schedule L-27	-	15,295
Take a Kid Harvesting CJBS	Schedule L-28	-	7,985
Take a Kid Harvesting EMES	Schedule L-29	-	8,044
Active After School Wekweeti	Schedule L-30	15,948	15,984
"Not Us" Drug Strategy JWGS	Schedule L-31	5,009	4,883
Food First Foundation (NWT Taste Makers)	Schedule L-32	2,209	2,948
Literacy CJBS	Schedule L-33	20,085	11,237
E-Learning MEZI	Schedule L-34	7,861	19,375
School Playground EMES	Schedule L-35	26,498	-
Youth Contribution-Vancouver CJBS	Schedule L-36	4,000	-
Youth Contribution--Canoe MEZI	Schedule L-37	4,916	-
Youth Contribution-YK Trip MEZI	Schedule L-38	4,992	-
Youth Contribution-China Trip JWGS	Schedule L-39	4,800	-
Yoga Fitness JWGS	Schedule L-40	2,223	-
Public Library Services EMES	Schedule L-41	38,019	-
Forth R	Schedule L-42	9,003	-
Safe & Caring	Schedule L-43	4,844	-
		\$ 746,267	\$ 644,544
Excess Funding over Expenses		\$ (15,524)	\$ (5,167)

Tlicho Community Services Agency
Schedule L-1
Schedule of Specific Program - Aboriginal Languages
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT Contributions	-	60,000	60,000
Expenses			
Materials & Supplies	-	46,545	61,007
Training & Development	-	399	-
Contract Services	-	13,126	1,000
	-	60,070	62,007
Excess Funding over Expense	-	(70)	(2,007)

Tlicho Community Services Agency
L-2
Schedule of Specific Program - Education Infrastructure
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Personnel Infrastructure			
Funding			
GNWT Regular Contribution	200,000	222,119	138,826
Funding Adjustment			
	<u>200,000</u>	<u>222,119</u>	<u>138,826</u>
Expenses			
Staffing:			
Advertising	-	-	-
Hiring Expenses	-	-	-
Employee Benefits:			
Removal In/Transfer	110,000	50,618	78,074
Ultimate Removal	-	-	-
Medical Travel Assistance	-	-	-
Dental Premiums	-	-	-
Family Assistance Program	-	-	-
WCB	90,000	100,742	86,567
Total Expenses	<u>200,000</u>	<u>151,360</u>	<u>164,641</u>
Surplus (Deficit)	<u>-</u>	<u>70,759</u>	<u>(25,815)</u>
Utilities and Leases			
Funding			
GNWT Regular Contribution	-	-	-
Total Funding	<u>-</u>	<u>-</u>	<u>-</u>
Expenses			
Utilities:			
Fuel	-	-	-
Electricity	-	-	-
Water/Sewer	-	-	-
Boiler Maintenance	-	-	-
Total Expenses	<u>0</u>	<u>-</u>	<u>-</u>
Surplus (Deficit)	<u>0</u>	<u>-</u>	<u>-</u>
Excess Funding over Expense	<u>-</u>	<u>70,759</u>	<u>(25,815)</u>

Tlcho Community Services Agency
Schedule L-3
Schedule of Detailed Contribution Funding and Expenses
Take a Kid Trapping Program - CJBS
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT, ITI	-	8,000	8,000
		<u>8,000</u>	<u>8,000</u>
Expenses			
Materials & Supplies	-	2,767	2,853
Gasoline	-	-	-
Contract Services	-	5,200	5,200
	-	<u>7,967</u>	<u>8,053</u>
Excess Funding over Expenses	-	<u>33</u>	<u>(53)</u>

Tlicho Community Services Agency
Schedule L-4
Schedule of Detailed Contribution Funding and Expenses
Take a Kid Trapping Program - EMES
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT, ITI	-	8,000	8,000
	-	8,000	8,000
Expenses			
Materials & Supplies	-	5,058	4,239
Gasoline	-	-	118
Contract Services	-	2,950	3,600
	-	8,008	7,957
Excess Funding over Expense	-	(8)	43

Tlicho Community Services Agency
Schedule L-5
Schedule of Detailed Contribution Funding and Expenses
Take a Kid Trapping Program - JWGS
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT, ITI	-	8,000	8,000
	-	8,000	8,000
Expenses			
Materials & Supplies	-	3,700	2,920
Food	-	-	504
Contract Services	-	4,300	4,600
	-	8,000	8,024
Excess Funding over Expense	-	-	(24)

Tlicho Community Services Agency
Schedule L-6
Schedule of Detailed Contribution Funding and Expense
Take a Kid Trapping Program - MEZI
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT, ITI	-	8,000	8,000
	-	8,000	8,000
Expenses			
Materials & Supplies	-	1,946	6,353
Gasoline	-	753	-
Contract Services	-	5,330	1,680
	-	8,029	8,033
Excess Funding over Expense	-	(29)	(33)

Tlcho Community Services Agency
Schedule L-7
Schedule of Detailed Contribution Funding and Expense
Food First Foundation - JWGS
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
Food First Foundation	-	-	2,033
Food First Foundation (Deferred)	-	-	3,949
Food First Foundation	-	6,101	4,067
Food First Foundation (14/15) Deferred	-	1,251	(1,251)
Food First Foundation (15/16) Deferred		(4,018)	
	-	3,334	8,798
Expenses			
Materials & Supplies	-	3,334	8,798
Minor Equipment	-	-	-
	-	3,334	8,798
Excess Funding over Expense	-	-	-

Tlicho Community Services Agency
Schedule L-8
Schedule of Detailed Contribution Funding and Expenses
Snack Program - EMES
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
Breakfast for Learning (13/14)	-	-	6,000
Breakfast for Learning (13/14) Deferred	-	-	5,199
Breakfast for Learning	-	5,500	10,600
Breakfast for Learning (14/15) Deferred	-	522	(522)
	-	6,022	21,277
Expenses			
Materials & Supplies	-	6,142	21,277
Contract Services	-	-	-
	-	6,142	21,277
Excess Funding over Expense	-	(120)	-

Tlichon Community Services Agency
Schedule L-9
Schedule of Detailed Contribution Funding and Expenses
Snack Program - MEZI
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
Breakfast for Learning	-	-	304
Breakfast for Learning	-	3,500	7,000
Breakfast for Learning (2014/15) Deferred	-	6,341	(6,341)
	-	<u>9,841</u>	<u>963</u>
Expense			
Materials & Supplies	-	6,385	333
Contract Services	-	3,790	630
	-	<u>10,175</u>	<u>963</u>
Excess Funding over Expense	-	<u>(334)</u>	-

Tlich Community Services Agency
Schedule L10
Schedule of Detailed Contribution Funding and Expenses
Snack Program - JWGS
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
Breakfast for Learning	-	3,400	3,900
Breakfast for Learning Deferred		(3,997)	
Breakfast for Learning Deferred (14/15)	-	3,900	(3,900)
	-	<u>3,303</u>	-
Expenses			
Materials & Supplies	-	3,303	-
Minor Equipment	-	-	-
	-	<u>3,303</u>	-
Excess Funding over Expense	-	-	-

Tlicho Community Services Agency
Schedule L-11
Schedule of Detailed Contribution Funding and Expenses
Snack Program - Alexis Arrowmaker School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
Breakfast for Learning	-	-	1,200
Breakfast for Learning Deferred	-	(1,832)	1,530
Breakfast for Learning	-	2,900	3,500
Breakfast for Learning Deferred	-	2,953	(2,953)
	-	4,021	3,278
Expenses			
Materials & Supplies	-	4,021	3,278
Minor Equipment	-	-	-
	-	4,021	3,278
Excess Funding over Expense	-	-	-

Tlich Community Services Agency
Schedule L-12
Schedule of Detailed Contribution Funding and Expenses
Snack Program - Chief Jimmy Bruneau School (Elementary)
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
Breakfast for Learning	-	-	800
Breakfast for Learning Deferred	-	(1,700)	493
Breakfast for Learning	-	1,700	2,100
	-	-	<u>3,393</u>
Expense			
Materials & Supplies	-	-	3,364
	-	-	<u>3,364</u>
Excess Funding over Expense	-	-	<u><u>29</u></u>

Tlcho Community Services Agency
Schedule L-13
Schedule of Detailed Contribution Funding and Expenses
Snack Program - Chief Jimmy Bruneau High School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
Breakfast for Learning	-		1,016
Breakfast for Learning	-	8,100	8,200
Breakfast for Learning Deferred	-	(8,100)	-
	-	-	9,216
Expenses			
Materials & Supplies	-		9,394
Minor Equipment	-	-	-
	-	-	9,394
Excess Funding over Expense	-	-	(179)

Tlicho Community Services Agency
Schedule L-14
Schedule of Detailed Contribution Funding and Expenses
Active After School Program - Chief Jimmy Bruneau High School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	12,300	12,079
	-	12,300	12,079
Expenses			
Materials & Supplies	-	12,304	11,987
Minor Equipment	-	-	-
	-	12,304	11,987
Excess Funding over Expense	-	(4)	92

Tlicho Community Services Agency
Schedule L-15
Schedule of Detailed Contribution Funding and Expenses
Active After School Program - MEZI Community School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	17,300	15,999
	-	17,300	15,999
Expenses			
Materials & Supplies	-	8,110	10,910
Minor Equipment	-	9,194	5,090
	-	17,304	16,000
Excess Funding over Expenses	-	(4)	(1)

Tlicho Community Services Agency
Schedule L-16
Schedule of Detailed Contribution Funding and Expenses
Mentorship Program - MEZI Community School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT (Deferred)	-		15,370
GNWT (Deferred)	-	8,562	(8,562)
	-	8,562	6,808
Expenses			
Materials & Supplies	-	478	1,150
Travel	-	8,224	5,658
	-	8,702	6,808
Excess Funding over Expense	-	(140)	-

Tlicho Community Services Agency
Schedule L-17
Schedule of Detailed Contribution Funding and Expenses
Miscellaneous
For the year ended March 31, 2016

	2016	2016	2015
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Funding			
CJBS Miscellaneous	-	51,253	30,855
CJBS Miscellaneous (Deferred)	-	(37,993)	-
CJBS Miscellaneous (Deferred)	-	3,807	(3,807)
CJBS Cultural Program (BHP & Ekati)	-	25,000	25,000
CJBS Cultural Program (BHP & Ekati)	-	17,435	(17,435)
CJBS Cultural Program (BHP & Ekati) Deferred	-	-	42,461
MEZI Miscellaneous	-	10,500	-
MEZI Miscellaneous (Deferred)	-	(10,500)	-
MEZI Fundraising	-	16,958	-
MEZI Fundraising (Deferred)	-	(13,295)	-
MEZI Cultural Program (BHP & Ekati)	-	23,500	25,000
MEZI Cultural Program (BHP Billiton) Deferred	-	(10,277)	45,879
MEZI Cultural Program (BHP Billiton) Deferred	-	51,232	(51,232)
JWGS Miscellaneous	-	11,125	1,750
JWGS Miscellaneous (Deferred)	-	1,750	(1,750)
JWGS Miscellaneous (Deferred)	-	(9,471)	-
JWGS Fundraising	-	29,486	7,723
JWGS Fundraising (Deferred)	-	6,495	(6,495)
JWGS Fundraising (Deferred)	-	(1,461)	-
JWGS Literacy	-	1,368	-
JWGS Literacy (Deferred)	-	(1,368)	-
JWGS Cultural Program (BHP & Ekati)	-	25,000	25,000
JWGS Cultural Program (BHP & Ekati) (Deferred)	-	-	9,511
JWGS Cultural Program (De Beers)	-	-	2,500
JWGS Cultural Program (BHP & Ekati)	-	4,802	(4,802)
EMES Miscellaneous	-	21,171	4,876
EMES Miscellaneous (Deferred)	-	(17,687)	8,235
EMES Miscellaneous (Deferred)	-	5,181	(5,181)
EMES Cultural Program (BHP & Ekati)	-	25,000	25,000
EMES Cultural Program (BHP & Ekati) Deferred	-	(18,121)	26,838
EMES Cultural Program (BHP & Ekati) Deferred	-	19,184	(19,184)
AAS Miscellaneous	-	13,665	3,500
AAS Miscellaneous (Deferred)	-	(7,525)	1,559
AAS Miscellaneous (Deferred)	-	1,192	(1,192)
AAS Cultural Program (BHP & Ekati)	-	25,000	25,000
AAS Cultural Program (BHP & Ekati) Deferred	-	(70,288)	85,000
AAS Cultural Program (BHP & Ekati) Deferred	-	68,437	(68,437)
	-	260,556	216,172
Expenses			
CJBS Miscellaneous	-	17,068	27,048
CJBS Cultural Program (BHP & Ekati)	-	42,511	50,027
MEZI Miscellaneous	-	-	(1,284)
MEZI Fundraising	-	3,663	2,978
MEZI Cultural Program (BHP & Ekati)	-	64,456	19,646
JWGS Miscellaneous	-	3,404	-
JWGS Fundraising	-	34,520	1,228
JWGS Cultural Program (Ekati)	-	30,311	32,209
EMES Miscellaneous	-	8,665	7,930
EMES Cultural Program (BHP & Ekati)	-	26,063	32,654
AAS Miscellaneous	-	7,332	3,868
AAS Cultural Program (BHP Billiton)	-	23,148	41,563
	-	261,141	217,867
Excess Funding over Expense	-	(585)	(1,695)

Tlichu Community Services Agency
Schedule L-18
Schedule of Detailed Contribution Funding and Expenses
Public Library Services - Chief Jimmy Bruneau School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT ECE	-	38,000	38,000
	-	38,000	38,000
Expenses			
Salaries & Benefits	-	39,546	38,000
Materials & Supplies	-	-	-
Contract Services	-	-	-
	-	39,546	38,000
Excess Funding over Expense	-	(1,546)	-

Tlcho Community Services Agency
Schedule L-19
Schedule of Detailed Contribution Funding and Expenses
Public Library Services - MEZI Community School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT ECE	-	38,000	38,000
	-	38,000	38,000
Expenses			
Salaries & Benefits	-	33,142	-
Materials & Supplies	-	4,854	13,233
Contract Services	-	-	24,790
	-	37,996	38,023
Excess Funding over Expense	-	4	(23)

Tlichu Community Services Agency
Schedule L-20
Schedule of Detailed Contribution Funding and Expenses
Public Library Services - Jean Wetrade Gameti School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT ECE	-	38,000	38,000
	-	38,000	38,000
Expenses			
Salaries & Benefits	-	36,002	30,037
Materials & Supplies	-	2,070	5,342
Contract Services	-	-	2,878
	-	38,073	38,257
Excess Funding over Expense	-	(73)	(257)

Tlcho Community Services Agency
Schedule L-21
Schedule of Detailed Contribution Funding and Expense
Food First Foundation - Elizabeth Mackenzie Elementary School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
Food First Foundation	-	3,334	1,666
Food First Foundation (deferred)	-	(219)	3,334
Food First Foundation (14/15) A/R	-	-	1,666
	-	<u>3,115</u>	<u>6,666</u>
Expenses			
Materials & Supplies	-	3,115	6,518
Minor Equipment	-	-	-
	-	<u>3,115</u>	<u>6,518</u>
Excess Funding over Expense	-	-	<u>148</u>

Tlicho Community Services Agency
Schedule L-22
Schedule of Detailed Contribution Funding and Expenses
Youth Contribution (Skiing) - Jean Wetrade Gameti School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	15,500	15,500
GNWT North Slave Region MACA (Payable)	-	-	(15,500)
	-	<u>15,500</u>	-
Expenses			
Travel	-	15,500	-
Minor Equipment	-	-	-
	-	<u>15,500</u>	-
Excess Funding over Expense	-	-	-

Tlicho Community Services Agency
Schedule L-23
Schedule of Detailed Contribution Funding and Expenses
Drop the Pop
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT HSS - CJBS	-	2,400	2,500
GNWT HSS - MEZI	-	2,100	1,900
GNWT HSS - JWGS	-	1,500	1,600
GNWT HSS - EMES	-	2,200	2,500
GNWT HSS - Wekweeti	-	1,600	1,600
	-	<u>9,800</u>	<u>10,100</u>
Expenses			
Materials & Supplies - CJBS	-	2,400	2,494
Materials & Supplies - MEZI	-	2,058	1,921
Materials & Supplies - JWGS	-	1,497	1,577
Materials & Supplies - EMES	-	2,261	2,650
Materials & Supplies - Wekweeti	-	1,867	1,637
	-	<u>10,082</u>	<u>10,279</u>
Excess Funding over Expense	-	<u>(282)</u>	<u>(179)</u>

Tlcho Community Services Agency
Schedule L-24
Schedule of Detailed Contribution Funding and Expenses
Active After School Program - Jean Wetrade Gameti School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	17,300	15,999
	-	17,300	15,999
Expenses			
Materials & Supplies	-	17,237	16,008
Minor Equipment	-	-	-
	-	17,237	16,008
Excess Funding over Expense	-	63	(9)

Tlicho Community Services Agency
Schedule L-25
Schedule of Detailed Contribution Funding and Expenses
Active After School Program - Elizabeth Mackenzie Elementary School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	11,000	12,079
	-	11,000	12,079
Expenses			
Materials & Supplies	-	10,813	12,900
Contract Services	-	-	-
	-	10,813	12,900
Excess Funding over Expense	-	187	(821)

Tlichu Community Services Agency
Schedule L-26
Schedule of Detailed Contribution Funding and Expenses
Youth Contribution (Music) - Chief Jimmy Bruneau School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	5,000	5,000
	-	5,000	5,000
Expenses			
Travel	-	-	-
Contract Services	-	5,000	5,000
	-	5,000	5,000
Excess Funding over Expense	-	-	-

Tlcho Community Services Agency
Schedule L-27
Schedule of Detailed Contribution Funding and Expenses
Youth Contribution (Skiing) - MEZI Community School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	-	15,000
	-	-	15,000
Expenses			
Materials & Supplies	-	-	7,328
Travel	-	-	7,568
Contract Services	-	-	400
	-	-	15,295
Excess Funding over Expense	-	-	(295)

Tlicho Community Services Agency
Schedule L-28
Schedule of Detailed Contribution Funding and Expenses
Take a Kid Harvesting Program - Chief Jimmy Briuneau School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT, ITI	-	-	8,000
	-	-	<u>8,000</u>
Expenses			
Materials & Supplies	-	-	5,385
Contract Services	-	-	2,600
	-	-	<u>7,985</u>
Excess Funding over Expense	-	-	<u>15</u>

Tlichon Community Services Agency
Schedule L-29
Schedule of Detailed Contribution Funding and Expenses
Take a Kid Harvesting Program - Elizabeth Mackenzie Elementary School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT ITI	-	-	8,000
	-	-	8,000
Expenses			
Materials & Supplies	-	-	4,394
Contract Services	-	-	3,650
	-	-	8,044
Excess Funding over Expense	-	-	(44)

Tlicho Community Services Agency
Schedule L-30
Schedule of Detailed Contribution Funding and Expenses
Active After School Program - Alexis Arrormaker School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	17,300	15,999
GNWT North Slave Region MACA, Payable	-	(1,352)	-
	-	15,948	15,999
Expenses			
Materials & Supplies	-	15,948	15,984
Minor Equipment	-	-	-
Contract Services	-	-	-
	-	15,948	15,984
Excess Funding over Expense	-	-	15

Tlcho Community Services Agency
Schedule L-31
Schedule of Detailed Contribution Funding and Expenses
"Not Us" Drug Strategy - Jean Wetrade Gameti School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT, Justice	-	5,000	5,000
GNWT, Justice (14/15 repayable)	-	(117)	-
	-	<u>4,883</u>	<u>5,000</u>
 Expenses			
Materials & Supplies	-	5,009	4,883
	-	<u>5,009</u>	<u>4,883</u>
 Excess Funding over Expense	-	<u>(126)</u>	<u>117</u>

Tlcho Community Services Agency
Schedule L-32
Schedule of Detailed Contribution Funding and Expense
NWT Taste Makers - Food First Foundation
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
Food First (NWT Taste Makers)	-	2,226	4,144
Food First (NWT Taste Makers) Deferred	-	1,204	(1,204)
Food First (NWT Taste Makers) Deferred	-	(1,196)	-
	-	<u>2,234</u>	<u>2,940</u>
Expenses			
Chief Jimmy Bruneau School	-	998	1,024
MEZI Community School	-	-	1,061
Jean Wetrade Gameti School	-	-	862
Alexis Arrowmaker School	-	1,212	-
	-	<u>2,209</u>	<u>2,948</u>
Excess Funding over Expense	-	<u>25</u>	<u>(8)</u>

Tlicho Community Services Agency
Schedule L-33
Schedule of Detailed Contribution Funding and Expenses
Literacy - Chief Jimmy Bruneau High School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
Diavik Diamond Mines	-	-	25,000
NWT Literacy	-	2,100	3,360
Scholastic Canada (Book Fair)	-	-	418
Diavik Diamond Mines (Deferred)	-	17,541	(17,541)
	-	19,641	11,237
Expenses			
Materials & Supplies	-	19,885	6,837
Contract Services	-	200	4,400
	-	20,085	11,237
Excess Funding over Expense	-	(444)	-

Tlcho Community Services Agency
Schedule L-34
Schedule of Detailed Contribution Funding and Expenses
E-Learning - MEZI Community School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
Beaufort Delta Education Council	-	-	63,783
Beaufort Delta Ed. Council, Deferred	-	44,408	(44,408)
Beaufort Delta Ed. Council, Payable	-	(36,547)	-
	-	<u>7,861</u>	<u>19,375</u>
Expenses			
Salaries & Benefits	-	7,221	19,375
Contract Services	-	640	-
	-	<u>7,861</u>	<u>19,375</u>
Excess Funding over Expense	-	-	-

Tlcho Community Services Agency
Schedule L-35
Schedule of Detailed Contribution Funding and Expenses
School Playground - Elizabeth Mackenzie Elementary School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT, ECE	-	24,000	-
	-	24,000	-
Expenses			
Materials & Supplies	-	26,498	-
Contract Services	-	-	-
	-	26,498	-
Excess Funding over Expense	-	(2,498)	-

Tlicho Community Services Agency
Schedule L-36
Schedule of Detailed Contribution Funding and Expenses
Youth Contribution (Vancouver Trip) - Chief Jimmy Bruneau School
For the year ended March 31, 2016

	<u>2016 Budget</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
Funding			
GNWT North Slave Region MACA	-	4,000	-
	-	4,000	-
Expenses			
Travel	-	4,000	-
Contract Services	-	-	-
	-	4,000	-
Excess Funding over Expense	-	-	-

Tlicho Community Services Agency
Schedule L-37
Schedule of Detailed Contribution Funding and Expenses
Youth Contribution (Canoe) - MEZI Community School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	5,000	-
	-	<u>5,000</u>	-
Expenses			
Materials & Supplies	-	1,477	-
Travel	-	1,839	-
Contract Services	-	1,600	-
	-	<u>4,916</u>	-
Excess Funding over Expense	-	<u>84</u>	-

Tlicho Community Services Agency
Schedule L-38
Schedule of Detailed Contribution Funding and Expenses
Youth Contribution (YK Trip) - MEZI Community School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	5,000	-
	-	5,000	-
Expenses			
Materials & Supplies	-	-	-
Travel	-	4,677	-
Contract Services	-	315	-
	-	4,992	-
Excess Funding over Expense	-	8	-

Tlicho Community Services Agency
Schedule L-39
Schedule of Detailed Contribution Funding and Expenses
Youth Contribution (China Trip) - Jean Wetrade Gameti School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	4,000	-
	-	4,000	-
Expenses			
Materials & Supplies	-	-	-
Travel	-	4,800	-
	-	4,800	-
Excess Funding over Expense	-	(800)	-

Tlicho Community Services Agency
Schedule L-40
Schedule of Detailed Contribution Funding and Expenses
Yoga Fitness - Jean Wetrade Gaemti School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
NWT, Minister Responsible for Women	-	3,000	-
NWT, Minister Responsible for Women (Deferr	-	(777)	-
	-	<u>2,223</u>	-
Expenses			
Materials & Supplies	-	2,223	-
Contract Services	-	-	-
	-	<u>2,223</u>	-
Excess Funding over Expense	-	-	-

Tlicho Community Services Agency
Schedule L-41
Schedule of Detailed Contribution Funding and Expenses
Public Library Services - Elizabeth Mackenzie Elementary School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT ECE	-	38,000	-
	-	38,000	-
Expenses			
Salaries & Benefits	-	38,019	-
Materials & Supplies	-	-	-
Contract Services	-	-	-
	-	38,019	-
Excess Funding over Expense	-	(19)	-

Tlcho Community Services Agency
Schedule L-42
Schedule of Detailed Contribution Funding and Expenses
Fourth R - CAMH
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
Centre for Addiction & Mental Health	-	-	-
	-	-	-
Expenses			
Training & Development	-	9,003	-
Materials & Supplies	-	-	-
Contract Services	-	-	-
	-	9,003	-
Excess Funding over Expense	-	(9,003)	-

\$9,000 received on December 31, 2014 and was not deferred to 15/16

Tlcho Community Services Agency
Schedule L-43
Schedule of Detailed Contribution Funding and Expenses
Safe & Caring School - Chief Jimmy Bruneau School
For the year ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Funding			
GNWT, ECE	-	5,000	-
	-	<u>5,000</u>	-
Expenses			
Materials & Supplies	-	1,731	-
Training & Development	-	3,112	-
	-	<u>4,844</u>	-
Excess Funding over Expense	-	<u>156</u>	-

Beaufort Delta Health & Social Services

Financial Statements

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Beaufort Delta Health & Social Services

Financial Statements

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**To the Minister of Health and Social Services
Government of the Northwest Territories**

**Management's Responsibility for Financial Reporting
For the Year Ended March 31, 2016**

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

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

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

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

Approved and Confirmed on behalf of Beaufort Delta Health & Social Services

Arlene Jorgensen, B.A, B.S.W.
Chief Executive Officer
Beaufort Delta Health & Social Services

June 28, 2016

Management Discussion Analysis

March 31, 2016

Introduction

The Beaufort-Delta Health and Social Services Authority (BDHSSA) has a mandate to provide leadership in defining and implementing a vision for health care and a framework for health systems. The Authority assesses, promotes and protects the health and well-being of the Beaufort-Delta population. The Vision Statement of the BDHSSA is A region where people are empowered to live healthy lives. The Mission is "To work together with individuals, families and communities to support health and well-being.

The BDHSSA is currently governed by Mr. Peter Clarkson, who is appointed by the Minister of Health to the position of Public Administrator.

The Authority delivers publicly-funded health and social services under the Hospital Insurance and Health and Social Services Administration Act. The Authority works with a range of stakeholders to provide defined health and social services to empower people to live healthy lives.

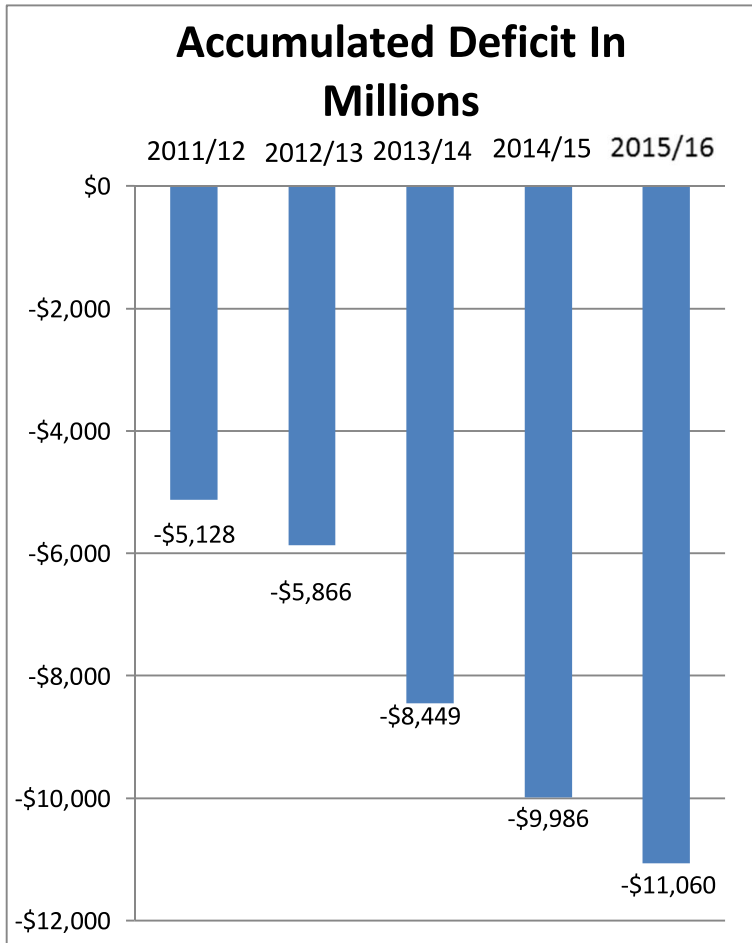
The Authority is committed to assisting and encouraging Beaufort-Delta residents in achieving their best possible health and well-being. We do this by overseeing and delivering a complex, multi-faceted health and social services care system.

The BDHSSA serves a population of approximately seven thousand one hundred people (7,100). A Public Administrator appointed by the Minister provides strategic direction and vision to the health and/or social services facilities in the region: Aklavik, Fort McPherson, Inuvik, Paulatuk, Sachs Harbour, Tsiigehtchic, Tuktoyaktuk and Ulukhaktok. These communities range in size from 120 people (Sachs Harbour) to 3,600 people (Inuvik).

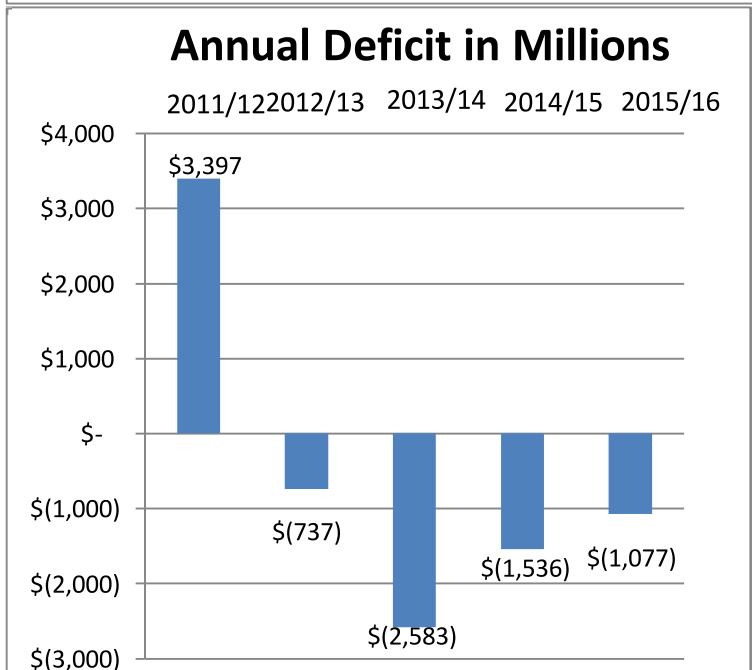
The Inuvik Regional Hospital is the only hospital located above Canada's Arctic Circle. This 51 bed (class D) accredited hospital offers acute, long term, preventative and rehabilitative care as well as elective and emergency surgery. The BDHSSA is funded for nine physicians to provide a full range of medical services to eight communities in the Beaufort-Delta region. Clients with significant needs or those in emergency situations are transferred from the Beaufort-Delta, Fort Good Hope and Colville Lake to Inuvik and by air medevac to services outside the region if specialized treatment is required. The hospital has an affiliation with the University of BC medical programs and provides teaching and mentoring to residents and students (at least one resident and one student per month).

The Authority has a dedicated workforce of approximately 246 employees and the administration of approximately 75 contracted services providers.

Financial Condition:



As at March 31, 2016 the BDHSSA incurred an operating deficit of \$1,159,667 thereby increasing the accumulated operating deficit to \$11,063,865.



The Beaufort-Delta Health and Social Services Authorities accumulated deficit can be attributed to a number of factors:

1. This year the Authority incurred relocation expenses for staff hiring of both permanent and locum staff of \$1,233,000 which is very close to last year's costs. This operating cost is not part of the Authorities base budget. As a result the Authority has to fund staff relocation in/out from its existing budget sources. The Authority has made steps to reduce this relocation in/out cost by handling its own travel booking. The Authority has also taken on the recruitment of nurses to eliminate the extra costs of using an agency.

2. The cost of medical supplies, drugs and vacancies were \$355,000 over budget caused by increased costs, increased standards and changes to treatment plans required to improve patient care and safety.
3. The authority was \$741,000 over budget in overtime, \$993,000 over budget for callback across the organization.
4. The authority was 208,000 over budget for responsibility pay. This is compensation for individuals who cover work duties for a position at a higher level when the incumbent is on annual or position is vacant.
5. Shortfall in contracted services of \$466,000, this is the difference between the funding and the cost of delivering the services. The cost of delivering the services would greatly increase if the services were provided by our own forces or through southern placement.

The Health Authority did not receive any forced growth funding this fiscal year. The Health Authority did receive \$286,000 in one time funding to offset cost for referred out lab services, physician maternity / paternity leave. The Health Authority received \$88,000 to cover increased cost of Northern Allowance.

The Authority did receive funds for two programs and additional \$150,000 for the Healthy Families Program and \$221,000 for the Midwifery Program.

The authority has not received any funding to cover overtime which is governed by the collective agreement, relocation of staff for work, or funds to cover the shortfall in contracted services.

Operating Environment:

There are a number of improvements that have reduced the historical operating deficit for the Authority.

This year the Authority has continued to have substantial billing for patients services to third parties of \$831,000. In addition the Authority has been able to recover \$270,000 in other services such as dietary and dental surgery. Further, the Authority was able to recover an additional \$806,000 for patient and staff accommodations. The Authority also recovered \$1,659,631 from the provision of Non-Insured Health Benefits. The demand for quality health care in the region continues to show forced growth which result in increased operational costs. Management has endeavored to actively control and monitor budgets to secure best use of available resources and to ensure quality care for our clients.

The key cost driver continues to be the care required for the residents of the Beaufort-Delta resulting from the number of our population who are aging and requiring additional services and the costs related to providing these services. This operating year the Inuvik Regional Hospital had 8,276 patients visit the general clinics, and 3,994 visit the walk in clinic. The emergency department had 6,649 patients. The Authority's laboratory provided services to 5,479 patients. BDHSSA's operating room provided 63 surgeries and 325 day surgeries and 397 pre-operating visits during this fiscal year. There were also 1,743 specialist appointments during the year. The total number of patient visits to the Inuvik regional Hospital for this fiscal period was 26,965 visits.

All of the Community Health Centre's combined together had 17,510 patient visits during 2015. In addition our Physicians saw 2,577 patients in the Community Health Centre. The Community Health Centre's also had 3,774 after hour calls. The community Home Support Workers made 533 home care visits in the communities excluding Inuvik.


During April 1, 2015 to March 31, 2016 there have been 443 intake reports for 805 identified children of concern in the Beaufort Delta Health and Social Services Region. There was 274 of these calls during the day and 169 are reported after hours.

Summary and Outlook:

While recognizing the GNWT is in a period of fiscal restraint the realities of health and social services program delivery requires increased funding, the cost of maintaining basic services and the cost of recruiting and retaining professionals from the south continues to grow.

Our Authority continues to be challenged by the DHSS to submit a balanced budget and live within our means. This year BDHSSA implemented many cost saving actions that will reduce our budget deficit and allow us to strive towards a balanced budget. The cost saving actions take time to implement and this delay's the cost saving to future time periods. The Authority also has to comply with GNWT contracts and regulations that limit cost save opportunities. The Authority continues to look for opportunities to reduce costs and find alternative methods of delivering programs and services in our collaborative effort with the DHSS and our stakeholders to find solutions for delivering health and social services in the NWT so that all residents have access to basic health and social services regardless of where they live, that the physical, mental and social health of individuals, families and communities will improve and that we do this in an affordable way.

We will continue to provide quality services to the people in our region, delivering services that are client-focused, universally available, accessible, accountable and adaptable to our diverse needs as determined by the people of the region. The resources provided to the Authority have increased and have resulted in a much smaller operating deficit for the Authority. If the level of resources provided was to match the level of services the Authority is obligated to deliver, had active partners, was allowed to determine the best courses of action and aggressively manages its day-to-day operations we would be able to achieve a balance between client-focused high quality service and sustainability.



Arlene Jorgensen B.A., B.S.W.
Chief Executive Officer
Beaufort-Delta Health and Social Services Authority

Independent Auditors' Report

To the Minister of Health and Social Services Government of the Northwest Territories

We have audited the accompanying financial statements of the Beaufort Delta Health & Social Services as at March 31, 2016, which comprise the statement of operations and the statements of financial position, changes in net financial debt, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. We have also audited the revenues and expenditures for all programs funded through contribution agreements with the Department of Health and Social Services which total \$250,000 or more as listed on Schedule A.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Management is also responsible for the preparation of the schedule of revenues and expenditures of all programs funded through contribution agreements with the Department of Health and Social Services which total \$250,000 or more in accordance with the financial guidelines of the Department of Health and Social Services.

Auditors' Responsibility

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

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

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

Independent Auditors' Report (continued)

Basis for Qualified Opinion

Salaries and related benefits paid to employees of the Authority are administered by the Government of the Northwest Territories and are audited as part of the Government of the Northwest Territories' audit. Our audit scope was limited as we did not audit the components of compensation and benefits expenditures and related balances. Accordingly, we were not able to determine whether any adjustments might be necessary to compensation and benefits expenditures, payroll liabilities, employee future benefits, net financial debt, and accumulated deficit as well as note disclosures associated with transactions and year-end balances relating to compensation and benefits.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material aspects, the financial position of the Beaufort Delta Health & Social Services as at March 31, 2016, and its financial operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards, applied on a basis consistent with the preceding year. Furthermore, except for the limitation relating to payroll as described above, Schedule A presents fairly, in all material respects, the revenues and expenditures of all programs funded through contribution agreements with the Department of Health and Social Services which total \$250,000 or more for the year ended March 31, 2016, in accordance with the financial guidelines of the Department of Health and Social Services.

Report on Other Legal and Regulatory Requirements

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

Yellowknife, Northwest Territories
June 28, 2016

Crowe MacKay LLP
Chartered Accountants

Beaufort Delta Health & Social Services

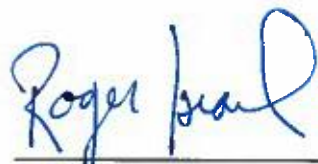
STATEMENT I

Statement of Financial Position

As at March 31,	2016	2015
Financial Assets		
Cash (Note 4)	\$ 3,397,686	\$ 1,018,960
Special Purpose Funds (Note 5)	119,915	119,915
Accounts Receivable (Note 8)	1,700,819	1,944,964
Trust Assets (Note 17)	173,322	206,287
	5,391,742	3,290,126
Liabilities		
Accounts Payable and Accrued Liabilities (Note 10)	2,179,583	1,224,114
Payroll Liabilities (Note 10)	12,175,810	10,101,217
Deferred Revenue (Note 11)	19,233	-
Contributions Repayable (Note 12)	15,768	15,768
Employee Future Benefits (Note 16)	2,498,042	2,372,189
Trust liabilities (Note 17)	173,322	206,287
	17,061,758	13,919,575
Net Financial Assets (Debt)	(11,670,016)	(10,629,449)
Non-Financial Assets		
Inventories Held for Use (Note 9)	490,882	519,704
Prepaid Expenses (Note 19)	115,269	123,379
	606,151	643,083
Accumulated Surplus / (Deficit) (Note 20)	\$ (11,063,865)	\$ (9,986,366)
Contractual Obligations (Note 23)		
Contingent Liabilities (Note 24)		

Approved on behalf of the Authority


 Arlene Jorgensen, B.A., B.S.W.
 Chief Executive Officer


 Roger Israel, BA, CGA
 Director of Finance and Operations

Beaufort Delta Health & Social Services

Statement of Operations

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Revenue			
Contributions from GNWT (Schedule A)	\$ 47,407,693	\$ 48,200,318	\$ 46,703,500
Contributions from other sources (Schedule C)	-	101,545	-
Interest income	5,000	3,087	19,812
Other income (Schedule D)	-	-	-
Recoveries (Schedule B)	2,100,575	3,538,990	3,817,313
Recoveries from prior years' expenses	-	208,021	170,000
	49,513,268	52,051,961	50,710,625
Expenses			
Administration and support	8,362,788	9,814,701	10,046,451
Nursing inpatient services	9,620,566	10,303,847	9,935,285
Ambulatory care	6,439,134	6,953,925	6,872,507
Diagnostic and therapeutic	3,619,559	4,580,728	4,519,948
Regional health	10,039,102	10,704,769	10,295,636
Regional social services	11,322,924	10,658,595	10,440,508
Education	-	13,144	63,553
Undistributed	109,195	99,751	73,290
Total Expenses (Schedule E)	49,513,268	53,129,460	52,247,178
Operating Surplus / (Deficit)	-	(1,077,499)	(1,536,553)
Prior Year Funding Received (Note 25)	-	(208,021)	(170,000)
Operating Surplus / (Deficit) Before Prior Year Funding	-	(1,285,520)	(1,706,553)
Unfunded Items			
Change in employee leave and termination benefits (Note 16)	-	125,853	69,583
Annual Surplus / (Deficit) Before The Following	-	(1,159,667)	(1,636,970)
Rent expense - GNWT assets provided at no cost (Note 22)	-	(2,066,186)	(1,998,442)
Grant-in-kind - GNWT assets provided at no cost (Note 22)	-	2,066,186	1,998,442
Annual Surplus / (Deficit)	-	(1,159,667)	(1,636,970)
Opening Accumulated Surplus / (Deficit)	-	(9,986,366)	(8,449,813)
Closing Accumulated Surplus / (Deficit) (Note 20)	\$ -	\$ (11,063,865)	\$ (9,986,366)

Beaufort Delta Health & Social Services

Statement of Changes in Net Financial Debt

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Operating Surplus / (Deficit)	\$ -	\$ (1,077,499)	\$ (1,536,553)
Adjustments			
Decrease / (increase) in inventories held for use	-	28,822	1,669
Decrease / (increase) in prepaid expenses	-	8,110	18,002
(Increase) / Decrease in Net Financial Debt	-	(1,040,567)	(1,516,882)
Opening Net Financial Debt	(10,629,449)	(10,629,449)	(9,112,567)
Closing Net Financial Debt	\$ (10,629,449)	\$ (11,670,016)	\$ (10,629,449)

Beaufort Delta Health & Social Services

Statement of Cash Flows

For the year ended March 31,	2016	2015
Cash Provided By (Used In)		
Operating Transactions		
Operating Surplus / (Deficit)	\$ (1,077,499)	\$ (1,536,553)
Items not affecting cash:		
Changes in Non-cash Assets and Liabilities		
Decrease / (increase) in accounts receivable	244,145	898,953
Decrease / (increase) in inventories for use	28,822	18,002
Increase / (decrease) in accounts payable and accrued liabilities	955,469	(187,870)
Increase / (decrease) in payroll liabilities	2,074,593	1,280,904
Increase / (decrease) in deferred revenue	19,233	-
Increase / (decrease) in employee future benefits	125,853	69,583
Increase / (decrease) in prepaid expenses	8,110	1,669
Cash Provided by (Used for) Operating Transactions	2,378,726	544,688
Investing Transactions		
Disposition of portfolio investments	-	-
Acquisition of portfolio investments	-	-
Cash Provided by (Used for) Investing Transactions	-	-
Capital Transactions		
Acquisition of tangible capital assets	-	-
Proceeds of disposition of tangible capital assets	-	-
Cash Provided by (Used for) Capital Transactions	-	-
Financing Transactions		
Net proceeds from capital lease obligations	-	-
Other	-	-
Cash Provided by (Used for) Financing Transactions	-	-
Increase / (decrease) in cash and cash equivalents	2,378,726	544,688
Cash and cash equivalents, beginning of year	1,138,875	594,187
Cash and cash equivalents, end of year	\$ 3,517,601	\$ 1,138,875
Represented by:		
Cash	\$ 3,397,686	\$ 1,018,960
Special Purpose Funds	119,915	119,915
	\$ 3,517,601	\$ 1,138,875

Total interest paid during the year \$1,486 (2015 - \$(4,298))

Beaufort Delta Health & Social Services

Notes to Financial Statements

March 31, 2016

1. Authority

The Beaufort Delta Health & Social Services (the "Authority") operates under the authority of the *Hospital Insurance and Health and Social Services Act* of the Northwest Territories. The Authority was established on April 1, 1988 to manage, control, and operate the public health facilities and services assigned to it by the Northwest Territories Department of Health and Social Services.

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

2. Basis of Presentation and Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board and by the directives of the Government of the Northwest Territories - Department of Health and Social Services ("DHSS"). Significant aspects of the accounting policies adopted by the Authority are as follows:

(a) Cash and cash equivalents

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

(b) Funds

The Authority records financial information in individual funds that are segregated for the purpose of carrying on specific activities or attaining certain objectives. Funds established by the Authority are:

Operating Fund - reflecting activities associated with the Authority's day-to-day operations.

Leave and Termination Liability Fund - reflecting activities in employee leave and termination benefits combined with any amounts transferred from operations to fund these liabilities. This fund represents liabilities which will be funded in the year they become due through the regular annual allocations from the Government of the Northwest Territories ("GNWT").

Endowment and Special Purpose Fund - reflecting activities relating to endowments and other special purpose funds made available to the Authority under conditions specified by donors and other providers.

Beaufort Delta Health & Social Services

Notes to Financial Statements

March 31, 2016

2. Basis of Presentation and Significant Accounting Policies (continued)

(c) Surplus reserves

The DHSS policy requires the Authority to establish the following reserves:

Surplus Reserve - reflects funds maintained in a reserve according to the DHSS Operations and Maintenance Surplus Retention Policy.

Termination Benefit Reserve - the funds received in advance for the severance liability of employees who were transferred to the Authority from the GNWT. These liabilities are reduced as employees are paid out upon termination of employment with the Authority.

The Authority does not have sufficient funds to establish either of these reserves.

(d) Tangible capital assets

The GNWT retains ownership of all tangible capital assets (TCA) used by the Authority, or purchased by the Authority (regardless of source of funding for the purchase). The GNWT amortizes TCAs over the estimated useful lives of the assets at the rates established in the Financial Administration Manual over the following terms:

Buildings	40 years
Mainframe and software systems	5 - 10 years
Leasehold improvements	Lesser of useful life or lease term plus renewal option

The TCAs used by the 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 with an offsetting corresponding amount as a Grant-In-Kind revenue.

(e) Inventories of supplies

Inventories of supplies include inventories held for use in the process of providing services and are distributed to clients at no charge or for a nominal charge. Inventories consist of pharmacy items, parts for various equipment, and office supplies. Inventories of supplies are valued at the lower of cost and replacement value.

(f) Accrued employee leave and termination benefits

In accordance with GNWT accounting policies specified for public agencies, the Authority annually accrues estimated employee leave and termination benefits payable.

Beaufort Delta Health & Social Services

Notes to Financial Statements

March 31, 2016

2. Basis of Presentation and Significant Accounting Policies (continued)

(g) Pension contributions

The Authority and its employees make contributions to the Public Service Superannuation Plan administered by the Government of Canada. These contributions represent the total liability of the Authority and are recognized in the accounts on a current basis.

The Authority and its contracted physicians make contributions to a physician directed investment fund administered by MD Management. These contributions represent the total pension liability of the Authority and are recognized in the accounts on a current basis.

(h) Revenue recognition

The Authority is primarily funded by the GNWT in accordance with budget arrangements established by the DHSS. Under the arrangements, the Authority is responsible for the net deficit from operations and is allowed to retain surpluses from core programs. Any capital funding not spent may be retained for future capital purchases. These policies do not apply to contribution agreements, where an accounting of and return of surpluses may be required.

Billings processed through ICORE system by the medical centre's billing clerks are recognized as revenue upon submission of claim to the DHSS's Health Services Administration in Inuvik.

Other revenue is recognized when the service is performed or the goods are provided.

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

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

(i) Financial instruments

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

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

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

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

Beaufort Delta Health & Social Services

Notes to Financial Statements

March 31, 2016

2. Basis of Presentation and Significant Accounting Policies (continued)

(j) Non-financial assets

Non-financial assets are accounted for as assets by the Authority because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the Authorities unless they are sold.

(k) Measurement uncertainty

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

Beaufort Delta Health & Social Services

Notes to Financial Statements

March 31, 2016

3 Future Accounting Changes

a) Inter-entity transactions, Section PS 3420

This section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and a recipient perspective. This section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

b) Assets, Section PS 3210

This section provides guidance for applying the definition of assets and establishes general disclosure standards for assets. Disclosure information about the major categories of assets that are not recognized in the financial statements is required.

This section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

c) Contingent Assets, Section PS 3320

This section defines and establishes disclosure on contingent assets. Disclosure of information about contingent assets is required when the occurrence of the confirming future event is likely.

This section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

d) Contractual Rights, Section PS 3380

This section defines and establishes disclosure standards on contractual rights. Disclosure of the nature, extent, and timing of any contractual right is required.

This section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

e) Restructuring Transactions, Section PS 3430

This section establishes standards on how to record assets, liabilities, revenues and expenses relating to restructuring transactions as well as disclosure requirements for the recipient and transferor.

This section applies to fiscal years beginning on or after April 1, 2018. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

Beaufort Delta Health & Social Services

Notes to Financial Statements

March 31, 2016

4 Cash

	2016	2015
Unrestricted		
Operating account	\$ 2,857,331	\$ 752,736
General operating accounts	1,032	1,032
Savings accounts	1,381	-
Visa deposit account	537,942	265,192
<hr/>		
Total unrestricted	3,397,686	1,018,960
<hr/>		
Total cash	\$ 3,397,686	\$ 1,018,960

5 Special Purpose Funds

	2016	2015
Donations reserves		
Special Projects Reserve	\$ 50,540	\$ 50,540
<hr/>		
Other reserves		
Funded employee future benefits reserve	69,375	69,375
<hr/>		
Total special purpose funds	\$ 119,915	\$ 119,915

6 Restricted Assets

NIL Report

7 Portfolio Investments

NIL Report

8 Accounts Receivable

	Accounts Receivable	Allow. For Doubtful Accounts	Net 2016	Net 2015
GNWT	\$ 1,463,710	\$ (145)	\$ 1,463,565	\$ 1,676,464
Other receivables	501,698	(264,444)	237,254	268,500
<hr/>				
Total accounts receivable	\$ 1,965,408	\$ (264,589)	\$ 1,700,819	\$ 1,944,964

Beaufort Delta Health & Social Services

Notes to Financial Statements

March 31, 2016

9 Inventories Held for Use

	2016	2015
General	\$ 214,005	\$ 231,239
Pharmacy	276,877	288,465
Total inventories held for use	\$ 490,882	\$ 519,704

\$26,046 of inventory was written off in 2015-2016

10 Accounts Payable and Accrued Liabilities

	2016	2015
Government of the Northwest Territories	\$ 264,453	\$ 3,784
Other trade payable	1,915,130	1,220,330
Total accounts payable and accrued liabilities	\$ 2,179,583	\$ 1,224,114

	2016	2015
Payroll Liabilities		
Due to the GNWT	\$ 12,175,810	\$ 10,101,217
Total payroll liabilities	\$ 12,175,810	\$ 10,101,217

11 Deferred Revenue

	2016	2015
Department of Health and Social Services		
Healthy living fairs	\$ 17,455	\$ -
Inuvialuit Regional Corporation		
Speech early childhood	1,778	-
	\$ 19,233	\$ -

12 Contributions Repayable

	2016	2015
GNWT - DHSS - Canada Prenatal Nutrition	\$ 15,768	\$ 15,768

Beaufort Delta Health & Social Services

Notes to Financial Statements

March 31, 2016

13 Due to Government of Canada

NIL Report

14 Capital Lease Obligations

NIL Report

15 Pension

NIL Report

16 Employee Future Benefits

Under the conditions of employment, employees qualify for annual leave of varying hours depending on length of service. Employees also earn retirement and severance remuneration based on number of years of service. Certain employees will also receive assistance with removal costs to return to their point of recruitment. Annual leave is payable within one fiscal year. The payment of the other amounts is dependent on employees leaving the employment of the Authority.

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

	2016	2015
Removal	\$ 1,150,003	\$ 971,133
Termination, severance, resignation, retirement	446,963	414,095
Leave *	901,076	986,961
	2,498,042	2,372,189
Less: Portion included in current portion	1,300,318	1,333,269
Long term portion	\$ 1,197,724	\$ 1,038,920

* Leave

- includes annual, lieu, statutory holidays, and mandatory leave.
- includes leave banks as well as leave accruals and leave payouts due.
- is considered to be a short term liabilities for the purposes of distinguishing employee leave and termination benefits into short and long term categories.

Beaufort Delta Health & Social Services

Notes to Financial Statements

March 31, 2016

17 Trust Assets and Liabilities

The Authority has an inactive foundation. When the foundation became inactive, the monies were transferred to the control of the Authority; the Authority has an internal restriction on the funds.

The Authority also has trust assets represented by cash being held in trust for patients.

	2016	2015
Patient cash in trust	\$ 133,050	\$ 166,015
Beaufort-Delta Hospital Foundation	40,272	40,272
Total Trust Assets and Liabilities	\$ 173,322	\$ 206,287

18 Tangible Capital Assets

NIL Report

19 Prepaid Expenses

	2016	2015
Insurance	\$ 21,276	\$ 32,580
Equipment and software	77,316	-
Maintenance	16,677	90,799
Total prepaid expenses	\$ 115,269	\$ 123,379

20 Accumulated Surplus / (Deficit)

	2016	2015
Restricted		
Funded employee future benefits reserve	\$ 69,375	\$ 69,375
Special projects reserve	50,540	50,540
Unrestricted		
Unfunded leave and termination benefits	(2,498,042)	(2,372,189)
Operating surplus / (deficit)	(8,685,738)	(7,734,092)
	\$ (11,063,865)	\$ (9,986,366)

21 Capital Advances from GNWT

NIL report

Beaufort Delta Health & Social Services

Notes to Financial Statements

March 31, 2016

22 GNWT Assets Provided at No Cost

	Cost	2016 Accumulated amortization	Net book value	2015 Net book value
Buildings	\$ 68,726,261	\$ 28,327,229	\$ 40,399,032	\$ 40,881,360
Mainframe and software systems	290,790	266,915	23,875	23,874
Medical equipment	4,448,468	2,947,389	1,501,079	1,212,751
Vehicles	109,928	2,748	107,180	-
Equipment	249,028	249,028	-	-
Leaseholds	178,749	178,749	-	-
	\$ 74,003,224	\$ 31,972,058	\$ 42,031,166	\$ 42,117,985

Rent expense for 2016 is \$2,066,186 (2015: \$2,405,173) with an offsetting grant-in-kind.

23 Contractual Obligation

The Authority has commitments for equipment leases, operational leases and service agreements that will require payment in future years. The minimum annual payments for these commitments are as follows:

	Expires in Fiscal Year	2017	2018 and Thereafter	Total
Equipment leases	2017	\$ 53,638	\$ -	\$ 53,638
Operational leases	2019	7,373,661	4,514,717	11,888,378
		\$ 7,427,299	\$ 4,514,717	\$ 11,942,016

24 Contingent Liabilities

In the normal course of operations, the Authority is subject to claims and litigation. As of March 31, 2016, there were no outstanding claims against the Authority.

Also, the Authority's operations are affected by federal, territorial, and local laws and regulations regarding environmental protection. The Authority is committed to meeting these existing laws and regulations. The Authority did not have any environmental liabilities during the year.

Beaufort Delta Health & Social Services

Notes to Financial Statements

March 31, 2016

25 Prior Year Funding Received

The Authority received prior year funding during the year. The funding is reported in Schedule A and then reversed out of the operating deficit in order to arrive at the annual deficit.

	2016	2015
Restricted physician funding	\$ 173,021	\$ 150,000
Physician maternity/paternity funding	35,000	20,000
	<u>\$ 208,021</u>	<u>\$ 170,000</u>

26 Budget Information

Budget figures were those approved by the Authority's board of directors or Public Administrator and DHSS. The budget figures are not audited and are intended for information purposes only.

27 Economic Dependence

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

28 Subsequent Events

On April 1, 2016 new legislation came into effect giving the Minister of Health and Social Services the authority to create a Territorial Health and Social Services Authority (THSSA). The Minister of HSS has announced that the effective date for the THSSA to commence operations is August 1, 2016. When the THSSA is created, six of the eight current Health and Social Authorities (HSSAs) become part of the THSSA and will no longer be separate legal authorities. Hay River Health and Social Services Authority (HRHSSA) and Tlicho Community Services Agency (TCSA) will remain outside the THSSA; however, the legislation does include provisions to bring the HRHSSA into the THSSA at a later date. The THSSA will serve as a single integrated delivery system for NWT health and social service programs while recognizing that the TCSA retains a unique role through the provisions of the Tli Cho Agreement. Through the Chief Executive Officer, the THSSA will report to and take direction from the Chair of Health and Social Services Leadership Council that will be comprised of persons appointed in accordance with legislation. As a consequence, after August 1, 2016, the Authority will no longer exist as a separate legal entity.

29 Comparative Amounts

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

Beaufort Delta Health & Social Services

Notes to Financial Statements

March 31, 2016

30 Related Party Transactions

The Authority is related in terms of common ownership to all GNWT created departments, agencies, and corporations. The Authority enters into transactions with these entities in the normal course of business. The Authority is provided various administrative services by the GNWT, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage and internal audit services by the Department of Finance and compensation services provided by Department of Human Resources.

Due from related parties (net of allowance):

	2016	2015
DEA - Tuktoyaktuk	\$ 1,553	\$ -
GNWT - DHSS	1,452,083	1,676,184
GNWT - ECE	10,147	-
GNWT - Human Resources	1,480	-
NWT Housing Corporation	1,001	-
Sahtu Health and Social Services Authority	47,443	36,998
Stanton Territorial Health Authority	30,343	27,180
	1,544,050	1,740,362

Due to related parties:

	2016	2015
Beaufort-Delta Education Council	\$ -	\$ 1,547
GNWT - contributions repayable	15,768	15,768
GNWT - DHSS	293,306	700
GNWT - Financial Shared Services	-	2,500
GNWT - Human Resources	6,899	-
GNWT - Public Works and Services	21,821	-
Payroll - GNWT - Financial Shared Services	12,175,810	10,101,217
NWT Power Corporation	933	-
Petroleum Products Division	118	584
Stanton Territorial Health Authority	29,641	30,072
Yellowknife Health and Social Services Authority	18,744	-
	\$ 12,563,040	\$ 10,152,388

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.

Beaufort Delta Health & Social Services

Notes to Financial Statements

March 31, 2016

31 Financial Instruments

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

(i) Credit risk

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

The Authority holds its cash, special purpose funds and trust assets deposits in trust accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Authority's cash and special purpose funds deposits in trust accounts are insured up to \$100,000.

Accounts receivable are due from various governments, government agencies, corporations and individuals. Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection. Management has determined that a portion of accounts receivable are impaired based on specific identification as well as age of receivables. These amounts are as disclosed in Note 8.

The Authority's maximum exposure to credit risk is represented by the financial assets for a total of \$1,700,819 (2015 - \$1,944,964).

Concentration of credit risk

Concentration of credit risk is the risk that a customer(s) has a significant portion (more than ten percent) of the total accounts receivable balance and thus there is a higher risk to the Authority in the event of a default. The Authority does have concentration risk. At March 31, 2016, receivables from one customer comprised 75% of the total outstanding accounts receivables (2015 - 86%). The Authority reduces this risk by monitoring overdue balances.

The Authority also has concentration risk of credit risk as deposits are held in one Canadian chartered bank.

(ii) 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. All of the Authority's financial assets and financial liabilities at March 31, 2016 mature within the next six months. Total financial assets are \$5,391,742 (2015 - \$3,290,126) and financial liabilities are \$14,563,716 (2015 - \$11,547,386). The authority has disclosed future financial liabilities and commitments in Note 23.

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

Beaufort Delta Health & Social Services

Notes to Financial Statements

March 31, 2016

32 Expenses by Object

For the year ended March 31	2016 (Unaudited) Budget	2016 Actual	2015 Actual
Compensation and Benefits			
EI / CPP	\$ 39,589	\$ 1,102,504	\$ 1,142,648
Employee benefits	105,972	661,259	704,036
Leave	-	1,711,950	1,508,592
Locums	877,708	2,559,110	2,504,512
Merit / retention bonus	210,328	162,409	307,197
Northern allowance	3,904,206	3,760,973	3,638,610
Other	45,000	422,841	383,900
Overtime / callback / shift responsibility	1,490,706	3,962,590	4,055,567
Purchased services	5,500,089	5,632,467	5,718,353
Removal	131,000	1,397,023	1,059,502
Salaries and wages	24,248,064	19,574,495	19,285,558
Severance / superannuation	5,095,306	2,106,095	2,137,577
	41,647,968	43,053,716	42,446,052
Operations and Maintenance			
Advertising and promotion	34,550	48,154	45,199
Communications	250,200	353,104	328,155
Contracted and general services	371,827	834,875	722,404
Diagnostic and therapeutic supplies	238,150	495,460	511,517
Doubtful accounts	19,837	77,232	249,069
Drugs and vaccines	503,750	714,640	696,924
Education	46,000	95,566	151,069
Equipment maintenance	423,705	268,366	319,150
Foster care	1,353,941	580,657	906,172
General supplies	690,346	880,719	810,894
Interest and bank charges	15,483	22,930	16,722
License and membership fees	467,248	495,687	267,136
Maintenance and biomedical supplies	124,000	116,845	126,202
Medical and surgical supplies	720,487	787,326	817,467
Medical travel	-	511,607	259,676
Minor capital	270,531	198,428	316,144
Office and administrative supplies	152,810	201,846	192,369
Postage and freight	380,000	389,713	400,276
Professional services	85,000	175,942	126,684
Rent	15,500	71,459	51,123
Rental / leases	122,000	128,761	235,613
Travel	676,305	1,584,823	1,689,100
Vehicle operations / maintenance	3,500	43,889	29,835
Contributions	900,130	997,715	532,226
	7,865,300	10,075,744	9,801,126
Total Expenses	\$ 49,513,268	\$ 53,129,460	\$ 52,247,178

Beaufort Delta Health & Social Services

Schedule of Contributions from the GNWT

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Contributions from the GNWT			
Department of Health and Social Services			
Core contribution			
Adult support services	\$ 34,000	\$ 34,000	\$ -
Authority administration	2,079,000	2,081,010	3,445,000
Child & family services	4,722,000	3,366,000	-
Client records	517,000	518,000	-
Community Mental health and addictions	2,395,000	2,406,000	5,252,000
Community clinics and health centres	14,397,000	8,879,000	8,707,000
Community wellness programs	-	-	157,000
Diagnostic services	1,945,000	2,044,990	-
Equipment < \$50,000	-	-	48,000
Facility maintenance & support	3,072,000	3,073,000	-
Family violence	856,000	856,000	856,000
Finance	821,000	822,000	-
Foster care	-	1,605,000	1,605,000
Health promotions & community wellness	400,000	-	217,000
Healthy families	-	412,000	-
Homecare & support services	1,305,000	1,315,000	1,268,000
Medical & surgical nursing hospital services	4,748,000	4,754,000	15,486,000
Human resources	172,000	172,000	-
Intervention services	-	160,000	142,000
Long-term care nursing	2,882,000	2,882,000	-
Obstetric & pediatric nursing	-	221,000	-
Operating room nursing	859,000	862,000	-
Pharmacy	261,000	262,000	-
Physician services to NWT residents	-	5,551,000	5,438,000
Residential care - adults	1,946,000	1,944,000	1,946,000
Residential care - children	402,000	402,000	402,000
Systems support	772,000	674,352	-
Therapeutic services	1,315,000	1,317,000	-
	45,900,000	46,613,352	44,969,000
Other contributions			
Dental health	-	32,116	-
Extended homecare	1,103,693	1,333,373	1,175,606
French language services	-	13,602	410
Healthy families	404,000	41,252	404,000
Healthy families collective kitchen	-	49,642	44,890
Healthy living fairs	-	15,722	-
Home based safety education	-	-	3,539
Inuvik warming shelter	-	75,000	75,000
Mental health and first aid: northern adaption workshop	-	14,371	7,545
Mental health first aid and applies suicide preven	-	11,888	12,150
Nutrition Health Canada	-	-	8,842
Professional development initiative	-	-	2,518
Total Department of Health and Social Services	47,407,693	48,200,318	46,703,500
Total contributions from the GNWT	\$ 47,407,693	\$ 48,200,318	\$ 46,703,500

Beaufort Delta Health & Social Services**SCHEDULE A-1****Schedule of Detailed Contribution Funding and Expenditure
Home Care Enhancement (HSS01-000000-2435)**

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Funding			
Government of the Northwest Territories			
Department of Health and Social Services	\$ 1,333,373	\$ 1,333,373	\$ 1,176,835
Expenditures			
Compensation	1,229,211	1,241,764	1,077,215
Equipment expense	-	1,190	-
Sundry	67,646	41,695	40,864
Supplies	36,516	48,724	58,756
	1,333,373	1,333,373	1,176,835
Surplus	\$ -	\$ -	\$ -

See payroll scope limitation in the Independent Auditors' Report.

Beaufort Delta Health & Social Services**SCHEDULE A-2****Schedule of Detailed Contribution Funding and Expenditure
Healthy Families (HSS01-000000-2744)**

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Funding			
Government of the Northwest Territories			
Department of Health and Social Services	\$ -	\$ -	\$ 404,000
Expenditures			
Compensation	-	-	241,435
Equipment	-	-	85,000
Sundry	-	-	47,439
Supplies	-	-	30,126
	-	-	404,000
Surplus	\$ -	\$ -	\$ -

See payroll scope limitation in the Independent Auditors' Report.

Beaufort Delta Health & Social Services

Schedule of Recoveries

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Recoveries from the GNWT			
Department of Health			
DHSS - NIHB	\$ 626,000	\$ 1,659,631	\$ 1,876,593
DHSS - Other	488,000	498,911	512,099
	1,114,000	2,158,542	2,388,692
Department of Education, Culture and Employment			
Adult assisted living	300,968	306,575	312,062
Recoveries directly from Related Parties			
Sahtu Health & Social Services Authority	-	150,495	229,075
Stanton Territorial Health Authority	-	91,634	74,870
	-	242,129	303,945
Recoveries directly from Third Parties			
Dietary	176,500	220,965	208,466
Staff rentals	175,000	234,012	241,774
Other	105,132	2,326	9,984
WSCC	58,500	166,001	147,818
GE Canada	-	9,613	-
Patient services	26,000	46,149	33,064
Health pro rebate	15,000	14,638	75,553
ESI Physio Canada	79,475	95,935	34,045
Western Arctic Dental	50,000	42,105	61,910
	685,607	831,744	812,614
Total recoveries	\$ 2,100,575	\$ 3,538,990	\$ 3,817,313

Beaufort Delta Health & Social Services

Schedule of Other Contributions

For the year ended March 31,	2016		2015	
	(Unaudited) Budget	Actual	Actual	
Other contributions from Related Parties	\$ -	\$ -	\$ -	-
Other contributions from Third Parties				
Inuvialuit Regional Corporation	-	101,545		-
Total Other Contributions	\$ -	\$ 101,545	\$ -	-

Beaufort Delta Health & Social Services

Schedule of Other Income

For the year ended March 31,	2016		2015	
	(Unaudited) Budget	Actual	Actual	Actual
Other Income from related parties	\$ -	\$ -	\$ -	-
Other Income from Third Parties	-	-	-	-
Total Other Income	\$ -	\$ -	\$ -	-

Beaufort Delta Health & Social Services

Schedule of Expenses by Category

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Compensation and Benefits			
GNWT			
Compensation and benefits	\$ -	\$ -	\$ -
Related Parties			
Compensation and benefits	-	-	-
Third Parties			
Compensation and benefits	41,647,969	43,053,716	42,446,052
Total compensation and benefits	41,647,969	43,053,716	42,446,052
Grants expenses			
GNWT			
Grants expenses	-	-	-
Related Parties			
Grants expenses	-	-	-
Third Parties			
Grants expenses	-	-	-
Total grants expenses	-	-	-
Contributions expenses			
GNWT			
Contributions expenses	-	-	-
Related Parties			
Contributions expenses	-	-	-
Third Parties			
Contributions expenses	900,130	997,715	532,226
Total contributions expenses	900,130	997,715	532,226
Other expenses			
GNWT			
Other expenses	-	-	-
Related parties			
Other expenses	-	-	-
Third parties			
Other expenses	6,965,169	9,078,029	9,268,900
Total other expenses	6,965,169	9,078,029	9,268,900
Total expenses	\$ 49,513,268	\$ 53,129,460	\$ 52,247,178

Beaufort Delta Health & Social Services

Schedule of Reserves

For the Year Ended March 31, 2016

	Surplus / Deficit Reserve		Leave and Termination Benefits Reserve		Special Projects Reserve		Total Reserves	
	2016	2015	2016	2015	2016	2015	2016	2015
Balance, beginning of the year	\$ -	\$ -	\$ 69,375	\$ 69,375	\$ 50,540	\$ 50,540	\$ 119,915	\$ 119,915
Additions / reductions to/from reserves	-	-	-	-	-	-	-	-
Transfers between reserves	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Balance, end of the year	\$ -	\$ -	\$ 69,375	\$ 69,375	\$ 50,540	\$ 50,540	\$ 119,915	\$ 119,915

Dehcho Health and Social Services Authority

Financial Statements

March 31, 2016

Dehcho Health and Social Services Authority

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To the Minister of Health and Social Services

Management Responsibility for Financial Reporting for the year ended March 31, 2016

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

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

Management hereby asserts that auditors have been provided with all relevant records and documentation as well as unrestricted access to the same. Management is not aware of any undisclosed irregularities involving management or employees with either current or potential impact on financial results, fraud or suspected fraud, disbursements made for purposes not consistent with an appropriation, irregular commitments including those in the form of guarantees, violations or possible violations of laws or regulations, claims or litigation, known or suspected environmental site contaminations or of any other undisclosed environmental or safety hazards within its jurisdiction. The auditors annually provide an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards. The auditors also consider whether the transactions that have come to their notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the Department of Health and Social Services of the Government of the Northwest Territories.

Approved and confirmed on behalf of the Dehcho Health and Social Services Authority

A handwritten signature in black ink, appearing to read "Georgina Veldhort", is written over a horizontal line.

Georgina Veldhort
Chief Executive Officer
Dehcho Health and Social Services Authority

DEHCHO Health and Social Services Authority
Box 246, Fort Simpson, NT X0E 0N0
Phone: 867-695-3815 Fax: 867-695-2920



Management Discussion and Analysis for the Year Ended March 31, 2016

Introduction

Dehcho Health and Social Services Authority (DHSSA) have a mandate to provide publicly-funded health and social services under the Hospital Insurance and Health and Social Services Administration Act. Services are provided to the residents of Fort Simpson, Fort Providence, Fort Liard, Wrigley, Nahanni Butte, Sambaa K'e (formerly known as Trout Lake), Jean Marie River, and Kakisa. The majority of services to the Hay River Reserve are provided through service contract agreements. It is the responsibility of the DHSSA Public Administrator and Management to promote transparency and accountability. The preparation of the Management Discussion and Analysis is a go-forward method of acknowledging this responsibility.

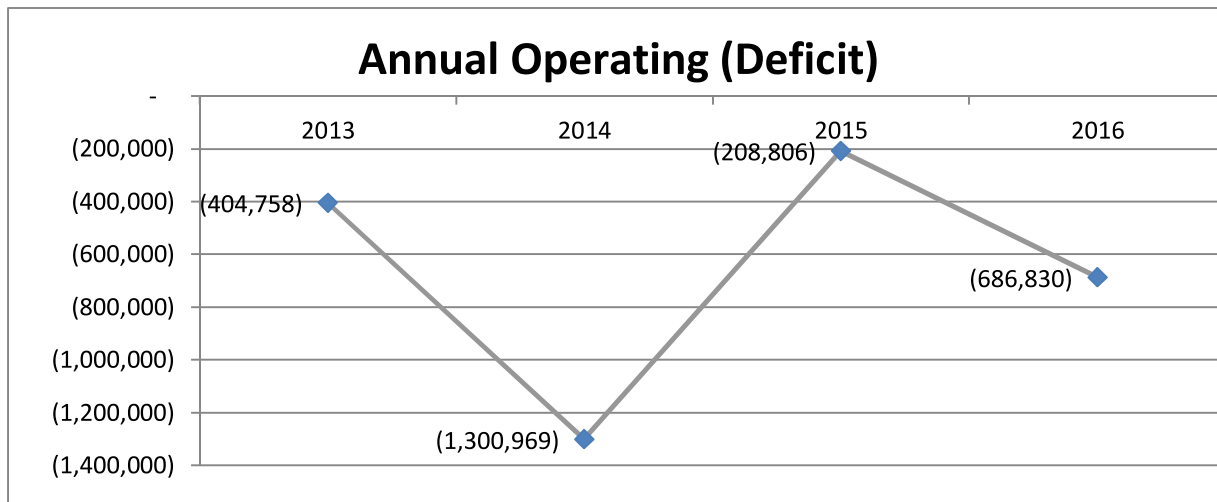
Our mission statement is "Working Together for Healthy Lifestyles" and our Principles are:

- The culture and traditions of Dehcho residents should be represented and respected throughout the service delivery system, including staffing.
- Services shall be integrated and a sustainable delivery system will be maintained.
- Funding shall be spent primarily on programs, rather than administration.
- Funding shall be primarily community directed.
- Education and cross-training will be utilized to ensure a holistic service delivery by all staff.
- Effective coordination of outside medical/specialist care shall be maintained in order to provide quality health care for all residents.
- Personal education and individual responsibility are cornerstones of the health and social services system.

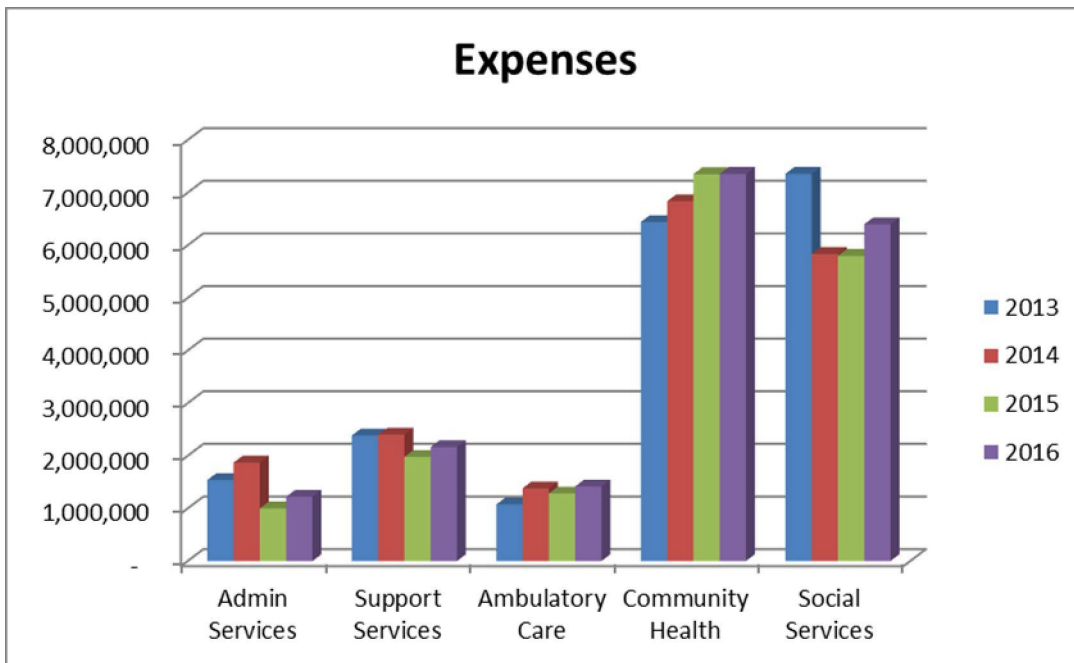
As of August 1, 2016 Dehcho Health and Social Services Authority (DHSSA) will no longer exist as a separate legal entity. DHSSA will become part of the Territorial Health and Social Services Authority. The system transformation will provide a better opportunity to improve access and quality of care and service. The Management and Staff will continue to strive to provide the best health and social services to all of our clients.

The following is a list of the Public Administrator and the key management staff of the DHSSA:

Public Administrator:	Mr. Jim Antoine
Chief Executive Officer/Chief Operating Officer:	Ms. Georgina Veldhorst
Director of Quality and Risk Management:	Mr. Carsen Hardisty
Acting Director of Social Services:	Ms. Carolyn Wilkes
Acting Director of Health Services:	Ms. Sue Lightford
Director of Finance:	Ms. Merle Engel



DHSSA has an accumulated deficit of \$4,491,690 and as shown on the above chart, the deficit continues to grow. The deficit in 2014 was unusually high, mainly due to former CEO payouts during that year. Although management and staff continue to diligently monitor the budget, there are several areas that continue to challenge the Authority. The challenges include unfunded items of the collective agreement, high travel costs, high lab costs and the high costs of medical supplies and medications.



2015 and 2016 saw admin costs return to a normal range and removal/relocation costs were moved from admin and allocated to each program in each community. Support services include: finance, plant maintenance and medical travel with plant maintenance holding 75% of the costs. Community health costs continue to rise due to the challenge of recruitment of professional staff and the resulting increase in casual costs including removal in/out. Social service costs were high in 2013 due to a full complement of staff and a high number of foster children. Lower foster care costs and staff vacancies decreased the costs for 2014 and 2015. Higher foster care partially contributed to the increased costs in 2016.

Operating Environment

Healthy Families

The Healthy Families program serves a number of children and families in Providence and Simpson. One aspect of the Healthy Families program is the Collective Kitchen. This aspect is well attended and provides education and learning on cooking and nutrition, as well as weekly baskets of nutritious foods. The program has faced challenges in Fort Liard including recruitment and accessing families who are reluctant to join the program. Efforts have been made to improve access to families, primarily through incentives, such as those within the Collective Kitchen program. A focus for the future includes increasing public awareness and community program recruitment.

Mental Health and Addictions Services

DHSSA serves an average of approximately 250 clients per month in the Dehcho region. There is a high demand for services and we continue to increase the competencies of our professional staff to address the complexity of service need and build the capacity of friends and families to support residents with mental illness and addictions. Services are provided in 1 to 1 counseling and group formats (such as the Matrix Program). In addition, training to Dehcho residents is provided and includes Mental Health First Aid and Applied Suicide Intervention and Safety Training (ASIST).

DHSSA is challenged to meet the volume and complexity of service demand within the current core funding and staffing capacity. This demand-capacity gap has resulted in higher than ideal staff to caseload ratios, client waitlists which increases risk for adverse events, inability to meet Dehcho residents' demand for training (Mental Health First Aid) and limitations in programming (unable to offer Matrix in Fort Liard).

The Department of Health and Social Services is in the process of developing new strategic directions for mental health and addictions. DHSSA management and staff look forward to the outcome of this process and contributing to finding creative solutions to meeting the high demand for service with an environment of fiscal constraint.

Child, Youth and Family Services

DHSSA currently has 62 children under child protection status in the region and 22 children in foster homes. Overall, in our work with families, 69.3% of our services are voluntary and we strive to work with families in an encouraging and supportive role.

We have been working to strengthen our child protection systems and processes. This has included bringing the entire team together for training; implementing Structure Decision Making (as of April 1, 2016); and, working to maximize client contact and minimize cost. We continue to work on improving our staff capacity and our ability to visit smaller communities on a more frequent basis. We continue to face challenges with foster home recruitment including emergency homes, relief homes, and regular foster homes.

To improve compliance with the Auditor General's recommendations and enhance our overall consistency and quality of service, an annual audit is undertaken and an action plan developed and implemented to address areas of deficiency.

Continuing Care Services

The Continuing Care team provides the following services to the Dehcho region: Health Promotion, Home Care, Long-Term Care, and Dental Hygiene/Therapy. Early Childhood Intervention Services are now provided in Fort Simpson and Flexible Respite services are provided to the residents of Fort Simpson and Fort Providence.

- Health Promotion had approximately 150 group encounters this year. These services were either provided directly by our staff or indirectly through a contract arrangement with Hay River Reserve.

Health Promotion is working on a new initiative, Cancer Sharing Circles. This initiative is in partnership with the Department of Health and Social Services and has a tobacco cessation focus.

- Home Care served 104 clients in the region (includes clients served through a contract arrangement with the Hay River Reserve).

We have implemented an additional pilot initiative to the Home Care program called Flexible Respite. This program is offered to families and caregivers of children and adults with cognitive disabilities and helps prevent care-giver burnout. Referrals can be made a variety of ways including families. For each referral, an assessment of needs is conducted and an individualized plan-of-care is developed in consultation with the family.

- Long-Term Care serves the region with an 18 bed facility. These beds were fully occupied this year. Food Services within Long-Term Care has developed a new dining experience for the residents that includes an increase in traditional food, service at the table with increased choice and engagement with residents during meal.
- Early Childhood Intervention Services is a new pilot project initiated this year and serves groups and individuals in Fort Simpson.
- Dental Hygiene and Therapy serves adults and children throughout the region with oral health promotion activities and individual care appointments.

Health Services

Health Services provides public health, ambulatory care, emergency services and chronic disease management for all 8 communities in the Dehcho region. The following provides an overview of the staff for each of the 3 Health Centres:

- Fort Liard: 2 Community Health Nurses, 1 Nurse-in-Charge, 1 clerk, and 1 custodian
- Fort Providence: 2 Community Health Nurses, 1 Nurse-in-charge, 1 clerk, 1 custodian
- Fort Simpson: 4 Community Health Nurses, 1 Nurse Practitioner, 1 Nurse-in-Charge 3.5 administration staff, and 3 housekeeping/custodial staff
- Health Cabins in Sambaa K'e (formerly known as Trout Lake), Nahanni Butte, Jean Marie River, and Wrigley are each staffed with a Community Health Worker and staff from one of the 3 Health Centres

General Practitioners (Physicians) saw a total of 3,932 patients and Nurse Practitioners saw a total of 483 patients.

Financial Condition

DHSSA continues to operate in a deficit position. With 79% of our funding covering compensation, this area continues to be the largest challenge. Increased occupational health and safety risks and public expectations also contribute to increased cost pressures with no offsetting increase to the funding.

The liquidity of the Authority is a concern with cash of \$19,277 and \$3,672,670 in total current liabilities at year end. The DHSSA has current liabilities of \$3,011,305 owed to the GNWT for outstanding payroll invoices since mid-January, 2016. In addition, DHSSA has an additional \$661,365 owed to other vendors.

Over the past several years, considerable effort has gone into improving the systems and processes for operating within an environment of fiscal constraint while improving quality of care and service to the residents of the Dehcho communities. Although the cost of maintaining basic services continues to grow, we are looking for opportunities to reduce costs, improve quality and retain required staff. Management is currently more involved in preparing the budget and analysis of the variances from the budget.

Summary and Outlook

Our achievements and successes for the year include the following:

Food Service: We changed our style of service from a pre-plated tray service to serving food from a mobile steam table directly at the table in our Long-Term Care home. This ensures proper food safety and temperature control. It provides observable choices for residents and decreases food wastage. It promotes more engagement between the staff and the residents and ultimately a higher quality, more respectful dining experience.

Early Childhood Intervention Program: We have implemented a 3 year pilot project for preschool children and their parents. This program supports parents to navigate the health care system. The program coordinator case manages children and coordinates the care team including specialists. The coordinator also participates in well child exams in order to promote early detection of developmental delays. Group education and resources are also provided to the local early childhood program which promotes strong collaboration within the community.

Our challenges include the following:

DHSSA continues to experience challenges in recruiting and retaining health and social services professionals. The need for high quality professionals is acute and the level of current vacancies poses a potential risk. We continue to try to recruit and retain qualified staff and have found some success in job sharing.

DHSSA has also experienced considerable turnover in its senior level management over the past 4 years. We have now recruited an Associate Chief Operating Officer (ACOO) to engage in a two year development program and a Chief Executive Officer (who will be the Chief Operating Officer with the integration of DHSSA into the new Territorial Health and Social Services Authority on August 1, 2016) to lead the DHSSA and mentor and coach the (ACOO). DHSSA continues to look for opportunities to hire, develop and promote Priority 1 and Priority 2 staff across and at all levels within the organization.

On August 1, 2016 Dehcho Health and Social Services Authority will no longer be a separate legal authority and will become part of the Territorial Health and Social Services Authority. It is expected that the opportunity to effectively utilize the economies of scale will reduce the deficit and continue to provide quality client-focused services.



Georgina Veldhorst,
Chief Executive Officer/Chief Operating Officer
Dehcho Health and Social Services Authority

Independent Auditors' Report

To the Minister of Health and Social Services Government of the Northwest Territories

We have audited the accompanying financial statements of the Dehcho Health and Social Services Authority as at March 31, 2016, which comprise the statement of operations and the statements of financial position, changes in net debt, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. We have also audited the revenues and expenditures for all programs funded through contribution agreements with the Department of Health and Social Services which total \$250,000 or more as listed on Schedule A.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Management is also responsible for the preparation of the schedule of revenues and expenditures of all programs funded through contribution agreements with the Department of Health and Social Services which total \$250,000 or more in accordance with the financial guidelines of the Department of Health and Social Services.

Auditors' Responsibility

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

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

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

Independent Auditors' Report (continued)

Basis for Qualified Opinion

Salaries and related benefits paid to employees of the Authority are administered by the Government of the Northwest Territories and are audited as part of the Government of the Northwest Territories' audit. Our audit scope was limited as we did not audit the components of compensation and benefits expenditures and related balances. Accordingly, we were not able to determine whether any adjustments might be necessary to compensation and benefits expenditures, payroll liabilities, employee future benefits, net financial debt, and accumulated deficit as well as note disclosures associated with transactions and year-end balances relating to compensation and benefits.

The Authority has inventory valued at \$87,628 on the statement of financial position for which an independent audit count was not conducted and for which some items are held for use in the event of emergencies only. Alternative methods of audit of the inventory are not possible; accordingly, we are unable to determine if any adjustments are required to the inventory value reported.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material aspects, the financial position of the Dehcho Health and Social Services Authority as at March 31, 2016, and its financial operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards, applied on a basis consistent with the preceding year. Furthermore, except for the limitation relating to payroll as described above, Schedule A presents fairly, in all material respects, the revenues and expenditures of all programs funded through contribution agreements with the Department of Health and Social Services which total \$250,000 or more for the year ended March 31, 2016, in accordance with the financial guidelines of the Department of Health and Social Services.

Report on Other Legal and Regulatory Requirements

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

The financial statements of the Authority for the year ended March 31, 2015 were audited by another auditor who expressed a qualified opinion (due to payroll scope limitation) on those financial statements on June 26, 2015.

Yellowknife, Northwest Territories
June 30, 2016



Chartered Accountants

Dehcho Health and Social Services Authority

STATEMENT I

Statement of Financial Position

As at March 31,	2016	2015
Financial Assets		
Cash (Note 4)	\$ 19,277	\$ 145,878
Accounts Receivable (Note 8)	387,370	628,742
Trust Assets (Note 17)	725	1,067
	407,372	775,687
Liabilities		
Accounts Payable and Accrued Liabilities (Note 10)	661,366	548,602
Payroll Liabilities (Note 10)	3,011,305	2,760,928
Contributions Repayable (Note 12)	152,055	108,224
Employee Future Benefits (Note 16)	1,166,426	1,057,954
Trust Liabilities (Note 17)	725	1,067
	4,991,887	4,476,775
Net Financial Assets (Debt)	(4,584,515)	(3,701,088)
Non-Financial Assets		
Inventories Held for Use (Note 9)	87,628	-
Prepaid Expenses (Note 19)	5,197	4,700
	92,825	4,700
Accumulated Surplus / (Deficit) (Note 20)	\$ (4,491,690)	\$ (3,696,388)
Contractual Obligations (Note 23)		
Contingent Liabilities (Note 24)		

Approved on behalf of the Authority


 Georgina Veldhorst
 Chief Executive Officer


 Muriel Engel, CPA, CGA
 Chief Financial Officer

Dehcho Health and Social Services Authority

Statement of Operations

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Revenue			
Contributions from GNWT (Schedule A)	\$ 16,330,107	\$ 16,932,388	\$ 16,437,466
Contributions from other sources (Schedule C)	-	-	-
Interest income	20,000	10,882	19,460
Other income (Schedule D)	-	-	-
Recoveries (Schedule B)	832,275	807,167	794,968
	17,182,382	17,750,437	17,251,894
Expenses			
Administration and support	2,893,299	3,370,241	2,979,125
Nursing inpatient services	-	-	-
Ambulatory care	1,419,000	1,419,000	1,285,000
Regional health services	6,701,454	7,357,179	7,352,381
Regional social services	6,168,629	6,399,319	5,799,508
Total expenses (Schedule E)	17,182,382	18,545,739	17,416,014
Operating Surplus / (Deficit)	-	(795,302)	(164,120)
Prior Year Funding Received	-	-	-
Operating Surplus / (Deficit) Before Prior Year Funding	-	(795,302)	(164,120)
Unfunded Items			
Change in employee leave and termination benefits (Note 16)	-	108,472	(44,686)
Annual Surplus / (Deficit) Before The Following	-	(686,830)	(208,806)
Rent expense - GNWT assets provided at no cost	-	(716,143)	(429,687)
Grant-in-kind - GNWT assets provided at no cost	-	716,143	429,687
Annual Surplus / (Deficit)	-	(686,830)	(208,806)
Opening Accumulated Surplus / (Deficit)	-	(3,696,388)	(3,532,268)
Closing Accumulated Surplus / (Deficit) (Note 20)	\$ -	\$ (4,491,690)	\$ (3,696,388)

Dehcho Health and Social Services Authority

Statement of Changes in Net Financial Debt

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Operating Surplus / (Deficit)	\$ -	\$ (795,302)	\$ (164,120)
Adjustments			
Write-down of tangible capital assets	-	-	1
Decrease / (increase) in inventories held for use	-	(87,628)	-
Decrease / (increase) in prepaid expenses	-	(497)	(4,700)
(Increase) / decrease in net debt	-	(883,427)	(168,819)
Opening net financial resources	(3,701,088)	(3,701,088)	(3,532,269)
Closing net financial resources	\$ (3,701,088)	\$ (4,584,515)	\$ (3,701,088)

Dehcho Health and Social Services Authority

Statement of Cash Flows

For the year ended March 31,	2016	2015
Cash Provided By (Used In)		
Operating Transactions		
Operating Surplus / (Deficit)	\$ (795,302)	\$ (164,120)
Items not affecting cash:		
Changes in Non-cash Assets and Liabilities		
Decrease / (increase) in accounts receivable	241,372	5,132
Decrease / (increase) in inventories for sale	(87,628)	-
Increase / (decrease) in accounts payable and accrued liabilities	112,764	(127,949)
Increase / (decrease) in payroll liabilities	250,377	(26,453)
Increase / (decrease) in employee future benefits	108,472	(44,686)
Increase / (decrease) in contributions repayable	43,841	-
Increase / (decrease) in prepaid expenses	(497)	(4,700)
Cash Provided by (Used for) Operating Transactions	(126,601)	(362,776)
Investing Transactions		
Disposition of portfolio investments	-	-
Acquisition of portfolio investments	-	-
Cash Provided by (Used for) Investing Transactions	-	-
Capital Transactions		
Acquisition of tangible capital assets	-	-
Proceeds of disposition of tangible capital assets	-	-
Cash Provided by (Used for) Capital Transactions	-	-
Financing Transactions		
Net proceeds from capital lease obligations	-	-
Other	-	-
Cash Provided by (Used for) Financing Transactions	-	-
Increase / (decrease) in cash and cash equivalents	(126,601)	(362,776)
Cash and cash equivalents, beginning of year	145,878	508,654
Cash and cash equivalents, end of year	\$ 19,277	\$ 145,878
Represented by:		
Cash	\$ 19,277	\$ 145,878
	\$ 19,277	\$ 145,878
Total interest paid during the year \$1,775 (2015 - \$2,306)		

Dehcho Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

1. Authority

The Dehcho Health and Social Services Authority (the "Authority") operates under the authority of the *Hospital Insurance and Health and Social Services Act* of the Northwest Territories. The Authority was established to manage, control, and operate the public health facilities and services assigned to it by the Northwest Territories Department of Health and Social Services.

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

2. Basis of Presentation and Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board and by the directives of the Government of the Northwest Territories - Department of Health and Social Services ("DHSS"). Significant aspects of the accounting policies adopted by the Authority are as follows:

(a) Cash and cash equivalents

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

(b) Funds

The Authority records financial information in individual funds that are segregated for the purpose of carrying on specific activities or attaining certain objectives. Funds established by the Authority are:

Operating Fund - reflecting activities associated with the Authority's day-to-day operations.

Leave and Termination Liability Fund - reflecting activities in employee leave and termination benefits combined with any amounts transferred from operations to fund these liabilities. This fund represents liabilities which will be funded in the year they become due through the regular annual allocations from the Government of the Northwest Territories ("GNWT").

Endowment and Special Purpose Fund - reflecting activities relating to endowments and other special purpose funds made available to the Authority under conditions specified by donors and other providers.

Dehcho Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

2. Basis of Presentation and Significant Accounting Policies (continued)

(c) Surplus reserves

The DHSS policy requires the Authority to establish the following reserves:

Surplus Reserve - reflects funds maintained in a reserve according to the DHSS Operations and Maintenance Surplus Retention Policy.

Termination Benefit Reserve - the funds received in advance for the severance liability of employees who were transferred to the Authority from the GNWT. These liabilities are reduced as employees are paid out upon termination of employment with the Authority.

The Authority does not have sufficient funds to establish either of these reserves.

(d) Tangible capital assets

The GNWT retains ownership of all tangible capital assets (TCA) used by the Authority, or purchased by the Authority (regardless of source of funding for the purchase). The GNWT amortizes TCAs over the estimated useful lives of the assets at the rates established in the Financial Administration Manual over the following terms:

Buildings	40 years
Mainframe and software systems	5 - 10 years
Leasehold improvements	Lesser of useful life or lease term plus renewal option

The TCAs used by the 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 with an offsetting corresponding amount as a Grant-In-Kind revenue.

(e) Inventories of supplies

Inventories of supplies include inventories held for use in the process of providing services and are distributed to clients at no charge or for a nominal charge. Inventories consist of pharmacy items. Inventories of supplies are valued at the lower of cost and replacement value.

(f) Accrued employee leave and termination benefits

In accordance with GNWT accounting policies specified for public agencies, the Authority annually accrues estimated employee leave and termination benefits payable.

(g) Pension contributions

The Authority and its employees make contributions to the Public Service Superannuation Plan administered by the Government of Canada. These contributions represent the total liability of the Authority and are recognized in the accounts on a current basis.

Dehcho Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

2. Basis of Presentation and Significant Accounting Policies (continued)

(h) Revenue recognition

The Authority is primarily funded by the GNWT in accordance with budget arrangements established by the DHSS. Under the arrangements, the Authority is responsible for the net deficit from operations and is allowed to retain surpluses from core programs. Any capital funding not spent may be retained for future capital purchases. These policies do not apply to contribution agreements, where an accounting of and return of surpluses may be required.

Billings processed through ICORE system by the medical centre's billing clerks are recognized as revenue upon submission of claim to the DHSS's Health Services Administration in Inuvik.

Other revenue is recognized when the service is performed or the goods are provided.

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

Operating transfers are recognized as revenue in the period in which the events giving rise to the transaction occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be determined.

(i) Financial instruments

The Authority classifies its financial instruments at cost or amortized cost. The Authority's accounting policy for this financial instrument category is as follows:

This category includes cash, accounts receivable, accounts payable and accrued liabilities, payroll liabilities, and contributions repayable. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the statement of operations.

(j) Non-financial assets

Non-financial assets are accounted for as assets by the Authority because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the Authorities unless they are sold.

Dehcho Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

2. Basis of Presentation and Significant Accounting Policies (continued)

(k) Measurement uncertainty

The preparation of these financial statements in conformity with Canadian public sector accounting standards require management to make estimates and assumptions. This affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the updated amounts of revenue and expenses during the period. Actual results could differ from these estimates.

3 Future Accounting Changes

a) Inter-entity transactions, Section PS 3420

This section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and a recipient perspective. This section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

b) Assets, Section PS 3210

This section provides guidance for applying the definition of assets and establishes general disclosure standards for assets. Disclosure information about the major categories of assets that are not recognized in the financial statements is required.

This section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

c) Contingent Assets, Section PS 3320

This section defines and establishes disclosure on contingent assets. Disclosure of information about contingent assets is required when the occurrence of the confirming future event is likely.

This section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

d) Contractual Rights, Section PS 3380

This section defines and establishes disclosure standards on contractual rights. Disclosure of the nature, extent, and timing of any contractual right is required.

This section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

e) Restructuring Transactions, Section PS 3430

This section establishes standards on how to record assets, liabilities, revenues and expenses relating to restructuring transactions as well as disclosure requirements for the recipient and transferor.

This section applies to fiscal years beginning on or after April 1, 2018. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

Dehcho Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

4 Cash

	2016	2015
Unrestricted Cash	\$ 19,277	\$ 145,878
Total cash	\$ 19,277	\$ 145,878

5 Special Purpose Funds

Nil report

6 Restricted Assets

NIL Report

7 Portfolio Investments

NIL Report

8 Accounts Receivable

	Accounts Receivable	Allow. For Doubtful Accounts	Net 2016	Net 2015
GNWT	\$ 324,668	\$ -	\$ 324,668	\$ 577,900
WSCC - NWT	11,227	-	11,227	11,519
Other	101,767	(50,292)	51,475	39,323
Total accounts receivable	\$ 437,662	\$ (50,292)	\$ 387,370	\$ 628,742

9 Inventories Held for Use

	2016	2015
Pharmacy	\$ 87,628	\$ -

\$11,850 of inventory was written off in 2015-2016

Dehcho Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

10 Accounts Payable and Accrued Liabilities

	2016	2015
Government of the Northwest Territories	\$ 294,867	\$ 283,402
Government of Canada	974	-
Other	365,525	265,200
Total accounts payable and accrued liabilities	\$ 661,366	\$ 548,602

	2016	2015
Payroll Liabilities		
Due to the GNWT	\$ 3,011,305	\$ 2,760,928
Total payroll liabilities	\$ 3,011,305	\$ 2,760,928

11 Deferred Revenue

NIL Report

12 Contributions Repayable

	2016	2015
GNWT - DHSS - healthy family choices	\$ 67,803	\$ 67,803
GNWT - DHSS - homecare (2013)	1,133	1,133
GNWT - DHSS - homecare (2014)	39,288	39,288
GNWT - DHSS - collective kitchen	8,872	-
GNWT - DHSS - respite pilot project	34,969	-
	\$ 152,065	\$ 108,224

13 Due to Government of Canada

NIL report

14 Capital Lease Obligations

NIL Report

15 Pension

NIL Report

Dehcho Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

16 Employee Future Benefits

Under the conditions of employment, employees qualify for annual leave of varying hours depending on length of service. Employees also earn retirement and severance remuneration based on number of years of service. Certain employees will also receive assistance with removal costs to return to their point of recruitment. Annual leave is payable within one fiscal year. The payment of the other amounts is dependent on employees leaving the employment of the Authority.

These liabilities are to be funded in the year they become due through regular annual budget allocations that are received from the GNWT.

	2016	2015
Removal	\$ 297,881	\$ 291,448
Termination, severance, resignation, retirement	416,238	334,036
Leave *	452,307	432,470
	<u>1,166,426</u>	<u>1,057,954</u>
Less: portion included in current portion	630,837	588,841
Long term portion	<u>\$ 535,589</u>	<u>\$ 469,113</u>

* Leave

- includes annual, lieu, statutory holidays, and mandatory leave.
- includes leave banks as well as leave accruals and leave payouts due.
- is considered to be short term liabilities for the purpose of distinguishing Employee Future Benefits into short and long term categories.

17 Trust Assets and Liabilities

The trust assets represents cash being held in trust for patients.

	2016	2015
Patient cash in trust	\$ 725	\$ 1,067
Total trust assets and liabilities	<u>\$ 725</u>	<u>\$ 1,067</u>

18 Tangible Capital Assets

NIL Report

Dehcho Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

19 Prepaid Expenses

	2016	2015
Rent	\$ -	\$ 4,700
Maintenance	596	-
Other	1,021	-
Travel advances	3,580	-
Total prepaid expenses	\$ 5,197	\$ 4,700

20 Accumulated Surplus / (Deficit)

	2016	2015
Unrestricted		
Unfunded leave and termination benefits	\$ (1,166,426)	\$ (1,057,954)
Operating surplus / (deficit)	(3,325,264)	(2,638,434)
	\$ (4,491,690)	\$ (3,696,388)

21 Capital Advances from GNWT

No capital advances from the GNWT.

Dehcho Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

22 GNWT Assets Provided at No Cost

	Cost	2016 Accumulated amortization	Net book value	2015 Net book value
Buildings	\$ 26,767,274	\$ 8,109,956	\$ 18,657,318	\$ 7,678,835
Leasehold improvements	1,208,365	452,586	755,779	61,280
Vehicles	51,588	15,189	36,399	39,837
	\$ 28,027,227	\$ 8,577,731	\$ 19,449,496	\$ 7,779,952

Rent expense for 2016 is \$716,143 (2015: \$429,687) with an offsetting grant-in-kind.

23 Contractual Obligation

The Authority has commitments for apartment and equipment leases that will require payment in future years. The minimum annual payments for these commitments are as follows:

	Expires in Fiscal Year	2017	2018 and Thereafter	Total
Residential leases	2019	\$ 40,800	\$ 81,600	\$ 122,400
Equipment leases	2020	17,906	11,712	29,618
		\$ 58,706	\$ 93,312	\$ 152,018

24 Contingent Liabilities

In the normal course of operations, the Authority is subject to claims and litigation. As of March 31, 2016, there were no outstanding claims against the Authority.

Also, the Authority's operations are affected by federal, territorial, and local laws and regulations regarding environmental protection. The Authority is committed to meeting these existing laws and regulations. The Authority did not have any environmental liabilities during the year.

25 Prior Year Funding Received

NIL Report

26 Budget Information

Budget figures were those approved by the Authority's Public Administrator and DHSS. The budget figures are not audited and are intended for information purposes only.

Dehcho Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

27 Economic Dependence

The Authority receives its funding primarily from the GNWT. If the funding arrangement were to change, management is of the opinion that the Authority operations would be significantly affected

28 Subsequent Events

On April 1, 2016 new legislation came into effect giving the Minister of Health and Social Services the authority to create a Territorial Health and Social Services Authority (THSSA). The Minister of HSS has announced that the effective date for the THSSA to commence operations is August 1, 2016. When the THSSA is created, six of the eight current Health and Social Authorities (HSSAs) become part of the THSSA and will no longer be separate legal authorities. Hay River Health and Social Services Authority (HRHSSA) and Tlicho Community Services Agency (TCSA) will remain outside the THSSA; however, the legislation does include provisions to bring the HRHSSA into the THSSA at a later date. The THSSA will serve as a single integrated delivery system for NWT health and social service programs while recognizing that the TCSA retains a unique role through the provisions of the Tli Cho Agreement. Through the Chief Executive Officer, the THSSA will report to and take direction from the Chair of Health and Social Services Leadership Council that will be comprised of persons appointed in accordance with legislation. As a consequence, after August 1, 2016, the Authority will no longer exist as a separate legal entity.

29 Comparative Amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

Dehcho Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

30 Related Party Transactions

The Authority is related in terms of common ownership to all GNWT created departments, agencies, and corporations. The Authority enters into transactions with these entities in the normal course of business. The Authority is provided various administrative services by the GNWT, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage and internal audit services by the Department of Finance and compensation services provided by Department of Human Resources.

Due from related parties (net of allowance):

	2016	2015
GNWT - DHSS	\$ 324,668	\$ 577,900
WSCC	11,650	-
Stanton Territorial Health Authority	-	2,042
	336,318	579,942

Due to related parties:

	2016	2015
GNWT - DHSS	\$ 359,283	\$ 283,403
GNWT - Finance (Payroll)	3,011,305	2,760,928
GNWT - Contributions Repayable	152,065	108,223
Hay River Health and Social Services Authority	-	87
Stanton Territorial Health Authority	20,043	229
NWT Power	-	1,167
Department of Public Works	-	197
	\$ 3,542,696	\$ 3,154,234

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.

Dehcho Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

31 Financial Instruments

The Authority is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risk from the Authority's financial instruments by type of risk is provided below:

(i) Credit risk

Credit risk is the risk of financial loss to the Authority if a debtor fails to make payments of interest and principal when due. The Authority is exposed to this risk relating to its, cash, special purpose funds, trust assets and accounts receivable.

The Authority holds its cash, special purpose funds and trust assets deposits in trust accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Authority's cash and special purpose funds deposits in trust accounts are insured up to \$100,000.

Accounts receivable are due from various governments, government agencies, corporations and individuals. Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection. Management has determined that a portion of accounts receivable are impaired based on specific identification as well as age of receivables. These amounts are as disclosed in Note 8.

The Authority's maximum exposure to credit risk is represented by the financial assets for a total of \$387,370 (2015 - \$628,742).

Concentration of credit risk

Concentration of credit risk is the risk that a customer(s) has a significant portion of the total accounts receivable balance and thus there is a higher risk to the Authority in the event of a default. The Authority does have concentration risk. At March 31, 2016, receivables from one customer comprised 74% of the total outstanding accounts receivables (2015 - 84%). The Authority reduces this risk by monitoring overdue balances.

The Authority also has concentration risk of credit risk as deposits are held in one Canadian chartered bank.

(ii) 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. All of the Authority's financial assets and financial liabilities at March 31, 2016 mature within the next six months. Total financial assets are \$407,372 (2015 - \$775,687) and financial liabilities are \$3,825,461 (2015 - \$3,418,821). The authority has disclosed future financial liabilities and commitments in Note 23.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures, and methods used to measure the risk.

Dehcho Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

32 Expenses by Object

For the year ended March 31	2016 (Unaudited) Budget	2016 Actual	2015 Actual
Compensation and Benefits			
Board honoraria	\$ 75,000	\$ 51,780	\$ 112,875
EI / CPP	-	441,399	480,615
Employee benefits	1,994,816	1,283,412	1,256,535
Leave	-	59,569	79,178
Locums	1,223,951	1,251,590	1,043,951
Northern allowance	934,634	950,465	939,645
Overtime / callback / shift responsibility	-	92,959	81,420
Purchased services	-	-	36,500
Removal	14,000	586,095	129,727
Salaries and wages	9,308,779	9,956,604	9,395,201
	13,551,180	14,673,873	13,555,647
Operations and Maintenance			
Advertising and promotion	28,500	22,878	18,565
Communications	179,580	192,755	178,687
Contracted and general services	681,694	583,325	486,711
Doubtful accounts	-	(10,026)	221
Education	54,330	94,245	88,142
Equipment maintenance	23,000	32,204	21,814
Foster care	469,000	442,703	319,860
General supplies	337,244	329,578	316,320
License and membership fees	34,203	50,633	53,528
Medical and surgical supplies	406,363	353,673	452,562
Minor capital	20,000	142,516	21,027
Other	53,383	294,617	413,808
Postage and freight	74,000	82,699	101,607
Professional services	25,000	29,317	28,855
Rental / leases	112,752	136,053	139,992
Support Agreement Per Diem	28,000	39,989	44,080
TSC support	230,000	337,685	273,453
Travel	742,483	633,407	760,724
Vehicle operations / maintenance	131,670	83,615	140,411
	3,631,202	3,871,866	3,860,367
Total Expenses	\$ 17,182,382	\$ 18,545,739	\$ 17,416,014

Dehcho Health and Social Services Authority

Schedule of Contributions from the GNWT

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Contributions from the GNWT			
Department of Health and Social Services			
Core contribution			
Adult support services	\$ 1,717,000	\$ 1,714,000	\$ 1,656,000
Authority administration	864,000	863,000	1,601,000
Child & family services	2,539,000	2,544,000	-
Community clinics and health centres	7,912,000	7,945,000	6,382,000
Community Mental health and addictions	1,240,000	1,245,000	234,000
Community wellness programs	-	-	47,000
Equipment < \$50,000	-	-	20,000
Family violence	46,000	46,000	46,000
Finance	485,000	484,000	-
Foster care	-	-	631,000
Health promotions & community wellness	56,000	462,000	9,000
Homecare & support services	692,000	697,000	678,000
Intervention services	-	-	170,000
Physician services to NWT residents	-	-	1,285,000
Social service delivery	-	-	2,892,000
Therapeutic services	311,000	311,000	-
	15,862,000	16,311,000	15,651,000
Other contributions			
Collective Kitchen	-	30,959	22,283
Dietician funding	25,000	-	-
Flexible Respite Pilot Project	-	316	-
French language program	-	-	24,871
Healthy family choices	-	-	246,677
Homecare Enhancement	443,107	501,406	489,287
Improving Safety for Victims of Family Violence	-	63,651	-
Mental Health First Aid	-	25,056	-
Safety for victims of family violence	-	-	3,348
Total Department of Health and Social Services	16,330,107	16,932,388	16,437,466
Total contributions from the GNWT	\$ 16,330,107	\$ 16,932,388	\$ 16,437,466

Dehcho Health and Social Services Authority**SCHEDULE A-1****Schedule of Detailed Contribution Funding and Expenditure
Home & Community Care Enhancement (HSS01-000002614am2)**

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Funding			
Department of Health			
Home & Community Care Enhancement	\$ 501,406	\$ 501,406	\$ 489,287
	501,406	501,406	489,287
Expenditures			
Compensation	441,406	484,277	476,004
Training & Development	20,000	11,306	18,958
Staff Travel	5,000	3,407	3,625
Hay River Reserve Contract	35,000	35,000	35,000
	501,406	533,990	533,587
Expenditures over Revenue	\$ -	\$ (32,584)	\$ (44,300)

See payroll scope limitation in the Independent Auditors' Report.

Dehcho Health and Social Services Authority

Schedule of Recoveries

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Recoveries from the GNWT			
Department of Health			
Non Insured Services	\$ -	\$ -	\$ 193
Non-residents of the Territories	100,000	76,653	71,071
Other recoveries	278,350	93,787	28,764
Youth on the land program	-	-	134,668
Dental	75,640	100,446	117,788
Billback Recoveries	-	228,987	90,156
	453,990	499,873	442,640
	-	-	-
Recoveries directly from Third Parties			
Extended care	166,752	160,911	156,845
Meals on wheels	7,200	5,300	860
Other	89,533	41,548	84,975
Staff rental	55,000	43,121	47,876
Vaccinnes	22,500	1,744	2,889
WSCC	37,300	54,670	58,883
	378,285	307,294	352,328
Total recoveries	\$ 832,275	\$ 807,167	\$ 794,968

Dehcho Health and Social Services Authority

Schedule of Other Contributions

For the year ended March 31,	2016		2015	
	(Unaudited) Budget	Actual	Actual	
Other Contributions from Related Parties	\$ -	\$ -	\$ -	-
Other contributions from Third Parties	-	-	-	-
Total Other Contributions	\$ -	\$ -	\$ -	-

Dehcho Health and Social Services Authority

Schedule of Other Income

For the year ended March 31,	2016		2015	
	(Unaudited) Budget	Actual	Actual	
Other Income from related parties	\$ -	\$ -	\$ -	-
Other Income from Third Parties	-	-	-	-
Total Other Income	\$ -	\$ -	\$ -	-

Dehcho Health and Social Services Authority

Schedule of Expenses

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Compensation and Benefits			
GNWT			
Compensation and benefits expenses	\$ -	\$ -	\$ -
Related Parties			
Compensation and benefits expenses	-	-	-
Third Parties			
Compensation and benefits expenses	13,551,180	14,673,873	13,555,647
Total compensation and benefits	13,551,180	14,673,873	13,555,647
Grants expenses			
GNWT			
Grants expenses	-	-	-
Related Parties			
Grants expenses	-	-	-
Third Parties			
Grants expenses	-	-	-
Total grants expenses	-	-	-
Contributions expenses			
GNWT			
Contributions expenses	-	-	-
Related Parties			
Contributions expenses	-	-	-
Third Parties			
Contributions expenses	-	-	-
Total contributions expenses	-	-	-
Other expenses			
GNWT			
Public Works Department	-	14,193	15,185
NWT Power Corporation	-	1,600	1,043
Related parties			
Fort Smith Health and Social Services Authority	-	6,300	-
Hay River Health and Social Services Authority	-	11,245	6,402
Sahtu Health and Social Services Authority	-	-	4,249
Stanton Territorial Health Authority	-	80,440	87,453
Tlicho Community Services Agency	-	6,203	-
Yellowknife Health and Social Services Authority	-	1,632	-
Third parties			
Other expenses - third parties	3,631,202	3,750,253	3,746,035
Total other expenses	3,631,202	3,871,866	3,860,367
Total expenses	\$ 17,182,382	\$ 18,545,739	\$ 17,416,014

Dehcho Health and Social Services Authority

Schedule of Reserves

For the Year Ended March 31, 2016

	Surplus / Deficit Reserve		Leave and Termination Benefits Reserve		Special Projects Reserve		Total Reserves	
	2016	2015	2016	2015	2016	2015	2016	2015
Balance, beginning of the year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additions / reductions to/from reserves	-	-	-	-	-	-	-	-
Transfers between reserves	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Balance, end of the year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Fort Smith Health and Social Services Authority

Financial Statements

March 31, 2016

Fort Smith Health and Social Services Authority

Financial Statements

March 31, 2016

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FORT SMITH HEALTH & SOCIAL SERVICES

P.O. Box 1080, 41 Breynat Street
Fort Smith, NT X0E 0P0
Tel: (867) 872-6200 Fax: (867) 872-6275

**To the Minister of Health and Social Services
Government of the Northwest Territories**

Management's Responsibility for Financial Reporting For the Year Ended March 31, 2016

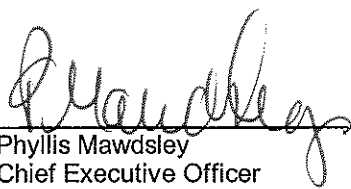
The Management Discussion & Analysis, Financial Statements, Schedules and Notes herein submitted have been reviewed by management. They provide full disclosure and accurately reflect the financial and non-financial condition of the Authority in all material respects and in accordance with Canadian Public Sector Accounting Standards (PSAS) as well as the Financial Administration Manual (FAM) of the Government of the Northwest Territories.

Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that proper records are maintained. Controls further include quality standards regarding the hiring and training of employees, that ensure the adequate maintenance of written policies and procedural manuals and that further provide for appropriate accountability for performance within well-defined areas of responsibility. The operations and administration of the Authority have been conducted within the statutory powers of the Authority. The operations and administration of the Authority as well as the supporting internal controls of the Authority are regularly monitored to ensure their effectiveness and their continued compliance with all relevant legislation, standards, directives and policies including but not limited to the Financial Administration Act, PSAS, FAM, Human Resources Manual, Ministerial Directives and the policies of the Authority. Any non-compliance has been specifically identified and has been communicated to the Minister and Deputy Minister.

Management hereby asserts that auditors have been provided with all relevant records and documentation as well as unrestricted access to the same. Management is not aware of any undisclosed irregularities involving management or employees with either current or potential impact on financial results, fraud or suspected fraud, disbursements made for purposes not consistent with an appropriation, irregular commitments including those in the form of guarantees, violations or possible violations of laws or regulations, claims or litigation, known or suspected environmental site contaminations or of any other undisclosed environmental or safety hazards within its jurisdiction.

The auditors annually provide an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards. The auditors also consider whether the transactions that have come to their notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the Department of Health and Social Services of the Government of the Northwest Territories.

Approved and Confirmed on behalf of Fort Smith Health and Social Services Authority


Phyllis Mawdsley
Chief Executive Officer
Fort Smith Health and Social Services Authority

June 23, 2016



FORT SMITH HEALTH & SOCIAL SERVICES

P.O. Box 1080, 41 Breynat Street
Fort Smith, NT X0E 0P0
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Management Discussion & Analysis March 31, 2016

Introduction

The Fort Smith Health and Social Services Authority (FSHSSA) acknowledge the need to prepare the Management Discussion and Analysis (MD&A) as a go-forward responsibility of management, and the Board of Management, to promote transparency and accountability.

The FSHSSA is dedicated to achieving the shared vision: “Empower people to live healthy, productive lives”. The FSHSSA places quality improvement at the forefront of all programming and services from direct patient care to policy development to cleaning of the facilities.

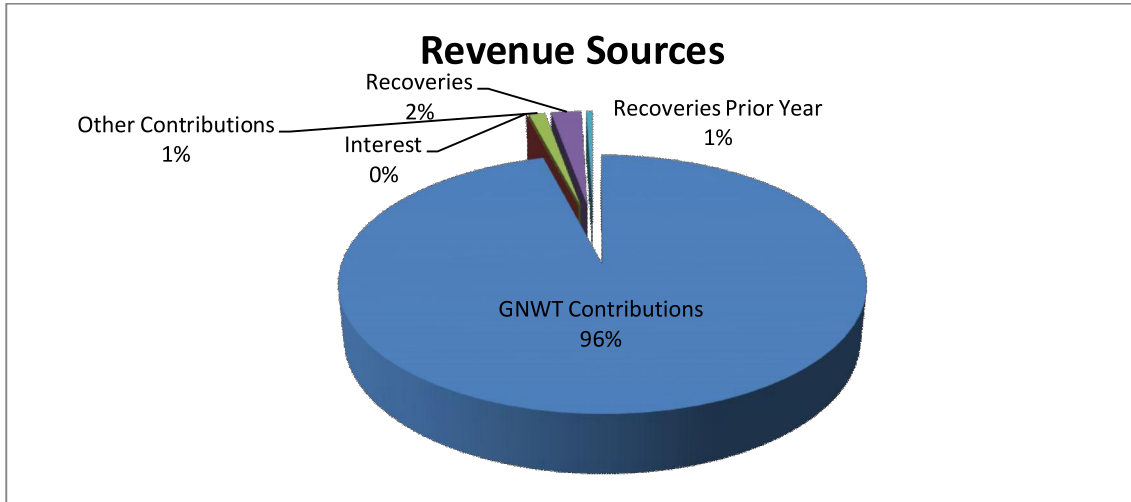
The FSHSSA is an accredited organization that offers a comprehensive range of community health and social programs to approximately 2,500 residents of Fort Smith and the surrounding area. While the FSHSSA is a community based, it also plays a territorial role in providing services to a territorial long term care facility, the main campus of Aurora College, a territorial Youth Treatment Centre, and two territorial Correction Facilities utilized by other regions of the Northwest territories and Nunavut. The FSHSSA has a dedicated workforce of approximately 150 employees and is able to recruit and retain a number of long term professional staff members and approximately 30 contracted service providers.

The FSHSSA has a functioning Board of Management that meets monthly, composed of members from representative organizations of the community including the Fort Smith Metis Council, Salt River First Nation, and Town of Fort Smith. There are a number of well-functioning committees within the FSHSSA, including Operational Health & Safety, Clinical Practice Advisory Committee, Ethics Committee, Infection Control, and Emergency Measure Committee among others.

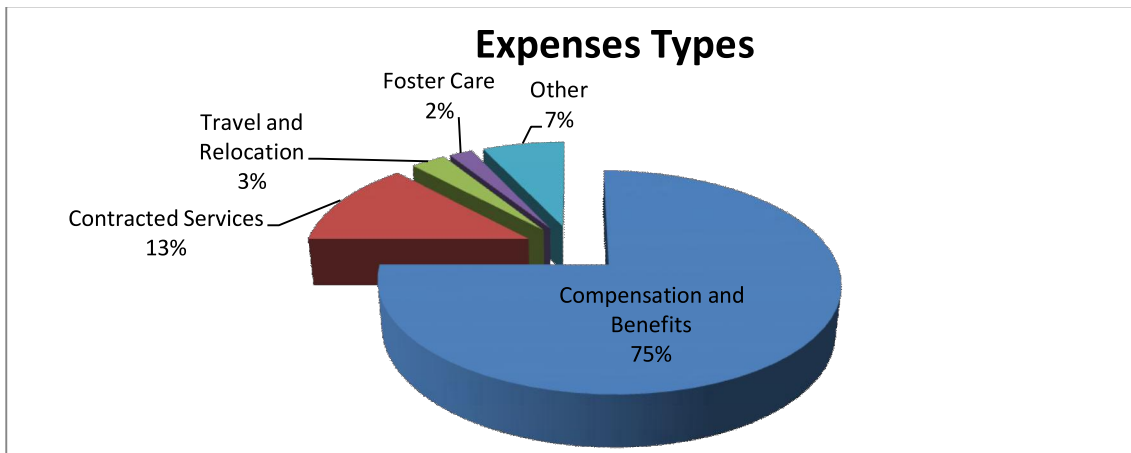
Operating Environment

The FSHSSA delivers publicly-funded health and social services under the Hospital Insurance and Health and Social Services Administration Act. FSHSSA is primarily funded by the Government of Northwest Territories (GNWT), that faces and is operating in an environment of fiscal restraint. The cost of providing health and social services programs is high and, therefore, requires increased funding. Furthermore, the cost of recruiting, relocation, licensing, and retaining professional staffing is also high. The FSHSSA implemented cost-saving measures that aim to reduce the deficit and allows the FSHSSA to strive towards a balanced budget.

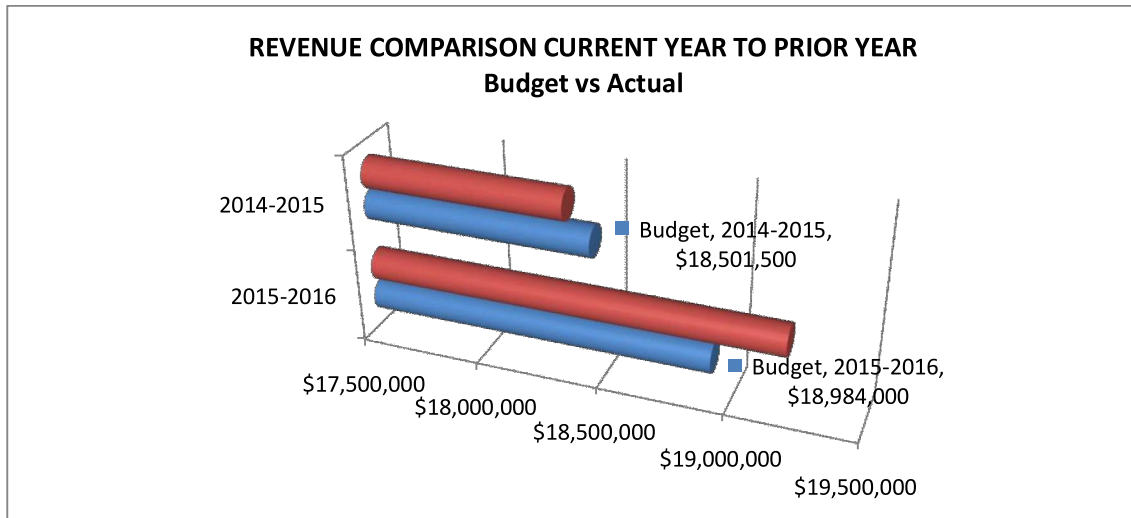
Financial Condition



Fort Smith Health and Social Services Authority (FSHSSA) received overall \$19,197,454 in revenue in 2015-16. The main source of revenue is obtained from Government of Northwest Territories (GNWT) thru contribution agreement. The GNWT contributes to 96% of the revenue of FSHSSA, totaling to \$18,408,170. Other contributions reflect only 2% of all sources of revenue, totaling to \$238,836. Other contributions include the following: Technology Service Centre (TSC) Transition, French Language Services, Home Care Enhancement (HCE), Healthy Family Collective Kitchen, Mental Health First Aid, New Parent Baby Box, Applied Suicide Intervention Skills, and Relevant Experience Program (REP). The earned interest was at \$6,052. Furthermore, FSHSSA has recovered overall \$446,597 from various sources, such as rent, vaccines, WSCC, out of territory client visits, Medicare, and other.

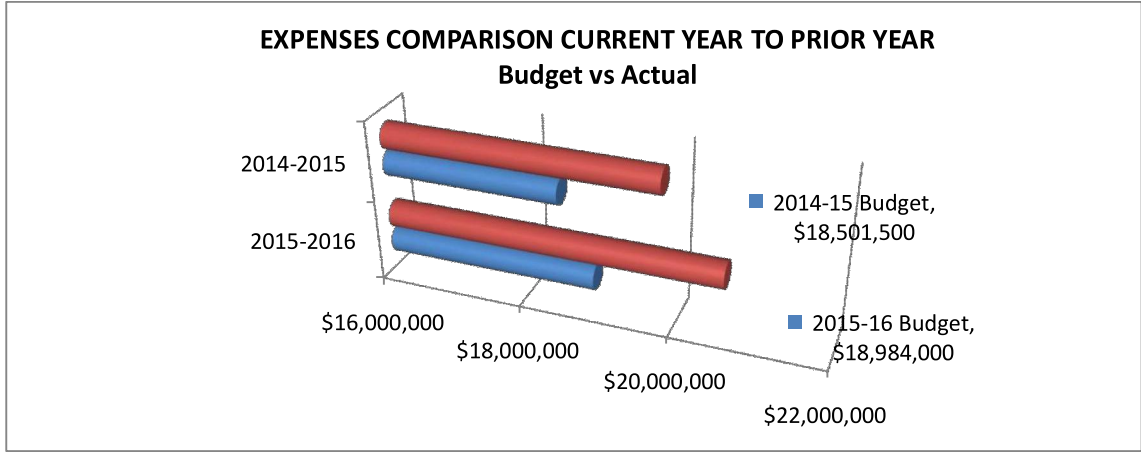


Fort Smith Health and Social Services Authority (FSHSSA) expenses were at \$20,614,781 in 2015-16. Compensation and Benefits account for 75% of the expenses, totaling \$15,532,547. Contracted services account for 13% of total expenses, totaling \$2,577,467. Travel and relocation account for 3% of total expenses, totaling \$519,647. Furthermore, Other Expenses account for 7% of the expenses, totaling \$1,542,498.

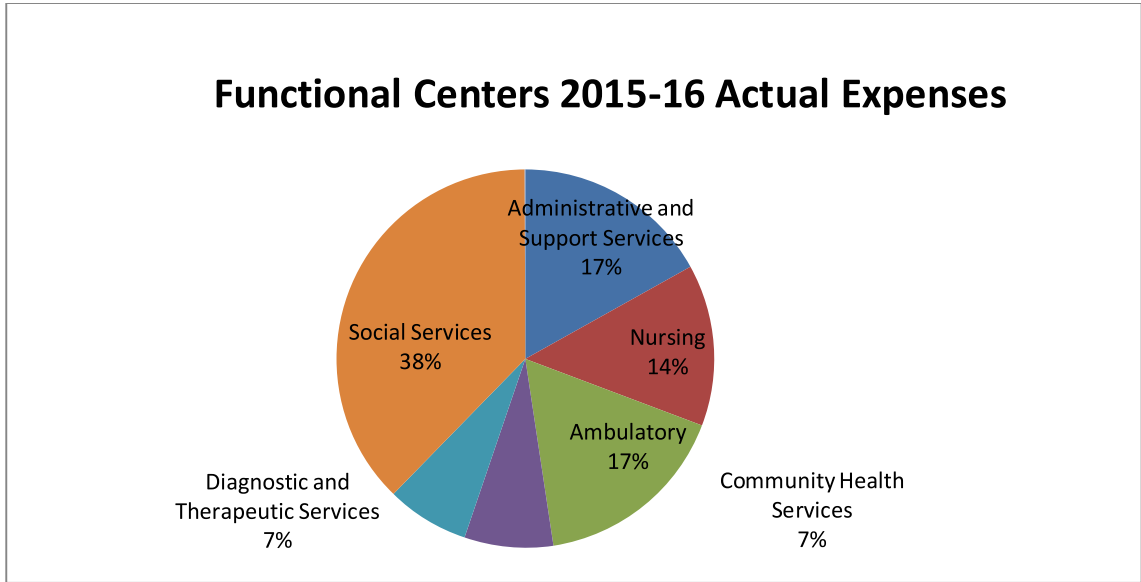


In 2014-15, the revenue was budgeted at \$18,501,500 and the actual revenue received was \$18,331,797, contributing in negative variance of approximately \$170,000 due to overstatement for budgeted Home Care Enhancement (HCE) contribution revenue. In 2015-16, the revenue was budgeted at \$18,984,000 and the actual revenue received was \$19,197,454, resulting in positive variance of approximately \$213,000. Positive variance reflects additional funding that include the following: Human Resources (HR) Graduate internship at \$42,000, HR REP funding at \$18,000, physician maternity cost partial reimbursement at \$11,000, Dynalife laboratory contracting cost reimbursement at \$19,000, CRA GST Rebate at \$64,000, TSC contribution at \$26,000, and Home Care Enhancement contribution additional funding at \$33,000.

Furthermore, the FSHSSA received in 2014-15 physician funding adjustment to offset the preceding year deficit by \$54,000. In 2015-16, the FSHSSA received physician funding adjustment to offset the preceding year deficit by \$97,799.



In 2014-15, the budgeted expenses were at \$18,501,500 and the actual expenses were at \$19,786,091, resulting in unfavorable variance of \$1,284,591. In 2015-16, the budgeted expenses were at \$18,984,000 and the actual expenses were at \$20,614,781, resulting in unfavorable variance of \$1,630,781.



Social Services account for 38% of the total expenses, totaling to \$7,771,090. This includes Social Programs, Foster Care, Mental Health and Addictions, Sutherland House-Woman Shelter, and Residential Care for Children and Adults (Northern Lights Continuing Care). Northern Lights Continuing Care Facility is 28 bed and 24/7 type facility. Overall, this area had favorable variance of \$42,000.

Ambulatory Care Services account for 17% of the total expenses, totaling to \$3,474,574. This includes physicians and clinic costs. Overall, the area contributed to unfavorable variance of approximately \$500,000 due to Locum Physician Model that carries additional costs, such as relocation, accommodation, and vehicle expense.

Nursing Services reflects Emergency 24/7, Inpatient, and Midwifery program and account for 14% of the total expenses, totaling to \$2,851,650. Overall, the area contributed to negative variance due to unfunded backfill for maternity leave and unfunded overtime that resulted from vacancies and the need to provide coverage in Emergency 24/7.

Diagnostic and Therapeutic Services account for 7% of total expenses, totaling to \$1,570,163. Diagnostic services include Laboratory and X-ray services. Therapeutic Services includes Physiotherapy, Occupational Therapy, and Speech Therapy. Overall, there is an unfavorable variance of approximately \$230,000 attributable to Diagnostic Services, specifically, standby cost, equipment maintenance cost, and referred out laboratory testing contract cost.

Community Health Services account for 7% of total expenses, totaling to \$1,453,503. This includes Public Health, Dental Therapy, and Dietian Services. There is an unfavorable variance of approximately \$145,000 due to unfunded Dietitian position; this position has been identified as top priority in the community needs assessment report.

Administrative and Support Services account for 17% of the total expenses, totaling \$3,487,988. This area includes Executive, Board of Management, Quality Assurance, Finance, Purchasing, Medical Records, Information Technology, French Language Services, Housekeeping, Laundry, and Facility Services. There is an unfavorable variance of approximately \$488,000, attributable primarily to two unfunded housekeeping positions that were hired to mitigate the infection control risk, unfunded maternity backfill, and unfunded medical records positions that were hired to promote access to information, privacy, and health information systems.

As of March 31, 2016 the FSHSSA incurred an operating deficit of \$1,511,104, consequently increasing the accumulated operating deficit to \$6,590,101.

The Fort Smith Health and Social Services Authorities accumulated deficit is attributed to a number of factors:

1. This year the FSHSSA incurred relocation expenses for staff hiring of both permanent and locum staff of \$351,000; this amount includes approximately \$144,000 for Locum physicians' relocation. This operating cost is not part of the FSHSSA base budget. The FSHSSA has taken steps on filling the vacancies on an indeterminate and term basis.
2. The FSHSSA was \$1,151,952 over budget in overtime, call back, shift responsibility, and stand by pay across the organization.
3. This year Foster Care expenses exceeded budget by approximately \$200,000. In 2014-2015 the Foster Care expenses exceeded budget by approximately \$160,000.

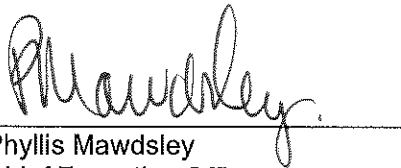
During 2015-16, FSHSSA has achieved many accomplishments:

- Accreditation with commendation
- Finalization of four year renovation project
- Integration of French language services into service delivery
- Transition to TSC achieving standardization and business continuity
- Finalization of implementation and process improvement in financial system Virtuo/Ormed and Medworxx
- Retention of two indeterminate physicians
- Retention of long term staffing
- Cohesive leadership team

Furthermore, FSHSSA seeks opportunities on a daily basis to improve; currently, the FSHSSA is working on enhancing infection control standards; specifically, the biomedical waste management process has been revised to improve process and reduce associated risk.

Summary and Outlook

To conclude, effective August 1, 2016 the FSHSSA will be transition into one Territorial Health and Social Services Authority. We are very optimistic that we will achieve efficiencies and effectiveness in required operating business and clinical processes as part of one Territorial Health and Social Services Authority. We will continue to provide quality services to the people in our community in our region that are client-focused, high quality, accessible, and accountable to the diverse needs as determined by the community members.



Phyllis Mawdsley
Chief Executive Officer
Fort Smith Health and Social Services Authority

June 23, 2016

Independent Auditors' Report

To the Minister of Health and Social Services Government of the Northwest Territories

We have audited the accompanying financial statements of the Fort Smith Health and Social Services Authority as at March 31, 2016, which comprise the statement of operations and the statements of financial position, changes in net financial debt, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. We have also audited the revenues and expenditures for all programs funded through contribution agreements with the Department of Health and Social Services which total \$250,000 or more as listed on Schedule A.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Management is also responsible for the preparation of the schedule of revenues and expenditures of all programs funded through contribution agreements with the Department of Health and Social Services which total \$250,000 or more in accordance with the financial guidelines of the Department of Health and Social Services.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Independent Auditors' Report (continued)

Basis for Qualified Opinion

Salaries and related benefits paid to employees of the Authority are administered by the Government of the Northwest Territories and are audited as part of the Government of the Northwest Territories' audit. Our audit scope was limited as we did not audit the components of compensation and benefits expenditures and related balances. Accordingly, we were not able to determine whether any adjustments might be necessary to compensation and benefits expenditures, payroll liabilities, employee future benefits, net financial resources, and accumulated deficit as well as note disclosures associated with transactions and year-end balances relating to compensation and benefits.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material aspects, the financial position of the Fort Smith Health and Social Services Authority as at March 31, 2016, and its financial operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards, applied on a basis consistent with the preceding year. Furthermore, except for the limitation relating to payroll as described above, Schedule A presents fairly, in all material respects, the revenues and expenditures of all programs funded through contribution agreements with the Department of Health and Social Services which total \$250,000 or more for the year ended March 31, 2016, in accordance with the financial guidelines of the Department of Health and Social Services.

Report on Other Legal and Regulatory Requirements

We further report in accordance with the Financial Administration Act of the Northwest Territories that, in our opinion, proper books of account have been kept by the Authority, the financial statements are in agreement therewith, and the transactions that have come under our notice have, in all material aspects, been within the statutory powers of the Authority.

**Yellowknife, Northwest Territories
June 23, 2016**

Crowe MacKay LLP
Chartered Accountants

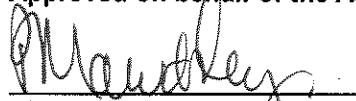
STATEMENT I

Fort Smith Health and Social Services Authority

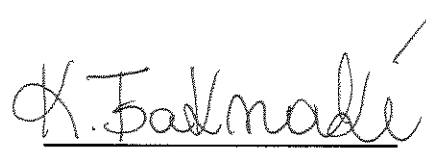
Statement of Financial Position

As at March 31,	2016	2015
Financial Assets		
Cash (Note 4)	\$ 221,585	\$ 218,864
Accounts Receivable (Note 8)	525,576	260,403
Trust Assets (Note 17)	13,885	21,804
	761,046	501,071
Liabilities		
Accounts Payable and Accrued Liabilities (Note 10)	777,473	990,913
Payroll liabilities (Note 10)	5,853,510	4,033,032
Deferred Revenue (Note 11)	1,502	-
Contributions repayable (Note 12)	30,181	-
Employee Future Benefits (Note 16)	965,310	961,288
Trust liabilities (Note 17)	13,885	21,804
	7,641,861	6,007,037
Net Financial Assets (Debt)	(6,880,815)	(5,505,966)
Non-Financial Assets		
Inventories Held for Use (Note 9)	181,260	188,220
Prepaid Expenses (Note 19)	109,454	144,972
	290,714	333,192
Accumulated Surplus / (Deficit) (Note 20)	\$ (6,590,101)	\$ (5,172,774)
Contractual Obligations (Note 23)		
Contingent Liabilities (Note 24)		

Approved on behalf of the Authority



Phyllis Mawdsley
Chief Executive Officer



Katerina Tsaknaki
Chief Financial Officer

Fort Smith Health and Social Services Authority

Statement of Operations

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Revenue			
Contributions from GNWT (Schedule A)	\$ 18,474,000	\$ 18,408,170	\$ 17,816,511
Contributions from other sources (Schedule C)	-	-	-
Interest income	8,000	6,052	8,933
Other income (Schedule D)	287,000	238,836	253,664
Recoveries (Schedule B)	215,000	446,597	198,689
Recoveries from prior years' expenses	-	97,799	54,000
	18,984,000	19,197,454	18,331,797
Expenses			
Administration and support	3,107,395	3,487,988	3,038,013
Nursing inpatient services	2,456,501	2,851,650	3,049,655
Ambulatory care	2,947,501	3,474,574	3,403,514
Diagnostic and therapeutic	1,333,001	1,570,163	1,303,606
Community health services	1,316,099	1,453,503	1,353,685
Social services	7,813,503	7,771,090	7,631,653
Undistributed	10,000	5,813	5,965
	18,984,000	20,614,781	19,786,091
Operating surplus / (deficit)	-	(1,417,327)	(1,454,294)
Prior year funding received	-	(97,799)	(54,000)
Operating surplus / (deficit) before prior year funding	-	(1,515,126)	(1,508,294)
Unfunded Items			
Change in employee leave and termination benefits (Note 16)	-	4,022	(12,161)
Annual surplus / (deficit) before the following	-	(1,511,104)	(1,520,455)
Rent expense - GNWT assets provided at no cost	-	1,685,053	1,727,477
Grant-in-kind - GNWT assets provided at no cost	-	(1,685,053)	(1,727,477)
Annual surplus / (deficit)	-	(1,511,104)	(1,520,455)
Opening accumulated surplus / (deficit)	-	(5,172,774)	(3,718,480)
Closing accumulated surplus / (deficit) (Note 20)	\$ -	\$ (6,590,101)	\$ (5,172,774)

Fort Smith Health and Social Services Authority

Statement of Changes in Net Financial Debt

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Operating surplus / (deficit)	\$ -	\$ (1,417,327)	\$ (1,454,294)
Adjustments			
Decrease / (increase) in inventories held for use	-	6,960	78,115
Decrease / (increase) in prepaid expenses	-	35,518	(57,500)
(Increase) / decrease in net debt	-	(1,374,849)	(1,433,679)
Opening net financial resources	(5,505,966)	(5,505,966)	(4,072,287)
Closing net financial resources	\$ (5,505,966)	\$ (6,880,815)	\$ (5,505,966)

Fort Smith Health and Social Services Authority

Statement of Cash Flows

For the year ended March 31,	2016	2015
Cash Provided By (Used In)		
Operating Transactions		
Operating surplus / (deficit)	\$ (1,417,327)	\$ (1,454,294)
Items not affecting cash:		
Changes in Non-cash Assets and Liabilities		
Decrease / (increase) in accounts receivable	(265,173)	436,884
Decrease / (increase) in inventories for sale	6,960	78,115
Increase / (decrease) in accounts payable and accrued liabilities	(213,440)	173,151
Increase / (decrease) in payroll liabilities	1,820,478	830,057
Increase / (decrease) in deferred revenue	1,502	-
Increase / (decrease) in employee future benefits	4,022	(12,161)
Increase / (decrease) in contributions repayable	30,181	-
Increase / (decrease) in prepaid expenses	35,518	(57,500)
Cash Provided by (Used for) Operating Transactions	2,721	(5,748)
Investing Transactions		
Disposition of portfolio investments	-	-
Acquisition of portfolio investments	-	-
Cash Provided by (Used for) Investing Transactions	-	-
Capital Transactions		
Acquisition of tangible capital assets	-	-
Proceeds of disposition of tangible capital assets	-	-
Cash Provided by (Used for) Capital Transactions	-	-
Financing Transactions		
Net proceeds from capital lease obligations	-	-
Other	-	-
Cash Provided by (Used for) Financing Transactions	-	-
Increase / (Decrease) in Cash and Cash Equivalents	2,721	(5,748)
Cash and Cash Equivalents, Beginning of Year	218,864	224,612
Cash and Cash Equivalents, End of Year	\$ 221,585	\$ 218,864
Represented by:		
Cash	\$ 221,585	\$ 218,864
	\$ 221,585	\$ 218,864

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

1. Authority

The Fort Smith Health and Social Services Authority (the "Authority") operates under the authority of the *Hospital Insurance and Health and Social Services Act* of the Northwest Territories. The Authority was established on February 1, 2002 to manage, control, and operate the public health facilities and services assigned to it by the Northwest Territories Department of Health and Social Services.

The Authority is a public body performing a function of government in Canada. Paragraph 149 (1)(c) of the federal *Income Tax Act* provides that a public body performing a function of government in Canada is exempt from taxation.

2. Basis of Presentation and Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board and by the directives of the Government of the Northwest Territories - Department of Health and Social Services ("DHSS"). Significant aspects of the accounting policies adopted by the Authority are as follows:

(a) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques, and short term highly liquid investments that are readily convertible to cash and with a maturity date of 90 days or less from the date of acquisition.

(b) Funds

The Authority records financial information in individual funds that are segregated for the purpose of carrying on specific activities or attaining certain objectives. Funds established by the Authority are:

Operating Fund - reflecting activities associated with the Authority's day-to-day operations.

Leave and Termination Liability Fund - reflecting activities in employee leave and termination benefits combined with any amounts transferred from operations to fund these liabilities. This fund represents liabilities which will be funded in the year they become due through the regular annual allocations from the Government of the Northwest Territories ("GNWT").

Endowment and Special Purpose Fund - reflecting activities relating to endowments and other special purpose funds made available to the Authority under conditions specified by donors and other providers.

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

2. Basis of Presentation and Significant Accounting Policies (continued)

(c) Surplus reserves

The DHSS policy requires the Authority to establish the following reserves:

Surplus Reserve - reflects funds maintained in a reserve according to the DHSS Operations and Maintenance Surplus Retention Policy.

Termination Benefit Reserve - the funds received in advance for the severance liability of employees who were transferred to the Authority from the GNWT. These liabilities are reduced as employees are paid out upon termination of employment with the Authority.

The Authority does not have sufficient funds to establish either of these reserves.

(d) Tangible capital assets

The GNWT retains ownership of all tangible capital assets (TCA) used by the Authority, or purchased by the Authority (regardless of source of funding for the purchase). The GNWT amortizes TCAs over the estimated useful lives of the assets at the rates established in the Financial Administration Manual over the following terms:

Buildings	40 years
Mainframe and software systems	5 - 10 years
Leasehold improvements	Lesser of useful life or lease term plus renewal option

The TCAs used by the 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 with an offsetting corresponding amount as a Grant-In-Kind revenue.

(e) Inventories of supplies

Inventories of supplies include inventories held for use in the process of providing services and are distributed to clients at no charge or for a nominal charge. Inventories consist of pharmacy items, parts for various equipment, and office supplies. Inventories of supplies are valued at the lower of cost and replacement value.

(f) Accrued employee leave and termination benefits

In accordance with GNWT accounting policies specified for public agencies, the Authority annually accrues estimated employee leave and termination benefits payable.

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

2. Basis of Presentation and Significant Accounting Policies (continued)

(g) Pension contributions

The Authority and its employees make contributions to the Public Service Superannuation Plan administered by the Government of Canada. These contributions represent the total liability of the Authority and are recognized in the accounts on a current basis.

The Authority and its contracted physicians make contributions to a physician directed investment fund administered by MD Management. These contributions represent the total pension liability of the Authority and are recognized in the accounts on a current basis

(h) Revenue recognition

The Authority is primarily funded by the GNWT in accordance with budget arrangements established by the DHSS. Under the arrangements, the Authority is responsible for the net deficit from operations and is allowed to retain surpluses from core programs. Any capital funding not spent may be retained for future capital purchases. These policies do not apply to contribution agreements, where an accounting of and return of surpluses may be required.

Billings processed through ICORE system by the medical centre's billing clerks are recognized as revenue upon submission of claim to the DHSS's Health Services Administration in Inuvik.

Other revenue is recognized when the service is performed or the goods are provided.

Government transfers are recognized as revenues when the transfer is authorised and any eligibility criteria are met, except for the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Operating transfers are recognized as revenue in the period in which the events giving rise to the transaction occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be determined.

(i) Financial instruments

The Authority classifies its financial instruments at cost or amortized cost.

The Authority's accounting policy for this financial instrument category is as follows:

This category includes cash, trust assets, accounts receivable, accounts payable and accrued liabilities, payroll liabilities, contributions repayable, and trust liabilities. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the statement of operations.

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

2. Basis of Presentation and Significant Accounting Policies (continued)

(j) Non-financial assets

Non-financial assets are accounted for as assets by the Authority because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the Authorities unless they are sold.

(k) Measurement uncertainty

The preparation of these financial statements in conformity with Canadian public sector accounting standards require management to make estimates and assumptions. This affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the updated amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

3 Future Accounting Changes

a) Inter-entity transactions, Section PS 3420

This section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and a recipient perspective. This section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

b) Assets, Section PS 3210

This section provides guidance for applying the definition of assets and establishes general disclosure standards for assets. Disclosure information about the major categories of assets that are not recognized in the financial statements is required.

This section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

c) Contingent Assets, Section PS 3320

This section defines and establishes disclosure on contingent assets. Disclosure of information about contingent assets is required when the occurrence of the confirming future event is likely.

This section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

d) Contractual Rights, Section PS 3380

This section defines and establishes disclosure standards on contractual rights. Disclosure of the nature, extent, and timing of any contractual right is required.

This section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

e) Restructuring Transactions, Section PS 3430

This section establishes standards on how to record assets, liabilities, revenues and expenses relating to restructuring transactions as well as disclosure requirements for the recipient and transferor.

This section applies to fiscal years beginning on or after April 1, 2018. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

4 Cash

	2016	2015
Unrestricted Cash	\$ 221,585	\$ 218,864
Total cash	\$ 221,585	\$ 218,864

5 Special Purpose Funds

NIL report

6 Restricted Assets

NIL Report

7 Portfolio Investments

NIL Report

8 Accounts Receivable

	Accounts Receivable	Allow. For Doubtful Accounts	Net 2016	Net 2015
GNWT	\$ 392,334	\$ -	\$ 392,334	\$ 153,150
GOC	52,914	-	52,914	63,547
WSCC - NWT	23,426	-	23,426	14,140
Other	108,235	(51,333)	56,902	29,566
Total accounts receivable	\$ 576,909	\$ (51,333)	\$ 525,576	\$ 260,403

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

9 Inventories Held for Use

	2016	2015
Drug	\$ 48,088	\$ 44,025
Laboratory and x-ray	28,114	25,850
Laundry	-	785
Housekeeping	6,780	4,668
Medical and surgical	66,979	86,968
Office	14,094	18,200
Vaccines	17,205	7,724
Total inventories held for use	\$ 181,260	\$ 188,220

10 Accounts Payable and Accrued Liabilities

	2016	2015
Trade	\$ 570,372	\$ 858,678
Government of the Northwest Territories	207,101	132,235
Total accounts payable and accrued liabilities	\$ 777,473	\$ 990,913

	2016	2015
Payroll liabilities		
Due to the GNWT	\$ 5,853,510	\$ 4,033,032
Total payroll liabilities	\$ 5,853,510	\$ 4,033,032

11 Deferred Revenue

Deferred revenue consists of fees collected in advance for activities with dates beyond the fiscal year end. These amounts will be recognized in revenue as expenditures are incurred

	2016	2015
Third parties		
Continuing care rent	\$ 1,502	\$ -

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

12 Contributions repayable

	2016		2015
GNWT - DHSS - homecare enhancement	\$ 26,555	\$	-
GNWT - DHSS - new parent baby box	3,626		-
	\$ 30,181	\$	-

13 Due to Government of Canada

NIL report

14 Capital Lease Obligations

NIL Report

15 Pension

Nil Report

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

16 Employee Future Benefits

Under the conditions of employment, employees qualify for annual leave of varying hours depending on length of service. Employees also earn retirement and severance remuneration based on number of years of service. Certain employees will also receive assistance with removal costs to return to their point of recruitment. Annual leave is payable within one fiscal year. The payment of the other amounts is dependent on employees leaving the employment of the Authority.

These liabilities are to be funded in the year they become due through regular annual budget allocations that are received from the GNWT.

	2016	2015
Removal	\$ 302,341	\$ 263,330
Termination, severance, resignation, retirement	165,781	175,944
Leave*	497,188	522,014
	965,310	961,288
Less: Portion included in current portion	545,454	570,078
Long term portion	\$ 419,856	\$ 391,210

* Leave

- includes annual, lieu, statutory holidays, and mandatory leave.
- includes leave banks as well as leave accruals and leave payouts due.
- is considered to be short term liabilities for the purpose of distinguishing Employee Future Benefits into short and long term categories.

17 Trust Assets and Liabilities

The trust assets represents cash being held in trust for patients.

	2016	2015
Patient cash in trust	\$ 13,885	\$ 21,804
Total trust assets and liabilities	\$ 13,885	\$ 21,804

18 Tangible Capital Assets

NIL Report

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

19 Prepaid Expenses

	2016	2015
Equipment and software	\$ 91,889	\$ 95,104
Other	17,565	49,868
Total prepaid expenses	\$ 109,454	\$ 144,972

20 Accumulated Surplus / (Deficit)

	2016	2015
Unrestricted		
Unfunded leave and termination benefits	\$ (965,310)	\$ (961,288)
Operating surplus / (deficit)	(5,624,791)	(4,211,486)
	\$ (6,590,101)	\$ (5,172,774)

21 Capital Advances from GNWT

NIL Report

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

22 GNWT Assets Provided at No Cost

	Cost	2016 Accumulated amortization	Net book value	2015 Net book value
Buildings	\$ 50,404,201	\$ 14,012,045	\$ 36,392,156	\$ 37,742,536
Mainframe and software systems	55,407	55,407	-	-
Medical equipment	3,315,091	2,160,222	1,154,869	1,311,238
	\$ 53,774,699	\$ 16,227,674	\$ 37,547,025	\$ 39,053,774

Rent expense for 2016 is \$1,685,053 (2015 - \$1,727,477) with an offsetting grant-in-kind.

23 Contractual Obligation

The Authority has commitments for building and apartment leases, and service agreements that will require payment in future years. The minimum annual payments for these commitments are as follows:

	Expires in Fiscal Year	2017	2018 and Thereafter	Total
Commercial and residential leases	2017	\$ 2,800	\$ -	\$ 2,800
Operational leases	2017	1,972,396	-	1,972,396
Equipment leases	2018	288,309	209,249	497,558
		\$ 2,263,505	\$ 209,249	\$ 2,472,754

24 Contingent Liabilities

In the normal course of operations, the Authority is subject to claims and litigation. As of March 31, 2016, there were no outstanding claims against the Authority.

Also, the Authority's operations are affected by federal, territorial, and local laws and regulations regarding environmental protection. The Authority is committed to meeting these existing laws and regulations. The Authority did not have any environmental liabilities during the year.

25 Prior Year Funding Received

	2016	2015
Restricted physician funding	\$ 97,799	\$ 54,000

The Authority received funding for restricted physician during the year, which is intended to offset the March 31, 2015 operating deficit. This \$97,799 was included in revenues for the current year and has been disclosed separately in order to not impact the current year operating deficit.

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

26 Budget Information

Budget figures were those approved by the Authority's board of directors or Public Administrator and DHSS. The budget figures are not audited and are intended for information purposes only.

27 Economic Dependence

The Authority receives its funding primarily from the GNWT. If the funding arrangement were to change, management is of the opinion that the Authority operations would be significantly affected.

28 Subsequent Events

On April 1, 2016 new legislation came into effect giving the Minister of Health and Social Services the authority to create a Territorial Health and Social Services Authority (THSSA). The Minister of HSS has announced that the effective date for the THSSA to commence operations is August 1, 2016. When the THSSA is created, six of the eight current Health and Social Authorities (HSSAs) become part of the THSSA and will no longer be separate legal authorities. Hay River Health and Social Services Authority (HRHSSA) and Tlicho Community Services Agency (TCSA) will remain outside the THSSA; however, the legislation does include provisions to bring the HRHSSA into the THSSA at a later date. The THSSA will serve as a single integrated delivery system for NWT health and social service programs while recognizing that the TCSA retains a unique role through the provisions of the Tli Cho Agreement. Through the Chief Executive Officer, the THSSA will report to and take direction from the Chair of Health and Social Services Leadership Council that will be comprised of persons appointed in accordance with legislation. As a consequence, after August 1, 2016, the Authority will no longer exist as a separate legal entity.

29 Comparative Amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

30 Related Party Transactions

The Authority is related in terms of common ownership to all GNWT created departments, agencies, and corporations. The Authority enters into transactions with these entities in the normal course of business. The Authority is provided various administrative services by the GNWT, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage and internal audit services by the Department of Finance and compensation services provided by Department of Human Resources.

Due from related parties (net of allowance):

	2016	2015
GNWT - DHSS	\$ 391,098	\$ 153,150
	391,098	153,150

Due to related parties:

	2016	2015
GNWT - DHSS	\$ 237,282	\$ 132,235
GNWT - Finance (Payroll)	5,853,510	4,033,032
Hay River Health and Social Services Authority	-	2,189
Stanton Territorial Health Authority	23,128	16,790
Yellowknife Health and Social Services Authority	-	4,780
	\$ 6,113,920	\$ 4,189,026

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.

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

31 Financial Instruments

The Authority is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risk from the Authority's financial instruments by type of risk is provided below:

(i) Credit risk

Credit risk is the risk of financial loss to the Authority if a debtor fails to make payments of interest and principal when due. The Authority is exposed to this risk relating to its, cash, special purpose funds, trust assets and accounts receivable.

The Authority holds its cash, special purpose funds and trust assets deposits in trust accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Authority's cash and special purpose funds deposits in trust accounts are insured up to \$300,000.

Accounts receivable are due from various governments, government agencies, corporations and individuals. Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection. Management has determined that a portion of accounts receivable are impaired based on specific identification as well as age of receivables. These amounts are as disclosed in Note 8.

The Authority's maximum exposure to credit risk is represented by the financial assets for a total of \$525,576 (2015 - \$260,403).

Concentration of credit risk

Concentration of credit risk is the risk that a customer(s) has a significant portion (more than ten percent) of the total accounts receivable balance and thus there is a higher risk to the Authority in the event of a default. The Authority does have concentration risk. At March 31, 2016, receivables from one customer comprised 74% of the total outstanding accounts receivables (2015 - 59%). The Authority reduces this risk by monitoring overdue balances.

The Authority also has concentration risk of credit risk as deposits are held in one Canadian chartered bank.

(ii) 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. All of the Authority's financial assets and financial liabilities at March 31, 2016 mature within the next six months. Total financial assets are \$761,046 (2015 - \$501,071) and financial liabilities are \$6,676,551 (2015 - \$5,045,749). The authority has disclosed future financial liabilities and commitments in Note 23.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures, and methods used to measure the risk.

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

32 Expenses by Object

For the year ended March 31	2016 (Unaudited) Budget	2016 Actual	2015 Actual
Compensation and Benefits			
EI / CPP	\$ 376,104	\$ 489,583	\$ 483,751
Employee benefits	461,827	645,427	583,761
Leave	-	991,546	952,956
Locums	683,000	1,387,799	1,330,319
Merit / retention bonus	51,936	52,977	57,904
Northern allowance	775,547	697,585	661,281
Other	30,000	13,781	73,110
Overtime / callback / shift responsibility	314,549	1,466,501	1,601,461
Purchased services	50,000	41,418	44,897
Removal	-	56,222	36,717
Salaries and wages	11,175,143	9,689,708	9,125,313
	13,918,106	15,532,547	14,951,470
Operations and Maintenance			
Advertising and promotion	27,500	17,881	30,123
Contracted and general services	2,671,267	2,577,467	2,084,759
Doubtful accounts	-	-	(20,000)
Education	196,750	75,689	75,786
Equipment maintenance	258,400	227,186	135,550
Foster care	239,100	442,623	499,716
Interest and bank charges	2,000	2,764	3,448
Medical and surgical supplies	421,600	372,028	410,979
Minor capital	306,294	84,534	243,869
Office and administration services	207,944	244,738	226,741
Postage and freight	81,389	76,324	108,310
Professional services	46,500	54,820	41,785
Rent	15,700	17,230	14,400
Rental / leases	53,500	53,830	54,652
Supplies - food	127,000	171,321	211,921
Telephone and communications	102,850	111,979	122,557
Travel and relocation	261,200	519,647	560,996
Utilities	8,500	7,151	6,721
Vehicle operations and maintenance	38,400	25,022	22,308
	5,065,894	5,082,234	4,834,621
Total Expenses	\$ 18,984,000	\$ 20,614,781	\$ 19,786,091

Fort Smith Health and Social Services Authority

Schedule of Contributions from the GNWT

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Contributions from the GNWT			
Department of Health and Social Services			
Core contribution			
Adult support services	\$ 2,523,000	\$ 2,501,000	\$ 2,420,000
Authority administration	1,026,000	1,020,000	1,003,000
Child & family services	1,077,000	981,000	1,059,000
Client support services	108,000	105,000	106,000
Community Mental health and addictions	681,000	677,000	671,000
Community clinics and health centres	3,628,000	3,600,000	3,452,000
Community wellness programs	281,000	397,000	272,000
Diagnostic services	729,000	745,000	714,000
Emergency services	104,000	104,000	100,000
Facility maintenance & support	786,000	781,000	771,000
Family violence	519,000	519,000	519,000
Finance	309,000	306,000	303,000
Foster care	284,000	284,000	284,000
Homecare & support services	393,000	390,000	376,000
Human resources	-	42,000	-
Medical & surgical nursing	1,999,000	1,989,000	1,952,000
Obstetric & pediatric nursing	513,000	525,000	501,000
Residential care - children	1,844,000	1,844,000	1,844,000
Specialty clinics	265,000	264,000	265,000
Systems support	295,000	224,498	119,000
Therapeutic services	729,000	725,000	715,000
	18,093,000	18,023,498	17,446,000
Other contributions			
Applied suicide intervention skills	-	3,336	7,475
Collective kitchen	-	20,685	18,003
Commit to be fit	-	-	5,000
Electronic medical records	-	-	64,519
French Language	133,000	17,038	12,211
Healthy family kids safety education	-	-	2,324
Homecare enhancement	248,000	282,922	256,771
Mental health first aid	-	4,555	4,208
New parent baby box	-	11,374	-
REP funding - Northern Lights	-	13,725	-
REP funding - medical records	-	5,000	-
TSC desktop migration	-	26,037	-
Total Department of Health and Social Services	18,474,000	18,408,170	17,816,511
Total contributions from the GNWT	\$ 18,474,000	\$ 18,408,170	\$ 17,816,511

Fort Smith Health and Social Services Authority**SCHEDULE A-1****Schedule of Detailed Contribution Funding and Expenditure
Home and Community Care Enhancement HSS01-2694**

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Funding			
Government of the Northwest Territories			
Department of Health and Social Services	\$ 248,000	\$ 282,922	\$ 256,771
	248,000	282,922	256,771
Expenditures			
Compensation	248,000	248,039	236,679
Nutrition supplies	-	15,000	7,842
Office supplies	-	1,500	-
Training	-	18,191	12,250
	248,000	282,730	256,771
Excess of expenditures over funding	\$ -	\$ 192	\$ -

See payroll scope limitation in the Independent Auditors' Report.

Fort Smith Health and Social Services Authority

Schedule of Recoveries

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Recoveries from the GNWT Department of Health and Social Services			
	\$ -	\$ -	\$ -
	-	-	-
Recoveries directly from Third Parties			
WSCC	50,000	74,855	48,697
Other clinic recoveries	35,000	104,050	40,712
Non-resident recoveries (THIS)	130,000	267,692	109,280
	215,000	446,597	198,689
Total recoveries	\$ 215,000	\$ 446,597	\$ 198,689

Fort Smith Health and Social Services Authority

Schedule of Other Contributions

For the year ended March 31,	2016		2015	
	(Unaudited) Budget	Actual	Actual	
Other contributions from Related Parties				
Other	\$ -	\$ -	\$ -	-
Other contributions from Third Parties				
	-	-	-	-
Total Other Contributions	\$ -	\$ -	\$ -	-

Fort Smith Health and Social Services Authority

Schedule of Other Income

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Other Income from related parties			
Department of Health and Social Services			
	\$ -	\$ -	\$ -
Other Income from Third Parties			
Room and board	287,000	238,836	253,664
	287,000	238,836	253,664
Total Other Income	\$ 287,000	\$ 238,836	\$ 253,664

Fort Smith Health and Social Services Authority

Schedule of Expenses by Category

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Compensation and Benefits			
GNWT			
Compensation and benefits - GNWT	\$ -	\$ -	\$ -
Related Parties			
Compensation and benefits - related parties	-	-	-
Third Parties			
Compensation and benefits - third parties	13,918,106	15,532,547	14,951,470
Total compensation and benefits	13,918,106	15,532,547	14,951,470
Grants expenses			
GNWT			
Grants expenses - GNWT	-	-	-
Related Parties			
Grants expenses - related parties	-	-	-
Third Parties			
Grants expenses - third parties	-	-	-
Total grants expenses	-	-	-
Contributions expenses			
GNWT			
Contributions expenses - GNWT	-	-	-
Related Parties			
Contributions expenses - related parties	-	-	-
Third Parties			
Contributions expenses - third parties	-	-	-
Total contributions expenses	-	-	-
Other expenses			
GNWT			
Other expenses - GNWT	-	-	-
Related parties			
Other expenses - related parties	-	-	-
Third parties			
Other expenses - third parties	5,065,894	5,082,234	4,834,621
Total other expenses	5,065,894	5,082,234	4,834,621
Total expenses	\$ 18,984,000	\$ 20,614,781	\$ 19,786,091

Fort Smith Health and Social Services Authority

Schedule of Reserves

For the Year Ended March 31, 2016

	Surplus / Deficit Reserve		Leave and Termination Benefits Reserve		Special Projects Reserve		Total Reserves	
	2016	2015	2016	2015	2016	2015	2016	2015
Balance, beginning of the year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additions / reductions to/from reserves	-	-	-	-	-	-	-	-
Transfers between reserves	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Balance, end of the year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Financial Statements of

**HAY RIVER HEALTH &
SOCIAL SERVICES AUTHORITY**

March 31, 2016



Hay River Health & Social Services Authority

37911 Mackenzie Highway Hay River Northwest Territories X0E 0R6

Management Discussion and Analysis

Introduction

Hay River Health and Social Services Authority (HRHSSA) have a mandate to provide publicly-funded health and social services under the Hospital Insurance and Health and Social Services Administration Act. Services are provided to the residents of the town of Hay River, Hay River Reserve, Enterprise, Kakisa and Fort Resolution. It is the responsibility of the HRHSSA Public Administrator and Management to promote transparency and accountability. The preparation of the Management Discussion and Analysis is a go-forward method of acknowledging this responsibility.

Our vision is to have “healthy people living in healthy communities” and the strategic priorities are to:

- Promote a culture within the organization that encourages and supports quality improvement in the delivery of health and social programs.
- Improved access to quality health and social services through an integrated and coordinated care model.
- Promote healthy environments that allow the people of Hay River region to live healthy lifestyles.
- Provide a healthy, safe workplace that is able to attract, support and retain a competent and skilled workforce.
- Provide health and social services that are sustainable and accountable.
- Establish a culture of client safety that minimizes hazards and client harm by focusing on processes of care.

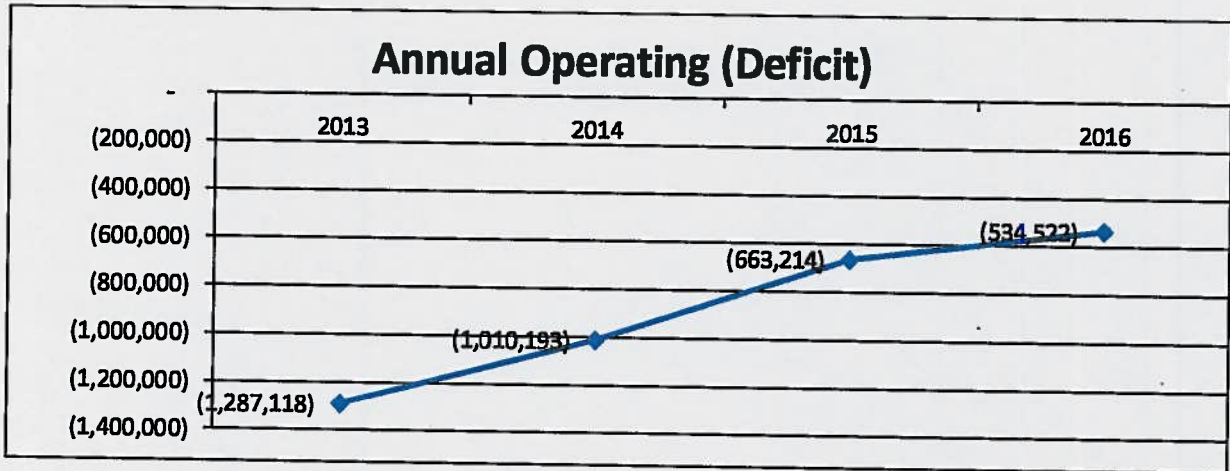
Hay River and regional clients reported a 90+ rating for HRHSSA in the latest NWT Patient Experience with Healthcare Services Survey.

HRHSSA will remain a separate Authority but will work in collaboration with the Department of Health and Social Services in the transition to the Territorial Health and Social Services Authority. The system transformation will provide a better opportunity to improve access to services and quality of care. The Management and Staff will continue to strive to provide the best health and best care to all of our clients.

Michael Maher is our Public Administrator and Erin Griffiths, our CEO, leads the Management Team. Members of the Senior Management Team are Sheryl Courtoreille, Director of Client Care Services, Carol Heron-Colosimo, Director, Social Programs, Jennifer Croucher, Manager, Employee Services and Merle Engel, Director, Finance.

The graph below indicates that the last two years has shown a decline in the annual deficit. The annual deficit increased in 2014 due to a shortfall in the special pension funding and high physician costs. The accumulated operating deficit is currently \$2,781,342 and the Employee

leave and termination liability fund deficit is \$2,826,425 for a total deficit of \$5,607,767. The financial statements present an accumulated surplus of \$1,238,233. This adjusted surplus is due to a non-cash transaction that is based on the requirement to account for the pension liability on a going concern basis. At year end the market value of the pension fund assets were \$6,346,000 higher than the pension obligation. The remaining \$500,000 is due to a cash reserve.



The admin expenses do not include special pension payments of \$1.2M in 2013, \$1.7M in 2014, \$1.9M in 2015 and \$2.0M in 2016. Support services include Human Resources, Finance, Information Services, Material Management, Housekeeping, Laundry services, Engineering services, Dietary, Medical Records and Electronic Medical Records. The cost of providing basic services continue to grow, however, Management and Staff continuously strive to reduce operating expenditures. Support services costs continue to rise as we face the challenge of recruiting qualified staff. Inpatients/Residents costs increased in 2015 due to the addition of the Midwifery program. Ambulatory care costs fluctuate based on the number of locum Physicians that are recruited each year.



Operating Environment

HRHSSA's strength has always been a dedicated and long standing staff in front-line and Manager/Supervisory roles that are dedicated to providing quality care to clients. Management and staff are conscious of our deficit and make decisions that save money and time.

Communication between departments remains a challenge as staff are busy and some communications do not reach the target. During the year there were 15,113 patients seen in the medical clinic and 4,242 emergency visits with 1,158 ER visits ranging from level 1 to level 3.

Social Programs in the Northwest Territories is experiencing transformation in the way we provide services to the public. Child and Family Services have introduced new standards, tools and an Action Plan designed to improve the quality of services that is consistent throughout the NT. Currently all 7 Authorities have trained an estimated 100 plus, Child Protection Workers in the first of six Structured Decision Making Tools, designed to better engage clients and their families, improve the quality of services and better support Child Protection Workers.

Amendments to the new Child and Family Services Act will see Social Services providing services to youth ages 19 to 23. An increase in services to this age group will see an increase in expenditures and caseload of Child Protection Workers.

With the introduction of the Structured Decision Making (SDM) tool, the mandatory consultation with a senior staff member after hours will see increased spending.

Community Counselling Programs have introduced new Standards effective April 1, 2016. The intent of the new standards is to improve the processes and implement procedures which address efforts being made to enhance services. High caseloads and long waitlists for clients are of greatest concern. The lack of resources to further enhance programming after hours, etc., can potentially jeopardise the balance of this highly qualified and motivated group. Additional resources to this program could potentially decrease the waitlist of (45) in less time, than the current wait time of 20 weeks to be seen for counseling services.

Healthy Families statistics continue to grow on a monthly basis. There are approximately (20) regular families this team of two staff provide services. Programming has been maintained due to the consistent staffing compliment. With an increase in clients this programs main challenge is the lack of resources in which to expand their program to adequately meet the client's needs. Currently any group activities are organized utilizing outside partners such as the Katlodeeche First Nation. Accessing space in the Community increases rental fees. Eventually there will be 33 Healthy Families Programs across the Northwest Territories. Our staff, have created a number of partnerships with new programs in the Northwest Territories and have been a lead mentoring these newer programs. This program has also developed some positive community partnerships and is currently receiving approximately 2 to 4 new referrals a week.

Financial Conditions

The financial health of the Authority is in a critical condition as the deficit continues to grow and the cash flow continues to decline. The accumulated deficit can mainly be attributed to wages and compensation which account for just over 83% of our spending. Relocation, responsibility pay, maternity/paternity, severance, overtime and standby costs are not included in the core funding. These unfunded items of the collective agreement totalled \$1,329,112 in 2015-16 and \$1,290,657 in 2014-15.

Our core funding increased by \$586,000 in 2015-16 to help offset the cost of additional staff required for the new health centre and recoveries increased by \$221,848. The additional recoveries assisted in keeping our deficit on the decline. Management continues to look for opportunities to reduce costs.

With cash of \$1,436,896 and current liabilities of \$3,208,967 due in April, it is evident that the liquidity of the Authority is a concern. The April advance of \$2,503,083 is immediately reduced to \$731,012 and with projected monthly cash disbursements higher than monthly core funding payments, there is always a constant struggle in the last quarter to ensure bills are paid and payroll is met. In addition to the above mentioned liabilities, there are disputed contributions repayable to the GNWT in the amount of \$1,184,362. Ideally this repayment would be offset by restricted overpayments in subsequent years.

Summary and Outlook

2015-16 was the first full year of the mid-wifery program which has been a huge success. There were 14 babies born in Hay River since the program began to March 31, 2016. The mid-wifery program also provides prenatal classes and had 53 clients in care in March. This program has provided the opportunity for the women of Hay River to stay in their home community secure in the knowledge that they are being provided with professional services to help ensure healthy pregnancies and deliveries.

The completion and opening of our new Hay River Regional Health Centre provides state of the art equipment and the latest in design and technology. The medical clinic opened in the new Centre on March 7, 2016 followed by the Diabetes and Midwifery Programs and the Rehabilitation Department. The remainder of the Departments moving to the new facility completed their moves in April and early May, 2016, with a grand opening to be held in June. All departments moving to the new health centre are excited for the opportunity to work in the new building with new equipment and have been re-working their processes and procedures to accommodate the new client work flows. The move to the new facility provides more room to manoeuvre and the ability to have a devoted ambulatory care program as space and staff will be dedicated.

The physical space is much greater between departments which results in higher costs for staffing, supplies and equipment – including medications. Lack of security for a building that was designed to have a security guard is a threat that needs further consideration. Recruitment of staff will also continue to be a challenge. The separation of services between the new health centre and the old hospital will bring many other challenges during the 2016-17 year. It will also provide the opportunity to find new alternative ways to provide our client-focused services.

HRHSSA will continue to work together as a team to ensure that we continue to provide high quality services that are above what the Authority is obligated to deliver.



Erin Griffiths
Chief Executive Officer
Hay River Health and Social Services Authority

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Financial Statements

Year ended March 31, 2016

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Hay River Health & Social Services Authority

37911 Mackenzie Highway Hay River Northwest Territories X0E 0R6

To the Minister of Health and Social Services

Management Responsibility for Financial Reporting for the year ended March 31, 2016

The Management Discussion & Analysis, Financial Statements, Schedules and Notes herein submitted have been reviewed by management. They provide full disclosure and accurately reflect the financial and non-financial condition of the authority in all material respects and in accordance with Canadian Public Sector Accounting Standards (CPSAS) as well as the Financial Administration Manual (FAM) of the Government of the Northwest Territories.

Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that proper records are maintained. Controls further include quality standards regarding the hiring and training of employees, that ensure the adequate maintenance of written policies and procedural manuals and that further provide for appropriate accountability for performance within well-defined areas of responsibility. The operations and administration of Hay River Health Authority have been conducted within the statutory powers of the Health Authority. The operations and administration of the Health Authority as well as the supporting internal controls of the entity are regularly monitored to ensure their effectiveness and their continued compliance with all relevant legislation, standards, directives and policies including but not limited to the Financial Administration Act, CPSAS, FAM, Human Resources Manual, Ministerial Directives and the policies of the Health Authority Board. Any noncompliance has been specifically identified and has been previously communicated to the Minister and Deputy Minister.

Management hereby asserts that auditors have been provided with all relevant records and documentation as well as unrestricted access to the same. Management is not aware of any undisclosed irregularities involving management or employees with either current or potential impact on financial results, fraud or suspected fraud, disbursements made for purposes not consistent with an appropriation, irregular commitments including those in the form of guarantees, violations or possible violations of laws or regulations, claims or litigation, known or suspected environmental site contaminations or of any other undisclosed environmental or safety hazards within its jurisdiction.

The auditors annually provide an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards. The auditors also consider whether the transactions that have come to their notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the Department of Health and Social Services of the Government of the Northwest Territories.

Approved and confirmed on behalf of the Hay River Health and Social Services Authority

CEO

AUDITORS' REPORT

To the Minister of Health and Social Services and
the Chief Executive Officer

Report on the Financial Statements

We have audited the operating fund balance sheet of the Hay River Health & Social Services Authority as at March 31, 2016 and the statements of operations, equity, and changes in financial position for the year then ended and a summary of significant accounting policies and other explanatory information. We have also audited the revenues and expenditures of all programs funded through contribution agreements by the Department of Health and Social Services which total \$250,000 or more, as listed in Schedule A and A-1.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the standards set forth by the Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2016 and the results of its operations and cash flow for the year then ended in accordance with the standards set forth by the Public Sector Accounting Board. Furthermore, in our opinion, these statements present fairly, in all material respects, the revenues and expenditures of all programs funded through contribution agreements with the Department of Health and Social Services which total \$250,000 or more in Schedule A and A-1 for the year ended March 31, 2016, in accordance with the provisions established by the individual contribution agreements.

We further report, in accordance with the Financial Administration Act of the Northwest Territories, that, in our opinion, proper books of account have been kept by the Authority, the financial statements are in agreement therewith and the transactions that came under our examination were, in all significant respects, within the statutory powers of the Authority.



ASHTON
Chartered Accountants
Business Advisors

Hay River, NT
June 29, 2016

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Financial Position

Statement I

March 31, 2016


	2016	*2015
Financial Assets		
Cash and cash equivalents, Note 4	\$ 1,436,896	\$ 978,838
Accounts receivable, Note 8	333,987	425,819
Due from Government of Canada, Note 13	-	1,750
Trust assets, Note 17	70,881	59,922
Pensions asset, Note 15	6,346,000	3,638,000
Total Financial Assets	\$ 8,187,764	\$ 5,104,329
Liabilities		
Accounts payable and accrued liabilities, Note 10	1,124,840	1,106,255
Employee and payroll-related liabilities, Note 10	1,238,297	980,162
Contributions repayable, Note 12	1,248,423	1,280,724
Employee future benefits, Note 16	2,826,425	2,738,738
Accountable capital advance, GNWT, Note 21	5,829	5,829
Deferred revenue, Note 11	845,830	56,633
Trust liabilities, Note 17	70,881	59,922
Total Liabilities	7,360,525	6,228,263
Net Financial Assets (Debt)	\$ 827,239	\$ (1,123,934)
Non-Financial Assets		
Inventory, Note 9	\$ 170,588	\$ 188,174
Prepaid expenses and deposits, Note 19	240,406	88,202
Total Non-Financial Assets	\$ 410,994	\$ 276,376
Accumulated Surplus (Deficit), Note 20	\$ 1,238,233	\$ (847,558)

* Reclassified for comparative purposes

Contractual obligations, Note 23

Contingent liabilities, Note 24

Approved on behalf of the Authority:



Public Administrator



Chief Executive Officer



Director of Finance

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Operations

Statement II

For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
Contributions from GNWT, Schedule A	\$ 27,258,744	\$ 29,187,091	\$ 27,779,832
Recoveries, Schedule B	1,145,513	1,682,724	1,460,876
Contributions from Other Sources, Schedule C	-	32,647	3,405
Other Income, Schedule D	-	-	8,932
Interest	35,000	30,579	32,745
Total Revenue	28,439,257	30,933,041	29,285,790
Expenses			
Administrative and Support Services	7,815,705	7,561,661	6,807,725
Nursing Inpatients Services	4,331,949	4,664,286	4,146,407
Ambulatory Care Services	4,680,185	4,651,297	4,820,565
Diagnostic and Therapeutic Services	2,746,154	2,767,964	2,749,536
Community Health Programs	1,761,452	1,975,468	1,638,663
Community Social Programs	7,103,823	7,226,574	7,153,946
Education	-	-	7,471
Undistributed	-	-	-
Total Expenses, Schedule E	28,439,268	28,847,250	27,324,313
Operating Surplus (Deficit)	(11)	2,085,791	1,961,477
Prior Year Funding Received, Note 25	-	-	(109,000)
Operating Surplus (Deficit) before Prior Year Funding	(11)	2,085,791	1,852,477
Unfunded Items			
Change in employee leave and termination benefits, Note 16	-	87,687	120,309
Adjusted operating surplus (deficit) before the undemoted	(11)	2,173,478	1,972,786
(Increase) Decrease in post-employment benefits	-	(2,708,000)	(2,636,000)
Tangible Capital Assets - Rent Expense, Note 22	-	(502,297)	(580,384)
Grant-In-Kind - GNWT assets provided at no cost, Note 22	-	502,297	580,384
Adjusted operating surplus (deficit) for the year	\$ (11)	\$ (534,522)	\$ (663,214)
Opening Accumulated Surplus (Deficit)		\$ (847,558)	\$ (2,809,035)
Operating Surplus (Deficit)		2,085,791	1,961,477
Closing Accumulated Surplus (Deficit)		\$ 1,238,233	\$ (847,558)

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Changes in Net Financial Resources

Statement III

For the year ended March 31, 2016

	2016	2015
Annual surplus (deficit)	\$ 2,173,478	\$ 1,972,786
Adjustments		
Change in employee leave and termination benefit	(87,687)	(120,309)
Prior year funding received	-	109,000
(Increase) decrease in inventory	17,586	(5,073)
(Increase) decrease in prepaids and deposits	(152,204)	17,458
Increase (Decrease) in net financial assets	1,951,173	1,973,862
Net financial resources, beginning of year	(1,123,934)	(3,097,796)
Net financial resources, end of year	\$ 827,239	\$ (1,123,934)

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Cash Flow

Statement IV

For the year ended March 31, 2016

	2016	2015
Operating Activities		
Annual surplus (deficit)	\$ 2,173,478	\$ 1,972,786
Items not affecting cash:		
Change in employee leave and termination benefits, Note 16	(87,687)	(120,309)
(Increase) Decrease in pensions, Note 15	(2,708,000)	(2,636,000)
	(2,795,687)	(2,756,309)
Changes in non-cash assets and liabilities		
Due from the Government of Canada	1,750	(1,068)
Decrease (increase) in accounts receivable	91,832	292,030
Decrease (increase) in Inventory	17,586	(5,073)
Decrease (increase) in prepaids	(152,204)	17,458
Increase (decrease) in accounts payable and payroll liabilities	276,720	(209,681)
Increase (decrease) in contributions repayable	(32,301)	9,094
Increase in employee future benefits	87,687	159,198
Increase (decrease) in capital advances	-	-
Increase (decrease) in deferred revenues	789,197	-
Increase (decrease) in trust liability	10,959	6,816
	1,091,226	268,774
Cash from operations	469,017	(514,749)
Financing Activities		
Prior year funding received, Note 25	-	109,000
Investing Activities		
	-	-
Change in cash during the year	469,017	(405,749)
Cash, beginning of year	1,038,760	1,444,509
Cash, end of year	\$ 1,507,777	\$ 1,038,760
Cash consists of :		
Cash and cash equivalents, Note 4	\$ 1,436,896	\$ 978,838
Trust asset, Note 17	70,881	59,922
	\$ 1,507,777	\$ 1,038,760

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2016

Note 1. Hay River Health & Social Services Authority

The Hay River Health & Social Services Authority (the "Authority") was incorporated under the Societies Act, operates under the Hospital Insurance and Health and Social Services Act of the Northwest Territories. The Authority was established on November 1, 2003 to manage, control and operate the public health facilities and services assigned to it by the Northwest Territories Department of Health and Social Services.

The Authority is a public body performing a function of government in Canada. Paragraph 149(1)(c) of the Federal Income Tax Act provides that a public body performing a function of government in Canada is exempt from taxation.

Note 2. Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Canadian Public Sector Accounting Board and by the directive of the Government of the Northwest Territories - Department of Health and Social Services (DHSS).

The financial statements do not include the assets, liabilities and activities of any organizations that are related to the Authority, such as the Hay River Health and Wellness Foundation.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recorded as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Fund Accounting

The accounts of the Authority are maintained in accordance with fund accounting procedures. The operations of the Authority are segregated for the purpose of carrying on specific activities or attaining certain objective into the following funds:

Operating Fund - activities associated with the Authority's daily operations.

Employee Leave and Termination Liability Fund - activities associated with the employee termination benefits liability.

Revenue and Expenditure Recognition

The basis of accounting followed in the financial statement presentation includes revenues recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimating is impracticable.

The Authority recognizes revenues when they are earned, specifically when all the following conditions are met:

- services are provided or products are delivered to customers
- there is clear evidence that an arrangement exists
- amounts are fixed or can be determined
- the ability to collect is reasonably assured.

The Authority follows the deferral method of accounting for contributions.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2016

Note 2. Significant Accounting Policies (continued)

Revenue and Expenditure Recognition (continued)

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except for the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Operating transfers are recognized as revenue in the period in which the events giving rise to the transaction occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be determined.

Expenditures recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

Cash and Cash Equivalents

Cash and cash equivalents consists of cash on hand and balances within banks, net of outstanding cheques, and are not subject to significant risk of changes in value.

Reserves

The cash reserve was established for the purpose of assisting with any future short-term cash deficiency. Withdrawals from the reserve will be made only when an insufficient cash balance exists to make necessary payments. Appropriations to this reserve will be done to maintain the \$500,000 balance as approved by the GNWT.

The employee termination liability fund contains the funds received in advance for the severance liability of the employees who were transferred to the Authority from the GNWT. These liabilities are reduced as employees are paid out upon termination of employment with the Authority.

The Authority does not have sufficient funds to cover these reserves.

Capital Assets

Tangible Capital Assets (TCA) are owned by the Government of the Northwest Territories. TCAs are amortized over the estimated useful lives of the assets at the rates established in the Financial Administration Manual of the GNWT as follows:

Buildings	40 years
Mainframe and software systems	5 - 10 Years
Major Medical Equipment	5 - 15 Years

The TCAs used by the Authority and held on behalf of, or in trust for, the GNWT are not recognized by the Authority in the financial statements.

The statement of operations reflects the Rent Expense amount that would otherwise be considered amortization expense for the fiscal year with an offsetting corresponding amount as a Grant-In-Kind revenue.

Inventories of Supplies

Inventories of supplies include inventory held for use in the process of providing the services of the Authority. Inventories consist of equipment and parts, pharmaceuticals and office supplies, which are distributed to clients at no or nominal charges. Inventory is recorded at the lower of cost and replacement value. Cost is determined on a first-in, first-out basis using average cost.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2016

Note 2. Significant Accounting Policies (continued)

Accrued Employee Leave and Termination Benefits

Consistent with accounting policies used by Government of the Northwest Territories entities, the Authority charges employee leave and termination benefits to the period in which they are earned. Employee leave and termination benefit liabilities are not funded until incurred, therefore no revenue is accrued for these liabilities.

For benefits earned prior to September 1, 1996 but still outstanding, no accrual is made for contingent revenue as described in Note 16. The GNWT portion is reported as a separate unfunded liability on the balance sheet and is also reported in the accumulated deficit in the Leave and Termination Liability Fund. The revenue is expected to be received and recorded in the year that the outstanding liability falls due.

Pensions

Pension benefits to the Retirement Plan for Employees of the Hay River Health and Social Services Authority are reported on an actuarial basis. This is done to determine the current value of future entitlement and uses various estimates. When actual experience varies from estimates or when actuarial assumptions change, the adjustments are amortized on a straight line basis over the estimated average remaining service lives of the contributors. Recognition of actuarial gains and losses commences in the year following the effective date of the related actuarial valuations. In addition, immediate recognition of a previously unrecognized net actuarial gain or loss may be required upon a plan amendment, curtailment or settlement.

The Authority and its contracted physicians make contributions to a physician directed investment fund administered by the Government of Canada. These contributions represent the total pension liability of the Authority and are recognized in the accounts on a current basis.

Financial Instruments

All significant financial assets, liabilities and equity instruments of the Authority are either recognized or disclosed in the financial statements together with available information for a reasonable assessment of future cash flows, credit risk, liquidity risk and actuarial risk. Where practicable the fair values of financial assets and liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

The Authority classifies its financial instruments at cost or amortized cost.

The Authority's accounting policy for this financial instrument category is as follows:

This category includes cash, trust assets, accounts receivable, accounts payable and accrued liabilities, payroll liabilities, capital advances, and trust liabilities. They are initially recognized at cost and in subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized costs and tested for impairment at each reporting date. Any impairments of the financial assets is charged to income in the period in which the impairment is determined. In the event that a previously impaired asset decreases and the decrease can be related to an event that occurred after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement.

Transaction costs on the acquisition, sale or issue of financial instruments are expensed when incurred.

Non-Financial Assets

Non-financial assets are accounted for as assets by the Authority because they can be used to provide government services in future periods. These assets are not available to discharge existing liabilities. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated change in net financial assets (debt) for the year.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2016

Note 2. Significant Accounting Policies (continued)

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Segmented Information

The Hay River Health & Social Services Authority segments its operations for financial reporting purposes based upon areas of service type. This information is provided on the statement of operations.

Note 3. Future Accounting Changes

Related Party Disclosures, Section 2200

PSAB has implemented changes to Section PS 2200, Related Party Disclosures to require disclosure of related party transactions that have occurred at an amount different from the amount that would have been arrived at had the parties not been related. The new standard is effective for fiscal years beginning on or after April 1, 2017. The impact of the transition to these changes has not yet been determined.

Assets - Section PS 3210

PSAB has implemented changes to Section PS 3210, Assets such that economic resources that do not meet the criteria of an assets due to the inability to measure it or are prohibited by the Handbook to be realized, must be disclosed in the notes. The new standard is effective for fiscal years beginning on or after April 1, 2017. The impact of the transition to these changes has not yet been determined.

Financial Instruments - Section PS 3450

PSAB has implemented changes to Section PS 3450, Financial Instruments that outlines offsetting of financial assets and financial liabilities and the valuation of investments to be measured at fair value. These changes are to be applied on a go forward basis for all fiscal years beginning on or after April 1, 2019. The impact of the transition to these changes has not yet been determined.

Inter-entity Transactions - Section PS 3420

PSAB approved Section PS 3420, Inter-entity transactions. This section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. The new standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. Management is currently assessing the impact of the standard.

Note 4. Cash and Cash Equivalents

	2016	2015
Cash	\$ 1,436,896	\$ 978,838

Note 5. Special Purpose Funds - Nil Report

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2016

Note 6. Restricted Assets - Nil Report

Note 7. Portfolio Investments - Nil Report

Note 8. Accounts Receivable

	Receivables 2016	AFDA 2016	Net 2016	Net 2015
Due from GNWT	\$ 213,685	\$ -	\$ 213,685	\$ 255,717
Due from Government of Nunavut	-	-	-	-
Due from WSCC	27,879	-	27,879	29,736
Due from other GNWT Health Authorities	552	-	552	8,275
Hay River Hospital & Wellness Foundation	5,309	-	5,309	-
GST rebate receivable	10,850	-	10,850	7,038
General accounts receivable	121,639	(45,927)	75,712	125,053
	\$ 379,914	\$ (45,927)	\$ 333,987	\$ 425,819

Note 9. Inventories

	2016	2015
General	\$ 16,239	\$ 16,067
Medical and surgical	124,477	140,772
Laboratory	9,483	8,008
Pharmaceutical	20,389	23,327
	\$ 170,588	\$ 188,174

Inventories are held for consumption in the process of providing services and are distributed at no charge or for a nominal fee.

Note 10. Accounts Payable and Accrued Liabilities

	2016	2015
Due to GNWT	\$ 198,130	\$ 95,224
Due to Government of Nunavut	-	-
Due to WSCC	-	-
Due to other GNWT Health Authorities	66,416	115,939
Accounts payable and accrued liabilities	795,059	841,431
Unspent donations	20,679	21,634
Special purpose fund liabilities	44,556	32,027
	1,124,840	1,106,255
Payroll liabilities	1,238,297	980,162
	\$ 2,363,137	\$ 2,086,417

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2016

Note 11. Deferred Revenue

Deferred revenue represents funds that have been received for specific programs but remain unspent at March 31, 2016 as follows:

	2016	2015
Government of the Northwest Territories		
Department of Health and Social Services		
Professional Development Initiative	\$ 56,633	\$ 56,633
Transitional funding (core contribution)	39,092	-
Core funding 16/17	750,000	-
Third party - respite care	105	-
	\$ 845,830	\$ 56,633

Note 12. Contribution Repayable

Contributions repayable represents funds that have been received for specific programs and are required to be repaid to the contributor as of March 31, 2016:

	2016	2015
Government of the Northwest Territories		
Department of Health and Social Services		
Family Support Program 11/12	\$ 9,000	\$ 9,000
Homecare Enhancement 11/12	10,957	10,957
Core Physician Services Funding 11/12	652,027	652,027
Core Physician Services Funding 12/13	532,335	532,335
Homecare Enhancement 13/14	297	297
Grad Placement Program K. Miller 13/14	8,064	8,064
Healthy Families/Collective Kitchen unspent funding 14/15	1,006	1,006
Enhanced Homecare unspent funding 14/15	-	30,615
Healthy Families/Collective Kitchen unspent funding 15/16	3,570	-
Enhanced Homecare unspent funding 15/16	24,923	-
	1,242,179	1,244,301
Hay River Metis Government Council		
Community Wellness	6,244	36,423
	\$ 1,248,423	\$ 1,280,724

Note 13. Due From and To the Government of Canada

	2016	2015
Receivables		
Projects	\$ -	\$ -
Miscellaneous receivable	-	1,750
	\$ -	\$ 1,750
Payables		
Advances on projects	\$ -	\$ -
Miscellaneous payables	-	-
	\$ -	\$ -

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2016

Note 14. Capital Lease Obligations - Nil Report

Note 15. Pensions

The Authority sponsors a contributory defined benefit pension plan for substantially all of its employees called "Retirement Plan for Employees of the Hay River Health and Social Services Authority".

The net value of the plan asset and liability is recorded on the statement of financial position based on the funded status of the plan on a going concern valuation performed by an independent actuary.

Employees are required to contribute 7.5% of their pensionable earnings up to the yearly maximum pensionable earnings (YMPE) plus 9.8% of their earnings, if any, in excess of the YMPE. The Authority contributes to the plan and provides additional funding when the present value of the obligation under the solvency method, exceeds the accumulated assets available to fund the members' benefit entitlements in the plan.

	2016	2015
Accrued benefit obligation	\$ 35,878,000	\$ 33,258,000
Market-related value of pension fund assets	45,091,000	38,531,000
	(9,213,000)	(5,273,000)
Unamortized actuarial gains / (losses)	2,867,000	1,635,000
Pension liability (accrued asset)	\$ (6,346,000)	\$ (3,638,000)

The pension liability (asset) includes the following components:

	2016	2015
Pension liability (accrued asset) - beginning of year	\$ (3,638,000)	\$ (1,002,000)
Cash items:		
Member contributions	(880,000)	(970,000)
Employer contributions	(3,470,000)	(3,702,000)
Benefit payments	(1,791,000)	(1,211,000)
Drawdown from plan assets	1,791,000	1,211,000
Net change to pension liability from cash items	(4,350,000)	(4,672,000)
Accrual items:		
Current period benefit cost	2,169,000	2,179,000
Amortization of actuarial gains/losses	(171,000)	3,000
Interest on average accrued benefit obligation	1,873,000	1,761,000
Expected earnings on average pension fund assets	(2,229,000)	(1,907,000)
	1,642,000	2,036,000
Pension liability (asset) - end of year	\$ (6,346,000)	\$ (3,638,000)

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2016

Note 15. Pensions (continued)

The pension expense is included in the statement of operations as a component of compensation for Corporate HR.

	2016	2015
Pension expense (revenue)	\$ (2,708,000)	\$ (2,636,000)
Expected earnings on plan assets	6.25%	7.38%
Actual earnings on plan assets	8.75%	21.26%
Difference between actual and expected	2.50%	13.88%

Valuation method and assumptions:

Actuarial valuations for accounting purposes are performed using the projected benefit method prorated on services. The net unamortized actuarial loss is to be amortized on a straight-line basis over the expected average remaining service life of the related employee groups.

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect the government's best estimates. The significant actuarial assumptions and rates are listed below:

	2016	2015
Date of actuarial valuation	1-Jan-16	1-Jan-15
Date of audited financial statements	31-Mar-16	31-Mar-15
Discount rate	5.60%	5.60%
Interest rate on pension fund assets	5.60%	5.70%
Interest rate on accrued benefit obligation	5.60%	5.70%
Future inflation	2.00%	2.00%
Future compensation increases	2.50%	2.50%
Expected average remaining service life (years)	7.6	7.5

Plan Amendments:

As at the valuation date, the Authority has decided to revise the pension plan provisions as follows:

- a) To increase required employee contributions - Effective April 1, 2016, the member required contributions will be increased to 8.15% (previously 7.5%) of earnings up to the YMPE plus 10.4% (previously 9.8%) of earnings above the YMPE.
- b) To cease offering portability at certain ages - The plan will be amended with effect from January 1, 2018, to cease offering portability for members who are eligible for immediate pension.

Note 16. Accrued Employee Leave and Termination Benefits

Under the conditions of employment, employees qualify for annual leave of varying lengths depending on length of service. Employees also earn severance remuneration based upon the number of years of service. Certain employees will also receive assistance with removal costs to return to their point of recruitment. Annual leave is payable within one fiscal year. Payment of severance and relocation amounts is dependent upon the date the employee leaves the Authority.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2016

Note 16. Accrued Employee Leave and Termination Benefits (continued)

These liabilities are to be funded in the year they become due through regular annual budget allocations. Liabilities outstanding at March 31 are as follows:

	2016	2015
Employee annual leave*	\$ 866,813	\$ 849,480
Employee severance	1,236,263	1,157,142
Employee removal	723,349	732,116
	2,826,425	2,738,738
Less: current portion - annual leave	(866,813)	(849,480)
Long term portion	\$ 1,959,612	\$ 1,889,258
<i>Long term portion is comprised of:</i>		
HRHSSA portion - earned beyond August 31, 1996	\$ 1,821,195	\$ 1,737,502
GNWT portion - Earned to August 31, 1996	138,417	151,756
	\$ 1,959,612	\$ 1,889,258

* Leave

- includes annual, lieu, stat holidays, mandatory and deferred salary leave
- includes leave banks as well as leave accruals and leave payouts due
- is considered to be a short-term liability for the purposes of distinguishing employee leave and termination benefits not short-term and long-term categories.

At the end of the 2016 fiscal year the Authority has insufficient cash to show an amount of restricted cash equal to the balance in the employee liability termination fund.

Contingent Revenue

Revenue of \$138,417 representing accrued leave benefits for employees on August 31, 1996 and which, in management's view, pursuant to the terms of the transfer agreement on that date between the GNWT and the Town of Hay River, is owed to the Authority by GNWT, has not been recorded in these financial statements. Recognition of this amount is contingent upon GNWT agreeing to payment terms.

Note 17. Trust Assets and Liabilities

The amount held in patient trust assets are funds held on behalf of the patients in residential care. The funds, effective May 2015 were retained in a separate bank account of the Authority, but do not belong to the Authority as they are restricted for those patients. The amount in the patient trust liability is equivalent to the balance owed to the residential care patients.

	2016	2015
Patient Trust Asset	\$ 70,881	\$ 59,922
Patient Trust Liability	\$ 70,881	\$ 59,922

Note 18. Tangible Capital Assets - Nil Report

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2016

Note 19. Prepaid Expenses and Deposits

	2016	2015
Service and maintenance packages	\$ 83,760	\$ 74,041
Pension special payments	117,750	-
Travel	36,896	12,161
Deposit	2,000	2,000
	\$ 240,406	\$ 88,202

Note 20. Accumulated Surplus (Deficit)

	2016	2015
Operating fund accumulated surplus (deficit)	\$ 3,564,658	\$ 541,700
Employee leave and termination liability fund	(2,826,425)	(1,889,258)
Cash Reserve	500,000	500,000
	\$ 1,238,233	\$ (847,558)

Note 21. Accountable Capital Advances from GNWT

The Authority has received advances from GNWT under capital contribution agreements for purchases of capital assets. These advances are deferred by the Authority and purchases which fall under the agreements, reduce the balance carried forward.

	2016	2015
Beginning balance	\$ 5,829	\$ 5,829
Capital purchases paid out of advanced funds	-	-
Ending balance	\$ 5,829	\$ 5,829

Note 22. GNWT Assets Provided at No Cost

Tangible Capital Assets (TCA) are owned by the Government of the Northwest Territories. TCA are amortized over their estimated useful lives in accordance with the guidelines of the Financial Administration Manual policies 2201-2210.

	Not amortized		2016	2015
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 30,325	\$ -	\$ 30,325	\$ 30,325
Buildings	69,450,055	5,492,202	63,957,853	6,638,885
Buildings Service Equipment	1,748,034	1,487,039	260,995	357,139
Equipment	3,846,551	2,893,606	952,945	913,330
	\$ 75,074,965	\$ 9,872,847	\$ 65,202,118	\$ 7,939,679

Amortization expense for 2016 is \$502,297 (2015 = \$580,384)

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2016

Note 23. Contractual Obligations

The Authority has entered into agreements extending beyond one year for the use of equipment, vehicles, and residential housing which require periodic payments. The minimum payments under existing agreements over the next three years are as follows:

	Equipment	Operational	Residential	Total
2017	\$ 22,937	\$ 69,150	\$ 160,200	\$ 252,287
2018	5,202	-	-	5,202
2019	3,730	-	-	3,730
2020	2,651	-	-	2,651
	\$ 34,520	\$ 69,150	\$ 160,200	\$ 263,870

Note 24. Contingent Liabilities

In common with many health authorities, claims are made against the Authority and its staff. The Authority is defending actions brought against them and management does not believe a significant loss will occur. An allowance has been made for any claim or litigation where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. The allowance is based upon estimates determined by the Authority's legal experts and human resources staff experience or case law and historical data in similar circumstances.

The Authority's operations are affected by federal, territorial and local laws and regulations regarding Environmental protection. The Authority is committed to meeting these existing laws and regulations. Management is not aware of any material environmental liabilities.

Note 25. Prior Year Funding Received

Prior year funding for physicians in the amount of \$56,000 and \$53,000 for maternity and paternity leave were received in the 2015 year and are restricted to offset the 2014/2015 operating deficit. As such, the funding is reported in Schedule A for 2015 and then reversed out of the operating surplus in order to arrive at the annual surplus of the Authority.

	2016	2015
Prior year funding received	\$ -	\$ 109,000

Note 26. Budget

The budget figures are the opening budgets that were approved by the Authority's Public Administrator and the GNWT Department of Health and Social Services. The budget figures are not audited and are intended for information purposes only.

Note 27. Economic Dependence

The Authority received its funding primarily from the GNWT. If the funding arrangements were to change management is of the opinion that the Authority operations would be significantly affected.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2016

Note 28. Subsequent Events

April 1, 2016 new legislation came into effect giving the Minister of Health and Social Services the authority to create a Territorial Health and Social Services Authority (THSSA). The Minister of HSS has announced that the effective date for the THSSA to commence operations is August 1, 2016. When the THSSA is created, six of the eight current Health and Social Authorities (HSSAs) become part of the THSSA and will no longer be separate legal authorities. Hay River Health and Social Services Authority (HRHSSA) and Tlilcho Community Services Agency (TCSA) will remain outside the THSSA; however, the legislation does include provisions to bring the HRHSSA into the THSSA at a later date. The THSSA will serve as a single integrated delivery system for NWT health and social service programs while recognizing that the TCSA retains a unique role through the provisions of the Tlilcho Agreement. Through the Chief Executive Officer, the THSSA will report to and take direction from the Chair of Health and Social Services Leadership Council that will be comprised of persons appointed in accordance with legislation.

Note 29. Comparative Figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

Note 30. Related Party Transactions

The Authority is related in terms of common ownership to all GNWT created departments and public agencies. The Authority enters into transactions with these entities in the normal course of operations. The Authority is provided various administrative services by the GNWT, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage by the Department of Finance and internal audit services provided by the Department of Finance.

Transactions with related parties and balances at year-end are included in the financial statements, but not disclosed separately other than in this note:

	2016	2015
<u>Due from related parties</u>		
Accounts Receivable		
GNWT, Note 8		
Department of Health & Social Services	\$ 213,685	\$ 255,592
Department of Justice	-	125
	<u>213,685</u>	<u>255,717</u>
Tlilcho Community Services Agency	-	5,643
Fort Smith Health Centre	-	2,189
Stanton Territorial Health Authority	-	306
DehCho Health & Social Services Authority	-	137
Yellowknife Health & Social Services Authority	552	-
NWT Housing Corporation	-	-
	<u>\$ 214,237</u>	<u>\$ 263,992</u>

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2016

Note 30. Related Party Transactions (continued)

Due to related parties

Accounts Payable:

GNWT, Note 10		
Department of Health & Social Services	\$ 160,593	\$ 52,165
Department of Finance	29,462	26,549
Department of Human Resources	5,049	13,166
Department of Public Works	3,026	2,651
Department of Justice	-	693
	198,130	95,224
Yellowknife Health & Social Services Authority	17,164	54,714
Stanton Territorial Health Authority	49,251	61,225
	\$ 264,545	\$ 211,163
<u>Contributions repayable, GNWT, Note 12</u>	1,242,179	1,244,301
	\$ 1,506,724	\$ 1,455,464
<u>Accountable capital advances, GNWT, Note 21</u>	\$ 5,829	\$ 5,829
<u>Deferred revenues, GNWT, Note 11</u>	\$ 845,725	\$ 56,633
<u>Accrued employee termination benefits, Note 16</u>	\$ 138,417	\$ 151,756

Related party transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Note 31. Financial Instruments

The Authority is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risk from the Authority's financial instruments by type of risk is provided below:

Credit Risk

Credit risk is the risk of financial loss to the Authority if a debtor fails to make payments of interest and principal when due. The Authority is exposed to this risk relating to its cash, special purpose funds, trust assets and accounts receivable.

The Authority holds its cash and trust assets, deposits in trust accounts, with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation.

Accounts receivable are due from various governments, government agencies, corporations and individuals. Credit risk related to accounts receivable is mitigated by internal controls as well as policies and oversight over arrears for ultimate collection. Management has determined that a portion of accounts receivable are impaired based on specific identification as well as age of receivables. These amounts are as disclosed in Notes 4, 8 and 17.

The Authority's maximum exposure to credit risk is represented by the financial assets less the pension plan asset for a total of \$1,841,764 (2015 - \$1,466,329)

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2016

Note 31. Financial Instruments (continued)

Concentration of Credit Risk

Concentration risk arises when a customer has more than ten percent of the total accounts receivable which increases the Authority's risk in the event the customer does not fulfill their obligation. The Authority does have concentration risk. At March 31, 2016 one customer in accounts receivable accounts for 64% (2015 - 60%) of the total balance which subjects the Authority to concentration risk. This risk is monitored through regular review of the outstanding balances in receivables.

As all the Authority's cash is held in one Canadian bank, they are subject to further concentration risk.

Liquidity Risk

Liquidity risk is the risk that the Authority will not be able to meet all cash outflow obligations as they come due. The Authority mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise. Total financial assets are \$8,187,764 including the \$6,346,000 pension asset; financial liabilities are \$7,360,255. The authority has disclosed future financial liabilities and commitments in Notes 16, 23 and 24.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures, and methods used to measure the risk.

Note 32. Expenses by Object

	2016 Budget	2016 Actual	2015 Actual
Compensation	\$ 21,537,621	\$ 22,313,100	\$ 20,631,462
Locums	2,163,393	1,816,364	2,037,839
Medical supplies	852,679	970,154	875,477
Referred out services	634,136	621,087	629,346
Purchases service personnel	571,500	583,711	601,360
Equipment maintenance	367,483	323,706	382,326
Foster care	482,500	287,397	328,207
Rent	245,584	242,380	267,064
Software licensing	131,110	230,234	123,238
Professional fees	178,083	227,882	136,621
Travel assistance	262,000	221,941	250,733
Phone and postage	150,503	205,747	158,233
Locum removal	214,000	189,512	214,251
Office supplies	152,401	143,237	131,896
Travel	102,850	135,236	143,632
Minor equipment	102,500	131,422	158,389
Training	139,500	58,900	99,396
Honorariums	52,500	56,698	55,300
Memberships	28,835	27,217	21,587
Garbage	25,200	23,781	16,166
Advertising	38,950	17,802	21,196
Bad debt	2,000	14,474	36,533
Bank charges	3,940	5,268	4,061
	\$ 28,439,268	\$ 28,847,250	\$ 27,324,313

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Contributions from the GNWT

Schedule A

For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Contributions from the GNWT			
Department of Health and Social Services			
Core Contribution Department of Health			
Administration	\$ 779,000	\$ 2,049,000	\$ 4,110,000
Finance	385,000	388,000	-
Systems Support	623,000	549,544	-
Human Resources	1,276,000	1,278,000	-
Hospital services	-	-	13,012,000
Facility Maintenance & Support	3,195,000	3,415,000	-
Client Support Services	387,000	391,000	-
Specialty Clinics	447,000	448,000	-
Community Clinics & Health Centres	4,945,000	4,984,000	-
Community Mental Health & Addictions	801,000	805,000	-
Health Promotion & Community Wellness	310,000	310,000	53,000
Intervention Services	-	-	289,000
Social Services Delivery	-	-	1,750,000
Homecare & Support Services	622,000	625,000	596,000
Residential Care Children & Adults	4,390,000	4,411,000	4,263,000
Foster Care	-	-	452,000
Child & Family Services	1,479,000	1,483,000	-
Family Violence	513,000	513,000	513,000
Diagnostic Services	1,730,000	1,735,000	-
Pharmacy	191,000	191,000	-
Therapeutic Services	866,000	870,000	-
Physician Services to NWT Residents	-	-	2,287,000
Medical & Surgical Nursing	2,333,000	2,694,000	-
Long Term Care Nursing	1,141,000	1,146,000	-
Obstetric and Pediatric Nursing	495,000	500,000	-
Medical Equipment under \$50,000	-	-	24,000
Medical Travel	22,000	22,000	22,000
	26,930,000	28,807,544	27,371,000
less deferred contributions	-	(39,092)	-
	26,930,000	28,768,452	27,371,000
Other Department of Health and Social Services Contributions			
Home and Community Care (Schedule A-1)	316,244	349,142	336,282
Collective Kitchens Food Vouchers	-	23,003	9,024
Prenatal/Postnatal Parenting	-	17,621	-
Children Who Witness Abuse	12,500	12,500	12,500
Mental Health First Aid	-	3,649	5,709
Applied Suicide Intervention Skills Training	-	2,371	4,832
Electronic Medical Records - Implementation	-	-	8,234
Northern Graduate Employment Program	-	-	7,471
	328,744	408,286	384,052
Total Department of Health	27,258,744	29,176,738	27,755,052
GNWT Department of Human Resources	-	10,353	24,780
Total Contribution from the GNWT	\$ 27,258,744	\$ 29,187,091	\$ 27,779,832

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY
 Schedule of Detailed Contribution Funding and Expenditure
 Home and Community Care
 SC HSS01-000002661am2
 For the year ended March 31, 2016

Schedule A-1

	2016		2015
	Actual		Actual
Funding			
Government of the Northwest Territories			
Department of Health and Social Services	\$ 374,065	\$	366,897
less contributions repayable	(24,923)		(30,615)
	349,142		336,282
Expenditures			
Compensation and benefits	320,107		306,104
Supplies	11,372		7,241
Sundry	15,513		13,575
Equipment expense	2,150		9,362
Rent	-		-
	349,142		336,282
	\$ -	\$	-

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY
Schedule of Recoveries

Schedule B

For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Recoveries from the GNWT			
Department of Health and Social Services	\$ 240,000	\$ 169,801	\$ 288,374
French Language	-	112,663	10,717
Electronic Medical Records	-	18,542	33,191
HSS System Transformation	-	18,095	2,131
Mental Health	-	11,479	7,963
Social Services	-	6,055	2,165
Homecare	-	528	-
Community Wellness Aboriginal Health	-	470	-
	240,000	337,633	344,541
Department of Infrastructure	-	237,066	78,707
Department of Human Resources	-	6,347	-
Department of Justice	-	2,044	-
Department of Housing	-	25	240
Department of Public Works	-	-	3,399
Public Trustee	-	434	-
Total Recoveries from the GNWT	240,000	583,549	426,887
Recoveries directly from Third Parties			
Workers Safety and Compensation Commission	60,000	174,519	162,435
Service Canada		1,491	-
Royal Canadian Mounted Police		1,801	4,567
Government of Nunavut		-	-
Dehcho Health & Social Services Authority		11,245	6,402
TIICho Community Services Agency		3,395	-
Fort Resolution Health & Social Services Authority		2,620	2,620
Fort Smith Health & Social Services Authority		1,821	2,921
Stanton Territorial Health Authority		648	292
Fort Resolution Housing		25	-
Yellowknife Health & Social Services Authority		-	5,625
Sahtu Health & Social Services Authority		-	2,791
NWT Housing Corp		75	330
Client Revenue	553,013	552,743	486,839
Cafeteria	137,500	146,111	145,299
Hay River Dental Clinic	150,000	123,225	126,300
Foundation		33,174	63,460
Insurance Companies		19,727	7,288
UNW		10,266	4,761
Meals on Wheels	5,000	6,906	6,720
Canada Health Info way		3,064	-
Legal Firms		1,641	1,463
TIICho Logistics		1,340	2,728
Canadian Partnership Against Cancer		1,336	-
TIICho Domco		1,177	-
Blue Cross		450	1,148
Family Support Center		375	-
Total Recoveries directly from Third Parties	905,513	1,099,175	1,033,989
Total Recoveries	\$ 1,145,513	\$ 1,682,724	\$ 1,460,876

* Reclassified for comparative purposes

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY
Schedule of Other Contributions

Schedule C

For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Other Contributions from Related Parties	\$ -	\$ -	\$ -
Other Contributions from Third Parties			
Hay River Metis Government Council			
Community Wellness Initiatives	\$ -	\$ 32,647	\$ 3,405

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY
Schedule of Other Income

Schedule D

For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Other Income from Related Parties	\$ -	\$ -	\$ -
Other Income from Third Parties Internal Transfers	\$ -	\$ -	\$ 8,932

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY
 Schedule of Expenses

Schedule E

For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Compensation and Benefits			
Third Parties - Other	\$ 21,537,621	\$ 22,313,100	\$ 20,631,462
Grants expenses			
Third Parties - Other	-	-	-
Contributions expenses			
Third Parties - Family Support Center	525,500	525,500	525,500
Other Expenses			
GNWT			
Department of Public Works	129,544	161,062	117,686
Department of Justice	-	5,924	3,783
Department of Health and Social Services	-	5,419	-
Department of Human Resources	-	5,049	13,166
	129,544	177,454	134,635
Related Parties			
Stanton Territorial Health Authority	-	236,077	176,650
Yellowknife Health & Social Services Authority	-	66,274	39,613
Dehcho Health & Social Services Authority	-	1,706	-
Fort Smith Health & Social Services Authority	-	-	581
	-	304,057	216,844
Third Parties - Other	6,246,603	5,527,139	5,815,872
Total Other expenses	6,376,147	6,008,650	6,167,351
Total Expenses	\$ 28,439,268	\$ 28,847,250	\$ 27,324,313

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY
Schedule of Reserves

Schedule F

For the year ended March 31, 2016

	Leave and Termination Benefits Reserve		Cash Reserve		Total Reserves	
	2016	2015	2016	2015	2016	2015
Balance, beginning of the year	\$ (1,889,258)	\$ (1,768,949)	\$ 500,000	\$ 500,000	\$ (1,389,258)	\$ (1,268,949)
(Increase) Decrease in employee leave and termination benefits, Note 16 ⁽¹⁾	(87,687)	(120,309)	-	-	(87,687)	(120,309)
Transfers between reserves ⁽²⁾	(849,480)	-	-	-	(849,480)	-
Balance, end of year	\$ (2,826,425)	\$ (1,889,258)	\$ 500,000	\$ 500,000	\$ (2,326,425)	\$ (1,389,258)

⁽¹⁾ The (increase) decrease in the employee termination benefit is the net of the accrued liability recorded in the year less any payouts made in the year.

⁽²⁾ The transfer represents the current portion of the benefits as outlined in Note 16 as the prior year value reflected in the Leave and Termination Benefits Reserve only included the value of the long term portion.

**Sahtu Health & Social Services Authority
Financial Statements
Norman Wells, NT
Year End March 31, 2016**

Sahtu Health & Social Services Authority

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Schedule B - Schedule of Other Recoveries for Directly from Third Parties

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Management Discussion and Analysis

Introduction

Preparation of this Management Discussion and Analysis is the responsibility of Sahtu Health and Social Services Authority (SHSSA) Senior Management and Board of Trustees to promote transparency and accountability regarding financial management of the Authority.

SHSSA's mission statement is to ensure that people, families and communities of the Sahtu are mentally, emotionally, spiritually, physically and culturally healthy. To achieve this, the SHSSA Board of Trustees developed eight Guiding Principles which highlight care and services based on relationships, bringing care to the people, provision of care and services through partnerships and as an integrated team. SHSSA's fictional "Esther Story" serves as an example and a reminder that providing relationship-based care and service to the residents of the Sahtu is at the heart of what we are trying to achieve.

SHSSA Board Trustees:

Danny Bayha – Chair

Dakota Erutse – Youth Trustee

Irene Kodakin – Deline Trustee

Margaret McDonald – Norman Wells Trustee

Alphonsine McNeely – Elder Trustee

Alvin Orlias – Colville Lake Trustee

Brenda T'Seleie – Fort Good Hope Trustee

Key SHSSA Senior Management staff:

Mireille (Mimi) Hamlyn – Acting CEO and Director, Health and Social Programs

Arthur (Art) Bungay – Director, Finance and Administration

Financial Highlights

Sahtu Health and Social Services Authority receives the majority of its funding from the Government of Northwest Territories (see Chart 1).

Community Health Services accounts for the majority of Sahtu Health and Social Services expenditures (see Chart 2).

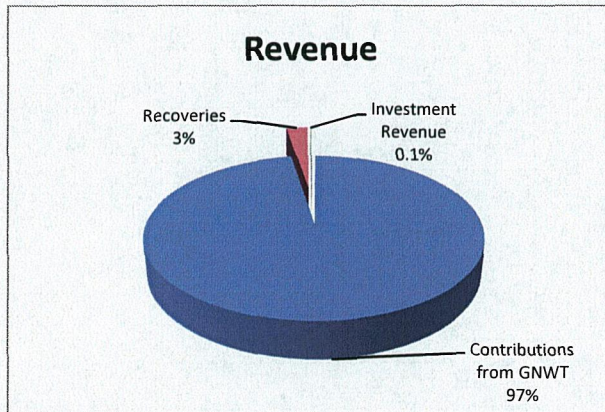


Chart 1

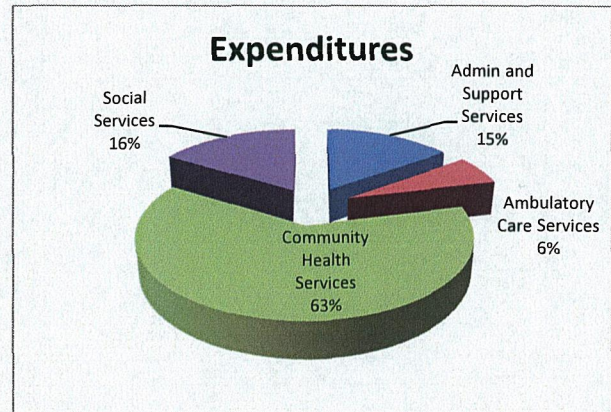
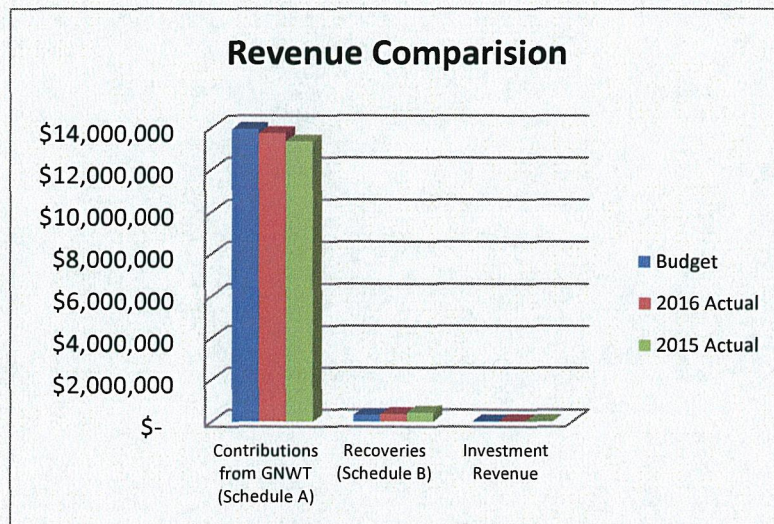
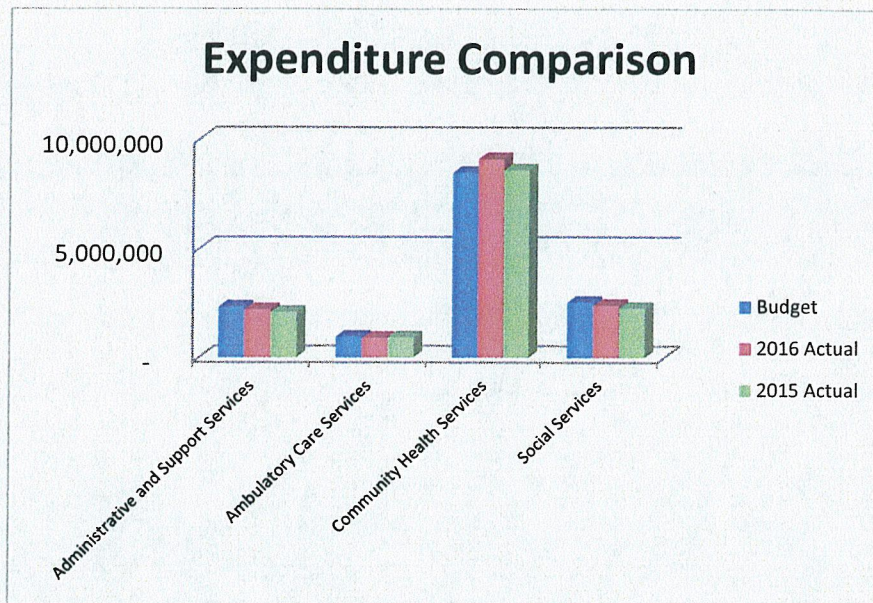


Chart 2

Sahtu Health and Social Services Authority received additional funding from the Government of Northwest Territories for Collective Agreement increases during the year.



Sahtu Health and Social Services Authority experienced a 6% increase in expenditures over last year. Approximately half of the increase was related to training Sahtu residents for possible employment positions in the new Long Term Care Facility in Norman Wells. Total actual expenditures were slightly over budget at 2%.



Operating Environment

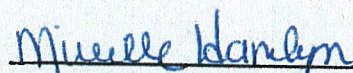
Sahtu Health and Social Services Authority was able to staff many of its positions over the last year which is essential in providing adequate programs. However, vacancy and turnover is an issue within the Health and Social Services field -- particularly in remote regions.

Financial Conditions

Sahtu Health and Social Services Authority had a \$416,136 deficit which equals 3% of its budget. Its accumulated deficit stands at \$1,484,587. Higher demands in all programs have put pressure on areas which are already struggling to meet budget. In addition, meeting the needs of an aging population, children and families accessing care, as well as supporting residents living with chronic disease, is placing budgetary pressures on all program areas.

Summary and Outlook

Sahtu Health and Social Services Authority has been able to manage its current resources to meet the ever increase in demands. This will continue to be a challenge in the future as demands continue to rise.


 Mireille Hamlyn, Acting CEO

July 22, 2016

Date

Management Responsibility Letter

To the Minister of Health and Social Services

Management Responsibility for Financial Reporting for the year ended March 31, 2016

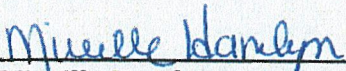
The Management Discussion & Analysis, Financial Statements, Schedules and Notes herein submitted have been reviewed by management. They provide full disclosure and accurately reflect the financial and non-financial condition of the authority in all material respects and in accordance with Canadian Public Accounting Standards (CPAS) as well as the Financial Administration Manual (FAM) of the Government of the Northwest Territories.

Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that proper records are maintained. Controls further include quality standards regarding hiring and training of employees, that ensure the adequate maintenance of written policies and procedural manuals and that further provide for appropriated accountability for performance within well-defined areas of responsibility. The operations and administration of Sahtu Health and Social Services Authority have been conducted with the statutory powers of the Health Authority. The operations and administration of the Health Authority as well as the supporting internal controls of the entity are regularly monitored to ensure their effectiveness and their continued compliance with all relevant legislation, standards, directives and policies including but not limited to the Financial Administration Act, CPSAS, FAM, Human Resources Manual, Ministerial Directives and the policies of the Health Authority Board. Any non-compliance has been specifically identified and has been previously communicated to the Minister and Deputy Minister.

Management hereby asserts that auditors have been provided with all relevant records and documentation as well as unrestricted access to the same. Management is not aware of any undisclosed irregularities involving management and employees with either current or potential impact on financial results, fraud or suspected fraud, disbursements made for purposes not consistent with an appropriation, irregular commitments including those in the form of guarantees, violations or possible violations of laws or regulations, claims or litigation, known or suspected environmental site contaminations or of any other undisclosed environmental or safety hazards within its jurisdiction.

The Auditors annually provide an independent, objective audit for the purpose of expressing an opinion of the financial statements in accordance with generally accepted auditing standards. The auditor also considers whether the transactions that come to their notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the Department of Health and Social Services, Government of the Northwest Territories.

Approved and confirmed on behalf of the Sahtu Health and Social Services Authority


Mireille Hamlyn, Acting CEO

July 22, 2016



AVERY COOPER & CO. LTD.
Certified General Accountants

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Yellowknife, NT X1A 2P2
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Toll-Free: 1-800-661-0787

INDEPENDENT AUDITORS' REPORT

To the Minister of Health and Social Services Government of the Northwest Territories

Report on the Financial Statements

We have audited the accompanying financial statements of the Sahtu Health and Social Services Authority, which comprise the Statement of Financial Position as at March 31, 2016, and the Statements of Operations, Changes in Net Financial Resources and Changes in Financial Position for the year then ended. We have also audited the revenue and expenditures of programs funded through contribution agreements by the Departments of Health and Social Services which total \$250,000 or more as listed in Schedule A.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

The GNWT is responsible for the calculation and distribution of the salaries and wages that appear on the statement of operations, the accuracy of which is not susceptible to complete audit verification. We have satisfied ourselves that the payroll information provided by the GNWT was accurately reflected in the Agency's records.

Qualified Opinion

In our opinion, except for the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2016 and the results of operations, net debt and changes in financial position for the year then ended in accordance with Canadian public sector accounting standards. Furthermore, these statements present fairly, in all material respects, the funding and expenditures of all health and Social Services funded programs \$250,000 or more in Schedule A for the year ended March 31, 2016 in accordance with the provisions established by the individual contribution agreements.

Auditors' Report cont'd

Report on Other Legal and Regulatory Requirements

We further report, in accordance with the Financial Administration Act, in our opinion, proper books of account have been kept by the Sahtu Health and Social Services Authority, the financial statements are in agreement therewith and the transactions that have come under our notice have, in all significant respects, been within the statutory powers of the Authority.

Avery Cooper & Co. Ltd.

Avery Cooper & Co. Ltd.
Certified General Accountants
Yellowknife, NT

July 22, 2016

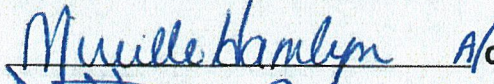
Sahtu Health & Social Services Authority

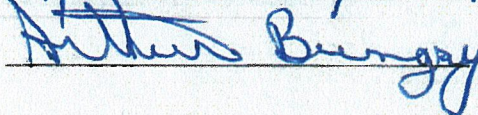
Statement of Financial Position

As of March 31, 2016

FINANCIAL ASSETS	2016	2015
<i>Cash and Cash Equivalents (Note 4)</i>	694,431	399,176
<i>Accounts Receivable (Note 8)</i>	290,357	577,703
	<u>984,788</u>	<u>976,879</u>
LIABILITIES		
<i>Accounts Payable & Accrued Liabilities (Note 10)</i>	1,138,213	728,793
<i>Wages & Benefits Payable - GNWT (Note 10)</i>	753,894	673,960
<i>Contribution Repayable (Note 12)</i>	36,736	73,728
<i>Employee Leave and payroll related Liabilities (Note 16)</i>	717,014	705,906
	<u>2,645,856</u>	<u>2,182,387</u>
Net Financial Assets/(Debt)	<u>(1,661,069)</u>	<u>(1,205,508)</u>
Non-Financial Assets		
<i>Inventory held for use (Note 9)</i>	157,057	157,057
<i>Prepaid Expenses</i>	19,425	-
	<u>176,482</u>	<u>157,057</u>
<i>Accumulated Surplus/(Deficit)</i>	<u>(1,484,587)</u>	<u>(1,048,451)</u>
Contractual Obligations (note 23)		
Contingent Liabilities (note 24)		

Approved on behalf of the Authority:

 Muirle Hamlyn A/Chief Executive Officer

 Arthur Bungay Director of Finance & Administration

See the accompanying notes and schedules.

Sahtu Health & Social Services Authority

Statement of Operations

For the year ended March 31, 2016

	2016 Budget (unaudited)	2016 Actual	2015 Actual
REVENUE			
Contributions from GNWT (Schedule A)	\$ 13,927,068	\$ 13,728,636	\$ 13,345,277
Recoveries (Schedule B)	314,208	355,153	435,573
Investment Revenue	15,996	19,475	19,342
	14,257,272	14,103,264	13,800,192
EXPENSES			
Administrative and Support Services	2,321,857	2,191,949	2,084,917
Ambulatory Care Services	947,000	887,847	920,299
Community Health Programs	8,457,389	9,074,468	8,578,219
Community Social Programs	2,531,026	2,385,135	2,270,887
Total Expenses (Schedule E)	14,257,272	14,539,401	13,854,321
OPERATING SURPLUS (DEFICIT)	-	(436,136)	(54,129)
Unfunded Items			
Change in employee leave and termination benefits (Note 8)		11,108	50,013
ANNUAL SURPLUS (DEFICIT) Before the Following		(425,028)	(4,116)
Rent Expense-GNWT Assets provided at no cost (Note 22)	257,577	215,971	302,042
Grant-in-Kind - GNWT Assets provided at no cost (Note 22)	(257,577)	(215,971)	(302,042)
ANNUAL SURPLUS (DEFICIT)	-	(425,028)	(4,116)
Opening Accumulated Surplus	-	(1,048,451)	(994,322)
Closing Accumulated Surplus	-	(1,484,587)	(1,048,451)

See the accompanying notes and schedules.

Sahtu Health & Social Services Authority

Statement of Changes in Net Financial Resources (Debt)

For the year ended March 31, 2016

	2016 Budget (unaudited)	2016	2015
Annual Surplus/(Deficit)	-	(436,136)	(54,129)
Adjustments:			
Consumption of Inventories Used	200,000	211,857	194,826
Acquisition of Inventories Used	(200,000)	(211,857)	(177,432)
Use of Prepaid Expenses		-	2,290
Acquisition of Prepaid Expenses		(19,425)	-
(Increase)/Decrease in net debt		(455,561)	(34,445)
Opening net financial resources	(1,661,069)	(1,205,508)	(1,171,063)
Closing net financial resources		(1,661,069)	(1,205,508)

See the accompanying notes and schedules.

Sahtu Health & Social Services Authority

STATEMENT OF CASH FLOW

For the year ended March 31, 2014

	<u>2016</u>	<u>2015</u>
Operating Surplus / (Deficit)	(436,136)	(54,129)
(Increase) Decrease in Accounts Receivable	287,347	227,271
Increase (Decrease) in Accounts Payable	409,420	(444,289)
Increase (Decrease) in Contributions Repayable	(36,993)	73,728
Increase (Decrease) in Wages and Benefits Payable	91,042	442,698
Net (Acquisition) Consumption of Prepays	(19,425)	2,290
Net (Acquisition) Consumption of Inventory	-	17,394
Net Cash from Operations	295,255	264,963
Cash Provided by Investing Transactions	-	-
Cash Provided by Financing Transactions	-	-
Opening Cash and Cash Equivalents	399,176	134,213
Closing Cash and Cash Equivalents (Note 4)	<u><u>694,431</u></u>	<u><u>399,176</u></u>

See accompanying notes and schedules.

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2016

1. AUTHORITY

The Sahtu Health & Social Services Authority (the "Authority") operates under the Hospital Insurance and Health and Social Services Administration Act of the Northwest Territories. The Authority was established on October 1, 2003 to manage, control and operate the public health facilities and services assigned to it by the Northwest Territories Department of Health and Social Services.

The Authority is a public body performing a function of government in Canada. Paragraph 149 (1)(c) of the federal Income Tax Act provides that a public body performing a function of government in Canada is exempt from taxation.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board and by directives of the Government of the Northwest Territories - Department of Health and Social Services ("DHSS"). Significant aspects of the accounting policies adopted by the Authority are as follows:

a) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques, and short term highly liquid investments that are readily convertible to cash and with a maturity date of 90 days or less from the date of acquisition.

b) Funds

The Authority records financial information in individual funds that are segregated for the purpose of carrying on specific activities or attaining certain objectives. Funds established by the Authority are:

Operating Fund- reflecting activities associated with the Authority's day-to-day operations.

Leave and Termination Liability Fund - reflecting activities in employee leave and termination benefits combined with any amounts transferred from operations to fund these liabilities. This fund represents liabilities which will be funded in the year they become due through the regular annual allocations from the Government of the Northwest Territories ("GNWT").

Endowment and Special Purpose Fund - reflecting activities relating to endowments and other special purpose funds made available to the Authority under conditions specified by donors and other providers.

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2016

c) Surplus Reserves

The DHSS policy requires the Authority to establish the following reserves:

Surplus Reserve - reflects funds maintained in a reserve according to the DHSS Operations and Maintenance Surplus Retention Policy.

Employee Future Benefit Reserve - the funds received in advance for the severance liability of employees who were transferred to the Authority from the GNWT. These liabilities are reduced as employees are paid out upon termination of employment with the Authority.

The Authority does not have sufficient funds to establish either of these reserves.

d) Tangible Capital Assets

The GNWT retains ownership of all tangible capital assets (TCA) used by the Authority, or purchased by the Authority (regardless of source of funding for the purchase). The GNWT amortizes TCAs over the estimated useful lives of the assets at the rates established in the Financial Administration Manual over the following terms:

Buildings	40 Years
Mainframe and software systems	5-10 Years
Leasehold improvements	Lesser of useful life or lease term plus renewal option

The TCAs used by the Authority and held on behalf of, or in trust for, the GNWT are not recognized by the Authority in the financial Statements.

The statement of operations reflects the Rent Expense amount that would otherwise be considered amortization expense for the fiscal year with an offsetting corresponding amount as a Grant-In-Kind revenue.

e) Inventories of Supplies

Inventories of supplies include inventories held for use in the process of providing services and are distributed to clients at no charge or for a nominal charge. Inventories consist of pharmacy items, parts for various equipment, and office supplies. Inventories of supplies are valued at the lower of cost and replacement value.

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2016

f) **Accrued Employee Leave and Termination Benefits**

In accordance with GNWT accounting policies specified for public agencies, the Authority annually accrues estimated employee leave and termination benefits payable.

g) **Pensions**

The Authority and its employees make contributions to the Public Service Superannuation Plan administered by the Government of Canada. These contributions represent the total liability to the Authority and are recognized in the accounts on a current basis.

The Authority and its contracted physicians make contributions to a physician directed investment fund administered by the Government of Canada. These contributions represent the total pension liability of the Authority and are recognized in the accounts on a current basis.

h) **Revenue Recognition**

The Authority is primarily funded by the GNWT in accordance with budget arrangements established by the DHSS. Under the arrangements, the Authority is responsible for the net deficit from operations and is allowed to retain surpluses from core programs. Any capital funding not spent may be retained for future capital purchases. These policies do not apply to contribution agreements, where an accounting of and return of surpluses may be required.

Other revenue is recognized when the service is performed or the goods are provided.

Government transfers

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except for the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Operating transfers are recognized as revenue in the period in which the events giving rise to the transaction occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be determined.

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2016

i) Financial Instruments

The Authority classifies its financial instruments at cost or amortized cost. The Authority's accounting policy for this financial instrument category is as follows:

This category includes cash, special purpose funds, trust assets, accounts receivable, accounts payable and accrued liabilities, payroll liabilities, capital advances, and trust liabilities. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the statement of operations.

j) Non-financial assets

Non-financial assets are accounted for as assets by the Authority because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the Authority unless they are sold.

k) Measurement uncertainty

The preparation of these financial statements, in conformity with Canadian public sector accounting standards, requires management to make estimates and assumptions. This affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the updated amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2016

3. FUTURE ACCOUNTING CHANGES

Inter-entity transactions

In March 2015, the Public Sector Accounting Board (PSAB) issued Section PS 3420, "Inter-entity transactions". This new Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. The main features of the new Section are:

- under a policy of cost allocation, revenues and expenses are recognized on a gross basis;
- transactions are measured at their carrying amount, except in special circumstances;
- a recipient may choose to recognize unallocated costs for the provision of goods and services and measure them at the carrying amount, fair value or other amount dictated by policy, accountability structure or budget practice, and
- the transfer of an asset or liability for nominal or no consideration is measured by the provider at the carrying amount and by the recipient at the carrying amount or fair value.

This Section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The Sahtu Health and Social Services Authority is currently assessing the impact of this Section.

Assets

In June 2015, the PSAB issued Section PS 3210, "Assets". This new Section provides guidance for applying the definition of assets and establishes general disclosure standards for assets. Disclosure of information about the major categories of assets that are not recognized is required. When an asset is not recognized because a reasonable estimate of the amount involved cannot be made, the reason(s) for this should be disclosed. This Section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The Sahtu Health and Social Services Authority is currently assessing the impact of this Section.

Sahtu Health & Social Services Authority

Notes to the Financial Statements For the year ended March 31, 2016

4. CASH AND CASH EQUIVALENTS

	2016	2015
Cash	\$ 694,431	\$ 399,176

5. SPECIAL PURPOSE FUNDS

Nil Report

6. RESTRICTED ASSETS

Nil Report

7. PORTFOLIO INVESTMENTS

Nil Report

8. ACCOUNTS RECEIVABLE

	Accounts Receivable 2016	Allow. For Doubful Accounts 2016	Net	2016 Net	2015
Due from GNWT	253,677	2,751		250,926	514,115
Workers' Safety and Compensation Commission	14,697	2,412		12,285	16,143
Due from Third Parties	68,495	41,349		27,146	47,445
Hospital related costs due from Third Parties	-	-		-	-
	<u>336,869</u>	<u>46,512</u>		<u>290,357</u>	<u>577,703</u>

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2016

9. INVENTORY

	2016	2015
Inventory held for use		
Medical Supplies	142,054	142,054
Pharmacy	15,003	15,003
	<u>157,057</u>	<u>157,057</u>

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
Due to GNWT	441,633	190,894
Due to Workers' Safety and Compensation Commission	20,840	-
Due to Aurora College	306,780	-
Due to Third Parties	368,960	537,899
	<u>1,138,213</u>	<u>728,793</u>

	2016	2015
Payroll Liabilities		
GNWT - Department, Finance	753,894	673,960

11. DEFERRED REVENUE

Nil Report

12. CONTRIBUTION PAYABLE

	2016	2015
Government of the Northwest Territories Department, Health and Social Services		
Healthy Families Program	-	-
Enhanced Home Care	34,240	57,213
Community Wellness Initiative	-	10,732
Mental Health First Aid	42	-
Applied Suicide Intervention	2,454	5,784
	<u>36,736</u>	<u>73,728</u>

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2016

13. DUE FROM TO THE GOVERNMENT OF CANADA

Nil Report

14. CAPITAL LEASE OBLIGATIONS

Nil Report

15. PENSIONS

Nil Report

16. EMPLOYEE FUTURE BENEFITS

Under the conditions of employment, employees qualify for annual leave of varying lengths depending on length of service. Employees also earn retirement and severance remuneration based on number of years of service. Certain employees will also receive assistance with removal costs to return to their point of recruitment. Annual leave is payable within one fiscal year. The payment of other amounts is dependent on employees leaving the Authority.

These liabilities are to be funded in the year they become due through regular annual budget allocations.

Employee leave and termination benefits are comprised as follows:

	2016	2015
<i>Leave</i>	266,581	310,254
<i>Termination, Severance, Resignation, Retirement</i>	161,857	146,884
<i>Removal</i>	288,576	248,768
	<u>717,014</u>	<u>705,906</u>

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2016

17. TRUST ASSETS AND LIABILITIES

Nil Report

18. TANGIBLE CAPITAL ASSETS

Nil Report

19. PREPAID EXPENSES

Nil Report

20. ACCUMULATED DEFICIT

	<u>2016</u>	<u>2015</u>
Unfunded employee future benefits	717,014	705,906
Operating (deficit) surplus	(1,484,587)	(1,048,451)
	<u>(767,573)</u>	<u>(342,545)</u>

21. CAPITAL ADVANCES FROM GNWT

Nil Report

22. GNWT ASSETS PROVIDED AT NO COST

			<u>2016</u>	<u>2015</u>
	Cost (unaudited)	Accumulated Amortization (unaudited)	Net Book Value (unaudited)	Net Book Value (unaudited)
Buildings	8,099,424	(5,584,664)	2,514,760	2,730,731
Furniture, Fixtures & Equipment	66,955	(66,955)	-	-
Computer & Software	46,728	(46,728)	-	-
	<u>8,213,107</u>	<u>(5,698,347)</u>	<u>2,514,760</u>	<u>2,730,731</u>

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2016

23. CONTRACTUAL OBLIGATIONS

The Authority has entered into agreements for, or is contractually committed to, the following expenses subsequent to March 31, 2016.

	Expires in Fiscal Year	2017	2018 and thereafter	Total
Commercial & Residential Leases				
Seamus Quigg	2017	29,700	7,425	37,125
Norman Wells Claimant Corporation L	2019	55,800	65,100	120,900
Two Rivers Development Group Ltd.	2016	12,000	-	12,000
Northern Cartrols Ltd.	2017	48,000	12,000	60,000
Equipment Leases				
Xerox Canada Limited	2017	14,767	29,534	44,301
Total		<u>160,267</u>	<u>114,059</u>	<u>274,326</u>

24. CONTINGENT LIABILITES

In the normal course of business, the Authority is subject to claims and pending and threatened litigation against the Authority and its staff. The Authority is defending actions brought against it. Claims are currently being reviewed and the Authority is unable to estimate the financial impact, if any, to the authority.

The Authority did not have any environmental liabilities during the year or all environmental liabilities have been recognized by the Department of Health and Social Services.

25. PRIOR YEAR FUNDING RECEIVED

Nil Report

26. BUDGET

Budget figures are the opening budgets that were approved by Authority's board of directors or Public Administrator and DHSS. The budget figures are not audited and are intended for information purposes only.

27. ECONOMIC DEPENDENCE

The Authority receives its funding primarily from the GNWT. If the funding arrangements were to change management is of the opinion that the Authority operations would be significantly affected

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2016

28. SUBSEQUENT EVENTS

April 1, 2016 new legislation came into effect giving the Minister of Health and Social Services the authority to create a Territorial Health and Social Services Authority (THSSA). The Minister of HSS has announced that the effective date for the THSSA to commence operations is August 1, 2016. When the THSSA is created, six of the eight current Health and Social Authorities (HSSAs) become part of the THSSA and will no longer be separate legal authorities. Hay River Health and Social Services Authority (HRHSSA) and Tlicho Community Services Agency (TCSA) will remain outside the THSSA; however, the legislation does include provisions to bring the HRHSSA into the THSSA at a later date. The THSSA will serve as a single integrated delivery system for NWT health and social service programs while recognizing that the TCSA retains a unique role through the provisions of the Tlicho Agreement. Through the Chief Executive Officer, the THSSA will report to and take direction from the Chair of Health and Social Services Leadership Council that will be comprised of persons appointed in accordance with legislation. As a consequence the Sahtu Health and Social Services Authority will no longer exist as a separate legal authority.

29. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2016

30. RELATED PARTY TRANSACTIONS

The Authority is related in terms of common ownership to all GNWT created departments and public agencies. The Authority enters into transactions with these entities in the normal course of business. The Authority is provided with various administrative services by the GNWT, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage by the Department of Finance, compensation services by the Department of Human Resources, and internal audit services by the Department of Finance.

	2016	2015
Due from related Parties		
Government of Northwest Territories		
Department, Health and Social Services	250,926	530,258
	<u>250,926</u>	<u>530,258</u>
Due to related Parties		
Government of Northwest Territories		
Department, Health and Social Services	360,741	64,253
Department, Finance	3,058	56,112
Department, Public Works and Services	66,766	70,529
Department, Human Resources	764,961	673,960
Aurora College	306,780	-
Stanton Territorial Hospital Authority	165,987	119,752
NWT Power Corporation		940
Beaufort-Delta Health & Social Services Authority	5,834	36,998
	<u>1,674,127</u>	<u>1,022,544</u>

Related party transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2016

31. FINANCIAL INSTRUMENTS

The Authority is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risk from the Authority's financial instruments by type of risk is provided below:

(i) Credit risk

Credit risk is the risk of financial loss to the Authority if a debtor fails to make payments of interest and principal when due. The Authority is exposed to this risk relating to its cash and accounts receivable.

The Authority holds its cash with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation.

Accounts receivable are due from various governments, government agencies, corporations and individuals. Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection. Management has determined that a portion of accounts receivable are impaired based on specific identification as well as age of receivables.

These amounts are as disclosed in Note 8.

The Authority's maximum exposure to credit risk is represented by the financial assets for a total of \$290,357 (prior year \$577,703).

Concentration of credit risk

Concentration of credit risk is the risk that a customer(s) has a significant portion (more than ten percent) of the total accounts receivable balance and thus there is a higher risk to the Authority in the event of a default. The Authority does have concentration risk. At March 31, 2016, receivables from the GNWT comprised 87% of the total outstanding accounts receivables. The Authority reduces this risk by monitoring overdue balances.

Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet all cash outflow obligations as they come due. The Authority mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise. Total financial assets are \$984,788 and financial liabilities are \$2,645,856. The authority has disclosed future financial liabilities and commitments in Note 10 and 23.

32 EXPENSES BY OBJECT

	2016	2015
Compensation	10,590,996	10,204,409
Other	3,948,405	3,649,912
	<u>14,539,401</u>	<u>13,854,321</u>

Sahtu Health & Social Services Authority
SCHEDULE A
Schedule of Contributions From GNWT
For the year ended March 31, 2016

	2016 Budget (unaudited)	2016 Actual	2015 Actual
Core Contribution Department of Health			
Administration	965,000	854,000	1,522,007
Equipment (under \$50,000)	-	-	13,000
Finance	346,000	356,000	-
Systems Support	248,000	248,000	-
Physician Clinics	947,000	887,847	920,299
Health Centres	5,966,000	6,021,000	5,837,000
Home Care	622,000	647,000	559,000
Home Care Tulita	-	-	49,000
Health Promotion & Community Wellness	373,000	379,000	287,000
Healthy Families	-	250,000	-
Child & Family Services	2,318,000	2,339,000	2,154,000
Foster Care	-	-	768,000
Protective Services	-	-	52,000
Family Violence	122,000	122,000	122,000
Community Mental Health & Addictions	738,000	754,000	86,000
Residential Care Children & Adults	604,000	310,113	100,000
Other DHSS Contributions			
Enhanced Home Care	428,068	492,548	491,846
Literacy Program	-	-	1,280
Elders In Motion	-	1,900	3,000
Collective Kitchen Food Vouchers	-	43,544	40,394
Home Based Safety Education	-	4,130	555
Community Development and Wellness Planner	-	-	9,743
Healthy Families	250,000	-	250,000
Family Violence Protocols	-	-	8,154
Applied Suicide Intervention Skills	-	5,236	365
Mental Health First Aid	-	13,318	8,160
CHN Development Program K Ziolkowski	-	-	62,475
Total Contributions from GNWT - Dept of Health	13,927,068	13,728,636	13,345,277

Sahtu Health & Social Services Authority

SCHEDULE A-1

Contribution Agreement

Home Care Enhancement Program

HSS01-2719

For the year ended March 31, 2016

	2016 Budget (unaudited)	2016 Actual	2015 Actual
Funding			
GNWT			
Department of Health & Social Services	428,068	492,548	491,846
Expenses			
Compensation and Benefits			
Norman Wells	36,060	22,428	31,710
Tulita	37,152	25,140	30,737
Fort Good Hope	161,928	171,392	160,961
Deline	177,844	202,676	230,151
Colville Lake	15,084	15,084	17,814
Compensation and Benefits Total	428,068	436,720	471,373
Operations & Maintenance			
Regional	-	19,707	19,423
Norman Wells	-	1,960	-
Tulita	-	4,055	-
Fort Good Hope	-	5,463	-
Deline	-	4,483	1,050
Colville Lake	-	20,160	-
Operations & Maintenance Total	-	55,828	20,473
Expenses Total	428,068	492,548	491,846
Excess Funding Over Expenses	-	-	-

Sahtu Health & Social Services Authority
SCHEDULE B
Schedule of Other Recoveries directly from Third Parties
For the year ended March 31, 2016

	2016 Budget (unaudited)	2016 Actual	2015 Actual
Recoveries from the GNWT			
<i>Department, Health & Social Services</i>			
<i>Health Insurance Services</i>	78,360	65,518	86,622
<i>Contract out Lab Services</i>	-	10,560	36,649
Recoveries directly from Third Parties			
<i>WSCC</i>	26,760	75,068	33,979
<i>Co-payment Users</i>	9,000	3,676	6,422
<i>NIHB</i>	126,000	122,966	185,229
<i>NWT Status of Women Council</i>	-	2,000	-
<i>Transient Accommodations</i>	74,088	75,365	86,672
	314,208	355,153	435,573

Sahtu Health & Social Services Authority
SCHEDULE E
Schedule of Expenses
For the year ended March 31, 2016

	2016 Budget (unaudited)	2016 Actual	2015 Actual
Compensation and Benefits			
GNWT			
<i>Department, Finance</i>	9,830,632	10,048,447	9,636,338
<i>Third Parties</i>	574,980	542,549	568,071
Total Compensation and Benefits	10,405,612	10,590,996	10,204,409
Other Expenses			
Related Parties			
BDHSSA	-	172,815	187,820
Stanton	-	302,686	264,946
<i>Aurora College</i>	-	-	-
Third Parties	3,851,660	3,472,904	3,197,146
Total Other Expenses	3,851,660	3,948,405	3,649,912
Net Expenses	14,257,272	14,539,401	13,854,321

Stanton Territorial Health Authority

Financial Statements

March 31, 2016

Stanton Territorial Health Authority

Financial Statements

March 31, 2016

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**To the Minister of Health and Social Services
Government of the Northwest Territories**

**Management's Responsibility for Financial Reporting
For the Year Ended March 31, 2016**

The Management Discussion & Analysis, Financial Statements, Schedules and Notes herein submitted have been reviewed by management. They provide full disclosure and accurately reflect the financial and non-financial condition of the Authority in all material respects and in accordance with Canadian Public Sector Accounting Standards (PSAS) as well as the Financial Administration Manual (FAM) of the Government of the Northwest Territories.

Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that proper records are maintained. Controls further include quality standards regarding the hiring and training of employees, that ensure the adequate maintenance of written policies and procedural manuals and that further provide for appropriate accountability for performance within well-defined areas of responsibility. The operations and administration of the Authority have been conducted within the statutory powers of the Authority. The operations and administration of the Authority as well as the supporting internal controls of the Authority are regularly monitored to ensure their effectiveness and their continued compliance with all relevant legislation, standards, directives and policies including but not limited to the Financial Administration Act, PSAS, FAM, Human Resources Manual, Ministerial Directives and the policies of the Authority. Any non-compliance has been specifically identified and has been communicated to the Minister and Deputy Minister.

Management hereby asserts that auditors have been provided with all relevant records and documentation as well as unrestricted access to the same. Management is not aware of any undisclosed irregularities involving management or employees with either current or potential impact on financial results, fraud or suspected fraud, disbursements made for purposes not consistent with an appropriation, irregular commitments including those in the form of guarantees, violations or possible violations of laws or regulations, claims or litigation, known or suspected environmental site contaminations or of any other undisclosed environmental or safety hazards within its jurisdiction.

The auditors annually provide an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards. The auditors also consider whether the transactions that have come to their notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the Department of Health and Social Services of the Government of the Northwest Territories.

Approved and Confirmed on behalf of Stanton Territorial Health Authority

Gloria Badari, MBA, CPA, CGA
Acting Chief Executive Officer
Stanton Territorial Health Authority

June 28, 2016



MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The Stanton Territorial Health Authority's discussion and analysis provides an overview of the Hospital's financial activities for the fiscal year ended March 31, 2016. The preparation of the Management Discussion & Analysis (MD&A) includes forward-looking statements and is the responsibility of management and the Public Administrator to promote transparency and accountability. This information is designed to focus on the current year's activities, resulting changes, and currently known facts, along with providing forward looking information about the organization's outlook, direction and operations. The MD&A should be read in conjunction with the Hospital's financial statements beginning on page 14.

GOVERNANCE AND ORGANIZATIONAL STRUCTURE

Leadership

Public Administrator – Mr. Joe Handley

Senior Management Team

Ms. Gloria Badari - Acting Chief Executive Officer

Dr. Bing Guthrie - Medical Director

Mr. David Keselman - Director, Ambulatory Care and Medical Affairs, Acting Director of Patient Care Services

Ms. Shirley Johnson - Acting Director of Corporate Services

Ms. Tamara Spong – Acting Chief Financial Officer

Ms. Brianna Timpson – Manager, Quality and Risk Assurance/Patient Representative

Ms. Delphine Elleze – Manager, Aboriginal Wellness Program

Ms. Leigh Wells – Coordinator, Communications Policy and Planning

See page 5 for a functional organizational chart

Elder's Council

Mr. Francois Paulette, Chair

Ms. Florence Barnaby

Mr. Gabriel Hardisty

Mr. Pat Martel

Ms. Marie Adele Rabesca

Mr. Robert Sayine

Ms. Mary Teya

STANTON TERRITORIAL HEALTH AUTHORITY AT A GLANCE

Services and Programs

Acute Services with 68 inpatient beds

- Surgical Services
- General Medicine
- Pediatrics
- Obstetrics
- Psychiatry
- Intensive Care Unit

Ambulatory Services

- Emergency Services
- Specialist Clinics
- Eye Clinic
- Rehabilitation services – Inpatient and outpatient
- Dialysis
- Chemotherapy
- Endoscopy
- IV therapy

Extended Care Unit with 10 inpatient beds

Territorial Programs

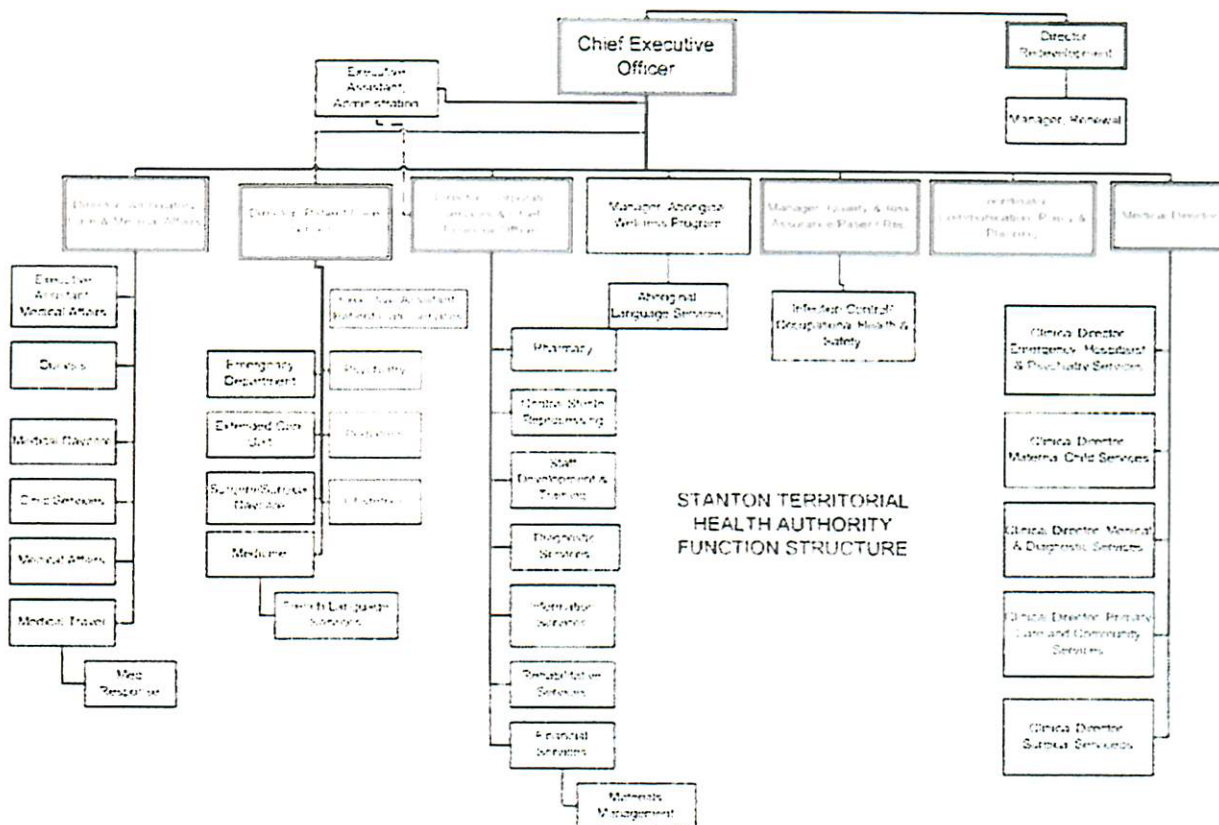
- Medical Travel
- Med-Response
- Renal Insufficiency Program

Support Services – Clinical and Non-Clinical

- Diagnostics- inpatient and outpatient services
- Laboratory – inpatient and outpatient services
- Pharmacy – inpatient
- Materials Management and Contract administration
- Facility and Biomed Services
- Business Office – registration, health records, finance, staff education, information systems

Services Provided to others

- Biomedical
- Specialist Clinics
- Rehabilitative
- Vision Care
- Procurement
- Reprocessing



MISSION

Stanton Territorial Health Authority (STHA) 2015-2017 Operational Plan supports the draft Health and Social Services (HSS) System Strategic Plan. Here is a link to the HSS strategic planning information.

<http://www.hss.gov.nt.ca/sante-services-sociaux/slides/caring-our-people>

HSS MISSION

- Through partnerships, provide equitable access to quality care and services and encourage our people to make health choices to keep individuals, families and communities health and strong

HSS VISION

- Best Health
- Best Care
- For a Better Future

HSS Goals

- Improved health and wellness of the population
- Care and services are responsive to the needs of children, individuals, families and communities
- Ongoing sustainability of the health and social services system.

STHA PRIORITIES

Best Health

- Wellness: Use all opportunities to Promote Wellness for Patients and the Public
- Workforce: Foster a work environment and culture where all staff are supported in, and understand their role in providing the best care for our patients.

Best Care

- Deliver excellent patient care
- Enhance existing programs to improve services provided to patients

For A Better Future

- Infrastructure: Provide infrastructure that enables staff to deliver quality patient care
- Partnerships: Cultivate strong and collaborative relationships with all partners to provide a continuum of quality care
- Accountability: Demonstrate accountability and a commitment to operational excellence

Employees

Recruitment, retention and management of employees are critical for the long term health and success of an organization. As of March 31, 2016 STHA had 567 employees which is a slight increase from 2014/15 and a 10% increase from 2012/13.

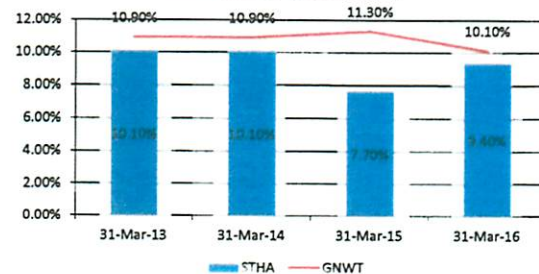
Stanton's 567 employees are comprised of: 486 or 85.6% are women, 115 or 20.3% are indigenous, the average age is 42 and 98 or 17.3% are eligible to retire within 5 years.

STHA has set an internal target of 8.0% as a vacancy rate, with an actual rate of 13.7% for March 31, 2016. In October 2014, a number of positions were inactivated which resulted in an overall lower vacancy rate. Staff turnover has stayed relatively stable over the last 4 years and at 9.40% is marginally lower than the GNWT rate.

STHA Historical Vacancy Rates



Historical Staff Turnover Rates



OPERATING RESULTS

The following table summarizes the Statement of Operations for Stanton Territorial Health Authority.

STATEMENT OF OPERATIONS	BUDGET 2015/16 (in 000's)	ACTUAL 2015/16 (in 000's)	VARIANCE 2015/16 (in 000's)	ACTUAL 2014/15 (in 000's)	INCREASE (DECREASE) (in 000's)
Revenue (less prior year funding)	\$ 126,304	\$ 130,624	\$ 4,320	\$ 120,722	\$ 9,902
Expense	\$ 136,012	\$ 133,447	\$ 2,565	\$ 127,796	\$ 5,651
Operation Surplus (Deficit)	\$ (9,708)	\$ (2,823)	\$ 6,885	\$ (7,074)	\$ 4,251

In 2015-2016, the provision of health-care services for STHA cost an average of \$366 per day which is a 4.57% increase from \$350 per day in 2014-2015.

Revenue Analysis

STHA's total revenue increased by \$9,902 or 8.20% from 2014-2015 to 2015-2016 which was a result of increased core funding from the Department of Health and Social Services (DHSS) of \$6,325 or 7.14%. Other key drivers for the increase in revenue relates to an increase in Nunavut patient revenue of \$1,333 or 14.8%, and Other patient revenue of \$1,521 or 2.91%.

Actual revenue compared to budget for 2015-2016 had a positive variance of \$4,320. There was an increase of \$1,516 in Nunavut patient revenue, an increase of \$1,630 in other patient revenue and \$1,041 in other recoveries that consisted \$324 in recoveries from the Stanton Foundation of which neither had a budget for the 2015-2016 fiscal year.

Expense Analysis

Total Expenses for 2015-2016 fiscal year was \$133,447 which was an increase of \$5,651 or 4.42% from prior year. Medical Travel had an overall increase of \$3,864 from the prior year. This net increase relates to the cost of the new air ambulance contract and an 18.15% decrease in other medical travel costs. Salaries and benefits had an overall increase of \$1,136 or 1.5% from prior year.

A decrease in expenses of \$2,565 over budget also contributes to the decrease of the budgeted operating deficit compared to actual. There are many increases and decreases amongst the expense items which mostly offset each other. The decrease in salary and benefits of \$2,659 compared to budget as the main driver. For a detailed breakdown of budget and actual expenses by object please see Note 32 on page 32

OPERATING ENVIRONMENT

There are two significant events in the near future that will impact management and staff at STHA. The first is the System Transformation of the health authorities. The anticipated start date for this transformation is August 1, 2016. The second is the construction of the new Stanton Territorial Hospital with a substantial completion date of November 2018 with occupancy in the spring of 2019. Both of these projects will provide opportunities and challenges for the staff and management of STHA.

Key strengths of the organization are: committed and engaged staff whom are ready to undertake the changes ahead. In preparing for the opening of a new hospital with new layout, equipment and workflows staff are preparing for first patient day by undertaking occupancy planning with a gap analysis of current state and expected future state workflows. This gap analysis will allow staff to prepare for the workflow changes to come. For example, patient journey, supply chain management and medication management. Managers have undertaken change management training that will better prepare themselves and staff for the changes to come.

There are a number of challenges facing the organization over the next few years: financial sustainability, staff uncertainty of how changes will affect them, risk of organizational change fatigue, staff and manager workload, succession planning for areas with upcoming retirements, aging information systems and the need for clear and regular communications to staff. STHA management is working closely with Stanton Renewal team on the scheduling of events endeavoring to align work commitments for effective use of time. Both Stanton Renewal and System Transformation have communication plans in place to ensure regular communications to all staff. Stanton management is addressing financial sustainability by reviewing and adjusting staff schedules to reduce overtime and workload issues.

The primary external threat that may affect STHA is the local and global economy and how that may affect overall jobs and hiring within Stanton.

System Transformation and the building of a new hospital also provide opportunities for STHA. System Transformation will allow for improved patient care through standardization and improved access to services. The new hospital will provide improved patient experience through design and workflows that align with patient and family centered care.

Financial Condition

As at March 31, 2016 the STHA incurred an operating deficit of \$2.823 million, which was significantly less than the budgeted operating deficit of \$9.707 million. This deficit has increased STHA's accumulated deficit to \$24.773 million. For a more detailed look at STHA's Financial Condition please see the Statement of Financial Position (Statement I) on page 15 and Accumulated Surplus Deficit (note 20) on page 27.

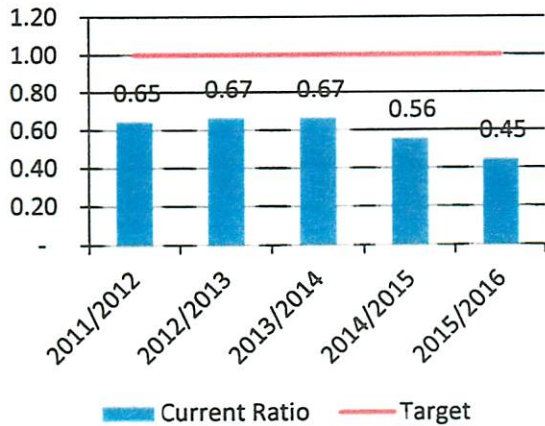
There are a number of factors that contribute to STHA's accumulated deficit. The most significant being the unfunded increases to provisions within the 2012-2016 Collective Agreement between the Union of Northern Workers (UNW) and the Government of the Northwest Territories (GNWT). These unfunded increases include relocation, ultimate removal, responsibility pay, rest periods, maternity/paternity leave benefits, severance and the buyback of pensionable service. See the table below for a detailed breakdown

Expenditure	since Fiscal Year	Accumulated Costs (in 000's)
Relocation & Ultimate Removal	2007-2008	\$ 4,250
Responsibility Pay	2007-2008	\$ 605
Maternity/Paternity	2013-2014	\$ 2,634
Rest Period	2014-2015	\$ 98
Severance	2010-2011	\$ 1,570
Pension Buybacks	2010-2011	\$ 946
Total		\$ 10,105

Stanton's financial position is challenged due to shortfalls in funding, incremental pressures to increase service levels and difficulty in maintaining full staffing rotations which increases the use of overtime to provide services. The Government of Northwest Territories provides payroll services and pay to employees on behalf of STHA. If this arrangement was to change STHA operations would be significantly affected.

Liquidity

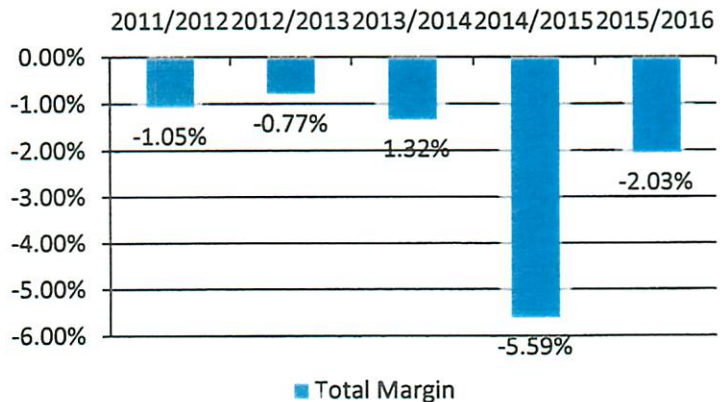
Historical Current Ratio



The current ratio measures STHA's liquidity and ability to pay short term obligations. It is calculated by dividing current assets by current liabilities. STHA's target is 1. A current ratio of less than one indicates there are challenges meeting short term financial obligations.

The total margin measures STHA's fiscal health. It is calculated by dividing current year operating surplus or deficit by an adjusted total operating revenue. STHA's target is 0. A positive percentage means there is a surplus of revenue over expense which is the desired, but not targeted, outcome.

Historical Total Margin



Summary and Outlook

The 2015-2016 has been a challenging year for STHA due to a number of factors including: the additional work staff have undertaken as part of Stanton Renewal project; turnover of senior management; large equipment ever greening projects; system software upgrades; addressing safety and security issues arising from several violent incidents and the uncertainty of System Transformation. A few of the achievements and successes during the year include:

The new Territorial Hospital

- Participated in successful RFP process for the P3 building of the new Territorial Hospital
- Successful completion of Schematic Design and Design Development

Stanton Strategic Work plan

- Work initiated on Patient and Family Centered Care
- Work initiated on improvements to Mental Health and Addictions
- Work initiated on improvements to Cancer Care
- Work initiated on improving clinical education within Stanton
- Work to improve financial sustainability through changes to staff schedules to reduce workload on staff and reduce overtime costs
- Installation of point of sale machines within the hospital to better accommodate patients
- Development of a Biosafety/Biosecurity Program in accordance with new legislation

External Projects involving STHA

- Installation of new replacement Diagnostic equipment
- Software upgrades to Medipatient, and the Laboratory Information System
- Completed RFP process for replacement of Pharmacy Medication Cabinets

The key challenges for this current fiscal year are:

- Continued forward movement on the strategic work plan while meeting commitments and timelines on the Stanton Renewal Project
- How System Transformation will affect staff/managers and any additional projects
- Pressures on the system to increase level of services due to lengthening waitlists.

Stanton management team and staff will manage challenges during the upcoming year by proactively working with the Stanton Renewal Project Team, the newly formed Territorial Health and Social Services Authority and DHSS to ensure active participation while monitoring workloads and the health and well being of staff as well as conducting day-to-day activities of providing health care to the constituents of Northwest Territories and Kitikmeot region of Nunavut.

Management will monitor service delivery waitlists and will endeavor to manage through quality improvement to create capacity and through organized blitzes.

Respectfully submitted



Ms. Gloria Badari, MBA, CPA, CGA
Acting Chief Executive Officer

Independent Auditors' Report

To the Minister of Health and Social Services Government of the Northwest Territories

We have audited the accompanying financial statements of the Stanton Territorial Health Authority as at March 31, 2016, which comprise the statement of operations and the statements of financial position, changes in net financial debt, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. We have also audited the revenues and expenditures for all programs funded through contribution agreements with the Department of Health and Social Services which total \$250,000 or more as listed on Schedule A.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Management is also responsible for the preparation of the schedule of revenues and expenditures of all programs funded through contribution agreements with the Department of Health and Social Services which total \$250,000 or more in accordance with the financial guidelines of the Department of Health and Social Services.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.



Independent Auditors' Report (continued)

Basis for Qualified Opinion

Salaries and related benefits paid to employees of the Authority are administered by the Government of the Northwest Territories and are audited as part of the Government of the Northwest Territories' audit. Our audit scope was limited as we did not audit the components of compensation and benefits expenditures and related balances. Accordingly, we were not able to determine whether any adjustments might be necessary to compensation and benefits expenditures, payroll liabilities, employee future benefits, net financial resources, and accumulated deficit as well as note disclosures associated with transactions and year-end balances relating to compensation and benefits.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material aspects, the financial position of the Stanton Territorial Health Authority as at March 31, 2016, and its financial operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards, applied on a basis consistent with the preceding year. Furthermore, except for the limitation relating to payroll as described above, Schedule A presents fairly, in all material respects, the revenues and expenditures of all programs funded through contribution agreements with the Department of Health and Social Services which total \$250,000 or more for the year ended March 31, 2016, in accordance with the financial guidelines of the Department of Health and Social Services.

Report on Other Legal and Regulatory Requirements

We further report in accordance with the Financial Administration Act of the Northwest Territories that, in our opinion, proper books of account have been kept by the Authority, the financial statements are in agreement therewith, and the transactions that have come under our notice have, in all material aspects, been within the statutory powers of the Authority.

Yellowknife, Northwest Territories
June 28, 2016

Crowe MacKay LLP
Chartered Accountants

Stanton Territorial Health Authority

Statement of Financial Position

As at March 31,	2016	2015
Financial Assets		
Cash (Note 4)	\$ 3,719,942	\$ 2,679,857
Special Purpose Funds (Note 5)	167,932	153,553
Accounts Receivable (Note 8)	13,941,092	18,163,110
Trust Assets (Note 17)	5,142	14,205
Due from Canada (Note 13)	282,365	315,108
	18,116,473	21,325,833
Liabilities		
Accounts Payable and Accrued Liabilities (Note 10)	8,416,992	7,836,695
Payroll Liabilities (Note 10)	30,411,845	31,873,539
Due to Government of Canada (Note 13)	13,303	7,225
Employee Future Benefits (Note 16)	6,434,585	6,262,908
Trust liabilities (Note 17)	5,142	14,205
Capital Advances from GNWT (Note 21)	23,081	23,081
	45,304,948	46,017,653
Net Financial Assets (Debt)	(27,188,475)	(24,691,820)
Non-Financial Assets		
Inventories Held for Use (Note 9)	1,910,451	1,718,743
Prepaid Expenses (Note 19)	504,536	640,408
	2,414,987	2,359,151
Accumulated Surplus / (Deficit) (Note 20)	\$ (24,773,488)	\$ (22,332,669)
Contractual Obligations (Note 23)		
Contingent Liabilities (Note 24)		

Approved on behalf of the Authority



Gloria Badari, MBA, CPA, CGA
Acting Chief Executive Officer



Tamara Spong, CPA, CGA
Acting Chief Financial Officer

Stanton Territorial Health Authority

Statement of Operations

For the year ended March 31,	2016		2015
	(unaudited) Budget	Actual	Actual
Revenue			
Contributions from GNWT (Schedule A)	\$ 95,936,088	\$ 96,092,949	\$ 90,463,672
Contributions from other sources (Schedule C)	95,141	95,141	149,850
Interest income	75,000	81,093	89,084
Other income (Schedule D)	-	17,401	28,715
Recoveries (Schedule B)	30,198,760	34,337,100	29,990,469
Recoveries from prior years' expenses	-	382,620	370,187
Total Revenues	126,304,989	131,006,304	121,091,977
Expenses			
Administration and support	60,924,633	61,925,894	56,313,020
Nursing inpatient services	22,755,806	22,647,179	23,167,080
Ambulatory care	29,265,760	26,791,467	26,713,935
Diagnostic and therapeutic	20,140,072	19,935,761	19,203,296
Regional services	1,423,017	865,632	775,164
Education	1,005,626	794,109	1,305,606
Undistributed	497,000	487,081	317,949
Total Expenses (Schedule E)	136,011,914	133,447,123	127,796,050
Operating Surplus / (Deficit)	(9,706,925)	(2,440,819)	(6,704,073)
Prior Year Funding Received	-	(382,620)	(370,187)
Operating Surplus / (Deficit) Before Prior Year Funding	(9,706,925)	(2,823,439)	(7,074,260)
Unfunded Items			
Change in employee leave and termination benefits (Note 16)	-	171,677	324,706
Annual Surplus / (Deficit) Before The Following	(9,706,925)	(2,651,762)	(6,749,554)
Rent expense - GNWT assets provided at no cost	-	(2,301,864)	(2,405,173)
Grant-in-kind - GNWT assets provided at no cost	-	2,301,864	2,405,173
Annual Surplus / (Deficit)	(9,706,925)	(2,651,762)	(6,749,554)
Opening Accumulated Surplus / (Deficit)	-	(22,332,669)	(15,628,596)
Closing Accumulated Surplus / (Deficit) (Note 20)	\$ (9,706,925)	\$ (24,773,488)	\$ (22,332,669)

Stanton Territorial Health Authority

Statement of Changes in Net Financial Debt

For the year ended March 31,	2016		2015
	(unaudited) Budget	Actual	Actual
Operating Surplus / (Deficit)	\$ (9,706,925)	\$ (2,440,819)	\$ (6,704,073)
Adjustments			
Decrease / (increase) in inventories held for use	-	(191,708)	(2,250)
Decrease / (increase) in prepaid expenses	-	135,872	(358,569)
(Increase) / decrease in net debt	(9,706,925)	(2,496,655)	(7,064,892)
Opening net financial resources	(24,691,820)	(24,691,820)	(17,626,928)
Closing net financial resources	\$ (34,398,745)	\$ (27,188,475)	\$ (24,691,820)

Stanton Territorial Health Authority

Statement of Cash Flows

For the year ended March 31,	2016	2015
Cash Provided By (Used In)		
Operating Transactions		
Operating Surplus / (Deficit)	\$ (2,440,819)	\$ (6,704,073)
Items not affecting cash:		
Changes in Non-cash Assets and Liabilities		
Decrease / (increase) in due to (from) the Government of Canada	38,821	112,554
Decrease / (increase) in accounts receivable	4,222,018	508,804
Decrease / (increase) in inventories for sale	(191,708)	(2,250)
Increase / (decrease) in accounts payable and accrued liabilities	580,297	125,269
Increase / (decrease) in payroll liabilities	(1,461,694)	6,020,546
Increase / (decrease) in deferred revenue	-	(2,975)
Increase / (decrease) in capital advances from GNWT	-	(193,582)
Increase / (decrease) in employee future benefits	171,677	324,706
Increase / (decrease) in prepaid expenses	135,872	(358,569)
Cash Provided by (Used for) Operating Transactions	1,054,464	(169,570)
Investing Transactions		
Disposition of portfolio investments	-	-
Acquisition of portfolio investments	-	-
Cash Provided by (Used for) Investing Transactions	-	-
Capital Transactions		
Acquisition of tangible capital assets	-	-
Proceeds of disposition of tangible capital assets	-	-
Cash Provided by (Used for) Capital Transactions	-	-
Financing Transactions		
Net proceeds from capital lease obligations	-	-
Other	-	-
Cash Provided by (Used for) Financing Transactions	-	-
Increase / (decrease) in cash and cash equivalents	1,054,464	(169,570)
Cash and cash equivalents, beginning of year	2,833,410	3,002,980
Cash and cash equivalents, end of year	\$ 3,887,874	\$ 2,833,410
Represented by:		
Cash	\$ 3,719,942	\$ 2,679,857
Special Purpose Funds	167,932	153,553
	\$ 3,887,874	\$ 2,833,410
Total interest paid during the year \$81,093 (2015 - \$88,732)		

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2016

1. Authority

The Stanton Territorial Health Authority (the "Authority") operates under the authority of the *Hospital Insurance and Health and Social Services Act* of the Northwest Territories. The Authority was established on April 1, 2002 to manage, control, and operate the public health facilities and services assigned to it by the Northwest Territories Department of Health and Social Services.

The Authority is a public body performing a function of government in Canada. Paragraph 149 (1)(c) of the federal *Income Tax Act* provides that a public body performing a function of government in Canada is exempt from taxation.

2. Basis of Presentation and Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board and by the directives of the Government of the Northwest Territories - Department of Health and Social Services ("DHSS"). Significant aspects of the accounting policies adopted by the Authority are as follows:

(a) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques, and short term highly liquid investments that are readily convertible to cash and with a maturity date of 90 days or less from the date of acquisition.

(b) Funds

The Authority records financial information in individual funds that are segregated for the purpose of carrying on specific activities or attaining certain objectives. Funds established by the Authority are:

Operating Fund - reflecting activities associated with the Authority's day-to-day operations.

Leave and Termination Liability Fund - reflecting activities in employee leave and termination benefits combined with any amounts transferred from operations to fund these liabilities. This fund represents liabilities which will be funded in the year they become due through the regular annual allocations from the Government of the Northwest Territories ("GNWT").

Endowment and Special Purpose Fund - reflecting activities relating to endowments and other special purpose funds made available to the Authority under conditions specified by donors and other providers.

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2016

2. Basis of Presentation and Significant Accounting Policies (continued)

(c) Surplus reserves

The DHSS policy requires the Authority to establish the following reserves:

Surplus Reserve - reflects funds maintained in a reserve according to the DHSS Operations and Maintenance Surplus Retention Policy.

Termination Benefit Reserve - the funds received in advance for the severance liability of employees who were transferred to the Authority from the GNWT. These liabilities are reduced as employees are paid out upon termination of employment with the Authority.

The Authority does not have sufficient funds to establish either of these reserves.

(d) Tangible capital assets

The GNWT retains ownership of all tangible capital assets (TCA) used by the Authority, or purchased by the Authority (regardless of source of funding for the purchase). The GNWT amortizes TCAs over the estimated useful lives of the assets at the rates established in the Financial Administration Manual over the following terms:

Buildings	40 years
Mainframe and software systems	5 - 10 years
Leasehold improvements	Lesser of useful life or lease term plus renewal option

The TCAs used by the 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 with an offsetting corresponding amount as a Grant-In-Kind revenue.

(e) Inventories of supplies

Inventories of supplies include inventories held for use in the process of providing services and are distributed to clients at no charge or for a nominal charge. Inventories consist of pharmacy items, parts for various equipment, medical and surgical supplies, and office supplies. Inventories of supplies are valued at the lower of cost and replacement value.

(f) Accrued employee leave and termination benefits

In accordance with GNWT accounting policies specified for public agencies, the Authority annually accrues estimated employee leave and termination benefits payable.

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2016

2. Basis of Presentation and Significant Accounting Policies (continued)

(g) Pension contributions

The Authority and its employees make contributions to the Public Service Superannuation Plan administered by the Government of Canada. These contributions represent the total liability of the Authority and are recognized in the accounts on a current basis.

The Authority and its contracted physicians make contributions to a physician directed investment fund administered by the Government of Canada. These contributions represent the total pension liability of the Authority and are recognized in the accounts on a current basis.

(h) Revenue recognition

The Authority is primarily funded by the GNWT in accordance with budget arrangements established by the DHSS. Under the arrangements, the Authority is responsible for the net deficit from operations and is allowed to retain surpluses from core programs. Any capital funding not spent may be retained for future capital purchases. These policies do not apply to contribution agreements, where an accounting of and return of surpluses may be required.

Billings processed through ICORE system by the medical centre's billing clerks are recognized as revenue upon submission of claim to the DHSS's Health Services Administration in Inuvik.

Other revenue is recognized when the service is performed or the goods are provided.

Government transfers are recognized as revenues when the transfer is authorised and any eligibility criteria are met, except for the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Operating transfers are recognized as revenue in the period in which the events giving rise to the transaction occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be determined.

(i) Financial instruments

The Authority classifies its financial instruments at cost or amortized cost. The Authority's accounting policy for this financial instrument category is as follows:

This category includes cash, special purpose funds, accounts receivable, accounts payable and accrued liabilities, payroll liabilities, and capital advances. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the statement of operations.

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2016

2. Basis of Presentation and Significant Accounting Policies (continued)

(j) Non-financial assets

Non-financial assets are accounted for as assets by the Authority because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the Authorities unless they are sold.

(k) Measurement uncertainty

The preparation of these financial statements in conformity with Canadian public sector accounting standards require management to make estimates and assumptions. This affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the updated amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2016

3 Future Accounting Changes

a) Inter-entity transactions, Section PS 3420

This section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and a recipient perspective. This section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

b) Assets, Section PS 3210

This section provides guidance for applying the definition of assets and establishes general disclosure standards for assets. Disclosure information about the major categories of assets that are not recognized in the financial statements is required.

This section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

c) Contingent Assets, Section PS 3320

This section defines and establishes disclosure on contingent assets. Disclosure of information about contingent assets is required when the occurrence of the confirming future event is likely.

This section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

d) Contractual Rights, Section PS 3380

This section defines and establishes disclosure standards on contractual rights. Disclosure of the nature, extent, and timing of any contractual right is required.

This section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

e) Restructuring Transactions, Section PS 3430

This section establishes standards on how to record assets, liabilities, revenues and expenses relating to restructuring transactions as well as disclosure requirements for the recipient and transferor.

This section applies to fiscal years beginning on or after April 1, 2018. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

4 Cash

	2016	2015
Unrestricted cash	\$ 3,696,861	\$ 2,656,776

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2016

5 Special Purpose Funds

	2016	2015
Donations reserves		
Elks fund	\$ 14,804	\$ 18,089
Equipment fund	32,670	31,611
Other	97,377	80,772
Total donations reserves	144,851	130,472
Other reserves		
Capital asset advance	23,081	23,081
Total special purpose funds	\$ 167,932	\$ 153,553

6 Restricted Assets

NIL Report

7 Portfolio Investments

NIL Report

8 Accounts Receivable

	Accounts Receivable	Allow. For Doubtful Accounts	Net 2016	Net 2015
GNWT	\$ 9,154,964	\$ (1,596,390)	\$ 7,558,574	\$ 11,339,567
GNU	1,833,160	(161,980)	1,671,180	1,793,075
WSCC - NWT	250,536	(63,678)	186,858	555,513
WSCC - other jurisdictions	242,920	(42,865)	200,055	24,056
Other receivables	7,380,976	(3,056,551)	4,324,425	4,450,899
Total accounts receivable	\$ 18,862,556	\$ (4,921,464)	\$ 13,941,092	\$ 18,163,110

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2016

9 Inventories Held for Use

	2016	2015
General	\$ 115,173	\$ 56,911
General plant	201,862	204,889
Laboratory	221,477	152,175
Medical/surgical	814,553	763,630
Pharmacy	557,386	541,138
Total inventories held for use	\$ 1,910,451	\$ 1,718,743

\$NIL of inventory was written off in 2015-2016

10 Accounts Payable and Accrued Liabilities

	2016	2015
Government of the Northwest Territories	\$ 2,091,910	\$ 592,504
Other	6,325,082	7,244,191
Total accounts payable and accrued liabilities	\$ 8,416,992	\$ 7,836,695

	2016	2015
Payroll Liabilities		
Due to the GNWT	\$ 30,411,845	\$ 31,873,539
Total payroll liabilities	\$ 30,411,845	\$ 31,873,539

11 Deferred Revenue

NIL Report

12 Contributions Repayable

NIL Report

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2016

13 Due to Government of Canada

	2016	2015
Due to Government of Canada	\$ 13,303	\$ 7,225

	2016	2015
Due from the Government of Canada	\$ 282,365	\$ 315,108

14 Capital Lease Obligations

NIL Report

15 Pension

NIL Report

16 Employee Future Benefits

Under the conditions of employment, employees qualify for annual leave of varying hours depending on length of service. Employees also earn retirement and severance remuneration based on number of years of service. Certain employees will also receive assistance with removal costs to return to their point of recruitment. Annual leave is payable within one fiscal year. The payment of the other amounts is dependent on employees leaving the employment of the Authority.

These liabilities are to be funded in the year they become due through regular annual budget allocations that are received from the GNWT.

	2016	2015
Removal	\$ 1,498,292	\$ 1,496,820
Termination, severance, resignation, retirement	2,357,680	2,211,960
Leave *	2,578,613	2,554,128
	6,434,585	6,262,908
Less: Current portion included in current portion	2,578,613	2,554,128
Long term portion	\$ 3,855,972	\$ 3,708,780

* Leave

- includes annual, lieu, statutory holidays, and mandatory leave.
- includes leave banks as well as leave accruals and leave payouts due.
- is considered to be a short term liability for the purpose of distinguishing Employee Future Benefits into short and long term categories.

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2016

17 Trust Assets and Liabilities

The trust assets represents cash being held in trust for patients.

	2016		2015
Patient cash in trust	\$ 5,142	\$	14,205
Total trust assets and liabilities	\$ 5,142	\$	14,205

18 Tangible Capital Assets

NIL Report

19 Prepaid Expenses

	2016		2015
Insurance	\$ 137,352	\$	232,261
Equipment and software	111,845		194,777
Maintenance	120,446		116,800
Other	134,893		96,570
Total prepaid expenses	\$ 504,536	\$	640,408

20 Accumulated Surplus / (Deficit)

	2016		2015
Restricted			
Donations reserve	\$ 144,851	\$	130,736
Unrestricted			
Unfunded leave and termination benefits	(6,434,585)		(6,262,908)
Operating surplus / (deficit)	(18,483,754)		(16,200,497)
	\$ (24,773,488)	\$	(22,332,669)

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2016

21 Capital Advances from GNWT

	2016	2015
Opening balance	\$ 23,081	\$ 216,663
Additions	-	-
Disbursements	-	(193,582)
Closing balance	\$ 23,081	\$ 23,081

The Authority received advances from the DHSS for purchase of tangible capital assets for the Authority and other health authorities in the Northwest Territories. This amount represents the unexpended balance.

22 GNWT Assets Provided at No Cost

	2016 Cost	2016 Accumulated amortization	Net book value	2015 Net book value
Buildings	\$ 49,711,427	\$ 31,353,560	\$ 18,357,867	\$ 19,072,946
Mainframe and software systems	910,561	910,561	-	-
Medical equipment	15,105,641	8,823,399	6,282,242	5,846,650
Furniture and fixtures	218,604	218,604	-	-
	\$ 65,946,233	\$ 41,306,124	\$ 24,640,109	\$ 24,919,596

Rent expense for 2016 is \$2,301,864 (2015: \$2,405,173) with an offsetting grant-in-kind)

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2016

23 Contractual Obligation

The Authority has commitments for building and apartment leases, and service agreements that will require payment in future years. The minimum annual payments for these commitments are as follows:

	Expires in Fiscal Year	2017	2018 and Thereafter	Total
Commercial and residential leases	2018 \$	236,727	\$ 13,563	\$ 250,290
Service contracts	2025	24,679,587	123,540,810	148,220,397
		\$ 24,916,314	\$ 123,554,373	\$ 148,470,687

24 Contingent Liabilities

In the normal course of business, the Authority is subject to claims and pending and threatened litigation against the Authority and its staff. The Authority is defending actions brought against it and the Authority has recorded an allowance for any claim or litigation where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. The allowance is based upon estimates determined by the Authority's legal experts experience or case law in similar circumstances.

25 Prior Year Funding Received

The Authority received prior year funding during the year. The funding is reported on the Statement of Operations and then reversed out of the operating deficit in order to arrive at the annual deficit.

	2016	2015
Restricted physician funding	\$ 382,620	\$ 370,187

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2016

26 Budget Information

Budget figures were those approved by the Authority's board of directors or Public Administrator and DHSS. The budget figures are not audited and are intended for information purposes only.

27 Economic Dependence

The Authority receives its funding primarily from the GNWT. If the funding arrangement were to change, management is of the opinion that the Authority operations would be significantly affected

28 Subsequent Events

On April 1, 2016 new legislation came into effect giving the Minister of Health and Social Services the authority to create a Territorial Health and Social Services Authority (THSSA). The Minister of HSS has announced that the effective date for the THSSA to commence operations is August 1, 2016. When the THSSA is created, six of the eight current Health and Social Authorities (HSSAs) become part of the THSSA and will no longer be separate legal authorities. Hay River Health and Social Services Authority (HRHSSA) and Tlicho Community Services Agency (TCSA) will remain outside the THSSA; however, the legislation does include provisions to bring the HRHSSA into the THSSA at a later date. The THSSA will serve as a single integrated delivery system for NWT health and social service programs while recognizing that the TCSA retains a unique role through the provisions of the Tli Cho Agreement. Through the Chief Executive Officer, the THSSA will report to and take direction from the Chair of Health and Social Services Leadership Council that will be comprised of persons appointed in accordance with legislation. As a consequence, after August 1, 2016, the Authority will no longer exist as a separate legal entity.

29 Comparative Amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2016

30 Related Party Transactions

The Authority is related in terms of common ownership to all GNWT created departments, agencies, and corporations. The Authority enters into transactions with these entities in the normal course of business. The Authority is provided various administrative services by the GNWT, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage and internal audit services by the Department of Finance and compensation services provided by Department of Human Resources.

Due from related parties (net of allowance):

	2016	2015
GNWT - DHSS	\$ 2,000,510	\$ 4,530,331
GNWT - Health Service Administration - THIS	2,084,634	3,020,231
GNWT - Health Service Administration - NIHB	3,474,136	3,783,501
GNWT - Health Service Administration - EHB	(707)	5,504
Beaufort-Delta Health and Social Services Authority	50,553	51,091
Dehcho Health and Social Services Authority	20,043	6,180
Fort Smith Health and Social Services Authority	25,982	20,323
Hay River Health and Social Services Authority	55,137	69,326
Sahtu Health and Social Services Authority	138,522	128,204
Yellowknife Health and Social Services Authority	190,720	221,606
Stanton Territorial Hospital Foundation	216,411	115,574
Tlicho Community Services Agency	137,138	(26)
	8,393,079	11,951,845

Due to related parties:

	2016	2015
GNWT - DHSS	\$ 2,077,489	\$ 592,504
Beaufort-Delta Health and Social Services Authority	2,479	18,003
Yellowknife Health and Social Services Authority	11,942	35,307
GNWT - Shared Services	30,411,845	31,873,539
	\$ 32,503,755	\$ 32,519,353

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.

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2016

31 Financial Instruments

The Authority is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risk from the Authority's financial instruments by type of risk is provided below:

(i) Credit risk

Credit risk is the risk of financial loss to the Authority if a debtor fails to make payments of interest and principal when due. The Authority is exposed to this risk relating to its, cash, special purpose funds, trust assets and accounts receivable.

The Authority holds its cash, special purpose funds and trust assets deposits in trust accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Authority's cash and special purpose funds deposits in trust accounts are insured up to \$300,000.

Accounts receivable are due from various governments, government agencies, corporations and individuals. Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection. Management has determined that a portion of accounts receivable are impaired based on specific identification as well as age of receivables. These amounts are as disclosed in Note 8.

The Authority's maximum exposure to credit risk is represented by the financial assets for a total of \$13,941,092 (2015 - \$18,163,110).

Concentration of credit risk

Concentration of credit risk is the risk that a customer(s) has a significant portion (more than ten percent) of the total accounts receivable balance and thus there is a higher risk to the Authority in the event of a default. The Authority does have concentration risk. At March 31, 2016, receivables from one customer comprised 47% of the total outstanding accounts receivables (2015 - 57%). The Authority reduces this risk by monitoring overdue balances.

The Authority also has concentration risk of credit risk as deposits are held in one Canadian chartered bank.

(ii) 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. All of the Authority's financial assets and financial liabilities at March 31, 2016 mature within the next six months. Total financial assets are \$18,116,473 (2015 - \$21,325,833) and financial liabilities are \$38,870,363 (2015 - \$39,754,745). The authority has disclosed future financial liabilities and commitments in Note 23.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures, and methods used to measure the risk.

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2016

32 Expenses by Object

For the year ended March 31	2016 (Unaudited) Budget	2016 Actual	2015 Actual
Operations and Maintenance			
Advertising and promotion	\$ 93,050	\$ 69,498	\$ 73,264
Communications	298,045	290,058	289,445
Compensation and benefits	79,352,257	76,692,985	75,557,433
Contracted and general services	4,787,027	4,710,861	4,651,767
Diagnostic and therapeutic supplies	956,895	1,136,291	989,779
Doubtful accounts	-	783,506	(110,779)
Drugs and vaccines	2,567,186	2,376,621	2,379,085
Education	954,940	624,528	684,111
Equipment maintenance	1,261,975	1,379,775	1,100,722
General supplies	759,441	731,500	718,875
Insurance	293,149	114,540	63,386
Interest and bank charges	24,500	28,188	22,170
Maintenance and biomedical supplies	354,500	279,867	376,530
Medical and surgical supplies	3,424,927	3,595,793	3,450,931
Medical gases	98,000	101,941	96,807
Medical travel	36,551,450	36,612,621	32,799,105
Minor capital	391,170	642,807	771,910
Non-capital renovations	105,000	135,911	113,473
Office and administrative supplies	523,228	409,083	532,182
Postage and freight	172,200	190,483	168,447
Professional services	240,700	142,499	626,428
Rental / leases	540,940	520,657	470,329
Travel	2,256,334	1,875,378	1,960,675
Utilities	5,000	1,732	9,975
Total Expenses	\$136,011,914	\$133,447,123	\$127,796,050

Stanton Territorial Health Authority

Schedule of Contributions from the GNWT

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Contributions from the GNWT			
Department of Health and Social Services			
Core contribution			
Authority administration	\$ 2,022,000	\$ 2,022,000	\$ 1,500,000
Client support services	2,461,000	2,461,000	2,413,000
Diagnostic services	9,376,000	9,698,000	9,183,000
Emergency services	3,174,000	3,174,000	3,102,000
Facility maintenance & support	8,030,000	8,030,000	7,780,000
Finance	955,000	955,000	961,000
Human resources	486,000	486,000	559,000
Intensive care nursing	1,593,000	1,593,000	1,551,000
Long-term care nursing	1,735,000	1,735,000	1,690,000
Medical & surgical nursing	6,188,000	6,188,000	6,055,000
Medical travel	23,103,000	23,103,000	20,395,000
Mental health and additions nursing	1,699,000	1,699,000	1,688,000
Obstetric & pediatric nursing	4,267,000	4,267,000	4,173,000
Operating room nursing	3,165,000	3,165,000	3,093,000
Pharmacy	1,911,000	1,911,000	1,873,000
Speciality clinics	19,221,000	19,221,000	18,042,000
Systems support	2,051,000	1,924,494	1,313,000
Therapeutic services	3,279,000	3,279,000	3,215,000
	94,716,000	94,911,494	88,586,000
Other contributions			
Allocation from capital advance	-	-	193,582
Breast cancer risk factor brochure	-	-	3,000
Chief clinical advisor	391,000	388,432	388,492
Deputy Chief Public Health Officer	390,888	377,599	397,790
EMR ergotron equipment	-	-	17,753
Foot care training program	-	-	11,732
French language services	278,200	171,824	110,642
Healthy children, families, and communities	160,000	180,000	157,146
Implementation specialist for EMR	-	-	66,249
MNE graduate nurse placement	-	-	468,653
Total Department of Health and Social Services	95,936,088	96,029,349	90,401,039
GNWT - Human Resources			
Relevant experience program	-	63,600	62,633
Total contributions from the GNWT	\$ 95,936,088	\$ 96,092,949	\$ 90,463,672

Stanton Territorial Health Authority**SCHEDULE A-1****Schedule of Detailed Contribution Funding and Expenditure
Deputy Chief Public Health Officer (HSS01-000000-2435)**

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Funding			
Government of the Northwest Territories			
Department of Health and Social Services	\$ 390,888	\$ 377,599	\$ 397,790
Expenditures			
Compensation	389,172	362,113	416,867
Sundry	1,716	1,656	530
	390,888	363,769	417,397
	\$ -	\$ 13,830	\$ (19,607)

See payroll scope limitation in the Independent Auditors' Report.

Stanton Territorial Health Authority**SCHEDULE A-2****Schedule of Detailed Contribution Funding and Expenditure
Chief Clinical Advisor (HSS01-000000-2744)**

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Funding			
Government of the Northwest Territories			
Department of Health and Social Services	\$ 391,000	\$ 388,432	\$ 388,492
Expenditures			
Compensation	391,000	388,432	388,492
	\$ -	\$ -	\$ -

See payroll scope limitation in the Independent Auditors' Report.

Stanton Territorial Health Authority

Schedule of Recoveries

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Recoveries from the GNWT			
Department of Health			
Other	\$ 12,176,975	\$ 15,140,755	\$ 12,557,677
	12,176,975	15,140,755	12,557,677
Recoveries from Related Parties			
Other	1,049,432	1,500,441	1,060,442
Sahtu Health and Social Services Authority	236,083	241,067	203,037
Yellowknife Health and Social Services Authority	33,128	37,869	22,639
	1,318,643	1,779,377	1,286,118
Recoveries directly from Third Parties			
Federal government	204,000	437,210	228,866
NIHB	9,545,000	9,367,334	9,444,825
Nunavut service recoveries	2,244,320	2,246,091	2,083,101
Other	3,614,663	4,375,048	3,017,663
UNW	168,159	195,336	190,254
WSCC	927,000	795,949	1,181,965
	16,703,142	17,416,968	16,146,674
Total recoveries	\$ 30,198,760	\$ 34,337,100	\$ 29,990,469

Stanton Territorial Health Authority

Schedule of Other Contributions

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Other contributions from Related Parties			
Yellowknife Health and Social Services Authority			
DI clerk - YK primary care clinic	\$ 45,258	\$ 45,258	\$ 43,860
French language program	-	-	57,570
Northern options for women	49,883	49,883	48,420
	95,141	95,141	149,850
Other Contributions from Third Parties	-	-	-
Total Other Contributions	\$ 95,141	\$ 95,141	\$ 149,850

Stanton Territorial Health Authority**Schedule of Other Income**

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Other Income from related parties	\$ -	\$ -	\$ -
Other Income from Third Parties			
Donations	-	17,401	28,715
Total Other Income	\$ -	\$ 17,401	\$ 28,715

Stanton Territorial Health Authority

Schedule of Expenses

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Compensation and Benefits			
GNWT			
Compensation and benefits	\$ -	\$ -	\$ -
Related Parties			
Compensation and benefits	-	-	-
Third Parties			
Compensation and benefits	79,352,257	76,692,985	75,557,433
Total compensation and benefits	79,352,257	76,692,985	75,557,433
Grants expenses			
GNWT			
Grants expenses	-	-	-
Related Parties			
Grants expenses	-	-	-
Third Parties			
Grants expenses	-	-	-
Total grants expenses	-	-	-
Contributions expenses			
GNWT			
Contributions expenses	-	-	-
Related Parties			
Contributions expenses	-	-	-
Third Parties			
Contributions expenses	-	-	-
Total contributions expenses	-	-	-
Other expenses			
GNWT			
Other expenses	-	-	-
Related parties			
Other expenses	-	-	-
Third parties			
Other expenses	56,659,657	56,754,138	52,238,617
Total other expenses	56,659,657	56,754,138	52,238,617
Total expenses	\$136,011,914	\$133,447,123	\$127,796,050

Stanton Territorial Health Authority

Schedule of Reserves

For the Year Ended March 31, 2016

	Surplus / Deficit Reserve		Leave and Termination Benefits Reserve		Special Projects Reserve		Total Reserves	
	2016	2015	2016	2015	2016	2015	2016	2015
Balance, beginning of the year	\$ -	\$ -	\$ -	\$ -	\$ 130,736	\$ 132,665	\$ 130,736	\$ 132,665
Additions / reductions to/from reserves	-	-	-	-	14,115	(1,929)	14,115	(1,929)
Transfers between reserves	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Balance, end of the year	\$ -	\$ -	\$ -	\$ -	\$ 144,851	\$ 130,736	\$ 144,851	\$ 130,736

Yellowknife Health and Social Services Authority

Financial Statements

March 31, 2016

Yellowknife Health and Social Services Authority

Financial Statements

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**To the Minister of Health and Social Services
Government of the Northwest Territories**

**Management's Responsibility for Financial Reporting
For the Year Ended March 31, 2016**

The Management Discussion & Analysis, Financial Statements, Schedules and Notes herein submitted have been reviewed by management. They provide full disclosure and accurately reflect the financial and non-financial condition of the Authority in all material respects and in accordance with Canadian Public Sector Accounting Standards (PSAS) as well as the Financial Administration Manual (FAM) of the Government of the Northwest Territories.

Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that proper records are maintained. Controls further include quality standards regarding the hiring and training of employees, that ensure the adequate maintenance of written policies and procedural manuals and that further provide for appropriate accountability for performance within well-defined areas of responsibility. The operations and administration of the Authority have been conducted within the statutory powers of the Authority. The operations and administration of the Authority as well as the supporting internal controls of the Authority are regularly monitored to ensure their effectiveness and their continued compliance with all relevant legislation, standards, directives and policies including but not limited to the Financial Administration Act, PSAS, FAM, Human Resources Manual, Ministerial Directives and the policies of the Authority. Any non-compliance has been specifically identified and has been communicated to the Minister and Deputy Minister.

Management hereby asserts that auditors have been provided with all relevant records and documentation as well as unrestricted access to the same. Management is not aware of any undisclosed irregularities involving management or employees with either current or potential impact on financial results, fraud or suspected fraud, disbursements made for purposes not consistent with an appropriation, irregular commitments including those in the form of guarantees, violations or possible violations of laws or regulations, claims or litigation, known or suspected environmental site contaminations or of any other undisclosed environmental or safety hazards within its jurisdiction.

The auditors annually provide an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards. The auditors also consider whether the transactions that have come to their notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the Department of Health and Social Services of the Government of the Northwest Territories.

Approved and Confirmed on behalf of Yellowknife Health and Social Services Authority

A handwritten signature in black ink, appearing to read "Les Harrison".

Les Harrison, BSW, MSW, MBA
Chief Executive Officer
Yellowknife Health and Social Services Authority

June 27, 2016



Management Discussion & Analysis for the Year ended March 31, 2016

Introduction

Established in April 1997, the Yellowknife Health and Social Services Authority (YHSSA) provides community-based health and social services programs to 20,000+ residents of Dettah, Fort Resolution, Lutsel K'e, Ndilo and Yellowknife. For a view of the impact of our programs on the clients and families we serve, please refer to our Annual Report, which can be found on our website, www.yhssa.hss.gov.nt.ca

At YHSSA, we believe every person has the right to be cared for in a manner that maintains and enhances and respects their dignity and individuality. Our services and facilities are safe and allow clients participation in decisions affecting their care while respecting the confidentiality of their personal information. To achieve this, we employ caring and skilled staff that work as a team while striving to use our resources as effectively and efficiently as possible and monitoring our activities to ensure we meet high standards of care.

YHSSA is committed to excellence and to continually improve our service to meet our vision of healthy people, healthy families and healthy communities. Our mission is working with people to optimize well-being through the provision of collaborative and culturally appropriate health and social services. We know the health and social services we deliver are critical for the health and wellbeing of the public, and in providing these services we must maintain the public's confidence at all times.

Our value statements are based on the following 4 pillars:

Collaboration: We work together as a team with clients to support their needs, to help them improve and maintain their health and wellness.

Accountability: We take responsibility for our actions and attitudes. We are committed to providing the best and safest care to our clients, to reporting our results to the public, to listening and responding to feedback from our clients, staff, and partners.

Integrity: We are ethical and honest in our service delivery to clients, and in our relationships with staff and all partners. We deliver services to our clients in a fair and consistent way.

Respect: We treat each person with dignity, and respect the culture and diversity of each individual. We value our clients' right to make informed choices for themselves and their right to privacy.

Our Board is comprised of public representatives appointed by the Minister of Health and Social Services. There are five representatives from Yellowknife (Elizabeth Wyman-Board Chair, Yacub Adam-Vice Chair, Greg Littlefair, Karen Hamre and Carol A. Robinson), one representative from Ndilo and Dettah (Shirley Tsetta), one representative from Fort Resolution (Brandie Miersch) and one representative from Lutsel K'e (Emily Saunders).

Board members are appointed for a three year term and extensions can be granted by the Minister of Health and Social Services to a maximum of three terms. The Board Chair (Elizabeth Wyman) is appointed by the Minister of Health and Social Services.

YHSSA's Senior Management's Team is comprised of Les Harrison-CEO, Elske Canam-A/Director of Social Programs, Jo-Anne Hubert-Director of Primary Care, Dr. Sarah Cook-Medical Director Family Medicine, Leanne Towgood-Director of Community Health, Eddie Vlasblom-Director of Finance and Administration and Erin Beaton-Manager of Quality and Risk Assurance.

2015-16 Key Financial Highlights

YHSSA has a dedicated workforce of approximately 190 employees along with 31 physicians that deliver our programs and services. YHSSA relies on community based partners to deliver programs and services to support our clients through a number of partnership agreements.

YHSSA's faces a number of significant unfunded cost pressures that are challenging to control including but not limited to the Physician funding model and unfunded Physician leave coverage and maternity Leave, which regularly exceeds \$500K on a yearly basis. YHSSA also contracted the NWT Disabilities Council to operate the Safe Harbour Day Shelter to meet the needs of the at risk homeless population in Yellowknife however, an annual funding shortfall of \$150K is absorbed by YHSSA's core funding envelope.

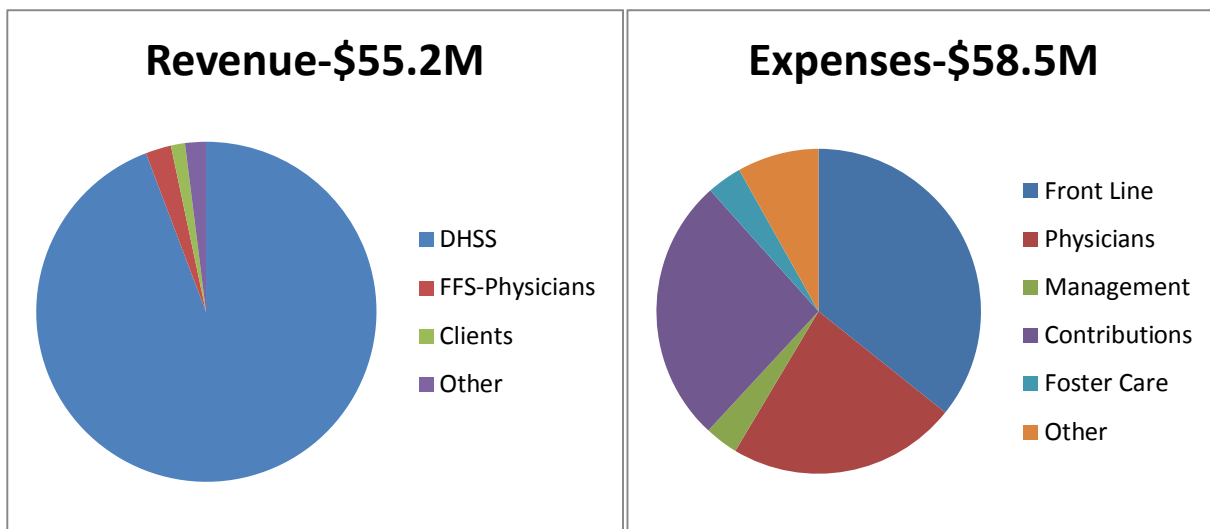
In order to deliver appropriate and safe care in our Community Clinics and Health Centres, YHSSA must provide additional clinic and health care staffing, resulting in unfunded costs of approximately \$500K.

YHSSA continues to improve Mental Health Services in Yellowknife and the NWT and has incurred a deficit of \$500K in order to meet essential client/patient needs throughout the region. In addition, the program audit of the Child and Family Services program by the Office of the Auditor General of Canada (OAG) raised significant quality issues for which YHSSA took a number of steps to ensure we could effectively respond to them. These improvements have led to additional on-going unfunded obligations for our Authority in hiring additional human resources which costs YHSSA \$300K on a yearly basis.

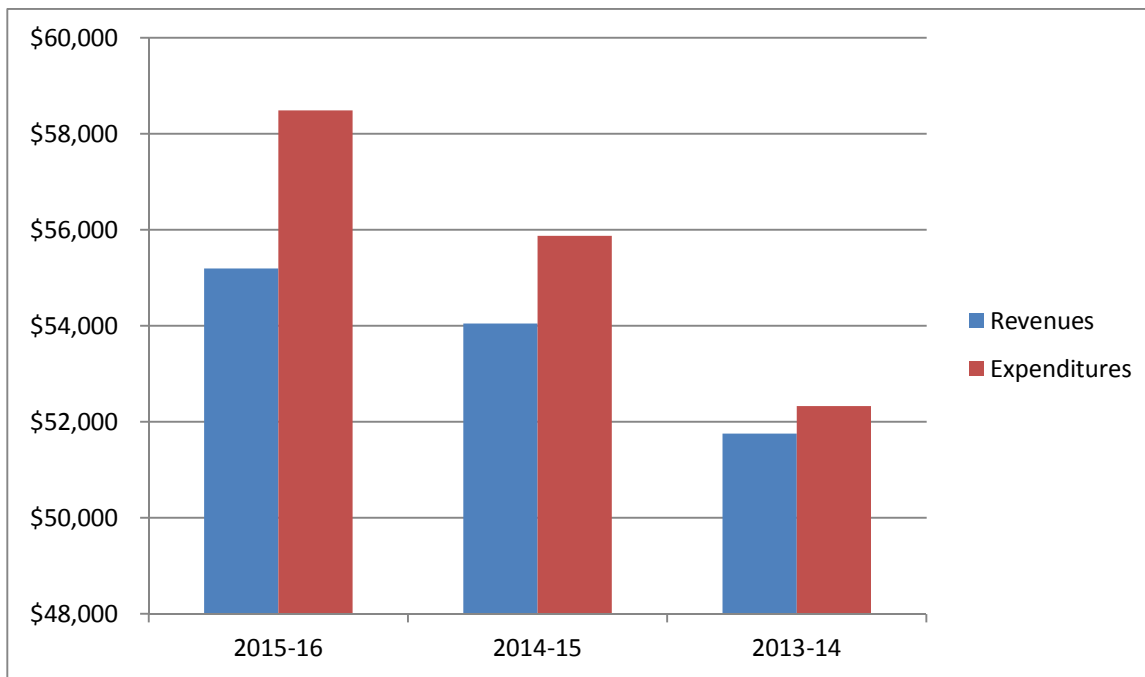
Quality and risk management is a critical planning area for all Health and Social Services delivery systems. In 2008, YHSSA made a strategic decision to improve care to our clients and patients, through the establishment of a Quality Management Program, and in 2012, YHSSA formally began planning for accreditation. YHSSAs completed the Accreditation Primer successfully in 2015-16. Over the past few years our QRM unfunded investments of \$620K have improved our capacity to create healthy and safe work environments, promote and support the delivery of safe, high quality health care and social services and protect clients, staff, organization and all stakeholders from undue harm.

YHSSA has also implemented a Records Management Program, which has resulted in the establishment of policies and procedures for the classification, management and disposition of client and administrative records. With approximately 30,000 primary care records alone, and given the changing population, it has been critical for YHSSA to resource an appropriate records management program. While unfunded, this program costs an estimated \$350K to ensure the appropriate and safe management of client information.

YHSSA's fiscal challenges are reflected as part of the results for the fiscal year ending March 31st, 2016.



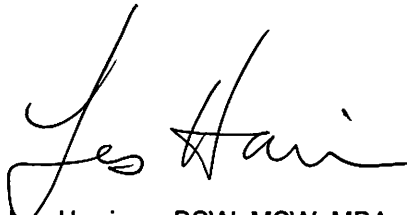
Year over year key Financial highlights for the last 3 fiscal years are highlighted below



As of March 31, 2016, YHSSA incurred an operating deficit of \$3.4M which will increase the net accumulated operating deficit to approximately \$8M. All of the eight Health and Social Services Authorities also incur annual operating deficits with an accumulated deficit as of March 31, 2016 projected to be in excess of \$55M.

YHSSA was designated as the lead in implementing Electronic Medical Records (EMR), across the Territories. EMR is an electronic version of a paper chart that contains patient's medical history and primary care information. This initiative enables increased quality of care, patient safety and improves health outcomes by transforming the way information is captured, integrated and shared between clinical providers. Implementation thus far has been very successful with many of the benefits in patient care being realized.

Effective August 1st, 2016 YHSSA will cease to exist in its current state and the Board of Trustees will no longer be its governing body. As of that date, the new Territorial Health and Social Services Authority will begin its operations and focus on improving health and social services and delivering healthcare across the GNWT. This initiative is anticipated to provide greater capacity across the system, to improve client/patient care to provide consistent services across the NWT, and to ensure an effective and efficient system for the future for all communities.

A handwritten signature in black ink, appearing to read "Les Harrison". The signature is fluid and cursive, with the first name "Les" and last name "Harrison" clearly distinguishable.

Les Harrison, BSW, MSW, MBA
Chief Executive Officer
Yellowknife Health and Social Services Authority

June 27, 2016

Independent Auditors' Report

To the Minister of Health and Social Services Government of the Northwest Territories

We have audited the accompanying financial statements of the Yellowknife Health and Social Services Authority as at March 31, 2016, which comprise the statement of operations and the statements of financial position, changes in net financial debt, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. We have also audited the revenues and expenditures for all programs funded through contribution agreements with the Department of Health and Social Services which total \$250,000 or more as listed on Schedule A.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Management is also responsible for the preparation of the schedule of revenues and expenditures of all programs funded through contribution agreements with the Department of Health and Social Services which total \$250,000 or more in accordance with the financial guidelines of the Department of Health and Social Services.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Independent Auditors' Report (continued)

Basis for Qualified Opinion

Salaries and related benefits paid to employees of the Authority are administered by the Government of the Northwest Territories and are audited as part of the Government of the Northwest Territories' audit. Our audit scope was limited as we did not audit the components of compensation and benefits expenditures and related balances. Accordingly, we were not able to determine whether any adjustments might be necessary to compensation and benefits expenditures, payroll liabilities, employee future benefits, net financial resources, and accumulated deficit as well as note disclosures associated with transactions and year-end balances relating to compensation and benefits.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material aspects, the financial position of the Yellowknife Health and Social Services Authority as at March 31, 2016, and its financial operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards, applied on a basis consistent with the preceding year. Furthermore, except for the limitation relating to payroll as described above, Schedule A presents fairly, in all material respects, the revenues and expenditures of all programs funded through contribution agreements with the Department of Health and Social Services which total \$250,000 or more for the year ended March 31, 2016, in accordance with the financial guidelines of the Department of Health and Social Services.

Report on Other Legal and Regulatory Requirements

We further report in accordance with the Financial Administration Act of the Northwest Territories that, in our opinion, proper books of account have been kept by the Authority, the financial statements are in agreement therewith, and the transactions that have come under our notice have, in all material aspects, been within the statutory powers of the Authority.

Yellowknife, Northwest Territories
June 27, 2016

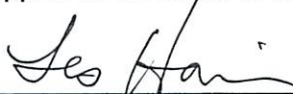
Crowe MacKay LLP
Chartered Accountants

Yellowknife Health and Social Services Authority

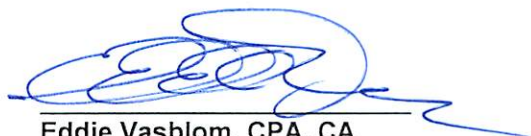
Statement of Financial Position

As at March 31,	2016	2015
Financial Assets		
Cash (Note 4)	\$ 1,491,264	\$ 1,732,661
Special Purpose Funds (Note 5)	140,341	140,190
Accounts Receivable (Note 8)	1,297,817	1,962,438
	2,929,422	3,835,289
Liabilities		
Accounts Payable and Accrued Liabilities (Note 10)	1,562,853	1,529,348
Payroll Liabilities (Note 10)	7,343,544	5,469,838
Deferred Revenue (Note 11)	21,508	21,508
Contributions Repayable (Note 12)	-	56,893
Employee Future Benefits (Note 16)	2,638,202	2,294,942
	11,566,107	9,372,529
Net Financial Assets (Debt)	(8,636,685)	(5,537,240)
Non-Financial Assets		
Prepaid Expenses (Note 19)	407,650	697,584
	407,650	697,584
Accumulated Surplus / (Deficit) (Note 20)	\$ (8,229,035)	\$ (4,839,656)
Contractual Obligations (Note 23)		
Contingent Liabilities (Note 24)		

Approved on behalf of the Authority



Les Harrison, BSW, MSW, MBA
Chief Executive Officer



Eddie Vasblom, CPA, CA
Chief Financial Officer

Yellowknife Health and Social Services Authority

Statement of Operations

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Revenue			
Contributions from GNWT (Schedule A)	\$ 50,159,254	\$ 50,568,991	\$ 48,883,345
Contributions from other sources (Schedule C)	750,000	767,996	749,996
Interest income	70,000	51,426	72,277
Other income (Schedule D)	-	350	11,933
Recoveries (Schedule B)	2,815,500	3,703,723	3,980,449
Recoveries from prior years' expenses	-	69,546	361,000
	53,794,754	55,162,032	54,059,000
Expenses			
Administration and support services	4,371,480	5,617,197	4,792,216
Nursing inpatient services	-	-	-
Ambulatory care services	17,510,544	18,943,112	18,156,111
Regional health	8,273,475	9,871,162	8,697,196
Regional social services	23,639,255	24,119,940	24,232,465
Total expenses (Schedule E)	53,794,754	58,551,411	55,877,988
Operating Surplus / (Deficit)	-	(3,389,379)	(1,818,988)
Prior Year Funding Received	-	(69,546)	(361,000)
Operating Surplus / (Deficit) Before Prior Year Funding	-	(3,458,925)	(2,179,988)
Unfunded Items			
Change in employee leave and termination benefits (Note 16)	-	343,260	(142,314)
Annual Surplus / (Deficit) Before The Following	-	(3,115,665)	(2,322,302)
Rent expense - GNWT assets provided at no cost	-	(348,300)	(446,617)
Grant-in-kind - GNWT assets provided at no cost	-	348,300	446,617
Annual Surplus / (Deficit)	-	(3,115,665)	(2,322,302)
Opening Accumulated Surplus / (Deficit)	-	(4,839,656)	(3,020,668)
Closing Accumulated Surplus / (Deficit) (Note 20)	\$ -	\$ (8,229,035)	\$ (4,839,656)

Yellowknife Health and Social Services Authority

Statement of Changes in Net Financial Debt

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Operating Surplus / (Deficit)	\$ -	\$ (3,389,379)	\$ (1,818,988)
Adjustments			
Decrease / (increase) in prepaid expenses	-	289,934	(225,914)
(Increase) / decrease in net debt	-	(3,099,445)	(2,044,902)
Opening net financial resources	(5,537,240)	(5,537,240)	(3,492,338)
Closing net financial resources	\$ (5,537,240)	\$ (8,636,685)	\$ (5,537,240)

Yellowknife Health and Social Services Authority

Statement of Cash Flows

For the year ended March 31,	2016	2015
Cash Provided By (Used In)		
Operating Transactions		
Operating Surplus / (Deficit)	\$ (3,389,379)	\$ (1,818,988)
Items not affecting cash:		
Changes in Non-cash Assets and Liabilities		
Decrease / (increase) in accounts receivable	664,621	356,096
Increase / (decrease) in accounts payable and accrued liabilities	33,505	(194,300)
Increase / (decrease) in payroll liabilities	1,873,706	2,675,575
Increase / (decrease) in deferred revenue	-	(11,632)
Increase / (decrease) in employee future benefits	343,260	(142,314)
Increase / (decrease) in contributions repayable	(56,893)	-
Increase / (decrease) in prepaid expenses	289,934	(225,914)
Cash Provided by (Used for) Operating Transactions	(241,246)	638,523
Investing Transactions		
Disposition of portfolio investments	-	-
Acquisition of portfolio investments	-	-
Cash Provided by (Used for) Investing Transactions	-	-
Capital Transactions		
Acquisition of tangible capital assets	-	-
Proceeds of disposition of tangible capital assets	-	-
Cash Provided by (Used for) Capital Transactions	-	-
Financing Transactions		
Net proceeds from capital lease obligations	-	-
Other	-	-
Cash Provided by (Used for) Financing Transactions	-	-
Increase / (decrease) in cash and cash equivalents	(241,246)	638,523
Cash and cash equivalents, beginning of year	1,872,851	1,234,328
Cash and cash equivalents, end of year	\$ 1,631,605	\$ 1,872,851
Represented by:		
Cash	\$ 1,491,264	\$ 1,732,661
Special Purpose Funds	140,341	140,190
	\$ 1,631,605	\$ 1,872,851

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

1. Authority

The Yellowknife Health and Social Services Authority (the "Authority") operates under the authority of the *Hospital Insurance and Health and Social Services Act* of the Northwest Territories. The Authority was established on April 1, 1997 to manage, control, and operate the public health facilities and services assigned to it by the Northwest Territories Department of Health and Social Services.

The Authority is a public body performing a function of government in Canada. Paragraph 149 (1)(c) of the federal *Income Tax Act* provides that a public body performing a function of government in Canada is exempt from taxation.

2. Basis of Presentation and Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board and by the directives of the Government of the Northwest Territories - Department of Health and Social Services ("DHSS"). Significant aspects of the accounting policies adopted by the Authority are as follows:

(a) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques, and short term highly liquid investments that are readily convertible to cash and with a maturity date of 90 days or less from the date of acquisition.

(b) Funds

The Authority records financial information in individual funds that are segregated for the purpose of carrying on specific activities or attaining certain objectives. Funds established by the Authority are:

Operating Fund - reflecting activities associated with the Authority's day-to-day operations.

Leave and Termination Liability Fund - reflecting activities in employee leave and termination benefits combined with any amounts transferred from operations to fund these liabilities. This fund represents liabilities which will be funded in the year they become due through the regular annual allocations from the Government of the Northwest Territories ("GNWT").

Endowment and Special Purpose Fund - reflecting activities relating to endowments and other special purpose funds made available to the Authority under conditions specified by donors and other providers.

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

2. Basis of Presentation and Significant Accounting Policies (continued)

(c) Surplus reserves

The DHSS policy requires the Authority to establish the following reserves:

Surplus Reserve - reflects funds maintained in a reserve according to the DHSS Operations and Maintenance Surplus Retention Policy.

Termination Benefit Reserve - the funds received in advance for the severance liability of employees who were transferred to the Authority from the GNWT. These liabilities are reduced as employees are paid out upon termination of employment with the Authority.

Physician Reserve - the funds received in advance for physician liability.

The Authority does not have sufficient funds to establish either of these reserves.

(d) Tangible capital assets

The GNWT retains ownership of all tangible capital assets (TCA) used by the Authority, or purchased by the Authority (regardless of source of funding for the purchase). The GNWT amortizes TCAs over the estimated useful lives of the assets at the rates established in the Financial Administration Manual over the following terms:

Buildings	40 years
Mainframe and software systems	5 - 10 years
Leasehold improvements	Lesser of useful life or lease term plus renewal option

The TCAs used by the 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 with an offsetting corresponding amount as a Grant-In-Kind revenue.

(e) Inventories of supplies

Inventories of supplies include inventories held for use in the process of providing services and are distributed to clients at no charge or for a nominal charge. Inventories consist of pharmacy items, parts for various equipment, and office supplies. Inventories of supplies are valued at the lower of cost and replacement value.

(f) Accrued employee leave and termination benefits

In accordance with GNWT accounting policies specified for public agencies, the Authority annually accrues estimated employee leave and termination benefits payable.

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

2. Basis of Presentation and Significant Accounting Policies (continued)

(g) Pension contributions

The Authority and its employees make contributions to the Public Service Superannuation Plan administered by the Government of Canada. These contributions represent the total liability of the Authority and are recognized in the accounts on a current basis.

The Authority and its contracted physicians make contributions to a physician directed investment fund administered by MD Management. These contributions represent the total pension liability of the Authority and are recognized in the accounts on a current basis.

(h) Revenue recognition

The Authority is primarily funded by the GNWT in accordance with budget arrangements established by the DHSS. Under the arrangements, the Authority is responsible for the net deficit from operations and is allowed to retain surpluses from core programs. Any capital funding not spent may be retained for future capital purchases. These policies do not apply to contribution agreements, where an accounting of and return of surpluses may be required.

Billings processed through ICORE system by the medical centre's billing clerks are recognized as revenue upon submission of claim to the DHSS's Health Services Administration in Inuvik.

Other revenue is recognized when the service is performed or the goods are provided.

Government transfers are recognized as revenues when the transfer is authorised and any eligibility criteria are met, except for the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Operating transfers are recognized as revenue in the period in which the events giving rise to the transaction occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be determined.

(i) Financial instruments

The Authority classifies its financial instruments at cost or amortized cost.

The Authority's accounting policy for this financial instrument category is as follows:

This category includes cash, special purpose funds, accounts receivable, accounts payable and accrued liabilities, payroll liabilities, and capital advances. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the statement of operations.

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

2. Basis of Presentation and Significant Accounting Policies (continued)

(j) Non-financial assets

Non-financial assets are accounted for as assets by the Authority because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the Authority unless they are sold.

(k) Measurement uncertainty

The preparation of these financial statements in conformity with Canadian public sector accounting standards require management to make estimates and assumptions. This affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the updated amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

3 Future Accounting Changes

a) Inter-entity transactions, Section PS 3420

This section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and a recipient perspective. This section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

b) Assets, Section PS 3210

This section provides guidance for applying the definition of assets and establishes general disclosure standards for assets. Disclosure information about the major categories of assets that are not recognized in the financial statements is required.

This section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

c) Contingent Assets, Section PS 3320

This section defines and establishes disclosure on contingent assets. Disclosure of information about contingent assets is required when the occurrence of the confirming future event is likely.

This section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

d) Contractual Rights, Section PS 3380

This section defines and establishes disclosure standards on contractual rights. Disclosure of the nature, extent, and timing of any contractual right is required.

This section applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

e) Restructuring Transactions, Section PS 3430

This section establishes standards on how to record assets, liabilities, revenues and expenses relating to restructuring transactions as well as disclosure requirements for the recipient and transferor.

This section applies to fiscal years beginning on or after April 1, 2018. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

4 Cash

	2016	2015
Unrestricted Cash	\$ 1,429,421	\$ 1,670,818
Total cash	\$ 1,491,264	\$ 1,732,661

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

5 Special Purpose Funds

	2016	2015
Internal restricted reserves		
Donations reserve	\$ 51,478	\$ 51,327
Physician reserve	27,020	27,020
<hr/>		
Total internal restricted reserves	78,498	78,347
<hr/>		
Other restricted reserves		
Termination benefits reserve	61,843	61,843
<hr/>		
Total special purpose funds	\$ 140,341	\$ 140,190

6 Restricted Assets

NIL Report

7 Portfolio Investments

NIL Report

8 Accounts Receivable

	Accounts Receivable	Allow. For Doubtful Accounts	Net 2016	Net 2015
GNWT	\$ 517,487	\$ -	\$ 517,487	\$ 689,160
GNU	157,421	-	157,421	505,774
WSCC - NWT	130,124	-	130,124	7,354
Other	510,607	(82,257)	428,350	626,012
Beaufort-Delta Health and Social Services Authority	18,778	-	18,778	9,329
Fort Smith Health and Social Services Authority	-	-	-	4,780
Hay River Health and Social Services Authority	17,164	-	17,164	54,287
NWT Housing Corporation	1,338	-	1,338	4,463
Stanton Territorial Health Authority	13,695	-	13,695	39,076
Tli Cho Community Services Agency	13,460	-	13,460	22,203
<hr/>				
Total accounts receivable	\$ 1,380,074	\$ (82,257)	\$ 1,297,817	\$ 1,962,438

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

9 Inventories Held for Use

NIL Report

10 Accounts Payable and Accrued Liabilities

	2016	2015
Government of the Northwest Territories	\$ 373,088	\$ 149,709
WSCC	3,780	-
Aurora College	-	600
Beaufort-Delta Health and Social Services Authority	4,422	-
Hay River Health and Social Services Authority	552	-
Stanton Territorial Health Authority	134,916	239,200
Northwest Territories Power Corporation	1,649	484
Other	1,044,446	1,139,355
Total accounts payable and accrued liabilities	\$ 1,562,853	\$ 1,529,348

	2016	2015
Payroll Liabilities		
Due to the GNWT	\$ 7,343,544	\$ 5,469,838
Total payroll liabilities	\$ 7,343,544	\$ 5,469,838

11 Deferred Revenue

	2016	2015
Department of Health and Social Services		
Professional development initiative	\$ 21,508	\$ 21,508

12 Contributions Repayable

	2016	2015
GNWT	\$ -	\$ 52,238
City of Yellowknife	-	4,655
Total	\$ -	\$ 56,893

13 Due to Government of Canada

NIL Report

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

14 Capital Lease Obligations

NIL Report

15 Pension

Nil Report

16 Employee Future Benefits

Under the conditions of employment, employees qualify for annual leave of varying hours depending on length of service. Employees also earn retirement and severance remuneration based on number of years of service. Certain employees will also receive assistance with removal costs to return to their point of recruitment. Annual leave is payable within one fiscal year. The payment of the other amounts is dependent on employees leaving the employment of the Authority.

These liabilities are to be funded in the year they become due through regular annual budget allocations that are received from the GNWT.

	2016	2015
Removal	\$ 803,602	\$ 770,028
Termination, severance, resignation, retirement	501,099	465,456
Leave *	1,333,501	1,059,458
	2,638,202	2,294,942
Less: Portion included in current portion	1,558,351	1,228,778
Long term portion	\$ 1,079,851	\$ 1,066,164

* Leave

- includes annual, lieu, statutory holidays, and mandatory leave.
- includes leave banks as well as leave accruals and leave payouts due.
- is considered to be a short term liability for the purpose of distinguishing employee leave and termination benefits into short and long term categories.

17 Trust Assets and Liabilities

NIL Report

18 Tangible Capital Assets

NIL Report

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

19 Prepaid Expenses

	2016	2015
Equipment and software	\$ 255,691	\$ 449,598
Maintenance	151,959	247,986
Total prepaid expenses	\$ 407,650	\$ 697,584

20 Accumulated Surplus / (Deficit)

	2016	2015
Restricted		
Donations reserve	\$ 51,477	\$ 51,327
Severance reserve	61,843	61,843
Physician reserve	27,020	27,020
Unrestricted		
Unfunded leave and termination benefits	(2,576,359)	(2,233,099)
Operating surplus / (deficit)	(5,793,016)	(2,746,747)
Total	\$ (8,229,035)	\$ (4,839,656)

21 Capital Advances from GNWT

NIL Report

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

22 GNWT Assets Provided at No Cost

	Cost	2016 Accumulated amortization	Net book value	2015 Net book value
Buildings	\$ 4,446,307	\$ 3,714,196	\$ 732,111	\$ 819,069
Leasehold improvements	6,535,844	2,781,517	3,754,327	4,015,670
	\$ 10,982,151	\$ 6,495,713	\$ 4,486,438	\$ 4,834,739

Rent expense for 2016 is \$348,300 (2015: \$446,617) with an offsetting grant-in-kind

23 Contractual Obligation

The Authority has commitments for building and apartment leases, and service agreements that will require payment in future years. The minimum annual payments for these commitments are as follows:

	Expires in Fiscal Year	2017	2018 and Thereafter	Total
Commercial and residential leases	2019	\$ 198,919	\$ 122,001	\$ 320,920
Equipment leases	2019	51,134	131,482	182,616
		\$ 250,053	\$ 253,483	\$ 503,536

24 Contingent Liabilities

In the normal course of operations, the Authority is subject to claims and litigation. As of March 31, 2016, there were no outstanding claims against the Authority.

Also, the Authority's operations are affected by federal, territorial, and local laws and regulations regarding environmental protection. The Authority is committed to meeting these existing laws and regulations. The Authority did not have any environmental liabilities during the year.

25 Prior Year Funding Received

The Authority received prior year funding during the year. The funding is reported in Schedule A and then reversed out of the operating deficit in order to arrive at the annual deficit.

	2016	2015
Restricted physician funding	\$ 69,546	\$ 361,000

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

26 Budget Information

Budget figures were those approved by the Authority's board of directors or Public Administrator and DHSS. The budget figures are not audited and are intended for information purposes only.

27 Economic Dependence

The Authority receives its funding primarily from the GNWT. If the funding arrangement were to change, management is of the opinion that the Authority operations would be significantly affected

28 Subsequent Events

On April 1, 2016 new legislation came into effect giving the Minister of Health and Social Services the authority to create a Territorial Health and Social Services Authority (THSSA). The Minister of HSS has announced that the effective date for the THSSA to commence operations is August 1, 2016. When the THSSA is created, six of the eight current Health and Social Authorities (HSSAs) become part of the THSSA and will no longer be separate legal authorities. Hay River Health and Social Services Authority (HRHSSA) and Tli Cho Community Services Agency (TCSA) will remain outside the THSSA; however, the legislation does include provisions to bring the HRHSSA into the THSSA at a later date. The THSSA will serve as a single integrated delivery system for NWT health and social service programs while recognizing that the TCSA retains a unique role through the provisions of the Tli Cho Agreement. Through the Chief Executive Officer, the THSSA will report to and take direction from the Chair of Health and Social Services Leadership Council that will be comprised of persons appointed in accordance with legislation. As a consequence, after August 1, 2016, the Authority will no longer exist as a separate legal entity.

29 Comparative Amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

30 Related Party Transactions

The Authority is related in terms of common ownership to all GNWT created departments, agencies, and corporations. The Authority enters into transactions with these entities in the normal course of business. The Authority is provided various administrative services by the GNWT, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage and internal audit services by the Department of Finance and compensation services provided by Department of Human Resources.

Due from related parties (net of allowance):

	2016	2015
GNWT - DHSS	\$ 132,020	\$ 573,745
GNWT - Financial Shared Services	385,467	105,454
Beaufort-Delta Health and Social Services Authority	18,778	9,329
Fort Smith Health and Social Services Authority	-	4,780
Hay River Health and Social Services Authority	17,164	54,287
Stanton Territorial Health Authority	13,695	39,076
Tlicho Community Services Agency	13,460	22,203
NWT Housing Corporation	1,338	4,463
	581,922	813,337

Due to related parties:

	2016	2015
GNWT - DHSS	\$ 267,161	\$ 65,663
GNWT - Department of Public Works and Services	1,319	204
GNWT - Petroleum Products Division	286	590
GNWT - Financial Management Board Secretariat	101,322	83,252
GNWT - Department of Education, Culture, and Employment	3,000	-
Beaufort-Delta Health and Social Services Authority	4,422	-
Hay River Health and Social Services Authority	552	-
Stanton Territorial Health Authority	134,916	239,200
Aurora College	-	600
NWT Power Corporation	1,649	484
Payroll Liabilities - GNWT - HR (Note 10)	7,343,544	5,469,838
Deferred Revenue - GNWT - DHSS (Note 11)	21,508	21,508
Contributions Repayable - GNWT - DHSS (Note 12)	-	52,238
	\$ 7,879,679	\$ 5,933,577

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.

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

31 Financial Instruments

The Authority is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risk from the Authority's financial instruments by type of risk is provided below:

(i) Credit risk

Credit risk is the risk of financial loss to the Authority if a debtor fails to make payments of interest and principal when due. The Authority is exposed to this risk relating to its cash, special purpose funds and accounts receivable.

The Authority holds its cash, special purpose funds in trust accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Authority's cash and special purpose funds deposits in trust accounts are insured up to \$300,000.

Accounts receivable are due from various governments, government agencies, corporations and individuals. Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection. Management has determined that a portion of accounts receivable are impaired based on specific identification as well as age of receivables. These amounts are as disclosed in Note 8.

The Authority's maximum exposure to credit risk is represented by the financial assets for a total of \$1,297,817 (2015 - \$1,962,438).

Concentration of credit risk

Concentration of credit risk is the risk that a customer(s) has a significant portion (more than ten percent) of the total accounts receivable balance and thus there is a higher risk to the Authority in the event of a default. The Authority does have concentration risk. At March 31, 2016, receivables from one customer comprised 37% of the total outstanding accounts receivables (2015 - 55%). The Authority reduces this risk by monitoring overdue balances.

The Authority also has concentration risk of credit risk as deposits are held in one Canadian chartered bank.

(ii) 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. All of the Authority's financial assets and financial liabilities at March 31, 2016 mature within the next six months. Total financial assets are \$2,929,422 (2015 - \$3,835,289) and financial liabilities are \$8,927,905 (2015 - \$7,077,587). The authority has disclosed future financial liabilities and commitments in Note 23.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures, and methods used to measure the risk.

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2016

32 Expenses by Object

For the year ended March 31	2016 (Unaudited) Budget	2016 Actual	2015 Actual
Compensation and Benefits			
Purchased services - fee for service	\$ 853,500	\$ 992,049	\$ 975,406
Purchased services - locums	700,000	2,058,453	2,634,966
Purchased services - management and operations	80,000	13,998	28,098
Purchased services - unit producing	74,000	257,536	325,748
S&W - management and operations	2,039,373	1,992,246	2,099,813
S&W - physicians	10,950,587	10,326,182	9,419,568
S&W - unit producing	16,909,093	20,588,613	18,291,335
	31,606,553	36,229,077	33,774,934
Operations and Maintenance			
Advertising and promotion	70,850	72,206	76,747
Contracted and general services	5,073,461	5,021,637	4,947,350
Doubtful accounts	-	14,699	(10,915)
Drugs and vaccines	315,250	435,453	419,491
Education	460,046	434,908	324,076
Foster care	2,199,400	2,026,526	2,194,953
General supplies	671,592	782,351	761,939
Insurance	233,384	226,603	142,562
Maintenance and biomedical supplies	22,200	19,136	24,530
Medical and surgical supplies	201,160	235,401	208,995
Minor capital	312,500	579,386	372,455
Non-capital renovations	65,000	53,269	21,842
Professional services	183,933	167,224	182,603
Rental / leases	777,544	701,201	660,287
Travel	613,308	751,106	729,190
Utilities	31,700	48,066	33,396
Vehicle operations / maintenance	90,100	84,317	97,899
Contributions	10,866,773	10,668,845	10,915,654
	22,188,201	22,322,334	22,103,054
Total Expenses	\$ 53,794,754	\$ 58,551,411	\$ 55,877,988

Yellowknife Health and Social Services Authority

Schedule of Contributions from the GNWT

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Contributions from the GNWT			
Department of Health and Social Services			
Core contribution			
Adult support services	\$ 859,000	\$ 964,000	\$ -
Authority administration	1,565,000	1,565,000	2,540,000
Community clinics and health centres	4,713,000	4,713,000	4,594,000
Community Mental health and addictions	2,335,000	2,335,000	175,000
Community wellness programs	1,640,000	1,640,000	1,325,000
Equipment < \$50,000	-	-	45,000
Family violence	825,000	825,000	825,000
Finance	389,000	389,000	-
Foster care	6,738,000	6,738,000	3,195,000
Homecare & support services	2,154,000	2,154,000	2,079,000
Human resources	105,000	105,000	-
Intervention services	-	-	1,003,000
Physician services to NWT residents	-	-	13,892,000
Prevention and promotion	-	-	35,000
Residential care - alcohol and drug programs	10,611,000	10,611,000	850,000
Residential care - adults	14,162,000	14,284,000	10,466,000
Residential care - children	1,452,000	1,452,000	1,452,000
Social service delivery	-	-	4,855,000
Systems support	1,269,000	1,202,050	-
	48,817,000	48,977,050	47,331,000
Other contributions			
Unallocated	-	(10,000)	-
Applied suicide intervention skills training	9,486	9,736	2,122
Safe harbour day shelter	95,000	95,000	115,000
Electronic medical records	48,098	48,098	42,334
Enhanced homecare	925,909	925,909	898,941
Grad social worker program	-	-	50,000
Healthy family collective kitchen project	-	28,392	18,287
Mental health first aid training	13,761	6,882	17,879
Respite services	250,000	250,000	250,000
Chief medical information officer	-	105,316	-
Healing Funding	-	10,000	-
Total Department of Health and Social Services	50,159,254	50,446,383	48,725,563
Unallocated	-	10,000	-
GNWT Finance - French Language	-	68,188	71,898
GNWT HR - REP Funding	-	9,095	20,583
GNWT HR - PEP Funding	-	35,325	19,910
Other	-	-	45,391
Total contributions from the GNWT	\$ 50,159,254	\$ 50,568,991	\$ 48,883,345

Yellowknife Health and Social Services Authority**SCHEDULE A-1****Schedule of Detailed Contribution Funding and Expenditure
Project 33 - T'licho Primary Physician Care**

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Funding			
Contribution	\$ 718,000	\$ 717,996	\$ -
Expenditures			
Purchased services - Locum Physicians	678,000	678,000	-
Administration - Physicians to or from T'licho	40,000	39,996	-
	718,000	717,996	-
Surplus	\$ -	\$ -	\$ -

See payroll scope limitation in the Independent Auditors' Report.

Yellowknife Health and Social Services Authority**SCHEDULE A-2****Schedule of Detailed Contribution Funding and Expenditure
Enhanced Home Care -3205-105**

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Funding			
DOH Contribution	\$ 925,909	\$ 925,909	\$ -
Expenditures			
Salaries and Benefits	831,387	831,387	-
Training	14,851	14,851	-
Groceries and Misc	26,111	26,111	-
Travel	20,000	20,000	-
Medical Surgical	33,560	33,560	-
	925,909	925,909	-
Surplus	\$ -	\$ -	\$ -

See payroll scope limitation in the Independent Auditors' Report.

**Schedule of Detailed Contribution Funding and Expenditure
Respite Care (HSS01-000000-2435)**

For the year ended March 31,	2016		2015
	(unaudited) Budget	Actual	Actual
Funding			
DOH Contribution	\$ 250,000	\$ 250,000	\$ 250,000
Expenditures			
YACL Respite - CSS, Early Interv, Respite Services	250,000	250,000	250,000
	\$ -	\$ -	\$ -

See payroll scope limitation in the Independent Auditors' Report.

Yellowknife Health and Social Services Authority

Schedule of Recoveries

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Recoveries from the GNWT			
Department of Health			
11012 Dental travel recoveries	\$ 40,000	\$ 50,933	\$ 40,893
11016 Fee for service	1,080,000	1,132,895	1,115,460
12200 DHSS	-	74,253	-
11064 Non residents reciprocal billing	695,000	732,482	769,502
11021 Admin fees	-	104,889	2,813
11018 Fort Smith HSSA - Genetic services	-	3,619	4,780
11018 Hay River HSSA - Anesthetic services	-	51,601	54,287
11018 T'l'icho Health Services Agency - Children in care	-	43,716	23,403
12100 Other	-	1,403	4,462
11018 Beaufort Delta HSSA - Children in care	-	37,237	9,329
11018 Ungava Tulahavik Health Centre	-	2,646	-
11018 Stanton THA - Clinical director	-	11,287	182,692
	1,815,000	2,246,961	2,207,621
	-	-	-
Recoveries directly from Third Parties			
11035 Revenue from Non Government entities	102,000	116,190	136,857
11050 WSCC	125,000	198,804	173,716
11070 Uninsured residents	-	34,379	28,929
11080 Insured residents self pay	-	(2,801)	4,211
11082 Non residents self pay	115,000	135,789	117,178
11602 Non-residents self pay	-	8,647	5,315
12010 Physician chargebacks	40,000	293,082	36,190
12031 Meals on wheels	2,500	2,900	1,080
12050 Drugs and vaccines	90,000	98,394	102,658
12060 Parking rentals	36,000	35,500	34,385
12070 Housing rental	35,000	49,335	36,213
12080 Other miscellaneous	15,000	(124,347)	623,068
12100 NWT Housing Corp	-	2,823	-
12220 Other recoveries	-	1,425	4,663
12320 Nunavut recoveries	440,000	586,280	466,884
12322 Compensation WSCC	-	20,362	1,481
	1,000,500	1,456,762	1,772,828
Total recoveries	\$ 2,815,500	\$ 3,703,723	\$ 3,980,449

Yellowknife Health and Social Services Authority
Schedule of Other Contributions

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Other contributions from Related Parties			
T'licho Health Services Agency	\$ 700,000	\$ 717,996	\$ 699,996
	-	-	-
Other contributions from Third Parties			
City of Yellowknife - Safe Harbour Day Shelter	50,000	50,000	50,000
Total Other Contributions	\$ 750,000	\$ 767,996	\$ 749,996

Yellowknife Health and Social Services Authority

Schedule of Other Income

For the year ended March 31,	2016		2015	
	(Unaudited) Budget	Actual	Actual	
Other Income from related parties				
Other	\$ -	\$ -	\$ -	-
Other Income from Third Parties				
11090 Other payment sources	-	200	-	-
14020 Bequests	-	150	-	300
17060 PDI Surplus	-	-	-	11,633
	-	350	-	11,933
Total Other Income	\$ -	\$ 350	\$ -	11,933

Yellowknife Health and Social Services Authority

Schedule of Expenses by Category

For the year ended March 31,	2016		2015
	(Unaudited) Budget	Actual	Actual
Compensation and Benefits			
GNWT			
Related Parties	\$ -	\$ -	\$ -
Third Parties	-	-	-
Compensation and benefits - third parties	31,606,553	36,229,077	33,774,934
Total compensation and benefits	31,606,553	36,229,077	33,774,934
Grants expenses			
GNWT			
Grants expenses - GNWT	-	-	-
Related Parties			
Grants expenses - related parties	-	-	-
Third Parties			
Grants expenses - third parties	-	-	-
Total grants expenses	-	-	-
Contributions expenses			
GNWT			
Contributions - GNWT	-	-	-
Related Parties			
Contributions - related parties	-	-	-
Third Parties			
Contributions - third parties	12,229,773	12,031,845	12,153,479
Total contributions expenses	12,229,773	12,031,845	12,153,479
Other expenses			
GNWT			
Other expenses - GNWT	-	-	-
Related parties			
Other expenses - related parties	-	-	-
Third parties			
Other expenses - third parties	9,958,428	10,290,489	9,949,575
Total other expenses	9,958,428	10,290,489	9,949,575
Total expenses	\$ 53,794,754	\$ 58,551,411	\$ 55,877,988

Yellowknife Health and Social Services Authority

Schedule of Reserves

For the Year Ended March 31, 2016

	Surplus / Deficit Reserve		Leave and Termination Benefits Reserve		Special Projects Reserve		Physician Reserve		Total Reserves	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Balance, beginning of the year	\$ -	\$ -	\$ 61,843	\$ 61,843	\$ 51,327	\$ 63,598	\$ 27,020	\$ -	\$ 140,190	\$ 125,441
Additions / reductions to/from reserves	-	-	-	-	151	(12,271)	-	27,020	151	14,749
Transfers between reserves	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Balance, end of the year	\$ -	\$ -	\$ 61,843	\$ 61,843	\$ 51,478	\$ 51,327	\$ 27,020	\$ 27,020	\$ 140,341	\$ 140,190